****

**STATE DEPARTMENT OF INTERNATIONAL TRADE**

**BRIEFS ON BILATERAL TRADE BETWEEN KENYA AND EUROPEAN COUNTRIES**

**JUNE 2021**

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# 1.0 KENYA’S TRADE RELATION WITH THE EUROPEAN CONTINENT.

## 1.1 Kenya-Europe Trade Overview.

Kenya has enjoyed a longstanding cordial association and trade relations with the European Communities, under the framework of the successive Lomé Conventions and the Cotonou Agreement.  The cooperation began in the 1960’s, prior to the Lomé Convention, and has been in the areas of, inter alia: development finance, trade, political, industrial development, energy, socio-cultural, regional cooperation development, agriculture and environment, with the objective to increase exports income, promote industrialization, and promote economic growth of developing countries.

To achieve these objectives, the European Union provided Kenya preferential market access for primary products, essentially agriculture and other Agro-based products, together with funds and other forms of assistance towards trade and private sector development. The preferences have been non-reciprocal and are in the form of lower tariffs and/or tariff exemption in value-added (manufactured) products and agricultural products, provided they pose no direct competition with the Community products and do not discriminate among EU member states in terms of tariffs charged on their imports to Kenya.

The arrangement has benefited Kenya, particularly in the areas of horticulture and fisheries, due to the production and supply capacity potentials, and other agricultural products like tea, coffee, and sugar.

Kenya’s exports to the EU are mainly agricultural commodities such as cut flowers, fruits and vegetables, which account for over 90% of total export value. Others are tea, coffee, fish and fisheries products, sugar, semi-processed tobacco, textile and clothing, coffee and handicrafts, among others. Though trade with the EU is heavily in its favor, it remains Kenya’s second largest market after EAC. The United Kingdom, Germany, the Netherlands and France are leading EU destinations of Kenyan exports.

The EU is Kenya’s major single source of imports, mainly industrial (finished) products such as motor vehicles and parts, aircrafts and associated equipment’s, medicaments, iron and steel products. Other include data processing instruments, rubber tyres and other articles of rubber and plastic, medical and veterinary instruments, motor machinery, telecommunication equipment, electrical and electronic goods, refrigeration equipment, food processing machinery, refrigeration equipment, paper and paperboard, farm chemicals, textiles and clothing, and hides and skins.

**2.0 KENYA-UK TRADE RELATIONS**

**2.1 Background Information**

The United Kingdom is an island nation in northwestern Europe. The United Kingdom comprises the whole of the island of Great Britain—which contains England, Wales, and Scotland—as well as the northern portion of the island of Ireland. The name Britain is sometimes used to refer to the United Kingdom as a whole.

The capital is London, which is among the world’s leading commercial, financial, and cultural centers. Other major cities include Birmingham, Liverpool, and Manchester in England, Belfast and Londonderry in Northern Ireland, Edinburgh and Glasgow in Scotland, and Swansea and Cardiff in Wales.

Its total area of 244,820 square kilometers (94,525 square miles) and a population of 66.02 million (2017) is shared by 4 main territories. The largest is England, with an area of 130,373 square kilometers (50,337 square miles). To the west of England is Wales, with 20,767 square kilometers (8,018 square miles), and to England's north is Scotland, with an area of 78,775 square kilometers (30,415 square miles). Northern Ireland occupies 14,120 square kilometers (5,452 square miles) on the island of Ireland. England, Wales, and Scotland are collectively and commonly known as Great Britain.

**2.2 Economic Overview**

The most important sectors of the UK’s economy in 2016 were wholesale and retail trade, transport, accommodation and food services (18.6 %), public administration, defence, education, human health and social work activities (18.2 %) and industry (13.0 %).

Intra-EU trade accounts for 47% of the United Kingdom’s exports (Germany 11%, France and the Netherlands and Ireland all 6%), while outside the EU 15% go to the United States and 5% to Switzerland.

In terms of imports, 51% come from EU Member States (Germany 14%, the Netherlands 7% and France 5%), while outside the EU 9% come from both the United States and China.

The economy of the United Kingdom is highly developed and market-oriented. It is the Sixth-largest national economy in the world measured by nominal gross domestic product (GDP), ninth-largest measured by purchasing power parity (PPP), and nineteenth-largest measured by GDP per capita, comprising 3.9% of world GDP. It is the second-largest economy in the European Union by both metrics.

GDP was 2.622 trillion USD (2017) and GDP per capita 39,720.44 USD.

In 2016, the UK was the tenth-largest goods exporter in the world and the fifth-largest goods importer. It also had the second-largest inward foreign direct investment, and the third-largest outward foreign direct investment. The UK is one of the most globalized economies, and it is composed of (in descending order of size) the economies of England, Scotland, Wales and Northern Ireland.

The economy of the UK today is overwhelmingly fueled by the strength of its services sector, which accounts for some 79% of the total GDP. The most significant services are banking, insurance, and business services.

The United Kingdom is the 10th largest export economy in the world. In 2016, the United Kingdom exported $404B and imported $625B, resulting in a negative trade balance of $220B. In 2016 the GDP of the United Kingdom was $2.62T and its GDP per capita was $42.6k.

The top exports of the United Kingdom are Cars ($40.6B), Packaged Medicaments ($21.6B), Gas Turbines ($19.3B), Gold ($15.6B) and Aircraft Parts ($15B), using the 1992 revision of the HS (Harmonized System) classification.

Its top imports are Gold ($57.9B), Cars ($45.6B), Packaged Medicaments ($18.8B), Gas Turbines ($17.4B) and Vehicle Parts ($15.6B).

The top export destinations of the United Kingdom are the United States ($61.6B), Germany ($43.8B), France ($26.5B), the Netherlands ($25.5B) and Ireland ($22.9B).

The top import origins are Germany ($94.1B), China ($55.7B), the United States ($55.3B), the Netherlands ($40B) and Belgium ($35.4B).

The United Kingdom borders Ireland by land and Belgium, Germany, Denmark, France, the Netherlands and Norway by sea. **(Source OEC)**

**2.3 Diplomatic Relations**

Kenya and the UK have historical relations dating back to the 19th century; Kenya achieved independence from the UK in 1963 and was thus a colony of the UK for 68 years.

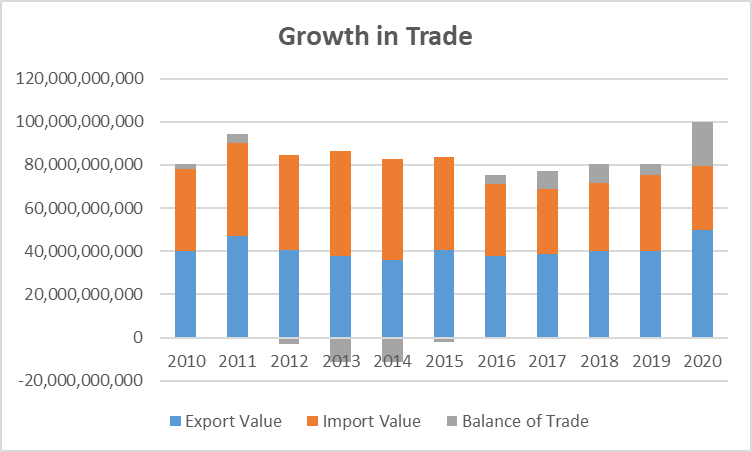
Kenya maintains a high commission in London while United Kingdom is represented by a high commission in Nairobi.

**2.4 Kenya’s Trade with The United Kingdom**

**Trend Analysis**

The statistics below shows the flow of trade in goods between the two countries for the past ten years.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 40,211,073,509 | 37,722,916,950 | 2,488,156,559 |
| 2011 | 47,109,868,389 | 43,160,279,793 | 3,949,588,596 |
| 2012 | 40,630,333,074 | 43,848,587,194 | -3,218,254,120 |
| 2013 | 37,612,522,085 | 49,020,082,176 | -11,407,560,091 |
| 2014 | 35,868,098,780 | 47,037,438,195 | -11,169,339,414 |
| 2015 | 40,668,295,527 | 42,969,967,673 | -2,301,672,146 |
| 2016 | 37,581,389,366 | 33,487,110,312 | 4,094,279,054 |
| 2017 | 38,552,665,762 | 30,050,216,715 | 8,502,449,047 |
| 2018 | 40,192,081,141 | 31,555,414,657 | 8,636,666,484 |
| 2019 | 40,082,296,753 | 35,265,901,989 | 4,816,394,764 |
| 2020 | 49,949,629,157 | 29,294,252,495 | 20,655,376,662 |
| **AVERAGE VALUES** | **40,379,348,028** | **37,567,690,923** | **2,811,657,105** |



***Source:*** ***Customs Department, Kenya Revenue Authority, brand.ke***

**Observations**

1. Kenya’s total exports to the UK were valued at approximately **KES49.95 Billion** in 2020, an increase from **KES 40.0 Billion** exported in 2019.
2. Kenya’s imports from UK were valued at **KES 29.3 Billion** in 2020, a decrease from **KES 35.3 Billion** in 2019.
3. Trade Balance between the two nations is positive.

**Kenya’s exports to the UK in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 902 | Tea, whether or not flavoured | 14,604,376,401 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 12,563,832,304 |
| 709 | Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ... | 6,857,418,966 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 3,772,301,913 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 2,750,687,345 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 1,336,401,609 |
| 9504 | Video game consoles and machines, articles for funfair, table or parlour games, incl. pintables, ... | 1,327,299,907 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 1,264,446,825 |
| 2614 | Titanium ores and concentrates | 1,218,215,900 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 811,989,426 |
| **Total** |  | **46,506,970,596** |

**UK’s Import to Kenya in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 3,167,046,788 |
| 2208 | Undenatured ethyl alcohol of an alcoholic strength of < 80%; spirits, liqueurs and other spirituous ... | 2,302,818,029 |
| 8703 | Motor cars and other motor vehicles principally designed for the transport of persons, incl. ... | 2,184,397,160 |
| 8701 | Tractors (other than tractors of heading 8709) | 2,174,248,029 |
| 4802 | Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, ... | 1,709,047,146 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 1,223,405,384 |
| 8502 | Electric generating sets and rotary converters | 822,466,140 |
| 6309 | Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ... | 567,121,544 |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 495,047,922 |
| **8481** | **Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, ...** | 447,089,981 |
| **Total** |  | **15,092,688,123** |

**Potential products for export to United Kingdom**

Other product lines with potential market into UK are animal and animal products. We need to address issues of SPS, standards and regulations restricting access of market by such products

2.5 Market Share

Several of our country’s products performed well over the past years. Kenya’s market shares of the UK market stood at 35 per cent for flowers; 28 per cent for fruit and vegetables; 56 per cent for tea and coffee at 7 per cent, among others. The Ministry’s work has been not to only to drive for more market penetration but also a good mix of customer care services in to order to protect this share of the market. In flowers, statistics indicate that substantial quantities of our roses with 7 out of every 10 roses in this market originating from Kenya. But the country does not only export roses but also a wide range of other varieties.

2.6 Investments

The UK continues to be by far the largest foreign investor in Kenya. British investments were estimated to be worth about Stg. £2.5 billion by the end of 2014. Over 210 British companies are represented and a number, such as GlaxoSmithKline, Unilever, Actis (formerly CDC Capital Partners) and De La Rue have invested in manufacturing/production plants. Barclays and Standard Chartered are among Kenya’s top banks. Price WaterHouseCoopers, KPMG, Deloitte and Touché and Ernst and Young maintain substantial presence in Kenya. Other British investments are in tea, horticulture, engineering, financial services, manufacturing, telecommunications and consultancy.

**2.7 Situation Analysis.**

**SWOT Analysis**

**Strengths**

* Advantageous Trading Position: has an established place in the global markets, holding good relations with both importers and exporters.
* Strong Tertiary Industry: has scores of well-educated individuals who provide value in tertiary, service-based industries.
* High Standard of Education: The existing educational standards are of a good quality, despite further education being relatively expensive.
* Plenty of FDI: The UK receives plenty of Foreign Direct Investment from other countries, compared to some European states.
* Political Stability: Like most More Economically Developed Countries, the United Kingdom has achieved seemingly national political stability.

**Weaknesses**

* Poor Transport: The UK is known for its poor transport systems, especially industrial ones. This is to some extent a result of a high population and lots of industry, but still acts a weakness.
* Suboptimal Innovation: Compared to the United States or some areas in Central Europe, the UK has a poor level of innovation, and trails other countries in creation and production processes.
* Significant Internal Wealth Disparity: The United Kingdom has a growing disparity in the affluence of its poorer and wealthier individuals.

**Opportunities**

* New Trade Partners: More lenient trade rules are springing up all over Europe which is good news for the UK, who might be able to find new trade partners.
* Riding Tech Waves: If the UK can create tech growth hubs similar to those across the United States, it might get a much fairer slice of the tech market.
* Migrant Education: The United Kingdom’s current population has a significant number of first-generation migrants, who often work in less skilled fields. With the next generation of very cosmopolitan Brits, the UK could build a much more intelligent population with good education.

**Threats**

* Brexit: The UK is due to leave the EU on 29th March 2019, two years after triggering the Article 50 of Lisbon Treaty. There are uncertainties with likely changed trade regime with the UK.
* Competition: Many of Europe’s nations are working hard to reach levels of development and wealth similar to those in the UK. When this happens, the UK will have to directly compete with other countries, especially in the services industries.
* Worker/Business Relocation: The United Kingdom’s almost overcrowded, expensive nature is not a positive for most individuals and businesses, who might move elsewhere in the hopes of finding lower overhead costs.
* Financial Crisis: Just like any other country, the UK has to consider the threat of a financial crisis, which could be triggered by events across the world (the end of China’s development boom, or a US recession).

**2.8 Problem Statement.**

Kenya has established a market niche for some of its leading products – tea, coffee, flowers, fruits and vegetables in the UK market although these export products lack diversification. Balance of trade is not heavily in favor of either country. From the trade analysis, there was a steady increase in the value of exports from 2008 to 2011, however since 2012 to 2017, in value terms exports to UK have been fluctuating with no stable growth trend. In contrast imports from the UK have been on the rise increasing sharply from 2008 to 2013 after which it began to fall considerably.

Most Kenyan exports to the UK are categorized as raw materials that fetch low export earnings whilst there is a high content of intermediate and capital goods in imports from the UK.

**Specific Issues of Concern**

* Escalations of tariffs for valued added products such as Coffee, Tea
* Export products mainly agricultural, affected by seasonality and poor husbandry, small fragmented land holdings, & subsistence farming.
* Knowledge gap in dealing with logistics for fresh and perishable produce earmarked for the UK market
* Need for training, sensitization and information dissemination to existing & potential exporters.
* Disjointed value chain experienced in most sectors. There is lack of seamless connectivity along product chain.
* Little investment in product value addition.
* Limited e-commerce competence among majority of producer groups. This challenge is locking out Kenyan from the e-commerce driven trade, which is increasing by the day because of internet driven expansion of opportunities for business-to-business and business-to-consumer e-commerce transactions across borders.
* Difficulty in generating quantities (supply side constraints) and qualities that meet expectations of the market demand side and inability to negotiate effectively with foreign buyers due to poor exposure
* Inadequate resources to develop required product standards and training of business people on the standards and appropriate business practice.

**2.9 Justification of the Strategy Formulation.**

Kenya is facing significant competition in the UK in its top ten export products with countries like Rwanda Ethiopia and Tanzania gradually increasing market share in the UK.

There is need to significantly identify and diversify which products Kenya has potential to possibly expand and face increased demand in UK market.

**2.10 Recommended Strategies**

* Engage competent Authorities in both countries to address issues of SPS and standards as well as escalation of tariffs on value added products destined for UK.
* Considering the Balance of Trade was in favorable of Kenya in 2017 there is need to diversify product range to take advantage of the existing market potential
* Integrate the SME exporters into the E-commerce platform to enable them exploit the opportunities in the UK market
* Address the supply side constraints by enhancing capacity through organized groups like cooperatives as well investing in superior technology.
* Utilize the e-trade portal for export products to promote linkage across the value chain. Integrate a system of registering new entrants and exits from the sectors to ensure the roster of producers and exporters remain current and authentic.

**2.11 Brexit and Way Forward**

The UK is due to leave the EU on 29th March 2019, two years after triggering the Article 50 of Lisbon Treaty. The outcome of Brexit referendum initiated the process that terminates the deep and special relationship between UK and EU.

Upon formal exit from the EU, the UK will no longer be bound to extend the EU preferential trade arrangement schemes (EU-GSP and EBA) to Kenya.

Considering the obligations of UK post-Brexit and ambiguity concerning whether it will continue to be party to the EPA post- Brexit by the virtue of having signed the EPA in its own individual capacity, Kenya is very keen to strengthen and build on existing and new bilateral relationships with UK to form part of transitional trade agreements. This will allow continued access to the UK market duty-free and quota-free after the UK exits the EU.

The UK will have many negotiating priorities during Brexit, and such transitional arrangements must bridge the gap to a more comprehensive and progressive trade agreement. In this regard, Kenya is very proactive in the process leading up to a likely changed trade regime with the UK and anticipates any challenges and opportunities.

Considering Kenya has a disproportionate dependence on the UK Market compared to other EU markets, it is very critical to have a new trading arrangement in place to form part of negotiations with UK with a possibility of rolling over such trade agreements post-Brexit.

In view of the above, Kenya should start discussions with UK and possibly come up with a concept paper to form basis of formal negotiations on new trading arrangement once UK formally exits EU.

**3.0 KENYA-NETHERLANDS TRADE RELATIONS.**

**3.1 Background Information.**

The Kingdom of Netherlands is a country in Europe, together with three island territories in the [Caribbean](https://en.wikipedia.org/wiki/Caribbean_Netherlands" \o "Caribbean Netherlands) ([Bonaire](https://en.wikipedia.org/wiki/Bonaire" \o "Bonaire), [Sint Eustatius](https://en.wikipedia.org/wiki/Sint_Eustatius" \o "Sint Eustatius) and [Saba](https://en.wikipedia.org/wiki/Saba" \o "Saba)), it forms the main [constituent country](https://en.wikipedia.org/wiki/Constituent_state" \o "Constituent state) of the [Kingdom of the Netherlands](https://en.wikipedia.org/wiki/Kingdom_of_the_Netherlands" \o "Kingdom of the Netherlands). The European portion of the Netherlands consists of [twelve provinces](https://en.wikipedia.org/wiki/Provinces_of_the_Netherlands" \o "Provinces of the Netherlands) and borders [Germany](https://en.wikipedia.org/wiki/Germany" \o "Germany) to the east, [Belgium](https://en.wikipedia.org/wiki/Belgium" \o "Belgium) to the south, and the [North Sea](https://en.wikipedia.org/wiki/North_Sea" \o "North Sea) to the northwest, sharing [maritime borders](https://en.wikipedia.org/wiki/Maritime_boundary" \o "Maritime boundary) in the North Sea with Belgium, the United Kingdom, and Germany

It has an estimated population of seventeen million making it the [most densely populated country in Europe](https://en.wikipedia.org/wiki/Area_and_population_of_European_countries" \o "Area and population of European countries) with a long history of social tolerance and generally regarded as a [liberal](https://en.wikipedia.org/wiki/Liberalism" \o "Liberalism) country. The Prime Minister is the head of the executive arm of the Dutch government; the current Dutch Prime Minister is [Mark Rutte](https://en.wikipedia.org/wiki/Mark_Rutte" \o "Mark Rutte). Amsterdam is the capital and largest city, *Dutch* is the official and most spoken language.

The Netherlands is a founding member of the [EU](https://en.wikipedia.org/wiki/European_Union" \o "European Union), [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone) and [WTO](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization) among others

**3.2 Economy**

The Netherlands has a market-based mixed economy, which depends heavily on foreign [trade](https://en.wikipedia.org/wiki/Trade" \o "Trade).

It is the world's second-largest exporter of food and agricultural products; this is partly due to the fertility of the soil and the mild climate as well as its highly developed [intensive agriculture](https://en.wikipedia.org/wiki/Intensive_farming" \o "Intensive farming).

The Netherlands has the [17th-largest economy in the world](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)" \o "List of countries by GDP (nominal)) with a Gdp of USD 826.2 million and a Gdp per capita of 48,223.16 USD (2017)

**Main Exports;** Machinery and transport equipment (28% of total exports), mineral fuels (23 %), food (11%), clothing and footwear (10 %) and pharmaceuticals (5 %).

**Main Imports**; Electrical machinery and equipment (15.2% of total imports),Mineral fuels including oil: (15.2%),Machinery including computers (13.1%),Vehicles(5.4%),Optical,technical,medicalapparatus(4.2%),Pharmaceuticals (4.1%),Organic chemicals: (2.9%),Plastics, plastic articles (2.8%),Iron, steel: (2%),Aluminum (1.5%)

**The Major trading partners** are Germany, Belgium, the United Kingdom, the United States, France, Italy, China and Russia.

**Industry:** industrial activity is predominantly in food processing, chemicals; petroleum refining, other major industries include metallurgy, high-tech financial services, electrical goods, creative sector and tourism.

Netherlands plays an important role as a European transportation hub, with Rotterdam as by far the biggest port in Europe and Amsterdam with one of the biggest airports in Europe.

**3.3 Diplomatic Relations.**

Kenyan–Dutch relations are bilateral in nature, estimated to go back to the 1970s. The Dutch government predicts that beyond 2020 relations between both countries will improve in a mutually beneficial economic partnership.

Kenya has an embassy at [The Hague](https://en.wikipedia.org/wiki/The_Hague" \o "The Hague). The Netherlands has an embassy in [Nairobi](https://en.wikipedia.org/wiki/Nairobi" \o "Nairobi).

The Netherlands was the fourth largest export destination for Kenyan goods in 2017 worldwide and the leading in Europe.

**3.4 Development Cooperation.**

By 2021 the Dutch government hopes to replace donor programs in Kenya with investment programs, this will enable private entities from the Netherlands to participate in investment and aid programs.

Key areas for Kenya and Dutch cooperation are:

* Support for the health sector
* Manufacturing
* Food security
* Housing and real estate

Kenya Airways operates direct flights to Amsterdam; KLM also operates direct flights to Nairobi.

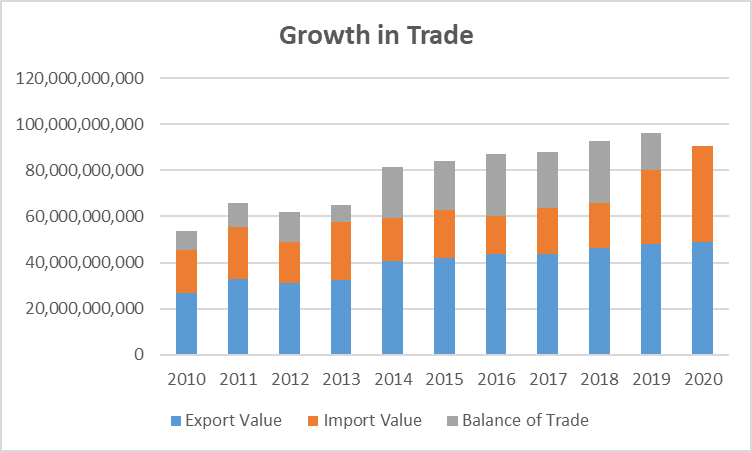
**3.5 Trade Analysis.**

The following statistics reflect the trade performance between the two countries for the past ten years:

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 26,868,353,687 | 18,463,433,078 | 8,404,920,609 |
| 2011 | 32,858,653,569 | 22,435,149,576 | 10,423,503,993 |
| 2012 | 31,055,808,756 | 17,634,824,587 | 13,420,984,169 |
| 2013 | 32,578,118,683 | 24,787,920,263 | 7,790,198,420 |
| 2014 | 40,614,034,413 | 18,791,867,529 | 21,822,166,884 |
| 2015 | 42,041,405,686 | 20,527,453,027 | 21,513,952,658 |
| 2016 | 43,492,322,278 | 16,510,415,960 | 26,981,906,318 |
| 2017 | 43,891,840,559 | 19,539,457,455 | 24,352,383,104 |
| 2018 | 46,365,164,597 | 19,364,094,314 | 27,001,070,283 |
| 2019 | 48,004,834,341 | 31,926,016,169 | 16,078,818,172 |
| 2020 | 48,742,957,362 | 41,892,937,645 | 6,850,019,71 |
| **AVERAGE VALUES** | **37,620,311,479** | **21,740,045,900** | **15,880,265,580** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) - brand.ke***



**Observations.**

1. Kenya’s total exports to Netherlands were valued at approximately **KES 4 8.7 Billion** in 2020, an increase from **KES 46.0 Billion** exported in 2019.
2. Kenya’s imports from Netherlands were valued at **KES 41.8 Billion** in 2020, an increase from **KES 31.9 Billion** in 2019.
3. Kenya posted a trade surplus despite a slight decrease from 2016 where the value stood at **KES 26.9 Billion** compared to **KES24.3** **Billion** in 2017.

**Top Ten Exports**

Below is a table showing Kenya’s top ten exports to Netherlands in 2020.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 27,888,633,169 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 4,098,647,121 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 3,308,259,452 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 2,972,531,623 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 1,460,578,685 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 1,309,857,545 |
| 2614 | Titanium ores and concentrates | 1,306,481,936 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 1,118,212,971 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 861,621,892 |
| 802 | Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts ... | 717,856,470 |
| **Total** |  | **45,042,680,864** |

**Top Ten Imports.**

Below is a table showing Kenya’s top ten imports from Netherlands in 2020

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 26,342,072,758 |
| 3907 | Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, ... | 1,390,831,089 |
| 8517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 1,213,628,292 |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 821,252,489 |
| 402 | Milk and cream, concentrated or containing added sugar or other sweetening matter | 623,537,966 |
| 8537 | Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus ... | 477,039,498 |
| 3006 | Pharmaceutical preparations and products of subheadings 3006.10.10 to 3006.60.90 | 456,603,106 |
| 4021 |  | 455,045,042 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 445,997,790 |
| 8438 | Machinery, not specified or included elsewhere in this chapter, for the industrial preparation ... | 387,535,767 |
| **Total** |  | **32,613,543,796** |

**Potential Export Products.**

Potential exports products to Netherlands include, meat and meat products, dairy/milk products, textiles, iron and steel, sesame seeds, essential oils among others.

**3.6 Swot Analysis of Kenya With Regard To Netherlands Market**

The SWOT analysis looks at the strength, opportunities and threats of Kenya as it tackles the Netherlands market

**Strengths**

* Favourable business environment- ranking 28th worldwide in the World Bank’s Ease of Doing Business Index.
* Consumer and business confidence at a 9-year high
* Key trade hub in Europe
* Among the largest exporters of crude oil in the world, and the second- largest producer and exporter of natural gas in Europe
* High current account surplus
* Sound (and improving) public finances
* An Important European transportation hub.

**Weaknesses**

* High indebtedness of Dutch households
* Housing sector remains volatile
* High correlation with Eurozone economic cycle
* Political fragmentation: nearly half of the 28 parties in the 2017 election race were created less than three years ago

**Opportunities**

* Netherlands has a high GDP of USD 826,146 million and a highly developed economy

* Netherlands has a well-developed financial system and infrastructure that supports business and financial transactions

* Has a growing economy

* Lots of people with different cultures live in the Netherlands.

**Threats**

* Brexit could have a high economic and political effect-The Netherlands is the European country most sensitive to a “Brexit effect”. It is highly exposed to the British economy through trade in goods and FDI flows. 12% of the UK’s outward investment flows to the Netherlands, while the UK receives in turn 17% of total FDI
* Netherlands is the world's second-largest exporter of food and agricultural products.
* Has a highly developed intensive agricultural sector.
* Kenya’s inability to investment in product value addition.

**3.7 Problem Statement.**

Netherlands have a prosperous and open economy, which depends heavily on foreign trade.

Over the years Kenya’s exports to Netherlands consisted mainly of low value unprocessed products and narrow product base as compared to Netherlands’ top imports from the World.

Imports statistics on the other hand indicated that products imported into Kenya were mainly high value manufactured and finished products. Germany s’ major trading partners are United States, France, China. These are far much developed and larger economies than Kenya.

Therefore, Kenya has to use a strategy that tackles capturing the German market as well as more developed Countries.

**3.8 Justification of the Strategy Formulation.**

Netherlands is one of the country’s’ were Kenya enjoys a trade surplus. The export of fresh produce keeps growing in popularity and Kenya is known for growing and exporting high quality fresh produce. Horticultural crops, which include flowers, vegetables and fruits, form the major export products to Netherlands, however there is still potential to increase and diversify the value of the export products to Netherlands.

**3.9 Recommended Strategies**

* Need to diversify export products and increase our trade volumes to Netherlands. There is potential market for Kenyan products such as iron and steel, textiles among others.
* Undertake a new market survey with a view to sustaining the already existing market while at the same time introducing a new range of exportable products.
* Exchange of information on trade, and investment which can be disseminated to the business community in both countries. This would include market access requirements for potential products, consumer preference, packaging & labelling requirements and sustainable distribution among others.
* Encourage collaboration between trade and investment promotion Organization in both countries
* Annual participation in International Trade fair including trade fairs & exhibitions in Netherlands to showcase Kenyan products.
* Encourage interaction between the business community in Kenya and Netherlands, in addition to cooperation between trades supports Organization in the two countries.

**4.0 TRADE RELATION BETWEEN KENYA AND GERMANY**

**4.1 Background Information**

The Federal Republic of Germany is a sovereign state, located in central Europe covers an area of 357,021 square kilometers (137,847 sq. mi) making it the seventh largest country in Europe.

With about 82 million inhabitants, Germany is the most populous member state of the European Union. The capital city and largest metropolis is Berlin.

The current head of state is President is Frank-Walter Steinmeier. The Official language is German

**4.2 Economic overview**

Germany has a social market economy with a highly skilled labor force, a large capital stock, low level of corruption, and a high level of innovation. It is the world's third largest exporter of goods and has the largest national economy in Europe which is also the world's fourth largest by nominal GDP and the fifth one by PPP.

The country’s GDP stands at EUR 3,129 billion and a Gdp per capita EUR 37, 817 in 2017. The service sector contributes around 70% of the total GDP, industry 29.1%, and agriculture 0.9%. Exports account for 41% of national output

Germany is rich in timber, potash, salt, uranium, nickel, copper and natural gas.

Being home to the modern car, the automotive industry in Germany is regarded as one of the most competitive and innovative in the world and is the fourth largest by production.

Germany is also the world's top location for trade fairs. Around two thirds of the world's leading trade fairs take place in Germany

**Major trading Partners:** United States, France, China, United Kingdom Netherlands Italy Austria, Poland, Switzerland Belgium.

**Main Exports**: Vehicles (17.8%), Machinery including computers (17%), Electrical machinery, equipment (10.3%), Pharmaceuticals (5.8%)Optical, technical, medical apparatus (5%), Plastics, plastic articles: $63.6 billion (4.4%), Aircraft, spacecraft (2.9%), Articles of iron or steel: billion (2.1%), Mineral fuels including oil: (1.9%), Iron and steel: (1.8%)

**Main Imports:** Machinery including computers (12.7%), Electrical machinery, equipment: (12.5%), Vehicles (10.5%), Mineral fuels including oil (8.2%), Pharmaceuticals (4.6%), Plastics, plastic articles (3.8%), Optical, technical, medical apparatus (3.4%)Organic chemicals (2.9%), Iron and steel (2.5%), Articles of iron or steel (2%).

**4.3 Diplomatic Relations.**

An embassy in Nairobi and a consulate in Mombasa represent Germany. Kenya has two representations in Germany; these representations include an embassy in Berlin and a consulate in Hamburg.

**4.4 Development Cooperation.**

Kenya is an important partner country of German development cooperation since 1961. A total of 1.7 billion Euros has been made available for bilateral Development Cooperation. During the government negotiations held in 2016 another 252.35 million Euros was committed as new funding for the period 2017-2018.

The following priority areas of development cooperation have been agreed with the Kenyan government:

1. Health sector, the German government supports primarily the development of a health insurance system; the focus is on improving the access to quality health services for the poor and for disadvantaged Groups.
2. Youth Employment ant TVET is a new area of cooperation, the objective being to boost youth employment by offering industry-oriented technical and vocational training in close cooperation with the private sector.
3. Water and sanitation sector Kenyan-German development cooperation focuses on three areas: policy and regulation, improvement of urban water and sanitation services, and water resources Management.

Other areas of cooperation are: Good Governance, reliable energy supply and agriculture and rural development.

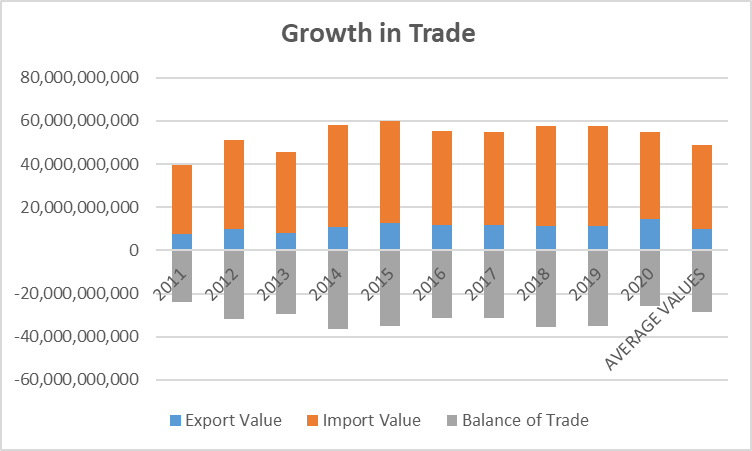
**4.5 Trade Analysis.**

Below is a table showing the trends in trade between Kenya and Germany between 2010 and 2020.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 7,714,729,572 | 26,387,366,942 | -18,672,637,370 |
| 2011 | 7,747,165,019 | 31,871,601,406 | -24,124,436,387 |
| 2012 | 9,770,926,702 | 41,474,174,325 | -31,703,247,623 |
| 2013 | 8,244,061,747 | 37,487,554,787 | -29,243,493,040 |
| 2014 | 10,786,176,488 | 47,408,592,187 | -36,622,415,699 |
| 2015 | 12,507,594,087 | 47,380,775,350 | -34,873,181,263 |
| 2016 | 11,864,486,512 | 43,353,114,210 | -31,488,627,698 |
| 2017 | 11,740,910,277 | 42,988,803,888 | -31,247,893,611 |
| 2018 | 11,160,430,621 | 46,599,224,465 | -35,438,793,844 |
| 2019 | 11,306,151,973 | 46,439,143,048 | -35,132,991,075 |
| 2020 | 14,535,266,963 | 40,232,685,783 | -25,697,418,820 |
| **AVERAGE VALUES** | **10,068,485,262** | **38,564,215,566** | **-28,495,730,304** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) - brand.ke***



**Observations**

1. Kenya’s total exports to Germany were valued at approximately **KES14.5 Billion** in 2020, an increase from **KES 11.3 Million** exported in 2019.
2. Kenya’s imports from Germany were valued at **KES 42.2 Billion** in 2020, a decreace from **KES46.4 Billion** in 2019.
3. Trade Balance between the two nations has always been in favour of Germany.

**Kenya’s Top Ten Exports to Germany in 2020**.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 3,718,090,925 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 3,164,571,393 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 1,602,803,434 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 1,261,137,224 |
| 802 | Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts ... | 1,238,547,329 |
| 2005 | Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen ... | 885,534,203 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 703,811,030 |
| 2614 | Titanium ores and concentrates | 238,379,320 |
| 902 | Tea, whether or not flavoured | 231,270,475 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 215,586,965 |
| **Total** |  | **13,259,732,297** |

**Germany’s Top Ten Imports to Kenya in 2020.**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 5,096,261,502 |
| 1001 | Wheat and meslin | 4,957,389,520 |
| 8703 | Motor cars and other motor vehicles principally designed for the transport of persons, incl. ... | 2,125,755,471 |
| 8701 | Tractors (other than tractors of heading 8709) | 1,518,978,305 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 1,196,915,174 |
| 8414 | Air or vacuum pumps (excluding gas compound elevators and pneumatic elevators and conveyors); ... | 929,599,167 |
| 3822 | Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents ... | 804,700,559 |
| 8474 | Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading ... | 748,474,724 |
| 8421 | Centrifuges, incl. centrifugal dryers (excluding those for isotope separation); filtering or ... | 739,084,305 |
| 8422 | Dishwashing machines; machinery for cleaning or drying bottles or other containers; machinery ... | 700,795,686 |
| **Total** |  | **18,817,954,415** |

**Potential Export Products:** Apparel, meat and edible meat offal, edible vegetables, edible fruits, dairy produce and essential oils.

**4.6 Swot Analysis of Kenya with Regard To the German Market**

The SWOT analysis looks at the strength, opportunities and threats of Kenya as it tackles the German Market.

**Strengths**

* Has a strong sense of regional pride for its reputation of being industrious, thrifty and orderly?
* Very innovative and competitive market-very advanced in technology and responsible for 80%of German innovations.
* Efficient and educated workforce with a 99%literacy rate.
* Pays attention to consumer patterns-Boasts of product quality and avoids discount and sale approach.

**Weaknesses**

* High tax rates-Profits generated in Germany can be subject to corporate tax, solidarity surcharge and trade tax.
* Slow negotiations-

**Opportunities**

* World's top location for trade fairs, around two thirds of the world's leading trade fairs take place in Germany
* Germany has a high GDP of EUR billion 3,129 and an expanding middle class.
* Increasing consumer Consumption due to its growing population.
* Germany is Key to successful entry into the European Market.

**Threats**

* Mature Market- Exports account for 41% of national output.
* High level of competition- has a social market economy with a highly skilled labour force.
* Decision making is a slow, detailed process-To enforce a contract in Germany it requires typically 30 different procedures and 394 days.

**4.7 Problem Statement.**

Germany has an economy driven by market forces, a stable political milieu, skilled labor force, an expanding middle class, and an attractive tax regime with a population of approximately 82 million inhabitants. From the above trade analysis, it is evident that Kenya’s exports to Germany consisted mainly of low value unprocessed products and narrow product base.

Imports statistics on the other hand indicated that products imported into Kenya were mainly high value manufactured and finished products. Germany s’ major trading partners are United States, France, China. These are far much developed and larger economies than Kenya.

Therefore, Kenya has to use a strategy that tackles capturing the German market as well as more developed Countries.

**4.8 Justification of the Strategy Formulation.**

Trade volumes between the two nations have grown in volumes over the past ten years. Kenya’s export basket has remained relatively narrow comprising mainly of primary products which fetch low export earnings and are vulnerable to price fluctuations in the world market.

There is need to increase trade and endeavor to reduce the trade imbalance that exist between Kenya and Germany which is in favour of Germany by diversifying our export product base.

4.9 Recommended Strategies.

* Need to diversify export products to Germany
* There is need for value addition in export products.
* Create awareness on the EU Sanitary and phyto-sanitary standards and other technical barriers to trade that need to be conformed to in order for our produce to penetrate the German market.
* Take advantage of Germany Annual participation in International Trade fair including trade fairs & exhibitions in Germany to showcase Kenyan products.
* Encourage interaction between the business community in Kenya and Germany, in addition to cooperation between trades supports Organization in the two countries.

# 5.0 TRADE RELATIONS BETWEEN KENYA AND FRANCE

## 5.1 Background Information

The French Republic is a [country](https://en.wikipedia.org/wiki/Country" \o "Country) whose territory consists of [metropolitan France](https://en.wikipedia.org/wiki/Metropolitan_France" \o "Metropolitan France) in [Western Europe](https://en.wikipedia.org/wiki/Western_Europe" \o "Western Europe), as well as [several overseas regions and territories](https://en.wikipedia.org/wiki/Overseas_France" \o "Overseas France). The metropolitan area of France extends from the [Mediterranean Sea](https://en.wikipedia.org/wiki/Mediterranean_Sea" \o "Mediterranean Sea) to the [English Channel](https://en.wikipedia.org/wiki/English_Channel" \o "English Channel) and the [North Sea](https://en.wikipedia.org/wiki/North_Sea" \o "North Sea), and from the [Rhine](https://en.wikipedia.org/wiki/Rhine" \o "Rhine) to the [Atlantic Ocean](https://en.wikipedia.org/wiki/Atlantic_Ocean" \o "Atlantic Ocean). France is a [unitary](https://en.wikipedia.org/wiki/Unitary_state" \o "Unitary state) [semi-presidential](https://en.wikipedia.org/wiki/Semi-presidential_system" \o "Semi-presidential system) [republic](https://en.wikipedia.org/wiki/Republic" \o "Republic) with its [capital](https://en.wikipedia.org/wiki/Capital_city" \o "Capital city) in [Paris](https://en.wikipedia.org/wiki/Paris" \o "Paris), the country's largest city and main cultural and commercial center.

France is globally considered a [great power](https://en.wikipedia.org/wiki/Great_power" \o "Great power) and a [member of the European Union](https://en.wikipedia.org/wiki/Member_state_of_the_European_Union" \o "Member state of the European Union), [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone), NATO, [Organization for Economic Co-operation and Development](https://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development" \o "Organisation for Economic Co-operation and Development) (OECD), the [World Trade Organization](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization) (WTO) among other international organizations.

## 5.2 Economic Overview.

France has the world's [5th largest](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)" \o "List of countries by GDP (nominal)) economy by 2017 nominal figures and the [10th largest](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)" \o "List of countries by GDP (PPP)) economy by [PPP](https://en.wikipedia.org/wiki/Purchasing_Power_Parity" \o "Purchasing Power Parity) figures. It has the [2nd largest economy](https://en.wikipedia.org/wiki/List_of_sovereign_states_in_Europe_by_GDP_(nominal)" \o "List of sovereign states in Europe by GDP (nominal)) in the European Union after Germany.

The [chemical industry](https://en.wikipedia.org/wiki/Chemical_industry" \o "Chemical industry) is a key sector for France, helping to develop other manufacturing activities and contributing to economic growth. [France's tourism industry](https://en.wikipedia.org/wiki/Tourism_in_France" \o "Tourism in France) is a major component of the economy, as France is the most visited destination in the world. [Paris](https://en.wikipedia.org/wiki/Paris" \o "Paris) is ranked as the most elegant city in the world, propels the agglomeration of [fashion industry](https://en.wikipedia.org/wiki/Fashion_industry" \o "Fashion industry).

**Key Economic Indicators.**

GDP: USD 2,584,305 million

GDP per Capita: USD 38,578.

**Major trading Partners**: Germany, Spain, Italy, United States, Belgium, United Kingdom, China, Netherlands, Switzerland, Poland.

Top exports

**Top Exports**: Machinery including computers (11.6% of total exports), Aircraft, spacecraft (9.9%), Vehicles: (9.7%), Electrical machinery and equipment (8%), Pharmaceuticals (6%), Plastics and plastic articles (4.1%), Beverages, spirits, vinegar (3.5%), Perfumes, cosmetics (3.4%), Optical and technical medical apparatus (3%), Iron and steel (2.8%).

**Top Imports**: Machinery including computers (13.4% of total imports), Vehicles (10.6%), Mineral fuels (9.7%), Electrical machinery and equipment (9%), Aircraft and spacecraft (4%), Plastics and plastic articles: $24.1 billion (3.9%), Pharmaceuticals (3.8%), Optical, technical, medical apparatus (3.1%), Organic chemicals: (2.6%), Iron and steel (2%).

## 5.3 Diplomatic Relations.

The relations between the two countries are bilateral; France recognizes that Kenya plays a key role in regional stability. Kenya is represented in France through its embassy in [Paris](https://en.wikipedia.org/wiki/Paris" \o "Paris). The Kenyan Embassy in Paris, was opened in 1966.Additionally, France maintains an embassy in [Nairobi](https://en.wikipedia.org/wiki/Nairobi" \o "Nairobi). The embassy is also accredited to Portugal, Serbia and the Vatican.

## 5.4 Development Cooperation/Investments in Kenya.

Kenya and France have signed multiple agreements on cooperation.

Some of the notable French firms in Kenya include: Lafarge, Bolloré Africa, AGS, Air France Cargo, SDV Transami, L'Oréal, Pernod-Ricard, Alstom and those with regional headquarters in Nairobi, Kenya include: Danone, Alcatel, Alstom Grid, Sanofi, Veritas, Ceva Animal Health, Thales, Michelin, Sagem and Egis group.

Nairobi is the regional headquarters for 20 countries for some of these firms.

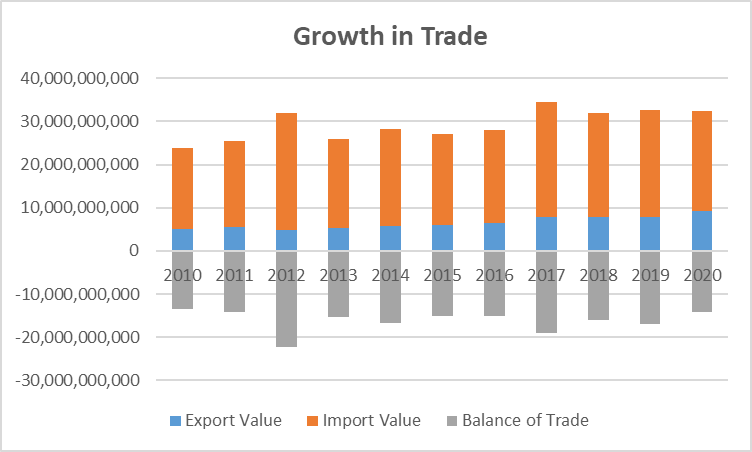
## 5.5 Trade Analysis.

Below is a table showing the trade analysis between Kenya and France for the last ten years

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 5,093,343,218 | 18,650,299,196 | -13,556,955,978 |
| 2011 | 5,603,818,152 | 19,852,246,567 | -14,248,428,415 |
| 2012 | 4,914,605,753 | 27,080,510,674 | -22,165,904,921 |
| 2013 | 5,379,243,785 | 20,666,317,937 | -15,287,074,152 |
| 2014 | 5,689,030,435 | 22,446,883,911 | -16,757,853,475 |
| 2015 | 6,074,115,754 | 21,066,363,584 | -14,992,247,830 |
| 2016 | 6,412,097,565 | 21,534,183,410 | -15,122,085,844 |
| 2017 | 7,773,275,650 | 26,834,777,468 | -19,061,501,818 |
| 2018 | 7,924,762,436 | 23,929,493,933 | -16,004,731,497 |
| 2019 | 7,864,370,708 | 24,690,983,487 | -16,826,612,779 |
| 2020 | 9,165,215,294 | 23,293,654,146 | -14,128,438,852 |
| **AVERAGE VALUES** | **6,229,853,930** | **21,719,097,252** | **-15,489,243,322** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) - brand.ke***



**Observations**

Kenya’s **total exports** to France were valued at approximately **KES 9.1 Billion** in 2020, an increase from **KES 7.8 Billion** exported in 2019.

Kenya’s **total imports** from France were valued at **KES 23.2 Billion** in 2020, a slight increase from **KES 23.9 Billion** in 2019.

**Trade Balance** between the two nations has always been in favor of France over the past ten years.

**Top Ten Export Products.**

Below is a table showing Kenya’s top ten export to France for the year 2020.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
|  |  |  |
| 2005 | Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen ... | 2,302,114,363 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 1,941,528,074 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 1,493,578,671 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 656,816,538 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 494,001,953 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 473,175,354 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 344,902,716 |
| 709 | Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ... | 329,879,297 |
| 1209 | Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, ... | 158,719,749 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 154,389,054 |
| **Total** |  | **8,349,105,770** |

**Top Ten Imports.**

Below is a table showing Kenya’s top ten imports from France in 2020.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
|  |  |  |
| 2106 | Food preparations, n.e.s. | 3,822,269,535 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 2,317,022,268 |
| 3811 | Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive ... | 2,013,091,105 |
| 8428 | Lifting, handling, loading or unloading machinery, e.g. lifts, escalators, conveyors, teleferics ... | 1,561,670,685 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 1,450,363,788 |
| 3002 | Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera ... | 1,256,004,229 |
| 7310 | Tanks, casks, drums, cans, boxes and similar containers, of iron or steel, for any material ... | 602,223,903 |
| 3907 | Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, ... | 525,810,773 |
| 8517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 469,608,100 |
| 8523 | Discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the ... | 453,874,745 |
| **Total** |  | **14,471,939,131** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) - brand.ke*.**

Potential exports products to France include: animal and animal products, dairy/milk products, horticultural products textiles, iron and steel, seeds, essential oils among others.

## 5.6 SWOT Analysis of Kenya With Regard To France Market

The SWOT analysis looks at the strength, opportunities and threats of Kenya as it tackles the France market

**Strengths**

* centrally located within the European Union.
* High-quality infrastructure and public services
* Skilled and productive workforce, dynamic demographics
* Powerful tourism industry
* Competitive international groups (aerospace, energy, environment, pharmaceuticals, luxury goods, agrifood, retail)
* Global agricultural leader
* High level of savings

**Weaknesses**

* Insufficient number of exporting companies, loss of competitiveness and market share
* Weakening level of product sophistication, insufficient focus on innovation
* Low employment rate among younger and older workers
* Room for improvement in public spending
* High level of public debt, private debt on upward trend

**Opportunities**

* France has a high GDP of USD 2.58 Million and one of the world's  [largest](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)" \o "List of countries by GDP (nominal)) economy by 2021
* Maintains a strong manufacturing sector that Kenya can take advantage of and learn from with regard to the ‘big four’ agenda on manufacturing.
* Trade is significant for the French economy.
* Financial sector remains under relatively strong state influence
* French economy is diversified.
* The country ranked 31st in ease of doing business report

**Threats**

* Complex and rigid labour laws
* France is the world's sixth largest agricultural producer

## 5.7 Problem Statement.

Kenya’s export products to France over the year have remained unchanged. Balance of trade is heavily in favor of France. From the trade analysis, from 2008-2010 there was an increase in the value of exports after which there was a drop in trade volumes in 2011 and 2012, however from 2013 to 2017, in value terms exports to France steadily increased which shows there is potential to export more

Most Kenyan exports to the French nation are categorized as raw materials compared to high content of intermediate and capital goods that Kenya imports from the France.

## 5.8 Justification of the Strategy Formulation.

Trade volumes between the two nations have grown in volumes over the past ten years. Kenya’s export basket has remained relatively narrow comprising mainly of primary products which fetch low export earnings and are vulnerable to price fluctuations in the world market.

There is need to increase trade especially exports to France in order to bridge the trade imbalance that exist between Kenya and France which is largely in favour of France by diversifying our export product base.

## 5.9 Recommended Strategies

* Need to diversify export products to France. There is potential market for Kenyan products such as iron and steel, textiles among others.
* Undertake a market survey with a view to sustaining the already existing market while at the same time introducing a new range of exportable products.
* Exchange of information on trade, and investment which can be disseminated to the business community in both countries. This would include market access requirements for potential products, consumer preference, packaging & labeling requirements and sustainable distribution among others.
* Annual participation in International Trade fair including trade fairs & exhibitions in France to showcase Kenyan products.

**6.0 KENYA-TURKEY TRADE RELATIONS**

**6.1Background Information**

Officially the Republic of Turkey, is a [transcontinental](https://en.wikipedia.org/wiki/List_of_transcontinental_countries" \o "List of transcontinental countries) country in [Eurasia](https://en.wikipedia.org/wiki/Eurasia" \o "Eurasia), mainly in [Anatolia](https://en.wikipedia.org/wiki/Anatolia" \o "Anatolia) in [Western Asia](https://en.wikipedia.org/wiki/Western_Asia" \o "Western Asia), with a [smaller portion](https://en.wikipedia.org/wiki/East_Thrace" \o "East Thrace) on the [Balkan peninsula](https://en.wikipedia.org/wiki/Balkans" \o "Balkans) in [Southeast Europe](https://en.wikipedia.org/wiki/Southeast_Europe" \o "Southeast Europe). Turkey is bordered by eight countries with [Greece](https://en.wikipedia.org/wiki/Greece" \o "Greece) and [Bulgaria](https://en.wikipedia.org/wiki/Bulgaria" \o "Bulgaria) to the northwest; [Georgia](https://en.wikipedia.org/wiki/Georgia_(country)" \o "Georgia (country)) to the northeast; [Armenia](https://en.wikipedia.org/wiki/Armenia" \o "Armenia), the [Azerbaijan](https://en.wikipedia.org/wiki/Azerbaijan" \o "Azerbaijan) and [Iran](https://en.wikipedia.org/wiki/Iran" \o "Iran) to the east; and [Iraq](https://en.wikipedia.org/wiki/Iraq" \o "Iraq) and [Syria](https://en.wikipedia.org/wiki/Syria" \o "Syria) to the south.

Turkey is a charter member of the [UN](https://en.wikipedia.org/wiki/United_Nations" \o "United Nations), an early member of [NATO](https://en.wikipedia.org/wiki/NATO" \o "NATO), the [IMF](https://en.wikipedia.org/wiki/International_Monetary_Fund" \o "International Monetary Fund) and the [World Bank](https://en.wikipedia.org/wiki/World_Bank" \o "World Bank), and a founding member of the [OECD](https://en.wikipedia.org/wiki/Organization_for_Economic_Co-operation_and_Development" \o "Organization for Economic Co-operation and Development), [OSCE](https://en.wikipedia.org/wiki/Organization_for_Security_and_Co-operation_in_Europe" \o "Organization for Security and Co-operation in Europe), [BSEC](https://en.wikipedia.org/wiki/Organization_of_the_Black_Sea_Economic_Cooperation" \o "Organization of the Black Sea Economic Cooperation), [OIC](https://en.wikipedia.org/wiki/Organisation_of_Islamic_Cooperation" \o "Organisation of Islamic Cooperation) and [G-20](https://en.wikipedia.org/wiki/G20" \o "G20) among other international organizations

Turkey's economy and diplomatic initiatives led to its recognition as a [regional power](https://en.wikipedia.org/wiki/Regional_power" \o "Regional power) while its location has given it geopolitical and strategic importance throughout history. Turkey is a [secular](https://en.wikipedia.org/wiki/Secular_state" \o "Secular state), [unitary](https://en.wikipedia.org/wiki/Unitary_state" \o "Unitary state), [parliamentary republic](https://en.wikipedia.org/wiki/Parliamentary_republic" \o "Parliamentary republic); slated to transition to a presidential system in 2019, following a [2017 referendum](https://en.wikipedia.org/wiki/Turkish_constitutional_referendum,_2017" \o "Turkish constitutional referendum, 2017). However, Turkey's current administration headed by President Recep Tayyip Erdoğan of has enacted measures to increase the influence of [Islam](https://en.wikipedia.org/wiki/Islam" \o "Islam), reversed and undermined [Kemalist](https://en.wikipedia.org/wiki/Kemalism" \o "Kemalism) policies, and has reversed earlier reforms such as [freedom of the press](https://en.wikipedia.org/wiki/Freedom_of_the_press" \o "Freedom of the press).

**6.2 Economic Overview**

Turkey has the world's [13th largest GDP by PPP](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)" \o "List of countries by GDP (PPP)) and [17th largest nominal GDP](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)" \o "List of countries by GDP (nominal)). The [EU – Turkey Customs Union](https://en.wikipedia.org/wiki/European_Union_%E2%80%93_Turkey_Customs_Union" \o "European Union – Turkey Customs Union) in 1995 led to an extensive liberalization of tariff rates, and forms one of the most important pillars of Turkey's foreign trade policy.

Turkey has a sizeable [automotive industry](https://en.wikipedia.org/wiki/Automotive_industry_in_Turkey" \o "Automotive industry in Turkey), ranking as the [14th largest producer in the world](https://en.wikipedia.org/wiki/List_of_countries_by_motor_vehicle_production" \o "List of countries by motor vehicle production).

Key sectors of the Turkish economy are banking, construction, home appliances, electronics, textiles, oil refining, petrochemical products, food, mining, iron and steel, and [machine industry](https://en.wikipedia.org/wiki/Machine_industry" \o "Machine industry).

**Major trading Partners**: China, Germany, Russia, United States, Italy, France, Iran, Switzerland, South Korea, United Kingdom.

**Major exports:** Vehicles, Machinery including computers, Gems and precious metals, Knit or crochet clothing, accessories, Iron and steel, Electrical machinery, equipment, Clothing and accessories (not knit or crochet), Articles of iron or steel, Plastics, plastic articles and Mineral fuels including oil.

**6.3 Diplomatic Relations**

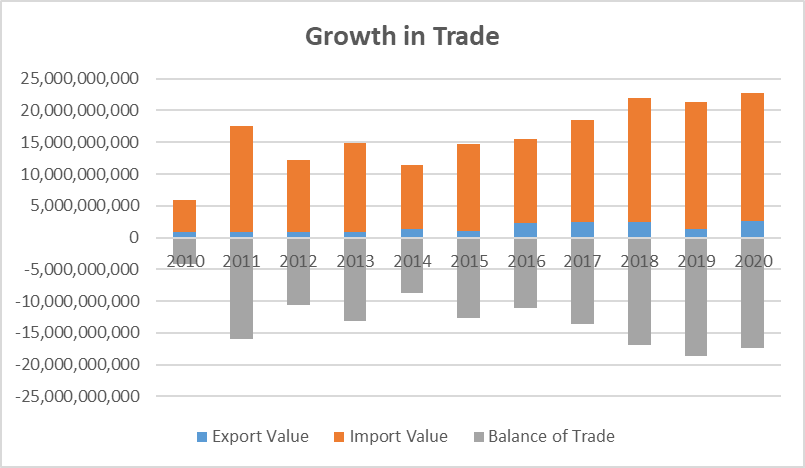
Bilateral relations between Turkey and Kenya have consistently developed since Kenya gained its independence in 1963 and the Turkish Embassy in Nairobi was opened in 1968. Kenya is represented by its Embassy in Ankara which was opened in 2012.

**6.4 Trade Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 843,731,994 | 5,005,173,684 | -4,161,441,690 |
| 2011 | 800,933,822 | 16,757,567,683 | -15,956,633,861 |
| 2012 | 815,645,536 | 11,406,305,528 | -10,590,659,992 |
| 2013 | 888,031,792 | 14,062,060,138 | -13,174,028,346 |
| 2014 | 1,382,330,805 | 10,108,496,753 | -8,726,165,948 |
| 2015 | 1,062,792,033 | 13,687,104,602 | -12,624,312,569 |
| 2016 | 2,258,184,427 | 13,267,937,079 | -11,009,752,652 |
| 2017 | 2,458,631,420 | 16,072,857,574 | -13,614,226,154 |
| 2018 | 2,489,722,908 | 19,415,797,193 | -16,926,074,285 |
| 2019 | 1,336,267,043 | 19,949,946,033 | -18,613,678,989 |
| 2020 | 2,679,657,248 | 20,042,203,319 | -17,362,546,071 |
| AVERAGE VALUES | 1,422,222,172 | 13,041,628,031 | -11,619,405,860 |

The statistics below shows the flow of trade in goods between the two nations over

the past ten years



1. Kenya’s total exports to Turkey were valued at approximately **KES 2.67 Billion** in 2020 a increase from **KES 1.33 Billion** exported in 2019.
2. Kenya’s imports from Turkey were valued at **KES Billion 20.04** in 2020, a slight increase from **KES 19.9 Billion** importedin 2019.
3. Balance of trade is in favour of Turkey.

**Top Exports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
|  |  |  |
| 902 | Tea, whether or not flavoured | 790,354,713 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 430,803,043 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 356,799,882 |
| 2401 | Unmanufactured tobacco; tobacco refuse | 351,583,541 |
| 1901 | Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing ... | 309,706,537 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 168,067,807 |
| 7403 | Copper, refined, and copper alloys, unwrought (excluding copper alloys of heading 7405) | 72,375,000 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 48,124,202 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 41,536,942 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 33,493,193 |
| **Total** |  | **2,602,844,861** |

**Top Imports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
|  |  |  |
| 902 | Tea, whether or not flavoured | 790,354,713 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 430,803,043 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 356,799,882 |
| 2401 | Unmanufactured tobacco; tobacco refuse | 351,583,541 |
| 1901 | Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing ... | 309,706,537 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 168,067,807 |
| 7403 | Copper, refined, and copper alloys, unwrought (excluding copper alloys of heading 7405) | 72,375,000 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 48,124,202 |
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| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 33,493,193 |
| **Total** |  | **2,602,844,861** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre For Business Information in Kenya (CBIK) - Export Promotion Council***

**6.5 Situation Analysis**

**Swot Analysis of Kenya With Regard To the Turkish Market**

The SWOT analysis looks at the strength, opportunities and threats of Kenya as it tackles the Turkish Market.

**Strengths**

* Large, dynamic internal market
* Young, growing population- Young consumers in the cities, which are open to new products and technologies, are an important support for economic growth
* Attractive geographical location- Turkey, with its geographic location between Europe, the Middle East and Central Asia, is an important hub for economic cooperation.
* Well-developed industrial base- After extensive investment in the public infrastructure in the past years, Turkey now has a good basis for the industry.
* Motivated workers- The country-wide business zones, so-called organized industrial zones, also offer favorable production conditions for companies and employment opportunities.

**Weaknesses**

* internal and geopolitical instability
* Inefficient education and legal system
* Heavy bureaucracy
* High import dependency of the industry

**Opportunities**

* Regional energy rotary disc
* High interest in renewable energies and energy efficiency
* Massive expansion of energy and transport infrastructure
* Opportunities for the local production of high-quality goods
* Interest in industry 4.0

**Threats**

* Internal and geopolitical instability- planned installation of a presidential system and the fight against terrorism, the ongoing unrest in the southern neighbors of Syria and Iraq are a concern.
* Inefficient education and legal system
* Heavy bureaucracy-Most decisions are undertaken by the state officials rather than elected representatives.
* High import dependency of the industry- immense dependence on imported energy sources, raw materials and semi-finished products
* Lack of foreign capital inflow.

**6.6 Problem Statement.**

The trade imbalance between Kenya and Turkey is huge with the balance of trade being heavily in favour of Turkey despite the current political turmoil and manifold uncertainties in the country.

Turkey has a growing economy which cannot be ignored, rather a strategy to penetrate and capture the Turkish market should be identified so as to increase our export base and bridge the deficit that exists.

**6.7 Justification of the Strategy Formulation.**

With around 79 million inhabitants and a young population with an average age of 31 years, Turkey remains an attractive market and investment for Kenya. Immense dependence on, raw materials and semi-finished products is an opportunity Kenya should take advantage of since most of our export products are classified as primary products

**6.8 Recommended Strategies.**

* There is need to increase the trade value and volume of export products as well diversify Kenya’s export base. With particular emphasis on Tea, coffee, horticulture etc. There has been very little export of flowers, Vegetables products, Fruits, tea, and coffee and textile, notwithstanding that this products forms part of our major exports.
* Explore possibilities for closer Private sector co-operation such as forming Kenya-Turkish Business Council to address issues of concern amongst the sector players and therefore encourage more trade and investments.

# 7.0 KENYA-DENMARK TRADE RELATIONS

## 7.1 Background Information

Denmark officially the Kingdom of Denmark, is a Nordic country and a state. The Kingdom of Denmark comprises two autonomous constituent countries in the North Atlantic Ocean: the Faroe Islands and Greenland. Denmark has an area of 42,924 km2 (16,573 sq. mi), and a population of 5.73 million (World Bank 2016) with only one official language, Danish, the national language of the Danish people. Copenhagen is the nation's capital, largest city and main commercial centre and also where the government and national parliament seat.

Denmark is considered to be one of the happiest countries in the world. Danes enjoy a high standard of living and the country ranks highly in some metrics of national performance, including education, healthcare, and protection of civil liberties, democratic governance, prosperity and development. The country ranks as having the world's highest social mobility, a high level of equality, is the country with the lowest perceived level of corruption in the world, has one of the world's highest per capita incomes.

## 7.2 Economic Overview

Denmark has a [developed](https://en.wikipedia.org/wiki/Developed_economy" \o "Developed economy) [mixed economy](https://en.wikipedia.org/wiki/Mixed_economy" \o "Mixed economy) that is classed as a [high-income economy](https://en.wikipedia.org/wiki/World_Bank_high-income_economy" \o "World Bank high-income economy) by the [World Bank](https://en.wikipedia.org/wiki/World_Bank" \o "World Bank). It ranks 18th in the world in terms of [GDP per capita](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)_per_capita" \o "List of countries by GDP (PPP) per capita) and 6th in [nominal GDP per capita](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)_per_capita" \o "List of countries by GDP (nominal) per capita). Its economy stands out as one of the most free in the [Index of Economic Freedom](https://en.wikipedia.org/wiki/Index_of_Economic_Freedom" \o "Index of Economic Freedom) and the [Economic Freedom of the World](https://en.wikipedia.org/wiki/Economic_Freedom_of_the_World" \o "Economic Freedom of the World). It is the 13th most competitive economy in the world, and 8th in Europe, according to the [World Economic Forum](https://en.wikipedia.org/wiki/World_Economic_Forum" \o "World Economic Forum)**in its *Global Competitiveness Report 2014–2015.***

|  |  |
| --- | --- |
| **Economy** | **2016** |
| GDP (current US$) (billions) | 306.9 |
| GDP growth (annual %) | 2 |
| Inflation, GDP deflator (annual %) | 0 |
| Agriculture, value added (% of GDP) | 1 |
| Industry, value added (% of GDP) | 23 |
| Services, etc., value added (% of GDP) | 76 |
| Exports of goods and services (% of GDP) | 54 |
| Imports of goods and services (% of GDP) | 47 |
| Gross capital formation (% of GDP) | 21 |
| Revenue, excluding grants (% of GDP) | 39.7 |
| Net lending (+) / net borrowing (-) (% of GDP) | -1.6 |

*Source:* ***World Bank 2016***

In 2016 the GDP of Denmark was $306B and its GDP per capita was $53.4K.

Denmark is the 31st largest export economy in the world. In 2016, Denmark exported $82.2B and imported $83.8B, resulting in a negative trade balance of $1.54B.

The **top exports** of Denmark are Electric Generating Sets($3.14B), Packaged Medicaments ($2.66B), Pig Meat($2.61B), Human or Animal Blood ($2.25B) and Refined Petroleum ($1.94B), using the 1992 revision of the HS (Harmonized System) classification.

Its **top imports** are Cars ($4.03B), Refined Petroleum ($2.41B), Packaged Medicaments ($2.39B), Computers ($2.04B) and Crude Petroleum ($1.3B).

The **top export destinations** of Denmark are Germany ($14.3B), Sweden ($10.7B), Norway ($5.87B), the United Kingdom ($5.65B) and the United States ($4.66B). The top import origins are Germany ($20.4B), Sweden ($9.7B), the Netherlands ($6.3B), China ($5.4B) and Norway ($3.57B **(source OEC).**

## 7.3 Diplomatic Relations

Kenya is represented in Denmark, through its embassy in [Stockholm](https://en.wikipedia.org/wiki/Stockholm" \o "Stockholm), [Sweden](https://en.wikipedia.org/wiki/Sweden" \o "Sweden). [Denmark has an embassy in [Nairobi](https://en.wikipedia.org/wiki/Nairobi" \o "Nairobi).

## 7.4 Development Cooperation’s

Since 2011 when the embassy opened the Trade Council in Kenya, There are more than 50 Danish companies which are engaged in Kenya. Maersk Group, specifically the shipping line business, is responsible for a large portion of the trade at the port of Mombasa. Maersk entered Kenya in 1994 and has an office in Mombasa and Nairobi, and also offers shipping services to neighboring countries.

Maersk also entered the oil and gas industry with the purchase of a 25 per cent stake in Africa Oil’s blocs in Kenya.

Vestas, another Danish company, is both an investor and is supplying the wind turbines for the 300MW Lake Turkana Wind Project. The order of 365 wind turbines is the single-largest wind turbine deal Vestas has ever sold. Coop Denmark, a retailer, plans to set up a coffee roasting factory in Nairobi and directly source for coffee beans from farmers.

Pharmaceutical giant Novo Nordisk has a diabetes screening and treatment Programme in Kenya targeted at the bottom of the pyramid. The company works with public hospitals to ensure availability and accessibility of affordable insulin and provision of quality diabetes health care to Kenyans at the base of the economic pyramid.

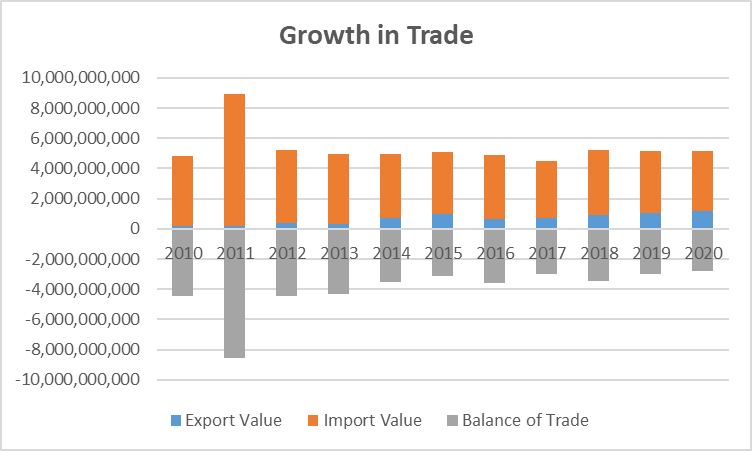
Kenya Tropical Sealife Ltd, founded Danish entrepreneur by Rene Dalgaard in 2002, has expanded to be a leading supplier of ornamental tropical fish and other invertebrates to the international aquarium markets.

Others include water pumps maker Grundfos, transport and logistics firm DSV, and Burmeister & Wain Scandinavian Contractor (BWSC) which owns 25.5 per cent of the 90MW Rabai Power plant.

## 7.5 Trade Analysis

Below is a table showing the trends in trade between Kenya and Denmark for the past ten years

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 180,924,957 | 4,617,346,951 | -4,436,421,994 |
| 2011 | 189,217,957 | 8,723,273,983 | -8,534,056,025 |
| 2012 | 397,377,256 | 4,824,808,874 | -4,427,431,618 |
| 2013 | 303,810,283 | 4,632,628,896 | -4,328,818,613 |
| 2014 | 699,569,548 | 4,222,571,728 | -3,523,002,181 |
| 2015 | 976,528,179 | 4,097,356,459 | -3,120,828,280 |
| 2016 | 660,372,654 | 4,251,500,607 | -3,591,127,953 |
| 2017 | 743,628,577 | 3,763,603,981 | -3,019,975,404 |
| 2018 | 885,717,946 | 4,307,059,883 | -3,421,341,937 |
| 2019 | 1,076,692,206 | 4,083,442,910 | -3,006,750,704 |
| 2020 | 1,170,976,928 | 3,957,792,028 | -2,786,815,100 |
| **AVERAGE VALUES** | **590,765,921** | **4,771,260,298** | **-4,180,494,377** |



**Observations**

Kenya’s total exports to Denmark were valued at approximately **KES 1.17** **Billion** in 2020, a slight increase from **KES 1.07 Billion** exported in 2019.

Kenya’s imports from Denmark were valued at **KES 3.9 Billion** in 2020, a decrease from **KES 4.8 Billion** in 2019.

Kenya posted a trade deficit of **KSH 2.7 Billion** in 2020.

**Kenya’s Top Ten Exports in 2020.**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 598,138,284 |
| 3203 | Colouring matter of vegetable or animal origin, incl. dye extracts (excluding animal black), ... | 135,296,422 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 134,535,888 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 89,004,176 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 47,829,928 |
| 709 | Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ... | 29,181,151 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 27,781,254 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 18,806,560 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 18,758,417 |
| 2202 | Waters, incl. mineral waters and aerated waters, containing added sugar or other sweetening ... | 12,858,695 |
| **Total** |  | **1,112,190,773** |

**Kenya’s Top Ten Imports from Denmark in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 3002 | Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera ... | 1,003,434,927 |
| 3507 | Enzymes; prepared enzymes, n.e.s. | 409,424,208 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 238,720,260 |
| 2203 | Beer made from malt | 231,051,695 |
| 8413 | Pumps for liquids, whether or not fitted with a measuring device (excluding ceramic pumps and ... | 171,553,995 |
| 3006 | Pharmaceutical preparations and products of subheadings 3006.10.10 to 3006.60.90 | 149,019,982 |
| 1209 | Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, ... | 99,206,675 |
| 8409 | Parts suitable for use solely or principally with internal combustion piston engine of heading ... | 83,359,756 |
| 2106 | Food preparations, n.e.s. | 82,186,329 |
| 3824 | Prepared binders for foundry moulds or cores; chemical products and preparations for the chemical ... | 77,400,494 |
| **Total** |  | **2,545,358,321** |

**Source: Customs Department, Kenya Revenue Authority**

## ***Compiled by: Centre For Business Information in Kenya (CBIK) -*** ***brand.ke***

## **7.6 Situation Analysis.**

## **SWOT Analysis**

**Strengths**

* World’s fifth largest shipping operator
* Energy self-sufficiency (oil in the North Sea and Greenland) and net energy exporter
* Niche industries (renewable energy/biotechnology)
* Well managed public finances
* Large current account surplus

**Weaknesses**

* Small open economy sensitive to external demand
* Government instability linked to the fragmentation of Parliament
* Very high household debt levels (240% of disposable income)
* Public sector strongly represented in job market (30% of employees)
* Tensions over housing in certain cities

**Opportunities**

* Most promising sectors for market growth.
* Denmark is an industrialized “value-added” country, dependent on foreign supplies of most raw materials and semi-manufactured goods.
* Services are playing an increasingly important role in the economy
* Low corporate taxes

**Threats**

* They prefer to buy products that have already proven their technology and value.
* wages are high and personal taxes are among the highest in the world
* Denmark has decided not to participate in the Euro, but the Danish Krone is pegged to the Euro with a very narrow band (2.25%) of Central Bank intervention rates

## 7.7 Problem Statement.

Kenya’s export basket consists mainly of primary products including coffee, fruits and vegetables among others which fetch low export earnings compared to what Kenya imports from Denmark mainly heavy machinery.

It can be noted that the volume of Kenya’s export is very low, while our import values are notably higher. Balance of trade is heavily skewed in favor of Denmark with a huge trade deficit on Kenya’s side. Kenya’s imports from Denmark continue to grow while exports continue to decrease in value therefore the need to come up with ways to deal with the trade imbalance.

## 7.8 Justification of the Strategy Formulation.

The trade volumes are not huge especially with regard to exports. There is a strong room for improvement. The increased number of Danish companies doing business in Kenya should help change this trend and improve on trade

The major goods exported from Denmark to Kenya are power generators, turbines and motors, and also fertilizers and agricultural equipment.  
The total value of the imports into Kenya from Denmark was recorded at Kes 4.25 Billion in 2016 while exports stood at Kes 660 million.

Kenya needs to diversify its exports, improve quality especially on food safety standards.

## 7.9 Recommended Strategies.

Considering that the combined GDP of Kenya and Denmark is $377.43 Billion (2016) and total volume of trade between the two countries in 2016 was $ 40M (Less than 0.1% of GPD), there exists enormous opportunities for enhanced trade between the partner states.

In view of above, the following approaches would lead to increased exports, in volume and value, to Denmark. These include;

* There is need to increase the value and volume of Danish investments especially with regard to the agenda on Manufacturing, mechanization of agriculture, building and construction materials to support the agenda on affordable housing. These will increase volume of Kenyan exports globally.
* Capacity building with support of Danish Government to enhance productivity in agriculture with particular emphasis on Tea, coffee, horticulture etc. We note that there has been very little export of flowers, Vegetables products, Fruits, textile, animal and animal products to the Denmark not withstanding that these products forms part of major import products for Denmark.
* Explore possibilities for closer Private sector co-operation such as forming Kenya-Denmark Business Council to address issues of concern amongst the sector players and therefore encourage more trade and investments.

**8.0 KENYA-RUSSIA FEDERATION TRADE RELATIONS.**

**8.1 Background Information.**

Russia (formerly USSR) the world’s largest country in the world by land area, at 17,125,200 square kilometers (6,612,100 sq. mi) is a transcontinental country extending over much of northern Eurasia (Asia and Europe).

Russia has the world's ninth-largest population, with 147 million people in 2017. Moscow is the capital and the country's economic, financial, educational, and transportation center.

The head of state is popularly elected to serve two consecutive six years terms and additional non-consecutive terms. The current President is H.E Vladmir Putin. The Prime Minister is appointed by the President and is the Head of Government. The current Prime Minister is Dmitry Medvedev

**8.2 Economic Overview.**

Russia has an upper-middle income [mixed economy](https://en.wikipedia.org/wiki/Mixed_economy" \o "Mixed economy) with state ownership in strategic areas of the economy. The nation has a large and sophisticated [arms industry](https://en.wikipedia.org/wiki/Defense_industry_of_Russia" \o "Defense industry of Russia), capable of designing and manufacturing high-tech military equipment, relies on energy revenues to drive most of its growth, major deposits of [petroleum](http://www.newworldencyclopedia.org/entry/Petroleum" \o "Petroleum), [natural gas](http://www.newworldencyclopedia.org/entry/Natural_gas" \o "Natural gas), [coal](http://www.newworldencyclopedia.org/entry/Coal" \o "Coal), [timber](http://www.newworldencyclopedia.org/entry/Timber" \o "Timber) and many strategic minerals which make up a major share of Russia's exports**.**

Russia is a [great power](https://en.wikipedia.org/wiki/Great_power" \o "Great power) as well as a [regional power](https://en.wikipedia.org/wiki/Regional_power" \o "Regional power) and has been characterized as a [potential superpower](https://en.wikipedia.org/wiki/Potential_superpower" \o "Potential superpower). It is a [permanent member](https://en.wikipedia.org/wiki/Permanent_members_of_the_United_Nations_Security_Council" \o "Permanent members of the United Nations Security Council) of the [United Nations Security Council](https://en.wikipedia.org/wiki/United_Nations_Security_Council" \o "United Nations Security Council), [G20](https://en.wikipedia.org/wiki/G-20_major_economies" \o "G-20 major economies), [Council of Europe](https://en.wikipedia.org/wiki/Council_of_Europe" \o "Council of Europe), the [Asia-Pacific Economic Cooperation](https://en.wikipedia.org/wiki/Asia-Pacific_Economic_Cooperation" \o "Asia-Pacific Economic Cooperation) (APEC), [World Trade Organization](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization) (WTO), as well as being the leading member of the [Commonwealth of Independent States](https://en.wikipedia.org/wiki/Commonwealth_of_Independent_States" \o "Commonwealth of Independent States) (CIS), and one of the five members of the [Eurasian Economic Union](https://en.wikipedia.org/wiki/Eurasian_Economic_Union" \o "Eurasian Economic Union) (EEU), among other international bodies.

**Top Trading Partners** with Russia are**:** China, Netherlands, Germany, Belarus, Italy, South Korea, Turkey, Kazakhstan, Poland, and United States.

**Top Exports include;** Mineral fuels, Iron, steel, Gems, precious metals, Machinery including computers: Wood, Cereals, Fertilizers, Aluminum, Copper, Electrical machinery, equipment

**Top Imports;** arePharmaceuticals, Plastics and plastic articles, Optical, technical and medical apparatus, Articles of iron or steel, Iron and steel, Fruits and nuts, Rubber and rubber articles.

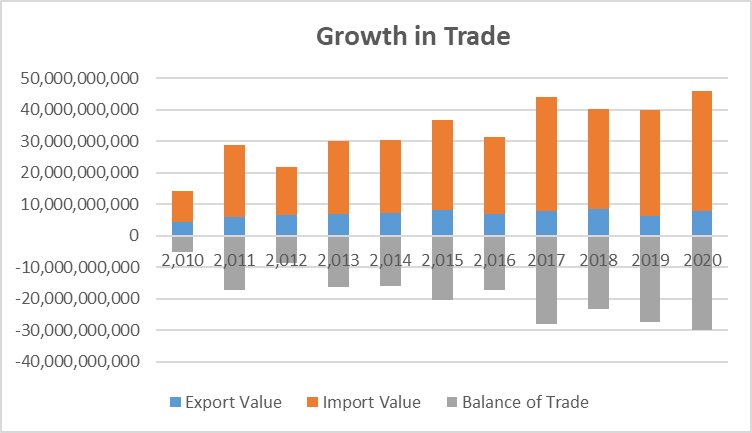
**8.3 Diplomatic Relations.**

Relations between [Kenya](https://en.wikipedia.org/wiki/Kenya" \o "Kenya) and [Russia](https://en.wikipedia.org/wiki/Russia" \o "Russia) are bilateral. Russia has established diplomatic relations since independence and maintained the good relation. Both countries have resident Missions in the respective capitals.

**8.4 Trade Analysis.**

Below is a table showing the trends in trade between Kenya and Russia

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2,010 | 4,515,001,903 | 9,688,566,574 | -5,173,564,671 |
| 2,011 | 5,786,312,553 | 22,981,495,412 | -17,195,182,859 |
| 2,012 | 6,581,743,958 | 15,211,748,288 | -8,630,004,330 |
| 2,013 | 6,830,807,047 | 23,181,915,815 | -16,351,108,768 |
| 2,014 | 7,123,959,370 | 23,117,849,654 | -15,993,890,285 |
| 2,015 | 8,064,634,797 | 28,582,892,498 | -20,518,257,702 |
| 2,016 | 6,995,513,101 | 24,260,383,291 | -17,264,870,190 |
| 2017 | 7,996,805,272 | 36,178,877,428 | -28,182,072,156 |
| 2018 | 8,572,746,784 | 31,720,724,023 | -23,147,977,238 |
| 2019 | 6,348,330,844 | 33,733,448,591 | -27,385,117,747 |
| 2020 | 8,008,462,852 | 38,009,270,935 | -30,000,808,083 |
| **AVERAGE VALUES** | **6,450,416,477** | **23,312,431,512** | **-16,862,015,035** |



**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre For Business Information in Kenya (CBIK) – BrandKE***

**Observations**

Kenya’s **total exports** to Russia were valued at approximately **KES 8.0 Billion** in 2020 an increase from **KES 6.3 Billion** in 2019.

Kenya’s **total imports** from Russia were valued at KES **38.0 Billion** in 2020 an increase, compared **KES 33.7 Billion** in 2019.

The balance of trade has remained in favour of Russia across the period, the trade deficit, as at 2020 was **KES 30.0 Billion** therefore the need to narrow the gap, through a strategy that will be beneficial to Kenya.

**Top Ten Export Products.**

Below is a table showing the top ten export products to Russia in the year 2020.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 902 | Tea, whether or not flavoured | 4,534,465,517 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 2,333,647,719 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 710,713,891 |
| 2,008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 110,691,984 |
| 802 | Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts ... | 100,053,104 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 88,805,622 |
| 2,401 | Unmanufactured tobacco; tobacco refuse | 34,639,924 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 20,084,016 |
| 9032 | Regulating or controlling instruments and apparatus (excluding taps, cocks and valves of heading ... | 18,564,336 |
| 4819 | Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding ... | 13,601,765 |
| **Total** |  | **7,965,267,878** |

**Top Ten Import Products.**

Below is a table showing the top ten import products from Russia in the year 2020.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 1,001 | Wheat and meslin | 15,447,650,596 |
| 7,207 | Semi-finished products of iron or non-alloy steel | 11,103,630,030 |
| 3,105 | Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, ... | 4,476,698,275 |
| 7,408 | Copper wire (excluding surgical sutures, stranded wire, cables, plaited bands and the like ... | 1,546,948,024 |
| 7,213 | Bars and rods of iron or non-alloy steel, hot-rolled, in irregularly wound coils | 1,367,489,411 |
| 4,804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 1,268,558,849 |
| 7601 | Unwrought aluminium | 703,502,741 |
| 4801 | Newsprint as specified in Note 4 to chapter 48, in rolls of a width > 36 cm or in square or ... | 559,516,652 |
| 4421 | Other articles of wood, n.e.s. | 372,502,837 |
| 713 | Dried leguminous vegetables, shelled, whether or not skinned or split | 148,990,041 |
| **Total** |  | **36,995,487,457** |

**Challenges faced by Kenya in Penetrating the Russian Market.**

1. Although there are some direct exports of flowers and tea into the Russian market, most of the products are re-exports from Germany (coffee), United Kingdom (tea) and Netherlands (flowers).
2. Lack of awareness on Kenyan products (especially tea, coffee and floriculture) in the Russian market. Russia is the largest importer of tea and sixth largest buyer of cut flowers in the world, 90% of her imports being black tea. Ceylon (Sri Lanka and Assam (India) are most popular. Most Russians hardly know about Kenya as a key exporter of tea and will rarely pick a Kenyan brand on the Russian supermarket tea shelves.
3. Packaged teas are levied 12.5% tax while bulk teas are at 0% import tax. This means that our value added products are disadvantaged and cannot compete fairly in Russia. Many Russian traders opt to import in bulk and pack locally.
4. Long credit period; Due to the economic challenges that Russia has recently gone through brought about by sanctions, many Russian companies demand 60-90 days’ credit period. Many Kenyan SMEs are unable to penetrate this market due to delayed prompt payments.
5. Requirements to lengthy process of obtaining visa, taking up to six months. Due to this, Kenya business people resort to using tourist visas, which is rather risky.

**8.5 Situation Analysis-Swot Analysis**

The SWOT analysis looks at the strength, opportunities and threats of Kenya as it tackles the Russian market

**Strengths**

* Biggest land area in the world
* Considered to have a wealthy middle class
* Huge military investment, nuclear capability and a history of being a military superpower
* European and military frontiers
* Permanent seat on UN security council
* Space programme and state owned companies
* 7% growth rate and positive net exports
* Government and President have high levels of popularity in Russia

**Weaknesses**

* Economic sanctions from US after invasion of Crimea
* High levels of corruption (political and economic)
* Ageing population and high immigration levels
* Social issues of alcoholism and drug abuse.
* Few multinational companies/ reliance on small businesses
* Poor environmental and human rights record
* Disparities of wealth and low brand recognition
* High tensions with the west, reliance of EU demand of gas

Opportunities

* Unknown Arctic resources
* Member of the WTO and IMF
* Stable population and growth
* Pro-Russian populations in EU (ex-soviet states - Latvia)
* Nationalism is emerging and member of BRICS forum

Threats

* Ageing population
* Regional conflicts (Crimea)
* Inflation and trade sanctions
* Human rights backlash and Islamic terrorism

**8.6 Problem Statement.**

Russia has an upper-middle income mixed economy which heavily imports high value manufactured goods.

Trade between the two nations has been skewed in favour of Russia. Kenya’s trade deficit stands at KES 28 Billion. The trade pattern from the analysis above show that 2008 to 2015 the volume of export grew each year until it dropped in 2016 and rose again in 2017. It is worth noting that Kenya’s exports to Russia in 2017 increased by 14% while imports from Russia also increased by 49%.

**8.7 Justification of the Strategy Formulation.**

Balance of trade is heavily in favor of Russia, from the trade analysis; Volume of trade over the years has grown significantly. Trade deficit has continuously been experienced therefore the need to narrow the gap, through a strategy that will be beneficial to Kenya.

**8.8 Recommended Strategies.**

There exist enormous opportunities for enhanced trade between the partner states. The following approaches would lead to increased exports, in volume and value, to Russia. These include;

1. There is need to increase the value and volume of Russian investments especially with regard to the agenda on Manufacturing, mechanization of agriculture, building and construction materials to support the agenda on affordable housing. These will increase volume of Kenyan exports globally.
2. Explore possibilities for closer Private sector co-operation such as forming Kenya-Russian Business Council to address issues of concern amongst the sector players and therefore encourage more trade and investments.
3. Carry out market survey/intelligence pertaining to market access requirements for potential products, particularly sanitary and phytosanitary measures, tariff and non-tariff barriers, consumer preference packaging and labelling requirements and suitable distribution channels
4. Increase the value and volume of Russian investments especially in manufacturing in line with Big Four Agenda
5. Explore product specific market expansion strategies including participation in Trade fairs, exchange of Trade missions’ in-order to create awareness on Kenyan products and increase our presence with a view to increase direct sales.
6. A proposal that Kenya explores possibilities of a bilateral engagement framework like Joint Commission for Cooperation or Joint Economic Commission through which challenges affecting trade (payment and visas) can be resolved.

**9.0 KENYA-ITALY TRADE RELATIONS.**

**9.1 Background Information.**

Italy is a country in Southern Europe, Located in the heart of the [Mediterranean Sea](https://en.wikipedia.org/wiki/Mediterranean_Sea" \o "Mediterranean Sea), Italy shares [open land borders](https://en.wikipedia.org/wiki/Open_borders" \o "Open borders) with France, Switzerland, Austria, Slovenia, San Marino and Vatican City. The country is acknowledged as the birthplace of Western culture and also home to the greatest number of [UNESCO World Heritage Sites](https://wikitravel.org/en/UNESCO_World_Heritage_List" \o "UNESCO World Heritage List) in the world, with high art and monuments found everywhere around the country.

Its capital city is Rome and home to the Vatican. Italian is the official language spoken by the majority of the population.

With approximately 61 million inhabitants, it is the [fourth most populous EU member state](https://en.wikipedia.org/wiki/List_of_European_Union_member_states_by_population" \o "List of European Union member states by population), with a geographical size 116,347 mi².

**Political Overview.**

Politics of Italy is conducted through a [parliamentary republic](https://en.wikipedia.org/wiki/Parliamentary_republic" \o "Parliamentary republic) with a [multi-party system](https://en.wikipedia.org/wiki/Multi-party_system" \o "Multi-party system).

The [executive power](https://en.wikipedia.org/wiki/Executive_power" \o "Executive power) is exercised collectively by the [Council of Ministers](https://en.wikipedia.org/wiki/Council_of_Ministers_(Italy)" \o "Council of Ministers (Italy)), which is led by the [Prime Minister](https://en.wikipedia.org/wiki/Prime_Minister_of_Italy" \o "Prime Minister of Italy), officially referred to as President of the Council. [Legislative power](https://en.wikipedia.org/wiki/Legislative_power" \o "Legislative power) is vested in the two houses of the [Italian Parliament](https://en.wikipedia.org/wiki/Italian_Parliament" \o "Italian Parliament) primarily and secondarily on the Council of Ministers, which can introduce bills and holds the majority in both houses. The [judiciary of Italy](https://en.wikipedia.org/wiki/Judiciary_of_Italy" \o "Judiciary of Italy) is independent of the executive and the legislative branches. It is headed by the High Council of the Judiciary; a body presided over by the [President of Italy](https://en.wikipedia.org/wiki/President_of_Italy" \o "President of Italy), who is the [head of state](https://en.wikipedia.org/wiki/Head_of_state" \o "Head of state) though his position is separate from all branches.

The current Italian President is [Sergio Mattarella](https://en.wikipedia.org/wiki/Sergio_Mattarella" \o "Sergio Mattarella) and the current [Prime Minister of Italy](https://en.wikipedia.org/wiki/Prime_Minister_of_Italy" \o "Prime Minister of Italy) is [Paolo Gentiloni](https://en.wikipedia.org/wiki/Paolo_Gentiloni" \o "Paolo Gentiloni).

**9.2 Economic Overview.**

Italy has a major advanced[capitalist](https://en.wikipedia.org/wiki/Capitalist" \o "Capitalist) [mixed economy](https://en.wikipedia.org/wiki/Mixed_economy" \o "Mixed economy), ranking as the third-largest in the [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone) and the [eighth-largest](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)" \o "List of countries by GDP (nominal)) in the world. It ia a member of the [G7](https://en.wikipedia.org/wiki/G7" \o "G7), European Union, [OECD](https://en.wikipedia.org/wiki/OECD" \o "OECD) among others.

It is regarded as one of the world's most industrialized nations and a leading country in [world trade and exports](https://en.wikipedia.org/wiki/International_trade" \o "International trade). It is a highly [developed country](https://en.wikipedia.org/wiki/Developed_country" \o "Developed country). The country is well known for its creative and innovative business, a large and competitive agricultural sector (Italy is the world's largest wine producer), and for its influential and high-quality automobile, machinery, food, design and fashion.

The GDP was 1.85 trillion USD, with a GDP per Capita of 30, 527.27 USD (2016) World Bank.

**Major Trading partners**

Germany, France, United States, Spain, United Kingdom, Switzerland, China, Belgium, Poland Netherlands

**Main Exports**;

Machinery including computers (19.7% of total exports),Vehicles (8.6%),Electrical machinery, equipment (6%),Pharmaceuticals (5.1%),Plastics, plastic articles (4.1%),Articles of iron or steel (3.5%),Mineral fuels including oil (3.4%),Furniture, bedding, lighting, signs, prefab buildings (2.7%),Iron, steel (2.6%),Clothing, accessories (not knit or crochet) (2.5%)

**Main Imports**: Mineral fuels including oil (12% of total imports),Vehicles (10.7%),Machinery including computers(9.8%),Electrical machinery, equipment (7.6%),Pharmaceuticals: (5.1%),Plastics, plastic articles (4.5%),Iron, steel: (4.2%),Organic chemicals: (3.2%),Optical, technical, medical apparatus (2.7%),Gems, precious metals (2.2%).

**9.3 Diplomatic Relations.**

Relations between both countries have remained cordial over the years. Both countries have signed agreements on the promotion and protection of investments.

Kenya has an embassy in Rome which is also accredited to Greece, Poland, Cyprus and Malta. Italy is represented by its embassy in [Nairobi](https://en.wikipedia.org/wiki/Nairobi" \o "Nairobi).

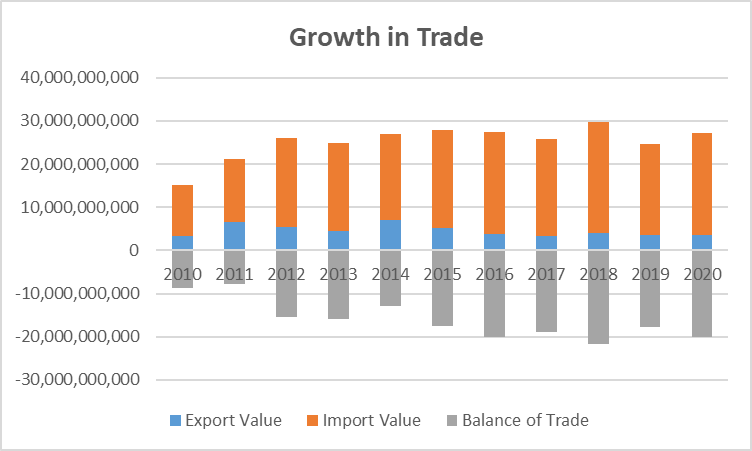
**9.4 Trade Analysis.**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 3,253,006,827 | 11,982,522,179 | -8,729,515,352 |
| 2011 | 6,668,395,497 | 14,502,586,502 | -7,834,191,005 |
| 2012 | 5,413,258,859 | 20,735,862,930 | -15,322,604,072 |
| 2013 | 4,541,181,579 | 20,325,851,939 | -15,784,670,360 |
| 2014 | 6,959,598,080 | 19,945,652,289 | -12,986,054,209 |
| 2015 | 5,248,029,888 | 22,721,935,048 | -17,473,905,159 |
| 2016 | 3,733,377,531 | 23,738,308,676 | -20,004,931,145 |
| 2017 | 3,408,665,295 | 22,387,953,728 | -18,979,288,433 |
| 2018 | 3,967,958,287 | 25,731,420,234 | -21,763,461,947 |
| 2019 | 3,479,601,946 | 21,125,168,029 | -17,645,566,084 |
| 2020 | 3,590,427,452 | 23,591,505,700 | -20,001,078,248 |
| **AVERAGE VALUES** | **4,282,254,581** | **19,481,560,732** | **-15,199,306,150** |

Below is a table showing the trends in trade between Kenya and Italy.

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre For Business Information in Kenya (CBIK) - brand.ke***



**Observations.**

Kenya’s **total exports** to Italy were valued at approximately **KES 3.6 Billion** in 2020, a slightincrease in export value compared to **KES 3.45 Billion** in 2019.

Kenya’s **total imports** from Italy were valued at KES **23.6 Billion** in 2020; an increase from **KES 21.1 Billion** in 2019.

Kenya’s Trade deficit was valued at **Ksh 20.0 Billion** in 2020.

**Top Ten Export Products.**

Below is a table showing the top ten export products to Italy in the year 2020.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
|  |  |  |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 691,733,554 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 521,202,731 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 448,005,159 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 441,323,621 |
| 304 | Fish fillets and other fish meat, whether or not minced, fresh, chilled or frozen | 224,025,350 |
| 4104 | Tanned or crust hides and skins of bovine "incl. buffalo" or equine animals, without hair on, ... | 195,641,524 |
| 307 | Molluscs, fit for human consumption, even smoked, whether in shell or not, live, fresh, chilled, ... | 166,326,193 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 129,091,362 |
| 4105 | Tanned or crust skins of sheep or lambs, without wool on, whether or not split (excluding further ... | 117,368,732 |
| 1515 | Fixed vegetable fats and oils, incl. jojoba oil, and their fractions, whether or not refined, ... | 113,895,927 |
| **Total** |  | **3,048,614,154** |

**Top Ten Imports.**

Below is a table showing the top ten import products from Italy in the year 2020.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 3102 | Mineral or chemical nitrogenous fertilisers (excluding those in pellet or similar forms, or ... | 1,924,036,851 |
| 3917 | Tubes, pipes and hoses, and fittings therefor, e.g. joints, elbows, flanges, of plastics | 1,890,876,919 |
| 8421 | Centrifuges, incl. centrifugal dryers (excluding those for isotope separation); filtering or ... | 1,246,968,680 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 1,072,170,161 |
| 8422 | Dishwashing machines; machinery for cleaning or drying bottles or other containers; machinery ... | 913,554,707 |
| 8413 | Pumps for liquids, whether or not fitted with a measuring device (excluding ceramic pumps and ... | 785,139,942 |
| 8478 | Machinery for preparing or making up tobacco, not specified or included elsewhere in this chapter; ... | 688,340,751 |
| 8803 | Parts of aircraft and spacecraft of heading 8801 or 8802, n.e.s. | 599,136,635 |
| 8477 | Machinery for working rubber or plastics or for the manufacture of products from these materials, ... | 562,113,815 |
| 8479 | Machines and mechanical appliances having individual functions, not specified or included elsewhere ... | 556,071,072 |
| **Total** |  | **10,238,409,534** |

**Potential Export Products**

Potential exports products to Italy include: Tea, coffee, animal and animal products, dairy/milk products, horticultural products, textiles, iron and steel, essential oils among others.

**9.5 Situation Analysis**

**Swot Analysis**

The SWOT analysis looks at the strength, opportunities and threats of Kenya as it tackles the Italian market

Strengths

* Reform effort (labor market, banking sector, insolvencies...)
* Manufacturing industry still important
* Renewed competitiveness and stronger export sector
* Improvement in the financial position of businesses
* High-quality infrastructure
* Considerable tourism potential

**Weaknesses**

* Private and public debt levels still high, very negative net external position
* Duality of the labor market, high unemployment and high structural unemployment
* Significant proportion of small, under-productive enterprises
* Fragmented political landscape, unity of the country weakened by regions’ push for autonomy
* Regional disparities
* Low administrative efficiency

**Opportunities**

* Take advantage of the coffee culture in Italy and increase our coffee exports to Italy.
* Highly developed business market
* Emerging new markets

**Threats**

* High Competition level from established markets
* Ageing population
* Desire for quality products

**9.6 Problem Statement.**

Italy has a major advanced[capitalist](https://en.wikipedia.org/wiki/Capitalist" \o "Capitalist) [mixed economy](https://en.wikipedia.org/wiki/Mixed_economy" \o "Mixed economy) which clearly outlines that it deals with importation of intermediate and finished goods thus causing the problem for Kenya since the country exports raw and mainly agricultural products.

Kenya’s export basket has remained relatively unchanged over the years, while imports from Italy have kept growing

Trade between the two nations has been skewed in favour of Italy. Kenya’s trade deficit stands at KES 20 Billion.

**9.7 Justification of the Strategy Formulation.**

Due to the nature of traded products, where imports from Italy were mainly machinery and electrical equipment which are high value compared to Kenya’s exports which were low value semi-processed agricultural and livestock products.

Kenya’s exports to Italy in 2017declined by 29% compared while imports also declined as compared to 2016 where there was a 14% improved, In 2017 the traded imports to 4%. Balance of trade is in favour of Italy with a widening margin of 20% in 2017 from 17% in 2016.

**9.8 Recommended Strategies.**

In view of the above, the following recommendations would lead to increased exports, in volume and value to Italy. These include;

* There is need to increase the value and volume of Italian investments especially with regard to the big four agenda on Manufacturing, healthcare, building and construction materials to support affordable housing. These will increase volume of Kenyan exports globally.
* Capacity building with support of Italian Government to enhance productivity in agriculture with particular emphasis on Tea, coffee, horticulture etc. We note that there has been very little export especially of horticulture and tea which is our key export product.

Explore possibilities for closer Private sector co-operation such as forming Kenya-Italian Business Council to address issues of concern amongst the

# 10.0 KENYA-BELGIUM TRADE RELATION

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **NAME OF COUNTRY**  Kingdom of Belgium |  | **NAME OF HEAD OF STATE/GOVERNMENT**  Philip Leopold Louis Maria  Prime Minister - Charles Michel |
|  |  |
| **NAME OF PREVIOUS HEAD OF STATE/GOVERNMENT** |  | **NAME OF FIRST HEAD OF STATE/GOVERNMENT** |
| King Albert II  [Elio Di Rupo](https://en.wikipedia.org/wiki/Elio_Di_Rupo" \o "Elio Di Rupo) |  | Etienne Constantin de Gerlache |
| **SYSTEM OF GOVERNMENT** |  | **CAPITAL CITY** |
| Constitutional Monarchy |  | Brussels |
| **YEAR OF ATTAINING INDEPENDENCE** |  | **DATE DIPLOMATIC RELATIONS ESTABLISHED** |
| 1830 ( from Netherlands) |  |  |
|  |  |  |
| **POPULATION/GROWTH RATE** |  | **SIZE OF COUNTRY (KM2)** |
| 11.3 million(2016) [European](http://data.worldbank.org/indicator/SP.POP.TOTL) Union |  | 11,787 mi² |
| **RELIGIONS BY %** |  | **OFFICIAL LANGUAGES** |
| |  | | --- | | Roman Catholic (58%) | | Other Christian (7%) | | Muslim (5%) | | Other Religion (2%) | | Agnostic/No belief (20%) | | Atheist (7%) | |  | Dutch  French  German |
| **GROSS DOMESTIC PRODUCT** |  |
| € 421.611 billion (2016), European Union |  |
| **CURRENCY** |  | **CURRENCY CONVERSION RATE TO KENYA SHILLING** |
| Euro |  | 1 Euro=120.5 KES |
| **PER CAPITA INCOME** |  | **MINERALS** |
| 45,309 EURO ‎(2016) |  | The leading mineral operations in Belgium include the production of steel and the refining of zinc, copper and minor metals. The country also produces cobalt, tin, cadmium, tellurium, selenium and germanium. |

## 10.1 Introduction

The Federal Government of Belgium exercises executive power in the Kingdom of Belgium. It consists of ministers and secretaries of state drawn from the political parties which form the governing coalition. Formally, the ministers are appointed by the King. The federal government is led by the Prime Minister of Belgium, and Ministers lead ministries of the government. Ministers together form the Council of Ministers, which is the supreme executive organ of the Government (equivalent to a cabinet). The Prime Minister and his ministers administer the government and the various public services. At the federal level, executive power is wielded by the government, whilst the Prime Minister is the head of the government. Each minister heads a ministry and secretaries of state help run these ministries.

10.2 Economy  
Belgium's strongly globalized economy and its transport infrastructure are integrated with the rest of Europe. Its location at the heart of a highly industrialized region helped make it the world's 15th largest trading nation in 2007. The economy is characterized by a highly productive work force, high GNP and high exports per capita. Belgium's main imports are raw materials, machinery and equipment, chemicals, raw diamonds, pharmaceuticals, foodstuffs, transportation equipment, and oil products. Its main exports are machinery and equipment, chemicals, finished diamonds, metals and metal products, and foodstuffs.

The Belgian economy is heavily service-oriented and shows a dual nature: a dynamic Flemish economy and a Walloon economy that lags behind. One of the founding members of the European Union, Belgium strongly supports an open economy and the extension of the powers of EU institutions to integrate member economies. Since 1922, through the Belgium-Luxembourg Economic Union, Belgium and Luxembourg has been a single trade market with customs and currency union.

Belgium was the first continental European country to undergo the Industrial Revolution, in the early 19th century. Liège and Charleroi rapidly developed mining and steelmaking, which flourished until the mid-20th century in the Sambre and Meuse valley and made Belgium among one of the three most industrialized nations in the world from 1830 to 1910. However, by the 1840s the textile industry of Flanders was in severe crisis, and the region experienced famine from 1846 to 1850.

By the end of the 1980s, Belgian macroeconomic policies had resulted in a cumulative government debt of about 120% of GDP. As of 2006, the budget was balanced and public debt was equal to 90.30% of GDP. In 2005 and 2006, real GDP growth rates of 1.5% and 3.0%, respectively, were slightly above the average for the Euro area. Unemployment rates of 8.4% in 2005 and 8.2% in 2006 were close to the area average. By October 2010, this had grown to 8.5% compared to an average rate of 9.6% for the European Union as a whole (EU 27). From 1832 until 2002, Belgium's currency was the Belgian franc. Belgium switched to the euro in 2002, with the first sets of euro coins being minted in 1999. The standard Belgian euro coins designated for circulation show the portrait of the monarch (first King Albert II, since 2013 King Philippe).

## 10.3 Kenya – Belgium Bilateral Relations

Kenya and Belgium have enjoyed cordial relations for long. These relations have further been complimented by the hosting by Belgium of crucial EU institutions. Bilaterally, Belgium continues to closely follow developments in Kenya, including the economic and political reforms.

In the past, the Belgian government placed emphasis on indirect bilateral cooperation through the participation of the Belgian Technical Cooperation (BTC) and non-governmental organizations. Besides completing the ongoing programmes, BTC also contributes to the preparation of future phases of ongoing projects. Capacity building and participation are key elements of the entire programme.

BTC and the NGOs are involved in various projects, including water projects in Baringo and Turkana, micro-financing through the Kenya Women Finance Trust (KWFT), the development of the Nairobi river basin under UNEP and Vétérinaires Sans Frontières (Veterinarians without Borders), who concentrate on the arid and semi-arid regions of Kenya. BTC oversees the projects that are largely in the infrastructure, health and agriculture sectors, in collaboration with the relevant government departments.

Belgium has offered several scholarships to Kenyan students, as well as training for government officials.

## 10.4 Diplomatic Mission

Kenya has an embassy in Brussels. It is also accredited to the Grand Duchy of Luxembourg and to the Mission to the European Union. Belgium also has an embassy in Nairobi.

## 10.5 Trade Relations

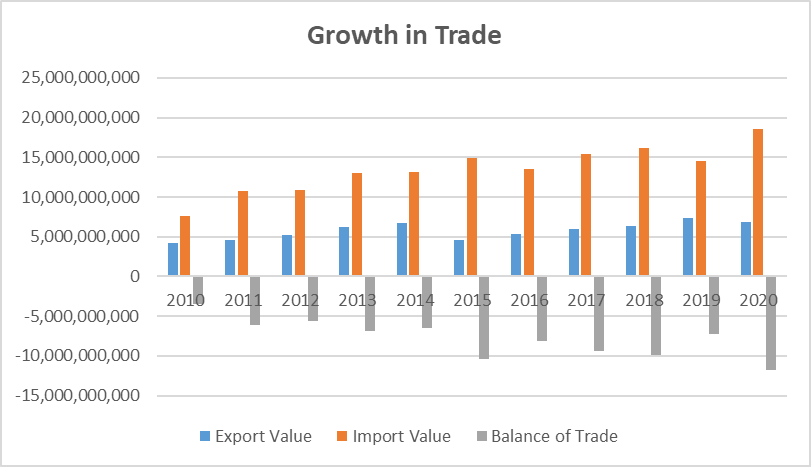
Trade between Kenya and Belgium has grown from Kshs. 11.3 billion (EURO 126.3 million) in 2004 to Kshs. 18.9 billion (EURO 157 billion) in 2016, a 67 per cent increase. Kenya’s exports in 2016 was Ksh. 5.4 billion (EURO 44.7 million) while imports were valued at Kshs. 13.4 billion (EURO 112 million). The balance of trade is in favour of Belgium. This volume of trade is below par, given the enormous, unexploited potential existing between the countries.

**Trade Analysis.**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **EXPORTS IN KSH** | **IMPORTS IN KSH** | **BALANCE OF TRADE** |
| **2008** | **2,818,351,949** | **8,285,425,787** | **-5,467,073,838** |
| **2009** | **3,389,715,328** | **7,043,971,038** | **-3,654,255,710** |
| **2010** | **4,158,842,743** | **7,642,354,894** | **-3,483,512,151** |
| **2011** | **4,569,310,020** | **10,715,674,322** | **-6,146,364,302** |
| **2012** | **5,266,523,209** | **10,907,242,977** | **-5,640,719,768** |
| **2013** | **6,192,927,635** | **13,059,264,586** | **-6,866,336,951** |
| **2014** | **6,730,224,301** | **13,158,920,527** | **-6,428,696,226** |
| **2015** | **4,539,817,197** | **14,965,786,395** | **-10,425,969,198** |
| **2016** | **5,394,933,179** | **13,496,402,289** | **-8,101,469,110** |
| **2017** | **6,025,487,914** | **15,364,037,156** | **-9,338,549,242** |
| **2018** | **6,344,456,870** | **16,204,764,170** | **-9,860,307,300** |
| **2019** | **7,368,463,907** | **14,586,868,817** | **-7,218,404,910** |
| **2020** | **6,867,339,085** | **18,580,538,798** | **-11,713,199,713** |
| **AVERAGE VALUES** | **5,358,953,334** | **12,616,250,135** | **--7,257,296,801** |

***Source:*** *Kenya Revenue Authority (Customs Department)*

***Compiled by: -*** *Export Promotion Council, (Centre for Business Information in Kenya) (CBIK)*



**Observations**

Kenya’s total exports to Belgium were valued at approximately **KES 6.8 Billion** in 2020, compared to **KES 7.3 Billion** exported in 2019.

Kenya’s imports from Belgium were valued at **KES 18.5 Billion** in 2020, an increase from **KES 14.5 Billion** in 2019.

Kenya posted a trade deficit of **KES 11.7** Million in 2020.

## Top Ten Export to Kenya in 2020

|  |  |  |  |
| --- | --- | --- | --- |
| HSCODE4 | Year | Product description | Export Value |
|  |  |  |  |
| 901 | 2020 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 3,100,968,982 |
| 2401 | 2020 | Unmanufactured tobacco; tobacco refuse | 1,804,000,358 |
| 2005 | 2020 | Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen ... | 320,824,753 |
| 708 | 2020 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 293,230,547 |
| 2008 | 2020 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 266,075,888 |
| 710 | 2020 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 156,064,095 |
| 106 | 2020 | Live animals (excluding horses, asses, mules, hinnies, bovine animals, swine, sheep, goats, ... | 153,904,723 |
| 1515 | 2020 | Fixed vegetable fats and oils, incl. jojoba oil, and their fractions, whether or not refined, ... | 145,150,176 |
| 5305 | 2020 | Coconut, abaca "Manila hemp or Musa textilis Nee", ramie, agave and other vegetable textile ... | 91,787,931 |
| 902 | 2020 | Tea, whether or not flavoured | 76,502,888 |
| Total | 2020 |  | 6,408,510,341 |

## Top Ten Import to Kenya in 2020

|  |  |  |  |
| --- | --- | --- | --- |
| HSCODE4 | Year | Product description | Import Value |
|  |  |  |  |
| 3002 | 2020 | Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera ... | 4,269,165,358 |
| 2710 | 2020 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 2,645,017,680 |
| 1901 | 2020 | Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing ... | 1,378,342,010 |
| 3004 | 2020 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 1,178,401,036 |
| 3808 | 2020 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 1,160,262,741 |
| 3811 | 2020 | Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive ... | 783,644,299 |
| 9018 | 2020 | Instruments and appliances used in medical, surgical, dental or veterinary sciences, incl. ... | 300,742,780 |
| 7210 | 2020 | Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm, hot-rolled or cold-rolled ... | 284,637,664 |
| 3901 | 2020 | Polymers of ethylene, in primary forms | 266,028,086 |
| 8463 | 2020 | Machine tools for working metal, sintered metal carbides or cermets, without removing material ... | 251,721,902 |
| Total | 2020 |  | 12,517,963,557 |

## 10.6 Situation Analysis

## SWOT Analysis with Regard to the Kenyan Market

**Strengths**

* Optimal location between UK, Germany and France
* Presence of European institutions, international organizations and global groups
* Ports of Antwerp (second largest in Europe) and Zeebrugge, canals, motorways
* Well-trained workforce through professional education, multilingualism
* Net external creditor position
* Excellent business climate

**Weaknesses**

* Political and financial tensions between Flanders and Wallonia
* Complex institutional structure and multiple administrative levels
* Strong dependence on the Western European situation (goods and services exports = 82% of the GDP)
* Exports concentrated on intermediate products and the European Union
* High level of structural unemployment
* Heavy public debt
* Tight housing market
* Saturation of transport infrastructures

**Opportunities**

* Growing Market
* Ready to pay high price for high quality goods

**Threats**

* Exports concentrated on intermediate products and the European Union
* Heavy public debt
* Increasing desire for cost reduction
* Competition from Larger Players

## 10.7 Problem Statement

Issues of concern hindering trade between Kenya and Belgium causing trade deficits on Kenyan side include (not limited to):

**Stringent Sanitary & Phytosanitary (SPS) requirements**: Belgium, like other EU member states have stringent Sanitary & Phytosanitary (SPS) requirements to be met by the exporters; and this is currently a big challenge in terms of chemical residue levels. There also various voluntary certifications which are more or less the same, required by different buyers. This adds to production costs for exporters.

**Competitiveness:** It is also worth noting that due to perishable nature most fresh produce like of cut flowers, the Kenya’s competitors (like Netherlands, also re-exporting Kenya’s products) closer to the market may have proximity advantage over Kenya.

## 10.8 Justification of Strategy Formulation

Trade between Kenya and Belgium over the years has been heavily in favor of Belgium. Kenyan exports to Belgium in 2018 grew by 10% compared while imports from the Belgium also improved by 14%. Balance of trade is in favour of Belgium in 2018, with a 15% improvement. This Shows there is potential to improve our trade volumes.

**11.0TRADE RELATIONS BETWEEN KENYA AND SWITZERLAND**

**11.1 Background of the Switzerland**

Switzerland officially the Swiss Confederation, is a federal republic in Europe. It consists of 26 cantons, and the city of Bern is the seat of the federal authorities. The country is situated in Western-Central Europe, and is bordered by Italy to the south, France to the west, Germany to the north, and Austria and Liechtenstein.

Switzerland is a landlocked country geographically divided between the Alps, the Swiss Plateau and the Jura, spanning a total area of 41,285 km2 (15,940 sq. mi) (land area 39,997 km2 (15,443 sq mi)

**Politics of the Republic of Switzerland**

Three political levels share power in Switzerland: the Confederation, the 26 cantons and over 2,250 communes.

The Swiss federal government, (the Federal Council), is made up of seven members, who are elected by parliament.

The Swiss parliament, or (Federal Assembly), has a total of 246 members, who are directly elected by the people. Switzerland has a bicameral parliament: the National Council (200 members) and the Council of States (46 members).

15 political parties are represented in the Swiss parliament. Those parties with the largest share of the popular vote are represented on the Federal Council.

Some 5.3 million citizens, roughly 63% of the total population, are eligible to vote at federal level. This right is granted to all Swiss nationals on reaching the age of majority (18 in Switzerland).

**11.2 Economic Overview**

The economy of Switzerland is one of the world's most stable economies.

According to United Nations data for 2016, Switzerland is the third richest landlocked country in the world after Liechtenstein and Luxembourg, and together with Norway the only two countries in the world with a GDP per capita above US$70,000 that are not island nations nor ministates

The city of Zurich, the most important economic center of the country and one of the world's major financial centers, hosts the SIX Swiss Exchange.

* Currency: Swiss franc Trending
* Gross domestic product: 659.8 billion USD (2016) World Bank
* GDP per capita: 78,812.65 USD (2016) World Bank
* GNI per capita: 63,660 PPP dollars (2016) World Bank
* GDP growth rate: 1.3% annual change (2016) World Bank
* Gross national income: 533 billion PPP dollars (2016) World Bank
* Internet users: 83.0% of the population (2011) World Bank
* Population: 8.372 million (2016) World Bank

**11.3 Development cooperation**

The Swiss Agency for Development and Cooperation (SDC) office for the Horn of Africa is based in Nairobi. For the 2013-2016 Cooperation Strategy for the Horn of Africa, the SDC has set aside KES. 14.44 billion (CHF. 140 million).Key areas for Kenya and Swiss cooperation are on Humanitarian aid and Food security/Environmental protection .

**11.4Diplomatic missions**

Kenya has a Permanent Mission to the UN Office in Geneva which also has the Consulate General of Kenya, which handles all diplomatic matters in the country. Kenya's High Commission in London is the mission accredited to Switzerland. Switzerland has an embassy in Nairobi.

**11.5 Switzerland Trade Relations with the World**

Switzerland is the 15th largest export economy in the world. In 2016, Switzerland exported $302B and imported $268B, resulting in a positive trade balance of $34.7B.

The top exports of Switzerland are Gold ($82.1B), Packaged Medicaments ($39.7B), Human or Animal Blood ($26.2B), Base Metal Watches ($12.1B) and Jewellery ($10.8B), using the 1992 revision of the HS (Harmonized System) classification.

Its top imports are Gold ($82.9B), Packaged Medicaments ($16.6B), Cars ($10.3B), Jewellery ($8.78B) and Human or Animal Blood ($7.48B).

The top export destinations of Switzerland are Germany ($43.7B), the United States ($37B), the United Kingdom ($32.7B), China ($27.3B) and Hong Kong ($18.6B).

The top import origins are Germany ($55.3B), the United States ($22.7B), Italy ($21.1B), the United Kingdom ($19.8B) and France ($16.9B).

*Source:* ***OEC***

**11.6 Kenya – Switzerland Trade Relations**

Business relations between Kenya and the Switzerland have a long tradition and Kenya has always been an important trading partner in the East African region and in the Sub-Saharan Africa.

**Trade Analysis**

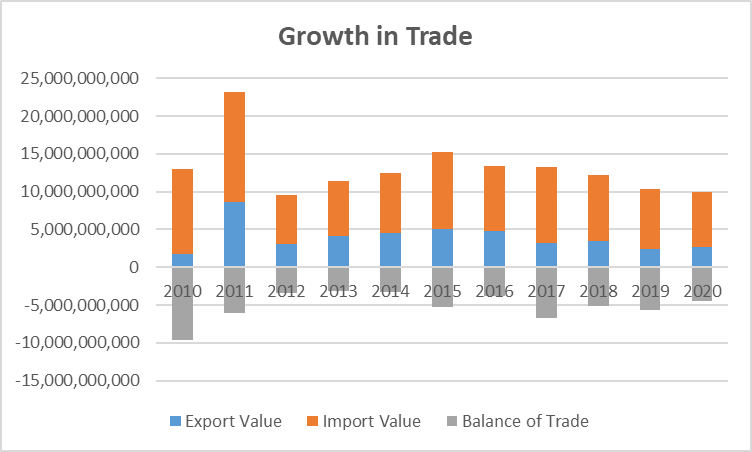
The statistics below shows the flow of trade in goods between the two partners over the ten years.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **YEAR** | **Export Value** | | **Import Value** | **Balance of Trade** |
| 2010 | 1,712,774,295 | | 11,343,628,294 | -9,630,853,999 |
| 2011 | 8,578,148,723 | | 14,631,106,699 | -6,052,957,975 |
| 2012 | 3,120,627,894 | | 6,464,381,478 | -3,343,753,584 |
| 2013 | 4,127,704,682 | | 7,261,898,446 | -3,134,193,764 |
| 2014 | 4,594,721,135 | | 7,932,355,359 | -3,337,634,224 |
| 2015 | 5,042,196,171 | | 10,244,734,396 | -5,202,538,225 |
| 2016 | 4,844,624,281 | | 8,604,809,002 | -3,760,184,722 |
| 2017 | 3,244,526,939 | | 10,010,281,917 | -6,765,754,978 |
| 2018 | 3,521,856,413 | | 8,678,848,083 | -5,156,991,670 |
| 2019 | 2,396,907,137 | | 8,023,930,241 | -5,627,023,104 |
| 2020 | 2,704,007,426 | | 7,210,348,052 | -4,506,340,625 |
| **AVERAGE VALUES** | | **3,691,143,480** | **8,566,111,822** | **-4,874,968,342** |

***Source:*** *Kenya Revenue Authority (Customs Department)*

***Compiled by: -*** *brand.ke, (Centre for Business Information in Kenya) (CBIK)*

In 2020, Kenya’s exports to Switzerland amounted to **Kshs 2.7 billion** while imports amounted to **Kshs7.2 billion** resulting to a deficit balance of trade of Kshs -4.5 billion which is in favor of Switzerland.



Kenya's main exports to the Switzerland in 2020 include:

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 966,379,308 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 960,905,729 |
| 902 | Tea, whether or not flavoured | 425,507,970 |
| 1211 | Plants and parts of plants, incl. seeds and fruits, of a kind used primarily in perfumery, ... | 134,444,865 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 70,505,680 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 34,620,130 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 18,578,050 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 16,094,845 |
| 709 | Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ... | 10,691,423 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 7,986,893 |
| **Total** |  | **2,645,714,893** |

The main imports from Switzerland’s to Kenya in 2020 include:

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 4907 | Unused postage, revenue or similar stamps of current or new issue in the country in which they ... | 1,587,736,329 |
| 2711 | Petroleum gas and other gaseous hydrocarbons | 1,016,944,143 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 729,464,839 |
| 3215 | Printing ink, writing or drawing ink and other inks, whether or not concentrated or solid | 566,257,038 |
| 2936 | Provitamins and vitamins, natural or reproduced by synthesis, incl. natural concentrates, derivatives ... | 242,151,727 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 231,423,754 |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 222,783,492 |
| 9018 | Instruments and appliances used in medical, surgical, dental or veterinary sciences, incl. ... | 172,060,428 |
| 8517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 149,621,190 |
| 9027 | Instruments and apparatus for physical or chemical analysis, e.g. polarimeters, refractometers, ... | 148,880,184 |
| **Total** |  | **5,067,323,125** |

* sector players and therefore encourage more trade and investments.

**12.0 KENYA/SWEDEN TRADE RELATIONS**

**12.1Background of the Sweden**

Sweden, officially the Kingdom of Sweden is a Scandinavian country in Northern Europe. It borders Norway to the west and north and Finland to the east, and is connected to Denmark in the southwest by a bridge-tunnel across the Öresund.

At 450,295 square kilometres, Sweden is the third-largest country in the European Union by area.

There are 9.903 million people (2016) World Bank in Sweden, of whom about 2 million are under the age of 18. Eighty-five percent of them live in cities. Sweden is a very multicultural country: 15 per cent of Swedes were born in another country, while about one in five children in Sweden has a family with roots in another country.

Swedish is the official language of Sweden. The vast majority of Swedes also speak English, and generally to a very high level. Many Swedish multinational organizations have English as their corporate language, and a large number of university degree programmes and courses are taught in English

**Politics of the Republic of Sweden**

Sweden is a parliamentary democracy. The main political parties are grouped into two blocs: a left-of-Centre bloc consisting of the Social Democrats, the Left Party and the Green Party; and the Centre-right bloc consisting of the Moderate Party, the Centre Party, the Christian Democrats and the Liberal Party.

Sweden’s parliament is called the Riksdag, to which members are elected every four years.

The Swedish head of state since 1973 has been King Carl XVI Gustaf. He has no political power, but represents the country and performs ceremonial duties.

Sweden is a member of the European Union, but has its own currency, the krona, or Swedish crown.

**12.2 Economic Overview**

The economy of Sweden is a developed export-oriented economy aided by timber, hydropower, and iron ore. These constitute the resource base of an economy oriented toward foreign trade. The main industries include motor vehicles, telecommunications, pharmaceuticals, industrial machines, precision equipment, chemical goods, home goods and appliances, forestry, iron, and steel

***Economic Indicators***

* Currency: Swedish krona
* Gross domestic product: 511 billion USD (2016) World Bank
* GDP per capita: 51,599.87 USD (2016) World Bank
* Unemployment rate: 6.5% (Jan 2018) Eurostat
* Government debt: 42.2% of GDP (2016) Eurostat
* GDP growth rate: 3.2% annual change (2016) World Bank
* GNI per capita: 50,000 PPP dollars (2016) World Bank
* Population: 9.903 million (2016) World Bank

**12.3Diplomatic missions**

Kenya has an embassy in Stockholm. It is also accredited to Denmark, Finland, Iceland and Norway. Sweden has an embassy in Nairobi.

In addition to the embassy in Nairobi, Sweden also has a consulate in Mombasa

**12.4 Development cooperation**

Sweden is cooperating with Kenya on the long-term goal of making Kenya a high-middle-income country through Vision 2030 based on the economic, social and political pillars. Sweden also recognizes that Kenya plays a key role in regional peace and stability.

Key areas for Kenya and Swedish cooperation are:

* Poverty reduction
* Governance
* Natural Resources and Environment
* Urban Development

In 2012, humanitarian assistance from Sweden to Kenya totaled KES. 900 million (EUR. 8.7 million). Total Swedish support for development programs is estimated at KES. 5.2 billion (EUR. 50.2 million).

In 1973 both countries signed a double tax avoidance agreement

Over 50 Swedish multinational corporations such as ABB, Alfa Laval, Atlas Copco, Bahco, Ericsson, Saab, Sandvik, Scania, SKF, TetraPak and Volvo have operations in Kenya. Majority of the firms run their Africa operations from Nairobi. Kenya is considered an access point to East African markets.

**12.5 Sweden Trade Relations with the World**

Sweden is the 26th largest export economy in the world. In 2016, Sweden exported $135B and imported $139B, resulting in a negative trade balance of $4.24B.

The top exports of Sweden are Cars ($7.42B), Refined Petroleum ($6.4B), Packaged Medicaments ($5.56B), Vehicle Parts ($5.01B) and Telephones ($3.6B), using the 1992 revision of the HS (Harmonized System) classification.

Its top imports are Cars ($8.69B), Unspecified ($7.24B), Crude Petroleum ($5.92B), Vehicle Parts ($5.47B) and Refined Petroleum ($4.93B).

The top export destinations of Sweden are Germany ($14.3B), Norway ($14.1B), the United States ($9.8B), Denmark ($9.7B) and Finland ($9.4B).

The top import origins are Germany ($27.9B), Denmark ($10.7B), the Netherlands ($9.4B), Belgium ($6.73B) and China ($6.31B).

*Source:* ***OEC***

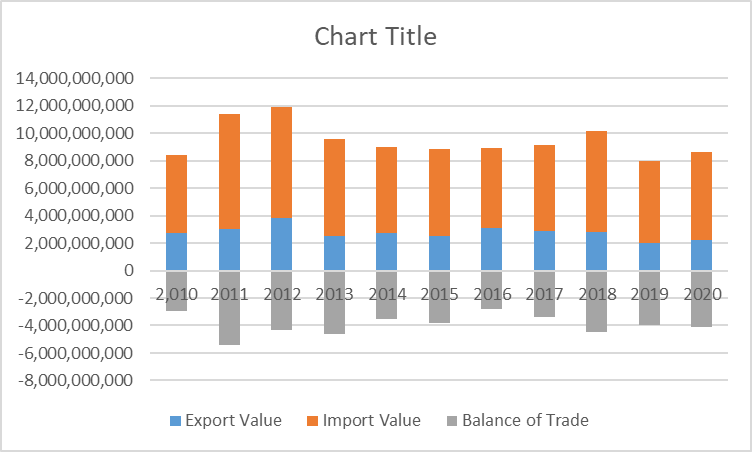
**12.6 Kenya – Sweden Trade Relations**

Business relations between Kenya and the Sweden have a long tradition and Kenya has always been an important trading partner in the East African region and in the Sub-Saharan Africa.

Sweden is strengthening its relations with Kenya in a strategy to shore up trade ties with East African countries. The Scandinavian country, through its recently inaugurated **trade council** in Nairobi, plans to enhance business ties by increasing import and export volumes — especially with Kenya.

**Trade Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2,010 | 2,741,841,191 | 5,652,968,816 | -2,911,127,625 |
| 2011 | 3,008,825,285 | 8,406,670,515 | -5,397,845,230 |
| 2012 | 3,810,036,222 | 8,117,231,334 | -4,307,195,112 |
| 2013 | 2,502,839,371 | 7,091,125,539 | -4,588,286,168 |
| 2014 | 2,731,442,922 | 6,230,546,588 | -3,499,103,666 |
| 2015 | 2,510,136,793 | 6,364,156,215 | -3,854,019,423 |
| 2016 | 3,066,092,077 | 5,843,631,654 | -2,777,539,577 |
| 2017 | 2,863,019,556 | 6,255,512,650 | -3,392,493,094 |
| 2018 | 2,829,322,574 | 7,338,587,860 | -4,509,265,286 |
| 2019 | 1,975,324,650 | 5,972,422,590 | -3,997,097,940 |
| 2020 | 2,253,865,220 | 6,394,951,743 | -4,141,086,523 |
| **AVERAGE VALUES** | **2,643,822,045** | **6,656,603,975** | **-4,012,781,930** |



**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre For Business Information in Kenya (CBIK) - BRANDKE***

**Main exports to Sweden**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 1,392,411,548 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 576,029,351 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 218,710,474 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 21,221,178 |
| 4,420 | Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, ... | 10,747,649 |
| 6,109 | T-shirts, singlets and other vests, knitted or crocheted | 6,092,546 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 4,054,521 |
| 9,507 | Fishing rods, fish-hooks and other line fishing tackle n.e.s; fish landing nets, butterfly ... | 3,923,198 |
| 9,023 | Instruments, apparatus and models designed for demonstrational purposes, e.g. in education ... | 3,250,440 |
| 2009 | Fruit juices, incl. grape must, and vegetable juices, unfermented, not containing added spirit, ... | 2,752,362 |
| **Total** |  | **2,239,193,266** |

**Main imports from Sweden**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 4804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 1,044,040,736 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 791,115,763 |
| 8517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 593,255,778 |
| 8,434 | Milking machines and dairy machinery (excluding refrigerating or heat treatment equipment, ... | 319,448,506 |
| 4,810 | Paper and paperboard, coated on one or both sides with kaolin "China clay" or other inorganic ... | 305,029,586 |
| 4805 | Other paper and paperboard, uncoated, in rolls of a width > 36 cm or in square or rectangular ... | 257,990,171 |
| 8,802 | Powered aircraft "e.g. helicopters and aeroplanes"; spacecraft, incl. satellites, and suborbital ... | 229,188,207 |
| 8,478 | Machinery for preparing or making up tobacco, not specified or included elsewhere in this chapter; ... | 225,145,438 |
| 3822 | Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents ... | 191,846,993 |
| 7,204 | Ferrous waste and scrap; remelting scrap ingots of iron or steel (excluding slag, scale and ... | 189,011,118 |
| **Total** |  | **4,146,072,297** |

**Key Observations**

* The balance of trade is still heavily in favor of Sweden as Kenya's exports largely consist of agricultural produce, which have little or no value addition.
* Kenya's main exports to Sweden include: coffee, cut flowers, fruits and vegetables.
* Sweden's main exports to Kenya include: telecommunication equipment, paper, machinery, manufactured products, medical equipment and vehicles.
* In 2020, Kenya’s exports to Sweden amounted to Kshs 2.25 billion while imports amounted to Kshs 6.39 billion resulting to a deficit balance of trade of Kshs 4.14 billion which is heavily in favour of Sweden.

**Potential Export products**

Other product lines with potential market in Sweden are Fish, Meat and meat products and nuts. We need to address issues of SPS, standards and regulations restricting access of market by such products.

**12.7 Situation Analysis**

**SWOT Analysis**

**Strengths**

* Open, diversified and competitive economy
* Specialization in high-tech products and the green economy
* Sound public finances
* Increasingly dynamic demographics

**Weaknesses**

* Tensions on the real estate market
* Substantial household debt
* Highly concentrated banking sector

**Opportunities**

* A high Gdp of 511 USD billion and a population of approximately 10 million.
* High growth in developing regions

**Threats**

* Growth expected to be slower in 2018
* Competition from already established markets

**12.8 Problem Statement**

**Key Issues of Concern**

* + Escalations of tariffs for valued added products such as Coffee,
  + Export products mainly agricultural, affected by seasonality and poor husbandry, small fragmented land holdings, & subsistence farming.
  + Knowledge gap in dealing with logistics for fresh and perishable produce earmarked for the Sweden market
  + Need for training, sensitization and information dissemination to existing & potential exporters.
  + Disjointed value chain experienced in most sectors. There is lack of seamless connectivity along product chain.
  + Little investment in product value addition.
  + Limited e-commerce competence among majority of producer groups. This challenge is locking out Kenyan from the e-commerce driven trade, which is increasing by the day because of internet driven expansion of opportunities for business-to-business and business-to-consumer e-commerce transactions across borders.
  + Difficulty in generating quantities (supply side constraints) and qualities that meet expectations of the market demand side and inability to negotiate effectively with foreign buyers due to poor exposure
  + Inadequate resources to develop required product standards and training of business people on the standards and appropriate business practice.

**12.9 Recommended Strategies**

* Engage competent Authorities in both countries to address issues of SPS and standards as well as escalation of tariffs on value added products destined for Sweden.
* Integrate the SME exporters into the E-commerce platform to enable them exploit the opportunities in the Sweden market
* Address the supply side constraints by enhancing capacity through organized groups like cooperatives as well investing in superior technology.
* Utilize the e-trade portal for export products to promote linkage across the value chain. Integrate a system of registering new entrants and exits from the sectors to ensure the roster of producers and exporters remain current and authentic.
* Make sure of the inaugurated Swedish trade council in Nairobi to enhance business ties by increasing export volumes

# 13.0 BRIEF ON KENYA/CZECH REPUBLIC RELATIONS

## 13.1 Background of the Czech Republic

The Czech Republic (or informally Czechia) is a small landlocked country in Central Europe, situated southeast of Germany and bordering Austria to the south, Poland to the north and Slovakia to the southeast.

**Politics of the Republic of Czech**

The Czech Republic is a unitary parliamentary constitutional republic, in which the President is the head of state and the Prime Minister is the head of government. Both houses together make up the Parliament of the Czech Republic. The political system of the Czech Republic is a multi-party system

## 13.2 Economic Overview

The Economy of the Czech Republic is a developed export-oriented social market economy based on services, manufacturing and innovation that maintains a high-income welfare state and the "continental" type of the European social model. Wikipedia

* Currency: Czech koruna
* Gross domestic product: 192.9 billion USD (2016) World Bank
* GDP per capita: 18,266.55 USD (2016) World Bank
* Minimum wage: 419.90 EUR per month (Jul 2017) Eurostat
* Unemployment rate: 2.3% (Dec 2017) Eurostat
* GDP growth rate: 2.4% annual change (2016) World Bank
* GNI per capita: 32,710 PPP dollars (2016) World Bank
* Population :10.56 million (2016) World Bank

## 13.3 Diplomatic missions

Kenya has an embassy in the Netherlands which is accredited to the Czech Republic. The Czech Republic opened its embassy in Nairobi in November 2014.

## 13.4 Czech Republic Trade Relations with the World

The Czech Republic is the 22nd largest export economy in the world. In 2016, the Czech Republic exported $160B and imported $138B, resulting in a positive trade balance of $22.5B.

The top exports of the Czech Republic are Cars ($18.7B), Vehicle Parts ($13.5B), Computers ($8.69B), Seats ($2.71B) and Insulated Wire ($2.61B), using the 1992 revision of the HS (Harmonized System) classification.

Its top imports are Vehicle Parts ($8.9B), Computers ($6.43B), Cars ($3.75B), Packaged Medicaments ($3.3B) and Broadcasting Equipment ($2.65B).

The top export destinations of the Czech Republic are Germany ($52.3B), Slovakia ($13.6B), Poland ($9.2B), the United Kingdom ($8.42B) and France ($8.39B).

The top import origins are Germany ($42.7B), Poland ($12.7B), Slovakia ($9.2B), China ($8.06B) and the Netherlands ($7.32B).

*Source:* ***OEC***

## 13.5 Development cooperation

The Government of the Czech Republic offers two scholarships to Kenyans annually, about 30 Kenyans study in the Czech Republic. Approximately 50 Kenyans live in the Czech Republic. The Czech Republic has also in the past offered assistance in environmental protection and drought mitigation.

Kenya and the Czech Republic have signed bilateral agreements in:

* Scientific and Technical Cooperation between the governments of the Czechoslovak Socialist Republic and Kenya in 1964
* Cultural Cooperation signed between the governments of the Czechoslovak Socialist Republic and Kenya in 1986
* Air Services Agreement signed between the governments of the Czechoslovak Socialist Republic and Kenya in 1989

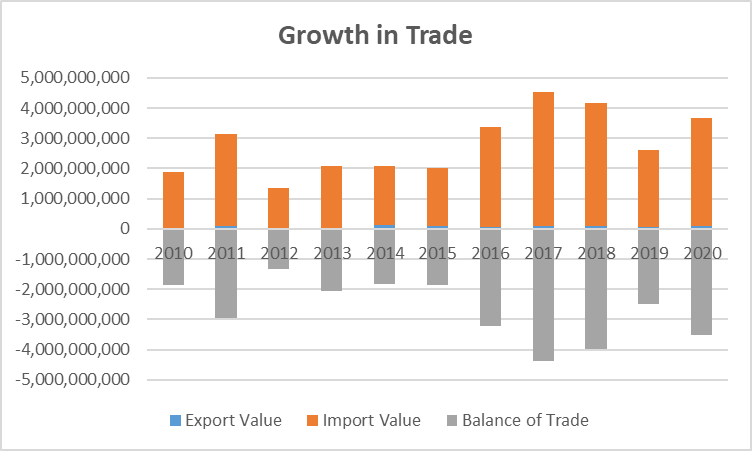
Both countries have identified key areas in development such as commerce, trade, tourism, education and culture.

## 13.6 Kenya – Czech Republic Trade Relations

Business relations between Kenya and the Czech Republic have a long tradition and Kenya has always been an important trading partner in the East African region and in the Sub-Saharan Africa.

**Trade Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 20,300,855 | 1,877,551,560 | -1,857,250,705 |
| 2011 | 79,234,407 | 3,043,436,151 | -2,964,201,744 |
| 2012 | 16,093,358 | 1,343,449,669 | -1,327,356,311 |
| 2013 | 11,180,134 | 2,073,150,916 | -2,061,970,782 |
| 2014 | 134,321,280 | 1,958,552,946 | -1,824,231,666 |
| 2015 | 83,020,323 | 1,928,640,151 | -1,845,619,828 |
| 2016 | 76,416,070 | 3,299,998,744 | -3,223,582,673 |
| 2017 | 82,876,361 | 4,442,594,874 | -4,359,718,513 |
| 2018 | 88,869,382 | 4,078,624,706 | -3,989,755,324 |
| 2019 | 53,637,009 | 2,550,552,736 | -2,496,915,727 |
| 2020 | 81,621,113 | 3,588,438,910 | -3,506,817,797 |
| **AVERAGE VALUES** | **63,084,281** | **2,478,103,811** | **-2,415,019,530** |



**Main exports to Czech Republic**

|  |  |  |
| --- | --- | --- |
| SITC | SHORT DESCRIPTION | EXPORTVALUE IN KSHS |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 57,447,696 |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 4,281,102 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 4,128,316 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, .. | . 3,144,753 |
| 1512 | Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, ... | 3,144,753 |
| 1207 | Other oil seeds and oleaginous fruits, whether or not broken (excluding edible nuts, olives, ... | 2,914,118 |
| 1209 | Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, ... | 2,046,957 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 1,903,957 |
| 902 | Tea, whether or not flavoured | 775,965 |
| 8536 | Electrical apparatus for switching or protecting electrical circuits, or for making connections ... | 382,348 |
| Total |  | 80,519,866 |

**Main imports from the Czech Republic**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 885,274,948 |
| 1001 | Wheat and meslin | 788,389,162 |
| 4804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 505,590,237 |
| 6210 | Garments made up of felt or nonwovens, whether or not impregnated, coated, covered or laminated; ... | 114,105,493 |
| 8443 | Printing machinery used for printing by means of plates, cylinders and other printing components ... | 110,268,069 |
| 9301 | Military weapons, incl. sub-machine guns (excluding revolvers and pistols of heading 9302 and ... | 108,744,779 |
| 6506 | Headgear, whether or not lined or trimmed, n.e.s. | 89,296,966 |
| 8517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 85,543,837 |
| 7018 | Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass ... | 55,499,525 |
| 9018 | Instruments and appliances used in medical, surgical, dental or veterinary sciences, incl. ... | 55,096,978 |
| **Total** |  | **2,797,809,994** |

**Observations**

The balance of trade is still heavily in favor of the Czech Republic as Kenya's exports largely consist of agricultural produce.

Kenya's main exports to the Czech Republic include: petroleum oils, coffee, cut flowers, fruit and vegetables.

The Czech Republic's main exports to Kenya include: Wheat, steel rods, glass beads, aircraft and their spare parts, instruments and carpets, forklifts, pharmaceuticals products, surgical equipment’s, lathes and agricultural inputs and vehicles.

In 2020, Kenya’s exports to Czech Republic amounted to Kshs 81 Million while imports amounted to Kshs 3.5 billion resulting to a deficit balance of trade of Kshs 3.5 billion which is heavily in favor of Czech Republic.

## 13.7 SWOT ANALYSIS OF KENYA WITH REGARD TO CZECH REPUBLIC MARKET

The SWOT analysis looks at the strength, opportunities and threats of Kenya as it tackles the Czech Republic market.

**Strengths**

* Central geographic location at the heart of industrial Europe
* Tightly integrated in the international, especially German, production chain
* Preferential destination for foreign direct investments in Central Europe
* Significant industrial potential
* Richness of cultural, historical and technical sights and other cultural folkloric.
* Dense and well-marked net of hiking trails and routes in the whole country.
* Flexible labour force.
* Robust public accounts and banking system
* Low reliance on external energy

**Weaknesses**

* Small, very open economy: exports account for 84% of GDP
* Very dependent on European demand: 63% of exports are to the Eurozone, one third to Germany
* Automotive occupy large share of the economy
* Lack of rapid transport links with the rest of Europe
* Ageing population and shortage of skilled labor
* Low quality of basic and complimentary services
* Absence of marketing studies of development of potential trading partners.
* Insufficient promotion of republic and regions abroad and regions in a frame of republic.
* Imbalance between demand and offer of quality services.

**Opportunities**

* Strengthening position of Czech Republic on the world and especially European market.
* Dissemination of co-operation of border regions and other regions and municipalities with their relevant foreign partners.
* Preparation for touristic sector for support from structural EU funds intake.

**Threats**

* Underestimation of importance of legislative framework of business and service quality control.
* Lack of capital for stabilization and next development of entrepreneurship.
* Underestimation of importance of coordination of state authorities, local administration authorities and regional development agencies.
* Underestimation of importance of tourism activities for development of SMEs and creation of new job opportunities in the regions
* Underestimation of human factor and professional expert training.

## 13.8 Recommended Strategies

* Need to diversify export products to Czech Republic
* There is need for value addition in export products.
* Create awareness on the EU Sanitary and phyto-sanitary standards and other technical barriers to trade that need to be conformed to in order for our produce to penetrate the German market.
* Take advantage of Czech Republic Annual participation in International Trade fair including trade fairs & exhibitions to showcase Kenyan products.
* Encourage interaction between the business community in Kenya and Czech Republic, in addition to cooperation between trades supports Organization in the two countries.

# 14.0 KENYA-AUSTRIA TRADE RELATIONS

## 14.1 Background Information.

Austria officially the Republic of Austria is a [federal republic](https://en.wikipedia.org/wiki/Federal_republic" \o "Federal republic) and a [landlocked country](https://en.wikipedia.org/wiki/Landlocked_country" \o "Landlocked country) of over 8.8 million people in [Central Europe](https://en.wikipedia.org/wiki/Central_Europe" \o "Central Europe). The country is characterized by mountain villages, baroque architecture, Imperial history and rugged Alpine terrain. It is bordered by the [Czech Republic](https://en.wikipedia.org/wiki/Czech_Republic" \o "Czech Republic) and [Germany](https://en.wikipedia.org/wiki/Germany" \o "Germany) to the north, [Hungary](https://en.wikipedia.org/wiki/Hungary" \o "Hungary) and [Slovakia](https://en.wikipedia.org/wiki/Slovakia" \o "Slovakia) to the east, [Slovenia](https://en.wikipedia.org/wiki/Slovenia" \o "Slovenia) and [Italy](https://en.wikipedia.org/wiki/Italy" \o "Italy) to the south, and [Switzerland](https://en.wikipedia.org/wiki/Switzerland" \o "Switzerland) and [Liechtenstein](https://en.wikipedia.org/wiki/Liechtenstein" \o "Liechtenstein) to the west. The territory of Austria covers 83,879 km2. The capital and largest city, with a population exceeding 1.8 million, is [Vienna](https://en.wikipedia.org/wiki/Vienna" \o "Vienna). The capital and largest city, with a population exceeding 1.8 million, is [Vienna](https://en.wikipedia.org/wiki/Vienna" \o "Vienna).

The majority of the population speaks local [Bavarian](https://en.wikipedia.org/wiki/Bavarian_language" \o "Bavarian language) dialects of [German](https://en.wikipedia.org/wiki/German_language" \o "German language) as their native language, and [German](https://en.wikipedia.org/wiki/German_language" \o "German language) in its standard form is the country's [official language](https://en.wikipedia.org/wiki/Official_language" \o "Official language)

Austria is a member of the United Nations, European Union, [and OECD](https://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development" \o "Organisation for Economic Co-operation and Development) among others.

## 14.2 Economic Overview

The economy of Austria is a well-developed market economy with skilled labor force and high standard of living. Its economy features a large service sector, a relatively sound industrial sector, and a small, but highly developed agricultural sector. The most important industries are food and luxury commodities, mechanical engineering and steel construction, chemicals, and vehicle manufacturing.

In the field of agriculture, Austria is witnessing a strong trend towards organic farming. With an overall share of 22%, organic farms in Austria occupy a leading position among the EU Member States.

## 14.3 Diplomatic Relations.

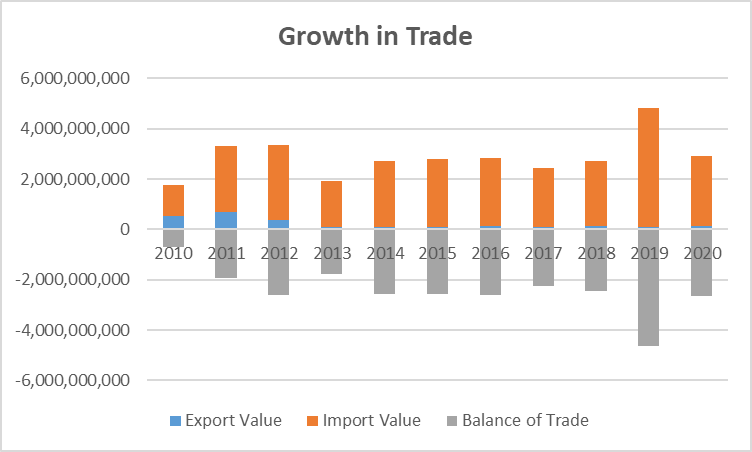
The bilateral relations between the two nationsare friendly. Austria was among the first countries to recognize Kenya since independence. In 1971, the Austrian Honorary Consulate in Mombasa was re-opened (at the moment it is closed for health reasons).

Austria is represented by an Embassy in Nairobi.

## 14.4Trade Analysis

Below is a table showing the trends in trade between Kenya and Austria between 2008 and 2018.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 536,756,580 | 1,240,303,472 | -703,546,892 |
| 2011 | 686,337,638 | 2,623,867,665 | -1,937,530,027 |
| 2012 | 369,870,023 | 2,994,942,490 | -2,625,072,468 |
| 2013 | 80,290,123 | 1,842,862,771 | -1,762,572,648 |
| 2014 | 77,994,743 | 2,635,293,654 | -2,557,298,911 |
| 2015 | 97,202,960 | 2,680,163,300 | -2,582,960,340 |
| 2016 | 114,242,565 | 2,707,321,042 | -2,593,078,477 |
| 2017 | 95,183,066 | 2,343,889,404 | -2,248,706,338 |
| 2018 | 131,699,498 | 2,593,907,689 | -2,462,208,191 |
| 2019 | 89,131,744 | 4,711,106,777 | -4,621,975,033 |
| 2020 | 139,484,726 | 2,788,333,904 | -2,648,849,177 |
| **AVERAGE VALUES** | **236,974,145** | **2,397,434,318** | **-2,160,460,172** |



**Top Ten Exports**

Below is a table showing the top ten exports from Kenya to Austria in 2020

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 79,415,778 |
| 8477 | Machinery for working rubber or plastics or for the manufacture of products from these materials, ... | 24,844,524 |
| 2614 | Titanium ores and concentrates | 16,520,829 |
| 5303 | Jute and other textile bast fibres, raw or processed, but not spun; tow and waste of such fibres, ... | 5,994,464 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 2,702,748 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 2,359,277 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 2,302,776 |
| 6815 | Articles of stone or of other mineral substances, incl. carbon fibres, articles of carbon fibres ... | 1,580,357 |
| 8504 | Electrical transformers, static converters, e.g. rectifiers, and inductors; parts thereof | 1,334,872 |
| 9013 | Liquid crystal devices not constituting articles provided for more specifically in other heading; ... | 582,384 |
| **Total** |  | **137,638,008** |

Below is a table showing top ten imports Austria to Kenya in 2020

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 2202 | Waters, incl. mineral waters and aerated waters, containing added sugar or other sweetening ... | 564,737,229 |
| 4804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 218,545,097 |
| 2941 | Antibiotics | 176,292,100 |
| 4810 | Paper and paperboard, coated on one or both sides with kaolin "China clay" or other inorganic ... | 142,244,573 |
| 8445 | Machines for preparing textile fibres; spinning, doubling or twisting machines and other machinery ... | 129,625,391 |
| 2309 | Preparations of a kind used in animal feeding | 118,468,307 |
| 8517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 96,768,780 |
| 8477 | Machinery for working rubber or plastics or for the manufacture of products from these materials, ... | 94,556,807 |
| 9027 | Instruments and apparatus for physical or chemical analysis, e.g. polarimeters, refractometers, ... | 93,710,579 |
| 8446 | Weaving machines "looms" | 63,713,807 |
| **Total** |  | **1,698,662,670** |

**Potential Export Products**

Potential exports products to Austria include: animal and animal products, dairy/milk products, horticultural products textiles, iron and steel, seeds, Articles of apparel and clothing accessories, essential oils among others.

## 14.6 Situation Analysis

## Swot Analysis

**Strengths**

* Central location in Europe and attractive quality of life
* Long developed market economy
* Industrial and tertiary diversification, high added value
* Solid current account surplus and low public deficit
* Low level of household and company debt, below the European average
* High level of employment and low youth unemployment 30% of energy sourced from renewable supplies
* Major tourist destination (11th in world)
* High level of public R&D investment

**Weaknesses**

* Reliance on state of German and Central and East European economies
* Banking sector with high exposure to Central and Eastern and South-east European countries
* Multiple layers of power and administration (federal, Länder, communes)
* Lack of competitiveness of public services and numbers of regulated professions

**Opportunities**

* High value Gdp of $ 434.097 billion with high standards of living
* Strong trends in agriculture.

**Threats**

* Highly developed agricultural sector
* First, there is the challenge of distance. Your main competitors are likely to be in Germany, a country located in the same time zone with a similar culture and the same language.
* A second significant challenge in Austria is the burden of regulation, often in addition to EU minimum standards.
* Austrians are highly risk-averse. Where an Kenyan might see an opportunity, an Austrian is likely to see business risks. This characteristic can make it difficult to introduce new products or present business innovations.

## 14.7 Recommended Strategies

* Undertake a new market survey with a view to sustaining the already existing market while at the same time introducing a new range of exportable products.
* Exchange of information on trade, and investment which can be disseminated to the business community in both countries. This would include market access requirements for potential products, consumer preference, packaging & labelling requirements and sustainable distribution among others.
* Need to diversify export products to Austria.
* Create awareness on Sanitary and phyto-sanitary standards and other technical barriers to trade that need to be conformed to in order for our produce to penetrate the Austria market.
* Since Austrians are highly risk averse the best way to combat this tendency is to mitigate your business partner’s fears by focusing on proven results, spending enough time to carefully plan for various contingencies, and being flexible in minimum purchasing requirements.

# **15.0 KENYA-SPAIN TRADE RELATIONS**

## **15.1 Background Information.**

Spain, also known as the Kingdom of Spain, is located on the Iberian Peninsula in southwestern Europe. With an area of 505,990 km2, Spain is the largest country in Southern Europe, the second largest country in Western Europe and the European Union, and the [fourth largest country in the European continent](https://en.wikipedia.org/wiki/Area_and_population_of_European_countries" \o "Area and population of European countries). Spain's capital and largest city is [Madrid](https://en.wikipedia.org/wiki/Madrid" \o "Madrid); other major [urban areas](https://en.wikipedia.org/wiki/List_of_metropolitan_areas_in_Spain" \o "List of metropolitan areas in Spain) include [Barcelona](https://en.wikipedia.org/wiki/Barcelona" \o "Barcelona), [Valencia](https://en.wikipedia.org/wiki/Valencia" \o "Valencia), [Seville](https://en.wikipedia.org/wiki/Seville" \o "Seville), [Bilbao](https://en.wikipedia.org/wiki/Bilbao" \o "Bilbao) and [Málaga](https://en.wikipedia.org/wiki/M%C3%A1laga" \o "Málaga).

It is a member of the United Nations (UN), the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) (EU), the [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone), , the [Organization of Ibero-American States](https://en.wikipedia.org/wiki/Organization_of_Ibero-American_States" \o "Organization of Ibero-American States) (OEI), the [Union for the Mediterranean](https://en.wikipedia.org/wiki/Union_for_the_Mediterranean" \o "Union for the Mediterranean), the [North Atlantic Treaty Organization (NATO)](https://en.wikipedia.org/wiki/NATO" \o "NATO), the [Organization for Economic Co-operation and Development](https://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development" \o "Organisation for Economic Co-operation and Development) (OECD), the [World Trade Organization](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization) (WTO) and many other international organizations.  
Currency used is Euro.

## 15.2 Economic Overview.

Spain is classified as a [high income economy](https://en.wikipedia.org/wiki/World_Bank_high-income_economy" \o "World Bank high-income economy) and among the countries of very high human development with a mixed capitalist economy.

The [economy](https://en.wikipedia.org/wiki/Economy" \o "Economy) of [Spain](https://en.wikipedia.org/wiki/Spain" \o "Spain) is the world's [fourteenth-largest](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)" \o "List of countries by GDP (nominal)) by nominal GDP, and it is also one of the largest in the world by [purchasing power parity](https://en.wikipedia.org/wiki/Purchasing_power_parity" \o "Purchasing power parity). The country is a member of the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union), the [Organization for Economic Co-operation and Development](https://en.wikipedia.org/wiki/OECD" \o "OECD), and the [World Trade Organization](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization).

The Spanish economy is the fifth-largest in [Europe](https://en.wikipedia.org/wiki/Europe" \o "Europe) behind Germany, United Kingdom, Italy and France; and the fourth-largest in the [Euro zone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone), based on nominal GDP statistics.

In 2017, the Gdp was 1,314,589 million USD and Gdp per capita $28,241 USD ‎.

**Major trading Partners:** France, Germany, Portugal, United Kingdom, United States, Netherlands, Belgium, Morocco, China

**Main Exports**: Vehicles (17.8% of total exports),Machinery including computers (7.6%),Mineral fuels including oil (7%),Electrical machinery, equipment (5.3%),Plastics, plastic articles(3.9%),Pharmaceuticals(3.6%),Fruits, nuts (3%),Clothing, accessories (not knit or crochet): (2.7%),Articles of iron or steel: $7.5 billion (2.3%),Iron, steel (2.3%).

**Main Imports:** Vehicles (13.1% of total imports), Mineral fuels including oil (13%), Machinery including computers (9.9%), Electrical machinery, equipment (7.6%), Pharmaceuticals (4.1%), Plastics, plastic articles (3.5%), Clothing, accessories (not knit or crochet (2.9%), Organic chemicals (2.9%), Iron, steel (2.8%), Optical, technical, medical apparatus (2.5%)

**Major Industries:** Machine tools, pharmaceuticals, metals and metal manufactures, chemicals, shipbuilding, automobiles, medical equipment, textiles and apparel (including footwear), food and beverages, clay and refractory products, footwear, tourism.

## 15.3 Diplomatic Relations.

Relations between The two nations are bilateral in nature. Kenya is represented by its embassy in Madrid, while Spain has its embassy in Nairobi and a consulate in Mombasa.

## 15.4 Trade Analysis.

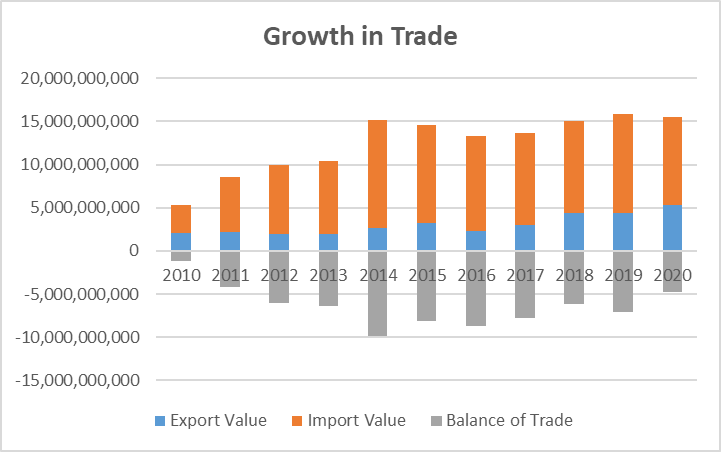
Below is a table showing the trends in trade between Kenya and Spain.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 2,034,459,985 | 3,254,648,682 | -1,220,188,697 |
| 2011 | 2,202,673,232 | 6,372,152,549 | -4,169,479,318 |
| 2012 | 1,934,413,706 | 7,980,846,247 | -6,046,432,541 |
| 2013 | 2,017,940,931 | 8,365,194,471 | -6,347,253,540 |
| **2014** | 2,627,152,560 | 12,515,664,979 | -9,888,512,419 |
| 2015 | 3,239,318,731 | 11,375,759,671 | -8,136,440,940 |
| 2016 | 2,301,663,368 | 11,023,222,373 | -8,721,559,005 |
| 2017 | 2,962,970,497 | 10,696,360,620 | -7,733,390,123 |
| 2018 | 4,443,461,944 | 10,586,060,342 | -6,142,598,398 |
| 2019 | 4,436,531,041 | 11,475,754,355 | -7,039,223,314 |
| 2020 | 5,375,347,932 | 10,085,014,406 | -4,709,666,474 |
| **AVERAGE VALUES** | **2,864,936,707** | **8,547,625,016** | **-5,682,688,309** |

Kenya’s total exports to Spain were valued at approximately **KES 5.38 Billion** in 2020, a slight increase from **KES 4.43 Billion** exported in 2019.

Kenya’s imports from Spain were valued at **KES 10.08 Billion** in 2020, a decrease from **KES11.48 Billion** in 2019.

Trade Balance between the two nations for the past five years has always been in favor of Spain. Kenya posted a trade deficit of **KES 4.7** in 2020.



**Top Ten Exports for 2020**

Below is a table showing Kenya top ten exports.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 1,479,778,367 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 1,047,223,801 |
| 2615 | Niobium, tantalum, vanadium or zirconium ores and concentrates | 843,124,734 |
| 1515 | Fixed vegetable fats and oils, incl. jojoba oil, and their fractions, whether or not refined, ... | 565,457,455 |
| 2009 | Fruit juices, incl. grape must, and vegetable juices, unfermented, not containing added spirit, ... | 276,537,617 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 231,799,208 |
| 802 | Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts ... | 228,892,974 |
| **5305** | Coconut, abaca "Manila hemp or Musa textilis Nee", ramie, agave and other vegetable textile ... | 164,565,185 |
| 303 | Frozen fish (excluding fish fillets and other fish meat of heading 0304) | 161,993,225 |
| 304 | Fish fillets and other fish meat, whether or not minced, fresh, chilled or frozen | 99,085,194 |
| **Total** |  | **5,098,457,759** |

**Top Ten Imports for 2020.**

Below is a table showing Kenya top ten imports from Spain.

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | Import Value |
| 8501 | Electric motors and generators (excluding generating sets) | 1,717,985,795 |
| 8602 | Rail locomotives (excluding those powered from an external source of electricity or by accumulators); ... | 533,816,743 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 531,314,118 |
| 6907 | Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and ... | 452,280,451 |
| 3917 | Tubes, pipes and hoses, and fittings therefor, e.g. joints, elbows, flanges, of plastics | 412,754,585 |
| 3817 | Mixed alkylbenzenes and mixed alkylnaphthalenes produced by the alkylation of benzene and naphthalene ... | 382,176,901 |
| 3824 | Prepared binders for foundry moulds or cores; chemical products and preparations for the chemical ... | 329,675,159 |
| 3901 | Polymers of ethylene, in primary forms | 295,093,671 |
| 7901 | Unwrought zinc : | 214,096,183 |
| 3302 | Mixtures of odoriferous substances and mixtures, incl. alcoholic solutions, based on one or ... | 159,497,391 |
| Total |  | **5,028,690,996** |

Source: Customs Department, Kenya Revenue Authority

Compiled by: Centre for Business Information in Kenya (CBIK) - brandke.

**Potential Export Products.**

Potential exports products to Spain may include: animal and animal products, dairy/milk products, meat and meat products, horticultural products, textiles, iron and steel, sesame seeds, essential oils among others.

## 15.5 Swot Analysis

**Strengths**

* Reform measures (labor market, banking sector, insolvency, etc.)
* Improved competitiveness and strengthened export sectors
* Improvement in the financial position of companies
* High-quality infrastructures
* Significant tourism potential

**Weakness**

* High levels of private and public debt, very negative net external position
* Duality of labor market, high level of structural unemployment
* Large number of relatively unproductive small companies
* Fragmented political landscape, unity of the country threatened by separatist movement in Catalonia.

**Opportunities**

* Spain has a culture of forming trust among business associates which can aid in negotiations.
* Fully understands all aspects of business deals
* Need to increase the number of companies which benefit from technological infrastructure and which use technological services, regardless of their location.
* Labour market to move towards permanent contracts, protests and strikes are being held against drilling and job cuts.

**Threats**

* There is imbalanced rural and urban development.
* presence of terrorist groups
* High unemployment rate.
* labour market rigidities and unrealistic wage hikes

## 15.6 Problem Statement

The trade imbalance between Kenya and Spain continues to widen with the balance of trade being heavily in favour of Spain which has a [high income economy](https://en.wikipedia.org/wiki/World_Bank_high-income_economy" \o "World Bank high-income economy) which cannot be ignored.

## 15.7 Justification of the Strategy Formulation.

Due to the nature of traded products, where imports from Spain were mainly machinery and electrical equipment which are high value compared to Kenya’s exports which were low value semi-processed agricultural and livestock products.

## 15.8 Recommended Strategies

The following recommendations may be considered:

1. There is need for enhancing bilateral trade agreement between the two governments to improve on market access specially to bring down non-tariff barriers between the two countries.
2. Product specific market expansion strategies including participation in Trade Fairs, Trade Missions in collaboration with relevant Trade Support Institutions need to be explored to enhance penetration of the identified products in the Spain’s market.
3. Collection of information/market intelligence pertaining to market access requirements for potential products including tariffs and non-tariff barriers, consumer preference, packaging & labelling requirements and suitable distribution channels.

# 16.0 KENYA-ESTONIA TRADE RELATIONS

## 16.1 Background Information

The Republic of Estonia is a [sovereign state](https://en.wikipedia.org/wiki/Sovereign_state" \o "Sovereign state) in [Northern Europe](https://en.wikipedia.org/wiki/Northern_Europe" \o "Northern Europe), bordered to the north by the [Gulf of Finland](https://en.wikipedia.org/wiki/Gulf_of_Finland" \o "Gulf of Finland) with [Finland](https://en.wikipedia.org/wiki/Finland" \o "Finland) on the other side, to the west by the [Baltic Sea](https://en.wikipedia.org/wiki/Baltic_Sea" \o "Baltic Sea), to the south by [Latvia](https://en.wikipedia.org/wiki/Latvia" \o "Latvia) and to the east by [Lake Peipus](https://en.wikipedia.org/wiki/Lake_Peipus" \o "Lake Peipus) and [Russia](https://en.wikipedia.org/wiki/Russia" \o "Russia) .

Estonia has been a democratic [unitary](https://en.wikipedia.org/wiki/Unitary_state" \o "Unitary state) [parliamentary republic](https://en.wikipedia.org/wiki/Parliamentary_republic" \o "Parliamentary republic) divided into fifteen [counties](https://en.wikipedia.org/wiki/Counties_of_Estonia" \o "Counties of Estonia). Its capital and largest city is [Tallinn](https://en.wikipedia.org/wiki/Tallinn" \o "Tallinn). With a population of 1.3 million, it is one of the least-populous member states of the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union), [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone), [OECD](https://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development" \o "Organisation for Economic Co-operation and Development), [Schengen Area](https://en.wikipedia.org/wiki/Schengen_Area" \o "Schengen Area), and of [NATO](https://en.wikipedia.org/wiki/NATO" \o "NATO).

## 16.2 Economic Overview.

[Estonian](https://en.wikipedia.org/wiki/Estonia" \o "Estonia) economy is an [advanced economy](https://en.wikipedia.org/wiki/Advanced_economy" \o "Advanced economy) and a member of the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) and of the Eurozone. The Estonian economy is heavily influenced by developments in the Finnish and Swedish economies.

Estonia's market reforms put it among the economic leaders in the former [COMECON](https://en.wikipedia.org/wiki/COMECON" \o "COMECON) area. A balanced budget, almost non-existent [public debt](https://en.wikipedia.org/wiki/Public_debt" \o "Public debt), flat-rate [income tax](https://en.wikipedia.org/wiki/Income_tax" \o "Income tax), [free trade](https://en.wikipedia.org/wiki/Free_trade" \o "Free trade) regime, fully convertible currency backed by [currency board](https://en.wikipedia.org/wiki/Currency_board" \o "Currency board) and a strong peg to the [euro](https://en.wikipedia.org/wiki/Euro" \o "Euro), competitive commercial banking sector, hospitable environment for foreign investment, innovative [e-Services](https://en.wikipedia.org/wiki/E-Services" \o "E-Services) and even mobile-based services are all hallmarks of Estonia's free-market-based economy. Estonia also has made excellent progress concerning [structural adjustme](https://en.wikipedia.org/wiki/Structural_adjustment" \o "Structural adjustment)nts.

The GDP and GDP per Capita figure in 2017 was $25,986 million and $19,751 respectively

## 16.3 Foreign Trade Relations

According to Statistics Estonia, in 2016 the exports of goods from Estonia at current prices totaled 12.0 billion euros and imports 13.6 billion euros.

**Main trade partners** were Finland, Sweden, Latvia and Germany**.** In 2016 78% of Estonia´s total trade was with EU member countries.

**Major exports** are machinery and equipment, wood (wood products), agricultural products and food preparations, miscellaneous manufactured articles and mineral products.

**Main imports** are machinery and equipment, transport equipment, agricultural products and food preparations, mineral products,   and chemical products.

**The World Bank** ranks Estonia **12th** in its Doing Business in 2017 report.

## 16.4Investment climate

Foreign investors are guaranteed a level playing field with local firms, including unrestricted repatriation of profits and capital along with the right to own land. There is a rapidly expanding supply of high-quality commercial and office property, including a growing number of industrial parks. The establishment of free zones at Muuga Port and in Sillamäe has further enhanced Estonia's attractiveness to foreign investors.

## 16.5 Diplomatic Relations

Estonia's consulate in Nairobi is the only Estonian representation in Kenya.

Kenya does not currently have any diplomatic or consular representation in Estonia.

## 16.6 Development Cooperation’s

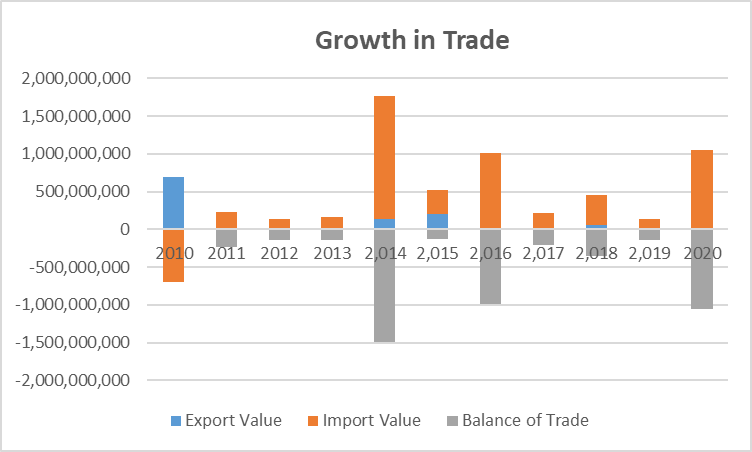
A delegation of Estonian entrepreneurs visited Kenya in November 2016. The aim of the visit was to explore business opportunities in Kenya, to showcase Estonia’s experience as both an e-state and in the IT sector more broadly and to identify areas in which entrepreneurs from both countries can work together. The interest of Estonian entrepreneurs was very much welcomed by the Kenyan government with assurance of support and cooperation between the entrepreneurs and enterprise organizations.

Kenya is the third biggest economic partner to Estonia in Africa after Togo and Nigeria.

## 16.7 Trade analysis

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 698,725,989 | -698,725,989 |  |
| 2011 | 30,865 | 234,546,636 | -234,515,771 |
| 2012 | 1,160,169 | 139,765,592 | -138,605,422 |
| 2013 | 13,837,746 | 154,170,356 | -140,332,610 |
| 2014 | 135,406,357 | 1,626,922,605 | -1,491,516,248 |
| 2015 | 199,535,597 | 324,733,146 | -125,197,549 |
| 2016 | 10,786,351 | 1,004,046,141 | -993,259,789 |
| 2017 | 219,242 | 210,922,122 | -210,702,880 |
| 2018 | 55,960,888 | 403,873,984 | -347,913,096 |
| 2019 | 384,924 | 139,617,014 | -139,232,090 |
| 2020 | 379,376 | 1,051,734,636 | -1,051,355,260 |
| **AVERAGE VALUE** |  | **463,684,554** | **-429,585,731** |

**Graphical representation of trade between Kenya and Estonia**



**Top Exports to Estonia**

|  |  |  |
| --- | --- | --- |
| **SITC** | **SHORT DESCRIPTION** | **VALUE IN KSHS** |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 234,366 |
| 9507 | Fishing rods, fish-hooks and other line fishing tackle n.e.s; fish landing nets, butterfly ... | 145,010 |
| **Total** |  | **379,376** |

**Top ten Imports**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 1,001 | Wheat and meslin | 935,710,099 |
| 4,804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 46,650,650 |
| 6,309 | Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ... | 16,168,609 |
| 7,602 | Waste and scrap, of aluminium (excluding slags, scale and the like from iron and steel production, ... | 8,129,538 |
| 8,517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 7,059,759 |
| 4,415 | Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, ... | 6,630,610 |

## 16.8 Swot Analysis

**Strengths**

* High growth of regional economy
* Lot of experience in cooperation with different European regions
* High employment figures and growing labor productivity
* Environment is in relatively good condition with Forestry resources covering 65% of the area)

**Weaknesses**

* Few strong brands and weak marketing
* Not enough qualified labour force
* Weak level of technology
* Strong economic and social disparities

**Opportunities**

* Growing exports
* Raising economic flows

**Threats**

* No commercial representation in Estonia
* Diminishing Population
* Decline of industrial employments
* Little known country in the Eu.

## **16.9 Recommended Strategies**.

* Need to diversify export products to Estonia.
* There is need for value addition in export products.
* Annual participation in International Trade fair including trade fairs & exhibitions in Estonia to showcase Kenyan products.
* Encourage interaction between the business community in Kenya and Estonia, in addition to cooperation between trades supports Organization in the two countries.

# 17.0 KENYA-UKRAINE TRADE RELATIONS.

## 17.1 INTRODUCTION

Ukraine, is a [sovereign state](https://en.wikipedia.org/wiki/Sovereign_state" \o "Sovereign state) in [Eastern Europe](https://en.wikipedia.org/wiki/Eastern_Europe" \o "Eastern Europe), [bordered](https://en.wikipedia.org/wiki/State_Border_of_Ukraine" \o "State Border of Ukraine) by [Russia](https://en.wikipedia.org/wiki/Russia" \o "Russia) to the east and northeast; [Belarus](https://en.wikipedia.org/wiki/Belarus" \o "Belarus) to the northwest; [Poland](https://en.wikipedia.org/wiki/Poland" \o "Poland), [Hungary](https://en.wikipedia.org/wiki/Hungary" \o "Hungary), and [Slovakia](https://en.wikipedia.org/wiki/Slovakia" \o "Slovakia) to the west; [Romania](https://en.wikipedia.org/wiki/Romania" \o "Romania) and [Moldova](https://en.wikipedia.org/wiki/Moldova" \o "Moldova) to the southwest; and the [Black Sea](https://en.wikipedia.org/wiki/Black_Sea" \o "Black Sea) and [Sea of Azov](https://en.wikipedia.org/wiki/Sea_of_Azov" \o "Sea of Azov) to the south and southeast, respectively. The second largest country in Europe after Russia, Its capital and largest city is Kiev. Taking into account reserves and paramilitary personnel Ukraine maintains the second-largest [military](https://en.wikipedia.org/wiki/Military_of_Ukraine" \o "Military of Ukraine) in Europe after that of Russia. The country is home to 42.5 million people (excluding [Crimea](https://en.wikipedia.org/wiki/Autonomous_Republic_of_Crimea" \o "Autonomous Republic of Crimea)), 77.8 percent of whom are [Ukrainians](https://en.wikipedia.org/wiki/Ukrainians" \o "Ukrainians) by ethnicity, followed by a sizeable minority of [Russians](https://en.wikipedia.org/wiki/Russians" \o "Russians) (17.3 percent).

[Ukrainian](https://en.wikipedia.org/wiki/Ukrainian_language" \o "Ukrainian language) is the [official language](https://en.wikipedia.org/wiki/Official_language" \o "Official language) the dominant religions in the country are [Eastern Orthodoxy](https://en.wikipedia.org/wiki/Eastern_Orthodox_Church" \o "Eastern Orthodox Church) and [Greek Catholicism](https://en.wikipedia.org/wiki/Eastern_Catholic_Churches" \o "Eastern Catholic Churches), which have strongly influenced [Ukrainian architecture](https://en.wikipedia.org/wiki/Ukrainian_architecture" \o "Ukrainian architecture), [literature](https://en.wikipedia.org/wiki/Ukrainian_literature" \o "Ukrainian literature) and [music](https://en.wikipedia.org/wiki/Music_of_Ukraine" \o "Music of Ukraine). It is a member of the [United Nations](https://en.wikipedia.org/wiki/United_Nations" \o "United Nations) since its founding, the [Council of Europe](https://en.wikipedia.org/wiki/Council_of_Europe" \o "Council of Europe), [OSCE](https://en.wikipedia.org/wiki/Organization_for_Security_and_Co-operation_in_Europe" \o "Organization for Security and Co-operation in Europe), [GUAM](https://en.wikipedia.org/wiki/GUAM_Organization_for_Democracy_and_Economic_Development" \o "GUAM Organization for Democracy and Economic Development), and one of the founding states of the [Commonwealth of Independent States](https://en.wikipedia.org/wiki/Commonwealth_of_Independent_States" \o "Commonwealth of Independent States) (CIS).

BACKGROUND INFORMATION

During the latter part of the 18th century, most Ukrainian ethnographic territory was absorbed by the Russian Empire. Following the collapse of czarist Russia in 1917, Ukraine was able to achieve a short-lived period of independence (1917-20), but was re-conquered and forced to endure a brutal Soviet rule that engineered two forced famines (1921-22 and 1932-33) in which over 8 million died. In World War II, German and Soviet armies were responsible for some 7 to 8 million more deaths. Although final independence for Ukraine was achieved in 1991 with the dissolution of the USSR, democracy and prosperity remained elusive as the legacy of state control and endemic corruption stalled efforts at economic reform, privatization, and civil liberties.

A peaceful mass protest "Orange Revolution" in the closing months of 2004 forced the authorities to overturn a rigged presidential election and to allow a new internationally monitored vote that swept into power a reformist slate. Subsequent internal squabbles. An early legislative election, brought on by a political crisis in the spring of 2007, saw a new prime minister installed in December 2007. A new president was elected in a February 2010 run-off election the following month, the Rada approved a vote of no-confidence prompting her to resign from her post as prime minister. Arseniy Petrovych Yatsenyuk a politician, economist and lawyer is the present Prime Minister of Ukraine, following the 2014 revolution

## 17.2 ECONOMY

Shortly after independence in August 1991, the Ukrainian Government liberalized most prices and erected a legal framework for privatization, but widespread resistance to reform within the government and the legislature soon stalled reform efforts and led to some backtracking. Output by 1999 had fallen to less than 40% of the 1991 level.

Ukraine's dependence on Russia for energy supplies and the lack of significant structural reform have made the Ukrainian economy vulnerable to external shocks.

Ukraine depends on imports to meet about three-fourths of its annual oil and natural gas requirements and 100% of its nuclear fuel needs. After a two-week dispute that saw gas supplies cutoff to Europe, Ukraine agreed to 10-year gas supply and transit contracts with Russia in January 2009 that brought gas prices to "world" levels. The strict terms of the contracts have further hobbled Ukraine's cash-strapped state gas company, Naftohaz. Outside institutions particularly the IMF have encouraged Ukraine to quicken the pace and scope of reforms to foster economic growth.

Ukrainian Government officials eliminated most tax and customs privileges in a March 2005 budget law, bringing more economic activity out of Ukraine's large shadow economy, but more improvements are needed, including fighting corruption, developing capital markets, and improving the legislative framework. Ukraine's economy was buoyant despite political turmoil between the prime minister and president until mid - 2008.

The economy contracted nearly 15% in 2009, among the worst economic performances in the world.

In April 2010, Ukraine negotiated a price discount on Russian gas imports in exchange for extending Russia's lease on its naval base in Crimea. Movement toward an Association Agreement with the European Union, which would commit Ukraine to economic and financial reforms in exchange for preferential access to EU markets, was curtailed by the November 2013 decision of President Yanukovych against signing this treaty. In response, on 17 December 2013 President Yanukovych and President PUTIN concluded a financial assistance package containing $15 billion in loans and lower gas prices. However, the end of the Yanukovych government in February 2014 caused Russia to halt further funding. With the formation of an interim government in late February 2014, the international community began efforts to stabilize the Ukrainian economy, including a 27 March 2014 IMF assistance package of $14-18 billion. Russia’s seizure of the Crimean Peninsula has created uncertainty as to the annual rate of growth of the Ukrainian economy in 2014.

In 2016, for the first time since 2010, the economy grew more than 2%. According to *[World Bank](https://en.wikipedia.org/wiki/World_Bank" \o "World Bank)* statement growth is projected at 2% in 2017 and 3.5% in 2018.

In 2017, **Gdp** (purchasing power parity) and **Gdp per capita** were estimated at **$366.4 billion**, **$8,700** respectively.

**[Agriculture - Products](https://www.cia.gov/library/publications/the-world-factbook/docs/notesanddefs.html" \l "2052" \o "Definitions and Notes: Agriculture - products):**

Grains (Wheat), sugar beet, sunflower seeds, vegetables; beef and milk.

**[Natural Resources](https://www.cia.gov/library/publications/the-world-factbook/docs/notesanddefs.html" \l "2111" \o "Definitions and Notes: Natural resources):**

Iron ore, coal, manganese, natural gas, oil, salt, sulfur, graphite, titanium, magnesium, kaolin, nickel, mercury, timber, arable land

**[Industries](https://www.cia.gov/library/publications/the-world-factbook/docs/notesanddefs.html" \l "2090" \o "Definitions and Notes: Industries):**

Coal, electric power, ferrous and nonferrous metals, machinery and transport equipment, chemicals, food processing

## 17.3 KENYA-UKRAINE DIPLOMATIC RELATIONS

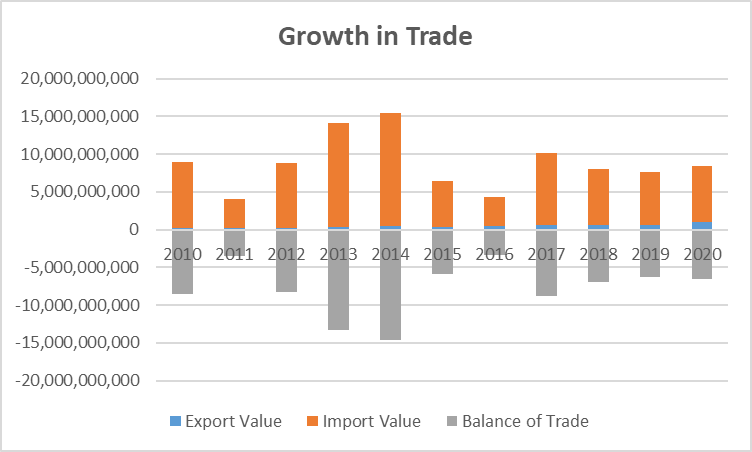
Kenya's embassy in Russia is accredited to Ukraine. Additionally, Ukraine maintains an embassy in [Nairobi](https://en.wikipedia.org/wiki/Nairobi" \o "Nairobi). The Ukraine embassy was opened in 2004, and it is also accredited to Tanzania

## 17.4 KENYA-UKRAINE TRADE RELATIONS

The following statistics reflect the trade performance between the two countries for the past ten years:

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 222,532,786 | 8,758,315,834 | -8,535,783,048 |
| 2011 | 262,007,348 | 3,765,810,843 | -3,503,803,495 |
| 2012 | 264,524,635 | 8,516,322,762 | -8,251,798,127 |
| 2013 | 357,084,634 | 13,708,425,834 | -13,351,341,200 |
| 2014 | 435,075,220 | 15,008,444,606 | -14,573,369,386 |
| 2015 | 302,638,453 | 6,117,786,836 | -5,815,148,384 |
| 2016 | 458,191,705 | 3,818,607,470 | -3,360,415,766 |
| 2017 | 673,764,681 | 9,516,833,380 | -8,843,068,699 |
| 2018 | 559,715,712 | 7,456,320,528 | -6,896,604,817 |
| 2019 | 644,869,682 | 6,960,939,126 | -6,316,069,443 |
| 2020 | 976,532,791 | 7,473,667,996 | -6,497,135,206 |
| **AVERAGE VALUES** | **437,837,561** | **8,231,637,799** | **-7,793,800,238** |

***Source: Centre for Business Information in Kenya (CBIK) - brand.ke***



From the analysis above, Kenya’s total exports to Ukraine were valued at approximately **KSH 976.5 Million** in 2020, a notable increase from **KSH 644.8 Million** exported in 2019.

Kenya’s imports from Ukraine were valued at **KES 7.4 Billion** in 2020, an increase from **KES 6.9 Billion** in 2019.

**Top Ten Exports to Ukraine In 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 902 | Tea, whether or not flavoured | 445,816,787 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 182,265,465 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 167,270,871 |
| 1901 | Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing ... | 127,825,417 |
| 2401 | Unmanufactured tobacco; tobacco refuse | 36,580,159 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 6,845,247 |
| 3907 | Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, ... | 5,784,954 |
| 3915 | Waste, parings and scrap, of plastics | 2,538,689 |
| 4819 | Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding ... | 636,400 |
| 9403 | Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary ... | 489,708 |
| **Total** |  | **976,053,696** |

**Top Ten Imports from Ukraine In 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 7207 | Semi-finished products of iron or non-alloy steel | 3,131,922,701 |
| 7213 | Bars and rods of iron or non-alloy steel, hot-rolled, in irregularly wound coils | 1,019,120,400 |
| 1201 | Soya beans, whether or not broken | 1,017,946,568 |
| 1001 | Wheat and meslin | 795,945,364 |
| 1512 | Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, ... | 406,233,818 |
| 713 | Dried leguminous vegetables, shelled, whether or not skinned or split | 320,498,191 |
| 7131 |  | 292,472,672 |
| 1005 | Maize or corn | 207,650,689 |
| 3501 | Casein, caseinates and other casein derivatives; casein glues (excluding those packaged as ... | 62,694,168 |
| 9028 | Gas, liquid or electricity supply or production meters, incl. calibrating meters therefor | 48,076,383 |
| **Total** |  | **7,302,560,953** |

## 17.5 Situation Analysis

## Swot Analysis

**Strengths**

* Extremely fast growing market
* Highly educated population
* Favourable geographic position

**Weaknesses**

* Cumbersome registration and closure laws
* Devaluation of Ukrainian currency
* Significant economic and political challenges

**Opportunities**

* Ukraine is the 4th most attractive country in retail after India, Russia and Vietnam
* Retail turnover is estimated to be growing 20% annually
* Market is non-consolidated, at the same time competition remains low
* Opportunities for outsourcing and joint ventures are virtually unlimited

**Threats**

* Managing Ukrainian risks especially in the beginning stage of development
* Relationships with partners and clients
* Significant degree of corruption

## 17.6 Recommended Strategies

* Need to diversify export products and increase our volumes to Ukraine. There is potential market for Kenyan products such as iron and steel, textiles, edible fruits and nuts among others.
* Undertake a market survey with a view to sustain the already existing market while at the same time introducing a new range of exportable products.
* Exchange of information on trade, and investment which can be disseminated to the business community in both countries. This would include market access requirements for potential products, consumer preference, packaging & labeling requirements and sustainable distribution among others.
* Encourage collaboration between trade and investment promotion Organizations in both countries
* Participate in International exhibition and business forums in Ukraine to showcase Kenyan products.
* Encourage interaction between the business community in Kenya and Ukraine, through business to business forum

# 18.0KENYA-POLAND TRADE RELATIONS

## 18.1 BACKGROUND INFORMATION

The Republic of Poland is a [country](https://en.wikipedia.org/wiki/Country" \o "Country) located in [Central Europe](https://en.wikipedia.org/wiki/Central_Europe" \o "Central Europe), with a geographical region covering 312,679 square kilometers with a population of approximately 38 million. Poland's capital and largest [metropolis](https://en.wikipedia.org/wiki/List_of_cities_and_towns_in_Poland" \o "List of cities and towns in Poland) is [Warsaw](https://en.wikipedia.org/wiki/Warsaw" \o "Warsaw).

Poland is a [developed](https://en.wikipedia.org/wiki/Developed_country" \o "Developed country) and [democratic](https://en.wikipedia.org/wiki/Democracy" \o "Democracy) country with an extensive history and developed cultural heritage, including numerous [historical monuments](https://en.wikipedia.org/wiki/List_of_Historic_Monuments_(Poland)" \o "List of Historic Monuments (Poland)).

## 18.2 ECONOMIC OVERVIEW

The economy of [Poland](https://en.wikipedia.org/wiki/Poland" \o "Poland) is the eighth largest economy in the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) and the largest among the former [Eastern Bloc](https://en.wikipedia.org/wiki/Eastern_Bloc" \o "Eastern Bloc) members of the European Union ,which maintains a [high-income economy](https://en.wikipedia.org/wiki/World_Bank_high-income_economy" \o "World Bank high-income economy) along with very high standards of [living](https://en.wikipedia.org/wiki/Standard_of_living" \o "Standard of living), [life quality](https://en.wikipedia.org/wiki/Quality_of_life" \o "Quality of life),[]](https://en.wikipedia.org/wiki/Poland" \l "cite_note-24) safety, education and [economic freedom](https://en.wikipedia.org/wiki/Economic_freedom" \o "Economic freedom).. Poland is [classified as high-income economy by World Bank](https://en.wikipedia.org/wiki/World_Bank_high-income_economy" \o "World Bank high-income economy) and ranks 23rd worldwide in terms of GDP as well as 24th in the 2017 [Ease of Doing Business Index](https://en.wikipedia.org/wiki/Ease_of_doing_business_index" \o "Ease of doing business index).

The largest component of its economy is the service sector (62.3. %), followed by industry (34.2%) and agriculture (3.5%).Poland is less dependent on external trade than most other Central and Eastern European countries, but its volume of trade with Europe is still substantial. I

In 2017 the [GDP and GDP per capita stood at 526,047 million USD](https://www.google.com/search?client=firefox-b-ab&q=poland+gdp+per+capita&stick=H4sIAAAAAAAAAOPgE-LQz9U3MC3MKNcyy0620s_JT04syczP0y8uAdLFJZnJiTnxRanpQCGr9JSC-Lz83Mw8oFBBalF8cmJBZkkiANN4hJVEAAAA&sa=X&ved=0ahUKEwj49fXpvq_aAhUBtBQKHUDMBu0Q6BMIgQIoADAa&biw=1366&bih=654) and 13,853 USD respectively.

Poland is a member state of the WTO, [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union), the [Schengen Area](https://en.wikipedia.org/wiki/Schengen_Area" \o "Schengen Area), the [United Nations](https://en.wikipedia.org/wiki/United_Nations" \o "United Nations), [NATO](https://en.wikipedia.org/wiki/NATO" \o "NATO), the [OECD](https://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development" \o "Organisation for Economic Co-operation and Development) among other international organizations.

**Major trading partners**: Germany, Czech Republic, France, Italy, Netherlands, Russia, Sweden, Spain, United States:

**Main exports:** Machinery including computers 13.1% of total exports, Vehicles (11.8%),Electrical machinery, equipment (10.8%),Furniture, bedding, lighting , signs, prefab buildings: (5.9%),Plastics, plastic articles: (4.8%),Articles of iron or steel (3.2%),Mineral fuels including oil (2.5%),Rubber, rubber articles (2.3%),Meat (2.3%),Wood (2.1%)

**Main Imports:** Machinery including computers (12.4% of total imports),Electrical machinery, equipment (11.7%),Vehicles (9.7%),Mineral fuels including oil (7.1%),Plastics, plastic articles (6.1%),Iron, steel (3.9%),Pharmaceuticals (2.8%),Articles of iron or steel (2.5%),Optical, technical, medical apparatus (2.2%),Paper, paper items (2.1%).

## 18.3 DIPLOMATIC RELATIONS

Kenya does not have an embassy in Poland. However, the Kenyan ambassador in Rome is accredited to Poland. Diplomatic relations between Poland and Kenya were established at independence in 1963. The Polish Embassy in Nairobi was opened a year later in 1964.

## 18.4 TRADE RELATIONS

This analysis reveals low trade volumes between the Kenya and Poland which has remained relatively constant over the past few years. Kenya’s key exports to EU like horticulture (e.g. vegetables) are missing in her exports to this market and the flowers, fruits, and coffee are of negligible amounts compared to what is imported into the Poland market. This is despite the existing preferential trade for the African Caribbean Pacific (ACP) member countries and the EU (Poland as a member), of which Kenyan products have no tariff barriers for most of the products exported into the EU region, and this advantage should have boosted Kenya’s exports into Poland.

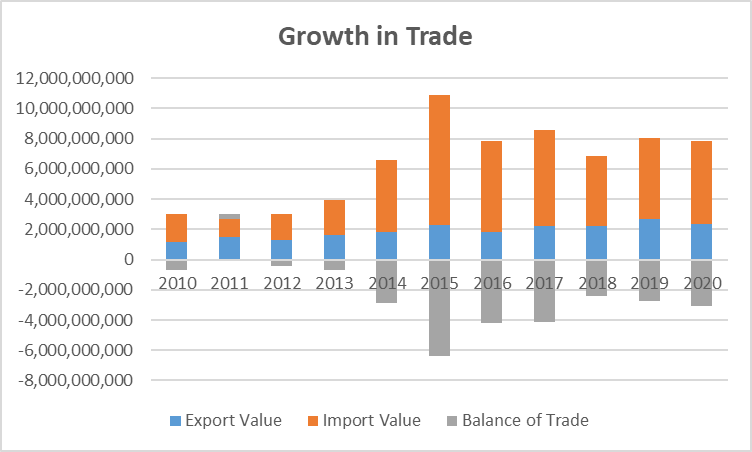
**TREND ANALYSIS.**

The following statistics reflect the trends in trade between Kenya and Poland between 2008 and 2018.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 1,169,626,950 | 1,839,132,714 | -669,505,764 |
| 2011 | 1,523,887,825 | 1,167,394,062 | 356,493,763 |
| 2012 | 1,289,790,135 | 1,748,241,209 | -458,451,074 |
| 2013 | 1,630,352,934 | 2,290,383,852 | -660,030,918 |
| 2014 | 1,847,338,739 | 4,719,872,367 | -2,872,533,629 |
| 2015 | 2,263,328,016 | 8,643,319,348 | -6,379,991,332 |
| 2016 | 1,804,098,495 | 6,020,455,583 | -4,216,357,088 |
| 2017 | 2,213,907,641 | 6,354,302,764 | -4,140,395,123 |
| 2018 | 2,220,410,516 | 4,620,346,839 | -2,399,936,323 |
| 2019 | 2,652,531,201 | 5,375,392,504 | -2,722,861,302 |
| 2020 | 2,376,511,038 | 5,449,599,721 | -3,073,088,684 |
| **AVERAGE VALUES** | **1,756,188,215** | **3,839,193,070** | **-2,083,004,855** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) - brand.ke***



**OBSERVATIONS**

Kenya’s total exports to Poland were valued at approximately **KES 2.3 Billion** in 2020.

Kenya’s imports from Poland were valued at **KES 5.4 Billion** in 2020, a slight increase from **KES 5.3 Billion** in 2019.

Trade Balance between the two nations has always been in favor of Poland. Kenya posted a trade deficit of **KES 3.0 Billion** in 2020.

**TOP TEN EXPORTS.**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 902 | Tea, whether or not flavoured | 1,858,728,499 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 223,662,379 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 70,959,615 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 69,832,519 |
| 6,109 | T-shirts, singlets and other vests, knitted or crocheted | 53,333,765 |
| 2,008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 39,137,206 |
| 3,501 | Casein, caseinates and other casein derivatives; casein glues (excluding those packaged as ... | 17,213,442 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 15,091,090 |
| 1,207 | Other oil seeds and oleaginous fruits, whether or not broken (excluding edible nuts, olives, ... | 11,693,168 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 5,183,522 |
| **Total** |  | **2,364,835,204** |

**TOP TEN IMPORTS.**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 1001 | Wheat and meslin | 1,691,616,325 |
| 6309 | Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ... | 493,501,062 |
| 8,471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 415,757,597 |
| 4,804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 330,890,041 |
| 7,204 | Ferrous waste and scrap; remelting scrap ingots of iron or steel (excluding slag, scale and ... | 260,223,715 |
| 8,537 | Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus ... | 170,336,707 |
| 8,212 | Non-electric razors and razor blades of base metal, incl. razor blade blanks in strips | 148,715,441 |
| 3,004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 98,226,573 |
| 4,811 | Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, ... | 96,625,962 |
| 3,501 | Casein, caseinates and other casein derivatives; casein glues (excluding those packaged as ... | 96,347,419 |
| **Total** |  | **3,802,240,843** |

**Source: Customs Department, Kenya Revenue Authority**

**Potential export products**

Potential exports products to Poland may include: animal and animal products, dairy/milk products, meat and meat products, horticultural products, textiles, iron and steel, sesame seeds, essential oils among others.

## 18.5 Situation Analysis

## Swot Analysis

**Strengths**

* Market of 38 million people
* Proximity to West European markets
* Price competitiveness / qualified and cheap labor force
* Stable political environment
* Integrated into the German production chain
* Leading beneficiary of European structural funds
* Diversified economy (agriculture, variety of industries, services)
* Resilient financial sector
* Coal reserves

**Weaknesses**

* Inadequate level of investment / Domestic savings rate too low
* Weakness in R&D
* Developmental lag of Eastern regions
* Rigidity of the labor market encouraging informal economy
* Structural unemployment and low level of female employment

**Opportunities**

* Gdp getting better
* Potential market after Poland joined Eu
* Deepening capital markets
* Large market for potential consumers

**Threats**

* Language barrier

## 18.6 Problem Statement

The trade imbalance between Kenya and Poland has not improved over the years with the balance of trade being heavily in favour of Poland Kenyan exports to

There was growth in exports by 23% in 2017 as compared to 2016; Imports from Poland improve by 6%.Trade imbalance which has always been in favor of Poland .This trend shows that there is potential for growth in trade

## 18.7 Justification of the Strategy Formulation.

Due to the nature of traded products, where imports from Poland were mainly machinery and electrical equipment which are high value compared to Kenya’s exports which were low value semi-processed agricultural and livestock products.

## 18.8 Recommended Strategies

The following recommendations may be considered:

* There is need for enhancing bilateral trade agreement between the two governments to improve on market access especially to bring down non-tariff barriers between the two countries.
* Product specific market expansion strategies including participation in Trade Fairs, Trade Missions in collaboration with relevant Trade Support Institutions need to be explored to enhance penetration of the identified products in the Poland market.
* Collection of information/market intelligence pertaining to market access requirements for potential products including tariffs and non-tariff barriers, consumer preference, packaging & labeling requirements and suitable distribution channels.

**19.BRIEF ON KENYA/REPUBLIC OF IRELAND RELATIONS**

**19.1 Background of the Republic of Ireland**

Ireland also known as the Republic of Ireland is a sovereign state in North-western Europe. The Irish state came into being in 1922 as the Irish Free State, a dominion of the British Commonwealth, having seceded from the United Kingdom under the Anglo-Irish Treaty. It comprises 26 of the island of Ireland's 32 counties of the island of Ireland. The 1937 constitution renamed the state Ireland. The capital city is Dublin locate on the eastern part of the island. Its official languages are English and Irish.

**Politics of the Republic of Ireland**

Ireland is a parliamentary democracy. The current president is Michael D. Higgins, who was elected on 29 October 2011. Term length‎ for the presidency is ‎Seven years; (renewable once). The Head of the Government is the Taoisea (Currently Enda Kennych). The Tánaiste is the Deputy Prime Minister. There are 15 Government Departments. The Taoiseach and the Ministers collectively form the Government under the Irish constitution, and they hold executive power

The Parliament is called the Oireachtas. There are two Houses of Parliament: Dáil Éireann (House of Representatives) and Seanad Éireann (Senate). The Dáil has 166 members known as Teachtaí Dála (TD), who are elected using proportional representation with a single transferrable vote (PR-STV). Elections take place at least every five years. The current government, elected in 2011, is a coalition between Fine Gael and Labour. The other main political parties represented in the Dáil are Fianna Fáil and Sinn Féin.

The Seanad has 60 members, eleven of whom are nominated by the Taoiseach. The rest are elected from vocational panels and by national universities. The Seanad can initiate or revise legislation, but the Dáil can reject their amendments and proposed legislation.

**POPULATION**

The population of Ireland in 2016 was approximately 4.773 million with land area of 68,890 Sq.KM (World Bank)**.** The capital and largest city is Dublin whose metropolitan area is home to around a third of the country's 4.77M inhabitants. Population growth rate as per World Bank statistics in 2016 was 2.0% annually

**19.2 ECONOMIC OVERVIEW**

The economy of Ireland is a modern knowledge economy, focusing on services and high-tech industries and dependent on trade, industry and investment for its continued growth. Main sectors of the economy are Agriculture & Fishing, Construction, Industry, Science & Technology, Services, Tourism & Travel and Transport.

Ireland is ranked among the top twenty-five wealthiest countries in the world in terms of GDP per capita, and as the tenth most prosperous country in the world according to The Legatum Prosperity Index 2015.

Ireland is the 27th largest export economy in the world. In 2016, according to World Bank, the country’s GDP was USD 294.1 billion) with GDP per capita USD 61,606.48. Official currency for the country is Euro. In 2016, Ireland exported $128B and imported $75.2B, resulting in a positive trade balance of $52.9B.

The top exports of Ireland are;

1. Pharmaceuticals: US$31.8 billion (24.9% of total exports)
2. Organic chemicals: $27.6 billion (21.5%)
3. Optical, technical, medical apparatus: $13.1 billion (10.3%)
4. Electrical machinery, equipment: $9.8 billion (7.6%)
5. Perfumes, cosmetics: $8.6 billion (6.7%)
6. Machinery including computers: $7.2 billion (5.6%)
7. Aircraft, spacecraft: $3.8 billion (2.9%)
8. Other chemical goods: $3.4 billion (2.6%)
9. Meat: $3.2 billion (2.5%)
10. Cereal/milk preparations: $2.5 billion (2%)

The top Imports of Ireland are;

1. Aircraft, spacecraft: US$13 billion (17.2% of total imports)
2. Machinery including computers: $7.5 billion (10%)
3. Pharmaceuticals: $6 billion (8%)
4. Organic chemicals: $5.2 billion (6.9%)
5. Electrical machinery, equipment: $5 billion (6.6%)
6. Vehicle: $4.3 billion (5.7%)
7. Mineral fuels including oil: $4.1 billion (5.5%)
8. Optical, technical, medical apparatus: $2.5 billion (3.4%)
9. Plastics, plastic articles: $2.5 billion (3.3%)
10. Perfumes, cosmetics: $1.2 billion (1.6%)

The top export destinations of Ireland are the United States ($33.4B), the United Kingdom ($16.5B), Belgium ($16.2B), Germany ($8.67B) and Switzerland ($6.99B).

The top import origins are the United Kingdom ($22.9B), the United States ($9.6B), Germany ($6.53B), the Netherlands ($3.7B) and France ($3.18B).

In January 2018 the seasonally adjusted unemployment rate was 6.5% for males, down from 6.6% in December 2017 and down from 7.5% in January 2017(Central statistics Office Irish State).

**19.3 DEVELOPMENT COOPERATION**

Kenya acknowledges Ireland has a legacy of contribution in their country spanning over 100 years. The Irish missionary organizations established centers for education and health in many parts of Kenya. Among these are well known educational institutions such as Loreto College Limuru, St. Mary's College Nairobi, St Patrick's College Iten - and health facilities such as the Mater Hospital. In more recent years Irish Non-Governmental organizations such as Goal, Trócaire, Concern Worldwide, and Action Aid have contributed to humanitarian and development programmes in Kenya. Through Irish Aid, the Government of Ireland annually provides €6.5 million to NGOs working in Kenya.

There are an increasing number of Irish companies that are doing business in Kenya and considerable growth in trade between the two countries.

**IRELAND INVESTMENTS IN KENYA**

|  |  |  |
| --- | --- | --- |
| **COMPANY NAME** | **ACTIVITY** | **CAPITAL COST Kshs. IN MILLION** |
| Solar Green Africa Ltd | Renewable energy solutions | 10 |
| Emmedue Africa | House development | 160 |
| Univet Laboratories Ltd | Pharmaceutical Industry | 32.65 |
| Alpha Fine Food Ltd | Food processing | 334.5 |
| African Cargo Handling Ltd | Cargo warehousing & airport handling | 1318 |
| C&M construction (Kenya) Ltd | Construction & civil Engineering work | 550 |
| Luxury Leather Kenya Limited | Manufacture of leather products | 20 |
| Magrow Kenya Limited | Engaging in the horticultural and agricultural industry using the magnetic spraying technology | 12.96 |
| TOTAL |  | 2438.11 |

**19.4 KENYA – IRELAND TRADE RELATIONS**

Kenya and Ireland enjoy a warm relationship today which has developed over many years of close connections with a shared long history of friendship and political co-operation which began with the establishment of Irish Missionary centers in Kenya.

Kenya is represented in Ireland through its embassy in Dublin which was opened in 2007 while the Irish Embassy in Kenya was reopened in October 2014, (Was closed, for economic reasons, in 1988) which signaled the Irish Government's efforts to build mutually beneficial relationships with Kenya and to support the 2,000 or so Irish citizens who reside here.

Kenya and Nairobi is recognized as an important business and economic hub in East Africa. Kenya is a hugely important economic Centre which plays a leading role in the political, monetary and economic integration of the East African Community.

There are an increasing number of Irish companies that are doing business in Kenya and considerable growth in trade between the two countries.

**TRADE A NALYSIS**

**TREND ANALYSIS**

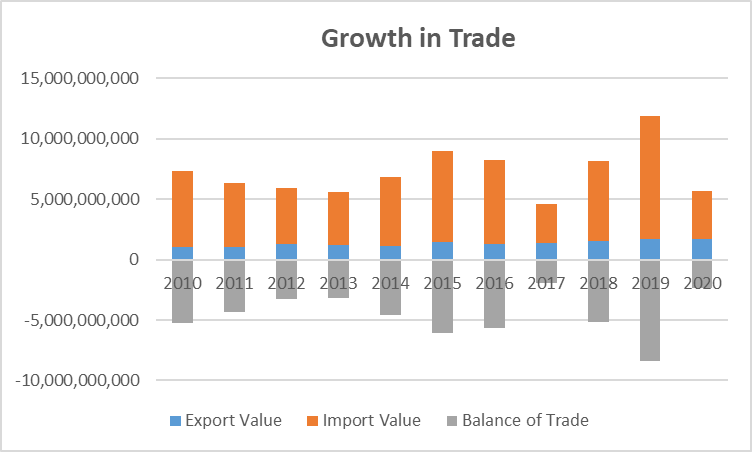
|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 1,063,736,880 | 6,292,889,173 | -5,229,152,293 |
| 2011 | 1,001,626,346 | 5,320,854,648 | -4,319,228,302 |
| 2012 | 1,307,004,689 | 4,602,013,626 | -3,295,008,937 |
| 2013 | 1,183,015,048 | 4,383,061,268 | -3,200,046,220 |
| 2014 | 1,108,984,754 | 5,689,068,369 | -4,580,083,615 |
| 2015 | 1,462,613,854 | 7,524,506,535 | -6,061,892,682 |
| 2016 | 1,265,066,437 | 6,948,624,554 | -5,683,558,117 |
| 2017 | 1,346,987,526 | 3,255,800,799 | -1,908,813,273 |
| 2018 | 1,519,670,614 | 6,651,827,296 | -5,132,156,682 |
| 2019 | 1,716,531,847 | 10,134,108,815 | -8,417,576,969 |
| 2020 | 1,660,992,722 | 4,047,340,230 | -2,386,347,508 |
| **AVERAGE VALUES** | **1,262,831,174** | **5,265,669,055** | **-4,002,837,881** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre For Business Information in Kenya (CBIK) - brand.ke***

In 2020, Kenya’s exports to Ireland amounted to Kshs **1.6 billion** while imports amounted to Kshs **4.05 billion** resulting to a deficit balance of trade of **2.4 billion** which is heavily in favour of Ireland.

**Graphical representation of trade flows between Kenya and Ireland**



**Top Exports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
|  |  |  |
| 902 | Tea, whether or not flavoured | 696,672,159 |
| 2101 | Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of ... | 360,426,279 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 145,004,405 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 88,817,768 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 68,720,010 |
| 709 | Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ... | 66,562,308 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 66,100,057 |
| 2009 | Fruit juices, incl. grape must, and vegetable juices, unfermented, not containing added spirit, ... | 47,931,779 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 41,547,654 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 36,157,187 |
| **Total** |  | **1,617,939,605** |

**Top Imports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
|  |  |  |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 799,065,479 |
| 2106 | Food preparations, n.e.s. | 758,577,905 |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 677,375,459 |
| 3822 | Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents ... | 349,534,888 |
| 2208 | Undenatured ethyl alcohol of an alcoholic strength of < 80%; spirits, liqueurs and other spirituous ... | 247,433,354 |
| 3002 | Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera ... | 179,386,126 |
| 3006 | Pharmaceutical preparations and products of subheadings 3006.10.10 to 3006.60.90 | 84,338,251 |
| 8472 | Office machines, e.g. hectograph or stencil duplicating machines, addressing machines, automatic ... | 74,111,123 |
| 2309 | Preparations of a kind used in animal feeding | 69,150,926 |
| 9031 | Measuring or checking instruments, appliances and machines not elsewhere specified in chapter ... | 65,593,381 |
| **Total** |  | **3,304,566,891** |

**19.5 Situation Analysis**

**Swot analysis**

**Strengths**

* Strong business environment
* Lowest corporate tax rate within the Eurozone
* Exports oriented towards sectors with high value added
* Robust current account surplus
* Strong education system
* English speaking business location​
* Ease of doing business
* Most competitive economy in Europe
* Skilled labour force

**Weaknesses**

* Overreliance on foreign investments
* Sensitive to external shocks due to high openness
* High private and public debt

**Opportunities**

* High technology sectors
* Open economy

**Threats**

* Highly established competitors
* Debt burden

**19.6 Statement of the problem**

The trade imbalance gap widened in 2017 despite the growth in exports in the same year. Kenya’s export basket has remained relatively the same over the years, this fact alone has contributed to the widening margin in trade and thus need to be addressed

**19.7Justification of the Strategy**

Although the value of exports has been rising steadily in the past decade, there exists a large trade imbalance in favour of Ireland largely because of the nature of goods traded. Kenya’s exports which include tea, coffee, fruits and vegetables have low value addition. Irish goods imported into Kenya include mechanical handling equipment, machinery, Essential oils, perfume and flavor materials, Medicinal and pharmaceutical products, used clothing, and Alcoholic beverages, technological and industrial products.

**19.8 Recommended Strategies**

* There is need to increase the value and volume of Ireland investments especially with regard to the agenda on Manufacturing, mechanization of agriculture, building and construction materials to support the agenda on affordable housing. These will increase volume of Kenyan exports globally.

Explore possibilities for closer Private sector co-operation such as forming Kenya-Ireland In 2019, Kenya’s exports to Ireland amounted to Kshs **1.7 billion** while imports amounted to Kshs **5.3 billion** resulting to a deficit balance of trade of **4.1 billion** which is heavily in favour of Ireland.

* Business Council to address issues of concern amongst the sector players and therefore encourage more trade and investments.
* Encourage collaboration between trade and investment promotion Organisation in both countries
* Encourage investors from Ireland to invest in Kenya

# 20.0 KENYA-NORWAY TRADE RELATIONS

## 20.1Background Information

Officially the Kingdom of Norway is a [sovereign state](https://en.wikipedia.org/wiki/Sovereign_state" \o "Sovereign state) and [unitary](https://en.wikipedia.org/wiki/Unitary_state" \o "Unitary state) monarchy, Norway has a total area of 385,252 square kilometers (148,747 sq. mi) and a population of 5,258,317 (as of January 2017). The country shares a long eastern border with [Sweden](https://en.wikipedia.org/wiki/Sweden" \o "Sweden), bordered by [Finland](https://en.wikipedia.org/wiki/Finland" \o "Finland) and Russia to the north-east, and the [Skagerrak](https://en.wikipedia.org/wiki/Skagerrak" \o "Skagerrak) strait to the south, with [Denmark](https://en.wikipedia.org/wiki/Denmark" \o "Denmark) on the other side.

Norway [maintains close ties](https://en.wikipedia.org/wiki/Norway_%E2%80%93_European_Union_relations" \o "Norway – European Union relations) with both the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) and the United States, a founding member of the United Nations, [NATO](https://en.wikipedia.org/wiki/NATO" \o "NATO), the [European Free Trade Association](https://en.wikipedia.org/wiki/European_Free_Trade_Association" \o "European Free Trade Association), the [Council of Europe](https://en.wikipedia.org/wiki/Council_of_Europe" \o "Council of Europe), the [Antarctic Treaty](https://en.wikipedia.org/wiki/Antarctic_Treaty_System" \o "Antarctic Treaty System), and the [Nordic Council](https://en.wikipedia.org/wiki/Nordic_Council" \o "Nordic Council); a member of the [European Economic Area](https://en.wikipedia.org/wiki/European_Economic_Area" \o "European Economic Area), the [WTO](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization), and the [OECD](https://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development" \o "Organisation for Economic Co-operation and Development); and a part of the [Schengen Area](https://en.wikipedia.org/wiki/Schengen_Area" \o "Schengen Area).

Norway maintains [Nordic welfare model](https://en.wikipedia.org/wiki/Nordic_welfare_model" \o "Nordic welfare model) with [universal health care](https://en.wikipedia.org/wiki/Universal_health_care" \o "Universal health care) and a comprehensive [social security](https://en.wikipedia.org/wiki/Social_security" \o "Social security) system, and Norwegian Society's values are rooted in egalitarian ideals. Norway has had the highest index rankings, [World Happiness Report](https://en.wikipedia.org/wiki/World_Happiness_Report" \o "World Happiness Report), [Public Integrity](https://en.wikipedia.org/wiki/Global_Integrity" \o "Global Integrity), [and Democracy](https://en.wikipedia.org/wiki/Democracy_Index" \o "Democracy Index) and has one of the lowest crime rates in the world.

## 20.2 Economy

The economy of Norway is a developed [mixed economy](https://en.wikipedia.org/wiki/Mixed_economy" \o "Mixed economy) with state-ownership in strategic areas. Although sensitive to global [business cycles](https://en.wikipedia.org/wiki/Business_cycle" \o "Business cycle), the economy of Norway has shown robust growth since the start of the [industrial era](https://en.wikipedia.org/wiki/Industrial_Revolution" \o "Industrial Revolution). The country has a very high [standard of living](https://en.wikipedia.org/wiki/Standard_of_living" \o "Standard of living) compared with other European countries, and a strongly integrated [welfare system](https://en.wikipedia.org/wiki/Welfare_state" \o "Welfare state). Norway's modern manufacturing and welfare system rely on a financial reserve produced by exploitation of [natural resources](https://en.wikipedia.org/wiki/Natural_resources" \o "Natural resources) particularly [North Sea oil](https://en.wikipedia.org/wiki/North_Sea_oil" \o "North Sea oil).

According to [United Nations](https://en.wikipedia.org/wiki/United_Nations" \o "United Nations) data for 2016, Norway and [Switzerland](https://en.wikipedia.org/wiki/Switzerland" \o "Switzerland) are the only two countries in the world with a [GDP per capita](https://en.wikipedia.org/wiki/GDP_per_capita" \o "GDP per capita) above US$70,000 that are not [island nations](https://en.wikipedia.org/wiki/Island_nations" \o "Island nations) or [ministates](https://en.wikipedia.org/wiki/Ministate" \o "Ministate).

The Norwegian state owns key industrial sectors such as oil (Statoil) or hydropower (Statkraft), having extensive reserves of petroleum, natural gas, minerals, lumber, seafood, and fresh water. The petroleum industry accounts for around a quarter of the country's gross domestic product (GDP. Norway is the world's largest producer of oil and natural gas outside the Middle East.

## 20.3Diplomatic Representation.

Diplomatic relations between both countries were established shortly after Kenya's independence in 1963. In 1990, diplomatic relations between Kenya and Norway were severed due to Norway's criticism of the Kenyan government and its leadership. Ties were restored in 1994 but the Norwegian ambassador appointed in 1997.

Kenya's embassy in [Stockholm](https://en.wikipedia.org/wiki/Stockholm" \o "Stockholm) is accredited to Norway. Norway has an embassy in [Nairobi](https://en.wikipedia.org/wiki/Nairobi" \o "Nairobi).

## 20.4 Development Cooperation

Currently more than 50 Norwegian companies operate in Kenya. Norwegian office for Trade, Innovation Norway established an office in Nairobi in February 2014 to enable the two countries learn and share knowledge. The Norwegian Investment Fund for Developing Countries (Norfund) - has invested $230 million (Sh 24.15 billion) in Kenya, while the Norwegian government pension fund has already invested $76 million (Sh7.98 billion) in 11 Kenyan firms. The [Norwegian Sovereign Wealth Fund](https://en.wikipedia.org/wiki/Government_Pension_Fund_of_Norway" \o "Government Pension Fund of Norway) invested in Kenya in 2012, as of 2015 total investment is worth KES. 8.2 billion (EUR. 73.25 million)

Norway is cooperating with Kenya with a shift from aid to trade and investment.

Key areas for Kenya and Norwegian cooperation are

* Human rights
* Governance

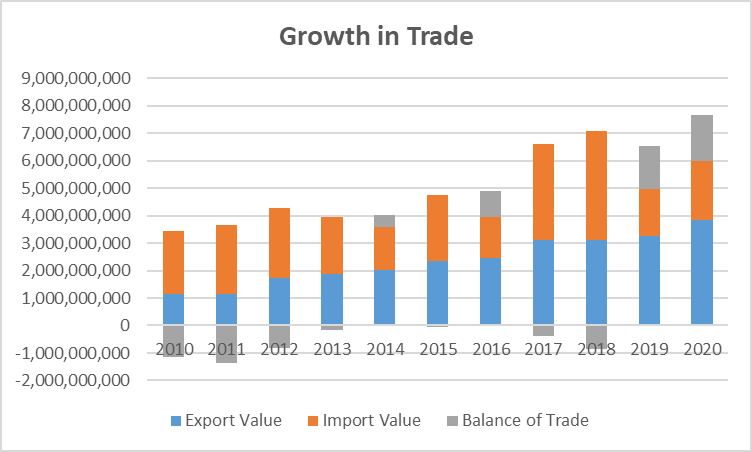
Norway's Trade Minister led a delegation of 54 companies to Kenya in September 2015, seeking close business ties, strengthen economic growth and create jobs in the two countries. This forum provided an opportunity for the business communities of both countries to dialogue and engage each other, initiate business contacts and enter into joint ventures and partnerships.

**Trade Analysis**

The following statistics reflect the trade performance between Kenya and Norway for the past ten years:

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 1,150,267,208 | 2,289,531,907 | -1,139,264,699 |
| 2011 | 1,145,714,565 | 2,522,758,137 | -1,377,043,571 |
| 2012 | 1,735,162,584 | 2,554,974,827 | -819,812,243 |
| 2013 | 1,892,604,425 | 2,073,331,057 | -180,726,632 |
| 2014 | 2,010,978,606 | 1,556,523,131 | 454,455,475 |
| 2015 | 2,350,333,242 | 2,404,040,300 | -53,707,058 |
| 2016 | 2,450,315,920 | 1,511,237,846 | 939,078,074 |
| 2017 | 3,096,234,821 | 3,493,793,847 | -397,559,026 |
| 2018 | 3,106,264,857 | 3,957,824,914 | -851,560,058 |
| 2019 | 3,266,234,656 | 1,697,737,351 | 1,568,497,305 |
| 2020 | 3,824,715,922 | 2,170,049,641 | 1,654,666,282 |
| **AVERAGE VALUES** | **2,112,395,043** | **2,286,025,913** | **-173,630,870** |

**Graphical representation of trade flows between Kenya and Norway**



In 2020 kenyas export was 3.8 Billion an increase from 3.2 Billion in 2019.

Kenyas import in 2020 was 2.1 Billion a slight increase from 1.6 Billion in 2019.The trade balance is positive in 2020.

**Top ten exports**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 2,606,477,984 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 901,526,710 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 82,870,806 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 72,470,717 |
| 709 | Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ... | 61,349,975 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 47,081,736 |
| 6704 | Wigs, false beards, eyebrows and eyelashes, switches and the like, of human or animal hair ... | 10,088,608 |
| 704 | Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled | 9,421,996 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 8,932,528 |
| 810 | Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries and ... | 7,112,036 |
| **Total** |  | **3,807,333,095** |

**Top ten Imports**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 3105 | Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, ... | 1,277,766,836 |
| 3102 | Mineral or chemical nitrogenous fertilisers (excluding those in pellet or similar forms, or ... | 234,542,653 |
| 4801 | Newsprint as specified in Note 4 to chapter 48, in rolls of a width > 36 cm or in square or ... | 197,118,606 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 178,849,712 |
| 7901 | Unwrought zinc : | 38,133,098 |
| 3926 | Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s. | 37,360,703 |
| 3909 | Amino-resins, phenolic resins and polyurethanes, in primary forms | 34,809,267 |
| 4806 | Vegetable parchment, greaseproof papers, tracing papers and glassine and other glazed transparent ... | 29,857,331 |
| 9406 | Prefabricated buildings, whether or not complete or already assembled | 28,025,109 |
| 9023 | Instruments, apparatus and models designed for demonstrational purposes, e.g. in education ... | 11,156,945 |
| **Total** |  | **2,067,620,261** |

Kenya's main exports to Norway include: Crude vegetable materials, Coffee, vegetables, fruits and nuts, base metals, spices, sugar and molasses and maize not including sweet corn.

Norway’s main export to Kenya include: Fertilizers, insecticides, machinery and equipment’s, musical instruments, paper and paperboard, plastics in their primary form, and measuring and analyzing instruments

60% of Norway's exports to Kenya are made up of chemical fertilizer.

**Potential Export Product**

Textile and apparel, Tea, Articles of leather, Essential oils, Fish and crustaceans, Dairy and dairy products, Meat and meat products

## 20.6 Swot Analysis

**Strengths**

* Current accounts and public finances sustained by oil and gas despite fall in world prices
* Major source of income is the energy industry.
* Well capitalized banking system
* Large sovereign fund
* Broad political consensus
* Fifth largest exporter of oil.
* Second largest exporter of gas

**Weaknesses**

* Shortage of skilled labor in certain sectors
* High household debt and high housing prices Significant wage costs
* Budget deficit excluding oil and gas revenues

**Opportunities**

* Increasing tax incentives

**Threats**

* Declining population growth.
* Mainly trades with European countries

## 20.7 Recommendations

* There is need to diversify export products and increase our trade volumes to Norway.
* Undertake a market survey with a view to sustaining the already existing market while at the same time introduce a new range of exportable products.
* Exchange of information on trade and investment which can be disseminated to the business community in both countries. This would include market access requirements for potential products, consumer preference, packaging & labelling requirements and sustainable distribution among others.
* Explore possibilities for closer Private sector co-operation such as forming Kenya-Norway Business Council to address issues of concern amongst the sector players and therefore encourage more trade and investments.

# 21.0 KENYA-ICELAND TRADE RELATIONS

## 21.1 Background Information

Iceland is a [Nordic](https://en.wikipedia.org/wiki/Nordic_countries" \o "Nordic countries) [island country](https://en.wikipedia.org/wiki/Island_country" \o "Island country) in the [North Atlantic](https://en.wikipedia.org/wiki/North_Atlantic_Ocean" \o "North Atlantic Ocean), with a population of 348,580 and an area of 103,000 km2 (40,000 sq. mi), making it the most sparsely populated country in [Europe](https://en.wikipedia.org/wiki/Europe" \o "Europe). The capital and largest city is [Reykjavík](https://en.wikipedia.org/wiki/Reykjav%C3%ADk" \o "Reykjavík).

Iceland is [volcanically](https://en.wikipedia.org/wiki/High_island" \o "High island) and [geologically active](https://en.wikipedia.org/wiki/Geothermal_(geology)" \o "Geothermal (geology)). The interior consists of a plateau characterized by sand and [lava fields](https://en.wikipedia.org/wiki/Lava_field" \o "Lava field), [mountains](https://en.wikipedia.org/wiki/Mountains" \o "Mountains), and [glaciers](https://en.wikipedia.org/wiki/Glacier" \o "Glacier), while many [glacial rivers](https://en.wikipedia.org/wiki/River" \o "River) flow to the sea through the lowlands. Iceland is warmed by the [Gulf Stream](https://en.wikipedia.org/wiki/Gulf_Stream" \o "Gulf Stream) and has a temperate climate, despite high latitude just outside the [Arctic Circle](https://en.wikipedia.org/wiki/Arctic_Circle" \o "Arctic Circle). Its high latitude and marine influence keep summers chilly, with most of the archipelago having a [tundra climate](https://en.wikipedia.org/wiki/Tundra_climate" \o "Tundra climate).

[Icelandic culture](https://en.wikipedia.org/wiki/Culture_of_Iceland" \o "Culture of Iceland) is founded upon the nation's Scandinavian heritage. Most Icelanders are descendants of [Norse](https://en.wikipedia.org/wiki/Norsemen" \o "Norsemen) and [Gaelic](https://en.wikipedia.org/wiki/Gael" \o "Gael) settlers. [Icelandic](https://en.wikipedia.org/wiki/Icelandic_language" \o "Icelandic language), a [North Germanic language](https://en.wikipedia.org/wiki/North_Germanic_languages" \o "North Germanic languages), is descended from [Old West Norse](https://en.wikipedia.org/wiki/Old_West_Norse" \o "Old West Norse) and is closely related to [Faroese](https://en.wikipedia.org/wiki/Faroese_language" \o "Faroese language) and [West Norwegian dialects](https://en.wikipedia.org/wiki/Norwegian_dialects" \o "Norwegian dialects). The country's cultural heritage includes traditional [Icelandic cuisine](https://en.wikipedia.org/wiki/Icelandic_cuisine" \o "Icelandic cuisine), [Icelandic literature](https://en.wikipedia.org/wiki/Icelandic_literature" \o "Icelandic literature), and [medieval sagas](https://en.wikipedia.org/wiki/Sagas_of_Icelanders" \o "Sagas of Icelanders). Iceland has the smallest population of any [NATO member](https://en.wikipedia.org/wiki/Member_states_of_NATO" \o "Member states of NATO) and is the only one with [no standing army](https://en.wikipedia.org/wiki/List_of_countries_without_armed_forces" \o "List of countries without armed forces), with a lightly armed [coast guard](https://en.wikipedia.org/wiki/Icelandic_Coast_Guard" \o "Icelandic Coast Guard) in charge of defense.

Iceland maintains a [Nordic social welfare system](https://en.wikipedia.org/wiki/Nordic_model" \o "Nordic model) that provides [universal health care](https://en.wikipedia.org/wiki/Universal_health_care" \o "Universal health care) and tertiary education for its citizens, ranks high in economic, political, and social stability and equality. In 2016, it was ranked as the 9th most developed country in the world by the [United Nations' Human Development Index](https://en.wikipedia.org/wiki/Human_Development_Index" \o "Human Development Index), and it ranks first on the [Global Peace Index](https://en.wikipedia.org/wiki/Global_Peace_Index" \o "Global Peace Index).

## 21.2 Economy

Iceland's economy combines a capitalist structure and free-market principles with an extensive welfare system. Except for a brief period during the 2008 crisis, Iceland has achieved high growth, low unemployment, and a remarkably even distribution of income. The economy depends heavily on the fishing industry, which provides 40% of merchandise export earnings, more than 12% of GDP, and employs nearly 5% of the work force. It remains sensitive to declining fish stocks, as well as to fluctuations in world prices for its main exports: fish and fish products, aluminum, and ferrosilicon. Since 2010, tourism has become the main pillar of Icelandic economic growth, with the number of tourists reaching 4.5 times the Icelandic population in 2016.

Iceland's economy has been diversifying into manufacturing and service industries in the last decade, particularly within the fields of tourism, software production, and biotechnology. [Geothermal power](https://en.wikipedia.org/wiki/Geothermal_power_in_Iceland" \o "Geothermal power in Iceland) is the primary source of home and industrial energy in Iceland.

Since the collapse of Iceland's financial sector, government economic priorities have included stabilizing the krona, implementing capital controls, reducing Iceland's high budget deficit, containing inflation, addressing high household debt, restructuring the financial sector, and diversifying the economy.

**Key Economic Indicators**

Currency: Krona

GDP: $24.85 billion (2017)

GDP per capita: $52,100 (2017)

## 21.3 Diplomatic Representation

Kenya has an embassy in Stockholm, accredited to Iceland.

**Development Cooperation**

Iceland is offering expert consultancy services to GDC and Kengen on geothermal energy.

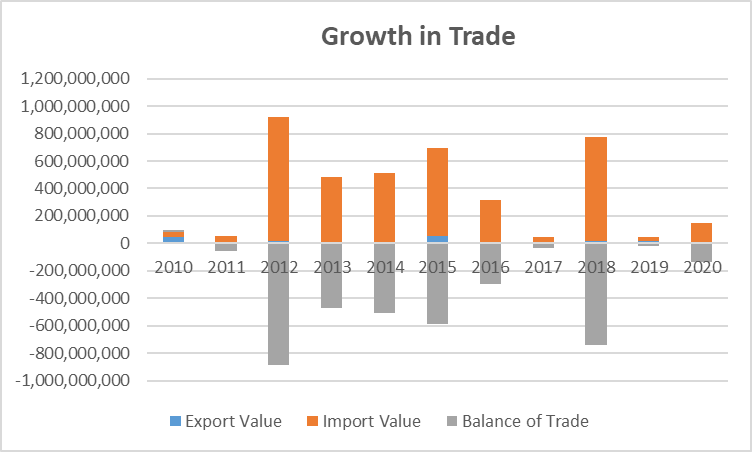
## 21.4 Kenya-Iceland Trade Relations

**Trend Analysis**

The following statistics reflect the trade performance between Kenya and Iceland for the past ten years:

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 48,150,079 | 37,798,018 | 10,352,061 |
| 2011 | 235,071 | 53,320,060 | -53,084,989 |
| 2012 | 16,538,893 | 901,722,785 | -885,183,892 |
| 2013 | 6,240,503 | 479,275,490 | -473,034,987 |
| 2014 | 2,566,096 | 511,599,657 | -509,033,561 |
| 2015 | 55,631,292 | 641,422,806 | -585,791,514 |
| 2016 | 9,822,496 | 304,359,346 | -294,536,850 |
| 2017 | 5,527,007 | 41,900,551 | -36,373,544 |
| 2018 | 16,444,257 | 758,034,026 | -741,589,768 |
| 2019 | 15,743,138 | 34,270,573 | -18,527,434 |
| 2020 | 9,610,935 | 142,517,933 | -132,906,997 |
| **AVERAGE VALUES** | **15,082,717** | **310,720,911** | **-295,638,194** |

Graphical representation of trade flows



**Top ten exports**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 8,514,069 |
| 2710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 935,964 |
| 301 | Live fish | 56,405 |
| 4420 | Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, ... | 40,360 |
| 7117 | Imitation jewellery | 31,475 |
| 308 | Aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, ... | 15,568 |
| 6815 | Articles of stone or of other mineral substances, incl. carbon fibres, articles of carbon fibres ... | 14,300 |
| 9602 | Worked vegetable or mineral carving material and articles of these materials n.e.s; moulded ... | 2,795 |
| **Total** |  | **9,610,935** |

**Top ten imports**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 8407 | Spark-ignition reciprocating or rotary internal combustion piston engine | 103,648,260 |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 25,550,318 |
| 1504 | Fats and oils and their fractions of fish or marine mammals, whether or not refined (excluding ... | 7,771,639 |
| 6810 | Articles of cement, concrete or artificial stone, whether or not reinforced | 3,380,998 |
| 6021 |  | 888,482 |
| 2106 | Food preparations, n.e.s. | 834,322 |
| 7326 | Articles of iron or steel, n.e.s. (excluding cast articles) | 214,576 |
| 8434 | Milking machines and dairy machinery (excluding refrigerating or heat treatment equipment, … | 88,373 |
| 9503 | Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ... | 55,099 |
| 2103 | Sauce and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal, ... | 20,745 |
| Total |  | **142,452,811** |

**Key Observations**

* The balance of trade is still heavily in favor of the Iceland.
* In 2020, Kenya’s exports to Iceland amounted to Kshs 9.6 Million while imports from Iceland amounted to KES. 142 Million resulting to a deficit balance of trade of Kshs 132 Million which is heavily in favour of Iceland.
* Kenya's main exports to Iceland in 2020 include: Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing.
* Iceland's main exports to Kenya in 2020 include: Spark-ignition reciprocating or rotary internal combustion piston engine.

**Potential Export Products**

Vegetables, Nuts, Textile, Essential oils, Coffee, Tea, Cut flowers, Sugar and Sugar Confectionery, Meat and Meat products

## 21.5 SWOT Analysis

**Strengths**

* Iceland runs almost completely on [renewable energy](https://en.wikipedia.org/wiki/Renewable_energy" \o "Renewable energy).
* Little bureaucracy
* Bridge between Europe and US
* Abundance of fishing resources
* Low taxes on corporations
* Young and educated workforce
* Safe society
* Innovation spirit
* Little corruption

**Weaknesses**

* Over-reliance on the UK market
* Small workforce
* Small domestic market
* Unstable currency
* Unstable economic environment
* Strict foreign exchange controls

**Opportunities**

* Unspoiled nature
* Green tourism
* Energy sold to Europe
* Good exchange rate
* Power intensive industries

**Threats**

* Environmental hazards
* High inflation rate
* Unstable economic environment
* Exodus of educated workforces to other countries

## 21.6 Recommended Strategies

* Capacity building with support of the Iceland Government to enhance productivity in renewable energy.
* There is need to increase the value and volume of Iceland investments especially with regard to the agenda on Manufacturing, mechanization of agriculture, building and construction materials to support the agenda on affordable housing. These will increase volume of Kenyan exports globally.
* Explore possibilities for closer Private sector co-operation such as forming Kenya-Iceland Business Council to address issues of concern amongst the sector players and therefore encourage more trade and investments.
* Encourage collaboration between trade and investment promotion Organisation in both countries
* Encourage investors from Iceland to invest in Kenya

# 22. KENYA-BULGARIA RELATIONS

## 22.1 Background Information

Bulgaria is a country in [southeastern Europe](https://en.wikipedia.org/wiki/Southeast_Europe" \o "Southeast Europe). It is bordered by [Romania](https://en.wikipedia.org/wiki/Romania" \o "Romania) to the north, [Serbia](https://en.wikipedia.org/wiki/Serbia" \o "Serbia) and [Macedonia](https://en.wikipedia.org/wiki/Republic_of_Macedonia" \o "Republic of Macedonia) to the west, [Greece](https://en.wikipedia.org/wiki/Greece" \o "Greece) and [Turkey](https://en.wikipedia.org/wiki/Turkey" \o "Turkey) to the south, and the [Black Sea](https://en.wikipedia.org/wiki/Black_Sea" \o "Black Sea) to the east. With a territory of 110,994 square kilometers (42,855 sq. mi), Bulgaria is Europe's [16th-largest country](https://en.wikipedia.org/wiki/List_of_European_countries_by_area" \o "List of European countries by area).

Bulgaria's population of 7.2 million people is predominantly urbanized and mainly concentrated in the administrative centers of its [28 provinces](https://en.wikipedia.org/wiki/Provinces_of_Bulgaria" \o "Provinces of Bulgaria). Most commercial and cultural activities are centered on the capital and largest city, [Sofia](https://en.wikipedia.org/wiki/Sofia" \o "Sofia). The strongest sectors of the economy are heavy industry, power engineering, and agriculture, all of which rely on local natural resources.

## 22.2 Economy

Bulgaria, a former communist country that entered the EU in 2007, has an open economy that historically has demonstrated strong growth, but its per-capita income remains the lowest among EU members and its reliance on energy imports and foreign demand for its exports makes its growth sensitive to external market conditions.

Bulgaria has an open market economy in the upper middle income range, where the private sector accounts for more than 80% of GDP. From a largely agricultural country with a predominantly rural population in 1948, by the 1980s Bulgaria had transformed into an industrial economy with scientific and technological research at the top of its budgetary expenditure priorities. Bulgaria is heavily reliant on energy imports from Russia, a potential vulnerability, and is a participant in EU-backed efforts to diversify regional natural gas supplies. In late 2016, the Bulgarian Government provided funding to Bulgaria’s National Electric Company to cover the $695 million compensation owed to Russian nuclear equipment manufacturer Atomstroyexport for the cancellation of the Belene Nuclear Power Plant project, which the Bulgarian Government terminated in 2012. The natural gas market, however, continues to be dominated by state-owned Bulgargaz, which is almost entirely supplied by Russia. Infrastructure projects such as the Inter-Connector Greece-Bulgaria and Inter-Connector Bulgaria-Serbia, which would enable Bulgaria to have access to non-Russian gas, have either stalled or made limited progress. In 2016, the Bulgarian Government established the State e-Government Agency. This new agency is responsible for the implementation of projects related to electronic governance as well as coordination of national policies in this area with the EU requirements and practices, as well as to strengthen cybersecurity.

## 22.3 Diplomatic Representation

Kenya and Bulgaria established relations in 1963.Bulgaria opened a mission in Nairobi in 1965 at charge d’Affaires level. The mission was closed in 1975 allegedly for economic reasons only to be re-opened in 1985. However in June 1990 it was closed once again by Decree of its Council of Ministers and has remained closed since then.

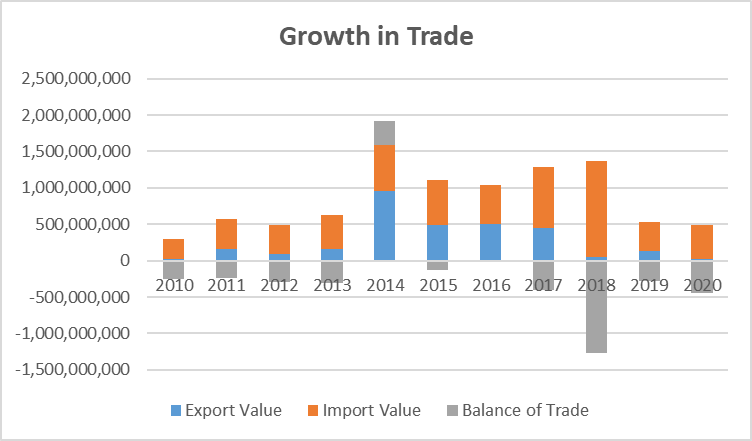
## 22.4 Trade Relations

Trade relations between the two countries in general have been low key with Kenya’s share of exports being negligible. This could be attributed to the absence of direct flight connections and minimal promotional activities in Bulgaria among other factors. The balance of trade remains in favor of Bulgaria due to the fact that its products are specialized, industrial goods of high value compared to primary products of low value due to little value addition from Kenya.

**Trend Analysis**

The statistics below reflects trade flows between the two countries for the past 10 years.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 19,005,205 | 272,388,989 | -253,383,784 |
| 2011 | 166,133,980 | 406,690,847 | -240,556,868 |
| 2012 | 96,025,190 | 392,908,339 | -296,883,149 |
| 2013 | 157,609,924 | 465,638,144 | -308,028,220 |
| 2014 | 961,883,971 | 628,109,175 | 333,774,796 |
| 2015 | 490,659,186 | 613,150,260 | -122,491,073 |
| 2016 | 508,337,085 | 525,798,622 | -17,461,537 |
| 2017 | 442,925,269 | 847,779,533 | -404,854,264 |
| 2018 | 51,347,454 | 1,315,543,816 | -1,264,196,361 |
| 2019 | 130,512,711 | 404,113,852 | -273,601,142 |
| 2020 | 22,077,937 | 462,261,048 | -440,183,111 |
| **AVERAGE VALUES** | **236,888,392** | **587,408,425** | **-350,520,033** |



**Key Observations**

* The balance of trade is still heavily in favor of the Bulgaria.
* In 2020, Kenya’s exports to Bulgaria amounted to Kshs 22 Million while imports amounted to Kshs 1.3 billion resulting to a deficit balance of trade of Kshs 440 million which is in favour of Bulgaria

**Top Ten Export 2020**

|  |  |  |
| --- | --- | --- |
| HS CODE | DESCRIPTION | VALUE IN KSHS |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 9,024,074 |
| 902 | Tea, whether or not flavoured | 3,612,372 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 2,441,997 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 2,377,590 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 1,728,327 |
| 703 | Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled | 980,229 |
| 708 | Leguminous vegetables, shelled or unshelled, fresh or chilled | 539,158 |
| 9403 | Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary ... | 479,710 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 432,197 |
| 6309 | Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ... | 192,600 |

**Top Ten Imports in 2020**

|  |  |  |
| --- | --- | --- |
| HS CODE | DESCRIPTION | VALUE IN KSHS |
| 8470 | Calculating machines and pocket-size "dimensions <= 170 mm x 100 mm x 45 mm" data recording, ... | 81,797,765 |
| 8501 | Electric motors and generators (excluding generating sets) | 45,041,541 |
| 8419 | Machinery, plant or laboratory equipment whether or not electrically heated (excluding furnaces, ... | 39,513,408 |
| 4804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 32,004,635 |
| 2401 | Unmanufactured tobacco; tobacco refuse | 31,826,701 |
| 7407 | Bars, rods and profiles, of copper, n.e.s. | 27,570,551 |
| 2208 | Undenatured ethyl alcohol of an alcoholic strength of < 80%; spirits, liqueurs and other spirituous ... | 27,213,523 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 26,502,126 |
| 1701 | Cane or beet sugar and chemically pure sucrose, in solid form | 22,056,291 |
| 2309 | Preparations of a kind used in animal feeding | 16,683,247 |

## 22.5 Situation Analysis

## Swot Analysis

**Strengths**

* Fixed parity against the euro   
  (1 euro = 1.96 lev) backed up by significant foreign exchange reserves
* Diversified productive base
* Low production costs: good competitiveness
* Low public debt
* Many tourist assets

**Weaknesses**

* Government instability, fragmented political landscape and close ties to the business community
* Corruption and organized crime
* Mediocre effectiveness of public services and legal system (influence of business circles)
* Poor use of European structural funds and mediocre infrastructure
* Supervision of banking sector still inadequate
* Lack of skilled workforce and high long-term unemployment (61% of the total)
* Low rate of participation in the labor market by rural workers, Roma community and older people
* Relatively poor (per capita GDP = 45% of EU average) and declining population

**Opportunities**

* Effective absorption of the EU Funds
* Bringing budget programs and forecasts in line with strategic and human resources planning
* Improving the effectiveness of public expenditures and redistributing public resources to activities which increase economic growth
* Promoting social partnerships and stimulating public dialogue
* Broader use of e-services
* Establishing a modern R&D infrastructure, increased implementation of the programme and project funding
* Attracting direct foreign investments in science-based economic sectors
* Specializing in high-technology sectors employing highly qualified workforce
* Growing development of the financial engineering instruments and increasing the significance of public-private partnerships
* Making use of the potential of the country for generating energy from hydroelectric stations

**Threats**

* Slowed down economic development resulting from the unfavourable international situation.
* Challenges for the stability of public finances relating to the ageing population, the potential energy and/or financial and economic crisis
* Growing negative demographic trends and their increased negative impact on the labour market and the social systems
* Difficulties in joining the labour market for the graduates due to the low quality of the educational system
* Shortages of well-qualified professors, scientists and medical specialists due to the low level of attractiveness of those professions
* EU sanctions for failure to meet environmental requirements
* Significant increase in the prices of resources (including energy resources) and their share in the cost of industrial products
* Bulgarian companies losing markets in Europe due to the growing competition from non-Eu countries.

## Problem Statement

The balance of trade remains in favor of Bulgaria due to the fact that its products are specialized, industrial goods of high value compared to primary products of low value due to little value addition from Kenya.

## Justification of Strategy Formulation

Over the years, trade volumes between the two countries has grown, thou the balance of trade is in favour of Bulgaria: The trade imbalance narrowed in 2016 by an impressive amount. This indicates that there is room for trade to nourish between the two countries especially on Kenya’s side if her export basket is expanded. In 2016, Kenya’s exports to Bulgaria amounted to Kshs 508.3 Million while imports amounted to Kshs 525.7 Million resulting to a deficit balance of trade of Kshs 17,461Thoussand which is in favour of Bulgaria

## 22.8 Recommendations

* There is potential for direct trade between Kenya and Bulgaria in Tea and Coffee and for processed agricultural products (including fruits and vegetables.
* In Kenya’s efforts to add value to agricultural produce, the country could source machinery for food processing from Bulgaria more competitively than from other European Countries.
* The chamber of Commerce from the two countries should exchange visits and participate in activities held in both countries including trade fairs and exhibitions, trade missions and investment forums.
* Organize a trade mission for Bulgarian businessmen interested in investing in various sectors in Kenya. This could be scheduled to coincide with a trade fair or exhibition taking place in Nairobi.

**23.0 KENYA-FINLAND TRADE BRIEF**

**23.1 Introduction**

The Republic of Finland is a [Nordic country](https://en.wikipedia.org/wiki/Nordic_countries" \o "Nordic countries) situated in the geographical region of [Fennoscandia](https://en.wikipedia.org/wiki/Fennoscandia" \o "Fennoscandia) with total land area of 303,890 Km2 (117,333 sq. miles) 84.1 % of the population is urban. The capital and by far the largest city is [Helsinki](https://en.wikipedia.org/wiki/Helsinki" \o "Helsinki).

Finland's population is 5.5 million (2017), and the majority of the population is concentrated in the southern region. 88.7% of the population is [Finnish](https://en.wikipedia.org/wiki/Finns" \o "Finns) and speaks [Finnish](https://en.wikipedia.org/wiki/Finnish_language" \o "Finnish language), a [Uralic language](https://en.wikipedia.org/wiki/Uralic_languages" \o "Uralic languages) unrelated to the Scandinavian languages; next come the [Finland-Swedes](https://en.wikipedia.org/wiki/Swedish-speaking_population_of_Finland" \o "Swedish-speaking population of Finland) (5.3%).

Finland is the [eighth-largest country in Europe](https://en.wikipedia.org/wiki/Area_and_population_of_European_countries" \o "Area and population of European countries) and the most [sparsely populated](https://en.wikipedia.org/wiki/List_of_countries_and_territories_by_population_density" \o "List of countries and territories by population density) country in the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union). It is a [parliamentary](https://en.wikipedia.org/wiki/Parliamentary_system" \o "Parliamentary system) republic with a central government based in the capital city of [Helsinki](https://en.wikipedia.org/wiki/Helsinki" \o "Helsinki). Over 1.4 million people live in the [Greater Helsinki](https://en.wikipedia.org/wiki/Greater_Helsinki" \o "Greater Helsinki) metropolitan area, which produces one third of the country's [GDP](https://en.wikipedia.org/wiki/Gross_domestic_product" \o "Gross domestic product).

**23.2 Kenya-Finland Relations**

Kenya and Finland enjoy good relations, 2015 marked the 50th anniversary of diplomatic relations between the two countries, and development cooperation started over 30 years ago. As a regional hub of trade and international organizations and a central player in terms of regional stability and security, Kenya remains an important partner for Finland. Finland also wants to support Kenya’s

Development towards a more equal society. Kenya is one of the fastest growing economies in Africa and therefore commercially interesting for Finnish business.

**23.3 Economic Overview**

Finland has a highly industrialized, largely free-market economy with per capita GDP almost as high as that of Austria and the Netherlands and slightly above that of Germany and Belgium. Trade is important, with exports accounting for over one-third of GDP in recent years. The government is open to, and actively takes steps to attract, foreign direct investment.  
  
Finland is historically competitive in manufacturing - principally the wood, metals, engineering, telecommunications, and electronics industries. Finland excels in export of technology as well as promotion of startups in the information and communications technology, gaming, cleantech, and biotechnology sectors. Except for timber and several minerals, Finland depends on imports of raw materials, energy, and some components for manufactured goods. Because of the cold climate, agricultural development is limited to maintaining self-sufficiency in basic products. Forestry, an important export industry, provides a secondary occupation for the rural population.

The GDP figure in 2017 was $251,885 **million**, while Gdp per capita stood at $45,688

**Major trading Partners:** Germany, Sweden, Netherlands, United States, Russia, China, United Kingdom, Belgium, France, Estonia

**Main Exports**: Machinery including computers (13% of total exports),Paper, paper items: (12.9%),Electrical machinery, equipment (8.5%),Mineral fuels including oil (8.3%),Vehicles (7.2%),Iron, steel (6.4%),Wood (4.9%),Optical, technical, medical apparatus (4.5%),Plastics, plastic articles (3.5%),Wood pulp (3.4%).

**23.4 Development Cooperation**

Finland was able to consolidate implementation of the 2013–2016 Country Strategy due to relatively stable country context over the past few years. The overall performance of the strategy was rated as good. Progress with implementation particularly strong in the areas of good governance and human rights, mainly due to the basket-funding modality. In other areas applying different modalities, implementation was slower. Finland contributed actively to dialogue on development policy, aid effectiveness, women’s political participation and water and forestry legislation.

Finland is committed to continue its support for Kenya through Country Strategy 2016–2019 is fully aligned with Finland’s new 2016 development policy. The strategy promotes democratic institutions, the functioning of society, and women’s and girls’ rights. Work will be continued to improve access to water and sanitation, and in the forestry sector a key focus will be on job creation and the promotion of economic opportunities. Private sector development and synergies with private sector involvement and trade will also receive greater focus. In general the Country Strategy for 2016–2019 is increasingly streamlined and avoids further fragmentation. As recommended by the evaluation, Finland will continue in the same sectors as before. However the impact areas identified for the strategy are thematic rather than sector-specific, which means that some interventions will contribute to more than one impact area.

Finnish Civil Society Organization (CSO’s) remain active in Kenya. In 2015 disbursements to 25 Finnish CSOs in Kenya totaled 5.6 million euros. These include 12 partner organizations that receive multi-annual Programme support. Among the partner organizations with activities in Kenya in 2015 were the Finnish NGO Foundation for Human Rights (KIOS), the Abilis Foundation, Fida International, Finn Church Aid, and the Finnish Red Cross, the International Solidarity Foundation, Operation a Day’s Work, Plan Finland, Siemenpuu, World Vision and Save the Children.

In 2015 Finnish humanitarian assistance to Kenya amounted to 1.5 million euros.

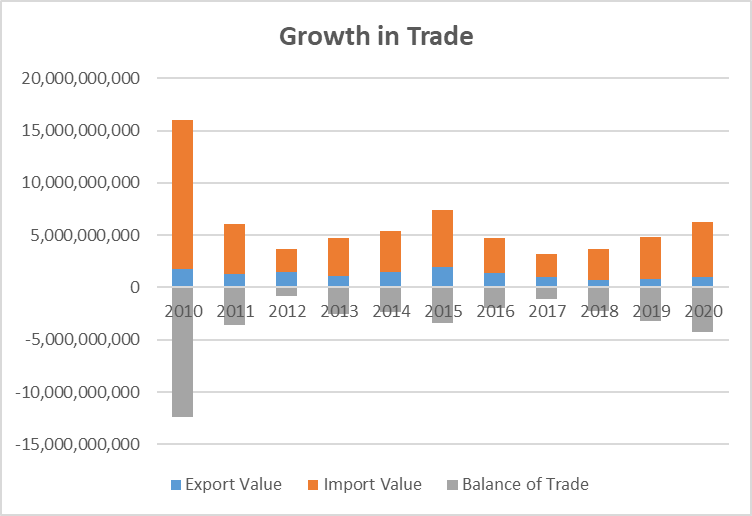
Private sector financing instruments are in active use in Kenya. In 2015 disbursements through Finn fund amounted to almost 9 million euros. Finn fund had three major investments in Kenya, including Lake Turkana’s Windmill Park, Finn fund’s biggest investment in Sub-Saharan Africa. Finn partnership awarded almost 100,000 euros to 10 different applicants. In 2006–2016 Finn partnership received 82 applications, of which it approved 42.

**23.5 Trade Relations**

The following statistics reflects the trade flows between Kenya and Finland for thepast ten years.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 1,807,553,881 | 14,167,356,938 | -12,359,803,057 |
| 2011 | 1,240,705,907 | 4,782,541,886 | -3,541,835,979 |
| 2012 | 1,476,113,440 | 2,245,439,106 | -769,325,666 |
| 2013 | 1,106,220,993 | 3,665,224,405 | -2,559,003,412 |
| 2014 | 1,513,694,195 | 3,839,426,491 | -2,325,732,296 |
| 2015 | 1,973,399,862 | 5,415,330,199 | -3,441,930,337 |
| 2016 | 1,412,003,437 | 3,339,334,149 | -1,927,330,711 |
| 2017 | 1,029,757,768 | 2,122,673,269 | -1,092,915,501 |
| 2018 | 736,933,499 | 2,972,248,368 | -2,235,314,869 |
| 2019 | 811,349,498 | 3,979,402,721 | -3,168,053,222 |
| 2020 | 984,396,822 | 5,265,666,248 | -4,281,269,425 |
|  |  |  |  |
| **AVERAGE VALUES** | **1,306,441,532** | **4,725,997,738** | **-3,419,556,205** |

.



The balance of trade is in favor of Finland as Kenya's exports largely consist of agricultural produce.

In 2020, Kenya’s exports to Finland amounted to approximately Kshs **984 Million** while imports amounted to Kshs **5.27 billion** resulting to a trade deficit of **4.28** **billion** in 2020.

**Top Ten Exports to Finland**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 638,701,138 |
| 2,008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 285,560,464 |
| 3,808 | Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth ... | 31,318,584 |
| 9,015 | Surveying, incl. photogrammetrical surveying, hydrographic, oceanographic, hydrological, meteorological ... | 16,721,332 |
| **804** | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 3,832,088 |
| 902 | Tea, whether or not flavoured | 3,497,561 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 2,204,901 |
| 4,602 | Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or ... | 1,669,140 |
| 810 | Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries and ... | 339,735 |
| 4,420 | Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, ... | 143,080 |
| **Total** |  | **983,988,022** |

**Top Ten Imports from Finland**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
|  |  |  |
| 4,804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | 1,768,567,353 |
| 3,105 | Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, ... | 877,223,774 |
| 3,006 | Pharmaceutical preparations and products of subheadings 3006.10.10 to 3006.60.90 | 382,415,478 |
| **3,920** | Plates, sheets, film, foil and strip, of non-cellular plastics, not reinforced, laminated, ... | 356,210,934 |
| 4,810 | Paper and paperboard, coated on one or both sides with kaolin "China clay" or other inorganic ... | 256,812,488 |
| 8,427 | Fork-lift trucks; other works trucks fitted with lifting or handling equipment (excluding straddle ... | 255,524,070 |
| 8,434 | Milking machines and dairy machinery (excluding refrigerating or heat treatment equipment, ... | 202,195,670 |
| 8,517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 187,427,876 |
| 3,822 | Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents ... | 68,038,244 |
| 4,802 | Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, ... | 67,897,100 |
| **Total** |  | **4,422,312,986** |

**23.6 Situation Analysis**

**Swot Analysis**

**Strengths**

* Finland is heavily export-oriented
* High education level
* high technological environment
* High GDP and stable GDP growth
* Open to foreign investment

**Weaknesses**

* Strong dependence on global trends
* high labor cost
* quite slow pace of life

**Opportunities**

* The inflation risk is not a high risk due to the stability of Euro
* potential market with strong buying power consumers
* largest sector of the Finnish economy is services

**Threats**

* Overall size of the Finnish domestic market is relatively small
* Consumers have high expectations in terms of product innovation, design, quality and price.

**23.7 Problem Statement**

The balance of trade remains in favor of Finland due to the fact that its products are specialized, industrial goods of high value compared to primary products of low value due to little value addition from Kenya.

* 1. **Justification of Strategy Formulation**

Over the years, trade volumes between the two countries has been fluctuating in numbers with a slight fall in exports to Finland in 2017 as compared to 2016, the balance of trade is in favour of Finland: The trade imbalance narrowed in 2017. This indicates that there is room for trade to nourish between the two countries especially on Kenya’s side if her export basket is expanded and take advantage of the fact that Finland exports most of its food.

**23.9 Recommendations**

* Explore ways of direct sale of flowers to Finland instead of re exporting from auctions in Netherlands. This could yield better prices for Kenyan exporters and producers
* Exchange of trade missions and business delegations to explore business opportunities
* Engage with Finn partnerships and Finn fund to broaden its scope to financial and technical support to include collaboration with Kenya producers and companies desiring to export into the Finnish market in addition to facilitating the entry of Finnish imports in Kenya
* Conduct a market research and survey in tea, coffee(Finland has the highest capita consumption ),horticulture and apparel in a bid to boost exports

Establish avenues for collaboration in ICT, waste management, health, renewable energy and ports management given Finland’s strengths in the

24.0 KENYA-LITHUANIA TRADE RELATIONS  
24.1 Background Information

The **Republic of Lithuania** is a country in the [Baltic region](https://en.wikipedia.org/wiki/Baltic_region" \o "Baltic region) of [northern](https://en.wikipedia.org/wiki/Northern_Europe" \o "Northern Europe)-[eastern Europe](https://en.wikipedia.org/wiki/Eastern_Europe" \o "Eastern Europe). Since its independence, Lithuania has been referred to as one of the [Baltic States](https://en.wikipedia.org/wiki/Baltic_states" \o "Baltic states). It is situated along the southeastern shore of the [Baltic Sea](https://en.wikipedia.org/wiki/Baltic_Sea" \o "Baltic Sea), to the east of [Sweden](https://en.wikipedia.org/wiki/Sweden" \o "Sweden) and [Denmark](https://en.wikipedia.org/wiki/Denmark" \o "Denmark). It is bordered by [Latvia](https://en.wikipedia.org/wiki/Latvia" \o "Latvia) to the north, [Belarus](https://en.wikipedia.org/wiki/Belarus" \o "Belarus) to the east and south, [Poland](https://en.wikipedia.org/wiki/Poland" \o "Poland) to the south, and [Kaliningrad Oblast](https://en.wikipedia.org/wiki/Kaliningrad_Oblast" \o "Kaliningrad Oblast) (a [Russian](https://en.wikipedia.org/wiki/Russia" \o "Russia) [exclave](https://en.wikipedia.org/wiki/Enclave_and_exclave" \o "Enclave and exclave)) to the southwest. Lithuania has an estimated population of 2.8 million people as of 2017, and its capital and largest city is [Vilnius](https://en.wikipedia.org/wiki/Vilnius" \o "Vilnius). Other major cities are [Kaunas](https://en.wikipedia.org/wiki/Kaunas" \o "Kaunas) and [Klaipėda](https://en.wikipedia.org/wiki/Klaip%C4%97da" \o "Klaipėda). [Lithuanians](https://en.wikipedia.org/wiki/Lithuanians" \o "Lithuanians) are a [Baltic people](https://en.wikipedia.org/wiki/Baltic_people" \o "Baltic people). The official language, [Lithuanian](https://en.wikipedia.org/wiki/Lithuanian_language" \o "Lithuanian language), along with [Latvian](https://en.wikipedia.org/wiki/Latvian_language" \o "Latvian language), is one of only two living languages in the [Baltic branch](https://en.wikipedia.org/wiki/Baltic_languages" \o "Baltic languages) of the [Indo-European](https://en.wikipedia.org/wiki/Indo-European_languages" \o "Indo-European languages) language family.

## 24.2 Economic Overview

Lithuania is a member of the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) and the largest economy among the three [Baltic States](https://en.wikipedia.org/wiki/Baltic_states" \o "Baltic states). It also has the highest GDP per capita in PPP. Lithuania belongs to the group of very high [human development](https://en.wikipedia.org/wiki/Human_Development_Index" \o "Human Development Index) countries.

After independence, Lithuania rapidly moved from centrally planned to a market economy, implementing numerous liberal reforms. It enjoyed high growth rates after joining the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) along with the other Baltic States, leading to the notion of a [Baltic Tiger](https://en.wikipedia.org/wiki/Baltic_Tiger" \o "Baltic Tiger).

GDP per capita in Lithuania is 70% above the world's average of $10,500. Lithuania is ranked 24th in the world in the [Ease of Doing Business Index](https://en.wikipedia.org/wiki/Ease_of_Doing_Business_Index" \o "Ease of Doing Business Index) prepared by the [World Bank Group](https://en.wikipedia.org/wiki/World_Bank_Group" \o "World Bank Group) and 15th out of 178 countries in the [Index of Economic Freedom](https://en.wikipedia.org/wiki/Index_of_Economic_Freedom" \o "Index of Economic Freedom), measured by Foundation. On average, more than 95% of all [foreign direct investment](https://en.wikipedia.org/wiki/Foreign_direct_investment" \o "Foreign direct investment) in Lithuania comes from [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) countries. Sweden is historically the largest investor with 20% – 30% of all FDI in Lithuania. FDI into Lithuania spiked in 2017, reaching its highest ever recorded number of Greenfield investment projects. In 2017, Lithuania was third country, after [Ireland](https://en.wikipedia.org/wiki/Ireland" \o "Ireland) and [Singapore](https://en.wikipedia.org/wiki/Singapore" \o "Singapore) by the average job value of investment projects.

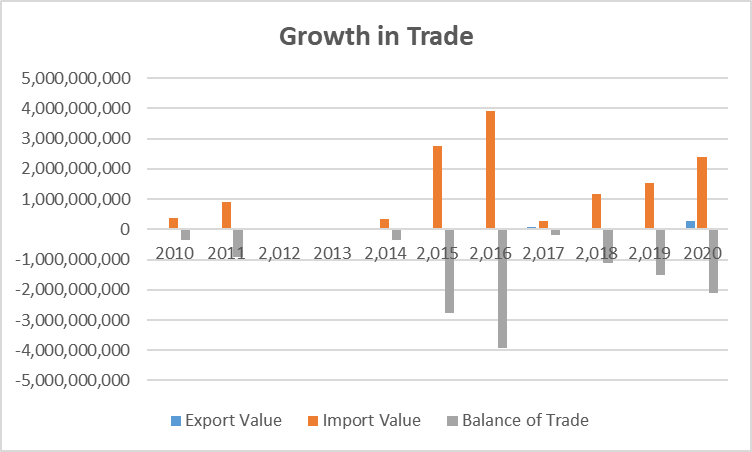
## 24.3 **TRADE RELATIONS**

Over the years, the trade volume between the two nations has remained low with the balance of trade in favor of Lithuania. In 2018, Kenya’s exports to Lithuania amounted to Kshs 27.5 Million while imports from Lithuania amounted to KES.1,154.1billion, resulting to a deficit balance of trade of Kshs 1,126.5 billion which is heavily in favour of Lithuania

The following statistics reflect the trade performance between Kenya and Lithuania for the past ten years:

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 15,678,737 | 369,760,475 | -354,081,738 |
| 2011 | 7,291,930 | 920,726,497 | -913,434,567 |
| 2,012 | 17,254,016 | 26,948,876 | -9,694,860 |
| 2013 | 17,504,534 | 48,753,796 | -31,249,262 |
| 2,014 | 10,409,821 | 356,069,356 | -345,659,535 |
| 2,015 | 5,840,137 | 2,764,391,385 | -2,758,551,248 |
| 2,016 | 8,032,374 | 3,922,953,893 | -3,914,921,519 |
| 2,017 | 68,929,638 | 268,996,732 | -200,067,094 |
| 2,018 | 27,581,335 | 1,154,107,012 | -1,126,525,677 |
| 2,019 | 17,308,906 | 1,527,207,425 | -1,509,898,519 |
| 2020 | 290,900,114 | 2,404,512,257 | -2,113,612,144 |
| **AVERAGE VALUES** | **37,574,506** | **1,153,895,495** | **-1,116,320,989** |

**Graphical representation of trade flows between Lithuania and Kenya**



**Top ten exports**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 260,272,749 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 15,739,425 |
| 902 | Tea, whether or not flavoured | 6,265,364 |
| 802 | Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts ... | 3,043,821 |
| 8,708 | Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, ... | 2,734,056 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 1,426,407 |
| 2,402 | Cigars, cheroots, cigarillos and cigarettes of tobacco or of tobacco substitutes | 777,611 |
| 6,903 | Retorts, crucibles, mufflers, nozzles, plugs, supports, cupels, tubes, pipes, sheaths, rods ... | 476,846 |
| 8,803 | Parts of aircraft and spacecraft of heading 8801 or 8802, n.e.s. | 102,703 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 61,133 |
| **Total** |  | **290,900,114** |

**Top ten Imports**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 1001 | Wheat and meslin | 1,901,506,647 |
| 713 | Dried leguminous vegetables, shelled, whether or not skinned or split | 129,131,679 |
| 3104 | Mineral or chemical potassic fertilisers (excluding those in tablets or similar forms, or in ... | 124,608,792 |
| 6309 | Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ... | 85,857,750 |
| 2715 | Bituminous mastics, cut-backs and other bituminous mixtures based on natural asphalt, on natural ... | 20,822,926 |
| 2309 | Preparations of a kind used in animal feeding | 19,270,560 |
| 9019 | Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone ... | 17,867,972 |
| 1904 | Prepared foods obtained by the swelling or roasting of cereals or cereal products, e.g. corn ... | 14,599,179 |
| 8422 | Dishwashing machines; machinery for cleaning or drying bottles or other containers; machinery ... | 12,923,935 |
| 9020 | Breathing appliances and gas masks (excluding protective masks having neither mechanical parts ... | 10,005,145 |
| **Total** |  | **2,336,594,586** |

## 24.4 Swot Analysis

**Strengths**

* Membership of the Eurozone since 2015
* Prospect of OECD membership
* Sound public and external accounts
* Banking system dominated by three Scandinavian banks
* Transit region between the European Union and the Russia/Kaliningrad enclave
* Diversification of energy supply (Klaipeda gas terminal, shale gas potential, electricity links with Poland and Sweden)

**Weaknesses**

* Shrinking workforce (emigration of skilled young people)
* Large underground economy (26% of GDP)
* Wide income disparity between the capital and the regions, especially in the north-east where poverty persists
* High structural unemployment, even though it is coming down
* Limited added value of exports (mineral products, timber, agrifood, furniture, electrical equipment)
* Competitiveness eroded by insufficient productivity gains

**Opportunities**

* Ranked high in the ease of doing business index by World Bank
* High Gdp per capita above World’s average

**Threats**

* Shrinking labour force

## 24.6 Recommended strategies

* There is need to increase the trade value and volume of export products as well diversify Kenya’s export base. With particular emphasis on Tea, coffee, horticulture etc.
* Encourage collaboration between trade and investment promotion Organisation in both countries
* Exchange of trade missions and business delegations to explore business opportunities.
* above sectors.

# 

# 25.0 KENYA-MALTA TRADE RELATIONS

## 25.1 INTRODUCTION

Officially known as the **Republic of Malta** is a Southern European [island country](https://en.wikipedia.org/wiki/Island_country" \o "Island country) consisting of an [archipelago](https://en.wikipedia.org/wiki/Archipelago" \o "Archipelago) in the [Mediterranean Sea](https://en.wikipedia.org/wiki/Mediterranean_Sea" \o "Mediterranean Sea). It lies 80 km south of [Italy](https://en.wikipedia.org/wiki/Italy" \o "Italy), 284 km east of [Tunisia](https://en.wikipedia.org/wiki/Tunisia" \o "Tunisia), and 333 km north of [Libya](https://en.wikipedia.org/wiki/Libya" \o "Libya). Malta is one of the world's smallest and most densely populated countries, at over 316 km2 with a population of about **475,000**. Its capital is [Valletta](https://en.wikipedia.org/wiki/Valletta" \o "Valletta), which is the smallest national capital in the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) by area at 0.8 km.2 its largest town is [Birkirkara](https://en.wikipedia.org/wiki/Birkirkara" \o "Birkirkara), while its chief economic center is [Sliema](https://en.wikipedia.org/wiki/Sliema" \o "Sliema). The official languages are [Maltese](https://en.wikipedia.org/wiki/Maltese_language" \o "Maltese language) and **English**, with Maltese also recognized as the national language. Maltese is the only [Semitic language](https://en.wikipedia.org/wiki/Semitic_language" \o "Semitic language) to be officially recognized in the European Union. [Italian](https://en.wikipedia.org/wiki/Italian_language" \o "Italian language) is also spoken by most of the population

## 25.2 ECONOMIC OVERVIEW

Malta is a **highly industrialized, service-based economy**. It is classified as an [advanced economy](https://en.wikipedia.org/wiki/Developed_country" \o "Developed country) by the [International Monetary Fund](https://en.wikipedia.org/wiki/International_Monetary_Fund" \o "International Monetary Fund) and is considered a [high-income country](https://en.wikipedia.org/wiki/Developed_country" \o "Developed country) by the [World Bank](https://en.wikipedia.org/wiki/World_Bank" \o "World Bank) and an innovation-driven economy by the [World Economic Forum](https://en.wikipedia.org/wiki/World_Economic_Forum" \o "World Economic Forum). It is a member of the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) and of the [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone), having formally adopted the euro on 1 January 2008.

The strengths of the [economy](https://en.wikipedia.org/wiki/Economy" \o "Economy) of Malta are its strategic location, being situated in the middle of the [Mediterranean Sea](https://en.wikipedia.org/wiki/Mediterranean_Sea" \o "Mediterranean Sea) at a crossroads between Europe, [North Africa](https://en.wikipedia.org/wiki/North_Africa" \o "North Africa) and the [Middle East](https://en.wikipedia.org/wiki/Middle_East" \o "Middle East), its fully developed open [market economy](https://en.wikipedia.org/wiki/Market_economy" \o "Market economy), [multilingual](https://en.wikipedia.org/wiki/Multilingual" \o "Multilingual) population (88% of Maltese people speak English), productive [labour force](https://en.wikipedia.org/wiki/Labour_force" \o "Labour force), low corporate tax and well developed finance and ICT clusters. The economy is dependent on foreign trade, manufacturing (especially electronics), [tourism](https://en.wikipedia.org/wiki/Tourism" \o "Tourism) and [financial services](https://en.wikipedia.org/wiki/Financial_services" \o "Financial services).

## 25.3 DIPLOMATIC REPRESENTATION

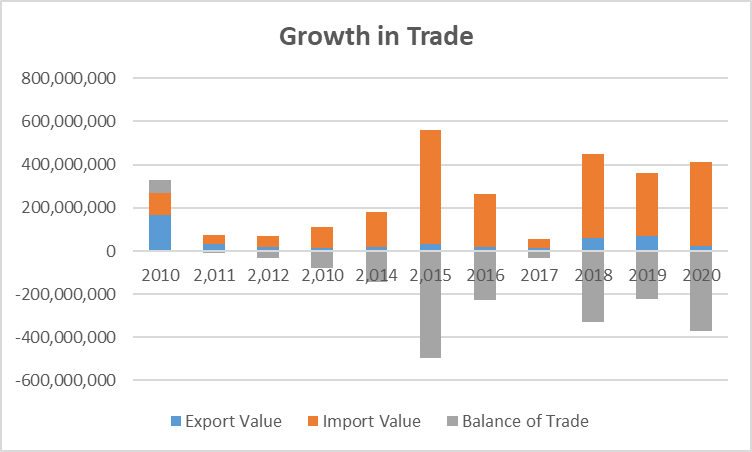
Malta's consulate in Nairobi is the only Maltese representation in Kenya.

Kenya does not currently have any diplomatic or consular representation in Malta

## 25.4 TRADE OVERVIEW

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 165,537,690 | 102,142,189 | 63,395,501 |
| 2,011 | 32,420,448 | 42,039,445 | -9,618,996 |
| 2,012 | 19,441,987 | 50,929,381 | -31,487,394 |
| 2,010 | 15,404,752 | 95,175,945 | -79,771,193 |
| 2,014 | 18,956,700 | 163,556,605 | -144,599,905 |
| 2,015 | 32,730,332 | 528,588,014 | -495,857,682 |
| 2016 | 18,554,191 | 247,174,296 | -228,620,105 |
| 2017 | 11,556,992 | 44,226,290 | -32,669,298 |
| 2018 | 60,415,649 | 387,144,450 | -326,728,801 |
| 2019 | 69,363,329 | 291,919,939 | -222,556,610 |
| 2020 | 21,194,009 | 391,346,159 | -370,152,149 |
| **AVERAGE VALUES** | **50,358,431** | **192,060,005** | **-141,701,574** |

**Graphical representation of trade between the two countries**



**Top Ten Exports in 2020**

|  |  |  |
| --- | --- | --- |
| SITC | SHORT DESCRIPTION | EXPORT VALUE IN KSHS |
| 2,008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 7,462,295 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, .. | 5,545,467 |
| 902 | Tea, whether or not flavoured | 3,345,253 |
| 307 | Molluscs, fit for human consumption, even smoked, whether in shell or not, live, fresh, chilled, ... | 2,397,419 |
| 2,710 | Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ... | 2,026,856 |
| 6912 | Tableware, kitchenware, other household articles and toilet articles, of ceramics other than ... | 173,726 |
| 8443 | Printing machinery used for printing by means of plates, cylinders and other printing components ... | 86,424 |
| 301 | Live fish | 78,661 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 74,891 |
| 8310 | Sign-plates, nameplates, address-plates and similar plates, numbers, letters and other symbols, ... | 3,019 |
| **Total** |  | **21,194,009** |

**Top Ten Imports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **IMPORT VALUE IN KSH** |
| 4901 | Printed books, brochures and similar printed matter, whether or not in single sheets (excluding .. | 326,583,857 |
| 8471 | Automatic data-processing machines and units thereof; magnetic or optical readers, machines ... | 20,180,077 |
| 8442 | Machinery, apparatus and equipment (other than the machine-tools of headings 8456 to 8465) ... | 18,303,526 |
| 8443 | Printing machinery used for printing by means of plates, cylinders and other printing components ... | 7,774,377 |
| 2009 | Fruit juices, incl. grape must, and vegetable juices, unfermented, not containing added spirit, ... | 7,263,302 |
| 3215 | Printing ink, writing or drawing ink and other inks, whether or not concentrated or solid | 5,287,965 |
| 8528 | Monitors and projectors, not incorporating television reception apparatus; reception apparatus ... | 2,164,938 |
| 9503 | Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ... | 1,698,902 |
| 8504 | Electrical transformers, static converters, e.g. rectifiers, and inductors; parts thereof | 687,456 |
| 3921 | Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, supported or similarly ... | 263,048 |
| **Total** |  | **390,207,447** |

## 25.4 Swot Analysis

**Strengths**

* At the crossroads of the eastern and western Mediterranean regions
* Eurozone membership
* Public and external accounts in surplus
* Public debt held by residents
* Tourism (2 million visitors a year for 430,000 inhabitants) and port activities
* Low taxation
* Productive, English-speaking and growing workforce

**Weaknesses**

* Inadequate higher education provision, shortage of highly qualified workers, R&D and innovation
* Road infrastructure still inadequate
* Small, isolated country resulting in close relationship between public authorities and business
* Slow legal process, favouritism, corruption
* Potential impact of EU adoption of a consolidated, common tax base for companies
* Potential impact of Brexit on number of visitors from the United Kingdom (29%)

**Opportunities**

* Fully developed open [market economy](https://en.wikipedia.org/wiki/Market_economy" \o "Market economy)
* Economy is dependent on foreign trade

**Threat**

* Low population

## 25.5 Recommended Strategies

* Need to diversify export products and increase our trade volumes to Malta.
* Undertake a new market survey with a view to sustaining the already existing market while at the same time introducing a new range of exportable products.
* Exchange of information on trade, and investment which can be disseminated to the business community in both countries. This would include market access requirements for potential products, consumer preference, packaging & labelling requirements and sustainable distribution among others.
* Encourage collaboration between trade and investment promotion Organization in both countries
* Annual participation in International Trade fair including trade fairs & exhibitions in the two countries
* Encourage interaction between the business community in Kenya and Malta, in addition to cooperation between trades supports Organization in the two countries.

**26.0 KENYA-GREECE TRADE RELATIONS**

**26.1Background Information**

Officially the **Hellenic Republic** is a country located in [Southern Europe](https://en.wikipedia.org/wiki/Southern_Europe" \o "Southern Europe), with a population of approximately 11 million as of 2016. [Athens](https://en.wikipedia.org/wiki/Athens" \o "Athens) is the nation's capital and largest city, followed by [Thessaloniki](https://en.wikipedia.org/wiki/Thessaloniki" \o "Thessaloniki). Greece is located at the crossroads of Europe, Asia, and Africa. Situated on the southern tip of the [Balkan Peninsula](https://en.wikipedia.org/wiki/Balkan_Peninsula" \o "Balkan Peninsula), it shares land borders with [Albania](https://en.wikipedia.org/wiki/Albania" \o "Albania) to the northwest, the [Republic of Macedonia](https://en.wikipedia.org/wiki/Republic_of_Macedonia" \o "Republic of Macedonia) and [Bulgaria](https://en.wikipedia.org/wiki/Bulgaria" \o "Bulgaria) to the north, and [Turkey](https://en.wikipedia.org/wiki/Turkey" \o "Turkey) to the northeast.

Greece has the longest coastline on the [Mediterranean Basin](https://en.wikipedia.org/wiki/Mediterranean_Basin" \o "Mediterranean Basin) and the [11th longest coastline in the world](https://en.wikipedia.org/wiki/List_of_countries_by_length_of_coastline" \o "List of countries by length of coastline) at 13,676 km (8,498 mi) in length, featuring a large number of [islands](https://en.wikipedia.org/wiki/List_of_islands_of_Greece" \o "List of islands of Greece). Eighty percent of Greece is mountainous, The country consists of nine [geographic regions](https://en.wikipedia.org/wiki/Geographic_regions_of_Greece" \o "Geographic regions of Greece): [Macedonia](https://en.wikipedia.org/wiki/Macedonia_(Greece)" \o "Macedonia (Greece)), [Central Greece](https://en.wikipedia.org/wiki/Central_Greece" \o "Central Greece), the [Peloponnese](https://en.wikipedia.org/wiki/Peloponnese" \o "Peloponnese), [Thessaly](https://en.wikipedia.org/wiki/Thessaly" \o "Thessaly), [Epirus](https://en.wikipedia.org/wiki/Epirus_(region)" \o "Epirus (region)), the [Aegean Islands](https://en.wikipedia.org/wiki/Aegean_Islands" \o "Aegean Islands) (including the [Dodecanese](https://en.wikipedia.org/wiki/Dodecanese" \o "Dodecanese) and [Cyclades](https://en.wikipedia.org/wiki/Cyclades" \o "Cyclades)), [Thrace](https://en.wikipedia.org/wiki/Western_Thrace" \o "Western Thrace), [Crete](https://en.wikipedia.org/wiki/Crete" \o "Crete), and the [Ionian Islands](https://en.wikipedia.org/wiki/Ionian_Islands" \o "Ionian Islands).

Greece is considered the cradle of [Western civilization](https://en.wikipedia.org/wiki/Western_culture" \o "Western culture), being the birthplace of [democracy](https://en.wikipedia.org/wiki/Athenian_democracy" \o "Athenian democracy), [Western philosophy](https://en.wikipedia.org/wiki/Western_philosophy" \o "Western philosophy), [Western literature](https://en.wikipedia.org/wiki/Western_literature" \o "Western literature), [historiography](https://en.wikipedia.org/wiki/Historiography" \o "Historiography), [political science](https://en.wikipedia.org/wiki/Political_science" \o "Political science), major [scientific](https://en.wikipedia.org/wiki/History_of_science_in_classical_antiquity" \o "History of science in classical antiquity) and [mathematical](https://en.wikipedia.org/wiki/Greek_mathematics" \o "Greek mathematics) principles, and [Western drama](https://en.wikipedia.org/wiki/Drama" \o "Drama), as well as the [Olympic Games](https://en.wikipedia.org/wiki/Olympic_Games" \o "Olympic Games).

The [sovereign state](https://en.wikipedia.org/wiki/Sovereign_state" \o "Sovereign state) of Greece is a [unitary parliamentary republic](https://en.wikipedia.org/wiki/Unitary_parliamentary_republic" \o "Unitary parliamentary republic) and [developed country](https://en.wikipedia.org/wiki/Developed_country" \o "Developed country) with an advanced [high-income economy](https://en.wikipedia.org/wiki/World_Bank_high-income_economy" \o "World Bank high-income economy), a high [quality of life](https://en.wikipedia.org/wiki/Quality_of_life" \o "Quality of life), and a very high [standard of living](https://en.wikipedia.org/wiki/Human_Development_Index" \o "Human Development Index). A founding member of the [United Nations](https://en.wikipedia.org/wiki/United_Nations" \o "United Nations), Greece was the tenth member to join the [European Communities](https://en.wikipedia.org/wiki/European_Communities" \o "European Communities) (precursor to the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union)) and has been part of the [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone) since 2001. It is also a member of numerous other international institutions

Greece's unique cultural heritage, large [tourism industry](https://en.wikipedia.org/wiki/Tourism_in_Greece" \o "Tourism in Greece), [prominent shipping sector](https://en.wikipedia.org/wiki/Greek_shipping" \o "Greek shipping) and [geostrategic importance](https://en.wikipedia.org/wiki/Geostrategy" \o "Geostrategy)classify it as a [middle power](https://en.wikipedia.org/wiki/Middle_power" \o "Middle power). It is the [largest economy](https://en.wikipedia.org/wiki/List_of_sovereign_states_in_Europe_by_GDP_(nominal)" \o "List of sovereign states in Europe by GDP (nominal)) in the [Balkans](https://en.wikipedia.org/wiki/Balkans" \o "Balkans), where it is an important regional investor.

**26.2 Economic Overview**

Greece has a capitalist economy with a public sector accounting for about 40% of GDP and with per capita GDP about two-thirds that of the leading euro-zone economies. Tourism provides 18% of GDP. Immigrants make up nearly one-fifth of the work force, mainly in agricultural and unskilled jobs.

**Diplomatic Relations**

**26.3 Trade Relations**

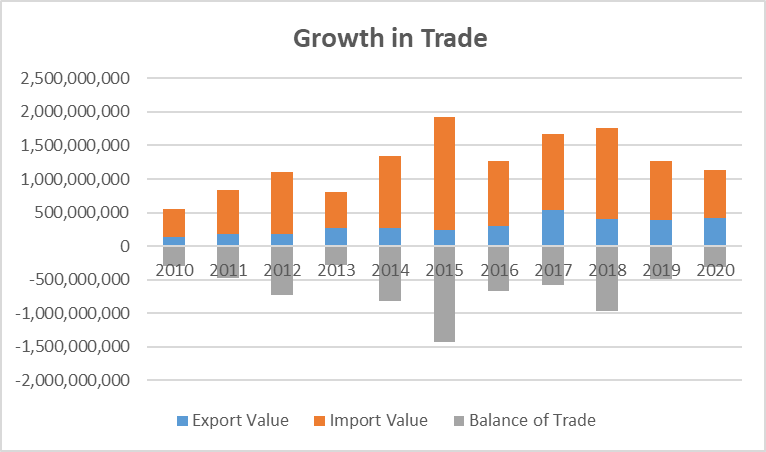
|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 132,388,118 | 423,626,575 | -291,238,457 |
| 2011 | 180,703,334 | 659,366,917 | -478,663,583 |
| 2012 | 187,540,009 | 917,519,153 | -729,979,145 |
| 2013 | 264,785,563 | 547,454,648 | -282,669,085 |
| 2014 | 263,329,852 | 1,083,993,871 | -820,664,019 |
| 2015 | 246,894,962 | 1,681,646,672 | -1,434,751,710 |
| 2016 | 294,689,728 | 968,964,682 | -674,274,954 |
| 2017 | 538,676,275 | 1,124,174,661 | -585,498,386 |
| 2018 | 399,470,679 | 1,364,083,202 | -964,612,523 |
| 2019 | 390,790,614 | 881,924,745 | -491,134,132 |
| 2020 | 415,164,437 | 719,220,829 | -304,056,392 |
| **AVERAGE VALUES** | 292,091,823 | 830,836,064 | -538,744,241 |

**Observations**

Kenya’s **total exports** to Greece were valued at approximately **KES415 Million** in 2020, an increasein export value compared to **KES 390 Million** in 2019.

Kenya’s **total imports** from Greece were valued at KES**719 Million** in 2020, a decrease from **KES 881 Million** in 2019.

Trade between the two nations is in favour of Greece. Kenya’s **trade deficit** stands at **KES -538 Million**.



**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) – Kenta Export Promotion & Branding Agency***

**Top Ten Exports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
|  |  |  |
| 2009 | Fruit juices, incl. grape must, and vegetable juices, unfermented, not containing added spirit, ... | 193,727,089 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 91,989,092 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 42,360,352 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 27,880,063 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 23,373,879 |
| 304 | Fish fillets and other fish meat, whether or not minced, fresh, chilled or frozen | 9,263,984 |
| 307 | Molluscs, fit for human consumption, even smoked, whether in shell or not, live, fresh, chilled, ... | 7,109,188 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 6,052,967 |
| 306 | Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine, ... | 5,340,069 |
| 4601 | Plaits and similar products of plaiting materials, whether or not assembled into strips; plaiting ... | 3,242,389 |
| Total |  | 410,339,072 |

**Top Ten Imports in 2020**

|  |  |  |
| --- | --- | --- |
| HSCODE4 | Product description | Import Value |
|  |  |  |
| 8419 | Machinery, plant or laboratory equipment | 149,800,446 |
| 8428 | Lifting, handling, loading or unloading machinery, e.g. lifts, | 89,132,845 |
| 3920 | Plates, sheets, film, foil and strip, of non-cellular plasti | 61,808,541 |
| 2309 | Preparations of a kind used in animal feeding | 60,680,842 |
| 3004 | Medicaments | 56,114,715 |
| 5603 | Nonwovens, whether or not impregnated, coated, | 30,832,912 |
| 8507 | Electric accumulators, or rectangular; | 27,494,956 |
| 8418 | Refrigerators, freezers and other refrigerating or freezing | 17,673,207 |
| 6813 | Friction material and articles thereof, e.g., sheets, rolls | 17,323,148 |
| 7616 | Articles of aluminium, n.e.s. | 15,625,698 |
| Total |  | 526,487,311 |

# 27.0 KENYA-PORTUGAL TRADE RELATION

## 27.1 Background Information

The Portuguese Republic is a country located mostly on the [Iberian Peninsula](https://en.wikipedia.org/wiki/Iberian_Peninsula" \o "Iberian Peninsula) in [southwestern Europe](https://en.wikipedia.org/wiki/Southern_Europe" \o "Southern Europe). It is the westernmost [sovereign state](https://en.wikipedia.org/wiki/Sovereign_state" \o "Sovereign state) of [mainland Europe](https://en.wikipedia.org/wiki/Mainland_Europe" \o "Mainland Europe). It is bordered to the west and south by the [Atlantic Ocean](https://en.wikipedia.org/wiki/Atlantic_Ocean" \o "Atlantic Ocean) and to the north and east by [Spain](https://en.wikipedia.org/wiki/Spain" \o "Spain). Its territory also includes the Atlantic [archipelagos](https://en.wikipedia.org/wiki/Archipelago" \o "Archipelago) of the [Azores](https://en.wikipedia.org/wiki/Azores" \o "Azores) and [Madeira](https://en.wikipedia.org/wiki/Madeira" \o "Madeira), both [autonomous regions](https://en.wikipedia.org/wiki/Autonomous_regions_of_Portugal" \o "Autonomous regions of Portugal) with their own [regional governments](https://en.wikipedia.org/wiki/Regional_government" \o "Regional government).

Portugal is the oldest state on the Iberian Peninsula and one of the oldest in Europe, its territory having been continuously settled, invaded and fought over since [prehistoric times](https://en.wikipedia.org/wiki/Prehistoric_Iberia" \o "Prehistoric Iberia).

## 27.2 Economic Overview

Portugal ranked 42nd in the WEF's Global Competitiveness Report for 2017–2018. The great majority of the international trade is done within the European Union, whose countries received 72.8% of the Portuguese exports and were the origin of 76.5% of the Portuguese imports in 2015.

Other regional groups that are significant trade partners of Portugal are the [NAFTA](https://en.wikipedia.org/wiki/North_American_Free_Trade_Agreement" \o "North American Free Trade Agreement) (6.3% of the exports and 2% of the imports), the [PALOP](https://en.wikipedia.org/wiki/Portuguese-speaking_African_countries" \o "Portuguese-speaking African countries) (5.7% of the exports and 2.5% of the imports), the [Maghreb](https://en.wikipedia.org/wiki/Maghreb" \o "Maghreb) (3.7% of the exports and 1.3% of the imports) and the [Mercosul](https://en.wikipedia.org/wiki/Mercosul" \o "Mercosul) (1.4% of the exports and 2.5% of the imports)

Portugal is home to a number of notable leading companies with worldwide reputations, such as [The Navigator Company](https://en.wikipedia.org/wiki/The_Navigator_Company" \o "The Navigator Company), a major world player in the international paper market; [Sonae Indústria](https://en.wikipedia.org/wiki/Sonae_Ind%C3%BAstria" \o "Sonae Indústria), the largest producer of wood-based panels in the world; [Amorim](https://en.wikipedia.org/wiki/Corticeira_Amorim" \o "Corticeira Amorim), the world leader in cork production; [Conservas Ramirez](https://en.wikipedia.org/wiki/Conservas_Ramirez" \o "Conservas Ramirez), the oldest canned food producer, [Cimpor](https://en.wikipedia.org/wiki/Cimpor" \o "Cimpor), one of the world's 10th largest producers of cement; [EDP Renováveis](https://en.wikipedia.org/wiki/EDP_Renov%C3%A1veis" \o "EDP Renováveis), the 3rd largest producer of wind energy in the world; [Jerónimo Martins](https://en.wikipedia.org/wiki/Jer%C3%B3nimo_Martins" \o "Jerónimo Martins), consumer products manufacturer and retail market leader in Portugal, Poland and Colombia; [TAP Air Portugal](https://en.wikipedia.org/wiki/TAP_Air_Portugal" \o "TAP Air Portugal), highly regarded for its safety record, and one of the leading airlines linking Europe with Africa and Latin America (namely Brazil).

The [Portuguese educational system](https://en.wikipedia.org/wiki/Education_in_Portugal" \o "Education in Portugal) has been in gradual modernization and relative expansion since the 1960s, achieving recognition for its world-standard practices and trends in the 21st century. Portugal is home to several world class universities and business schools that have been contributing to the creation of a number of highly renowned international managers and are attracting an increasing number of foreign students.

Portugal has the highest emigration rate as a proportion of population in the European Union. More than two million Portuguese people (20% of the population) now live outside the country Historically Portugal would rank as the nation with the highest unemployment rate in both Europe and EU given their large emigration rates as labor outflows contribute to the weight of unemployment.

## 27.3 Trade Relations

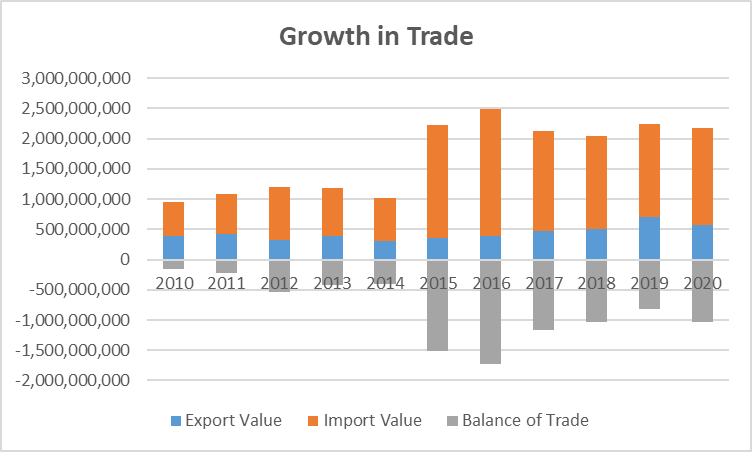
The following statistics reflect the trade between Kenya and Portugal for the past ten years

The following statistics reflect the trade between Kenya and Portugal for the past ten years

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 394,386,994 | 554,391,056 | -160,004,062 |
| 2011 | 424,845,091 | 655,231,656 | -230,386,566 |
| 2012 | 325,147,371 | 868,969,640 | -543,822,269 |
| 2013 | 383,591,324 | 806,647,976 | -423,056,652 |
| 2014 | 310,746,536 | 716,179,029 | -405,432,493 |
| 2015 | 351,920,644 | 1,869,486,511 | -1,517,565,867 |
| 2016 | 385,604,910 | 2,108,890,223 | -1,723,285,312 |
| 2017 | 479,054,337 | 1,644,954,327 | -1,165,899,990 |
| 2018 | 504,726,468 | 1,538,672,827 | -1,033,946,359 |
| 2019 | 710,084,067 | 1,526,725,555 | -816,641,489 |
| 2020 | 571,569,706 | 1,608,541,245 | -1,036,971,539 |
| **AVERAGE VALUES** | **448,541,056** | **-718,437,419** | **1,166,978,475** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) - Export Promotion Council***



**Observations**

Kenya’s **total exports** to Portugal were valued at approximately **KES 571 Million** in 2020, a decrease in export value compared to **KES 710 Million** in 2019.

Kenya’s **total imports** from Portugal were valued at KES **1.61 Billion** in 2020, a slight increase from **KES 1.53 Billion** in 2019.

Trade between the two nations is in favour of Portugal. Kenya’s **trade deficit** stands at **KES 1Billion**.

**Top Exports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 341,031,345 |
| 1515 | Fixed vegetable fats and oils, incl. jojoba oil, and their fractions, whether or not refined, ... | 105,292,551 |
| 304 | Fish fillets and other fish meat, whether or not minced, fresh, chilled or frozen | 37,890,773 |
| 303 | Frozen fish (excluding fish fillets and other fish meat of heading 0304) | 33,446,235 |
| 306 | Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine, ... | 27,709,458 |
| 307 | Molluscs, fit for human consumption, even smoked, whether in shell or not, live, fresh, chilled, ... | 9,189,206 |
| 3208 | Paints and varnishes, incl. enamels and lacquers, based on synthetic polymers or chemically ... | 3,321,650 |
| 804 | Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried | 3,240,390 |
| 3212 | Pigments, incl. metallic powders and flakes, dispersed in non-aqueous media, in liquid or paste ... | 2,181,191 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 2,049,539 |
| **Total** |  | **565,352,337** |

**Top Imports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
|  |  |  |
| 8439 | Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or ... | 322,979,965 |
| 4802 | Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, ... | 281,486,839 |
| 5501 | Synthetic filament tow as specified in Note 1 to chapter 55 | 190,113,302 |
| 8474 | Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading ... | 89,153,449 |
| 4804 | Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ... | **62,815,106** |
| 6805 | Natural or artificial abrasive powder or grain, on a base of textile material, paper, paperboard ... | 56,996,970 |
| 3814 | Organic composite solvents and thinners, n.e.s.; prepared paint or varnish removers (excluding ... | 56,767,633 |
| 3004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 47,191,641 |
| 8712 | Bicycles and other cycles, incl. delivery tricycles, not motorised | 35,261,925 |
| 7304 | Tubes, pipes and hollow profiles, seamless, of iron or steel (excluding products of cast iron) | 32,197,226 |
| **Total** |  | **1,174,964,055** |

# 28.0 Kenya-Latvia Trade Relations

## 28.1 Background Information

The **Republic of Latvia** is a country in the [Baltic region](https://en.wikipedia.org/wiki/Baltic_region" \o "Baltic region) of [Northern Europe](https://en.wikipedia.org/wiki/Northern_Europe" \o "Northern Europe). Since its independence, Latvia has been referred to as one of the [Baltic States](https://en.wikipedia.org/wiki/Baltic_states" \o "Baltic states). It is bordered by [Estonia](https://en.wikipedia.org/wiki/Estonia" \o "Estonia) in the northern region, [Lithuania](https://en.wikipedia.org/wiki/Lithuania" \o "Lithuania) in the southern, to the east is [Russia](https://en.wikipedia.org/wiki/Russia" \o "Russia), and [Belarus](https://en.wikipedia.org/wiki/Belarus" \o "Belarus) to the southeast, as well as sharing a [maritime border](https://en.wikipedia.org/wiki/Maritime_boundary" \o "Maritime boundary) with [Sweden](https://en.wikipedia.org/wiki/Sweden" \o "Sweden) to the west. Latvia has 1,957,200 inhabitants and a territory of 64,589 km2 (24,938 sq mi). The country has a [temperate seasonal climate](https://en.wikipedia.org/wiki/Temperate_climate" \o "Temperate climate).

## 28.2 Economic Overview

Latvia is a small, open economy with exports contributing more than half of GDP. Due to its geographical location, transit services are highly-developed, along with timber and wood-processing, agriculture and food products, and manufacturing of machinery and electronics industries. Corruption continues to be an impediment to attracting foreign direct investment and Latvia's low birth rate and decreasing population are major challenges to its long-term economic vitality.

Latvia's economy experienced GDP growth of more than 10% per year during 2006-07, but entered a severe recession in 2008 as a result of an unsustainable current account deficit and large debt exposure amid the slowing world economy. Triggered by the collapse of the second largest bank, GDP plunged by more than 14% in 2009 and, despite strong growth since 2011, the economy took until 2017 return to pre-crisis levels in real terms. Strong investment and consumption, the latter stoked by rising wages, helped the economy grow by more than 4% in 2017, while inflation rose to 3%. Continued gains in competitiveness and investment will be key to maintaining economic growth, especially in light of unfavorable demographic trends, including the emigration of skilled workers, and one of the highest levels of income inequality in the EU.

In the wake of the 2008-09 crisis, the IMF, EU, and other international donors provided substantial financial assistance to Latvia as part of an agreement to defend the currency's peg to the euro in exchange for the government's commitment to stringent austerity measures. The IMF/EU program successfully concluded in December 2011, although, the austerity measures imposed large social costs. The majority of companies, banks, and real estate have been privatized, although the state still holds sizable stakes in a few large enterprises, including 80% ownership of the Latvian national airline.

Latvia is a member of the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union), [NATO](https://en.wikipedia.org/wiki/NATO" \o "NATO), the [Council of Europe](https://en.wikipedia.org/wiki/Council_of_Europe" \o "Council of Europe), the [United Nations](https://en.wikipedia.org/wiki/United_Nations" \o "United Nations), [WTO](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization) among other international bodies. For 2014, the country was listed 46th on the [Human Development Index](https://en.wikipedia.org/wiki/Human_Development_Index" \o "Human Development Index) and as a [high income country](https://en.wikipedia.org/wiki/World_Bank_high-income_economy" \o "World Bank high-income economy) on 1 July 2014. A full member of the [Eurozone](https://en.wikipedia.org/wiki/Eurozone" \o "Eurozone), it uses the [euro](https://en.wikipedia.org/wiki/Euro" \o "Euro) as its currency since 1 January 2014, replacing the [Latvian lats](https://en.wikipedia.org/wiki/Latvian_lats" \o "Latvian lats)

**Gdp-**$53.91 billion (2017)

Gdp per Capita $27,600 (2017)

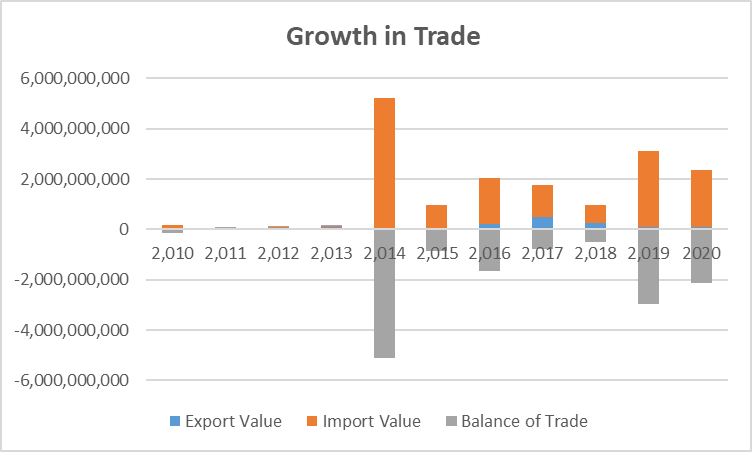
## 28.3 Trade Relations

The following statistics reflect the trade between Kenya and Latvia for the past ten years.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 13,770,236 | 173,775,679 | -160,005,443 |
| 2011 | 27,134,053 | 24,251,892 | 2,882,160 |
| 2012 | 65,275,081 | 24,666,344 | 40,608,737 |
| 2013 | 84,611,816 | 44,453,720 | 40,158,096 |
| 2014 | 61,435,410 | 5,164,117,861 | -5,102,682,451 |
| 2015 | 42,454,931 | 917,907,126 | -875,452,195 |
| 2016 | 203,824,781 | 1,840,688,968 | -1,636,864,186 |
| 2017 | 476,963,230 | 1,273,805,149 | -796,841,919 |
| 2018 | 240,110,861 | 738,808,585 | -498,697,724 |
| 2019 | 76,689,030 | 3,046,161,551 | -2,969,472,521 |
| 2020 | 115,432,751 | 2,258,151,123 | -2,142,718,372 |
| **AVERAGE VALUES** | **109,026,714** | **1,193,476,420** | **-1,084,449,706** |

**Source: Customs Department, Kenya Revenue Authority**

***Compiled by: Centre for Business Information in Kenya (CBIK) - brand.ke***



**OBSERVATIONS**

Kenya’s total exports to Latvia were valued at approximately **KES 115 Million** in 2020.

Kenya’s imports from Latvia were valued at **KES 2.2 Billion** in 2020, a decrease from **KES 3.0 Billion** in 2020.

Trade Balance between the two nations has always been in favor of Latvia. Kenya posted a trade deficit of **KES 2.1 Billion** in 2020.

**TOP TEN EXPORTS.**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 54,860,796 |
| 901 | Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ... | 54,410,848 |
| 2,008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing ... | 4,876,385 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 593,933 |
| 7,103 | Precious stones and semi-precious stones, whether or not worked or graded, but not strung, ... | 453,698 |
| 910 | Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper ... | 237,092 |
| **Total** |  | **115,432,751** |

**TOP TEN IMPORTS.**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value** |
| 1,001 | Wheat and meslin | 1,853,827,092 |
| 7,204 | Ferrous waste and scrap; remelting scrap ingots of iron or steel (excluding slag, scale and ... | 278,159,646 |
| 8,517 | Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ... | 33,626,821 |
| 1,904 | Prepared foods obtained by the swelling or roasting of cereals or cereal products, e.g. corn ... | 18,164,203 |
| 8,526 | Radar apparatus, radio navigational aid apparatus and radio remote control apparatus | 15,629,691 |
| 1,104 | Cereal grains otherwise worked, e.g. hulled, rolled, flaked, pearled, sliced or kibbled; germ ... | 10,345,021 |
| 3,907 | Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, ... | 9,783,889 |
| 6,309 | Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ... | 9,692,084 |
| 9030 | Oscilloscopes, spectrum analysers and other instruments and apparatus for measuring or checking ... | 7,955,332 |
| 8433 | Harvesting or threshing machinery, incl. straw or fodder balers; grass or hay mowers; machines ... | 4,735,181 |
| **Total** |  | **2,241,918,959** |

# 29.0 REPUBLIC OF AZERBAIJAN

## 29.1 Overview

Situated at the crossroads of Southwest Asia and Southeastern Europe, The Azerbaijan Democratic Republic was established in 1918, it was the first democratic and secular republic in the Muslim world, but was incorporated into the Soviet Union only two years later. The country regained independence in 1991 following the collapse of the Uninio of Soviet Sociolist Republics.

Azerbaijan is one of the six modern independent Turkic States. 95% of its population are Muslims, 85% are Shia Muslims and 15% Sunni Muslims, making Azerbaijan the country with the second highest Shia population percentage in the world after Iran.  
  
Despite a 1994 cease-fire, Azerbaijan has yet to resolve its conflict with Armenia over Nagorno-Karabakh, a primarily Armenian-populated region that Russia recognized as part of Soviet Azerbaijan in the 1920s after Armenia and Azerbaijan disputed the status of the territory.   
  
Corruption in Azerbaijan is ubiquitous, and the government, which eliminated presidential term limits in a 2009 referendum, has been accused of authoritarianism.Azerbaijan borders with Armenia, Georgia, Iran, Russian and Turkey.

## 29.2 Economic Overview

Azerbaijan's high economic growth has been attributable to large and growing oil and gas exports, but some non-export sectors also featured double-digit growth, including construction, banking, and real estate. Oil exports through the Baku-Tbilisi-Ceyhan Pipeline, the Baku-Novorossiysk, and the Baku-Supsa pipelines remain the main economic driver, but efforts to boost Azerbaijan's gas production are underway. The eventual completion of the geopolitically important Southern Gas Corridor between Azerbaijan and Europe will open up another, albeit, smaller source of revenue from gas exports.

Azerbaijan has made only limited progress on instituting market-based economic reforms. Pervasive public and private sector corruption and structural economic inefficiencies remain a drag on long-term growth, particularly in non-energy sectors. Several other obstacles impede Azerbaijan's economic progress, including the need for stepped up foreign investment in the non-energy sector and the continuing conflict with Armenia over the Nagorno-Karabakh region. Trade with Russia and the other former Soviet republics is declining in importance, while trade is building with Turkey and the nations of Europe.

Long-term prospects depend on world oil prices, Azerbaijan's ability to negotiate export routes for its growing gas production, and its ability to use its energy wealth to promote growth and spur employment in non-energy sectors of the economy.

## 29.3 Politics and Governance

The government of the Republic of Azerbaijan is organized at the base of principles of separation of power. According to the traditional concept of the separation of power, the Constitution determines that the executive power is held by the President of the Republic of Azerbaijan, the legislative power is carried out by the Parliament of the Republic of Azerbaijan - Milli Majlis of the Republic of Azerbaijan, and the judicial power is held by the independent courts.

Ilham Heydar oghlu Aliyev is the fourth and current President of Azerbaijan, in office since 2003. He also functions as the Chairman of the New Azerbaijan Party and the head of the National Olympic Committee.

## 29.4 Kenya-Azerbaijan Relations

* ***Diplomatic Relations***

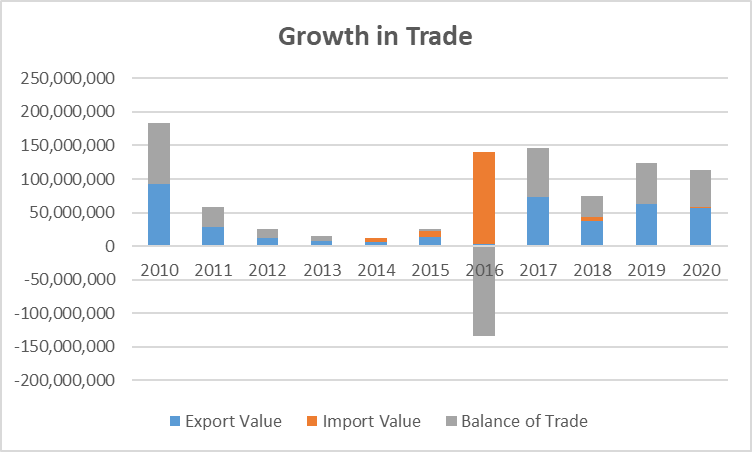
The first Ambassador of Azerbaijan to Kenya, Amb. Elman Abdullayev, was appointed in 2016.

* ***Trade Relations***

Kenya and Azerbaijan maintain a decent trade relationship. Below are the trade statistics up to year 2020.

## 29.5 KENYA /AZERBAIJAN TRADE STATISTICS

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 92,109,320 | 5,524 | 92,103,796 |
| 2011 | 28,961,973 | 10,747 | 28,951,226 |
| 2012 | 12,680,702 | 17,966 | 12,662,736 |
| 2013 | 7,545,353 | 382,245 | 7,163,108 |
| 2014 | 6,392,948 | 6,392,948 |  |
| 2015 | 13,110,145 | 8,838,766 | 4,271,379 |
| 2016 | 2,962,505 | 137,360,955 | -134,398,450 |
| 2017 | 73,246,944 | 104,678 | 73,142,266 |
| 2018 | 37,542,944 | 6,452,634 | 31,090,310 |
| 2019 | 62,298,772 | 171,548 | 62,127,224 |
| 2020 | 56,587,448 | 2,174,852 | 54,412,596 |
| **AVERAGE VALUES** | **32,241,987** | **15,551,991** | **20,278,917** |



**Observations**

Kenya’s **total exports** to Azerbaijan were valued at approximately **KES 56.5 Million** in 2020, a decrease in export value compared to **KES 62.2 Million** in 2019.

Kenya’s **total imports** from Azerbaijan were valued at KES **2.1 Million** in 2020.

Trade between the two nations is in favour of Azerbaijan.

The trade in goods between Kenya and Azerbaijan has been very minimal with Kenya Enjoying positive trade balance. Most of the Kenyan products reaching Azerbaijan could be re-exports by companies based in the EU.

**Top Ten Exports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value in KSH** |
| 902 | Tea, whether or not flavoured | 47,110,867 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 5,494,975 |
| 602 | Live plants incl. their roots, cuttings and slips; mushroom spawn (excluding bulbs, tubers, ... | 3,660,647 |
| 6403 | Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of ... | 129,595 |
| 306 | Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine, ... | 124,485 |
| 3919 | Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether ... | 39,559 |
| 710 | Vegetables, uncooked or cooked by steaming or boiling in water, frozen | 19,621 |
| 3926 | Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s. | 4,342 |
| 9020 | Breathing appliances and gas masks (excluding protective masks having neither mechanical parts ... | 2,722 |
| 4015 | Articles of apparel and clothing accessories, incl. gloves, mittens and mitts, for all purposes, .. | 635 |
| **Total** |  | **56,587,448** |

**Top Imports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Valuein ksh** |
| 8803 | Parts of aircraft and spacecraft of heading 8801 or 8802, n.e.s. | 2,042,463 |
| 8536 | Electrical apparatus for switching or protecting electrical circuits, or for making connections … | 120,632 |
| 8,479 | Machines and mechanical appliances having individual functions, not specified or included elsewhere ... | 9,057 |
| 3,306 | Preparations for oral or dental hygiene, incl. denture fixative pastes and powders; yarn used ... | 1,620 |
| 3,004 | Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ... | 1,080 |
| **Total** |  | **2,174,852** |

**Recommendations**

1. Carry out market survey/intelligence pertaining to market access requirements for potential products, particularly sanitary and phytosanitary measures, tariff and non-tariff barriers, consumer preference packaging and labelling requirements and suitable distribution channels.

# 30.0 CROATIA

## 30.1 Background Information

The republic of Croatia is a country at the crossroads of [Central](https://en.wikipedia.org/wiki/Central_Europe" \o "Central Europe) and [Southeast Europe](https://en.wikipedia.org/wiki/Southeast_Europe" \o "Southeast Europe), on the [Adriatic Sea](https://en.wikipedia.org/wiki/Adriatic_Sea" \o "Adriatic Sea). It borders [Slovenia](https://en.wikipedia.org/wiki/Slovenia" \o "Slovenia) to the northwest, [Hungary](https://en.wikipedia.org/wiki/Hungary" \o "Hungary) to the northeast, [Serbia](https://en.wikipedia.org/wiki/Serbia" \o "Serbia) to the east, [Bosnia and Herzegovina](https://en.wikipedia.org/wiki/Bosnia_and_Herzegovina" \o "Bosnia and Herzegovina), and [Montenegro](https://en.wikipedia.org/wiki/Montenegro" \o "Montenegro) to the southeast, sharing a [maritime border](https://en.wikipedia.org/wiki/Maritime_border" \o "Maritime border) with [Italy](https://en.wikipedia.org/wiki/Italy" \o "Italy).

Its capital, [Zagreb](https://en.wikipedia.org/wiki/Zagreb" \o "Zagreb), forms one of the country's [primary subdivisions](https://en.wikipedia.org/wiki/Administrative_divisions_of_Croatia" \o "Administrative divisions of Croatia), along with [twenty counties](https://en.wikipedia.org/wiki/Twenty_counties" \o "Twenty counties). Croatia has an area of 56,594 square kilometres (21,851 square miles) and a population of 4.28 million, most of whom are [Roman Catholics](https://en.wikipedia.org/wiki/Roman_Catholics" \o "Roman Catholics).

Croatia's currency is the [kuna](https://en.wikipedia.org/wiki/Croatian_kuna" \o "Croatian kuna)

Croatia is governed under a [parliamentary system](https://en.wikipedia.org/wiki/Parliamentary_system" \o "Parliamentary system) and a [developed country](https://en.wikipedia.org/wiki/Developed_country" \o "Developed country) with a [very high standard of living](https://en.wikipedia.org/wiki/Very_high_standard_of_living" \o "Very high standard of living). It is a member of the [European Union](https://en.wikipedia.org/wiki/European_Union" \o "European Union) (EU), the [United Nations](https://en.wikipedia.org/wiki/United_Nations" \o "United Nations) (UN), the [Council of Europe](https://en.wikipedia.org/wiki/Council_of_Europe" \o "Council of Europe), [NATO](https://en.wikipedia.org/wiki/NATO" \o "NATO), the [World Trade Organization](https://en.wikipedia.org/wiki/World_Trade_Organization" \o "World Trade Organization) (WTO), and a founding member of the [Union for the Mediterranean](https://en.wikipedia.org/wiki/Union_for_the_Mediterranean" \o "Union for the Mediterranean). As an active participant in the [UN peacekeeping forces](https://en.wikipedia.org/wiki/UN_peacekeeping_forces" \o "UN peacekeeping forces).

## 30.2 Economic Overview

The economy of [Croatia](https://en.wikipedia.org/wiki/Croatia" \o "Croatia) is a developed high-income service based economy with the [tertiary sector](https://en.wikipedia.org/wiki/Tertiary_sector_of_the_economy" \o "Tertiary sector of the economy) accounting for 60% of total [gross domestic product](https://en.wikipedia.org/wiki/Gross_domestic_product" \o "Gross domestic product) (GDP). After the collapse of [socialism](https://en.wikipedia.org/wiki/Socialism" \o "Socialism), Croatia went through a process of transition to a [market-based economy](https://en.wikipedia.org/wiki/Market_economy" \o "Market economy) in the 1990s but its economy suffered badly during the [Croatian War of Independence](https://en.wikipedia.org/wiki/Croatian_War_of_Independence" \o "Croatian War of Independence).

[Gross domestic product](https://www.google.com/search?client=firefox-b-d&biw=1366&bih=654&q=croatia+gross+domestic+product&stick=H4sIAAAAAAAAAOPgE-LQz9U3MCzIMtfSzk620s_JT04syczP0y8uAdLFJZnJiTnxRanpQCGr9JSC-Lz83My8xJxFrHLJRflAFYkK6UX5xcUKKfm5qSDVCgVF-SmlySUAvgwVcloAAAA&sa=X&ved=2ahUKEwiVnL-huqDkAhWtx4UKHT0XAa8Q6BMoADAYegQIDRAV): 54.85 billion USD (2017) [World Bank](http://datatopics.worldbank.org/world-development-indicators)

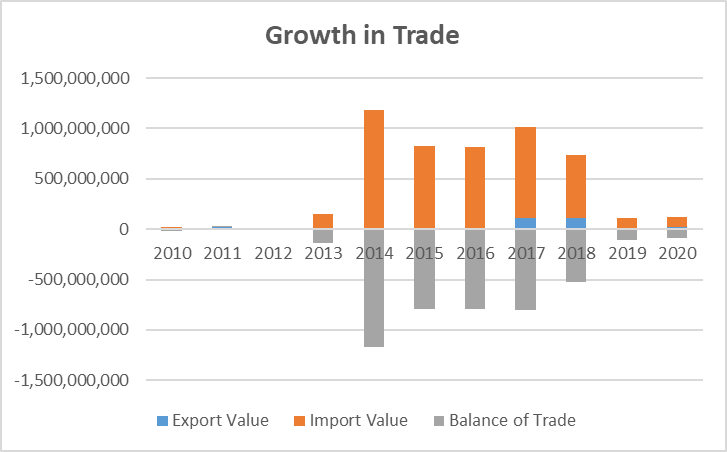
[GDP per capita](https://www.google.com/search?client=firefox-b-d&biw=1366&bih=654&q=croatia+gdp+per+capita&stick=H4sIAAAAAAAAAOPgE-LQz9U3MCzIMtcyy0620s_JT04syczP0y8uAdLFJZnJiTnxRanpQCGr9JSC-Lz83Mw8oFBBalF8cmJBZkniIlax5KJ8oOJEBaACBaCEAkQCAJkmLZRdAAAA&sa=X&ved=2ahUKEwiVnL-huqDkAhWtx4UKHT0XAa8Q6BMoADAZegQIDRAZ): 13,294.51 USD (2017) [World Bank](http://datatopics.worldbank.org/world-development-indicators)

[GDP growth rate](https://www.google.com/search?client=firefox-b-d&biw=1366&bih=654&q=croatia+gdp+growth+rate&stick=H4sIAAAAAAAAAOPgE-LQz9U3MCzIMtfSz0620s_JT04syczP0y8uAdLFJZnJiTnxRanpQCGr9JSC-PSi_PKSjPiixJLURaziyUX5QFWJCkAZBYiMAkgGAOE8feZXAAAA&sa=X&ved=2ahUKEwiVnL-huqDkAhWtx4UKHT0XAa8Q6BMoADAdegQIDRAp): 2.8% annual change (2017)

## 30.3 Trade Analysis.

Below is a table showing the trends in trade between Kenya and Croatia over the past ten years.

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **Export Value** | **Import Value** | **Balance of Trade** |
| 2010 | 1,840,807 | 21,388,881 | -19,548,074 |
| 2011 | 16,946,792 | 7,478,010 | 9,468,782 |
| 2012 | 3,657,092 | 4,726,715 | -1,069,623 |
| 2013 | 4,724,341 | 145,770,734 | -141,046,393 |
| 2014 | 8,473,380 | 1,176,940,421 | -1,168,467,041 |
| 2015 | 15,451,852 | 811,722,615 | -796,270,764 |
| 2016 | 11,431,533 | 802,140,464 | -790,708,931 |
| 2017 | 107,435,262 | 908,640,435 | -801,205,173 |
| 2018 | 106,692,447 | 632,638,625 | -525,946,178 |
| 2019 | 2,819,875 | 111,894,842 | -109,074,967 |
| 2020 | 18,574,230 | 104,505,120 | -85,930,889 |
| **AVERAGE VALUES** | **25,475,054** | **365,929,752** | **-342,414,318** |



**Observations**

Kenya’s **total exports** to Croatia were valued at approximately **KES 18.5 Million** in 2020 compared to **KES 2.8 Million** in 2019.

Kenya’s **total imports** from Croatia were valued at KES **104.5 Million** in 2020 a decrease from KES **111.8 Million** in 2019.

The balance of trade has remained in favour of Croatia across the period, the trade deficit, as at 2020 was **KES 85.9 Million** therefore the need to narrow the gap.

**Top Exports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Export Value** |
| 2401 | Unmanufactured tobacco; tobacco refuse | 10,505,083 |
| 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved, whether or not containing … | 4,585,168 |
| 603 | Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, ... | 2,662,769 |
| 6109 | T-shirts, singlets and other vests, knitted or crocheted | 709,245 |
| 8418 | Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat ... | 67,199 |
| 301 | Live fish | 39,987 |
| 307 | Molluscs, fit for human consumption, even smoked, whether in shell or not, live, fresh, chilled, … | 4,779 |
| **Total** |  | **18,574,230** |

**Top Imports in 2020**

|  |  |  |
| --- | --- | --- |
| **HSCODE4** | **Product description** | **Import Value in KSH** |
| 8537 | Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus ... | 29,154,046 |
| 2309 | Preparations of a kind used in animal feeding | 20,342,407 |
| 2103 | Sauce and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal, ... | 10,941,971 |
| 8501 | Electric motors and generators (excluding generating sets) | 7,664,282 |
| 2104 | Soups and broths and preparations therefor; food preparations consisting of finely homogenised … | 7,529,202 |
| 2007 | Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, … | 6,617,581 |
| 2101 | Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of … | 6,227,604 |
| 4911 | Printed matter, incl. printed pictures and photographs, n.e.s. | 2,651,180 |
| 4811 | Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, ... | 1,634,799 |
| 8504 | Electrical transformers, static converters, e.g. rectifiers, and inductors; parts thereof | 1,228,697 |
| **Total** |  | **93,991,768** |

## 30.4 Recommendations

1. Possibility of joint market surveys/ research to identify the opportunities to be explored and challenges to be surmounted to promote trade and investment between the two countries;
2. Exchange of trade missions and business delegations to explore business opportunities
3. Creating synergies within the respective private sectors through bodies such as KEPSA, Kenya National Chamber of Commerce and Industry as well as the Export Promotion Council, Educational institutions, and the equivalents in Finland;
4. Deepen the bilateral cooperation with regard to trade and investment within the stipulations of the EU, AU, COMESA and the EAC;