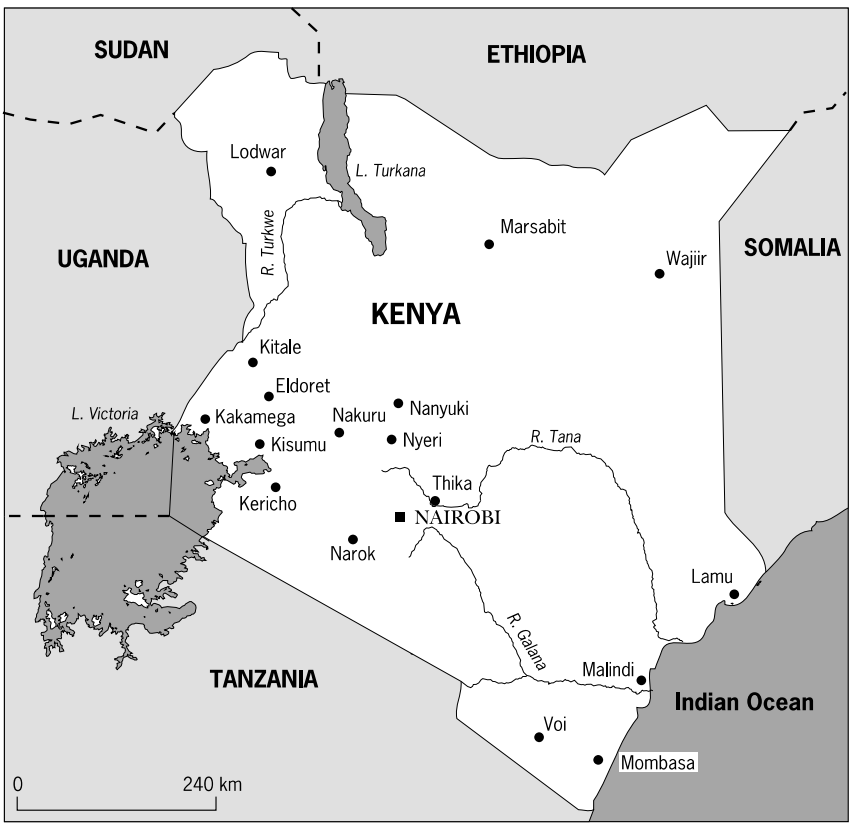
Kenya



On Saturday 21 September 2013 Kenya was shocked by an attack on the up-market Westgate Shopping Centre in Nairobi. At least 67 people, mostly women and children, were shot and killed at random as the attackers rampaged through the centre. On 22 September the Somali militant Islamist group al Shabab said it carried out the attack because Kenya had refused to withdraw its troops from Somalia, where they are part of an African Union (AU) peacekeeping force battling the militants.

The siege lasted four days with the government saying initially that there were 10–15 attackers involved, possibly including a woman. However, CCTV showed that there may have been as few as four, all of whom were said to be killed as the army moved in. Questions asked after the attack centre on why it took so long to rescue the hostages and find the attackers. Even a month later the full death toll was not known, nor had it been confirmed just how many attackers there were and whether any escaped along with the hostages. Although the army initially denied that any looting had taken place by soldiers, two soldiers were later reported sacked and jailed.

One unintended consequence of the attack was the postponing until 5 February 2014 of President Kenyatta's trial at the International Criminal Court (ICC) in the Hague. Deputy President Ruto was told that he only had to be present at the Court on a 'case-by-case' basis. The trial of the two men had become a *cause célèbre*, with the AU agreeing a resolution that no sitting African head of state should appear before an international court. It drew the line, however, at actually withdrawing from the ICC when a motion failed to get sufficient support. African leaders have

KEY FACTS

Official name: Jamhuri ya Kenya (Republic of Kenya)

Head of State: President Uhuru Kenyatta (elected 4 Mar 2013)

Head of government: President Uhuru Kenyatta (elected 4 Mar 2013)

Ruling party: Coalition led by The National Alliance (TNA) and including the United Republican Party (URP) and National Alliance of Rainbow Coalition (NARC) (elected 4 Mar 2013)

Area: 582,646 square km

Population: 42.10 million (2012)*

Capital: Nairobi

Official language: KiSwahili and English

Currency: Kenyan shilling (Ksh) = 100 cents (convertible with currencies of Tanzania and Uganda)

Exchange rate: Ksh87.40 per US$ (Jul 2013)

GDP per capita: US$977 (2012)*

GDP real growth: 4.70% (2012)*

GDP: US$41.12 billion (2012)*

Inflation: 9.40% (2012)*

Balance of trade: -US$8.37 billion (2011)

* estimated figure

long complained that the court unfairly targets them.

Structural changes and challenges

As developing countries grow, they experience a large-scale shift of resources from traditional sectors to relatively new and modern sectors resulting from fundamental changes in national policies and objectives. Development economists, points out the *African Economic Outlook 2013* (AEO), published jointly by the African Development Bank and the Organisation for Economic Co-operation and Development, argue that this kind of transformation involves four main features: a falling share of agriculture in economic output and employment; a rising share of urban economic activity in industry and modern services; migration of rural workers to urban settings; and a demographic transition in birth and death rates that always leads to a surge in population growth before a new equilibrium is reached.

According to the Centre for Global Development, structural transformation has resultant challenges for the poor. First, evidence suggests an existing pattern of worsening income distribution between rural and urban economies during the initial stages of structural transformation. Secondly, sectoral income distribution tends to worsen during the early stages of structural transformation and this has been found to extend much later into the development process. With little prospect of reaching the turning point quickly, many poor countries turn to agricultural protection and farming subsidies sooner rather than later in their development process. These actions tend to create many more rural poor in the early stages.

Kenya's economy has undergone a noticeable transformation. While the country experienced remarkable growth in the post-independence years, growth in later years has been slow to moderate. However, in the last ten years Kenya's seemingly focused development objectives have placed it once again on a growth trajectory and its economic structure has responded equally well.

Government expenditure on agriculture, forestry, fishing and hunting was Ksh9.5 billion (US$109 million) in FY1998/99, increasing gradually to Ksh44.3 billion (US$507 million) in FY2010/11. Compared to expenditure on fuel and energy, transport and education, agriculture seems to be performing dismally in terms of government allocation and spending. It is worth nothing that fuel and energy, transport and education are key sectors a developing country should emphasise, as Kenya seems to be doing.

Expenditure on fuel and energy increased significantly, from 0.89 per cent of total expenditure in fiscal year (FY) 1998/99 to 3.45 per cent in FY2010/11. Expenditure on transport increased from 3.64 per cent in FY1998/99 to 9.22 per cent in FY2010/11. But expenditure on agriculture, forestry, fishing and hunting dropped consistently from 3.90 per cent in FY1998/99 to 2.78 per cent in FY2006/07, before rising slightly to 4.43 per cent in FY2010/11. This analysis indicates that resources in the economy are being transferred from traditional sectors (agriculture, forestry, fishing and hunting) to more economically rewarding sectors such as fuel and energy, transport and education.

The agricultural sector's share of total employment in Kenya has declined persistently, from 18.46 per cent in 1998 to 16.26 per cent in 2011. On the other hand, the share of lucrative non-traditional sectors (such as building and construction, transport and communication) has increased persistently over 1998–2011.

The economy

Kenya's main agricultural produce include cereals (maize and wheat), horticulture, industrial crops (sugarcane and pyrethrum), permanent crops (coffee and tea) and livestock products. Agriculture has recorded a positive performance since 2009 despite occasional adverse climatic conditions. The sector experienced peak 6.4 per cent growth in 2010 – when weather conditions were favourable and subsidised fertiliser and certified seeds were provided by the government to peasant farmers led to increased production – but meagre 1.5 per cent growth in 2011. It expanded by 2.3 per cent in the first quarter of 2012 (compared to 0.2 per cent during the first quarter of 2011), mainly due to improved performance in food crops.

In the year to August 2012, total tea production declined by 1.3 per cent to 363,037 tonnes (compared to 367,692 tonnes in 2011) due to frost during the first quarter of 2012. The average auction price for tea also declined, from Ksh265 (US$3.03) per kilogramme in 2011 to Ksh249 (US$2.85). The horticultural sector recorded negative performance, with exports decreasing by 0.9 per cent to 245,272 tonnes (compared to 247,389 tonnes in 2011) due to the euro-zone crisis (Europe is the primary market for Kenya's horticultural produce). Unlike other commercial crops in Kenya, coffee production grew 29.8 per cent to 43,206 tonnes (compared to 33,297 tonnes in 2011) due to high international prices that have lured farmers back to coffee growing. Yet the average auction price for coffee declined to Ksh495 (US$5.66) per kilogramme, compared to Ksh536 (US$6.13) in 2011. Meanwhile, the sugarcane quantity delivered by farmers for processing increased 13.2 per cent in the first quarter of 2012 over 2011.

While the tourism sector in Kenya experienced turbulence during and after the 2007/08 post-election violence, it has been on a rebound since 2010. Tourism

KEY INDICATORS — Kenya

	Unit	2008	2009	2010	2011	2012
Population	m	37.47	38.60	40.74	*40.91	*42.10
Gross domestic product (GDP)	US$bn	29.60	32.70	32.20	34.80	*41.12
GDP per capita	US$	1,712	912	809	851	*977
GDP real growth	%	1.5	2.6	5.6	5.0	*4.7
Inflation	%	13.1	10.6	4.1	14.0	9.4
Industrial output	% change	4.8	2.7	5.3	–	–
Agricultural output	% change	-5.0	-2.5	6.3	–	–
Exports (fob) (goods)	US$m	5,039.8	4,502.3	5,210.9	5,791.8	–
Imports (fob) (goods)	US$m	10,689.0	9,491.6	11,442.2	14,162.1	–
Balance of trade	US$m	-5,649.2	-4,989.3	-6,231.3	-8,370.3	–
Current account	US$m	-1,982.6	-1,661.1	-2,368.7	-3,333.2	*-3,727.0
Total reserves minus gold	US$m	2,878.5	3,849.0	4,320.2	4,181.2	*5,711.0
Foreign exchange	US$m	2,855.7	3,478.1	3,981.7	41,380.0	*5,681.9
Exchange rate	per US$	69.17	77.35	79.23	84.99	*85.58

* estimated figure

experienced significant gains in 2012, despite the negative image created by the terrorist incidents in Kenya.

For the year to August 2012, tourist arrivals grew by 0.8 per cent to 1.23 million (against 1.22 million for the same period in 2011). The United Kingdom, USA, Italy, India and Germany are the top five source markets. In regional terms, in 2012 Europe accounted for 45.5 per cent of tourist arrivals; Africa (led by South Africa, Uganda and Tanzania) 23.6 per cent; the USA 13.2 per cent; Asia (led by India and China) 11.2 per cent; the Middle East 4.1 per cent; and Oceanic countries 2.3 per cent. Tourism earnings expanded by 6.4 per cent to Ksh38.7 billion (US$443 million), compared to Ksh36.4 billion (US$416 million) in 2011.

Industries in Kenya's manufacturing sector mainly engage in processing agricultural, metal, electrical and chemical products and fast consumer goods. Kenya also refines crude petroleum into petroleum products mainly consumed in the domestic market. It also has an expanding informal sector engaging in small-scale manufacturing of household goods, motor vehicle parts and farm implements.

Kenya mainly relies on imports of crude oil, which it refines for both domestic use and export. Over a five-year period, the quantity of imported petroleum products grew 18.9 per cent, from 3.7 million tonnes in 2007 to 4.4 million tonnes in 2011. On the other hand, petroleum products exports grew 5 per cent, from 234,400 tonnes in 2007 to 246,100 tonnes in 2011.

In 2012, British explorer Tullow Oil plc and its partner Africa Oil Corp struck oil in northern Kenya. By the close of the year, the explorers had struck oil in two wells (known as ngamia-1 and twiga-1) located 30 kilometres apart. While this indicates that Kenya could have vast oil reservoirs, the commercial viability of the find is yet to be determined.

The building and construction sector has been a key driver of economic growth in recent years. The private sector has invested heavily in real estate and the government has embarked on a substantial infrastructure development programme targeting increased investments in road networks and provision of affordable housing. Consumption of cement dropped 0.6 per cent, from 851 million tonnes in the second quarter of 2011 to 846 million tonnes in the second quarter of 2012. This mixed performance was attributed to the increased cost of borrowing for real estate development from local financial institutions. The sector has a propensity for growth in future years, buoyed by excess demand for housing units and the government's commitment to enhanced infrastructure.

Elections in 2013

There was considerable nervousness in the run-up to the 4 March 2013 presidential and general elections, the first to be held under the 2010 constitutional and organised by the Independent Electoral and Boundaries Commission (IEBC). In the event, they were relatively peaceful. Uhuru Kenyatta won the presidential vote with 50.51 per cent to Raila Odinga's 43.70 per cent. The result was challenged by Mr Odinga, but this was dismissed by the Supreme Court of Kenya on 30 March. The National Assembly (lower house of parliament) results were Orange Democratic Movement (ODM) 96 seats, including directly elected, women and nominated (out of 349), The National Alliance (TNA) 89, United Republican Party (URP) of Kenya 75, Wiper Democratic Movement–Kenya (WDM-K) 26, United Democratic Forum Party (UDFP) 12, Forum for the Restoration of Democracy–Kenya (FORD–K) 10, Kenya African National Union (KANU) 6, New Ford Kenya (NFK) 6, Alliance Party of Kenya (APK) 5, Forum for the Restoration of Democracy–People (FORD–P) 4, Federal Party of Kenya (FPK) 3, National Alliance of Rainbow Coalition (NARC) 3. A coalition government (the Jubilee Coalition) was formed of the TNA, URP and NARC. In the upper house (the Senate) the results were a win for the Jubilee Coalition with 30 seats out of 67 (21 elected + 9 nominated), CORD 27 seats (19 + 8), Amani 6 (4 + 2), APK 3 (2 + 1).

Outlook

The new government will initially have their work cut out to overcome the aftermath of the Westgate Centre siege, the issue of having both the President and Deputy President on trial at the ICC, and rebuilding the vital tourism sector after terrorist attacks originating in Somalia. Nevertheless, real GDP growth is expected to increase to 4.5 per cent in 2013 and 5.2 per cent in 2014. Similarly, consumer price index inflation is expected to remain in the single-digit range over the same period. No radical changes in economic governance are expected under the new government.

Risk assessment

Politics	Fair
Economy	Fair
Regional stability	Poor

COUNTRY PROFILE

Historical profile

1944 The Kenyan African Union (KAU) was formed to voice local demands for the return of native lands.
1947 KAU was led by Jomo Kenyatta, a prominent member of the Kikuyu tribe.
1952 A state of emergency was announced in response to guerrilla activity by the Kikuyu-led secret society, the Mau Mau. More than 13,500 Africans were killed during the uprising, compared to less than 100 Europeans.
1953 The KAU was suspended. Kenyatta was detained.
1957 Africans were elected to the Legislative Council and offered ministerial posts.
1960 A new constitution gave Africans a majority in the Legislative Council. The KAU split; the Kenya African National Union (Kanu) (which had a strong Kikuyu and Luo membership) and the Kenya African Democratic Union (Kadu) were established.
1961 Kenyatta was freed and became president of Kanu and leader of an all-party African government.
1963 The Republic of Kenya was proclaimed and Kenyatta became president.
1964 Kadu was dissolved.
1978 Jomo Kenyatta died and was succeeded as president by Daniel arap Moi.
1979, 1983 and 1988 Only Daniel arap Moi stood in presidential elections and was elected unopposed.
1992 After a lengthy period as, effectively, a one-party state, multi-party elections were held and President Moi was re-elected.
1997 President Moi and Kanu won the presidential and parliamentary elections.
1998 Terrorists blew up the US embassy in Nairobi; 244 people were killed and over 4,000 people were injured.
2001 President Daniel arap Moi appointed the opposition National Development Party (NDP) leader, Raila Odinga, to his 26-member cabinet, forming Kenya's first coalition government. International aid was withheld by the IMF when the government failed to implement anti-corruption measures.
2002 The NDP and Kanu announced a merger in the run-up to the general election. Uhuru Kenyatta became Kanu's presidential candidate, leading to a wave of defections, including Raila Odinga. Emilio Mwai Kibaki of the opposition, National Rainbow Coalition (Narc), won the presidential elections with 62.3 per cent of the vote.
2003 A draft constitution was presented to parliament, proposing a number of reforms.
2004 The deadline for the enactment of the long-awaited new constitution, which

proposed restricting presidential powers and creating a post of prime minister, was missed. In a corruption survey Kenya was rated 129, out of 146, by the watchdog Transparency International, which said the problem remained 'rampant'.

2005 Justice and constitutional affairs minister, Martha Karua, was asked to prepare a bill for a new constitution. The Orange Democratic Movement (ODM) was formed, led by Raila Odinga and Kalonzo Musyoka.

2006 Finance minister, David Mwiraria, resigned in a corruption scandal. The police raided and closed down the premises of the Standard Media Group (publishers of the daily *The Standard* newspaper), drawing widespread international condemnation. The Chinese president, on a visit to Kenya, signed an offshore oil exploration agreement with Kenya. Uhuru Kenyatta was replaced as Kanu chairman by Nicholas Biwott; the High Court blocked the elections, pending a hearing of a challenge by Kenyatta.

2007 A new political party was formed, the Party of National Unity (PNU) out of the ruling Kanu coalition and other pro-Kibaki political parties. In presidential elections the incumbent Mwai Kibaki (PNU coalition) won 46.6 per cent of the vote and his closest rival Raila Odinga (ODM) won 44.3 per cent. Widespread rioting broke out following the results and while international observers reported that polling had been 'relatively orderly and generally positive', the chief EU monitor said the Electoral Commission of Kenya had 'not succeeded in establishing the credibility of the tallying process'.

2008 An estimated 1,500 people died and 600,000 people were displaced in the violence following the presidential election, as distrust increased between the main tribal groups. President Kibaki opened parliament and called for members to become 'ambassadors of peace' in their constituencies and urged them to pass the four bills (the National Accord and Reconciliation Bill, the Constitutional Amendment Bill, the Truth Justice and Reconciliation Bill and the Ethnic Commission Bill) which formed part of the Kofi Annan-brokered agreement, whereby the ODM shared power with the PNU. President Kibaki announced a new cabinet, naming Raila Odinga (ODM) as prime minister. The formation of a tribunal to consider the violence during the last general elections was announced and parliament was given a deadline of 45 days to enact the tribunal or a sealed list of accused ringleaders would be given to the International Criminal Court (ICC). Some prominent politicians were thought to be on the list, making parliament wary of instigating further inquiries.

2009 A national emergency was declared as drought in the east threatened almost 10 million people with food shortages. Martha Karua, the first coalition minister, resigned as minister of justice. She had been a close ally of President Kibaki and resigned after he had appointed a number of judges without consulting her. After two years of low annual rainfall the Masinga dam hydroelectric power station was shut down for only the second time in the plant's 28-year history. The government decided to use local courts rather than a special tribunal to deal with post-election violence. However, the ICC confirmed it would proceed with prosecution of the leaders of post-election violence, saying Kenya had failed, for the third time, to set a deadline to establish the agreed tribunal. The ICC accused the police force, judiciary and Attorney General of failure to prosecute suspects locally. The US and EU imposed restrictions on senior officials travelling to the US and Europe.

2010 The US suspended US$7 million of funding for free primary schools. Prime Minister Odinga suspended William Ruto and Sam Ongeri, the ministers of agriculture and education for alleged corruption, only for President Kibaki to reinstate them a few hours later. A new constitution was agreed by 68.55 per cent of voters. The Second Republic was inaugurated. Although both political parties within the coalition government supported the new constitution, voting was generally along tribal lines with Kenya's largest tribe, the Kikuyu, voting 'yes', supported by the Luo, Luhya and coastal Muslims and Somalis. The Kalenjin voted against. In future a presidential candidate will require 50 per cent of the national vote and over 25 per cent of the vote in more than half of the electoral constituencies to succeed to the presidency. This was designed to achieve greater acceptance and appeal from a more diverse electorate for any presidential winner. The new constitution also includes significant reform to the judiciary. The ICC named six people they suspected of being behind the violence after the 2007 elections. The six included deputy prime minister and finance minister, Uhuru Kenyatta.

2011 One of the ministers named by the ICC, Henry Kosgey, resigned in January; he said he was stepping down to allow the accusations to be 'fully investigated'. Another of the accused, William Ruto, had already resigned. In March the ICC issued summonses for six persons accused of being behind the violence after the 2007 elections; they were ordered to attend the court in The Hague in April. In March, Kenya announced that it would challenge the ICC's right to prosecute six of its nationals, summoned to appear before it. In March, the General Service Union of the Kenyan police force crossed into Somalia at the border town of Liboi, to confront the militant forces of the al Shabab. It was the first time that Kenyan forces had directly fought al Shabab, which was accused of raids into Kenya. Four Kenyans who allege they were tortured during the suppression of the Mau Mau uprising of 1952–61 began legal proceedings against the UK government in April. Deputy Prime Minister Uhuru Kenyatta appeared at the ICC in April, along with two other supporters of the president. The three supporters of Raila Odinga had already appeared. Three refugee camps at Dadaab on Kenya's northern border were inundated by Somalis and Ethiopians seeking help as a two-year drought (the worst since late-1940s) caused widespread failure in crop and animal production. The camps, designed to house 90,000 people, had by July grown to 350,000. The UN estimated that 10 million people in the Horn of Africa were affected by drought and food insecurity. The first African woman to win the Nobel Peace Prize, Wangari Maathai, died in Nairobi in September. A conservationist, she founded the Green Belt Movement which has planted 20–30 million trees across the continent.

2012 The Kenyan army attacked al Shabab forces in Somalia in early January, following a warning from Western governments to their citizens of a credible risk of terrorist attack in Nairobi. This was the latest report of military activity by Kenya, which had been operating in southern Somalia since October 2011, in its efforts to deter insurgency and criminal activity threatening Kenya's tourist industry. On 21 January, the ICC ruled that six prominent Kenyans accused (in 2010) of orchestrating post-election violence in 2007 must stand trial. On 25 April, four senior judges were declared unfit for office by a newly formed committee that investigated the impartiality of the judiciary. The committee was constituted as part of the 2008 post-election agreement on political and judicial reform. In July, half a tonne of Kenyan ivory, worth an estimated US$700,000 was seized by Thai customs officials, being smuggled through Bangkok's airport. On 18 September, two mass graves of over 100 people were found in the village of Kilelengwani, the centre of a long-running dispute over water and grazing rights, between the mostly farming Pokomo people and the semi-nomadic cattle herders of the Orma in the coastal Tana Delta region. A number of politicians were accused of inciting violence ahead of parliamentary elections in March 2013. On 5 October, a UK High

Court ruled that the three elderly Kenyans (who had started proceedings in 2011) had the right to sue the UK government for damages after they had been detained and tortured during the 1950s Mau Mau rebellion. Cattle rustlers in northern Samburu ambushed police officers, killing at least 42 and injuring others on 12 November. The authorities were attempting to retrieve stolen cattle when sophisticated weapons (including, rocket propelled grenades, anti-personnel mines and machine guns) were used to resist the recovery. On 13 November 2012, a new commuter train began operations, running from the centre of Nairobi to the suburb of Syokimau, where a new station was opened.

2013 On 9 March Uhuru Kenyatta was confirmed as the winner of the 4 March presidential election with 50.07 per cent. The result was unsuccessfully challenged by his main rival, Raila Odinga. President Kenyatta was sworn in on 9 April; William Ruto was signed in as Deputy President at the same time. The general election was won by President Kenyatta's Jubilee 3-party coalition (TNA, URP, and NARC) with a total of 167 seats (of 349 seats), followed by the CORD coalition with 141 seats. The Amani coalition came third with 24 seats. The Salaries and Remuneration Commission (SRC) announced on 12 June that an agreement had been reached to cut MP's salaries by US$45,000 to US$75,000 after a public outcry; protesters had denounced MPs as 'MPigs'. Kenyan MPs are among the highest paid in the world. A fire at Jomo Kenyatta International Airport in Nairobi on 7 August gutted the arrivals hall. Flights were diverted to Mombasa and Eldoret; there were concerns about fresh flower exports – Kenyan flowers account for 35 per cent of flowers imported into the EU. Restricted international flights resumed some 24 hours later. On 5 September an emergency debate to remove Kenya from the ICC was approved; the opposition Cord boycotted the debate. A bill is expected to be put to Parliament. Deputy President William Ruto left Nairobi for the Hague on 9 September. His trial started on 10 September. Two large aquifers have been found in the Turkana Basin and Lotikipi Basin in the northern Turkana region. The discovery was announced by Judi Wakhungu, the environment minister, at a meeting of Unesco in early September. She said the source could supply the country with water for the next 70 years. An attack by al Shabab militants on the Westgate shopping centre in Nairobi on 21 September resulted in the death of at least 67 people. The ICC agreed Mr Ruto could return to Nairobi for a week. Three days of mourning began on 25 September. On 28 September local media reported that the government had been warned of possible attacks in Nairobi and Mombasa. On 2 October the ICC ordered the arrest of a Kenyan journalist, Walter Osapiri Barasa, on charges that he had attempted to bribe witnesses in the trial of Deputy President Ruto. ICC chief prosecutor Fatou Bensouda called on Kenya to immediately arrest and transfer Mr Barasa to The Hague. Ojn 10 October lawyers of the President called for his trial to be abandoned after defence witnesses claimed they had been intimidated. On 18 September the ICC ruled that President Kenyatta is only required to be present at certain key parts of the case. Prosecutors successfully appealed against a decision by the ICC which would have allowed Deputy President Ruto to remain in Kenya. The ruling on 26 October said he could be excused only on a 'case by case' basis. Despite continued denials by the army that there had been any 'widespread looting' by its forces during the Westgate seige, two soldiers were reported sacked and jailed for looting, the army chief said on 29 October. At the end of October the ICC announced that President Kenyatta's trial would be postponed until 5 February 2014.

Political structure

Constitution

The constitution was promulgated in 1963. In 1997, a number of constitutional changes took place; these allowed the formation of a coalition government, the review of the constitution by an independent commission and increased the number of directly elected seats in the Kenyan National Assembly from 188 to 210. A further 12 seats are nominated by the government.

A constitutional amendment affirming the National Assembly's supremacy and curbing the powers of the presidency was approved in 1999. This removed the president's right to appoint the clerk of the house, enabling the legislature to appoint and dismiss the clerk, who is no longer answerable to the president's office. The clerk manages everything from the National Assembly's agenda to its budget.

The country is divided into seven provinces run by provincial commissioners appointed by the president. The provinces are divided into districts run by district commissioners. Towns and districts have municipal and country councils, which are partly elected and partly nominated, but the commissioner has wider powers than the councils. The Nairobi area has a separate government-appointed city commission.

A referendum on constitutional amendments, held on 4 August 2013, passed by a majority of around two to one. It was signed into law by President Kenyatta on 27 August. In future a presidential candidate will require 50 per cent of the national vote and over 25 per cent of the vote in more than half of the electoral constituencies to succeed to the presidency. This is expected to achieve greater acceptance and appeal from a more diverse electorate for any presidential winner. The new constitution also includes significant reform to the judiciary. Other changes included a Deputy President, abolishing the prime minister and restoring the Senate as the upper house of parliament.

Form of state

Republic

The executive

Executive power in Kenya is in the hands of the president, assisted by the deputy president and cabinet, both named by the president.

National legislature

The bicameral Parliament includes the National Assembly (lower house) with 350 seats consisting of 290 seats directly elected by geographic constituencies and 47 seats for women county representatives. According to their relative strength, the parties nominate 12 additional representatives. A speaker is chosen to serve as an *ex officio* officer.

The Senate (upper house, re-established under the 2010 constitution) consists of 47 members directly elected by their counties, 16 women nominated by the political parties according to their relative strength in the Senate elections, two members to represent the youth, and two members to represent persons with disabilities, a total of 67 members.

Legal system

Kenya's legal system is based on English common law, Islamic law and tribal law, with a High Court and Court of Appeal. The Chief Justice of the Court of Appeal is appointed by the president.

Last elections

4 March 2013 (presidential and parliamentary).

Results: Presidential: Uhuru Kenyatta won 50.51 per cent of the vote, Raila Odinga won 43.70 per cent, all other candidates won less than 10 per cent.

Parliamentary (National Assembly): Orange Democratic Movement (ODM) total of 96 seats, including directly elected, women and nominated, (out of 349), The National Alliance (TNA) 89, United Republican Party (URP) of Kenya 75, Wiper Democratic Movement–Kenya (WDM-K) 26, United Democratic Forum Party (UDFP) 12, Forum for the Restoration of Democracy–Kenya (FORD–K) 10, Kenya African National Union (KANU) 6, New Ford Kenya (NFK) 6, Alliance Party of

Kenya (APK) 5, Forum for the Restoration of Democracy–People (FORD–P) 4, Federal Party of Kenya (FPK) 3, National Alliance of Rainbow Coalition (NARC) 3. A coalition government (the Jubilee Coalition) was formed of the TNA, URP and NARC.
Parliamentary (Senate): Jubilee Coalition 30 seats out of 67 (21 elected + 9 nominated), CORD 27 seats (19 + 8), Amani 6 (4 + 2), APK 3 (2 + 1)
Next elections
2018 (presidential and parliamentary).

Political parties
Ruling party
Coalition led by The National Alliance (TNA) and including the United Republican Party (URP) and National Alliance of Rainbow Coalition (NARC) (elected 4 Mar 2013)
Main opposition party
Kenya African National Union (Kanu)

Population
42.10 million (2012)*
The high population density exerts pressure on land resources. It is estimated that 75 per cent of the population is confined to 10 per cent of the land area as most of the country is classified semi-arid or arid. Northern Kenya is arid and sparsely populated and most of its people lead a nomadic life.
Last census: August 1999: 28,686,607
Population density: 52 inhabitants per square km. Urban population 22 per cent (2010 Unicef).
Annual growth rate: 2.7 per cent, 1990–2010 (Unicef).
Internally Displaced Persons (IDP)
350,000 (UNHCR 2004)
Ethnic make-up
Kenya is a multi-cultural society. Most of Kenya's people belong to 13 ethnic groups although there are a further 27 smaller groups. The majority of Kenyans belong to Bantu tribes such as the Kikuyu (22 per cent), Luhya (14 per cent) and Kamba (11 per cent). The Luo (13 per cent) are of Nilotic origin, as are the smaller Kalenjin (12 per cent), Maasai, Turkana and others.
The Kikuyu live in the central highlands and have traditionally been dominant in commerce and politics, although this is changing. A small European settler population remains in the highlands, involved in farming and commerce. In the north live the Somalis and the nomadic Hamitic peoples (Turkana, Rendille and Samburu); Kamba and Maasai peoples are concentrated in the south and eastern lowlands, and the Luo live around Lake Victoria.
Religions
Protestant (38 per cent), Roman Catholic (28 per cent), animist (26 per cent), Muslim (6 per cent), others (including small Hindu, Sikh and Jain minorities) (2 per cent).

Education
Education has expanded rapidly since independence in 1963. The number of primary schools has more than doubled, while that of secondary schools has increased eighteen-fold. Enrolment at primary schools has declined by 20 per cent since 1980, when the gross enrolment rate was 115 per cent (including repeaters).
Primary education begins at the age of six and is provided free of charge at state schools, however the lack of state funds compels schools to charge fees for books, electricity, water and upkeep, forcing children of poor families to either abandon learning early on or develop an erratic attendance record.
It has been estimated by Oxfam that 75 per cent of children aged six to 11 will enrol for school by 2015.
Secondary school enrolment has grown since 1980, when it was 20 per cent, but still covers only a small proportion of the relevant age group.
The present government, elected in December 2002, has pledged to introduce universal, free and compulsory primary education, an aim which will require higher levels of expenditure then currently spent.
Literacy rate: 84 per cent adult rate; 96 per cent youth rate (15–24) (Unesco 2005).
Enrolment rate: Unicef says the primary school population jumped from 5.9 million in 2002 to 7.6 million in 2005.
Pupils per teacher: 31 in primary schools.

Health
Improved water sources are available to 48 per cent of the population.
There were cases of polio reported to the World Health Organisation – Global Polio Eradication Initiative (WHO – Polio Eradication) in 2006; the country had previously been free of the disease and its re-emergence was due to infected travellers. In a synchronised campaign with Ethiopia and Somalia, inoculation began for under fives by WHO – Polio Eradication and the country's health authorities in 2006.
In 2007, it was estimated that around 10 per cent of the population were suffering from diabetes, but only 3.5 per cent were diagnosed. Around 85 per cent of the cases were type II diabetes, linked to an unhealthy diet of too much starchy food, high in sugars, salts and fats, and lack of exercise.
HIV/Aids
The number of HIV positive cases have fallen from a high of 4.5 million in 2000 to 2.1 million in 2004. HIV testing also improved with a 10-fold increase between 2002–04. Kenyan businesses were rated as best in the region for having HIV prevention programmes and providing their workers with condoms. In June 2006 the fee for anti-retroviral (ARV) drugs was removed in hospital and public clinics; this is expected to boost the number of Aids sufferers who undertake the course of treatment.
The national level of HIV/Aids infections is mixed, in urban areas rates have declined, however, infection figures for rural areas have yet to peak. Added to which, food shortages due to East Africa's worst drought in a decade, hampers Aids patients with their ARV treatment.
The annual loss in terms of GDP per capita growth are projected to be 1.3 per cent per annum between 2000–10. Households, in which one family member dies of Aids, are estimated to lose between 49–78 per cent of their annual income.
Kenya's Population Council has reported that many women surveyed, knowing they were HIV positive had not disclosed their condition to their partners for fear of violence or abandonment.
The Kenyan government's annual expenditure on HIV/Aids amounts to 6.5 per cent of the annual healthcare budget.
HIV prevalence: 4 per cent (2006), down from 14 per cent in 1997 (UNAids 2006).
Life expectancy: 51 years, 2004 (WHO 2006)
Fertility rate/Maternal mortality rate: 4.7 births per woman, 2010 (Unicef); maternal mortality 590 per 100,000 live births (World Bank).
Child (under 5 years) mortality rate (per 1,000): 73 per 1,000 live births (WHO 2012)
Head of population per physician: 0.14 physician per 1,000 people, 2004 (WHO 2006)

Welfare
Approximately 47 per cent of the total population is under 15 years. Around 50 per cent of the population is thought to live on less than US$1 a day. Around 80 per cent of the population is at risk from drought, famine and HIV/Aids.
A social security system, administered separately from the government budget, covers only government employees and workers in the small modern sector of the economy. The welfare system is financed by the National Social Security Fund (NSSF), set up in 1965. The NSSF has approximately 2.7 million members. In theory, social security contributions are compulsory and are deducted from wages at source. Deductions range from

one-thirtieth to one-tenth of earnings. The employer pays half of each employee's contribution. In practice, few families or small businesses enrol their servants or workers. In November 2001, President Moi announced the establishment of a mandatory National Social Health Insurance (NSHI) scheme that would cover all Kenyans.

Social security benefits are limited to survivor's benefit (paid on the death of contributor), invalidity benefit, withdrawal benefit (a fixed sum paid on retirement) and an emigration grant. There is no unemployment benefit. Every Kenyan is entitled to supplementary health benefit under the National Hospital Insurance scheme, founded in 1966.

Main cities

Nairobi (capital, estimated population 3.5 million in 2012, some 1,650 metres above sea-level), Mombasa (966,413), Nakuru (284,840), Eldoret (269,574), Kisumu (236,394), Ruiru (182,598), Thika (110,336).

Languages spoken

KiSwahili is the lingua franca. In addition, most tribes have their own language. English is universally used in business and spoken by most people in the tourist industry. Other languages are Gikuyu, Kiluhya, Dholuo, Kikamba, Maasai and Somali.

Official language/s

KiSwahili and English

Media

The press is lively and mostly free but can be subjected to extra-legal intimidation if it incurs the wrath of the authorities.

In August 2007 President Kibaki refused to sign a bill which could have forced reporters to reveal their sources. The bill was returned to parliament. Kenya has a lively media which has exposed corruption in government in the past.

On 31 October 2013 parliament passed a bill to set up a communications tribunal with the power to impose fines for breaching a code of conduct. It has still to be approved by the President before coming into law.

Press

Dailies: The Nation Media Group publishes the independent *Daily Nation* (www.nation.co.ke) in English and in KiSwahili *Taifa Leo*, other private publications include, in English, *The Standard* (www.eastandard.net) which is the oldest newspapers; the *Kenya Times* (www.timesnews.co.ke) and *The People Daily* are owned by political entities.

Weeklies: Some daily newspapers publish weekend editions, others include *Coastweek* (www.coastweek.com) from Mombassa and the *Weekly Advertiser*.

Business: The Nation Media Group publishes the *Business Daily* (www.bdafrica.com) and the weekly *The East African* (www.theeastafrican.co.ke). The *Business Mirror* is a fortnightly, promotional trade publication. The Centre for Business Information in Kenya (CBIK) (www.epckenya.org) publishes a number of specific marketing, sales, exports and business information pamphlets.

Periodicals: There are a number of general and specialised periodicals.

Broadcasting

The Kenya Broadcasting Corporation (KBC) (www.kbc.co.ke) is the state-run radio and television provider.

Radio: With high levels of poverty radio is the principal medium for news and information and with the significant expansion of FM radio, particularly ethnic stations which have increased public participation through call-in programmes radio provides an important medium for public debate. KBC (www.kbc.co.ke) operates extensive national services in English, Hindi, KiSwahili and 14 other local languages. Private radio stations include Capital FM (www.capitalfm.co.ke), Kiss FM (www.kissfm.co.ke) and a Christian station Family FM (www.familykenya.com). Coro FM and Radio Citizen in Kikuyu and East FM in Hindi.

Television: KBC (www.kbc.co.ke) operates one channel with programmes in KiSwahili and English it also runs Metro TV with a younger target audience. The satellite channel, Kenya Television Network (KTN) (www.ktnkenya.tv) broadcasts imported and locally produced programmes. Other, private TV stations include the Christian Family TV (www.familykenya.com), Stella TV and NTV (http://politics.nationmedia.com) run by Nation Media Group.

The Africa-wide Business Africa (www.business-africa.net) broadcasts news and business items over the internet in French and English.

National news agency: Office of Public Communications

Economy

Kenya is East Africa's largest economy, despite it being a predominantly rural (48.1 per cent of all land given over to agriculture), low-income economy and although heavily indebted to international lenders, managed to reschedule its Paris Club debts, to be paid within 20 years with 10-years grace, from 2004. Agriculture in 2008–09 provided over 20 per cent of GDP, falling from almost 25 per cent of GDP in 2007. With 75 per cent of the land area arid or semi-arid there is a high urban population, notably in the large shanty towns that skirt the major cities such as Nairobi.

GDP growth was strong in 2007 at 7 per cent, but following domestic violence, the presidential election in December 2007 GDP growth fell quickly to 1.5 per cent in 2008. The downturn in the economy forced the government to introduce its biggest ever budget in 2009 (a 24 per cent increase over 2008) to boost the economy through government spending, so that GDP growth increased to 2.6 per cent. The budget specifically allocated a larger than previous proportion of development spending on roads, energy and water supplies, including irrigation schemes. In 2009 the International Monetary Fund (IMF) approved a US$209 million loan to boost Kenya's foreign exchange reserves. As global trade picked up in 2010 so too did growth, climbing to 5.6 per cent and remaining around an estimated 5 per cent in 2011.

In 2011, the UN Human Development Index (HDI) ranked Kenya 143 (out of 187) for national development in health, education and income. Since 2000, Kenya's progress has grown further than other sub-Saharan African countries. In 2010, 48 per cent of the population experienced at least one indicator of poverty, while 19.7 per cent lived on less than the equivalent of US$1.25 per day; the headcount poverty rate was 47.8 per cent of the population (2000–10). Unemployment remains high at around 40 per cent. Remittances from migrant workers amounted to US$1.8 billion (5.4 per cent of GDP) in 2010 and was estimated to have reached US$2.5 billion in 2011.

Industrial activity provided over 20 per cent of GDP in 2009–10, but with a falling share of manufacturing (3.5 per cent in 2008 down to 2 per cent in 2009). The industrial sector is more diversified than in neighbouring countries and includes more private sector involvement. Industries include food processing, tobacco, beverages and transport. There are over 40 Export Processing Zones that provide facilities for manufacturers with over 70 per cent of all output exported to the US, under its African Growth and Opportunity Act (valued at over US$310 million in 2010).

There is a strong service sector, which accounts for over 55 per cent of GDP in mainly tourism and financial services and is a major source of employment and foreign exchange. Kenya's tourism industry was once again rocked in 2011 as Somali Islamic insurgents and pirates targeted visitors to Kenya's coastal resorts. The sector had only just recovered from the violence in 2008 following the December 2007 presidential election.

A serious obstacle to Kenya's development is the level of corruption and nepotism, in both government and business. It has resulted in the suspension of aid from several international donors, led by the US. In 2009 the US warned that tighter scrutiny would be given to all proposed projects, loans and assistance programmes provided for Kenya until an agreed tribunal, charged with reviewing the violence during and following the 2007 elections, was finally inaugurated. A suspension of aid in 2010 prompted the government to issue warrants for suspects and in 2011 the International Criminal Court issued summonses for six persons accused of being behind the violence; the trial of four of these men is expected to begin in 2013.

External trade

Kenya is a member of the East African Community (EAC) (with Burundi, Rwanda, Tanzania and Uganda). The East African Community Common Market Protocol (EACMP) was launched on 1 July 2010, which will lead to the free movement of labour, capital, goods and services between member states as well as employment opportunities and easier flow of investment capital. The signed protocol now requires that legislation in all states must be harmonised to conform to its jurisdiction.

Kenya is also a member of the Common Market for Eastern and Southern Africa (Comesa), which operates a free trade zone with 13 of the 19 member states and belongs to the InterGovernmental Authority on Development (IGAD), which offers regional help to members during times of drought and natural disasters as well as economic co-operation and integration.

Around 65 per cent of all exports are fresh flowers, fruit and vegetables which are flown to European markets hours after harvesting. Around 50 per cent of all agricultural produce, valued at over US$200 million are exported to the UK; horticulture provided the second largest foreign earnings after tourism.

Imports

Principal imports are machinery and vehicles, petroleum, iron and steel, resins and plastics.

Main sources: China (15.2 per cent of total in 2011), India (13.7 per cent), UAE (10.4 per cent).

Exports

Principal exports are tea (typically over 25 per cent of total), horticultural products and coffee. Other exports include petroleum products, fruit and vegetables, cement and sisal.

Main destinations: Uganda (9.6 per cent of total in 2011), Tanzania (9.4 per cent), The Netherlands (8.2 per cent).

Agriculture

The agriculture sector generates some 60 per cent of export earnings and gives employment to 62 per cent of the workforce. Less than 20 per cent of Kenya's land surface is arable. There is an acute shortage of arable land and uneven distribution has resulted in most farmers working plots of two hectares or less. Population growth and rapid urbanisation place increasing pressure on food production and distribution to meet demand at affordable prices. In addition, there is an ecological risk to some of the most fertile areas of western and central Kenya, which are already severely overpopulated. Given the pressure on the land, increased food production depends on the development of new high-yielding crops.

The principal cash crops are tea, coffee (mainly arabica grown by smallholders), sugar, cotton, sisal, tobacco, pineapples and wattle. Kenya produces high quality coffee, an average of one million bags per annum. Horticultural production has increased in importance and it is the second-largest export earner after tea with flowers making up the largest share (close to 40,000 tonnes).

Kenya's 200,000 or so farmers who used to grow the natural pesticide, pyrethrum, have been badly let down over the years. The once globally dominant industry (as much as 70 per cent of world production) has dwindled as mismanagement of the Pyrethrum Board of Kenya (PBK) has forced farmers, many of whom haven't been paid for three years, to uproot their crops. In 2011 there was a move towards liberalisation of the industry, which would provide an alternative to the PBK, which currently has a monopoly on buying, processing and marketing the plant.

Primary and processed agricultural products account for over 55 per cent of export earnings. Subsistence farming comprises more than half of output. Maize is the most important food crop. Sorghum, cassava, beans and fruit are also grown. Inadequate storage facilities, little irrigation, recurrent drought and lack of incentives and land have restricted growth.

Kenya's growers of fresh flowers and vegetables are vunerable to disruption of airfreght. For instance, the shutdown of air travel in Europe in April 2010, caused by the Icelandic volcanic ash cloud, resulted in the horticultural sector losing around US$3–4 million per day over the six-day period of closure. Millions of flowers and hundreds of tonnes of vegetables had to be discarded. From one refrigeration plant alone, in a two-day period, almost 65 tonnes of vegetables and 400,000 roses were dumped.

Despite the insecurity and harrassing from bandits, a booming trade in livestock has thrived for more than two decades along the borders between Somalia, Ethiopia and Kenya. However, in 2011, this trade was badly affected by the drought which covered the Horn of Africa region and the resultant high numbers of refugees who fled south from Somalia and Ethiopia into Kenya.

Kenya has a coastline of 680km, as well as territoral waters in Lake Victoria and Lake Takana. Some 20,000 small fishermen along the coast complained in 2008 that large foreign boats were depriving them of their living. Although 60 boats, mostly from Europe and the Far East, have been licensed to fish, local fisherman estimate that some 200 boats are fishing in a single season. Most of the ships target prawns, yellow fin tuna and sharks. A report by the UK's Department for International Development (DFID), shows that Kenya losses about US$5m through illegal fishing by foreign boats each year.

In a meeting of African ministers in Namibia, held on 2 July, members discussed illegal and unregulated fishing, which is estimated to cost Africa US$1 billion per annum in lost revenue and the threat to stocks and local artisan fishing.

Kenya has only 2 per cent of forest cover. Deforestation is a major problem along with desertification in northern regions. Fuel wood and charcoal meet more than 75 per cent of the domestic energy requirement, however, the government is attempting to protect timber resources which are being depleted from excessive demands. The government estimates that only 70 per cent of Kenya's wood fuel demands are met by regenerative growth. The need for land is placing increasing pressure on Kenya's forestry reserves.

Industry and manufacturing

Industry accounted for around 20 per cent of GDP in 2004, with manufacturing contributing over 13 per cent.

Foreign investment, particularly from the UK, Japan and US, plays a significant role. Emphasis is on developing joint venture, export-oriented industries and encouraging greater utilisation of local raw materials and other inputs. Large sections of industry continue to operate well below full capacity as a result of import controls, rising costs and marketing difficulties. Rainfall can also have an impact on the sector's performance, with power shortages and reduced agricultural production during drought causing knock-on effects for manufacturing.

The manufacturing sector has been affected by power shortages, a fall in the growth of foreign direct investment (FDI)

and rising costs of fuel imports. However, it remains the most developed manufacturing sector in East Africa.
Principal industries include food and tobacco processing, beverages, chemicals, machinery and transport equipment, textiles, glass, vehicle assembly and construction materials.
The public sale of shares in the mobile/cell phone company Safaricom, which was set at Ks5, when they went on sale on 9 June 2008, rose by 60 per cent in one day to Ks8. It was Kenya's record biggest stock market flotation and earned the government around US$833 from its 25 per cent stake in the company. The sale was over-subscribed by more than 500 per cent, with those successful receiving around 20 shares. Safaricom, with profits of US$370 million in 2007, is East Africa's most profitable company.
Kenya's mobile/cell phone market has only a take-up of 33 per cent, with further room for growth.

Tourism
The tourist industry is well established and Kenya offers a wide range of holiday destinations and for various pockets. Kenya's tourist assets are its wildlife, mostly accessible through a system of parks and reserves (around 2.8 million visitors in 2010), extensive white sand beaches protected by coral reefs, and dramatic scenery from deserts to tropical rain forest. There are six sites on Unesco's World Heritage List.
Travel and tourism contributed 13 per cent of GDP in 2010, with around 1.6 million international arrivals. The contribution rose to 13.6 per cent of GDP, despite a drop of real growth in the industry from 16.2 per cent in 2010 to 8.7 per cent in 2011. Employment in tourism provided 729,500 jobs (11.3 per cent of the workforce) in 2010, which rose to 773,300 (11.8 per cent) in 2011. Tourism is the country's largest foreign exchange earner and visitor receipts in 2010 were US$1.62 billion, which rose to a record US$1.89 billion in 2011.
In 2009–10 tourists visiting coastal hotels and resorts were at an all-time record, but in 2011 Kenya suffered a serious setback when Somali pirates raided and kidnapped a number of visitors and caused a scare so cutting numbers. In response Kenyan forces attacked militant Somali camps in October 2011. Nevertheless the risk to international tourists staying along the Kenyan coast remains.
In a move calculated to encourage tourists, Kenya, Rwanda and Uganda announced in November 2013 a joint visa scheme for tourists to take effect from 1 January 2014. The cost of the joint visa is US$100; the current cost per visa is US$50 each for Kenya and Uganda and US$30 for Rwanda.

Environment
Almost five tonnes of confiscated elephant ivory tusks, worth US$16 million, were destroyed on 20 July 2011. President Kibaki set the torch that burned the tusks, which were seized in Singapore, in a public display of combating the illegal poaching trade.
In July 2012 Thai customs officials seized almost 500,000 tonnes of Kenyan ivory, worth an estimated US$700,000, being smuggled through Bangkok's airport. The raw elephant tusks, poached in Kenya, were expected to be turned into jewellery or decorative carvings or used in traditional medicines.

Mining
Mining accounts for just 1 per cent of GDP. The sector is dominated by the production of industrial minerals such as soda ash, flourspar, kaolin and some gemstones. Gold is also produced in small quantities by artisanal gold miners. The government's policy is to encourage private sector participation in further exploration, prospecting and development of the mineral resources sector.
The most promising mining prospects are within the licences held by the Canadian mining company Tiomin Resources for deposits covering four areas – Mambrui, Sokoke, Vipingo and Kwale – which hold 12 per cent of the world's rutile and ilmenite resources.
In August 2013 commissioner of mines, Moses Masibo, was suspended after the government revoked all prospecting and mining licences granted during the first five months of the year after complaints about the issuing process. Najib Balala, the mining minister, was reported as saying the licences in question had been issued in a hurry and without transparency.
Although Kenya is not considered a mineral rich country, recent discoveries of the rare mineral Niobium have encouraged a rush by local and international speculators. Mr Balala said that new legislation in the sector would include an increase on royalties on gold to 5 per cent of gross sales value from the current level of 2.5-3 per cent. Including rare earths, niobium and titanium ores, this would see royalties rise from 3 per cent of gross sales value to 10 per cent.

Hydrocarbons
Kenyan oil requirements are met by imports, which were 73,000 barrels per day (bpd) in 2007.
There has been limited exploration, but without tangible results. Interest has been ignited by discoveries in Sudan, which shares Kenya's geology, and by the rise in world oil prices. Companies from a number of countries, including China, are becoming increasingly involved in the possibility of locating reserves of oil and also gas and the search is also being extended offshore to the Lamu basin.
A memorandum of understanding (MOU) was signed between South Sudan and Kenya on 24 January 2012, to build a new oil pipeline, taking South Sudanese oil to a Kenyan port for export. The pipeline will be built and owned by South Sudan and the two countries will negotiate transit fees for the oil through Kenya. On 2 March construction began on the US$23 billion port and oil refinery project in Lamu District, southern Kenya. The presidents of Kenya, South Sudan and Ethiopia were at the launching ceremony, amid tight security in an area close to the border with war-torn Somalia. The project, known as the Lamu Port South Sudan Ethiopia Transit Corridor (Lapsset), is due to be completed by 2016, with initial investment from all three countries, with plans to attract international investment. Lapsset will be one of Africa's largest civil engineering projects. Lamu old town is included on Unesco's World Heritage List, leading to warnings from critics that the project could damage one of East Africa's most unspoiled environments.
Kenya does not currently produce or import natural gas.
In 2008 the government invited mining companies to bid for a tender to extract coal from the Kitui and Mwingi districts and the last phase of exploration for the Mui basin to determine its commercial viability.
A memorandum of understanding (MOU) was signed between South Sudan and Kenya in January 2012, to build an oil pipeline to take South Sudanese oil to a Kenyan port for export. The pipeline will be built and owned by South Sudan and the two countries will negotiate transit fees for the oil through Kenya. The pipeline will also include a fibre-optic line giving internet connection to South Sudan.

Energy
Total generating capacity is 1,200MW. KenGen, the former government-owned entity, is the leading electricity generating company, supplying around 80 per cent of the electricity consumed. It generates power through hydro-, thermal-, wind- and geothermal-power, of which hydropower provides 72.3 per cent of the company's installed capacity of 677MW. There are hydroelectric plants in the Tana River basin, a geothermal station at Olkaria, and at Kipevu, on the coast and a 75MW oil-fired plant, which was opened in 1999. In June 2008, the president announced that a plan to install

around 1,700MW of geothermal energy by 2018 would begin and increase capacity by 150 per cent.

Financial markets
The NSE is small and somewhat speculative. It was established in 1954 and is sub-Saharan Africa's fourth-largest bourse. It originally operated as an association of stockbrokers with no trading floor until October 1991. The introduction of the trading floor has led to a substantial increase in trading volumes and dramatic upward movement in the various indexes. In 1995, foreign investors were allowed back into the NSE for the first time in 30 years. The NSE has been instrumental in enabling the public and private sectors in Kenya to raise large amounts of capital for expansion projects and for the financing of new businesses. The public sale of shares in the mobile/cell phone company Safaricom, which was set at Ks5, when they went on sale on 9 June 2008, rose by 60 per cent in one day to Ks8. It was Kenya's record biggest stock market flotation and earned the government around US$833 from its 25 per cent stake in the company. The sale was over-subscribed by more than 500 per cent, with those successful receiving around 20 shares.
Stock exchange
Nairobi Stock Exchange (NSE). The Nairobi Stock Exchange was formed in 1954. It became fully automated in December 2007. The NSE 20 share index is expected to be joined by an all-share index in 2008.

Banking and insurance
Kenya contains a thriving community of foreign banks, which were attracted during the 1970s and 1980s by its reputation for political and commercial stability, good telecommunications infrastructure and the large number of multinationals based in the country. However, the sector is plagued by high levels of non-performing loans which threaten to undermine banking liquidity, affecting the wider economy.
Central bank
Central Bank of Kenya
Main financial centre
Nairobi

Time
GMT plus three hours

Geography
Kenya lies on the east coast of Africa. It is bounded by Ethiopia and Sudan to the north, Uganda and Lake Victoria to the west, Tanzania to the south and Somalia and the Indian Ocean to the east.
From the Indian Ocean, the land rises gradually through dry bush to the arable land of the highlands. The highest peak is Mount Kenya at 5,200 metres. The west of the country is dissected by the Great Rift Valley, partly filled by a chain of lakes.
Hemisphere
Straddles the equator

Climate
The climate is tropical in low-lying districts, especially along the coast, but is more temperate on the plateau and in the highlands. Kenya has two rainy seasons when temperatures can fall sharply: the long rains from April to June and the short rains in October and November. The hottest month is February, with temperatures of 20–30 degrees Celsius (C), while the coolest month is July, with temperatures of 11–22 degrees C. Nairobi, at an altitude of 1,661 metres, has a mean annual temperature of 17 degrees C and annual rainfall averaging 864mm.

Dress codes
A lightweight suit, collar and tie or other formal clothing should be worn for business meetings. Despite a hot tropical climate, nights can be cool and it is advisable to have a sweater to cover day wear, which should be light cotton casual at the coast. Warmer clothing is needed especially in June and July. Evening dress should normally be smart casual. Nairobi is considerably cooler than Mombasa.

Entry requirements
Passports
Required by all, valid for three months from date of entry.
Visa
Required by all, with the exception of nationals of some Commonwealth and other countries. Visas may be obtained from Kenyan missions or at the port of entry, although nationals of certain specified countries nationals must apply well in advance for referral to Nairobi. For a full list of each category and further details, visit www.kenyaembassy.co.uk.
In a move calculated to encourage tourists, Kenya, Rwanda and Uganda announced in November 2013 a joint visa scheme for tourists to take effect from 1 January 2014. The cost of the joint visa is US$100; the current cost per visa is US$50 each for Kenya and Uganda and US$30 for Rwanda.
Currency advice/regulations
There are no restrictions on the import and export of local and foreign currencies, subject to declaration of amounts in excess of Ksh100,000.
US dollar or other hard currency travellers cheques are recommended.

Health (for visitors)
Mandatory precautions
Yellow fever vaccination certificate if arriving from an infected area.
Advisable precautions
Yellow fever, typhoid, tetanus, hepatitis A, meningitis and polio vaccinations. Malaria prophylaxis necessary for coastal and other lower altitude regions. Water precautions should be taken – bilharzia is present. Rabies is a risk in rural areas and vaccinations must be administered following a bites from any mammal.

Hotels
There is a wide range available in main centres. It is advisable to book well in advance during peak season (November–April).

Credit cards
Major cards are widely accepted.

Public holidays (national)
Fixed dates
1 Jan (New Year's Day), 1 May (Labour Day), 1 Jun (Madaraka Day), 10 Oct (Moi Day), 20 Oct (Mashujaa (Heroes) Day), 12 Dec (Independence/Jamhuri Day), 25–26 Dec (Christmas).
Holidays falling on a Sunday are observed the following Monday.
Variable dates
Good Friday, Easter Monday, Eid al Fitr.

Working hours
Banking
Mon–Fri: 0900–1400. Open first and last Sat in each month 0900–1100.
Barclays Bank, Kenyatta Avenue, Nairobi, open daily for foreign exchange until 1600.
Airport banks are open until midnight every day.
Business
Mon–Fri: 0800–1300, 1400–1700; Sat: 0830–1200/1230. Mombasa offices normally open and close half-an-hour earlier.
Government
Mon–Fri: 0800–1300, 1400–1700; Sat: 0830–1200/1230. Mombasa offices normally open and close half-an-hour earlier.
Shops
Mon-Fri: 0800–1700; Sat: 0830–1300. Many shops open outside these hours.

Telecommunications
Mobile/cell phones
GSM 900/1800 services are available, particularly in the south of the country.

Electricity supply
230/240V AC, 50 cycles. Subject to power surges outside main centres. Sockets are usually three-pin square (British type).

Social customs/useful tips
Personal contact is an important way of doing business in Kenya.
Bureaucracy can be frustratingly slow, although persistence pays. Going in person to the relevant office is often the best way of getting things done. Government and

commercial offices are within easy walking distance of the main hotels.
Outside the major towns local customs vary from place to place. In the game parks and bush, some tribes do not like being photographed, although in areas where tourism is more developed, some tribe members will allow photographs for a fee. Visitors to game parks should not leave their vehicles without permission from the guide. There is a large Arab influence on the coast and most hotels display government signs saying nudity is banned. Topless bathing for women is, however, tolerated in areas where there are large concentrations of hotels.
Kenyans are friendly and open, and the greeting, *jambo*, will be returned with a smile.
It is prohibited to photograph the president or his residence, military, police or related installations.

Security
Security is not a problem in the major towns during the day but flashy displays of jewellery are not recommended. Do not carry large amounts of cash.
Nairobi is practically deserted after 2200. Walking around the African quarters of town without a guide or in the shanty towns around the capital is not advised. Visitors are advised to avoid political meetings and demonstrations.
Incidents of armed car-hijacking are prevalent in Nairobi and Mombasa.
Do not attempt to escape from hijackers or resist their demands.

Getting there
A fire at Jomo Kenyatta International Airport in Nairobi on 7 August 2013 gutted the arrivals hall. Flights were diverted to Mombasa and Eldoret; there were concerns over fresh flower exports – Kenyan flowers account for 35 per cent of flowers imported into the EU. Restricted international flights resumed some 24 hours later.
Air
National airline: Kenya Airways
International airport/s: Nairobi – Jomo Kenyatta International (NBO), 17km from city, duty-free shop, bar, restaurant, buffet, bank, post office, shops, car hire.
Mombasa – Moi International Airport (MBA), duty-free shop, bar, restaurant, buffet, bank, post office, shops, car hire.
Eldoret International Airport (EDL), 16km from city, open 03.30-17.30 only (2013), mainly cargo.
Other airport/s: Mombasa – Moi International (MBA), 13km south-east of city, duty-free shop, bar, restaurant, bank, post office, shops, car hire. Medium-sized airports have also been developed at Eldoret, Kisumu and Malindi.
Airport tax: US$20, usually included in ticket price.
Surface
Road: Entry by road from Uganda, Ethiopia, Sudan and Tanzania can be difficult. Regulations and conditions should be checked with Kenyan authorities before travelling.
An all-weather road links Nairobi to Addis Ababa (Ethiopia) and there is a 590km road link between Kitale and Juba (Sudan).
In rural areas, some of the unsurfaced roads can be difficult in wet weather.
Rail: A 1,085km main line runs from the port of Mombasa through Nairobi, Nakuru and Eldoret to Uganda. There is also a link to Moshi (Tanzania).
Main port/s: Mombasa

Getting about
National transport
Air: Kenya Airways operates regular services linking Mombasa, Malindi, Kisumu and other major centres with Nairobi.
Local light aircraft companies fly regular services to smaller airfields, such as Lamu, a tourist attraction on the coast.
Charter flights are also available to game reserves, such as Maasai Mara, and main centres.
Road: The growth in road transportation has led to overloading of some highways, and both the maintenance and improvement of these routes have been neglected. This also applies to roads which come under the jurisdiction of town authorities.
Nearly all main towns are connected by good surfaced roads. In rural areas some of the unsurfaced roads can be difficult in wet weather.
Long-distance (Peugeot) taxi service operates between towns. Cars can be shared, although it is not generally recommended.
Buses: Coach services operate on all major routes between towns and cities and into Tanzania, Ethiopia and Uganda.
Rail: The Kenya Railways system comprises approximately 1,920km of one metre gauge single track.
There are departures daily, with first- and second-class service, from Nairobi to Mombasa; the overnight service is popular. Journey time is approximately 14 hours. Trains often run late, but are fairly comfortable. It is advisable to book sleeping compartments in advance.
Two Uganda-Kenya railway agreements were signed in April 2006. In Uganda a concession agreement covers the freight services of Uganda Railways Corporation (URC), while an Interface agreement covers matters common to the Kenya freight and passenger concession and the Uganda freight concession. The Rift Valley Railways Consortium (RVRC) will invest US$15 million over the first five years and a further US$75 million over the remainder of the agreement in Uganda and US$45 and US$300 million respectively in Kenya.
City transport
Taxis: Available in most major towns. Some licensed taxis are metered and often shared, with fares according to time and distance. Fares for long trips should be agreed in advance.
Buses, trams & metro: Good and fairly cheap services operate regularly in Nairobi and Mombasa and between towns and cities, as well as across the borders to Tanzania, Ethiopia and Uganda. Minibuses and vans (*matatu*) are unregulated and can be overcrowded; they are not recommended for visitors.
Trains: A fast communter train between the eastern suburb of Syokimau and Nairobi's city centre was inaugurated by President Kibaki in November 2012. The journey takes 15 minutes compared to a two hour road trip in rush-hour.
Car hire
Can be hired from travel operators and hotels in Nairobi, Mombasa and Malindi. A national or international driving licence which has been held for at least two years without endorsements, including the period of visit to Kenya, is required .

BUSINESS DIRECTORY
The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes
The international direct dialling (IDD) code for Kenya is +254, followed by area code and subscriber's number:

Eldoret	53	Malindi	42
Garissa	46	Mombasa	41
Kajiado	45	Nairobi	20
Kericho	52	Naivasha	50
Kisumu	57	Nakuru	51
Kwale	40	Voi	43

Mobile phones – Celtel: 733
Mobile phones – Safaricom: 722

Chambers of Commerce
Kenya National Chamber of Commerce & Industry, Ufanisi House, Haile Selassie Avenue, PO Box 47024, Nairobi (tel: 220-867; fax: 334-2934; e-mail: kncci@swiftkenya.com).

Banking
African Banking Corporation Ltd, PO Box 46452, Mezzanine Floor, ABC-Bank, Koingange Street, Nairobi (tel: 223-922, 251-540/1, 226-712, 248-978; fax: 222-437).

Barclays Bank of Kenya Ltd, PO Box 30120, Barclays Plaza, Loita St, Nairobi (tel: 214-270, 313-405; fax: 213-915, 215-418).

The Co-operative Bank of Kenya Ltd, PO Box 48231, Union Towers, Kenya-Re Plaza - Taifa Rd, Moi Ave, Nairobi (tel: 225-579, 228-453/7, 251290/9; fax: 229-38, 246-635, 227-747).

Commercial Bank of Africa Ltd, Commercial Bank Building, Standard/Wabera Streets, Nairobi (tel: 228-881; fax: 335-827, 340-157).

Development Bank of Kenya Ltd, PO Box 30483, Finance House, Loita Street, Nairobi (tel: 340-401, 340-402, 340-403; fax: 338-426).

Imperial Bank Ltd, PO Box 44905, 8th Floor, IPS Bldg, Kimathi St, Nairobi (tel: 252-175/6/7/8, 252-184/5, 225-060; fax: 230-994, 250-137).

Investments & Mortgages Bank Ltd, PO Box 30238, I & M Bank House, 2nd Ngong Avenue, Nairobi (tel: 711-994-8, 310-105-7; fax: 713-757, 716-372).

Kenya Commercial Bank Ltd, PO Box 48400, Moi Avenue, Nairobi (tel: 339-441; fax: 215-565).

National Bank of Kenya Ltd, PO Box 72866, National Bank Building, Harambee Avenue, Nairobi.

Standard Chartered Bank Kenya Ltd, PO Box 30003, Stanbank House, Moi Avenue, Nairobi (tel: 330-200, 331-210; fax: 214-086).

Central bank

Central Bank of Kenya, Haile Selassie Avenue, PO Box 60000-0200 Nairobi (tel: 286-1000; fax: 340-192; e-mail: info@centralbank.go.ke).

Stock exchange

Nairobi Stock Exchange (NSE). www.nse.co.ke

Travel information

Automobile Association of Kenya, AA House, Embakasi, PO Box 40087, Nairobi (tel: 825-060; fax: 825-068; e-mail: aakernya@africaonline.co.ke).

Air Kenya, Wilson Airport, PO Box 30357, Nairobi (tel: 605-745; fax: 602-951; e-mail: resvns@airkenya.com).

Kenya Airways, Airport North Road, Embakasi, PO Box 19142, Nairobi (tel: 642-2000; fax: 823-488).

Kenya Railways, PO Box 30121, Nairobi (tel: 221-211; fax: 340-049).

Ministry of tourism

Ministry of Tourism and Wildlife, Utalii House, Uhuru Highway, PO Box 30027, Nairobi (tel: 333-555; fax: 318-045; e-mail:info@tourism.go.ke).

National tourist organisation offices

Kenya Tourist Board, Kenya-Re Towers, Ragati Road, PO Box 30630, Nairobi (tel: 711-262; fax: 719-925; e-mail: info@kenyatourism.org).

Ministries

Ministry of Agriculture, Livestock Development and Marketing, Kilimo House, Cathedral Road, PO Box 30028, Nairobi (tel: 718-870; fax: 725-774).

Ministry of Commerce and Industry, Co-operative House, Haile Selassie Avenue, PO Box 30430, Nairobi (tel: 340-010, 340-224; fax: 218-845).

Ministry of Energy, Nyayo House, Kenyatta Avenue, PO Box 30582, Nairobi (tel: 333-551).

Ministry of the Environment and Natural Resources, Kencom House, Moi Avenue, PO Box 30126, Nairobi (tel: 229-261).

Ministry of Finance, Treasury House, Harambee Avenue, PO Box 30007, Nairobi (tel: 338-111; fax: 330-426).

Ministry of Information and Broadcasting, Jogoo House 'A', Taifa Road, PO Box 30025, Nairobi (tel: 334-688; fax: 340-659).

Ministry of Planning and National Development, PO Box 3007, Nairobi (tel: 338-111; fax: 330-426).

Ministry of Transport and Communications, Transcom House, Ngong Road, PO Box 52692, Nairobi (tel: 729-200; fax: 726-362).

Office of the President, Harambee House, Harambee Avenue, PO Box 30510, Nairobi (tel: 227-411; fax: 723-666).

Other useful addresses

Africa Growth Fund, PO Box 34045, Nairobi (tel: 721-566; fax: 722-240).

African Project Development Facility, International House, PO Box 46534, Nairobi.

Agricultural Development Corporation, PO Box 30367, Nairobi (tel: 338-530).

Attorney-General's Office, State Law Office, Harambee Avenue, PO Box 40112, Nairobi (tel: 227-461; fax: 211-082).

British High Commission, Bruce House, Standard Street, PO Box 30465, Nairobi (tel: 335-944; fax: 333-196); Commercial Section, Upper Hill Road, PO Box 30133, Nairobi (tel: 714-699; fax: 719-082; e-mail: bhctrade@users.africaonline.co.ke).

Capital Markets Authority (CMA), Re-Insurance Plaza, Taifa Rd, PO Box 74800, Nairobi (tel: 221-910/869; fax: 216-681).

Central Police Station, University Way, Nairobi (tel: 222-222).

Central Reference Library, Ministry of Information, Department of Information, PO Box 8053 or 30025, Nairobi (tel: 223-201).

Communications Commission of Kenya (CCK), 5th Floor, Longonot Place, Kijabe Street, PO Box 14448, Nairobi 00800 (tel: 240-165, 250-173, 310-083/4; fax: 252-547; internet site: http://www.cck.go.ke).

Customs and Excise, PO Box 40160, Nairobi.

Development Finance Company of Kenya, Finance House, Loita Street, PO Box 30483, Nairobi (tel: 340-401; fax: 338-246).

East African Report on Trade and Industry, PO Box 30339, Nairobi.

Economic Development for Equatorial and Southern Africa, PO Box 56038, Nairobi (tel: 822-920/4; fax: 822-925/907).

Executive Secretariat and Technical Unit (ESTU), Anniversary Towers, University Way, 7th Floor, PO Box 34542, Nairobi (tel: 222-127/57/68; fax: 216-945).

Export Processing Zones Authority (EPZA), British American Centre, Mara Rd, PO Box 50563, Nairobi (tel: 712-800/6; fax: 713-704).

Export Promotion Council (EPC), Anniversary Towers, 1st Floor, University Way, PO Box 40247, Nairobi (tel: 228-534/5; fax: 218-013).

Federation of Kenya Employers (FKE), Argwings Kodhek Road, PO Box 48311, Nairobi (tel: 721-929; fax: 721-948).

General Post Office, Kenyatta Avenue, Nairobi.

Horticultural Crops Development Authority (HCDA), Uniafric House, Koinange St, PO Box 42601, Nairobi (tel: 337-381/3).

Industrial and Commercial Development Corporation, Uchumi House, Nkrumah Avenue, PO Box 45519, Nairobi (tel: 229-213; fax: 333-880).

Industrial Promotion Services Ltd, IPS Building, PO Box 30500, Nairobi (tel: 228-026, 728-207; fax: 214-563).

International Finance Corporation, View Park Towers, PO Box 30577, Nairobi (tel: 224-726; fax: 219-980).

Kenya Association of Manufacturers (KAM), Mpaka Rd, Westland, PO Box 30225, Nairobi (tel: 746-005/7; fax: 746-028).

Kenya Association of Tour Operators (for information on conference facilities throughout Kenya), PO Box 48461, Nairobi (tel: 227-005).

Kenya External Trade Authority, PO Box 43137, Nairobi (tel: 226-016).

Kenya Investment Authority, National Bank of Kenya Building, Harambee Avenue, PO Box 55704, Nairobi (tel: 221-401; fax: 243-862; e-mail: info@investmentkenya.com).

Kenya Power Company Limited, Stima Plaza, Kolobot Road, PO Box 47936, Nairobi (tel: 741-181/9; fax: 337-351).

Kenya Revenue Authority, Tax Programmes and New Business Initiatives, Nairobi (tel: 715-428; fax: 715-432).

Kenya Tea Development Authority, Commonwealth House, Moi Avenue, Nairobi (tel: 221-441).

Kenyan Embassy (USA), 2249 R Street, NW, Washington DC 20008 (tel: (+1-202)-387-6101; fax: (+1-202)-462-3829; e-mail: info@kenyaembassy.com).

Kenyatta International Conference Centre, PO Box 30746, Nairobi (tel: 332-383).

Nairobi Stock Exchange, Kimathi Street, IPS Building, 2nd Floor, PO Box 43833, Nairobi (tel: 230-692; fax: 224-200).

US Embassy, Corner Moi and Haile Selassie Avenues, PO Box 30137, Nairobi (tel: 334-141; fax: 340-838).

National news agency: Office of Public Communications

PO Box 45617; KICC Building, 3 Floor, 8 Harambee Ave, 00100 Nairobi (tel: 202 224-0488; fax: 202 240-600; email: comms@comms.go.ke).

Internet sites

Africa Business Network: http://www.ifc.org/abn

AllAfrica.com: http://allafrica.com

African Development Bank: http://www.afdb.org

Africa Online: http://www.africaonline.com

KenyaWeb: http://www.kenyaweb.com/

Mbendi AfroPaedia (information on companies, countries, industries and stock exchanges in Africa): http://mbendi.co.za