

REPUBLIC OF KENYA

KNBS

KENYA NATIONAL BUREAU OF STATISTICS

Keeping you informed

ECONOMIC SURVEY 2016

KENYA NATIONAL BUREAU OF STATISTICS

Kenya Vision 2030

Economic Survey 2016

Kenya National Bureau of Statistics
P.O. Box 30266-00100
Herufi House
Nairobi

Tel. 254-2-3317583/6/8
Fax:254-2-3315977

http://www.knbs.or.ke
E-mail:directorgeneral@knbs.or.ke

ISBN: 9966-767-54-1

All Rights Reserved Copyright©2016

Extracts may be published if the source is duly acknowledged

Foreword

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

Vision

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

Mission

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

Mandate

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

Organization

The Kenya National Bureau of Statistics comprises of six Directorates namely;
Production Statistics
Macroeconomic Statistics
Strategy and Development
Finance and Administration
Population and Social Statistics
Information and Communication Technology

Teamwork

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

Director General
Kenya National Bureau of Statistics

Metadata

Kenya National Bureau of Statistics is dedicated to presenting statistics produced according to internationally sound and scientific methods. Below are observations to be taken into account when using the statistics in Economic Survey 2016.

Data sources

The statistics presented in Economic Survey 2016 are based on a wide variety of sources. In order to provide the most comprehensive picture of the economy and social situation in Kenya during 2015, KNBS gathers data from surveys, surveys and censuses and obtains administrative data from Ministries, Government Departments and Agencies.

The source of the data is always noted directly alongside the table or in the explanatory text. More details about the data may be obtained from the responsible primary data source agency.

Accuracy and reliability

The surveys carried out by KNBS are primarily based on samples of the population. Although the sample surveys are representative of the total units, in some instances, sampling errors may occur. Other non-sampling errors may also exist, such as respondent fatigue (when respondents do not answer a questionnaire, either fully or partially). However, the Surveys conducted by KNBS always based on international standards and methods, and mitigation measures are always taken to minimize errors. Whenever such errors occur, they are documented appropriately and shared widely.

Data from administrative sources may also be subject to certain errors, such as undercoverage in the source (where it has not been possible to collect data) and differences in definitions and categorization.

Periodicity

Some of the data presented cover the calendar year (e.g. 2015) and some cover financial years, (e.g. from July 2014 to June 2015, presented as 2014/15). Where necessary, the period covered by the data is specified in the table and/or the explanatory text.

Consistency

Where data is available, KNBS has endeavoured to provide statistical tables that are comparable over time. In terms of consistency between data, some definitions and categories, such as age groups, may differ due to varying data sources.

Data Revision

It should be noted that extensive minor revisions of the macroeconomic data has continued in 2015 in order to capture in the published figures the most recent picture of the economy, in partcular there are some changes in the 2013 and 2014 data.

Accessibility

Economic Survey reports, including this edition, are uploaded on KNBS ´website for download free-of-charge in pdf format. The publication is also available in hard copy from KNBS at a small fee. Further details on the data are available from respective Directorates in KNBS.

Table of Contents

Foreword ..... **iii**
Metadata ..... **iv**
List of Acronyms ..... **xv**
Summary and Outlook **1**
Chapter 1 ..... **10**
International Scene **10**
Overview 10
Regional Economic Analysis 11
Chapter 2 ..... **16**
Domestic Economy **16**
Overview 16
Sectoral Analysis 17
Chapter 3 ..... **39**
Social Scene **39**
Overview 39
Social Sector Expenditure 40
Education 41
Health and Vital Statistics 55
Other Social Services 68
Chapter 4 ..... **70**
Employment, Earnings and Consumer Prices **70**
Overview 70
Employment 70
Modern sector 71
Wage Earnings in the Modern Sector 76
Consumer Price Index 84
Chapter 5 ..... **88**
Money, Banking and Finance **88**
Overview 88
Selected Monetary Indicators and the Consolidated Accounts of the Banking System 89
Sources of Change in M3 and Real Values of Selected Financial Aggregates 91
Trends in Real Values of Selected Financial Aggregates 92
Nominal and Real Interest Rates 92
Insurance 98
Capital Markets 98
Deposit Taking Savings and Credit Cooperatives 99
Developments in the Financial Sector 99
Capital Market 100
Insurance 101
Pensions 101
National Government 102
Chapter 6 ..... **102**
Public Finance **102**
Overview 102
County Governments 115
Chapter 7 ..... **119**
International Trade and Balance of Payments **119**
Overview 119
Balance of Trade 119

Price changes 120
Terms of Trade 121
Volume changes 121
Quantities of Principal Domestic Exports and Imports 122
Values of Principal Domestic Exports and Imports 125
Prices of Principal Domestic Exports and Imports 128
Composition of Exports 130
Composition of Imports 131
Direction of Trade 132
Balance of Payments 138
International Liquidity 140
Developments in the External Sector 142
Foreign Exchange Rates 142
Chapter 8 144
Agriculture 144
Overview 144
Agricultural Output and Input 144
Marketed Production 145
FBS Indicators 160
Chapter 9 167
Environment and Natural Resources 167
Overview 167
Environment and Natural Resources Gross Value Added 167
Water Supply 168
Fisheries 169
Forestry 170
Mining 171
Refuse Management 173
Wildlife 173
Environmental Impact Assessments 174
Weather Patterns 175
Recent Developments in Environment and Natural Resources 176
Chapter 10 178
Energy 178
Overview 178
Petroleum 178
Electricity 184
Developments in the Energy Sector 188
Manufacturing Output 189
Chapter 11 189
Manufacturing 189
Overview 189
Quantum Index 189
Cement Production and Utilisation 193
Credit to Manufacturing Sector 194
Export Processing Zones 195
African Growth and Opportunity Act 196
Producer Prices 196
Developments 197
Chapter 12 198
Building and Construction 198

Overview....198
Key Economic Indicators....198
Construction Price Indices....199
Housing....201
Roads....202
Railways....206
CHAPTER 13....207
Tourism....207
Overview....207
Arrivals and Departures....207
Hotel Occupancy by Country of Residence....212
National Parks and Game Reserves....217
Museums, Snake Parks and Historical Sites....219
Developments in the Tourism Sector....221
Conference Tourism....221
Training....221
CHAPTER 14....222
Transport and Storage....222
Overview....222
Value of Output....222
Road Transport....223
New Registration of Motor Vehicles and Motor Cycles....224
Road Licenses....225
Railway Transport....226
Water Transport....226
Road Traffic Accidents....226
Pipeline Transport....227
Air Transport....228
Postal Services....230
Storage....231
CHAPTER 15....232
Information and Communication Technology....232
Overview....232
Value of Output....232
Fixed Telephone and Mobile Network Services....233
Voice call traffic....234
Message Services Traffic....236
Internet Services....237
Broadband Services....237
Tariffs....238
Domains....239
Media Frequencies and Mobile Transceivers....240
Employment, Investment and Revenue....240
Information Society....241
International Trade in ICT Equipment....242
Newspaper Circulation and Online Newspaper Readership....243
Chapter 16....244
Governance....244
Overview....244
Public Safety, Law and Order....244
Ethics and Corruption....255

Environmental Crimes 256
Public Prosecutions 256
Judiciary 257
Prisons 259
Police, Prison and Probation Personnel 262
Probation and Aftercare 263
Immigration 265
National Identity Cards 265
Registration of Voters 267
Refugees in Kenya 269
Chapter 17 271
Highlights of FinAccess Household Survey, 2016 271
Overview 271
Survey Methodology 271
Objectives of the survey 271
Response Rate 272
Key survey findings 272
Access strand by gender, age, and education 273
Geographical disparities in financial inclusion in 2015 274
Usage of financial services 275
Access to formal and informal credit 278
Usage of formal and informal savings instruments 279
The payments landscape 280

List of Tables

Table 0: Key Economic and Social Indicators 2011 – 2015 9
Table 1.1: Key Economic Indicators and Projections for Selected OECD Countries, 2013-2017 12
Table 1.2: Real GDP Growths, Inflation Rates and Current Account Balances for Selected Regions and Countries 14
Table 2.1: Gross Domestic Product by Activity 21
Table 2.2: Gross Domestic Product by Activity 22
Table 2.3: Gross Domestic Product by Activity 23
Table 2.4: Gross Domestic Product by Activity 24
Table 2.5: Sources of Growth, 2011-2015 25
Table 2.6: Annual production accounts by industry, 2011-2015 26
Table 2.7: Expenditure on the Gross Domestic Product 28
Table 2.8: Expenditure on the Gross Domestic Product 28
Table 2.9: Expenditure on the Gross Domestic Product, 2010-2014 29
Table 2.10: Expenditure on the Gross Domestic Product 29
Table 2.11a: Gross Fixed Capital Formation 30
Table 2.11b: Gross Fixed Capital Formation 30
Table 2.12a: Gross Fixed Capital Formation 30
Table2.12b: Gross Fixed Capital Formation 31
Table 2.13: Gross Domestic Product and Gross National Income, 2011-2015 31
Table 2.14: National Disposable Income and Saving, 2011-2015 32
Table 2.15 Gross domestic product by activity 33
Table 2.16 Gross Domestic Product by Activity 35
Table 2.17: Growth of Gross domestic product by activity 37
Table 3.1: National Government Expenditure on Social Services, 2011/12 - 2015/16 41
Table 3.2: Expenditure for the Ministry of Education, Science and Technology 2011/12 - 2015/16 42
Table 3.3: Educational Institutions by Category, 2011 – 2015 43
Table 3.4: Pupil Enrolment and Teacher Numbers in ECD Centres, 2011 – 2015 44
Table 3.5: Primary School Enrolment by Class and Sex, 2011 – 2015 45
Table 3.6: Candidates by Sex and Mean Subject Score in KCPE, 2011-2015 46
Table 3.7: Public Primary School Teachers1 by Qualification and Sex, 2011 - 2015 48
Table 3.8: Enrolment in Secondary Schools by Class and Sex, 2011 – 2015 49
Table 3.9: National trends in KCSE candidates mean grade by Sex, 2011-2015 50
Table 3.10: Public Secondary School Teachers by Qualification and Sex1, 2011 – 2015 51
Table 3.11: Teacher Trainees Enrolment by Year and Sex, 2011- 2015 52
Table 3.12: Student Enrolment in Technical Institutions by Sex, 2011 – 2015 53
Table 3.13: Student Enrolment1 by Sex in Universities, 2012/13 - 2015/16 54
Table 3.14: Registration of Universities and Other Institutions offering Degree Programmes, 2011-2015 54
Table 3.15: Approved Degree Programmes, 2011-2015 55
Table 3.16 (a): Birth Registration Coverage by County, 2013-2015 56
Table 3.16 (b): Registered Births by County and Place of Occurrence, 2013-2015 57
Table 3.17 (a): Death Registration Coverage by County, 2013-2015 58
Table 3.17 (b): Registered Deaths by County and Place of Occurrence, 2013-2015 59
Table 3.18: Registered Deaths by Major Causes, 2011 – 2015 60
Table 3.19 (a): National Hospital Insurance Fund Resources, 2010/2011-2014/2015 60
Table 3.19 (b): Registered Members of the National Hospital Insurance Fund, 2010/11-2014/15 61
Table 3.20: Registered Medical Personnel and those in Training, 2014-2015 61
Table 3.21: Undergraduate and Post Graduate Medical Students by Course and Sex, 2011/12- 2015/16 62
Table 3.22: Middle Level Medical Trainees in Public Medical Training Colleges, 2011 –2015 63
Table 3.23: Full Immunization Coverage (FIC), Rate of Under-One Year Old Children by County1, 2012-2015 . 64
Table 3.24: Incidence of Diseases in Kenya, 2011-2015 65
Table 3.25: National Social Security Fund, 2011- 2015 65
Table 3.26: Adult Enrolment by Sex and County, 2015* 66
Table 3.27: Adult Private Candidates Registered for Proficiency and KCPE by Sex and County, 2015* 67
Table 3.28: Women Groups Registration, Contributions and Source of Loans, 2011-2015 68
Table 3.29: Women Participation in Key Decision Making Positions, 2014- 2015 69
Table 3.30: Allocation and Disbursement of Funds for Social Protection by the National Government, 2011/12 – 2015/16 69
Table 4.1: Total Recorded Employment1, 2011 – 2015 70
Table 4.2: Wage Employment by Industry and Sector, 2011 - 2015 72

List of Tables

Table 4.3: Wage Employment in the Public Sector, 2011 – 2015 74
Table 4.4: Wage Employment by Industry and Sex, 2014 -2015 75
Table 4.5: Total Wage Payments by Industry and Sector1, 2011 - 2015 76
Table 4.6: Wage Payments in the Public Sector1, 2011 - 2015 77
Table 4.7: Average Wage Earnings per Employee1, 2011 – 2015 78
Table 4.8: Wage Employment and Average Earnings1, percentage changes, 2010/2015 and 2014/2015 79
Table 4.9: Estimated Real Average Wage Earnings per Employee1, 2011 – 2015 80
Table 4.10: Changes in Wage Employment, Prices and Real Earnings, 2011 - 2015 81
Table 4.11: Number of Persons Engaged in the Informal Sector by Activity1, 2011 - 2015 81
Table 4.12: Gazetted Monthly Basic Minimum Wages for Agricultural Industry, 2011 – 2015 82
Table 4.13: Gazetted Monthly Basic Minimum Wages1 in Urban Areas, 2014 & 2015 82
Table 4.14: Collective Bargaining Agreements Registered by the Industrial Court, 2014 and 2015 83
Table 4.15(a): Consumer Price Indices and Inflation by Broad Divisions, 2011-2015 84
Table 4.15(b): CPI and Inflation Rate For Food and Non-Alcoholic Beverages, 2011 - 2015 85
Table 4.16: Annual Inflation Rates, 2011-2015 85
Table 4.17: Consumer Price Indices for Nairobi Lower Income Group, 2011-2015 86
Table 4.18: Consumer Price Indices, Nairobi Middle Income Group, 2011- 2015 86
Table 4.19: Consumer Price Indices, Nairobi Upper Income Group, 2011-2015 86
Table 4.20: Consumer Price Indices, Overall Nairobi, 2011-2015 87
Table 4.21: Consumer Price Indices, Rest Urban Areas, 2011-2015 87
Table 4.22: Consumer Price Indices Kenya, 2011-2015 87
Table 5.1: Monetary Indicators, 2011-2015 89
Table 5.2: Money and Quasi Money Supply, 2011-2015 90
Table 5.3: Consolidated Accounts of the Banking System, 2011-2015 91
Table 5.4: Changes in Money Supply and the Sources, 2011-2015 92
Table 5.5: Trends in the Real Values of Selected Financial Aggregates, 2011-2015 92
Table 5.6: Nominal Principal Interest Rates, 2011-2015 93
Table 5.7: Trends in Selected Real Principal Interest Rates, 2011-2015 94
Table 5.8: Central Bank of Kenya Assets and Liabilities, 2011-2015 95
Table 5.9a: Commercial Banks' Bills, Loans and Advances, 2011-2015 96
Table 5.9b: Commercial Banks' Bills, Loans and Advances Sector Shares, 2011-2015 97
Table 5.10: Commercial Banks' Deposit Liabilities and Liquid Assets1, 2011-2015 98
Table 5.11: Gross Secondary Markets Statistics, 2011-2015 99
Table 5.12: Key Trends in Performance of Deposit taking savings and credit cooperatives (DTSs) 99
Table 6.1: Statement of National Government Operations, 2011/12-2015/16 103
Table 6.2: Analysis of Key Fiscal Ratios, 2011/12-2015/16 104
Table 6.3: Comparison of National Government Budget Estimates with Actual Out-turns, 2012/13 to 2014/15 and revised estimates for 2015/16 104
Table 6.4: National Government Gross Receipts on Recurrent Account, 2011/12-2015/16 105
Table 6.5: Import Duty Collections for Selected Items1, 2011-2015 106
Table 6.6:Excise Revenue by Selected Commodities and Services, 2011-2015 106
Table 6.7: National Government Financing of Non-Financial Assets, 2011/12 -2015/16 107
Table 6.8: Classification of National Government Expenditure by Functions of Government (COFOG), 2012/13-2015/16 108
Table 6.9: Economic Analysis of National Government Expenditure, 2011/12 -2015/16 110
Table 6.10: Statement of General Government Operations, 2014/15 111
Table 6.11: National Government Outstanding Debt by Source, 2010/11-2014/15 113
Table 6.12: National Government Debt Servicing Charges, 2010/11-2014/15 114
Table 6.13: The Ratio of National Government Debt Service Charges on External Debt to Exports of Goods and Services, 2011-2015 114
Table 6.14: Annual County Government revenue, 2014/15 - 2015/16+ 116
Table 6.15: Economic classification of County Governments Expenditure, 2013/14 – 2015/16 117
Table 6.16: Classification of Expenditure by Functions of County Governments (COFOG), 2013/14-2015 118
Table 7.1: Balance of Trade, 2011-2015 120
Table 7.2(a): Export and Import Price Indices, 2011-2015 121
Table 7.2(b): Terms of Trade, 2011-2015 121
Table 7.2(c): Quantum Indices, 2011-2015 122
Table 7.3(a): Quantities of Principal Domestic Exports, 2011-2015 123
Table 7.3(b): Quantities of Principal Imports, 2011-2015 124
Table 7.4(a): Values of Principal Domestic Exports, 2011-2015 126
Table 7.4(b): Values of Principal Imports, 2011-2015 127

Table 7.5(a): Average Prices of Principal Domestic Exports, 2011-2015 129
Table 7.5(b): Average Prices of Principal Imports, 2011- 2015 130
Table 7.6: Domestic Exports by Broad Economic Category, 2011-2015 131
Table 7.7: Imports by Broad Economic Category, 2011-2015 132
Table 7.8: Values of Exports by Destination, 2011-2015 134
Table 7.9: Values of Imports by Country of Origin, 2011-2015 135
Table 7.10: Trade with African Countries, 2011-2015 137
Table 7.11: Balance of Payments (BPM6 Framework), 2011-2015 139
Table 7.12: Central Monetary Authorities: Foreign Exchange reserves, 2011-2015 141
Table 7.13: Foreign Exchange Rates of Kenya Shilling for Selected Currencies, 2011-2015 142
Table 8.1: Agricultural1 Output and Input, 2011-2015 145
Table 8.2: Recorded Marketed Production at Current Prices, 2011-2015 146
Table 8.3: Volume and Price Indices of Sales to Marketing Boards, 2011 -2015 147
Table 8.4: Average Gross Commodity Prices1 to Farmers, 2011- 2015 148
Table 8.5: Sale of Produce from Large and Small Farms to Marketing Boards, 2011-2015 148
Table 8.6: Purchased Agricultural Input Indices, 2011 - 2015 149
Table 8.7: Value of Purchased Agricultural Inputs1, 2011 – 2015 150
Table 8.8: Price and Terms of Trade Indices for Agriculture, 2011 – 2015 150
Table 8.9: Estimated Production of Selected Agricultural Commodities, 2011 – 2015 151
Table 8.11: Sale of Selected Crops to Marketing Boards, 2011-2015 152
Table 8.12: Production and Imports of Wheat, 2011-2015 152
Table 8.13: Production, Area and Average Yield of Coffee by Type of Grower, 2010/2011-2014/2015 153
Table 8.14: Production, Area and Average Yield of Tea by Type of Grower, 2011-2015 153
Table 8.15: Planted Area, Area Harvested, Production and Average Yield of Sugarcane, 2011-2015 154
Table 8.16: Production, Imports and Exports of Sugar, 2011-2015 154
Table 8.17: Exports of Fresh Horticultural Produce1, 2011-2015 155
Table 8.18: Production of Irrigation Schemes, 2010/11-2014/15 156
Table 8.19: Production of Livestock and Dairy Products, 2011-2015 157
Table 8.20: Enrolment in Agricultural Training Institutions, 2011-2015 158
Table 8.21: Number of Societies and Unions by Type, 2011-2015 159
Table 8.22: Sale of Selected Agricultural Produce by Co-operatives and the percentage share to Marketed Production, 2011 - 2015 160
Table 8.23: Food Balance Sheet, 2011-2015 161
Table 8.24 (a): Food Balance Sheet, 2015 163
Table 8.24 (b): Food Balance Sheet, 2014 165
Table 9.1: Trends in Environment and Natural Resources Gross Value Added., 2011/12-2015/16 168
Table 9.2: Water Purification Points and Boreholes Drilled, 2011/12-2015/16 168
Table 9.3: Development Expenditure on Water Supplies and Related Services by the National Government. . 2011/12-2015/16 169
Table 9.4: Quantity and Value of Fish Landed, 2011 -2015 170
Table 9.5: Government Forest Plantation Stocking, 2011-2015 171
Table 9.6: Recorded Sale of Government Forest Products, 2011 – 2015 171
Table 9.7: Quantity and Value of Mineral Production, 2011-2015 172
Table 9.8: Average Export Prices of Soda Ash, Fluorspar, Titanium Ore and Concentrates, 2011-2015 173
Table 9.9: Expenditure on Cleaning and Refuse Management by the Nairobi City County, 2011/12-2015/16 ... 173
Table 9.10: Wildlife Population Estimates in the Kenya Rangelands, 2011 – 2015 174
Table 9.11: Number of High Risk Environment Impact Assessments (EIA) by Sector, 2011-2015 175
Table 10.1: Quantity and Value of Imports, Exports and Re-exports of Petroleum Products1, 2011-2015 179
Table10.2: Petroleum Supply and Demand, 2011-2015 180
Table 10.3: Net Domestic Sale of Petroleum Fuels by Consumer Category, 2011-2015 181
Table 10.4: Whole Sale Prices1 of Petroleum Products in Mombasa, 2011-2015 182
Table 10.5: Murban ADNOC Prices1, 2011-2015 182
Table 10.6: Average Retail Prices of Selected Petroleum Products, 2011- 2015 184
Table 10. 7a: Installed and Effective Capacity, 2011-2015 185
Table 10.7b: Generation and imports of Electricity1, 2011-2015 185
Table 10.8: Electricity Supply and Demand, 2011-2015 187
Table 10.9: Production, Trade and Consumption of Energy1 by Primary Sources, 2011-2015 187
Table 11.1: Manufacturing Output, Compensation of Employees and Value Added, 2011-2015 189
Table 11.2: Production of Selected Commodities 2011-2015 191
Table 11.3: Quantum Index of Manufacturing Production, 2011-2015 191
Table 11.4: Cement Production and Utilization, 2011-2015 194

Table 11.5: Manufacturing Projects Approved by Financial Institutions and Other Commercial Banks, 2011 -2015 194
Table 11.6: Industrial Projects by Approved KIE, 2011-2015 195
Table 11.7: Selected EPZ Performance Indicators, 2011-2015 196
Table 11.8: Selected EPZ Garment / Apparel Performance Indicators under AGOA, 2011-2015 196
Table 11.9: Producer Price Indices and Percentage Changes, 2011 to 2015 197
Table 12.1 Selected Key Economic Indicators in Building and Construction, 2011 – 2015 199
Table 12.2: Annual Average Percentage Changes in Construction Input Price Indices, 2013 – 2015 199
Table 12.3: Annual Average Basic Wages in the Building and Construction Industry, 2011 - 2015 200
Table 12.4: Value of Private Building Plans Approved and Building Works Completed1 in Nairobi City County, 2011– 2015 200
Table 12.5: Reported Number of Completions of New Private and Public Buildings, 2011 – 2015 201
Table 12.6: Reported Value of New Private and Public Buildings, 2011 – 2015 201
Table 12.7: Approved and Actual Government Expenditure on Housing, 2011/12 – 2015/16 202
Table 12.8: Housing Loans Advanced by National Housing Corporation to the 202
Counties; 2014/2015 202
Table 12.9: Total Expenditure on Roads, 2011/12 - 2015/16 203
Table 12.10: Status of On-going Roads 2000 Programme, December 2015 203
Table 12.11: Kilometres of Road as at1stJuly, 2013 and 1stJuly, 2015 by Type and Classification 204
Table 12.12: Major Road Works Completed or in Progress, 2015/16 205
Table 12.12: Major Road Works Completed or in Progress, 2015/16, Cont'd. 206
Table 12.13: Status of on-going SGR project, December 2015 206
Table 13.1: International Visitor Arrivals by Purpose of Visit, 2011-2015 210
Table 13.2: International Visitor Departures by Purpose of Visit, 2011-2015 211
Table 13.3: Departing Visitors by Country of Residence and Purpose of Visit1, 2013-2015 212
Table 13.4: Number of Visitor-Days Stayed1 by Purpose of Visit, 2011 -2015 212
Table 13.5: Hotel Bed - Nights Occupancy by Country of Residence, 2011-2015 214
Table 13.6: Hotel Bed-Nights by Zone, 2011-2015 215
Table 13.7: Hotel Bed-Nights Occupancy by Area and Country of Residence, 2014-2015 216
Table 13.8: Game Lodges1 Occupancy, 2013 – 2015 217
Table 13.9: Number of Visitors to National Parks and Game Reserves, 2011-2015 218
Table 13.10: Number of Visitors to Museums, Snake Parks and Historical Sites, 2011-2015 220
Table 13.11: Indicators on Conference Tourism, 2013-2015 221
Table 13.12: Kenya Utalii College Graduates, 2011-2015 221
Table 14.1: Transport and Storage - Value of Output, 2011 – 2015 223
Table 14.2: Roads Maintenance Funds, 2011/12 - 2015/16 223
Table 14.3: Earnings from Road Traffic, 2011 – 2015 223
Table 14.4: New Registration of Road Motor Vehicles and Motor cycles, 2011 – 2015 224
Table 14.5: Road Transport Licenses Issued, 2011 - 2015 225
Table 14.6: Reported Road Traffic Accidents, 2011 - 2015 226
Table 14.7: Railway Traffic, 2011 – 2015 226
Table 14.8: Traffic handled at Mombasa Port, 2011 – 2015 227
Table 14.9: Pipeline Throughput of White Petroleum Products, 2011 – 2015 228
Table 14.10a: Commercial Passenger Traffic by Airport, 2011 - 2015 229
Table 14.10b: Commercial Cargo and Mail Traffic by Airport, 2011 - 2015 230
Table 14.11: Postal Services, 2011 – 2015 231
Table 15.1: Communications Output, Intermediate Consumption and Value Added, 2011-2015 233
Table 15.2: Fixed and Mobile Network Services, 2011-2015 234
Table 15.3: Telephone Call Traffic, 2011-2015 235
Table 15.4: Message Traffic, 2011-2015 236
Table 15.5: Internet Providers, Users and Subscriptions, 2011 - 2015 237
Table 15.6: Broadband Services, 2011-2015 238
Table 15.7: Fixed and Mobile Charges, 2011-2015 239
Table 15.8 Registered Domains, 2011-2015 239
Table 15.9: Media Frequencies and Mobile Transceivers, 2011-2015 240
Table 15.10: Employment, Investment and Revenue by Telecommunication Operators, 2011-2015 241
Table 15.11: Key Indicators Measuring Information Society, 2011-2015 242
Table 15.12: International Trade in ICT Equipments, 2011-2015 243
Table 15.13: Local Daily/Weekly Newspapers in Circulation, 2011 - 2015 243
Table 16.1: Crimes Reported to the Police, 2011 – 2015 245
Table 16.2 Crimes Reported to Police by Command Stations, 2014-2015 246

Table 16.3: Firearms and Ammunition Recovered or Surrendered, and Drugs Seized, 2011 – 2015 247
Table 16.4: Persons Reported to the Police to have Committed Offences by sex and Command Stations, 2014 – 2015 248
Table 16.4: Persons Reported to the Police to have Committed Offences by sex and Command Stations, 2014 – 2015 Cont… 249
Table 16.5: Persons Reported to have committed Offences against Morality and Other Offences against Persons by Sex, 2011-2015 250
Table 16.6: Persons Reported to the Police to have Committed Homicide by Sex, 2011 – 2015 251
Table 16.7: The number of Persons Reported to the Police to have Committed Robbery and Theft by Sex, 2011-2015 252
Table 16.8: Persons Reported to have Committed Offences Related to Drugs, Criminal Damage, Economic Crimes and Corruption by Sex, 2011-2015 254
Table 16.9a: Cases Handled and Action Taken by Ethics and Anti-Corruption Commission, 2010/11-2014/15 255
Table 16.9b: Number of cases forwarded to the Office of the Director of Public Prosecution and action taken, 2010/11-2014/2015 255
Table 16.9 (c). Public Assets traced, recovered and loss averted by EACC, 2010/11 – 2014/15 256
Table 16.10: Environmental Crimes Reported to NEMA, 2011– 2015 256
Table 16.11: Registered Murder cases and Convictions obtained by High Court Station, 2011 – 2015 257
Table 16.12: Cases Handled by Various Courts, 2011 – 2015 258
Table 16.13: The number of Magistrates, Judges and Practicing Lawyers, 2011 – 2015 259
Table 16.14: Prison Population by Sentence, Duration and Sex, 2011 – 2015 260
Table 16.15: Daily Average Population of Prisoners by Sex, 2011-2015 260
Table 16.16: Convicted Prison Population by Age and Sex, 2011-2015 261
Table 16.17: Convicted Prisoners by Type of Offence and Sex, 2011 -2015 262
Table 16.18: Number of Police, Prisons and Probation Officers, 2011 – 2015 263
Table 16.19: Number of Offenders Serving Probation Sentence, Community Service and Aftercare by Sex and Type of Offence, 2014 and 2015 264
Table 16.20: Passports and Work Permits Issued, and Foreign Nationals Registered, 2011 - 2015 265
Table 16.21:New Identity Card Applications Made, Processed and Collected by county and Sex, 2012-2015 266
Table 16.22: Number of Registered Voters by County and by sex, 2015 268
Table 16.23: Number of Registered Refugees by Age and Sex, 2012-2015 269
Appendix 16.1: Classification of Offences by the Kenya Police Service 270
Appendix 16.2: Description of Offences 270
Table 17.1: Accessibility to formal service providers in 2015 by sub-region 278
Table 17.2: Access to formal and informal credit between 2006 and 2015 278
Table 17.3: Usage of saving instruments between 2006 and 2015 279

List of Figures

Figure 3.1: Pre-primary Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2011-2015 44
Figure 3.2: Primary School Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2011-2015 45
Figure 3.3 Pupil Completion Rate and Primary to Secondary Transition Rate, 2011-2015 46
Figure 3.4: Secondary School Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2011-2015 49
Figure 3.5 Schooling Profile, 2014-2015 50
Figure 4.1: Percentage changes in Wage Employment in Public, Private and Self –Employed, 2011 - 2015 73
Figure 4.2: Formal and Informal New Jobs Created, 2011 - 2015 73
Figure 8.1: Agricultural Gross Value Added (2009 Prices), Growth Rate, 2011-2015 145
Figure 8.3: Monthly Performance of Fresh Horticultural Exports, 2015 155
Figure 8.4: Import Dependency and Self-Sufficiency Ratios, 2015 161
Figure 8.5: Caloric Supply by Main Food Groups, 2015 162
Figure 9.1: Long Rains (March to May) Performance, 2015 175
Figure 9.2: Short Rains (October to December) Performance, 2015 176
Figure 10.1: Sale of petroleum fuels by Major Consumer Category, 2011-2015 181
Figure 10.2: International Crude Oil Prices against Domestic Fuel Prices, 2015 183
Figure 10.3: Generation of Electricity by Source, 2011-2015 186
Figure 12.1: Comparison of Value of Private Plans Approved and Reported New Private Buildings Works Completed in Nairobi, 2012-2015 200
Figure 13.1: International Visitor Arrivals and Tourism Earnings, 2011 – 2015 207
Figure 13.2(a): Monthly Visitor Arrivals through MIA, 2014 -2015 208
Figure 13.2(b): Monthly Visitor Arrivals through JKIA, 2014 -2015 208
Figure 13.2(c): Number of Visitor Arrivals through the two Major International Airports and other Cross Borders, 2011 -2015 209
Figure 13.3(a): Monthly Bed Occupancy Rates, 2014-2015 213
Figure 13.3(b): Monthly Room Occupancy Rates, 2014- 2015 213
Figure 13.4: Bed-Nights Occupancy at the Coast, 2014 – 2015 215
Figure 13.5: Visitors to National Parks and Game Reserves, 2013-2015 219
Figure 13.6: Monthly Number of Visitors to the Museums, Snake Parks and Historical Sites, 2015 220
Figure 14.1: Number of New Registration of Selected Motor Vehicle Units, 2011 and 2015 225
Figure 15.1: International Outgoing and Incoming Mobile Traffic, 2011-2015 235
Figure 15.2: International Outgoing and Incoming Fixed Traffic, 2011-2015 236
Figure 15.3 International SMS Traffic 237
Figure 17.1: Sub-regional distribution of the sample 272
Figure 17.2: Access strands between 2006 and 2015 273
Figure 17.3: Access strand by gender between 2006 and 2015 273
Figure 17.4: Access strands by age group and education level in 2015 274
Figure 17.5: Map of formal inclusion and exclusion by region in 2015 (Per cent) 274
Figure 17.6: Access strands in rural versus urban areas between 2006 and 2015 (Per cent) 275
Figure 17.7: Cost to reach the nearest financial service access point in 2015 275
Figure 17.8: Usage of formal and informal service providers in 2015 276
Figure 17.9: Access to formal and informal service providers between 2006 and 2015 277
Figure 17.10: Access to formal and informal credit by type of livelihood in 2015 279
Figure 17.11: Main mode of receiving payment for source of livelihood 2015 (Per cent) 280
Figure 17.12: Main reasons to use services from MFSs in 2013 and 2015 (Per cent) 280

List of Acronyms

ADF	African Development Fund
ADNOC	Abu Dhabi National Oil Corporation
AfDB	African Development Bank
AG	Attorney General
AGOA	African Growth and Opportunity Act
AIA	Appropriation In Aid
AIDS	Acquired Immuno-Deficiency Syndrome
API	American Petroleum Institute
ASALs	Arid and Semi-Arid Lands
ASEAN	Association of South Eastern Asia Nations
ATM	Automatic teller machine
BCG	Bacillus Calmete Guérin
BEC	Broad Economic Category
BH	Boreholes
BIS	Bank for International Settlement
BoP	Balance of Payments
BPS	Bits per Second
BTS	Base Transmission Stations
BRIICS	Brazil, Russia, India, Indonesia, China and South Africa
CAK	Communications Authority of Kenya
CAPS	Cost of Agricultural Production Survey
CBA	Collective Bargaining Agreement
CBD	Central Business District
CBIK	Centre for Business Information in Kenya
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CDF	Constituency Development Fund
CDMA	Code Division Multiple Access
CEPSA	Compañía Española de Petróleos, S.A.U. (Spanish Petroleum Company)
CFS	Container Freight Station
CHE	Commission for Higher Education
CIF	Cost, Insurance and Freight
CIP	Census of Industrial Production
CMA	Capital Markets Authority
COFOG	Classification of Functions of Government
COICOP	Classification of Individual Consumption by Purpose
COMESA	Common Market for Eastern and Southern Africa
COMSEC	Commonwealth Secretariat
COP 15	15th Conferences of the Parties
COP 21	The 21st Session of the United Nations Climate Change Conference
CPI	Consumer Price Index
CRA	Commission on Revenue Allocation
CRB	Credit Reference Bureau
CRR	Cash Reserve Ratio
CTDLT	Catering and Training Development Levy Trustee
DANIDA	Danish International Development Agency
DAP	Daily Average Population
DBK	Development Bank of Kenya
DFRDS	District Focus for Rural Development Strategy

DPT	Diphtheria Pertussis Tetanus
DRC	Democratic Republic of Congo
DSA	Debt Sustainability Analysis
DSL	Digital subscriber Line
DVB – H	Digital Video Broadcasting – Handheld
DWT	Deadweight Tons
DTSs	Deposit Taking Savings and Credit Co-operatives
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
ECDE	Early Childhood Development Education
ECF	Extended Credit Facility
EEC	European Economic Commission
EFA	Education For All
EFT	Electronic Funds Transfer
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EMS	Expedited Mail Services
EPC	Export Promotion Council
EPP	Emergency Power Producers
EPVs	Export Production Villages
EPZ	Export Processing Zone
EPZA	Export Processing Zone Authority
ERC	Energy Regulatory Commission
ESF	Exogenous Shocks Facility
ESP	Economic Stimulus Package
ETF	Exchange Traded Funds
EU	European Union
FAL	Foreign Assets and Liabilities
FBS	Food Balance Sheet
FDEI	Foreign Direct Equity Investment
FDI	Foreign Direct Investment
FGT	Foster, Greer and Thorbecke
FIC	Full Immunization Coverage
FIS	Foreign Investment Survey
FM	Frequency Modulation
FOB	Free on Board
FONN	Fibre Optic National Network
FOSA	Front Office Savings Activities
FPE	Free Primary Education
FDSE	Free Day Secondary Education
FSTE	Free Secondary Tuition Education
FY	Financial Year
GDC	Geothermal Development Company
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GFCF	Gross Fixed Capital Formation
GFS	Government Finance Statistics
GHE	Greenhouse Gas Emissions
GNDI	Gross National Disposal Income
GNI	Gross National Income
GNR	General Fertility Rate

GOB	Gross Operating Balance
GoK	Government of Kenya
GPI	Gross Premium Income
GSM	Global System for Mobile Communication
GVA	Gross Value Added
GWh	GigaWatt Hours
HELB	Higher Education Loans Board
HIV	Human Immunodeficiency Virus
IBRD	International Bank for Reconstruction & Development
IC	Intermediate Consumption
ICDC	Industrial and Commercial Development Corporation
ICT	Information, Communication and Technology
IDA	International Development Association
IDB	Industrial Development Bank
ID	Identity Card
IDR	Import Dependency Ratio
IEBC	Independent Electoral and Boundaries Commission
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
IFS	International Financial Services
IGAD	Intergovernmental Authority on Development
IIP	International Investment Position
ILO	International Labour Organisation
ILRI	International Livestock Research Institute
IMF	International Monetary Fund
INDCs	Intended Nationally Determine Contributions
IOT	Input-Output Tables
IPO	Initial Public Offering
IPP	Independent Power Producers
ISIC REV 4	International Standard of Industrial Classification Revision 4
ISPs	Internet Service Providers
ISS	Intergrated Survey of Services
IOSCO	International Organization of Securities Commission
IT	Information Technology
JAB	Joint Admissions Board
JICA	Japan International Co-operation Agency
JKIA	Jomo Kenyatta International Airport
KAPU	Kenya Airports Police Unit
KARI	Kenya Agricultural Research Institute
KCB	Kenya Commercial Bank
KCPE	Kenya Certificate of Primary Education
KCSE	Kenya Certificate of Secondary Education
KenGen	Kenya Electricity Generating Company
KeNHA	Kenya National Highways Authority
KenInvest	Kenya Investment Authority
KENTRADE	Kenya Trade Network Agency
KMTC	Kenya Medical Training College
KeRRA	Kenya Rural Roads Authority
KESSP	Kenya Education Sector Support Programme
KETRACO	Kenya Electricity Transmission Company
KFS	Kenya Forest Service

KIE	Kenya Industrial Estates
KIHBS	Kenya Integrated Household Budget Survey
KNBS	Kenya National Bureau of Statistics
KOSF	Kipevu Oil Storage Facility
KPC	Kenya Pipeline Corporation
KPLC	Kenya Power and Lighting Company
KPRL	Kenya Petroleum Refinery Limited
KPS	Kenya Police Service
KRA	Kenya Revenue Authority
KRB	Kenya Roads Board
KSh	Kenya Shillings
KTDC	Kenya Tourism Finance Corporation
KUC	Kenya Utalii College
KURA	Kenya Urban Roads Authority
KW	Kilo watt
KWS	Kenya Wildlife Service
L	Overall Liquidity
LAIFOMS	Local Authority Integrated Financial Operation Management Systems
LAPSSET	Lamu Port Southern Sudan-Ethiopia Transport Corridor
LATF	Local Authority Transfer Fund
LFS	Labour Force Survey
LIA	Letters of Interim Authority
LLO	Local Loop Operators
LPG	Liquefied Petroleum Gas
LTM	Long Term Mean
M1	Narrow Money Supply
M2	Broad Money Supply (Money supplied by CBK, Commercial banks & NBFIs)
M3	Broad Money Supply (M2 plus Foreign Currency Holdings by Residents)
M.A.B	Moi Air Base meteorological Station
MAM	March April May long rains
Mbps	Megabits per second
MC10	10th Ministerial Conference
MCA	Members of County Assembly
MCH	Maternal and Child Health
MDER	Minimum Dietary Energy Requirement
MDGs	Millennium Development Goals
MDP	Management Development Programme
MEWNR	Ministry of Environment, Water and Natural Resources
MG	Metre Gauge
MIA	Moi International Airport
MLND	Maize Lethal Necrosis Disease
MMS	Multimedia Messaging Service
MoAL&F	Ministry of Agriculture, livestock and Fisheries
MoE	Ministry of Education
MoE&P	Ministry of Energy and Petroleum
MoH	Ministry of Health
MPC	Monetary Policy Committee
MTEF	Medium Term Expenditure Framework
MTN	Mobile Telephone Network
MTP	Medium Term Plan

MTP II	Second Medium Term Plan
MW	Mega Watt
MVNO	Mobile Virtual Network Operator
n.e.c	Not elsewhere classified
NAS	National Accounts Statistics
NBFI	Non-Bank Financial Institutions
NCC	Nairobi City Council
NCCAP	National Climate Change Action Plan
NCPB	National Cereals and Produce Board
NCRP	Nairobi Commuter Rail Project
NEMA	National Environment Management Authority
NER	Net Enrolment Rate
NFA	Net Foreign Assets
NFE	Non Formal Education
NFS	Non Formal Schools
NHC	National Housing Corporation
NHIF	National Hospital Insurance Fund
NIB	National Irrigation Board
NIP	National Incomes Policy
NOB	Net Operating Balance
NOCK	National Oil Corporation of Kenya
NPA	National Plan of Action
NPISH	Non-Profit Institutions Serving Households
NPLs	Non-performing Loans
NSE	Nairobi Securities Exchange
NSSF	National Social Security Fund
NTSA	National Transport and Safety Authority
NWCPC	National Water Corporation and Pipeline Corporation
NYS	National Youth Service
ODPP	Office of the Director of Public Prosecution
OECD	Organization of Economic Cooperation and Development
OMO	Open Market Operations
OND	October-November-December short rains
OPEC	Organization of Petroleum Exporting Countries
OVC	Orphans and Vulnerable Children
OTTs	Over The Tops
PAYE	Pay As You Earn
PCK	Postal Corporation of Kenya
PCR	Pupil Completion Rate
PGN	Policy Guidance Note
PI	Portfolio Investment
POP	Point of Presence
PPI	Producer Price Index
PPPs	Public Private Partnerships
PSDA	Private Sector Development Authority
PSED	Private Sector External Debt
PSVs	Public Service Vehicles
PTR	Pupil Teacher Ratio
RBS	Risk Based Supervision
REA	Rural Electrification Authority
REIT	Real Estate Investment Trust

REP	Rural Electrification Programme
RICS	Road Inventory and Condition Survey
RMLF	Roads Maintenance Levy Fund
RSI	System of Rice Intensification
SACCO	Savings and Credit Cooperative Societies
SACMEQ	Southern and Eastern African Consortium for Monitoring Education Quality
SAE	Small Area Estimation
SAGA	Semi Autonomous Government Agency
SAM	Social Accounting Matrix
SASRA	Sacco Societies Regulatory Authority
SBA	Stand-by Agreement
SCF	Stand-by Credit Facility
SCMP	Sub-Catchment Management Plans
SDD	Special Dimensions of Development
SDGs	Sustainable Development Goals
SDRs	Special Drawing Rights
SEACOM	Sea Submarine Communications
SEEP	Small Enterprise Education Programme
SEZ	Special Economic Zones
SG	Standard Gauge
SGR	Standard Gauge Railway
SITC	Standard International Trade Classification
SME	Small and Medium Enterprises
SMS	Short Messaging Service
SNA	System of National Accounts
SOEs	State Owned Enterprises
SPF	Social Protection Fund
SSA	Sub-Saharan Africa
SSR	Self Sufficiency Ratio
STIs	Sexually Transmitted Infections
SUT	Supply and Use Tables
TEAMS	The East Africa Marine System
TEUs	Twenty-Foot Equivalent Units
TIVET	Technical Industrial and Vocational Educational Training
TVETA	Technical Vocational Educational Training Authority
TLB	Transport Licensing Board
TOT	Total Rainfall
TSA	Tourism Satellite Account
TSC	Teachers Service Commission
UAE	United Arab Emirates
UK	United Kingdom
UNFCC	United Nations Framework on Climate Change
UoN	University of Nairobi
US$/BBL	US Dollar per Barrel
USD	United States Dollar
US /USA	United States of America
VAT	Value Added Tax
VCT	Voluntary Counseling and Testing
VoIP	Voice over Internet Protocol
WEF	Women Enterprise Fund

WHO	World Health Organization
WMS	Welfare Monitoring Survey
WIMAX	Worldwide Interoperability for Microwave
WPPs	Water Purification Points
WRUA	Water Resource Users Associations
WSB	Water Services Board
WSPs	Water Services Providers
WTO	World Trade Organization
YU	Essar Kenya

Summary and Outlook

International Scene

World real Gross Domestic Product (GDP) growth decelerated to 3.1 per cent in 2015 from 3.4 per cent in 2014. World current account balance as a percentage of GDP stood at 0.3 per cent in 2015 relative to 0.4 per cent in 2014. Global inflation rate eased from 3.5 per cent in 2014 to 3.3 per cent in 2015 as a result of decline in international oil and other commodity prices. Total global unemployment stood at 197.1 million in 2015. The world merchandise trade volume grew by 3.2 per cent. The advanced economies experienced a modest economic recovery, mainly driven by stronger domestic demand as labour markets and credit conditions improved.

Emerging markets and developing economies experienced low commodity prices, weaker capital flows, subdued global trade and increasing financial market volatility. The economic growth in Sub-Saharan Africa (SSA) slowed from 5.1 per cent in 2014 to 3.8 per cent in 2015. Similarly there was a slowed growth of 3.4 per cent for the East Africa Community mainly associated with political instability in Burundi and uncertainties associated with general elections in Tanzania and Uganda.

Domestic Economy

The Gross Domestic Product (GDP) grew by 5.6 per cent in 2015 compared to 5.3 per cent growth in 2014. This expansion was as a result of significant growth in some key sectors among them agriculture; construction; real estate; and financial and insurance. However, growths in mining and quarrying; information and communication; and wholesale and retail trade decelerated during the same period. Accommodation and food services was the only sector whose growth contracted by 1.3 per cent which was however an improvement from the previous year decline of 16.7 per cent.

Key macroeconomic indicators remained relatively stable during the review period. Overall, inflation eased from 6.9 per cent in 2014 to 6.6 per cent in 2015 due to lower energy and transport prices. The current account deficit as a percentage of GDP narrowed from 14.5 per cent in 2014 to 11.4 per cent in 2015. This was due to a substantial growth in export of goods and services and a reduction in the import bill. The Kenyan Shilling depreciated against its major trading currencies during the review period but appreciated against the Euro, South Africa Rand and the Japanese Yen, respectively. Despite the monetary authorities adjusting the Central Bank rate (CBR), the weighted average interest rates on commercial banks loans and advances rose by 1.40 percentage points to 17.45 per cent in December 2015 compared to a rise of 15.99 per cent in December 2014. The volume of stocks traded at the Nairobi Securities Exchange (NSE) declined significantly from a high of 5,346 points in the first quarter of 2015 to 4,040 points in December 2015.

Social Scene

During the period under review, the National Government expenditure on social sector is expected to continue increasing as a result of the demand for basic social services by the population. National Government total expenditure on the social sector is expected to increase by 19.8 per cent to KSh 430.1 billion in 2015/16. The recurrent expenditure is expected to increase from KSh 309.8 billion in 2014/15 to KSh 359.4 billion in 2015/16. Development

expenditure on social sector by the National Government is expected to increase by 44.0 per cent from KSh 49.1 billion in 2014/15 to KSh 70.7 billion in 2015/16. The total number of educational institutions increased by 4.6 per cent from 79,641 in 2014 to 83,336 in 2015. The number of pre-primary schools increased by 1.4 per cent while the number of primary and secondary schools each grew by 7.9 per cent in 2015. The number of public Technical Vocational Educational Training (TVET) institutions rose by 15.8 per cent. Total enrolment in pre-primary schools increased by 6.7 per cent to 3.2 million while total enrolment in primary schools grew from 10.0 million in 2014 to 10.1 million in 2015. Total enrolment in secondary schools rose by 13.0 per cent to 2.6 million in 2015.

The coverage rate for registered births decreased from 63.4 per cent in 2014 to 60.4 per cent in 2015 while total death registration coverage rates declined from 45.8 per cent in 2014 to 45.2 per cent in 2015. The number of births that occurred in health facilities increased by 7.0 per cent in 2015.During the review period, malaria, pneumonia,cancer and HIV/AIDS were the leading causes of death.

The overall membership of National Hospital Insurance Fund (NHIF) increased by 17.8 per cent to 5.3 million in 2014/15. The formal sector contributed the bulk of the membership at 3,221,621, representing 61.1 per cent of the total membership in 2014/15. The number of registered employees by NSSF rose from 3,981.0 thousand in 2014 to 3,981.3 thousand in 2015. Annual contributions went up by 39.8 per cent to KSh 9,209.9 million in 2015 with benefits paid to members rising by 38.8 per cent to KSh 3,999.2 million in the same period.

Employment and Earnings

In 2015, total employment outside small-scale agriculture and pastoralist activities increased by 5.9 per cent to 15,160.8 thousand persons. The economy generated a total of 841.6 thousand jobs of which 128.0 thousand jobs were in the modern sector while 713.6 thousand were in the informal sector, during the period under review. Wage employment within the public sector increased from 700.8 thousand persons in 2014 to 718.4 thousand persons in 2015.

Overall, total earnings increased from KSh 1,311.1 billion in 2014 to KSh 1,497.3 billion in 2015, representing a rise of 14.2 per cent. Nominal average earnings per employee increased by 9.2 per cent to KSh 604,255.8 per annum in 2015. Real average earnings per employee increase by 2.1 per cent from KSh 368,979.9 per annum in 2014 to KSh 376,577.2 per annum in 2015 on account of easing of inflation rates coupled with faster growth in wages. Inflation rate as measured by Consumer Price Index (CPI) declined from 6.9 per cent in 2014 to 6.6 per cent in 2015. The easing of inflation rate was largely due to reduced cost of petroleum products, electricity and tight monetary policies

Money, Banking and Finance

In 2015 the Central Bank of Kenya (CBK) undertook several policies to support price stability and economic growth. Through the Monetary Policy Committee (MPC), it focused on achieving and maintaining stability in the general price levels and raised the Central Bank Rate (CBR) from 8.5 per cent to 10.0 per cent in June, and further to 11.5 per cent in July, 2015 to contain incipient inflationary pressures and stem exchange rate volatility. The CBK also used Open Market Operations (OMO), repo securities and Term Auction Deposits (TAD), to sterilize excess liquidity in the money market and to reduce volatility of the interbank rate during the year.

During the review period, total domestic credit grew by 19.2 per cent compared to a growth of 16.1 per cent in December 2014. This was as a result of increased credit to the National Government that rose to KSh 538.0 billion as at December 2015 compared to KSh 424.9 billion as at December 2014. Credit to the private sector including other public bodies also expanded by 17.5 per cent in the review period to reach KSh 2,292.4 billion. Broad money supply M3 grew by 14.1 per cent in 2015 to KSh 2,658.2 billion compared to an expansion of 16.7 per cent in 2014. Interest rates recorded mixed performance with spikes and dips for most nominal rates in 2015. The Commercial banks' Loans-Deposit interest rate spread rose from 9.18 percentage points in December 2014 to 9.53 percentage points in December 2015.

The capital market performance was depressed in 2015. The Nairobi Securities Exchange (NSE) 20-Share index recorded a high of 5,346 points during the first quarter of the year but dipped to 4,040 points in December 2015, representing a drop of 21.0 per cent compared to December 2014. The total number of shares traded during the review period also went down to 6,812 million from 8,134 million reported in 2014.

Public Finance

The fiscal plan in 2015/16 entailed a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lower the fiscal deficit, and contain growth of recurrent expenditures in favor of productive capital spending. To achieve this, the Government endeavoured to accelerate spending in infrastructure, agriculture, security, health, education, social protection and youth empowerment. The overall objective of this will be to realise sustainable, shared and equitable growth that would in return lead to job creation. Against this backdrop, the National Government budget estimates for 2015/16 amounts to KSh 2,224.0 billion, an increase from KSh 1,950.7 billion spent in 2014/15. Total recurrent expenditure is estimated at KSh 1,238.2 billon, while development expenditure is expected to grow by 22.8 per cent to KSh 985.8 billion. In 2015/16, total recurrent revenue is estimated to register a 26.6 per cent growth to stand at KSh 1,401.2 billion, out of which tax revenue will account for 92.0 per cent.

Total stock of debt as at end of 2014/15 stood at KSh 2,601.4 billion, of which external debt stock accounted for 54.7 per cent. Debt servicing charges net of repayments from on lending are expected to stand at KSh 399.0 billion. During the period under review,KSh 259.8 billion will be transferred to county Governments. The total budgeted expenditure for county Governments is estimated at KSh 361.1 billion against an estimated revenue of KSh 343.7 billion.

International Trade and Balance of Payments

Total exports rose by 8.2 per cent to KSh 581 billion in 2015, while total imports declined by 2.5 per cent to KSh 1,578 billion. This resulted to the balance of trade improving from a deficit of KSh 1,081 billion in 2014 to a deficit of KSh 997 billion. The volume of trade increased marginally from KSh 2,156 billion in 2014 to KSh 2,158 billion in 2015. The rise in the total export earnings compared to the decline in the total import bill led to the improvement of export-import ratio from 33.2 per cent in 2014 to 36.8 per cent in 2015. Terms of trade of all items improved from 73.1 per cent in 2014 to 84.9 per cent in 2015, mainly due to improved unit prices of the export commodities coupled with a decline in import prices of mineral fuels.

In 2015, Africa remained the leading destination of the country's exports accounting for 41.7 per cent of the total exports at KSh 242 billion, with exports to EAC partner states accounting for 52.3 per cent of the total exports to Africa. Europe was the second leading destination of

exports, accounting for 25.1 per cent of the total exports at KSh 146 billion. Asia was the main source of imports in 2015, accounting for 62.2 per cent of the total value of imports, with China being the main source of imports.

The balance of payments position deteriorated from a surplus of KSh 128 billion in 2014 to a deficit of KSh 25 billion in 2015 largely attributed to repayments of external loans. The current account balance improved by 19.5 per cent to a deficit of KSh 425 billion from a deficit of KSh 526 billion in 2014, as a result of a 7.4 per cent increase in merchandise exports. The financial account net inflows recorded a surplus of KSh 616 billion in 2014 compared to a surplus of KSh 498 billion in 2015.

Agriculture

Performance of the agricultural sector in 2015 improved against a backdrop of good weather and abundant rainfall, hence Gross Value Added improved from 3.5 per cent in 2014 to 6.2 per cent in 2015. This was largely achieved through improved crop and livestock production over the review period. Maize production increased by 9.0 per cent from 39.0 million bags in 2014 to 42.5 million bags in 2015. Sugar cane production increased by 4.6 per cent from 6.5 million tonnes in 2014 to 6.8 million tonnes in 2015. The quantity of horticultural exports increased by 8.4 per cent from 220.2 thousand tonnes in 2014 to 238.7 thousand tonnes in 2015. Export earnings from horticulture rose by 7.6 per cent to KSh 90.4 billion in 2015. The volume of marketed milk increased by 10.9 per cent from 541.3 million litres in 2014 to 600.4 million litres in 2015. Earnings from milk sales during the review period rose by 10.0 per cent to KSh 20.7 billion in 2015. However, tea production declined by 10.3 per cent from 445.1 thousand tonnes in 2014 to 399.1 thousand tonnes in 2015. However, the crop earnings increased by 39.5 per cent from KSh 84.9 billion in 2014 to KSh 118.4 billion in 2015. Coffee production declined by 16.0 per cent from 49.5 thousand tonnes in 2013/14 to 41.6 thousand tonnes in 2014/15. Coffee earnings also declined from KSh 16.6 billion in 2014 to KSh 12.1 billion in 2015. Overall, the food supply situation as monitored through the Food Balance Sheet improved as reflected in the energy supply improving from 2,202 Kilo Calories in 2014 to 2,293 kilo calories in 2015. The Self Sufficiency Ratio (SSR) improved from 74.4 per cent in 2014 to 75.2 per cent in 2015. The Import Dependency Ratio also improved slightly from 29.2 per cent in 2014 to 28.3 per cent in 2015.

Environment and Natural Resources

The Government continued to review and enforce policy measures that govern the exploitation, management and conservation of the environment and natural resources. During the review period, the Environment Management and Co-ordination Act 2015 (Amendment) was enacted to facilitate effective management of the environment and natural resources. In 2015, there were variations in the performance of selected environment and natural resources indicators. Total development expenditure on water supplies and related services by the national government is expected to rise from KSh 32.5 billion in 2014/15 to KSh 41.3 billion in 2015/16. Total area under the Government's forest plantation stocking increased marginally to 130.5 thousand hectares from 129.4 thousand hectares in 2014. Total value of fish output decreased from KSh 22.4 billion in 2014 to KSh 22.2 billion in 2015, mainly on account of reduced fish landings. The overall value of mineral output rose by 14.7 per cent from KSh 21.1 billion in 2014 to 24.2 billion in 2015. The increase was mainly attributed to high earnings from titanium minerals of illmenite, rutile and zircon in the export markets. Assessment of long and short rain distribution in time and space was generally good over most parts of the country.

Energy

In 2015, the energy sector witnessed a steady rise in global crude oil and other liquid inventories. Murban crude prices decreased to an average of USD 52.53 per barrel in 2015, from an average of USD 99.45 per barrel in 2014. The volume of petroleum product imports increased marginally from 4,409.0 thousand tonnes in 2014 to 4,431.7 thousand tonnes in 2015. However, the total import bill for petroleum products declined by 32.6 per cent to KSh 226.1 billion during the same period.

Total installed electricity capacity increased by 6.3 per cent to 2,333.6 MW, while total electricity generation expanded by 4.1 per cent to 9,514.6 GWh in 2015. Demand for electricity increased from 7,415.4 million KWh to 7,826.4 million KWh during the same period. The number of customers connected under the Rural Electrification Programme (REP) rose by 33.0 per cent to stand at 703,190 customers as at July 2015, up from 528,552 as at July 2014. In 2015, Rural Electrification Authority financed electricity supply to a total of 21,487 public primary schools, 17,809 on grid and 3,678 on solar.

Manufacturing

The sector's real output grew by 3.5 per cent in 2015 compared to a slower growth of 3.2 per cent in 2014. This was attributed to reduced production costs arising from lower cost of petroleum and electricity inputs. The manufacturing quantum index recorded a slower growth of 3.9 per cent in 2015 compared to 6.3 per cent registered in 2014. This increase was mainly driven by increased production of pharmaceutical products; beverages; meat and meat products; and non-metallic minerals and plastic products. Producer Price Index (PPI) increased by 3.91 per cent in 2015 compared to an increase of 3.03 in 2014, mainly due to high cost of imported raw materials arising from depreciation of the Kenya Shilling against major currencies.

Credit to manufacturing sector increased from KSh 237,422 million in 2014 to KSh 290,069 million in 2015. Formal employment in the sector rose by 2.7 per cent from 287.4 thousand persons in 2014 to 295.4 thousand persons in 2015. The Export Processing Zone (EPZ) program recorded improved performance in employment, exports, imports, and expenditure on local goods and services, with total sales increasing by 12.1 per cent to KSh 64.1 billion in 2015. Export of apparel under the African Growth and Opportunity Act (AGOA) increased by 14.4 per cent to KSh 34.6 billion in 2015.

Building and Construction

The country witnessed a thriving building and construction sector in 2015 registering a growth of 13.6 per cent in value added. Formal employment in the sector grew by 11.4 per cent to stand at 148.0 thousand in 2015 up from 132.9 thousand in 2014. Total proposed development expenditure on roads increased by 79.2 per cent. Consequently, the index of Government expenditure on roads increased from 263.4 in 2014 to 386.7 in 2015 to support projects being undertaken during the year.

Cement consumption went up by 9.9 per cent in 2015 in tandem with the growth in the building and construction sector. Total construction cost index increased by 4.9 per cent compared to an increase of 10.1 per cent in 2014, mainly attributable to the fall in fuel prices, a key input component of the index. The index of reported private building works completed in major towns rose from 341.4 in 2014 to 367.1 in 2015. In addition, the index of reported public building works completed in main towns registered an increase from 106.1 in 2014 to 116.2 in 2015. Loans and advances to the sector increased by 32.3 per cent from KSh 80.4 billion to KSh 106.4 billion in 2015. As at December 2015, 174 kilometres of the Standard

Gauge Railway (SGR) from Mombasa to Nairobi had been constructed at a cost of KSh 113.9 billion

Tourism

Tourism earnings went down to KSh 84.6 billion in 2015 compared to KSh 87.1 billion in 2014. Similarly, international visitor arrivals declined by 12.6 per cent from 1,350.4 thousand in 2014 to 1,180.5 thousand in 2015. The suppressed performance was on account of security concerns, particularly in the coastal region and restrictive travel advisories from some European source markets.

Bed-nights occupancy decreased by 6.4 per cent from 6,281.6 thousand in 2014 to 5,878.6 thousand in 2015. Number of visitors to museums, snake parks and other historical sites went up by 15.4 per cent to 797.5 thousand in 2015 compared to 690.9 thousand in 2014. The number of visitors to national parks and game reserves declined by 10.8 per cent to 1,953.8 thousand in 2015.

Transport and Storage

The Transport and Storage sector output expanded by 6.4 per cent from KSh 894.1 billion in 2014 to KSh 951.4 billion in 2015. The road transport sub-sector posted a growth of 4.5 per cent in output to KSh 613.9 billion in 2015. The performance of the Port of Mombasa improved further during the period under review with the total cargo throughput handled increasing from 24,875 thousand tonnes in 2014 to 26,732 thousand tonnes in 2015. Total container traffic handled rose by 6.3 per cent to 1,076,118 Twenty-foot Equivalent Units (TEUs) in 2015.

Total throughput of white petroleum products transported through the pipeline increased by 2.8 per cent to 5,712.1 thousand cubic metres in 2015. The air transport sub-sector recorded a growth of 1.3 per cent in total commercial passengers handled during the period under review compared to a growth of 7.9 per cent in 2014.

The performance of the freight transport segment of the railway transport sub-sector has been on the upward trend for the third consecutive year. Total cargo traffic grew from 1,509 thousand tonnes recorded in 2014 to 1,575 thousand tonnes in 2015. Similarly, the revenue earned from freight transport increased from KSh 6.1 billion in 2014 to KSh 6.2 billion in 2015. Passenger journeys and revenue from passenger traffic stream however declined further during the reference period.

Newly registered motor vehicles increased by 5.0 per cent to 107,761 units in 2015. On the other hand, total motor cycles registered increased by 20.8 per cent to 139,420 over the same period. Total reported road traffic accidents dropped by 6.4 per cent from 5,672 in 2014 to 5,310 in 2015 partly attributable to sustained government enforcement of road safety rules.

Information and Communication Technology

The value of Information Communication Technology output expanded by 8.1 per cent from 259.0 million in 2014 to KSh 280.0 million in 2015. Digital TV stations increased from 36 in 2014 to 62 in 2015 following successful completion of the digital migration. In 2015, mobile telephone subscriptions increased to 37.7 million subscribers, resulting to penetration rate of 85.4 per cent.

Internet subscriptions increased significantly from 16.4 million in 2014 to 23.9 million in 2015. The number of licensed Internet Service Providers (ISPs) increased from 177 in 2014 to 221 in 2015. Data speed for computer modems and transmission carriers increased by 66.9 per cent to 20,293 bits per second per capita (BPs/person) owing to accessibility of fiber optic.

The international telephone traffic increased by 11.4 per cent to 1,173 million minutes. Similarly, domestic telephone calls traffic increased by 27.7 per cent to 39.2 billion minutes in 2015. The number of messages sent via Multimedia Messaging Services (MMS) rose by 13.9 per cent to 13.7 million in 2015 while of Short Messaging Services (SMS) increased by 3.3 per cent. The number of international SMS received declined by 19.0 per cent to 131.1 million in 2015.

The number of mobile money transfer service subscribers grew to 26.8 million in 2015. Total amount of money transacted through mobile money platform expanded by 18.7 per cent to KSh 2,816 billion over the review period.

Governance

The Governance, Justice, Law and Order sector recorded improved performance in service delivery in the year 2015. The Kenya Police Service was bolstered with the commissioning of the national surveillance, communication control system in Nairobi and Mombasa, procurement of armoured Police vehicles and recruitment of more officers. The Judiciary recruited more judicial officers and opened up more court stations.

In the year under review, crimes reported to the police increased by 4.5 per cent to 72,490 cases while persons reported to the police to have committed crimes decreased by 8.3 per cent from 34,561 in 2014 to 31,695 in 2015. Cases filed in courts decreased from 500,349 in 2014 to 330,553 in 2015 with cases disposed of declined by about 31 per cent to 247,743. However, pending cases grew by 13.6 per cent to 693,100 in 2015. The number of judicial officers increased from 623 in 2014 to 666.

Prison population declined by 10.6 per cent from 248,390 in 2014 to 221,974 in 2015. Daily Average Prison Population (DAP) decreased from 55,270 to 54,631 inmates during the year under review. The number of offenders serving probation and community service orders increased by 13.4 per cent to 13,422 and 27.5 per cent 43,380 respectively. Cases handled by the Ethics and Anti-Corruption Commission increased from 4,013 in 2014 to 5,551. The Commission traced assets worth KSh 3,900 million and actualized recoveries valued at KSh 140 million. New identity cards produced in 2015 were 816,477 compared to 738,064 in 2014. In 2015 a total of 764,445 identity cards were collected, compared to 709,573 in 2014.

Outlook

The performance of Kenya's economy in 2016 is likely to be determined largely by internal factors. However, exogenous factors will also shape the economy but probably to a lesser extent. Generally, all the sectors of the economy are expected to continue in their current growth trajectory. The long rains are forecasted to be depressed in some parts of the country but sufficient and well spread in the main food growing regions. Against this background, agriculture sector's output is likely to slowdown but record a moderate positive growth. Similarly, the manufacturing sector is also likely to be supported by lower fuel prices and improved supply of electricity as well as sustained delivery of inputs from the agriculture sector.

The financial intermediation sector is likely to remain robust despite the recent takeover of three commercial banks by the Central Bank of Kenya due to financial impropriety. The expected sustenance of growth momentum by most of the economic activities is likely to boost credit uptake and therefore favour the financial and insurance activities. The construction industry is also expected to maintain an increased role in the creation of value addition due to the ongoing public infrastructure development and continued investment in fixed assets by the private sector.

Fuel prices are expected to remain at around the level experienced during the first quarter of 2016 and therefore help contain inflation within the Central Bank's target. The Kenya shilling is likely to remain stable against its major trading currencies similar to all other key macroeconomic indicators. The value of Kenya's import of goods is likely to decline further mainly due to low international oil prices. On the other hand, export earnings are expected to grow in line with a projected growth of world merchandise trade in 2016. The current account deficit will most probably narrow further due to the expected slowdown in imports.

Table 0: Key Economic and Social Indicators, 2011 – 2015

	DESCRIPTION	Unit	2011	2012	2013	2014	2015*	
1	Population	(Million)	39.5	40.7	41.8	43.0	44.2	
2	Growth of GDP at Constant Prices	(Per cent)	6.1	4.6	5.7	5.3	5.6	
3	GDP at Market Prices :	(KSh Mn)	3,725,918.4	4,261,150.7	4,745,439.2	5,398,020.7	6,224,369.9	
4	Total value of petroleum products	(KSh Mn)	321,866.0	307,556.1	291,622.6	335,671.3	226,125.7	
5	Trade balance	(KSh Mn)	-788,145.3	-856,740.0	-911,029.2	-1,081,085.3	-996,511.7	
6	Money Supply (M3)	(KSh Mn)	1,514,152.0	1,727,686.0	1,996,242.0	2,329,978.6	2,658,165.5	
7	Total domestic credit	(KSh Mn)	1,532,381.1	1,767,745.5	2,045,912.0	2,375,288.9	2,830,471.9	
8	Balance of Payments (current account balance)	(KSh Mn)	-339,195.3	-356,389.1	-417,019.6	-527,535.7	-424,610.2	
9	Coffee-marketed production	('000 tonnes)	30.0	46.1	38.4	42.5	32.2	
10	Tea-marketed production	('000 tonnes)	377.9	369.4	432.4	445.1	399.2	
11	Fresh Horticultural Produce exports	('000 tonnes)	216.2	205.7	213.8	220.2	238.7	
12	Maize-marketed production	('000 tonnes)	405.8	387.3	316.4	289.4	295.3	
13	Wheat-marketed production	('000 tonnes)	100.9	155.0	184.9	218.0	227.3	
14	Sugar-cane production	('000 tonnes)	5,307.3	5,824.0	6,673.7	6,477.7	6,849.2	
15	Milk sold centrally	(Mn litres)	549.0	495.2	523.0	541.3	600.4	
16	Manufacturing output	(KSh Mn)	1,580,775.8	1,619,622.0	17,322,412.0	1,831,071.0	1,986,733.0	
17	Construction output	(KSh Mn)	436,724.0	513,390.6	582,912.4	689,649.6	797,310.3	
18	Cement Consumption	('000 tonnes)	3,870.9	3,991.2	4,266.5	5,196.7	5,708.8	
19	Petroleum Consumption	('000 tonnes)	3,857.9	3,638.0	3,707.9	3,937.9	4,738.5	
20	Electricity consumption	(GWh)	6,273.6	6,414.4	6,928.1	7,415.4	7,826.4	
21	Tourism earnings	(KSh Mn)	97,890.0	96,020.0	93,970.0	87,080.0	84,600.0	
22	New registration of motor vehicles and cycles	(Number)	205,841.0	173,044.0	222,178.0	218,057.0	247,181.0	
23	Rail freight	(`000 tonnes)	1,596.0	1,394.0	1,214.0	1,509.0	1,575.0	
24	Air passengers handled	('000) No.	8,721.7	8,583.8	8,231.6	8,882.0	8,993.2	
25	Mobile Subscriptions	('000) No.	26,980.8	30,482.8	31,309.0	33,632.6	37,716.0	
26	Estimated Internet Users	('000) No.	12,538.0	14,032.4	21,273.7	26,163.6	35,550.0	
27	Wage employment	('000) No.	2,084.1	2,155.8	2,283.1	2,370.2	2,478.0	
28	Education-primary enrolment	('000) No.	9,561.1	9,757.6	9,857.6	9,951.0	10,090.8	
29	Education-secondary enrolment	('000) No.	1,767.7	1914.8	2,104.3	2,309.9	2,559.0	
30	Education-University enrolment	('000) No.	218.6	251.2	361.4	443.8	507.7	
31	Education-other post secondary enrolment (TIVET+TTC)	('000) No.	101.6	127.7	148.0	148.1	155.2	
32	Registered doctors and dentists	(Number)	8,479.0	9,077.0	9,727.0	10,239.0	10,883.0	
33	GDP Per capita (Current):	(KSh)	94,219.4	104,820.9	113,210.3	124,710.0	140,961.0	
34	GDP Per capita (Constant):	(KSh)	83,297.9	84,721.2	87,105.4	89,240.5	91,738.0	
35	Net lending/borrowing (% of GDP) at Current Market Prices	(Per cent)	-4.5	-5.6	-6.3	-9.3	-7.6	
36	Net lending/borrowing	(KSh Mn)	-179,714.1	-253,804.8	-316,992.8	-541,270.2	-472,565.0	
37	Recurrent Revenue and Grants	(KSh Mn)	798,241.8	896,496.5	1,001,374.8	1,134,495.5	1,474,604.7	
38	Total Expenditure	(KSh Mn)	1,016,708.7	1,241,396.4	1,532,993.0	1,950,709.1	2,223,980.0	
39	External Debt Service Charge as % of GDP[2]	(Per cent)	0.9	0.8	1.0	1.8	1.8	
40	External Debt Service as % of Exports of Goods & Services	(Per cent)	3.6	3.8	4.8	9.9	11.0	
	INDEX NUMBERS							**2011-2015 Annual % rate of change**
41	Export volumes: (2009=100)		114.0	113.4	104.0	109.9	105.0	-2.0
42	Import volumes: (2009=100)		106.0	104.8	106.7	113.9	114.0	1.8
43	Terms of trade		84.1	78.7	81.1	73.1	84.9	0.2
44	NSE 20 Share: (1966=100)		3205.0	4133.0	4927.0	5113.0	4040.0	6.0
45	Consumer Price Index: (Feb 2009=100)		121.2	132.5	140.1	149.7	159.6	7.1
46	Real wages: (June 2009=100)		87.1	84.4	90.9	91.2	93.1	1.7
47	Agriculture terms of trade: (2001 =100)		55.7	52.9	46.6	49.3	51.1	-2.1

Chapter 1

International Scene

Overview

World real Gross Domestic Product (GDP) growth decelerated to 3.1 per cent in 2015 from 3.4 per cent in 2014. This was as a result of low commodity prices, weaker capital flows, subdued global trade and increasing financial market volatility particularly in emerging markets and developing economies. However, the advanced economies experienced a modest economic recovery, mainly driven by stronger domestic demand as labour markets and credit conditions improved.

1.2. The economic growth in Sub-Saharan Africa (SSA) slowed from 5.1 per cent GDP growth in 2014 to 3.8 per cent growth in 2015. This was attributed to the weak global economic growth and lower commodity prices. However, there was a slowed growth of 3.4 per cent in 2015 from 5.8 per cent in 2014 in the East Africa Community (EAC). This was mainly associated with political instability in Burundi and uncertainties associated with general election in Tanzania and Uganda. The devastating impact of Ebola in some West African countries was reflected in the Economic Community of West African States (ECOWAS) growth that decelerated to 4.0 per cent in 2015 compared to 6.0 per cent in 2014.

1.3. Global inflation rate eased from 3.5 per cent in 2014 to 3.3 per cent in 2015. This was attributed to a decline in international oil and other commodity prices. High supplies and weak demand for commodities contributed to the lowering of most commodity prices. Lower crude oil prices caused by sluggish demand were driven by expectations of slowing global growth particularly in the emerging markets and developing economies. Similarly, the revolution in technology in the United States (US) and Canada led to increased global oil production. This led to a reduction in the import of oil in the US, thereby contributing to the fall in oil prices. The Murban ADNOC crude oil price averaged at $52.53 per barrel in 2015, a decline from $ 99.46 per barrel in 2014.

1.4. The world merchandise trade volume grew by 3.2 per cent in 2015 compared to an increase of 3.3 per cent in 2014. This performance was due to a slump in import volumes in both emerging markets and developing economies, reflecting both weaker demand in growth and reduction in the intensity of imports.

1.5. Despite narrowing of the global current account imbalances, current account deficits remained relatively high in many economies. World current account balance stood at 0.3 per cent of GDP in 2015 relative to 0.4 per cent of GDP in 2014. However, SSA's current account balance recorded a deficit of 5.7 per cent in 2015 compared to a deficit of 2.6 per cent of GDP in 2014. This was on account of reduced export revenues, especially for the commodity exports. The emerging markets and developing economies current account balance recorded a surplus of 0.1 per cent of the GDP in 2015.

1.6. OECD countries fiscal deficits improved from 3.8 per cent of GDP in 2014 to 3.3 per cent in 2015. High fiscal deficits in SSA economies were due to falling commodity prices, geopolitical tensions, rising infrastructural spending and construction of mining projects.

1.7. Over the review period, global unemployment rate decelerated to 5.8 per cent in 2015, mainly occasioned by the sluggish global economic performance. Total global unemployment

stood at 197.1 million in 2015. In the OECD block, the unemployment rate (as a per cent of labour force) declined to 6.8 per cent in 2015 compared to 7.3 per cent in 2014 due to improved labour markets.

Organization for Economic Co-operation and Development (OECD)

1.8. Table 1.1 highlights key economic indicators and their projections for selected OECD countries for the period 2013 to 2017. The OECD's real GDP grew by 2.0 per cent in 2015 compared to a growth of 1.9 per cent in 2014. This was mainly attributed to improvements in economic performance in Japan and Euro Area. Inflation rate eased to 0.8 per cent in 2015 compared to 1.7 per cent recorded in 2014. This was as a result of drop in inflation rate in all the selected OECD countries. Current account surplus as a percentage of GDP improved for the second consecutive year to 0.2 per cent in 2015 compared to 0.0 per cent increase in 2014. This could be explained by improvement in current account of all selected OECD countries except USA.

Euro Area

1.9. Real GDP in the Euro Area went up by 1.5 per cent in 2015 compared to a growth of 0.9 per cent recorded in 2014. The modest growth was supported by both domestic demand and exports. Inflation rate within the region eased to 0.1 per cent in 2015 compared to 0.4 per cent in 2014, mainly due to the decline in fuel prices. Unemployment rate improved to 10.9 per cent in 2015 compared to 11.5 per cent in 2014. Current account surplus as a percentage of GDP improved from 3.3 per cent in 2014 to 3.8 per cent in 2015.

United States of America

1.10. The economic growth of USA in real terms remained unchanged at 2.4 per cent in 2015 mainly supported by robust consumer spending and investment in the non-oil private sector. Current account deficit as a percentage of GDP worsened to 2.5 per cent in 2015 compared to a deficit of 2.2 per cent in 2014. This was attributed to strengthening of the US Dollar and weakening external demand that weighed on exports and manufacturing activities. Solid labour market conditions and the dynamic investment in non-oil private sector led to an improvement in unemployment rate from 6.2 per cent in 2014 to 5.3 per cent in 2015.

United Kingdom

1.11. The UK's economy recorded a slowed growth of 2.4 per cent in 2015 compared to 2.9 per cent recorded in 2014. This was mainly on account of reduced domestic demand. Inflation rate eased to 0.1 per cent in 2015 compared to 1.5 per cent in 2014. A similar trend was witnessed in the country's unemployment rate that slowed to 5.6 per cent in 2015 compared to 6.2 per cent rate in 2014. Current account deficit as a percentage of GDP narrowed to 4.0 per cent in 2015 from 5.1 per cent in 2014, due to improvement of exports.

Japan

1.12. Japan's real GDP grew by 0.6 per cent in 2015 after a contraction of 0.1 per cent in 2014. The country's unemployment rate improved from 3.6 per cent in 2014 to 3.4 per cent in 2015. Inflation rate eased to 0.8 per cent in 2015 compared to 2.7 per cent recorded in 2014, mainly on account of the decline in oil prices during the year. Current account surplus as a percentage of GDP improved from 0.5 per cent in 2014 to 3.3 per cent in 2015.

Germany

1.13. The economic growth of Germany slowed marginally to 1.5 per cent in 2015 compared to a growth of 1.6 per cent recorded in 2014. Inflation rate improved to 0.2 per cent in 2015 from 0.8 per cent in 2014. Current account surplus as a percentage of GDP widened to 8.3 per cent in 2015 compared to 7.5 per cent in 2014. Unemployment rate eased from 5.0 per cent in 2014 to 4.6 per cent in 2015.

Table 1.1: Key Economic Indicators and Projections for Selected OECD Countries, 2013-2017

	2013	2014+	2015*	2016[1]	2017[1]
	(Percentage change from the previous year)				
World Real GDP Growth**	3.1	3.4	3.1	3.6	3.8
World Trade Growth[2]	3.3	3.4	2.0	3.6	4.8
Real GDP Growth	Percentage change				
United States of America	2.8	2.4	2.4	2.5	2.4
United Kingdom	0.1	2.9	2.4	2.4	2.3
Japan	1.9	-0.1	0.6	1.0	0.5
Germany	0.2	1.6	1.5	1.8	2.0
Euro Area	-0.6	0.9	1.5	1.8	1.9
Total OECD	1.6	1.9	2.0	2.2	2.3
Inflation (GDP Deflator)	Percentage				
United States of America	1.7	1.6	0.0	1.0	1.8
United Kingdom	1.7	1.5	0.1	1.5	2.0
Japan	-0.9	2.7	0.8	0.7	2.3
Germany	1.6	0.8	0.2	1.2	1.5
Euro Area	1.3	0.4	0.1	0.9	1.3
Total OECD	1.4	1.7	0.8	1.5	1.9
Current Account Balances	Per cent of GDP				
United States of America	-2.7	-2.2	-2.5	-2.8	-3.0
United Kingdom	-3.8	-5.1	-4.0	-3.4	-3.0
Japan	1.1	0.5	3.3	2.9	3.3
Germany	6.5	7.5	8.3	8.0	7.5
Euro Area	1.9	3.3	3.8	3.7	3.7
Total OECD	-0.5	0.0	0.2	0.1	0.1
Unemployment Rate	Percentage				
United States of America	8.1	6.2	5.3	4.7	4.7
United Kingdom	7.9	6.2	5.6	5.7	5.8
Japan	4.3	3.6	3.4	3.2	3.1
Germany	5.2	5.0	4.6	4.6	4.6
Euro Area	11.3	11.5	10.9	10.4	9.8
Total OECD	8.0	7.3	6.8	6.5	6.3

Source: OECD Economic Outlook No.98

* Provisional

** World Economic Outlook October, 2015

+ Revised

[1] Projections

[2]Refers to arithmetic average of world merchandise import and export volumes.

Assumptions Underlying Projections

The cut-off date for information used in the projection is 30th October 2015.

The projections assume unchanged exchange rates from those that prevailed on 25th October 2015.

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

1.14. The economic performance of the emerging economies of Brazil, Russia, India, Indonesia, China and South Africa (BRIICS) decelerated for the second consecutive year in 2015 as shown in Table 1.2. Average real GDP in the BRIICS recorded a growth of 2.2 per cent in 2015 compared to an increase of 3.4 per cent in 2014. This was mainly attributed to underperformance of the economies of Brazil, Russia and China. However, inflation rate worsened from 6.0 per cent in 2014 to 7.2 per cent in 2015. The current account balance improved from a deficit of 1.7 per cent in 2014 to a deficit of 0.7 per cent in 2015.

1.15. Real GDP growth of Brazil worsened to a contraction of 3.0 per cent compared to a growth of 0.3 per cent in 2014. This was a reflection of the recession caused by political uncertainty that resulted to low economic confidence. Inflation increased to 8.9 per cent in 2015 compared to 6.3 per cent rate in 2014. Real GDP growth of Russia, contracted by 3.8 per cent in 2015 compared to a marginal growth of 0.2 per cent in 2014. This was attributed to lower oil prices, international sanctions and capital flight that reduced investment, domestic consumption and imports. The large depreciation of the Russian currency (ruble) pushed inflation to double digits, from 7.4 per cent in 2014 to 15.8 per cent over the year under review.

1.16. China's economy grew by 6.8 per cent in 2015 compared to 7.4 per cent in 2014. This was explained by slowdown in the manufacturing sector and decline in real estate investment that recorded large unsold inventories. The financial market turbulence in China led to capital flight that significantly affected all the BRIICS countries except India. The economy of India recorded a significant real GDP growth of 7.3 per cent in 2015 compared to growth of 5.6 per cent in 2014. This was driven by increased consumption and public investment. In Indonesia, real GDP grew by 4.7 per cent in 2015, a slower growth compared to 5.2 per cent growth in 2014. During the year under review, South Africa's economy grew by 1.4 per cent, similarly to that recorded in 2014. However, the economy was affected by strikes in the mining sector, continued electricity shortages that hampered the manufacturing sector and severe drought that reduced the agricultural production in 2015. The decline in global oil prices eased inflation from 6.3 per cent in 2014 to 4.8 per cent in 2015.

Association of South Eastern Asia Nations

1.17. The average real GDP of the Association of South Eastern Asia Nations (ASEAN-5) grew by 4.6 per cent in 2015 compared to growth of 4.8 per cent in 2014. This was attributed to reduced external demand resulting from a slowdown in economic performance in China. Inflation in the region dropped to 3.0 per cent in 2015 compared to 4.1 per cent in 2014 mainly due to lower food and oil prices. Current account surplus as a percentage of GDP grew by 1.3 per cent during the year under review compared to 2.3 per cent growth in 2014.

Sub-Saharan Africa

1.18. Economic growth in the SSA slowed from 5.1 per cent in 2014 to an estimated 3.8 per cent in 2015. The slowdown in the economic performance was attributed to a decline in the prices of the main commodities and weak global economic performance. Inflation rate in the region worsened from 6.7 per cent in 2014 to 7.8 per cent in 2015. This was mainly due to depreciation in value of currencies of the region's major economies. The current account deficit as a percentage of GDP worsened from a contraction of 2.6 per cent in 2014 to a contraction 5.7 per cent in 2015.

Table 1.2: Real GDP Growths, Inflation Rates and Current Account Balances for Selected Regions and Countries

	Real GDP Growth Rates				Inflation				Current Account Balance (Percent of GDP)			
	2013	2014+	2015*	2016[1]	2013	2014+	2015*	2016[1]	2013	2014+	2015*	2016[1]
BRIICS	**4.5**	**3.4**	**2.2**	**3.1**	**6.2**	**6.0**	**7.2**	**5.6**	**-1.8**	**-1.7**	**-0.7**	**-0.6**
Brazil	2.5	0.3	-3.0	-1.0	6.2	6.3	8.9	6.3	-3.6	-3.5	-4.0	-3.8
Russia	1.3	0.2	-3.8	-0.6	6.8	7.4	15.8	8.6	1.6	2.7	5.0	5.4
India	5.0	5.6	7.3	7.5	9.5	7.8	5.4	5.5	-1.7	-2.1	-1.4	-1.6
Indonesia	5.8	5.2	4.7	5.1	6.4	6.0	6.8	5.4	-3.3	-3.2	-2.2	-2.1
China	7.7	7.4	6.8	6.3	2.6	2.3	1.5	1.8	1.9	1.8	3.1	2.8
South Africa	2.0	1.4	1.4	1.3	5.8	6.3	4.8	5.9	-5.8	-5.7	-4.3	-4.5
Sub-Saharan Africa	**4.4**	**5.1**	**3.8**	**4.3**	**6.6**	**6.7**	**7.8**	**7.1**	**-2.4**	**-2.6**	**-5.7**	**-5.5**
EAC-5	**5.3**	**5.8**	**6.1**	**6.6**	**6.4**	**5.6**	**5.7**	**5.9**	**-12.7**	**-13.7**	**-10.4**	**-9.0**
Kenya	4.6	5.3	5.6	6.8	5.7	7.3	6.3	5.9	-13.3	-14.5	-11.4	-9.2
Tanzania	7.0	7.2	6.9	7.0	7.9	5.9	5.6	5.9	-13.8	-13.7	-8.2	-7.1
Uganda	5.8	5.9	5.2	5.5	5.0	5.5	5.7	6.5	-8.5	-10.4	-10.5	-11.3
Rwanda	4.7	6.0	6.5	7.0	4.2	2.6	2.1	4.3	-7.1	-12.3	-10.6	-9.6
Burundi	4.5	4.7	-7.2	5.2	9.0	7.0	7.4	6.2	-20.7	-17.4	-11.3	-9.7
SADC	**3.8**	**3.2**	**3.0**	**3.1**	**5.6**	**6.3**	**5.6**	**6.8**	**-4.8**	**-5.4**	**-6.6**	**-6.8**
WAEMU	**5.7**	**6.6**	**6.1**	**6.3**	**0.1**	**1.7**	**1.3**	**2.1**	**-7.2**	**-8.0**	**-5.8**	**-6.3**
CEMAC	**2.8**	**4.9**	**2.6**	**4.5**	**2.4**	**3.0**	**2.2**	**2.4**	**-2.6**	**-2.0**	**-8.1**	**-6.7**
ASEAN-5	**5.2**	**4.8**	**4.6**	**4.9**	**4.1**	**4.1**	**3.0**	**3.8**	**1.8**	**2.3**	**1.3**	**1.1**
Indonesia	5.8	5.2	4.7	5.1	6.4	6.0	6.8	5.4	-3.3	-3.2	-2.2	-2.1
Malaysia	4.7	5.9	4.7	4.5	2.1	2.9	2.4	3.8	3.9	4.3	2.2	2.1
Philippines	7.2	6.2	6.0	6.3	2.9	4.5	1.9	3.4	3.5	3.2	5.0	4.5
Thailand	2.9	1.0	2.5	3.2	2.2	2.1	-0.9	1.5	-0.6	2.9	6.2	5.4
Vietnam	5.4	5.5	6.5	6.4	6.6	5.2	2.2	3.1	5.6	4.1	0.7	-0.9
Maghreb	**0.5**	**-0.6**	**1.4**	**3.8**	**3.6**	**3.6**	**4.4**	**4.7**	**-6.4**	**-14.3**	**-21.8**	**-19.9**
Algeria	2.8	3.8	3.0	3.9	3.3	3.2	4.2	4.1	0.4	-3.0	-17.7	-16.2
Libya	-13.6	-19.8	-6.1	2.0	2.6	4.8	8.0	9.2	13.6	-27.1	-62.2	-49.1
Mauritania	6.7	6.8	4.1	6.4	4.1	3.3	3.6	4.2	-30.1	-26.8	-18.3	-25.6
Morocco	4.4	3.5	4.9	3.7	1.9	1.1	1.5	2.0	-7.6	-6.8	-2.3	-1.6
Tunisia	2.3	2.8	1.0	3.0	6.1	5.7	5.0	4.0	-8.4	-7.7	-8.5	-7.0
Mashreq[2]	**2.2**	**2.5**	**3.0**	**3.5**	**5.2**	**5.5**	**3.8**	**4.4**	**-8.5**	**-7.7**	**-10.7**	**-10.1**
Egypt	2.1	2.2	4.2	4.3	6.9	10.1	11.0	8.8	-2.7	-0.4	-3.7	-4.5
Jordan	2.9	3.5	2.9	3.7	5.6	3.0	0.2	3.1	-9.8	-10.0	-7.4	-6.5
Lebanon	1.5	1.8	2.0	2.5	3.2	3.5	0.1	1.5	-12.9	-12.7	-21.0	-19.3

Source: World Economic Outlook, October 2015 and Regional Economic Outlooks - Various Issues except Kenya whose accounts are shown

* Provisional

+ Revised

[1] Projections

[2] Excludes Syria due to unavailability of data

Notes:

Southern African Development Community(SADC) includes; Angola, Botswana , Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

West African Economic and Monetary Union (WAEMU)includes; Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo.

Economic and Monetary Union of Central Africa (CEMAC) and includes; Cameroon, Chad, Central African Republic, Equatorial Guinea,Gabon,and Republic of Congo

East African Community

1.19. During the 2015, economic performance in the East Africa Community (EAC) experienced a slowed growth. Real GDP declined by 3.4 per cent compared to 5.8 per cent growth registered in 2014. In Tanzania, real GDP growth slowed to 6.9 per cent in 2015, compared to an expansion of 7.2 per cent in 2014. The slowdown in growth was mainly associated with uncertainties emanating from general elections during the year under review.

The contraction in economic growth of 7.2 per cent in Burundi was attributed to political instability experienced during the year under review. The EAC's inflation eased to 5.5 per cent in 2015 compared to 5.6 per cent rate in 2014. The current account as a percentage of GDP improved from a deficit of 12.7 per cent in 2014 to a deficit of 9.5 per cent in 2015.

Southern African Development Community

1.20. The Southern African Development Community (SADC) recorded a slowed growth of 3.0 per cent in 2015 compared to a 3.2 per cent growth in 2014. This was mainly due to constant economic growth registered in South Africa. Inflation rate improved to 5.6 per cent in 2015 compared to 6.3 per cent in 2014, explained by decline in global oil prices. The region's current account widened to a deficit of 6.6 per cent in 2015 from a deficit of 5.4 per cent in 2014.

Maghreb

1.21. Real GDP growth in Maghreb region grew from a contraction of 0.6 per cent in 2014 to 1.4 per cent in 2015. The performance was associated with improved Euro Area economic growth that raised export demand, tourism, and remittances. In Libya, real GDP improved from a contraction of 19.8 per cent in 2014 to 6.1 per cent in 2015. The improved performance resulted from increased fiscal revenues from oil exports. Inflation in the region worsened from 3.6 per cent in 2014 to 4.4 per cent in 2015. Current account as a percentage of GDP worsened to a deficit 21.8 per cent in 2015, from a deficit of 14.3 per cent in 2014.

Outlook

1.22. On the global perspective, real GDP is projected to grow by 3.6 per cent in 2016. This growth is predicted on continuous gains in major high-income countries, a gradual tightening of financing conditions especially in the USA, a stabilization of commodity prices, and a gradual economic rebalancing in China. Global trade is also projected to grow by 3.6 per cent in 2016, rising broadly in line with global output growth.

1.23. In the OECD economies, real GDP is projected to grow by 2.2 per cent in 2016. Euro Area economic performance is projected to grow by 1.8 per cent in 2016. This is due to the expected improvements in credit growth and a decline in unemployment. Similarly, real GDP growth in the emerging economies of BRIICS is projected to grow by 3.1 per cent in 2016.

1.24. Growth in SSA is projected to increase by 4.3 per cent in 2016, on the account of commodity prices stabilization and decline infrastructure constraints. Real GDP in the EAC region is projected to grow to 6.6 per cent in 2016. Lower commodity prices and high expected investment costs are projected to increase the risk of delaying investments particularly in energy and mining sectors in the region.

1.25. The ongoing economic rebalancing in China is expected to create external demand in Asia and BRIICS. These regions are expected to register growth in real GDP of 4.9 and contraction of 0.6 per cent in 2016. Real GDP in Maghreb countries is expected to remain robust with a projected growth of 3.8 per cent. In Libya, a UN sponsored political agreement reached at the end of 2015 is expected to allow oil production and GDP growth recovery.

Chapter 2

Domestic Economy

Overview

The Gross Domestic Product (GDP) is estimated to have expanded by 5.6 per cent in 2015 which was a slight improvement compared to a 5.3 per cent growth in 2014. This growth was mainly supported by a stable macroeconomic environment and improvement in outputs of agriculture; construction; finance and insurance and real estate. However, growth slowed in a number of sectors including; information and communication, mining and quarrying, and wholesale and retail trade. Similarly, growth in taxes on products slowed during the review period. The growth of accommodation and food services contracted by 1.3 per cent,a less severe performance compared to a revised decline of 16.7 per cent in 2014.

2.2. The growth in agriculture was mainly supported by improved weather condition that resulted in significant increases in output of maize, horticultural produce and livestock. However, heavy rains in 2015 were unfavorable to cultivation of some crops like potatoes and tomatoes. Nevertheless the significance of crops that were favoured by the weather far outweighed that of crops negatively impacted upon, resulting in an impressive growth of 5.6 per cent in the agriculture sector. Construction recorded the fastest growth of 13.6 per cent in 2015 compared to 13.1 per cent in 2014. Growth in construction activities was mainly driven by the ongoing public infrastructure development coupled with the resilient private sector's expansion in the real estate sector. The financial and insurance sector maintained a robust expansion to grow at 8.7 per cent in 2015 from 8.3 per cent in 2014. This growth was mirrored by a 19.2 per cent rise in the total domestic credit to KSh 2,830.5 billion in December 2015 compared to a growth of 16.1 per cent in December 2014.

2.3. Key macroeconomic indicators remained relatively stable and supportive of the growth during the year under review. Overall inflation eased from 6.9 per cent in 2014 to 6.6 per cent in 2015 mainly due to lower prices of energy and transport. Monthly inflation rates fluctuated between 5.5 per cent and 8.0 per cent but were largely contained within the Central Bank's target throughout the year. Generally, the Shilling depreciated against its major trading currencies as reflected by the weighted trade index which worsened by 5.7 per cent during the review period. The Shilling was mainly supported by a significant fall in the international oil prices as the country cut-back expenditure on importation of petroleum fuels and increased diaspora remittances. However, lower earnings from the tourism sector impacted negatively on the exchange rate of the Shilling in 2015.

2.4. In response to rising inflation at the beginning of the year and instability of the shilling, the monetary authorities adjusted the Central Bank Rate (CBR) from 8.50 per cent to 10.0 per cent in June and later to 11.5 per cent in July 2015. The weighted average interest rates on commercial banks loans and advances rose by 1.40 percentage points to 17.45 per cent in December 2015 compared to 15.99 per cent in December 2014. The index of stocks traded at the Nairobi Securities Exchange (NSE) declined significantly from a high of 5,346 points in the first quarter of 2015 to 4,040 points in December 2015.

2.5. In 2015, the current account balance improved largely due to a decline in the import bill against a substantial growth in export earnings. The decrease in the import bill was mainly

due to the fall in the international oil prices. The growth in export earnings was largely driven by improved prices for some commodities which more than offset the effects of the fall in quantities of export. However, the country's export growth was curtailed by suppressed external demand.

2.6. The effects of the fall in fuel prices were experienced across most of the industries, with the main beneficiary being transport and storage where there was a significant decline in costs of production. Other sectors that significantly gained from the lower fuel prices include construction and thermal generation of electricity.

Sectoral Analysis

Agriculture, Forestry and Fishing

2.7. The sector's performance was largely influenced by weather patterns in 2015 with heavy and well spread long rains experienced in most parts of the country. The short rains period was characterized by the *El Niño* weather phenomenon that started in November 2015. In the end, output of livestock and most crops was boosted by the weather but a few crops were negatively affected, resulting to a decline in their production. Consequently, the sector recorded an accelerated growth of 5.6 per cent in 2015 compared to 3.5 per cent in 2014. The agriculture sub-sector grew by 6.2 per cent in 2015 and considerably influenced the performance of the whole sector.

2.8. Production of maize increased from 39.0 million bags to 42.5 million bags in 2015 due to favourable weather and reduced incidences of the Maize Lethal Necrosis Disease (MLND). Beans and sorghum also recorded substantial growths of 24.2 per cent and 10.5 per cent, respectively. However, production of potatoes declined by 14.8 per in 2015 due to severe effects of frost during the season. Similarly, production of tea and coffee contracted by 10.3 per cent and 16.0 per cent, respectively in 2015. The value of horticultural exports rose by 7.5 per cent in 2015 on account of increased exports of cut flower and fruit. On the other hand, export of vegetables declined marginally in 2015.

2.9. In the livestock sub-sector, the volume of marketed milk increased by 10.9 per cent from 541.3 million litres in 2014 to 600.4 million litres in 2015. The number of cattle and calves sold to abattoirs rose by 9.5 per in 2015 to stand at 2,274.5 thousand head. Similarly, sheep and goats slaughtered in 2015 increased from 6,138.5 thousand head in 2014 to 6,560.8 thousand head in 2015.

Manufacturing

2.10. The macroeconomic environment in 2015 was favourable for the performance of the manufacturing sector except for the cost of borrowing that somewhat curtailed the availability of cheap credit to fund the sector's activities. In addition, key sectors that heavily influence the performance of the sector namely agriculture and electricity posted impressive performance in the year under review. There was a significant decline in fuel prices, especially light diesel that is used in an array of manufacturing processes, which consequently resulted in a drop in the cost of production. The robust growth in agriculture also influenced the sector's performance especially in food processing. Against this backdrop, the manufacturing sector expanded by 3.5 per cent in 2015 compared to 3.2 per cent in 2014.

2.11. Manufacturing of food products in all categories increased in 2015 except processing and preservation of fish that registered a decline of 21.8 per cent. Growth in the sector was mainly driven by a 22.0 per cent growth in manufacture of beverages. Manufacture of non-food products registered an impressive performance in 2015 buoyed by production of wearing

apparel, pharmaceutical products and furniture that grew by 10.8, 23.9, and 20.6 per cent, respectively. Production of cement increased from 5,882.5 thousand tonnes in 2014 to 6,352.9 thousand tonnes in 2015.

Transport and Storage

2.12. The sector's growth accelerated to 7.1 per cent in 2015 from the previous growth of 4.6 per cent in 2014. The improved performance was against a background of reduced intermediate consumption as domestic retail prices for petroleum products fell in line with fall in the international oil prices. Globally, Murban crude oil prices almost halved to average at US$ 52.5 per barrel in 2015 compared to US$ 99.5 2014. Domestically, the retail prices for light diesel declined by 9.0 per cent during the review period. The decrease in the international oil prices was driven by increased global production and slowdown in demand from US and China.

2.13. Land transport which comprises road, rail and pipeline expanded by 5.2 per cent in 2015 compared to 4.0 per cent in 2014. Air transport contracted for the second year in a row against suppressed international visitor arrivals, suspension of the national carrier's operations in some routes in Western Africa and increased competition. All other transport and related activities jointly grew by 16.4 per cent in 2015 compared to a growth of 8.4 per cent in 2014. This growth was mainly on account of rapid expansion in warehousing and storage and cargo handling activities.

Information and Communication

2.14. The sector's growth slowed to 7.3 per cent in 2015 after a robust expansion of 14.6 per cent in 2014. The slowdown was mainly occasioned by a dampened growth in the telecommunications subsector in 2015. Publishing, broadcasting, other Information Technologies and information activities recovered from a 1.8 per cent decline in 2014 to record a growth of 2.9 per cent in 2015. However, the growth remained robust on account of resilient expansion in mobile telephony networks and increased uptake of internet services. The freeing up of valuable portions of the TV broadcast spectrum that emanated from the successful completion of the digital migration facilitated significant growth of digital TV stations thereby boosting the sector's growth.

Financial Intermediation

2.15. Overall, the sector sustained its vibrant performance in 2015 mainly owing to a 9.4 per cent growth in the financial services sub-sector despite the placing of two banks under statutory management. The growth was somehow dampened by the continued decline in the level of activity in the insurance sub-sector whose growth slowed down to 4.9 per cent in 2015. The sector's performance is clearly manifested in the performance of other sectors especially construction, manufacturing and agriculture that recorded significant rise in credit advanced by commercial banks and cooperative societies. The period under review was also characterized by a significant growth in domestic credit to the National Government from KSh 424.9 billion in 2014 to KSh 538.0 billion in 2015.

2.16. In 2015, the monetary policy principally aimed at achieving and maintaining stability in the general price levels in the economy with the ultimate goal of achieving an inflation target of 5.0 per cent. The year under review was characterized by inflationary pressures and volatility in exchange rate. As a result, the Monetary Policy Committee (MPC) raised the Central Bank Rate (CBR) from 8.5 per cent to 10.0 per cent in June, and further to 11.5 per cent in July. There was mixed performance in interest rates during 2015 on account of the changes in the

CBR.The 91-day Treasury bill rate dropped from 8.58 per cent in December 2014 to 8.26 per cent in June 2015 and rising to 9.81 by December. Commercial banks' loans and advances and lending interest rates rose to 17.45 per cent in December 2015 from 15.99 per cent in December 2014.

2.17. During the same period, the Central Bank of Kenya negotiated a precautionary support programme to cushion the economy from inherent external shocks especially emanating from unforeseen financial instability in the world economy.

Electricity Supply

2.18. The sector recorded an accelerated growth of 9.7 per cent in 2015 compared to a growth of 7.3 per cent in 2014. The improved growth was attributed to increased production of geothermal electricity coupled with lower fuel costs for thermal power generation. In addition, there was a significant increase in generation of wind electric power that also boosted the sector's contribution to GDP. Commissioning of new geothermal plant in late 2014 led to a 55.0 per cent rise in generation of geo-thermal electric power during the review period. Generation of hydroelectric power increased by 1.3 per cent over the same period. In total, 9,455.8GWh was produced in 2015 compared to 8,980.3 GWh in 2014. Effective installed capacity of hydro, thermal oil, and geothermal increased by 0.3, 11.9 and 10.9 per cent, respectively. Effective capacity of wind power almost quadrupled in 2015.

Construction

2.19. The construction sector maintained the momentum realized in 2014 to post a growth rate of 13.6 per cent in 2015. This growth was to a great extent buoyed by the development of transport infrastructure such as the continued implementation of the first phase of the Standard Gauge Railway, development of the road network, expansion and rehabilitation of facilities at the airports and improvement of port facilities to enhance operational efficiency. The sector also benefited from the implementation of mega energy projects in line with the flagship projects of the Vision 2030. These include Olkaria 1V (unit 1 &2) and Olkaria 1(unit 4 &5) and wellhead Geothermal projects. Further, the sustained growth in demand for both residential and non-residential structures to house the fast growing urban populations and provision of sufficient office space has positively impacted on the performance of the sector in 2015.Consequently, the real estate sector remained on the growth trajectory that started in 2012 to record a 8.9 per cent in 2015.

2.20. Evidently, the financial services sub-sector also gained from the impressive performance exhibited by the construction sector in the period under review. Loans and advances to building and construction activities registered a substantial increase from KSh 80.4 billion in 2014 to KSh 106.3 billion in 2015.

Accommodation and Food Services (Hotels and Restaurants)

2.21. Performance in the accommodation and food services sector has been greatly constrained in the last three years. During this period, the sector showed some signs of recovery by slowing the rate of contraction to 1.3 per cent compared to a revised contraction of 16.7 per cent in 2014. This rejuvenation may partly be as a consequence of the visits by eminent world personalities as well as the hosting of the World Trade Organization (WTO) talks in Nairobi. However, the subdued performance was an indication that the sector was still reeling from the effects of past shocks that adversely impacted on its performance. International visitor arrivals has been on a downward trend in the last five years. It maintained the trend to stand at 1,180 thousand visitors in 2015.Similarly, bed occupancy rate declined from 31.6 per cent in 2014

to 29.1 per cent in 2015. In the same way, hotel bed nights declined from 6,281.6 thousand in 2014 to 5,878.6 thousand in 2015.The dismal performance in the sector was attributed to security risks posed by terrorism, the aftermath of *ebola* pandemic in West Africa and partly to some countries' failure to lift travel advisories issued in the past.

2.22. Tables 2.1 to Table 2.6 present the Gross Domestic Product (GDP) disaggregated by the gross value added generated by the economy. As shown in Table 2.1, the value of GDP at current prices rose by 15.3 per cent from KSh 5,398.0 billion in 2014 to KSh 6,224.4 billion in 2015. Table 2.2 on the other hand depicts the contribution of the various sectors of the economy to total GDP. In the year under review, the contribution of the agriculture, forestry and fishing sector grew markedly from 27.0 to 30.0 per cent mostly on account of a substantial growth in the contribution of growing of crops sub-sector. Similarly, the contribution of the manufacturing sector grew to 10.3 per cent in 2015 from 10.0 per cent in 2014 and maintained the second position in ranking.

2.23. Contribution of most of the other sectors remained largely unchanged but notable movements were observed in wholesale and retail, and transport and storage that shrank by 0.5 and 0.2 percentage points, respectively.

Table 2.1: Gross Domestic Product by Activity

Current Prices, KSh Million

Industry	2011	2012	2013+	2014+	2015*
Agriculture, forestry and fishing	980,088	1,113,860	1,253,477	1,473,787	1,867,034
Growing of crops	686,088	765,579	874,911	1,056,196	1,394,246
Animal production	200,951	232,698	248,096	275,231	314,222
Support activities to agriculture	23,388	28,642	28,934	29,661	36,445
Forestry & logging	46,661	58,039	67,237	73,355	80,633
Fishing & aquaculture	22,999	28,902	34,298	39,344	41,488
Mining and quarrying	32,513	46,625	40,635	44,162	53,784
Manufacturing	437,814	469,502	498,357	539,388	644,057
Manufacture of food, beverages and tobacco	165,939	182,701	201,096	209,489	264,086
Other manufacturing and repair and installation	271,875	286,801	297,261	329,899	379,971
Electricity supply	36,071	48,191	53,902	54,693	62,216
Water supply; sewerage, waste management	33,428	37,779	40,413	42,188	46,774
Construction	164,631	190,851	213,582	261,506	299,851
Wholesale and retail trade; repairs	300,769	334,430	380,327	432,338	467,707
Transport and storage	265,995	339,524	377,210	465,384	521,698
Land transport	186,939	254,371	286,033	351,608	388,741
Air transport including support services	15,314	15,220	17,444	18,334	18,853
All other transport including postal and courier activities	63,742	69,934	73,733	95,441	114,105
Accommodation and food service activities	50,296	57,161	57,628	48,763	49,689
Information and communication	61,381	68,437	68,299	66,310	58,721
Telecommunications	29,590	33,680	31,799	28,440	20,884
Publishing, broadcasting, other IT and information activities	31,792	34,758	36,500	37,870	37,836
Financial and insurance activities	212,675	251,621	313,105	366,921	429,081
Financial activities	181,423	206,652	241,462	261,439	327,522
Insurance activities	31,252	44,970	71,643	105,483	101,559
Real estate	300,406	343,007	375,490	416,099	471,327
Professional, scientific and technical activities	37,344	43,102	48,350	51,977	55,441
Administrative and support service activities	50,107	54,885	57,258	60,983	63,779
Public administration and defence	158,627	185,665	208,824	240,179	245,970
Education	199,125	229,150	251,861	280,647	313,271
Pre-primary and Primary education	91,347	104,813	115,429	126,133	137,964
General sec education	65,987	79,545	87,314	97,281	112,074
Higher and other education	41,790	44,791	49,118	57,232	63,233
Human health and social work activities	67,830	70,449	75,052	92,102	107,945
Arts, entertainment and recreation	5,739	6,175	6,633	7,498	7,611
Other service activities	22,817	26,116	30,079	34,134	39,510
Activities of households as employers;	21,027	24,138	25,462	28,090	30,624
Financial Intermediation Services Indirectly Measured (FISIM)	-90,687	-111,574	-124,136	-134,588	-167,909
All economic activities	**3,347,996**	**3,829,096**	**4,251,806**	**4,872,560**	**5,668,180**
Taxes on products	377,922	432,055	493,633	525,460	556,189
GDP at market prices	**3,725,918**	**4,261,151**	**4,745,439**	**5,398,020**	**6,224,369**

* Provisional

+Revised

Table 2.2: Gross Domestic Product by Activity

	Percentage Contribution to GDP				
Industry	**2011**	**2012**	**2013+**	**2014+**	**2015***
Agriculture, forestry and fishing	26.3	26.1	26.4	27.3	30.0
Growing of crops	18.4	18.0	18.4	19.6	22.4
Animal production	5.4	5.5	5.2	5.1	5.0
Support activities to agriculture	0.6	0.7	0.6	0.5	0.6
Forestry & logging	1.3	1.4	1.4	1.4	1.3
Fishing & aquaculture	0.6	0.7	0.7	0.7	0.7
Mining and quarrying	0.9	1.1	0.9	0.8	0.9
Manufacturing	11.8	11.0	10.5	10.0	10.3
Manufacture of food, beverages and tobacco	4.5	4.3	4.2	3.9	4.2
Other manufacturing and repair and installation	7.3	6.7	6.3	6.1	6.1
Electricity supply	1.0	1.1	1.1	1.0	1.0
Water supply; sewerage, waste management	0.9	0.9	0.9	0.8	0.8
Construction	4.4	4.5	4.5	4.8	4.8
Wholesale and retail trade; repairs	8.1	7.8	8.0	8.0	7.5
Transport and storage	7.1	8.0	7.9	8.6	8.4
Land transport	5.0	6.0	6.0	6.5	6.2
Air transport including support services	0.4	0.4	0.4	0.3	0.3
All other transport including postal and courier activities	1.7	1.6	1.6	1.8	1.8
Accommodation and food service activities	1.3	1.3	1.2	0.9	0.8
Information and communication	1.6	1.6	1.4	1.2	0.9
Telecommunications	0.8	0.8	0.7	0.5	0.3
Publishing, broadcasting, other IT and information activities	0.9	0.8	0.8	0.7	0.6
Financial and insurance activities	5.7	5.9	6.6	6.8	6.9
Financial activities	4.9	4.8	5.1	4.8	5.3
Insurance activities	0.8	1.1	1.5	2.0	1.6
Real estate	8.1	8.0	7.9	7.7	7.6
Professional, scientific and technical activities	1.0	1.0	1.0	1.0	0.9
Administrative and support service activities	1.3	1.3	1.2	1.1	1.0
Public administration and defence	4.3	4.4	4.4	4.4	4.0
Education	5.3	5.4	5.3	5.2	5.0
Primary education	2.5	2.5	2.4	2.3	2.2
General sec education	1.8	1.9	1.8	1.8	1.8
Higher and other education	1.1	1.1	1.0	1.1	1.0
Human health and social work activities	1.8	1.7	1.6	1.7	1.7
Arts, entertainment and recreation	0.2	0.1	0.1	0.1	0.1
Other service activities	0.6	0.6	0.6	0.6	0.6
Activities of households as employers;	0.6	0.6	0.5	0.5	0.5
Financial Intermediation Services Indirectly Measured (FISIM)	-2.4	-2.6	-2.6	-2.5	-2.7
All economic activities	**89.9**	**89.9**	**89.6**	**90.3**	**91.1**
Taxes on products	10.1	10.1	10.4	9.7	8.9
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* Provisional

+Revised

2.24. The contribution of the various sectors to GDP at constant prices is provided in Table 2.3 while growth rates for the respective sectors and sub-sectors are shown in Table 2.4. The value of all goods and services produced, net of goods and services consumed as inputs and valued at 2009 prices is estimated to have increased to KSh4,050.8 billion in 2015 from KSh3,834.2 billion in 2014. In 2015, all sectors recorded positive growths of varying magnitudes except accommodation and food services (hotels and restaurants) the performance of which remained subdued to contract by 1.3 per cent, an improvement from the 16.7 per cent contraction in 2014. Contrary to the dismal performance recorded in 2014, the publishing, broadcasting, other information activities recovered from a revised contraction of 1.8 per cent in 2014 to post a 2.9 per cent growth in 2015. Growth in the financial and insurance sector accelerated from 8.3 per cent in 2014 to 8.7 per cent in 2015, mainly buoyed by the significant expansion of the financial sector despite a notable decelerated growth in the insurance sub-sector.Overall, Kenya's GDP expanded by 5.6 per cent in 2015 compared to 5.3 per cent in 2014.

Table 2.3: Gross Domestic Product by Activity

Constant 2009 Prices, KSh Million

Industry	2011	2012	2013+	2014+	2015*
Agriculture, forestry and fishing	753,596	775,798	818,044	846,568	894,188
Growing of crops	516,236	527,487	562,362	588,606	615,284
Animal production	159,685	163,251	166,558	169,788	191,500
Support activities to agriculture	21,612	25,028	25,990	23,214	23,242
Forestry & logging	36,696	39,669	41,577	42,945	43,482
Fishing & aquaculture	19,367	20,364	21,558	22,016	20,680
Mining and quarrying	28,429	33,838	32,385	37,097	41,161
Manufacturing	383,890	381,750	403,131	416,029	430,421
Manufacture of food, beverages and tobacco	129,482	136,828	151,262	156,060	164,791
Other manufacturing and repair and installation	254,407	244,922	251,868	259,970	265,630
Electricity supply	45,949	52,187	57,301	61,461	67,401
Water supply; sewerage, waste management	28,489	29,358	29,658	30,873	31,458
Construction	139,050	154,816	164,092	185,514	210,767
Wholesale and retail trade; repairs	237,502	254,222	274,040	294,690	312,291
Transport and storage	231,333	237,495	240,939	252,118	270,055
Land transport	153,264	157,198	163,992	170,632	179,532
Air transport including support services	19,974	20,460	21,570	21,482	20,686
All other transport including postal and courier activities	58,095	59,838	55,378	60,005	69,837
Accommodation and food service activities	53,333	54,972	52,441	43,657	43,086
Information and communication	105,606	108,186	121,848	139,603	149,793
Telecommunications	74,164	77,763	91,216	109,528	118,854
Publishing, broadcasting, other IT and information activities	31,443	30,423	30,632	30,075	30,939
Financial and insurance activities	185,163	196,220	212,241	229,819	249,884
Financial activities	159,160	167,142	180,730	196,614	215,062
Insurance activities	26,003	29,078	31,511	33,206	34,822
Real estate	272,055	283,061	294,747	311,148	330,495
Professional, scientific and technical activities	34,518	36,654	39,120	40,557	42,141
Administrative and support service activities	46,546	47,619	48,201	49,361	50,113
Public administration and defence	132,612	137,872	141,719	149,269	157,342
Education	210,928	234,345	249,371	265,072	277,414
Pre-primary and Primary education	97,732	109,807	111,520	112,061	113,216
General sec education	73,125	83,767	94,176	104,311	112,819
Higher and other education	40,071	40,771	43,675	48,700	51,379
Human health and social work activities	60,723	59,023	63,581	68,711	73,228
Arts, entertainment and recreation	5,025	4,892	5,039	5,195	5,253
Other service activities	21,853	22,732	24,403	25,989	27,551
Activities of households as employers;	17,908	18,177	18,449	18,726	19,007
Financial Intermediation Services Indirectly Measured	-75,076	-82,648	-86,932	-96,763	-111,242
All economic activities	**2,919,431**	**3,040,568**	**3,203,817**	**3,374,695**	**3,571,804**
Taxes on products	374,594	403,499	436,339	459,549	479,044
GDP at market prices	**3,294,026**	**3,444,067**	**3,640,156**	**3,834,244**	**4,050,848**

* Provisional

+ Revised

Table 2.4: Gross Domestic Product by Activity

Percentage Changes (growth)

Industry	2011	2012	2013+	2014+	2015*
Agriculture, forestry and fishing	2.4	2.9	5.4	3.5	5.6
Growing of crops	2.1	2.2	6.6	4.7	4.5
Animal production	0.4	2.2	2.0	1.9	12.8
Support activities to agriculture	15.0	15.8	3.8	-10.7	0.1
Forestry & logging	4.6	8.1	4.8	3.3	1.2
Fishing & aquaculture	10.4	5.1	5.9	2.1	-6.1
Mining and quarrying	19.0	19.0	-4.3	14.5	11.0
Manufacturing	7.2	-0.6	5.6	3.2	3.5
Manufacture of food, beverages and tobacco	7.6	5.7	10.5	3.2	5.6
Other manufacturing and repair and installation	7.1	-3.7	2.8	3.2	2.2
Electricity supply	13.3	13.6	9.8	7.3	9.7
Water supply; sewerage, waste management	3.6	3.1	1.0	4.1	1.9
Construction	4.0	11.3	6.0	13.1	13.6
Wholesale and retail trade; repairs	8.3	7.0	7.8	7.5	6.0
Transport and storage	7.1	2.7	1.5	4.6	7.1
Land transport	4.8	2.6	4.3	4.0	5.2
Air transport including support services	13.6	2.4	5.4	-0.4	-3.7
All other transport including postal and courier activities	11.3	3.0	-7.5	8.4	16.4
Accommodation and food services	4.1	3.1	-4.6	-16.7	-1.3
Information and communication	22.1	2.4	12.6	14.6	7.3
Telecommunications	29.2	4.9	17.3	20.1	8.5
Publishing, broadcasting, other IT and information activities	8.1	-3.2	0.7	-1.8	2.9
Financial and insurance activities	4.6	6.0	8.2	8.3	8.7
Financial activities	2.3	5.0	8.1	8.8	9.4
Insurance activities	21.3	11.8	8.4	5.4	4.9
Real estate	5.1	4.0	4.1	5.6	6.2
Professional, scientific and technical activities	1.3	6.2	6.7	3.7	3.9
Administrative and support service activities	2.5	2.3	1.2	2.4	1.5
Public administration and defence	2.2	4.0	2.8	5.3	5.4
Education	7.5	11.1	6.4	6.3	4.7
Primary education	5.9	12.4	1.6	0.5	1.0
General secondary education	11.0	14.6	12.4	10.8	8.2
Higher and other education	5.5	1.7	7.1	11.5	5.5
Human health and social work activities	-2.6	-2.8	7.7	8.1	6.6
Arts, entertainment and recreation	3.6	-2.7	3.0	3.1	1.1
Other service activities	1.1	4.0	7.3	6.5	6.0
Activities of households as employers;	1.5	1.5	1.5	1.5	1.5
Financial Intermediation Services Indirectly Measured	9.1	10.1	5.2	11.3	15.0
All industries at basic prices	**5.3**	**4.1**	**5.4**	**5.3**	**5.8**
Taxes on products	12.6	7.7	8.1	5.3	4.2
GDP at market prices	**6.1**	**4.6**	**5.7**	**5.3**	**5.6**

* Provisional

+Revised

2.25.The various sectors' contribution to overall growth are presented in Table 2.5. The growth in GDP in 2015 was mainly attributed to significantly improved performance in key sectors of the economy such as agriculture (22.0 per cent), construction (11.7 per cent), real estate (8.9 per cent) and, financial and insurance (9.3 per cent). Growth attributable to wholesale and retail tradedeclined from 10.6 per cent in 2014 to 8.1 per cent in 2015.

Table 2.5: Sources of Growth, 2011-2015

Percentage Changes (growth)

Industry	2011	2012	2013+	2014+	2015*
Agriculture, forestry and fishing	9.2	14.8	21.5	14.7	22.0
Growing of crops	5.5	7.5	17.8	13.5	12.3
Animal production	0.3	2.4	1.7	1.7	10.0
Support activities to agriculture	1.5	2.3	0.5	-1.4	0.0
Forestry & logging	0.9	2.0	1.0	0.7	0.2
Fishing & aquaculture	1.0	0.7	0.6	0.2	-0.6
Mining and quarrying	2.4	3.6	-0.7	2.4	1.9
Manufacturing	13.7	-1.4	10.9	6.6	6.6
Manufacture of food, beverages and tobacco	4.8	4.9	7.4	2.5	4.0
Other manufacturing and repair and installation	8.9	-6.3	3.5	4.2	2.6
Electricity supply	2.8	4.2	2.6	2.1	2.7
Water supply; sewerage, waste management	0.5	0.6	0.2	0.6	0.3
Construction	2.8	10.5	4.7	11.0	11.7
Wholesale and retail trade; repairs	9.6	11.1	10.1	10.6	8.1
Transport and storage	8.1	4.1	1.8	5.8	8.3
Land transport	3.7	2.6	3.5	3.4	4.1
Air transport including support services	1.3	0.3	0.6	0.0	-0.4
All other transport including postal and courier activities	3.1	1.2	-2.3	2.4	4.5
Accommodation and food service activities	1.1	1.1	-1.3	-4.5	-0.3
Information and communication	10.1	1.7	7.0	9.1	4.7
Telecommunications	8.8	2.4	6.9	9.4	4.3
Publishing, broadcasting, other IT and information activities	1.2	-0.7	0.1	-0.3	0.4
Financial and insurance activities	4.3	7.4	8.2	9.1	9.3
Financial activities	1.9	5.3	6.9	8.2	8.5
Insurance activities	2.4	2.0	1.2	0.9	0.7
Real estate	6.9	7.3	6.0	8.5	8.9
Professional, scientific and technical activities	0.2	1.4	1.3	0.7	0.7
Administrative and support service activities	0.6	0.7	0.3	0.6	0.3
Public administration and defence	1.5	3.5	2.0	3.9	3.7
Education	7.8	15.6	7.7	8.1	5.7
Primary education	2.9	8.0	0.9	0.3	0.5
General sec education	3.8	7.1	5.3	5.2	3.9
Higher and other education	1.1	0.5	1.5	2.6	1.2
Human health and social work activities	-0.9	-1.1	2.3	2.6	2.1
Arts, entertainment and recreation	0.1	-0.1	0.1	0.1	0.0
Other service activities	0.1	0.6	0.9	0.8	0.7
Activities of households as employers;	0.1	0.2	0.1	0.1	0.1
Financial Intermediation Services Indirectly Measured	-3.3	-5.0	-2.2	-5.1	-6.7
All industries at basic prices	**78.0**	**80.7**	**83.3**	**88.0**	**91.0**
Taxes on products	22.0	19.3	16.7	12.0	9.0
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

*Provisional

+ Revised

2.26 Table 2.6 shows the annual production accounts by industry for the period 2011 to 2015. Total output from all industries rose from KSh 8,840.0 billion in 2014 to KSh 9,971.4 in 2015.The value of output at basic prices, intermediate consumption, value added and operating surplus/mixed income for most industries recorded growths in 2015.The value of compensation of employees in the manufacturing and construction sectors grewfaster than other industries at 25.7 and 46.3 per cent, respectively. The growth in employment in the construction sector may be on account of the ongoing infrastructural projects such as the Standard Gauge Railway (SGR) and,construction and rehabilitation ofroadsand construction of non-residential structures.

Table 2.6: Annual production accounts by industry, 2011-2015

KSh Million

Industry	2011	2012	2013+	2014+	2015*
Agriculture, forestry and fishing					
Output at basic prices	1,186,945	1,335,184	1,501,188	1,750,596	2,153,764
Intermediate consumption	206,857	221,324	247,711	276,809	286,730
Value added, gross	980,088	1,113,860	1,253,477	1,473,787	1,867,034
Compensation of employees	105,339	117,307	131,411	154,051	194,318
Operating surplus/mixed income, gross	874,749	996,553	1,122,066	1,319,736	1,672,716
Mining and quarrying					
Output at basic prices	57,027	76,628	69,514	78,638	89,938
Intermediate consumption	24,514	30,003	28,879	34,477	36,153
Value added, gross	32,513	46,625	40,635	44,162	53,784
Compensation of employees	6,203	6,921	8,768	15,627	17,770
Operating surplus/mixed income, gross	26,310	39,705	31,867	28,535	36,014
Manufacturing					
Output at basic prices	1,580,775	1,619,622	1,732,412	1,831,071	1,986,733
Intermediate consumption	1,142,961	1,150,120	1,234,055	1,291,684	1,342,676
Value added, gross	437,814	469,502	498,357	539,388	644,057
Compensation of employees	97,819	103,908	127,186	147,472	185,392
Operating surplus/mixed income, gross	339,995	365,594	371,171	391,916	458,666
Electricity, gas and water supply					
Output at basic prices	139,417	161,099	171,628	176,155	181,938
Intermediate consumption	69,918	75,129	77,313	79,274	72,948
Value added, gross	69,499	85,970	94,315	96,881	108,990
Compensation of employees	24,285	21,694	27,127	25,312	26,666
Operating surplus/mixed income, gross	45,213	64,276	67,187	71,569	82,324
Construction					
Output at basic prices	436,734	513,391	582,912	689,650	797,310
Intermediate consumption	272,103	322,540	369,331	428,143	497,459
Value added, gross	164,631	190,851	213,582	261,506	299,851
Compensation of employees	67,741	83,044	98,694	126,546	185,119
Operating surplus/mixed income, gross	96,890	107,807	114,888	134,960	114,732
Wholesale and retail trade					
Output at basic prices	545,274	606,843	684,873	774,933	832,331
Intermediate consumption	244,505	272,413	304,546	342,595	364,624
Value added, gross	300,769	334,430	380,327	432,338	467,707
Compensation of employees	110,924	118,992	143,878	174,612	189,661
Operating surplus/mixed income, gross	189,844	215,439	236,449	257,726	278,047
Transport and storage					
Output at basic prices	641,570	706,235	775,148	894,065	951,384
Intermediate consumption	375,575	366,711	397,938	428,681	429,686
Value added, gross	265,995	339,524	377,210	465,384	521,698
Compensation of employees	89,504	98,792	111,468	132,129	145,149
Operating surplus/mixed income, gross	176,492	240,732	265,742	333,255	376,549
Accommodation and food service activities					
Output at basic prices	120,914	132,560	132,153	113,503	116,720
Intermediate consumption	70,618	75,400	74,525	64,739	67,032
Value added, gross	50,296	57,160	57,628	48,763	49,689
Compensation of employees	24,818	25,533	29,678	30,466	31,509
Operating surplus/mixed income, gross	25,478	31,628	27,950	18,297	18,180
Information and communication					
Output at basic prices	186,040	203,693	228,353	258,971	279,994
Intermediate consumption	124,659	135,255	160,054	192,661	221,273
Value added, gross	61,381	68,437	68,299	66,310	58,721
Compensation of employees	38,762	41,423	50,086	57,971	62,414
Operating surplus/mixed income, gross	22,619	27,015	18,213	8,339	-3,693
Financial and insurance activities					
Output at basic prices	286,719	337,400	413,707	492,198	560,704
Intermediate consumption	74,043	85,778	100,602	125,276	131,622
Value added, gross	212,675	251,621	313,105	366,921	429,081
Compensation of employees	73,719	82,057	93,209	102,276	82,527
Operating surplus/mixed income, gross	138,956	169,565	219,896	264,645	346,555

Table 2.6: Annual production accounts by industry, 2011-2015 (Cont'd)

KSh Million

Industry	2011	2012	2013+	2014+	2015*
Real estate					
Output at basic prices	338,584	384,519	420,365	467,885	526,277
Intermediate consumption	38,177	41,511	44,876	51,785	54,950
Value added, gross	300,406	343,007	375,490	416,099	471,327
Compensation of employees	25,340	29,325	32,644	36,436	40,820
Operating surplus/mixed income, gross	275,066	313,682	342,846	379,663	430,507
Professional, scientific and technical activities					
Output at basic prices	56,666	64,607	71,248	72,935	74,638
Intermediate consumption	19,322	21,506	22,898	20,958	19,198
Value added, gross	37,344	43,102	48,350	51,977	55,441
Compensation of employees	20,584	24,743	28,230	30,387	32,228
Operating surplus/mixed income, gross	16,759	18,359	20,120	21,590	23,213
Administrative and support service activities					
Output at basic prices	59,683	65,144	68,239	72,794	75,866
Intermediate consumption	9,576	10,260	10,981	11,811	12,087
Value added, gross	50,107	54,885	57,258	60,983	63,779
Compensation of employees	24,798	27,264	34,428	37,985	38,646
Operating surplus/mixed income, gross	25,309	27,620	22,830	22,998	25,133
Public administration and defence					
Output at basic prices	276,973	316,060	363,674	411,145	487,583
Intermediate consumption	118,346	130,396	154,850	170,966	241,612
Value added, gross	158,627	185,665	208,824	240,179	245,970
Compensation of employees	127,188	145,462	164,585	191,502	186,421
Operating surplus/mixed income, gross	31,438	40,203	44,239	48,677	59,549
Education					
Output at basic prices	328,936	387,479	430,117	483,670	550,844
Intermediate consumption	129,811	158,329	178,255	203,023	237,573
Value added, gross	199,125	229,150	251,861	280,647	313,271
Compensation of employees	183,038	211,552	234,474	266,451	293,719
Operating surplus/mixed income, gross	16,087	17,598	17,388	14,196	19,552
Health and social work					
Output at basic prices	119,604	136,982	154,510	165,286	188,284
Intermediate consumption	51,774	66,533	79,457	73,185	80,339
Value added, gross	67,830	70,449	75,052	92,102	107,945
Compensation of employees	62,306	63,270	84,875	104,890	106,105
Operating surplus/mixed income, gross	5,524	7,179	-9,823	-12,788	1,839
Other service activities					
Output at basic prices	76,654	85,779	95,196	106,547	117,099
Intermediate consumption	27,070	29,349	33,022	36,825	39,354
Value added, gross	49,584	56,430	62,174	69,722	77,745
Compensation of employees	41,447	45,998	51,440	57,501	64,242
Operating surplus/mixed income, gross	8,137	10,432	10,735	12,222	13,503
Less: Financial services indirectly measured					
Intermediate consumption	90,687	111,574	124,136	134,588	167,909
Value added, gross	-90,687	-111,574	-124,136	-134,588	-167,909
All industries at basic prices					
Output at basic prices	6,438,513	7,133,225	7,895,235	8,840,039	9,971,406
Intermediate consumption	3,090,517	3,304,129	3,643,429	3,967,480	4,303,226
Gross value added at basic prices	3,347,996	3,829,096	4,251,806	4,872,559	5,668,180
Other taxes on production	124,121	128,291	142,736	154,972	160,842
Less: Subsidies					
Compensation of employees	1,123,816	1,247,283	1,452,179	1,691,612	1,882,704
Gross operating surplus/mixed income	2,225,489	2,580,686	2,799,892	3,184,123	3,184,124
Total economy					
Output at basic prices	6,438,513	7,133,225	7,895,235	8,840,039	9,971,406
Taxes on products less subsidies on products	377,922	432,055	493,633	525,460	556,189
Intermediate consumption	3,090,517	3,304,129	3,643,429	3,967,480	4,303,226
GDP at market prices	3,725,918	4,261,151	4,745,439	5,398,020	6,224,369

* Provisional

+ Revised

2.27. Tables 2.7 and 2.8 present the components of expenditure on GDP at current prices and their respective shares to GDP at market prices. Gross domestic expenditure rose from KSh 6,308.3 billion in 2014 to KSh 7,159.4 billion in 2015 mainly owing to considerable growth in the values of final government consumption and private final consumption. The value of imports of goods and services went down by 2.1 per cent compared with a 7.4 per cent growth realized in the value of export of goods and services in 2015.The share of private final consumption to GDP at market prices declined slightly to 78.6 per cent while that of government final consumption rose by 0.3 percentage points to reach 14.5 per cent in 2015. The proportion of import of goods and services to GDP declined from 34.2 per cent in 2014 to 29.0 per cent in 2015 as a consequence of a slow growth in the value of imports in 2015.

Table 2.7: Expenditure on the Gross Domestic Product

Current Prices - KSh Million

Expenditure category	2011	2012	2013+	2014+	2015*
Government final consumption expenditure	522,062	596,065	680,258	766,030	902,014
Private final consumption expenditure	2,903,300	3,306,912	3,788,956	4,284,523	4,889,745
Final consumption expenditure by NPISH	33,051	37,496	43,585	43,445	47,686
Gross fixed capital formation	759,746	903,740	977,516	1,237,600	1,339,389
Changes in inventories	48,881	14,166	-20,581	-23,348	-19,473
Gross domestic expenditure	**4,267,040**	**4,858,379**	**5,469,733**	**6,308,250**	**7,159,360**
Exports of goods and services	805,766	844,425	861,252	913,585	981,522
Imports of goods and services	1,446,502	1,508,672	1,572,220	1,846,148	1,807,417
Discrepancy [1]	99,614	67,018	-13,326	22,333	-109,095
Gross domestic product at market prices	**3,725,918**	**4,261,151**	**4,745,439**	**5,398,020**	**6,224,369**

[1]Difference between GDP production approach and GDP expenditure approach

[2]Non Profit Institutions Serving Households

Table 2.8: Expenditure on the Gross Domestic Product

Percentage contributions to GDP

Expenditure category	2011	2012	2013+	2014+	2015*
Government final consumption expenditure	14.0	14.0	14.3	14.2	14.5
Private final consumption expenditure	77.9	77.7	79.8	79.4	78.6
Final consumption expenditure by NPISH	0.9	0.9	0.9	0.8	0.8
Gross fixed capital formation	20.4	21.2	20.6	22.9	21.5
Changes in inventories	1.3	0.3	-0.4	-0.4	-0.3
Gross domestic expenditure	**114.5**	**114.2**	**115.3**	**116.9**	**115.0**
Exports of goods and services	21.6	19.8	18.1	16.9	15.8
Imports of goods and services	38.8	35.5	33.1	34.2	29.0
Discrepancy	2.7	1.4	-0.3	0.4	-1.8
Gross domestic product at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

*Provisional

+ Revised

2.28. Table 2.9 presents GDP expenditure items valued at 2009 prices and provides an insight on how resources were broadly used in the economy. In addition,Table 2.10 shows the growth of each category of expenditure for the period 2011 to 2015. Gross domestic expenditure prices increased from KSh 4,348.9 billion in 2014 to KSh 4,615.8 billion in 2015. The change was mainly as a result of a 15.4 per cent growth in government final consumption expenditure and a moderate rise in private final consumption expenditure. Both export and import of goods and services contracted modestly in 2015, while the contribution of gross fixed capital formation declined substantially from 14.8 per cent in 2014 to 5.2 per cent in 2015. The kink observed in 2014 was as a result of imports related to the ongoing infrastructure development projects as well as a remarkable growth in importation of aircraft during the year.

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

Constant 2009 Prices - KSh Million

Expenditure category	2011	2012	2013+	2014+	2015*
Government final consumption expenditure	470,188	504,667	532,642	564,479	651,542
Private final consumption expenditure	2,463,475	2,604,583	2,826,285	2,956,968	3,113,461
Final consumption expenditure by NPISH	31,011	32,025	33,150	33,502	34,328
Gross fixed capital formation	632,010	712,002	720,850	827,332	870,046
Changes in inventories	25,063	8,968	-8,957	-33,335	-53,612
Gross domestic expenditure	**3,621,748**	**3,862,246**	**4,103,970**	**4,348,947**	**4,615,766**
Exports of goods and services	681,289	679,828	682,966	718,989	712,783
Imports of goods and services	1,080,897	1,138,899	1,129,884	1,249,353	1,234,759
Discrepancy [1]	71,886	40,893	-16,896	15,662	-42,942
Gross domestic product at market prices	**3,294,026**	**3,444,067**	**3,640,156**	**3,834,244**	**4,050,848**

[1]Difference between GDP production approach and GDP expenditure approach

Table 2.10: Expenditure on the Gross Domestic Product

Percetage Changes (growth)

Expenditure category	2011	2012	2013+	2014+	2015*
Government final consumption expenditure	4.1	7.3	5.5	6.0	15.4
Private final consumption expenditure	6.3	5.7	8.5	4.6	5.3
Final consumption expenditure by NPISH	1.3	3.3	3.5	1.1	2.5
Gross fixed capital formation	4.5	12.7	1.2	14.8	5.2
Changes in inventories	108.2	-64.2	-199.9	272.2	60.8
Gross domestic expenditure	**6.0**	**6.6**	**6.3**	**6.0**	**6.1**
Exports of goods and services	9.2	-0.2	0.5	5.3	-0.9
Imports of goods and services	13.2	5.4	-0.8	10.6	-1.2
Discrepancy					
Gross domestic product at market prices	**6.1**	**4.5**	**5.8**	**5.3**	**5.6**

*Provisional

+ Revised

2.29. Details of the value of additions to fixed assets less disposals by type at current prices for the period 2011 to 2015 are shown in Table 2.11a. The share of each type of asset for the same period is presentedin Table 2.11b. The value of additions to fixed assets in 2015 amounted to KSh 1,339.4 billion up from KSh 1,237.6 billion in 2014. The share of various type of assets to total gross fixed capital formation for most assets remained relatively the same though some assets recorded modest changes.

Table 2.11a: Gross Fixed Capital Formation

Current Prices - KSh Million

Type of Asset	2011	2012	2013+	2014+	2015*
Dwellings	147,057	172,272	197,336	231,539	257,321
Buildings other than dwellings	146,497	172,057	195,630	224,909	247,116
Other structures	89,068	105,729	109,016	133,709	163,067
Transport equipment	141,482	180,071	181,604	299,460	302,856
ICT equipment	56,209	64,014	65,142	57,896	73,407
Other machinery and equipment	150,515	172,641	190,708	249,141	251,648
Animal resources yielding repeat products[1]	5,478	6,841	8,863	9,815	8,189
Tree, crop and plant resources yielding repeat products	5,841	6,414	6,835	6,326	6,625
Intellectual property products	17,598	23,700	22,382	24,805	29,161
Total	**759,746**	**903,740**	**977,516**	**1,237,600**	**1,339,389**

[1]Includes breeding stocks, dairy cattle, draft animals, sheep or other animals used for wool production and animals used for transportation, racing or entertainment.

Table 2.11b: Gross Fixed Capital Formation

Percentage Contributions to GFCF

Type of Asset	2011	2012	2013+	2014+	2015*
Dwellings	19.4	19.1	20.2	18.7	19.2
Buildings other than dwellings	19.3	19.0	20.0	18.2	18.4
Other structures	11.7	11.7	11.2	10.8	12.2
Transport equipment	18.6	19.9	18.6	24.2	22.6
ICT equipment	7.4	7.1	6.7	4.7	5.5
Other machinery and equipment	19.8	19.1	19.5	20.1	18.8
Animal resources yielding repeat products	0.7	0.8	0.9	0.8	0.6
Tree crop and plant resources yielding repeat products	0.8	0.7	0.7	0.5	0.5
Intellectual property products	2.3	2.6	2.3	2.0	2.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* Provisional
+ Revised

2.30. Values of real gross fixed capital formation by type of asset and the corresponding growth rates for the period 2011 to 2015 are shown in Tables 2.12a and 2.12b. Overall, the growth of the value of real GFCF declined from 14.8 in 2014 to 5.2 per cent in 2015. The growth was mainly driven by a substantial increase in the value of other structures which mainly constitute investment in civil works. The value of intellectual property products grew from 10.5 per cent in 2014 to 18.1 per cent in 2015 mainly on the account of the on going mineral exploration.

Table 2.12a: Gross Fixed Capital Formation

Constant 2009 Prices - KSh Million

Type of Asset	2011	2012	2013+	2014+	2015*
Dwellings	123,763	141,911	156,514	171,820	188,453
Buildings other than dwellings	124,670	142,575	156,084	170,062	184,213
Other structures	75,798	87,613	86,979	101,102	121,558
Transport equipment	134,784	135,005	136,515	225,976	218,525
ICT equipment	46,935	50,760	49,385	36,357	34,521
Other machinery and equipment	101,048	124,948	105,710	90,862	89,126
Animal resources yielding repeat products	4,346	4,712	5,742	5,942	4,703
Tree crop and plant resources yielding repeat products	5,341	5,472	5,610	4,974	5,054
Intellectual property products	15,325	19,007	18,312	20,236	23,894
Total	**632,010**	**712,002**	**720,850**	**827,332**	**870,046**

Table2.12b: Gross Fixed Capital Formation

Percentage Changes (growth)

Type of Asset	2011	2012	2013+	2014+	2015*
Dwellings	3.5	14.7	10.3	9.8	9.7
Buildings other than dwellings	8.9	14.4	9.5	9.0	8.3
Other structures	16.9	15.6	-0.7	16.2	20.2
Transport equipment	9.9	0.2	1.1	65.5	-3.3
ICT equipment	-9.5	8.1	-2.7	-26.4	-5.1
Other machinery and equipment	-7.9	23.7	-15.4	-14.0	-1.9
Animal resources yielding repeat products	-12.9	8.4	21.9	3.5	-20.9
Tree crop and plant resources yielding repeat products	2.9	2.4	2.5	-11.3	1.6
Intellectual property products	36.1	24.0	-3.7	10.5	18.1
Total	**4.5**	**12.7**	**1.2**	**14.8**	**5.2**

* Provisional

+ Revised

2.31. Tables 2.13 and 2.14 details the relationship between the GDP and gross national incomefor the period 2011 to 2015. Gross National Income (GNI) registered a nominal growth of15.3 per cent to stand at KSh 6,180.7 billion in 2015. Similarly, the Gross National Disposable Income (GNDI) at current prices increased by 15.1 per cent mainly due to a significant rise in diaspora remittances. Gross domestic product per capita rose from KSh 124,710 in 2014 to KSh 140,961 in 2015.

Table 2.13: Gross Domestic Product and Gross National Income, 2011-2015

Current Prices - KSh Million

	2011	2012	2013+	2014+	2015*
Current Prices, KSh Million					
Compensation of employees	1,122,507	1,246,604	1,452,841	1,694,094	1,884,189
Consumption of fixed capital	422,395	475,642	567,840	731,738	814,704
Net operating surplus	1,803,094	2,106,849	2,231,124	2,446,728	2,969,286
Taxes on products	377,922	432,055	493,633	525,460	556,189
Gross domestic product at market prices	**3,725,918**	**4,261,151**	**4,745,439**	**5,398,020**	**6,224,369**
Primary incomes					
Receivable from the rest of the world	25,710	17,163	17,605	17,160	22,910
Payable to rest of the world	-25,091	-29,619	-44,160	-52,843	-66,602
Gross national income at market prices	**3,726,538**	**4,248,694**	**4,718,884**	**5,362,337**	**6,180,677**
Current transfers					
Receivable from the rest of the world	279,617	240,850	274,152	349,953	368,422
Payable to rest of the world	-4,121	-3,352	-4,020	-17,853	6,248
Gross national disposable income	**4,002,035**	**4,486,193**	**4,989,016**	**5,694,437**	**6,555,347**
Per capita, KSh					
Gross domestic product at market prices	94,219	104,821	113,210	124,710	140,961
Gross national income at market prices	94,235	104,514	112,575	124,044	139,972
Constant prices					
GDP at market prices, KSh Million	3,294,026	3,444,067	3,640,156	3,834,244	4,050,848
Per capita	83,298	84,721	87,105	89,240	91,588
- Annual percentage change	3.2	1.7	2.8	2.5	2.6

* Provisional

+ Revised

Table 2.14: National Disposable Income and Saving, 2011-2015

Current Prices - KSh Million

	2011	2012	2013+	2014+	2015*
Gross national disposable income	**4,002,035**	**4,486,193**	**4,989,016**	**5,694,437**	**6,555,347**
Consumption of fixed capital	422,395	475,642	567,840	731,738	814,704
Net national disposable income	**3,579,639**	**4,010,551**	**4,421,176**	**4,962,699**	**5,740,643**
Final consumption expenditure	3,458,413	3,940,473	4,512,799	5,093,997	5,839,444
Private	2,903,300	3,306,912	3,788,956	4,284,523	4,889,745
Non-Profit Institutions Serving Householuds	33,051	37,496	43,585	43,445	47,686
General government	522,062	596,065	680,258	766,030	902,014
Saving, net	**121,227**	**70,077**	**-91,623**	**-131,298**	**-98,801**
Financing of capital formation					
Saving, net	121,227	70,077	-91,623	-131,298	-98,801
Capital transfers from abroad, net	20,861	19,890	13,644	24,204	25,219
Total	**142,088**	**89,967**	**-77,979**	**-107,094**	**-73,582**
Gross fixed capital formation	759,746	903,740	977,516	1,237,600	1,339,389
Consumption of fixed capital	-422,395	-475,642	-567,840	-731,738	-814,704
Changes in inventories	48,881	14,166	-20,581	-23,348	-19,473
Net lending (+) / Net borrowing(-)	153,910	189,752	148,751	286,300	398,904
Total	**142,088**	**89,967**	**-77,979**	**-107,094**	**-73,582**

* Provisional

+ Revised

Table 2.15 Gross domestic product by activity

Current prices – Kshs million

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade	Accommodation & restaurant	Transport and storage	Information and communication	Financial & insurance
2011		980,088	32,513	437,814	69,499	164,631	300,769	50,296	265,995	61,381	212,675
2012		1,113,860	46,625	469,502	85,970	190,851	334,430	57,161	339,524	68,437	251,621
2013		1,253,477	40,635	498,357	94,315	213,582	380,327	57,628	377,210	68,299	313,105
2014		1,473,787	44,162	539,388	96,881	261,506	432,338	48,763	465,384	66,310	366,921
2015		1,867,034	53,784	644,057	108,990	299,851	467,707	49,689	521,698	58,721	429,081
2011	1	278,102	7,912	100,443	13,723	34,830	69,071	17,304	56,940	13,825	47,420
	2	273,637	8,171	102,647	16,476	40,572	70,232	10,241	58,378	14,624	46,978
	3	208,751	8,617	114,409	17,594	42,047	79,855	11,912	71,433	15,797	57,892
	4	219,597	7,812	120,315	21,706	47,182	81,610	10,839	79,245	17,135	60,385
2012	1	338,532	10,518	105,824	19,322	44,330	73,286	20,218	79,658	15,507	60,254
	2	304,868	11,284	106,639	21,482	45,298	82,329	11,383	81,381	14,657	61,698
	3	232,135	12,298	118,649	21,884	48,520	94,878	12,714	87,943	15,492	55,126
	4	238,326	12,525	138,390	23,282	52,703	83,937	12,845	90,542	22,781	74,544
2013	1	363,789	11,237	160,211	23,477	50,416	84,229	12,611	108,215	17,779	68,018
	2	329,702	8,675	139,682	24,326	52,134	94,637	13,844	81,626	15,234	79,855
	3	286,455	11,437	121,000	23,011	56,163	106,922	14,608	101,448	14,910	79,944
	4	273,532	9,286	77,464	23,501	54,869	94,538	16,564	85,920	20,375	85,287
2014	1	409,451	12,819	191,841	20,760	59,037	100,554	10,037	147,313	16,591	85,491
	2	359,600	9,625	134,754	24,941	66,370	105,301	11,843	107,750	14,791	91,407
	3	336,146	10,147	109,017	28,379	66,268	118,098	13,252	127,095	15,724	85,432
	4	368,590	11,570	103,776	22,800	69,831	108,384	13,632	83,226	19,205	104,591
2015	1	505,487	14,961	158,727	24,463	68,925	108,806	11,515	134,877	15,229	100,105
	2	476,472	12,060	160,823	26,400	75,226	113,431	12,619	106,664	13,853	123,731
	3	397,819	14,096	164,559	28,990	77,211	124,365	11,027	133,632	13,220	123,363
	4	487,257	12,667	159,947	29,138	78,489	121,105	14,527	146,525	16,418	81,882

Table 2.15: Gross domestic product by activity (Cont'd)

Current prices – Kshs million

Year	Quarter	Public administration	Professional, admin and support services	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2011		158,627	87,450	300,406	199,125	67,830	49,584	-90,687	3,347,996	377,922	3,725,918	
2012		185,665	97,986	343,007	229,150	70,449	56,430	-111,574	3,829,096	432,055	4,261,151	
2013		208,824	105,608	375,490	251,861	75,052	62,174	-124,136	4,251,806	493,633	4,745,439	
2014		240,179	112,960	416,099	280,647	92,102	69,722	-134,588	4,872,560	525,460	5,398,020	
2015		245,970	119,219	471,327	313,271	107,945	77,745	-167,909	5,668,180	556,189	6,224,369	
2011	1	37,972	20,806	71,209	49,642	16,985	12,138	-19,602	828,720	91,189	919,910	873,107
	2	38,160	20,251	74,202	49,237	16,947	12,021	-19,551	833,226	90,530	923,757	911,788
	3	39,172	22,646	76,151	50,697	17,035	12,699	-24,616	822,092	96,095	918,187	948,801
	4	43,323	23,747	78,844	49,548	16,863	12,725	-26,918	863,958	100,107	964,065	1,005,580
2012	1	41,840	23,426	83,271	56,327	17,962	13,594	-26,906	976,965	97,486	1,074,451	1,012,871
	2	44,705	22,755	84,769	56,237	17,775	13,625	-27,638	953,247	104,840	1,058,087	1,040,717
	3	43,890	25,424	87,013	59,078	17,501	14,457	-23,949	923,053	116,529	1,039,582	1,074,086
	4	55,230	26,382	87,955	57,508	17,210	14,753	-33,081	975,831	113,200	1,089,031	1,151,729
2013	1	51,533	25,396	90,618	62,789	17,213	14,833	-28,268	1,134,096	113,587	1,247,683	1,171,615
	2	54,839	24,691	92,219	62,294	18,615	15,107	-31,881	1,075,601	122,472	1,198,073	1,179,995
	3	51,491	27,277	94,833	62,823	18,713	15,758	-31,206	1,055,587	133,113	1,188,700	1,182,303
	4	50,961	28,243	97,819	63,956	20,512	16,476	-32,781	986,522	124,460	1,110,982	1,189,937
2014	1	52,148	27,298	100,839	69,971	20,452	16,939	-31,152	1,310,389	125,462	1,435,851	1,353,622
	2	68,067	26,436	104,420	69,691	23,433	16,946	-33,358	1,202,017	130,470	1,332,487	1,293,831
	3	57,171	28,991	106,254	68,441	23,451	17,074	-31,071	1,179,870	142,874	1,322,744	1,343,440
	4	62,793	30,234	104,585	72,544	24,766	18,763	-39,007	1,180,284	126,654	1,306,938	1,405,847
2015	1	59,024	29,186	110,887	79,011	24,320	19,531	-37,236	1,427,818	127,236	1,555,054	1,462,277
	2	68,563	28,411	121,782	78,563	27,490	19,391	-39,423	1,426,058	140,274	1,566,332	1,404,194
	3	57,278	30,534	126,359	77,759	25,901	18,991	-42,945	1,382,159	146,205	1,528,365	1,429,033
	4	61,105	31,088	112,299	77,938	30,233	19,832	-48,305	1,432,145	142,474	1,574,618	1,409,413

Table 2.16 Gross Domestic Product by Activity

Constant 2009 Prices –KSh Million

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity & water supply	Construction	Wholesale and retail trade	Accommodation & restaurant	Transport and storage	Information and communication	Financial & insurance
2011		753,596	28,429	383,890	74,438	139,050	237,502	53,333	231,333	105,606	185,163
2012		775,798	33,838	381,750	81,545	154,816	254,222	54,972	237,495	108,186	196,220
2013		818,044	32,385	403,131	86,959	164,092	274,040	52,441	240,939	121,848	212,241
2014		846,568	37,097	416,029	92,334	185,514	294,690	43,657	252,118	139,603	229,819
2015		894,188	41,161	430,421	98,859	210,767	312,291	43,086	270,055	149,793	249,884
2011	1	228,171	6,956	94,811	17,914	30,414	56,646	18,745	54,611	22,371	46,536
	2	206,823	7,050	93,297	18,805	34,533	55,742	11,055	53,362	24,748	45,524
	3	159,896	7,364	94,794	18,304	35,135	61,925	12,347	60,799	27,302	46,648
	4	158,705	7,059	100,989	19,416	38,968	63,188	11,186	62,560	31,186	46,455
2012	1	236,265	7,978	94,355	19,982	36,422	54,913	20,292	58,605	25,615	46,664
	2	211,151	8,520	91,260	20,026	36,958	62,197	10,824	57,768	23,393	47,893
	3	163,125	8,714	94,522	20,276	39,245	72,574	11,957	59,571	23,823	50,016
	4	165,257	8,626	101,613	21,260	42,191	64,538	11,899	61,551	35,355	51,647
2013	1	251,545	9,353	103,149	21,104	39,821	63,128	16,102	53,495	29,450	51,595
	2	225,467	6,743	96,774	22,108	40,544	68,765	10,758	58,411	26,219	52,420
	3	173,923	8,684	100,614	21,693	42,840	76,265	13,553	61,301	26,928	52,922
	4	167,109	7,606	102,594	22,054	40,888	65,882	12,027	67,732	39,252	55,303
2014	1	257,060	10,368	109,526	22,021	42,829	69,685	13,919	55,324	33,422	55,836
	2	230,254	8,584	104,574	23,215	47,260	72,743	8,738	61,537	28,518	56,540
	3	185,767	8,837	101,939	23,341	46,610	80,780	10,841	65,841	31,457	56,639
	4	173,486	9,308	99,990	23,757	48,814	71,481	10,159	69,417	46,207	60,804
2015	1	264,620	10,962	113,994	23,654	48,237	74,178	12,334	59,040	36,309	61,740
	2	239,566	9,325	109,943	25,346	52,557	76,561	8,302	65,727	30,513	60,909
	3	196,026	10,047	105,339	25,676	53,896	85,789	10,141	72,046	34,041	62,457
	4	193,977	10,827	101,145	24,183	56,077	75,763	12,309	73,242	48,929	64,778

Table 2.16: Gross domestic product by activity (Cont'd)

Constant 2009 Prices –KSh Million

Year	Quarter	Public administration	Professional, admin and support services	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2011		132,612	81,064	272,055	210,928	60,723	44,786	-75,076	2,919,431	374,594	3,294,026	
2012		137,872	84,274	283,061	234,345	59,023	45,800	-82,648	3,040,567	403,499	3,444,066	
2013		141,719	87,321	294,747	249,371	63,581	47,891	-86,932	3,203,818	436,339	3,640,157	
2014		149,269	89,918	311,148	265,072	68,711	49,911	-96,763	3,374,695	459,549	3,834,244	
2015		157,342	92,254	330,494	277,414	73,228	51,811	-111,242	3,571,804	479,044	4,050,848	
2011	1	32,834	19,844	66,834	51,596	15,354	11,111	-18,342	756,406	89,454	845,861	806,377
	2	33,337	18,973	67,651	51,766	15,314	10,959	-18,114	730,825	88,000	818,825	814,748
	3	33,406	20,842	68,423	53,412	15,246	11,382	-19,216	708,008	97,565	805,573	827,188
	4	33,034	21,406	69,147	54,155	14,809	11,335	-19,404	724,192	99,575	823,766	848,757
2012	1	34,745	20,476	69,820	56,725	15,124	11,295	-19,347	789,929	95,440	885,368	843,933
	2	34,295	19,647	70,469	57,367	14,805	11,195	-20,071	757,697	96,652	854,348	846,617
	3	34,249	21,725	71,090	60,162	14,698	11,595	-21,371	735,972	105,843	841,814	863,924
	4	34,582	22,426	71,682	60,091	14,396	11,716	-21,859	756,971	105,565	862,535	897,047
2013	1	33,121	21,320	72,735	61,499	14,624	11,782	-20,708	833,115	103,631	936,746	892,137
	2	39,846	20,475	73,790	62,271	16,301	11,754	-21,337	811,310	107,523	918,833	899,618
	3	33,134	22,347	74,497	62,657	16,039	12,049	-21,875	777,570	117,592	895,161	920,000
	4	35,618	23,180	73,725	62,944	16,617	12,306	-23,012	781,823	107,593	889,416	937,505
2014	1	31,444	22,018	77,288	64,906	15,497	12,423	-22,453	871,113	109,888	981,002	932,363
	2	45,767	21,052	78,676	66,710	17,662	12,272	-23,737	860,366	113,036	973,401	947,744
	3	32,966	22,841	79,065	66,675	17,414	12,542	-24,322	819,232	122,156	941,389	960,310
	4	39,091	24,008	76,119	66,781	18,137	12,674	-26,251	823,983	114,469	938,452	977,719
2015	1	34,196	22,854	83,329	67,665	16,395	12,989	-25,763	916,732	113,073	1,029,805	982,717
	2	48,655	22,134	86,663	69,702	18,797	12,614	-26,016	911,297	119,615	1,030,912	1,004,755
	3	33,964	23,285	88,103	70,481	17,967	13,013	-28,803	873,470	124,476	997,946	1,019,196
	4	40,527	23,981	72,400	69,566	20,068	13,195	-30,660	870,306	121,880	992,185	1,051,810

Table 2.17: Growth of Gross domestic product by activity

Constant 2009 Prices –KSh Million

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade	Accommodation & restaurant	Transport and storage	Information and communication	Financial & insurance
2011		2.4	19.0	7.2	9.4	4.0	8.3	4.1	7.1	22.1	4.6
2012		2.9	19.0	-0.6	9.5	11.3	7.0	3.1	2.7	2.4	6.0
2013		5.4	-4.3	5.6	6.6	6.0	7.8	-4.6	1.5	12.6	8.2
2014		3.5	14.5	3.2	6.2	13.1	7.5	-16.7	4.6	14.6	8.3
2015		5.6	11.0	3.5	7.1	13.6	6.0	-1.3	7.1	7.3	8.7
2011	1	2.9	28.5	7.6	6.6	6.1	15.7	7.0	9.9	15.5	12.5
	2	3.2	20.5	13.5	12.0	1.9	8.3	2.6	3.5	19.6	4.2
	3	3.8	14.8	4.5	7.6	0.2	5.7	3.8	10.8	12.2	2.3
	4	-0.8	13.7	4.2	11.4	8.2	4.9	1.3	4.6	41.1	0.3
2012	1	3.5	14.7	-0.5	11.5	19.8	-3.1	8.3	7.3	14.5	0.3
	2	2.1	20.8	-2.2	6.5	7.0	11.6	-2.1	8.3	-5.5	5.2
	3	2.0	18.3	-0.3	10.8	11.7	17.2	-3.2	-2.0	-12.7	7.2
	4	4.1	22.2	0.6	9.5	8.3	2.1	6.4	-1.6	13.4	11.2
2013	1	6.5	17.2	9.3	5.6	9.3	15.0	-20.6	-8.7	15.0	10.6
	2	6.8	-20.9	6.0	10.4	9.7	10.6	-0.6	1.1	12.1	9.5
	3	6.6	-0.4	6.4	7.0	9.2	5.1	13.4	2.9	13.0	5.8
	4	1.1	-11.8	1.0	3.7	-3.1	2.1	1.1	10.0	11.0	7.1
2014	1	2.2	10.9	6.2	4.3	7.6	10.4	-13.6	3.4	13.5	8.2
	2	2.1	27.3	8.1	5.0	16.6	5.8	-18.8	5.4	8.8	7.9
	3	6.8	1.8	1.3	7.6	8.8	5.9	-20.0	7.4	16.8	7.0
	4	3.8	22.4	-2.5	7.7	19.4	8.5	-15.5	2.5	17.7	9.9
2015	1	2.9	5.7	4.1	7.4	12.6	6.4	-11.4	6.7	8.6	10.6
	2	4.0	8.6	5.1	9.2	11.2	5.2	-5.0	6.8	7.0	7.7
	3	5.5	13.7	3.3	10.0	15.6	6.2	-6.5	9.4	8.2	10.3
	4	11.8	16.3	1.2	1.8	14.9	6.0	21.2	5.5	5.9	6.5

Table 2.17: Growth of Gross domestic product by activity (Cont'd)

Constant 2009 prices – Kshs million

Year	Quarter	Public administration	Professional, admin and support services	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2011		2.4	2.0	5.1	7.5	-2.6	1.5	9.1	5.3	12.6	6.1	
2012		4.0	4.0	4.0	11.1	-2.8	2.3	10.1	4.1	7.7	4.6	
2013		2.8	3.6	4.1	6.4	7.7	4.6	5.2	5.4	8.1	5.7	
2014		5.3	3.0	5.6	6.3	8.1	4.2	11.3	5.3	5.3	5.3	
2015		5.4	2.6	6.2	4.7	6.6	3.8	15.0	5.8	4.2	5.6	
2011	1	1.2	1.4	5.2	6.0	2.8	2.0	12.1	6.3	19.2	7.6	-0.7
	2	3.9	1.1	5.2	5.9	2.4	1.3	5.1	5.9	13.6	6.7	1.0
	3	3.7	1.8	5.1	8.3	0.6	1.3	6.1	5.0	11.9	5.8	1.5
	4	0.8	3.4	4.8	9.8	-14.4	1.5	13.3	4.0	6.9	4.4	2.6
2012	1	5.8	3.2	4.5	9.9	-1.5	1.7	5.5	4.4	6.7	4.7	-0.6
	2	2.9	3.6	4.2	10.8	-3.3	2.2	10.8	3.7	9.8	4.3	0.3
	3	2.5	4.2	3.9	12.6	-3.6	1.9	11.2	3.9	8.5	4.5	2.0
	4	4.7	4.8	3.7	11.0	-2.8	3.4	12.7	4.5	6.0	4.7	3.8
2013	1	-4.7	4.1	4.2	8.4	-3.3	4.3	7.0	5.5	8.6	5.8	-0.5
	2	16.2	4.2	4.7	8.5	10.1	5.0	6.3	7.1	11.2	7.5	0.8
	3	-3.3	2.9	4.8	4.1	9.1	3.9	2.4	5.7	11.1	6.3	2.3
	4	3.0	3.4	2.9	4.7	15.4	5.0	5.3	3.3	1.9	3.1	1.9
2014	1	-5.1	3.3	6.3	5.5	6.0	5.4	8.4	4.6	6.0	4.7	-0.5
	2	14.9	2.8	6.6	7.1	8.3	4.4	11.2	6.0	5.1	5.9	1.6
	3	-0.5	2.2	6.1	6.4	8.6	4.1	11.2	5.4	3.9	5.2	1.3
	4	9.8	3.6	3.2	6.1	9.2	3.0	14.1	5.4	6.4	5.5	1.8
2015	1	8.8	3.8	7.8	4.3	5.8	4.6	14.7	5.2	2.9	5.0	0.5
	2	6.3	5.1	10.2	4.5	6.4	2.8	9.6	5.9	5.8	5.9	2.2
	3	3.0	1.9	11.4	5.7	3.2	3.8	18.4	6.6	1.9	6.0	1.4
	4	3.7	-0.1	-4.9	4.2	10.6	4.1	16.8	5.6	6.5	5.7	3.2

Chapter 3

Social Scene

Overview

In 2015/16, the National Government expenditure on social sector is expected to continue increasing as a result of the demand for basic social services by the population. The increase in expenditure will mainly target hiring of contract teachers, infrastructure development and funding of Free Primary Education and Free Day Secondary Education. National Government total expenditure on the social sector is expected to increase by 19.8 per cent to KSh 430.1 billion in 2015/16, compared to an 8.7 per cent increase in 2014/15. The recurrent expenditure is expected to increase by 16.0 per cent from KSh 309.8 billion in 2014/15 to KSh 359.4 billion in 2015/16. The gross recurrent expenditure for the Ministry of Education, Science and Technology is expected to grow by 13.9 per cent from KSh 261.6 billion in 2014/15 to KSh 297.9 billion in 2015/16. The recurrent expenditure for Youth Development is expected to substantially increase from KSh 702.5 million in 2014/15 to KSh 1.2 billion in 2015/16. Development expenditure on social sector by the National Government is expected to increase by 44.0 per cent from KSh 49.1 billion 2014/15 to KSh 70.7 billion in 2015/16.

3.2. The total number of educational institutions increased by 4.6 per cent from 79,641 in 2014 to 83,336 in 2015. The number of pre-primary schools increased by 1.4 per cent while the number of primary and secondary schools each grew by 7.9 per cent in 2015. The number of Teacher Training Colleges increased by 1.5 per cent while that of public Technical Vocational Educational Training (TVET) institutions rose by 15.8 per cent, mainly due to the increase in the number of Youth Polytechnics and Technical and Vocational Colleges. The total number of public universities increased to 23 in 2015. Total enrolment in universities increased by 15.6 per cent to 512,924 in 2015. Total enrolment in pre-primary schools increased by 6.7 per cent to 3.2 million while total enrolment in primary schools grew from 10.0 million in 2014 to 10.1 million in 2015. Total enrolment in secondary schools rose by 13.0 per cent to 2.6 million in 2015.

3.3. In 2015, the total number of registered births marginally declined to 950,224 while the coverage rate decreased from 63.4 per cent in 2014 to 60.4 per cent in 2015. The number of births that occurred in health facilities increased by 7.0 per cent in 2015. Similarly, the total death registration coverage rates declined from 45.8 per cent in 2014 to 45.2 per cent in 2015, with malaria, pneumonia, cancer and HIV/AIDS being the leading causes of death.

3.4. The overall membership of National Hospital Insurance Fund (NHIF) increased by 17.8 per cent to 5.3 million in 2014/15. The total receipts of the Fund grew by 16.2 per cent in the period under review. The formal sector contributed the bulk of the membership at 3,221,621, representing 61.1 per cent of the total membership in 2014/15. However, the informal sector registered an increase of 38.9 per cent compared to an increase of 10.2 per cent in the formal sector.

3.5. The number of registered employers by NSSF increased marginally from 92.3 thousand in 2014 to 93.0 thousand in 2015, while that of registered employees rose from 3,981.0 thousand in 2014 to 3,981.3 thousand in 2015. Consequently, the annual contributions went up by 39.8 per cent to KSh 9,209.9 million in 2015, with benefits paid to members rising by 38.8 per cent to KSh 3,999.2 million

Social Sector Expenditure

3.6. Table 3.1 shows the National Government expenditure on social sector services for the period 2011/12 to 2015/16. Total expenditure in the social sector is expected to grow by 19.8 per cent from KSh 358.9 billion in 2014/15 to KSh 430.1 billion in 2015/16. The total recurrent expenditure is expected to increase by 16.0 per cent from KSh 309.8 billion in 2014/15 to KSh 359.4 billion in 2015/16 compared to an increase of 8.6 per cent in 2014/15. The gross recurrent expenditure for the Ministry of Education, Science and Technology is expected to increase by 13.9 per cent from KSh 261.6 billion in 2014/15 to KSh 297.9 billion in 2015 /16 compared to an increase of 10.3 per cent in the previous period. This is partly attributed to hiring of contract teachers, increased enrolment at basic and higher educational level as well as promotion of teachers. In 2015/16, recurrent expenditure of the Ministry of Health is expected to increase by 38.9 per cent to KSh 28.9 billion. The recurrent expenditure by the Ministry of Labour, Social Security and Services is expected to grow by 15.2 per cent to KSh 9.1 billion in 2015/16 from 7.9 billion in 2014/15. The recurrent expenditure by the Prisons Service Department, Probation and Aftercare Department is expected to increase from KSh 16.1 billion in 2014/15 to KSh 17.6 billion in 2015/16. The recurrent expenditure for youth development is expected to substantially increase from KSh 702.5 million in 2014/15 to KSh 1,202.7 million in 2015/16 while that of Ministry of Sports, Culture and Arts is expected to grow by 73.1 per cent to KSh 4.5 billion in 2015/16 from KSh 2.6 billion in 2014/15.

3.7. The National Government social sector total development expenditure is expected to increase by 44.0 per cent from KSh 49.1 billion in 2014/15 to KSh 70.7 billion in 2015/16. Development expenditure by the Ministry of Education, Science and Technology is expected to decline by 4.4 per cent to KSh 21.6 billion in 2015/16 from KSh 22.6 billion in 2014/15. Development expenditure on Gender and Social Development is expected to substantially increase from KSh 209.8 million in 2014/15 to KSh 606.1 million in 2015/16. Development expenditure for youth development is expected to more than double from KSh 558.0 million in 204/15 to KSh 1.3 billion in 2015/16, mainly due to continued support for youth empowerment services by the National Government.

Table 3.1: National Government Expenditure on Social Services, 2011/12 - 2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15	2015/16+
RECURRENT EXPENDITURE-					
Ministry of Education, Science and Technology.	186,328.45	233,102.87	237,214.84	261,546.11	297,850.90
Ministry of Health	42,952.55	54,810.99	19,829.94	20,828.36	28,894.17
Ministry of Labour, Social Security and Services	1,780.90	1,560.21	7,770.13	7,894.07	9,069.60
Prison Service Department , Probation and Aftercare Department	13,494.00	15,146.80	13,376.73	16,059.64	17,601.54
Gender and Social development[1]	86.50	190.14	221.40	176.97	280.01
Ministry of Sports, Culture and Arts	1,728.59	1,705.04	3,441.89	2,632.61	4,449.45
Youth development [2]	5,980.57	6,410.33	3,539.57	702.52	1,202.66
TOTAL	**252,351.56**	**312,926.38**	**285,394.49**	**309,840.28**	**359,348.33**
DEVELOPMENT EXPENDITURE-					
Ministry of Education, Science and Technology.	21,131.64	27,019.50	13,997.76	22,618.78	21,574.34
Ministry of Health	20,245.77	21,217.03	14,373.83	18,007.88	29,639.20
Ministry of Labour, Social Security and Services	746.89	1,080.80	4,364.20	6,062.58	14,797.71
Prison Service Department and Probation and Aftercare Department.	1,040.05	1,783.24	542.79	419.88	596.00
Gender and Social Development	346.01	210.21	135.38	209.84	606.08
Ministry of Sports, Culture and Arts	441.70	571.70	901.30	1,172.56	2,260.47
Youth development[2]	2,808.87	4,280.03	10,491.34	557.98	1,266.14
TOTAL	**46,760.93**	**56,162.50**	**44,806.59**	**49,049.50**	**70,739.94**
TOTAL EXPENDITURE	**299,112.49**	**369,088.89**	**330,201.07**	**358,889.78**	**430,088.27**

Source: The National Treasury

+ Revised Estimates

[1] Includes gender, child services and the cash transfer programme

[2] Includes Youth empowerment services ,youth polytechniques and training

Education

3.8. **Expenditure:** The breakdown in expenditure by the Ministry of Education, Science and Technology is presented in Table 3.2. The gross total expenditure is expected to grow by 12.4 per cent to KSh 319.4 billion in 2015/16 on account of recurrent expenditure, which is expected to increase by 13.9 per cent to KSh 297.9 billion. The recurrent expenditure for primary, secondary and university education is expected to grow by 6.8, 16.9 and 2.3 per cent, respectively, in 2015/16. Expenditure on Youth Polytechnics and Training is expected to drastically reduce from KSh 691.3 million in 2014/15 to KSh 179.0 million in 2015/16.

3.9. During the review period, the total development expenditure is expected to reduce by KSh 1,044.4 million to KSh 21,574.3 million. More than 80 per cent of the development expenditure will be spend on university education, general administration and planning, and primary education.

Table 3.2: Expenditure for the Ministry of Education, Science and Technology 2011/12 - 2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15+	2015/16*
RECURRENT EXPENDITURE-					
Ministry of Education, Science and Technology					
General Administration and Planning	112,982.41	147,122.08	161,000.89	160,353.99	188,432.72
Pre-Primary Education	376.07	1,676.21	130.00	8.12	12.65
Primary Education	9,705.76	9,393.31	10,533.76	13,408.00	14,319.70
Secondary Education	17,142.23	21,261.42	22,165.73	27,849.59	32,550.12
Special Education	435.33	651.84	842.94	747.95	1,065.45
Teacher Education	6,842.60	541.30	509.80	254.58	894.25
Adult Education	996.13	1,123.83	899.36	395.54	91.18
Technical Education	2,552.05	1,234.43	1,234.74	553.48	226.69
National Commission for Science and Technology and Innovation	608.68	701.00	1,433.47	193.85	605.67
University education	29,197.80	42,389.23	32,884.54	44,133.38	45,168.30
Higher Education support services	3,958.77	5,027.38	3,658.65	7,448.59	9,149.19
Youth Polytechnics and Training	1,031.47	1,419.40	1,021.27	691.32	179.00
Quality assurance and standards	251.18	306.58	80.82	5,108.53	4,987.34
Policy and planning	247.98	254.86	818.85	399.18	168.65
Sub Total	**186,328.45**	**233,102.87**	**237,214.84**	**261,546.11**	**297,850.90**
DEVELOPMENT EXPENDITURE					
Ministry of Education, Science and Technology					
General Administration and Planning	5,685.49	3,731.80	1,230.74	6,093.56	6,343.46
Pre-Primary Education	17.85	52.28	-	67.00	17.50
Primary Education	1,122.57	329.96	6,061.89	334.13	3,758.61
Secondary Education	2,055.90	3,814.51	637.15	2,012.30	446.39
Special Education	7.00	9.00	-	15.40	161.90
Teacher Education	1,431.06	1,144.46	98.55	428.88	517.13
Adult Education	268.00	27.00	-	-	16.40
Technical Education	4,586.24	6,398.55	1,302.35	1,508.34	-
National Commission for Science and Technology and Innovation	-	262.00	140.40	140.40	237.41
University education	5,183.31	7,998.72	2,944.68	9,455.01	7,678.94
Youth Polytechnics and Training	425.63	802.21	766.38	358.61	204.42
Quality assurance and standards	77.70	186.00	457.06	356.27	652.00
Policy and planning	270.88	2,263.00	358.55	1,848.89	1,540.18
Sub Total	**21,131.64**	**27,019.50**	**13,997.76**	**22,618.78**	**21,574.34**
GROSS TOTAL EXPENDITURE	**207,460.09**	**260,122.37**	**251,212.59**	**284,164.89**	**319,425.24**

Source: The National Treasury

+ Revised Estimates

3.10. **Educational Institutions:** The total number of educational institutions increased by 4.1 per cent from 79,641 in 2014 to 82,889 in 2015, as shown in Table 3.3. The number of pre-primary schools rose by 1.4 per cent from 40,219 in 2014 to 40,775 in 2015 while that of primary schools grew by 6.4 per cent from 29,460 in 2014 to 31,333 in 2015. A higher growth was registered in the number of private primary schools compared to the public. The number of secondary schools grew by 7.9 per cent from 8,747 in 2014 to 9,440 in 2015 with public and private secondary schools recording growths of 8.0 per cent and 7.1 per cent, respectively. The number of public Technical Vocational Educational Training (TVET) institutions rose by 15.8 per cent from 755 in 2014 to 874 in 2015, mainly due to the increase in the number of youth polytechnics. During the period under review, one public university college was granted a charter to full university status while the license for one private university was withdrawn.

Table 3.3: Educational Institutions by Category, 2011 – 2015

Number

Category	2011	2012	2013	2014	2015*
Schools:					
Pre-Primary :					
Public	24,588	24,654	24,702	24,768	24,862
Private	14,912	15,104	15,443	15,451	15,913
Sub Total	**39,500**	**39,758**	**40,145**	**40,219**	**40,775**
Primary:					
Public	19,848	20,307	21,205	21,718	22,414
Private	5,534	6,242	6,821	7,742	8,919
Sub Total	**25,382**	**26,549**	**28,026**	**29,460**	**31,333**
Secondary:					
Public	5,311	6,188	6,807	7,680	8,297
Private	946	986	1,027	1,067	1,143
Sub Total	**6,257**	**7,174**	**7,834**	**8,747**	**9,440**
Teacher Training Colleges:					
Pre-primary:					
Public	20	20	22	25	25
Private	102	105	109	115	118
Sub Total	**122**	**125**	**131**	**140**	**143**
Primary:					
Public	21	21	22	24	24
Private	91	97	101	101	101
Sub Total	**112**	**118**	**123**	**125**	**125**
Secondary [1]	2	2	2	2	3
Sub Total	**236**	**245**	**256**	**267**	**271**
Public TVET Institutions					
Youth Polytechnics	585	647	701	701	816
Technical and Vocational Colleges	40	49	49	51	55
Kenya Technical Training College	1	1	1	1	1
National Polytechnics	2	2	2	2	2
Polytechnic University Colleges	2	2	-	-	-
Sub Total	**630**	**701**	**753**	**755**	**874**
Universities					
Public	7	8	22	22	23
Private	27	27	30	31	30
Sub Total	**34**	**35**	**52**	**53**	**53**
GRAND TOTAL	**72,161**	**74,587**	**77,197**	**79,641**	**82,889**

Source : Ministry of Education, Science and Technology/ TVETA

TVET: Technical Vocational Educational Training

* Provisional

[1] Diploma teacher training colleges

3.11. **Pre-Primary Education:** The pupil enrolment and the number of teachers in Early Childhood Development Education (ECDE) centers from 2011 to 2015 are presented in Table 3.4. The total enrolment in pre-primary schools increased by 6.7 per cent from 3.0 million in 2014 to 3.2 million in 2015. The total number of ECDE teachers increased by 2.3 per cent from 104, 784 in 2014 to 107,187 in 2015. The number of trained ECDE teachers rose by 5.4 per cent from 88,154 in 2014 to 92,906, mainly due to employment of more teachers by the County Governments. During the review period, the Pupil Teacher Ratio in ECDE was 30:1 compared to 29:1 in 2014. Gross Enrolment Rate (GER) rose from 73.6 per cent in 2014 to 76.4 per cent in 2015 while the Net Enrolment Rate (NER) increased from 70.4 per cent in 2014 to 74.6 per cent in 2015 as presented in Figure 3.1. The increase in enrolment at pre-primary education is mainly attributed to investment in pre-primary education by County Governments.

Table 3.4: Pupil Enrolment and Teacher Numbers in ECD Centres, 2011 – 2015

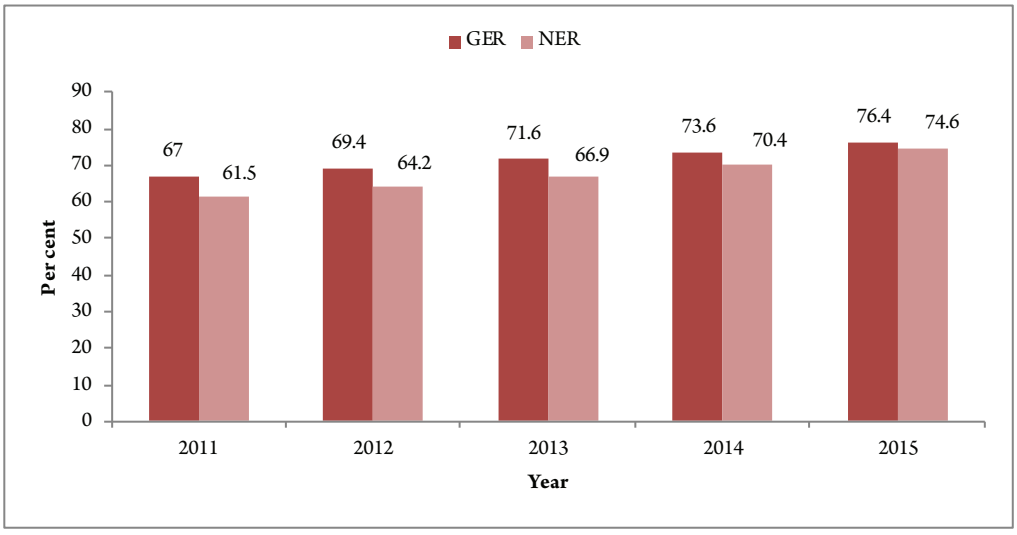
Number

	2011	2012	2013	2014	2015*
Enrolment					
Boys	1,281,161	1,346,235	1,411,309	1,476,383	1,607,353
Girls	1,275,151	1,364,595	1,454,039	1,543,482	1,560,502
TOTAL	**2,556,312**	**2,710,830**	**2,865,348**	**3,019,865**	**3,167,855**
Number of Trained Teachers					
Male	10,658	13,450	13,854	13,968	14,721
Female	64,957	67,076	69,960	74,186	78,185
Sub Total	**75,615**	**80,526**	**83,814**	**88,154**	**92,906**
Number of Untrained Teachers					
Male	5,372	4,342	3,430	3,307	2,840
Female	16,158	15,021	13,818	13,323	11,441
Sub Total	**21,530**	**19,363**	**17,248**	**16,630**	**14,281**
TOTAL	**97,146**	**99,889**	**101,062**	**104,784**	**107,187**

Source: Ministry of Education, Science and Technology

* Provisional

Figure 3.1: Pre-primary Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2011-2015



3.12. **Primary Education:** Enrolment in primary and secondary schools by class and sex for the period 2011 to 2015 is shown in Table 3.5. Total enrolment rose from 10.0 million in 2014 to 10.1 million in 2015. However, enrolment in Standard one decreased from 1,382.5 thousand in 2014 to 1,361.4 thousand in 2015 mainly due to adherence to the admission of children of official school age of six years. During the period under review, the number of boys and girls enrolled increased by 75.4 thousand and 64.4 thousand, respectively, in 2015.

Table 3.5: Primary School Enrolment by Class and Sex, 2011 – 2015

'000

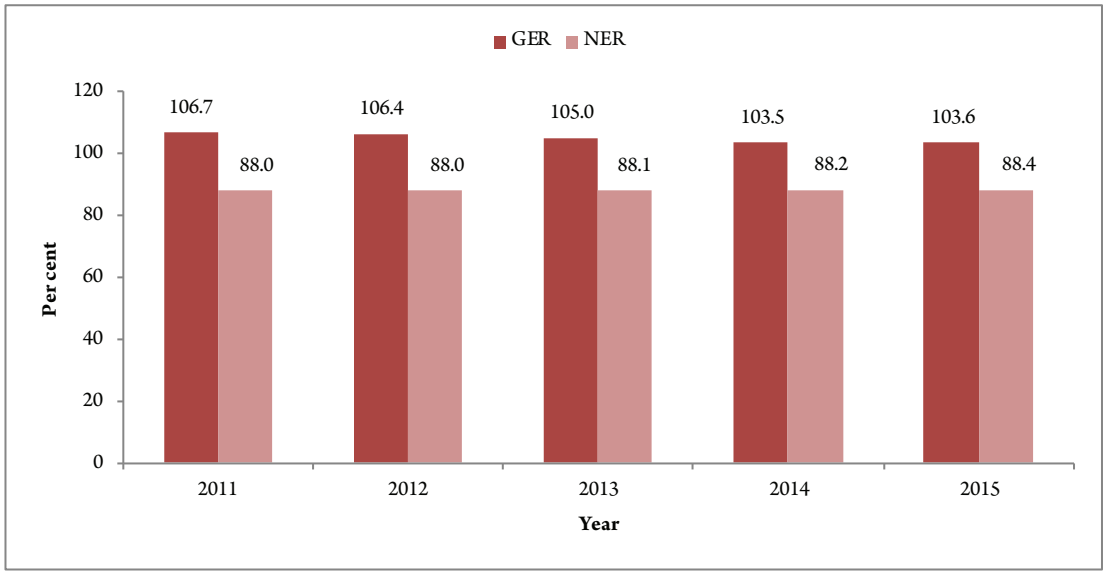
	2011		2012		2013		2014+		2015*	
Class	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
Standard 1	713.9	656.8	712.2	658.1	710.5	659.1	712.1	670.4	702.0	659.4
Standard 2	679.4	651.8	677.8	654.9	676.2	639.8	679.9	644.9	682.7	648.3
Standard 3	677.6	646.5	676.0	648.6	676.1	652.0	674.5	637.7	675.9	641.9
Standard 4	676.0	637.4	674.2	643.3	672.6	645.3	677.9	651.7	683.9	657.3
Standard 5	603.0	579.3	646.5	625.7	644.8	631.5	640.5	628.2	657.4	641.1
Standard 6	575.5	560.9	589.0	567.5	631.4	613.0	621.4	618.5	638.7	633.9
Standard 7	510.2	512.9	547.2	553.9	560.0	560.3	598.2	601.0	616.6	619.7
Standard 8	451.6	428.1	449.8	433.0	448.1	436.8	448.0	446.1	470.7	461.3
TO TAL	**4,887.3**	**4,673.7**	**4,972.7**	**4,784.9**	**5,019.7**	**4,837.9**	**5,052.5**	**4,898.5**	**5,127.9**	**4,962.9**
GRAND TO TAL	**9,561.1**		**9,757.6**		**9,857.6**		**9,951.0**		**10,090.8**	

Source : Ministry of Education, Science and Technology

* Provisional

3.13. Figure 3.2 presents primary school GER and NER for the years 2011 to 2015. The GER increased marginally from 103.5 per cent in 2014 to 103.6 per cent in 2015 while the NER increased by 0.2 percentage points to 88.4 per cent in 2015.

Figure 3.2: Primary School Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2011-2015



3.14. **Kenya Certificate of Primary Education (KCPE):** Table 3.6 shows the number of candidates by sex and mean subject percentage score in KCPE from 2011 to 2015. The number of candidates increased by 5.4 per cent from 880,486 in 2014 to 927,789 in 2015. The number of male candidates rose by 5.6 per cent to 467,904 in 2015, while that of female increased by 5.2 per cent to 459,885 in 2015. The national mean score declined from 54.30 in 2014 to 52.78 in 2015. During the year under review, English Language, Mathematics and Religious Education registered increases in the mean scores while Science registered the highest decline of 10.52 percentage points. The most improved subject was Mathematics by of 4.12 percentage points in the mean score.

Table 3.6: Candidates by Sex and Mean Subject Score in KCPE, 2011-2015

Number

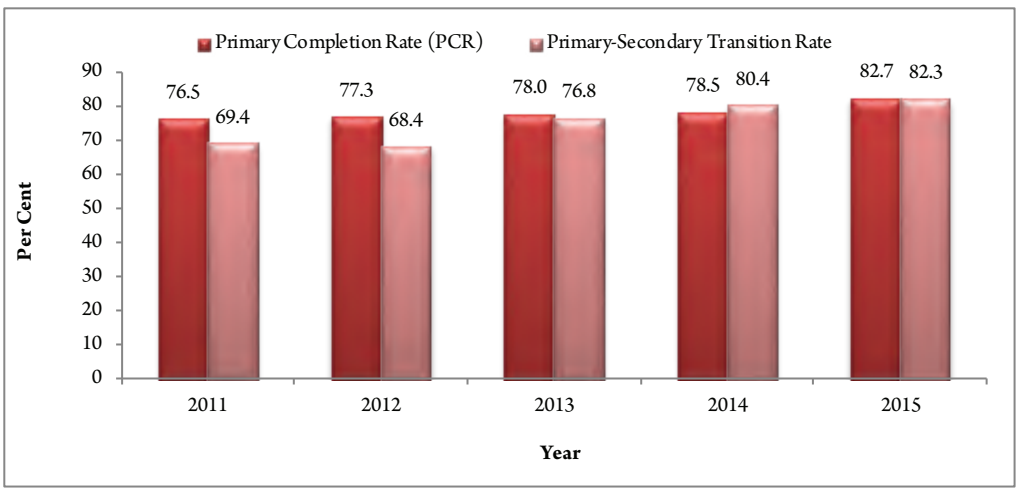
	2011	2012	2013	2014	2015*
Number of candidates					
Male	400,814	415,620	426,369	443,258	467,904
Female	375,400	396,310	413,390	437,228	459,885
Total	**776,214**	**811,930**	**839,759**	**880,486**	**927,789**
Subject	**Mean score (%)**				
English Language	47.10	48.16	53.06	47.64	49.98
English Composition	42.45	42.43	41.90	41.47	41.38
Kiswahili Lugha	41.46	46.38	45.78	45.04	44.68
Kiswahili Insha	54.68	54.98	52.43	58.00	54.38
Mathematics	52.18	56.30	52.86	52.04	56.16
Science	67.48	62.76	61.82	66.00	55.48
Social Studies	56.32	60.87	54.75	55.26	49.98
Religious Education	62.45	75.75	70.43	68.97	70.20
National Mean Score	**53.02**	**55.95**	**54.13**	**54.30**	**52.78**

Source: Kenya National Examinations Council

* Provisional

3.15. Figure 3.3 shows the Pupil Completion Rate (PCR) and Primary to Secondary Transition Rate from 2011 to 2015. The PCR increased from 78.5 per cent in 2014 to 82.7 per cent in 2015, while the Primary to Secondary transition rate rose from 80.4 per cent in 2014 to 82.3 per cent in 2015

Figure 3.3 Pupil Completion Rate and Primary to Secondary Transition Rate, 2011-2015



3.16. **Primary Teachers:** Table 3.7 presents the number of public primary school teachers by qualification and sex from 2011 to 2015. The total number of teachers in public primary schools grew by 5.1 per cent from 200,697 in 2014 to 210,991 in 2015 partly due to engagement of teachers on contract. The number of graduate and S1/diploma teachers increased by 9.6 per cent and 8.5 per cent , respectively, in 2015, due to the upgrading of teachers with relevant qualifications. The number of P1 teachers rose by 2.8 per cent to 98,149 in 2015. The public primary school pupil teacher ratio improved from 43:1 in 2014 to 41:1 in 2015.

Table 3.7: Public Primary School Teachers[1] by Qualification and Sex, 2011 - 2015

Number

Qualification	2011			2012			2013			2014			2015*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Graduate	3,210	3,052	6,262	3,484	3,381	6,865	9,448	9,825	19,273	9,353	10,001	19,354	10,267	10,951	21,218
Approved	29,801	20,982	50,783	32,347	23,246	55,593	29,964	20,195	50,159	29,010	20,722	49,732	29,669	21,050	50,719
S1/Diploma	6,439	7,744	14,183	6,989	8,580	15,569	14,528	19,520	34,048	15,236	20,850	36,086	16,421	22,722	39,143
Dip/Technical	-	-	-	-	-	-	-	-	-	17	26	43	18	27	45
P1	47,965	48,014	95,979	52,063	53,193	105,256	48,287	47,919	96,206	48,118	47,317	95,435	48,426	49,723	98,149
Cert./Technical	-	-	-	-	-	-	-	-	-	30	17	47	31	15	46
P2	3,209	3,851	7,060	3,484	4,267	7,751	-	-	-	-	-	-	-	-	-
Contract Teachers	-	-	-	-	-	-	-	-	-	-	-	-	647	1,024	1,671
TOTAL	**90,624**	**83,643**	**174,267**	**98,367**	**92,667**	**191,034**	**102,227**	**97,459**	**199,686**	**101,764**	**98,933**	**200,697**	**105,479**	**105,512**	**210,991**

Source: Teachers Service Commision

* Provisional

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

3.17. **Secondary Education:** Table 3.8 shows enrolment in secondary schools by class and sex from 2011 to 2015. The total enrolment in both public and private secondary schools increased by 13.0 per cent from 2.3 million in 2014 to 2.6 million in 2015. Total enrolment of boys grew by 16.7 per cent from 1.2 million in 2014 to 1.4 million in 2015 while that of girls rose by 9.1 per cent to 1.2 million in 2015. The survival rate at secondary school level from Form 1 to 4 improved from 89.5 per cent in 2014 to 95.4 per cent in 2015. The Form 4 retention rate for girls was 87.3 per cent while that of boys was 94.1 per cent.

Table 3.8: Enrolment in Secondary Schools by Class and Sex, 2011 – 2015

Number

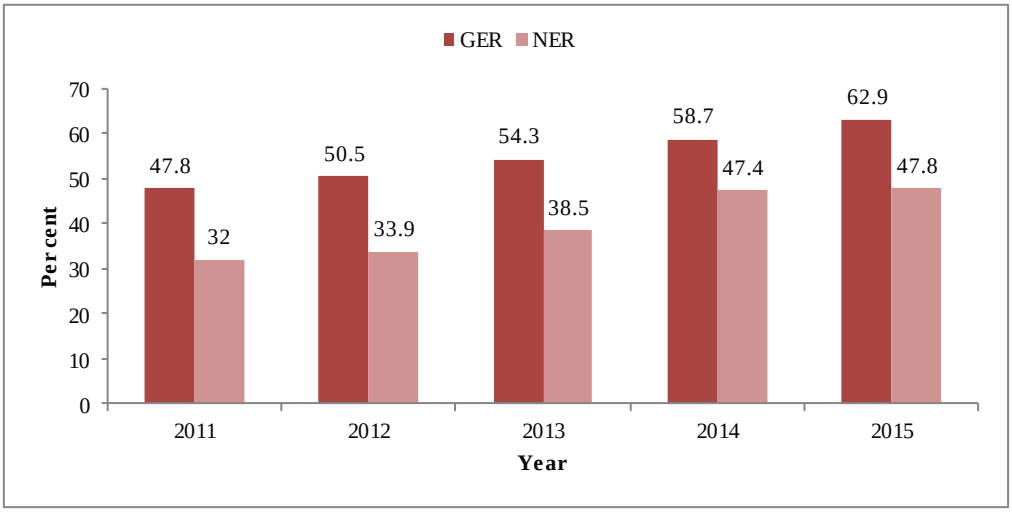
	2011		2012		2013		2014		2015*	
Class	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
Form 1	276,965	244,636	282,555	249,573	327,775	289,753	342,378	331,041	380,448	352,216
Form 2	240,552	219,469	274,195	239,743	288,238	253,739	326,389	307,256	359,762	331,649
Form 3	224,637	188,408	239,149	218,278	267,221	228,869	294,263	263,671	331,147	296,366
Form 4	206,552	166,501	223,132	188,198	244,463	204,204	250,236	216,463	277,091	230,302
TOTAL	948,706	819,014	1,019,031	895,792	1,127,697	976,565	1,213,266	1,118,431	1,348,448	1,210,533
GRAND TOTAL	**1,767,720**		**1,914,823**		**2,104,262**		**2,331,697**		**2,558,981**	

Source : Ministry of Education, Science and Technology

* Provisional.

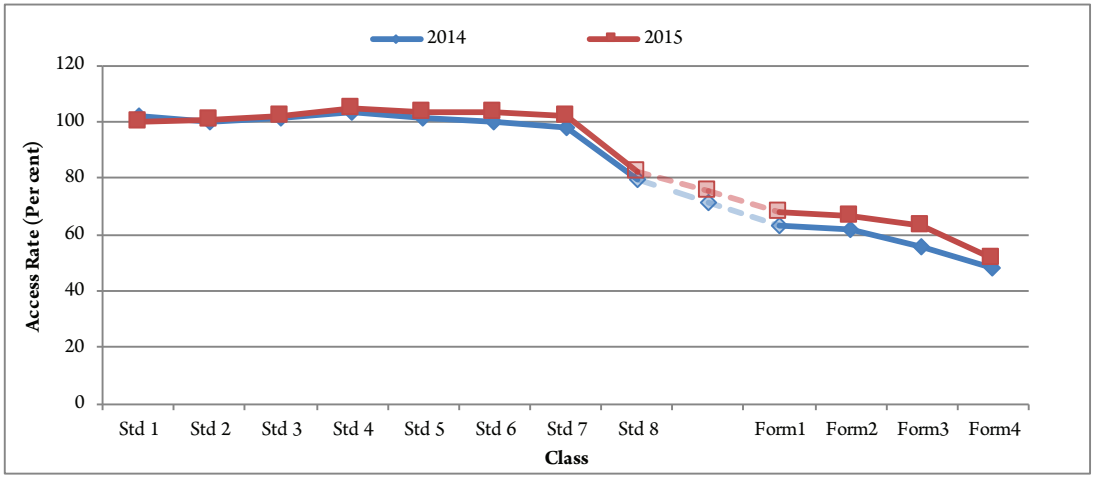
3.18. Figure 3.4 presents trends in the secondary school GER and NER from 2011 to 2015. The GER increased from 58.7 per cent in 2014 to 62.9 per cent in 2015. The NER marginally increased from 47.4 per cent in 2014 to 47.8 per cent in 2015. The marginal change in the NER is partly attributed to fewer under, and over age students enrolled, the continued implementation of Free Day Secondary Education (FDSE) as well as infrastructure development in various schools.

Figure 3.4: Secondary School Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2011-2015



3.19. Figure 3.5 indicates the schooling profiles for the years 2014 and 2015. The schooling profile shows the overall advancement of students within the education system from standard one to form four and also the change in schooling profile. The 2015 schooling profile indicates general improvement from 2014. Retention in Std 4 and Std 6 was above universal. However, there was a sudden drop in promotion from Std 7 to Std 8 similar to that in 2014. Almost all target children were enrolled in Std 1 over the period. In 2015, the transition rates from Primary to secondary improved further from the 2014 levels.

Figure 3.5 Schooling Profile, 2014-2015



3.20. **Kenya Certificate of Secondary Education (KCSE):** Table 3.9 shows the number of candidates by mean grade attained in KCSE from 2011 to 2015. The number of KCSE candidates rose by 6.3 per cent from 482,133 in 2014 to 512,630 in 2015. The number of female candidates grew by 9.7 per cent from 223,237 in 2014 to 244,866 in 2015 while the number of male candidates increased by 5.4 per cent. The number of candidates who scored a minimum university entry score of C+ and above increased by 10.7 per cent from 149,717 in 2014 to 165,766, with the number of female candidates increasing by 14.4 per cent compared to that of male candidates at 8.2 per cent. The number of candidates who scored A minus and above decreased by 4.0 per cent from 14,841 in 2014 to 14,254 in 2015. The number of candidates who scored grade "C" plain and below increased by 4.3 per cent to 346,864, in 2015.

Table 3.9: National trends in KCSE candidates mean grade by Sex, 2011-2015

Number

	2011		2012		2013		2014		2015*	
KCSE Grade	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A	1,315	615	1,277	698	1,855	867	2,133	940	1,976	660
A-	6,322	2,741	5,947	3,288	6,276	3,492	7,644	4,124	7,615	4,003
B+	11,150	5,240	11,753	5,977	10,776	6,237	12,606	7,208	12,912	8,254
B	14,793	8,151	15,962	9,221	15,315	9,341	17,941	11,378	19,238	13,468
B-	18,344	11,771	18,936	12,174	18,216	12,648	21,997	16,318	24,768	19,020
C+	22,474	16,742	22,180	16,291	21,836	16,515	25,978	21,450	29,024	24,828
C	27,631	22,334	27,134	21,771	26,492	22,079	30,699	27,989	32,905	31,072
C-	31,955	26,890	31,582	27,166	32,385	28,378	36,015	34,662	36,888	36,192
D+	34,093	29,760	35,655	31,548	37,703	34,100	38,749	37,449	39,577	38,515
D	32,995	31,397	37,694	35,872	39,672	38,505	37,365	36,136	39,884	38,660
D-	23,741	23,532	26,436	25,997	28,542	27,251	24,542	23,174	25,139	22,823
E	3,684	2,916	4,263	3,621	3,913	3,126	3,227	2,409	3,038	2,171
Total	**228,497**	**182,089**	**238,819**	**193,624**	**242,981**	**202,539**	**258,896**	**223,237**	**272,964**	**239,666**
Grand Total	**410,586**		**432,443**		**445,520**		**482,133**		**512,630**	

Source: Kenya National Examinations Council

* Provisional

3.21. **Secondary School Teachers:** The number of secondary school and tertiary college teachers by sex and qualification from 2011 to 2015 is shown in Table 3.10. The total number of public secondary school and tertiary teachers increased by 8.5 per cent from 78,727 in 2014 to 85,438 in 2015. The increase can be attributed to the recruitment of teachers, as well as reinstatement of teachers who had been out of service due to study leave and disciplinary cases. The total number of male trained teachers increased by 7.6 per cent to 51,350, while that of female teachers grew by 9.2 per cent to 33,881 in 2015. During the period under review, the number of male and female trained graduate and S1/Diploma teachers increased significantly. In public secondary schools, the pupil teacher ratio was 27:1 in the same period.

Table 3.10: Public Secondary School Teachers by Qualification and Sex[1], 2011 – 2015

Number

TEACHERS	2011			2012			2013			2014			2015*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
TRAINED															
Graduate	27,815	16,832	44,647	31,783	19,731	51,514	32,111	20,378	52,489	37,641	24,795	62,436	40,610	27,081	67,691
Approved...	4,677	2,511	7,188	5,159	2,782	7,941	3,787	1,858	5,645	4,269	2,116	6,385	4,082	2,025	6,107
S1/Diploma...	2,132	1,730	3,862	2,056	1,523	3,579	3,689	2,614	6,303	4,853	3,687	8,540	5,650	4,242	9,892
Dip/Technical	621	244	865	719	356	1,075	326	141	467	572	299	871	577	296	873
Cert./Technical	-	-	-	-	-	-	324	109	433	366	121	487	350	116	466
Contract Teachers ..	-	-	-	-	-	-	-	-	-	-	-	-	81	121	202
SUB TOTAL	**35,245**	**21,317**	**56,562**	**39,717**	**24,392**	**64,109**	**40,237**	**25,100**	**65,337**	**47,701**	**31,018**	**78,719**	**51,350**	**33,881**	**85,231**
UNTRAINED															
Graduate	6	2	8	6	4	10	134	15	149	-	-	-	169	30	199
Dip/Technical	152	13	165	165	54	219	6	2	8	6	2	8	6	2	8
SUB TOTAL...	**158**	**15**	**173**	**171**	**58**	**229**	**140**	**17**	**157**	**6**	**2**	**8**	**175**	**32**	**207**
GRAND TOTAL..	**35,403**	**21,332**	**56,735**	**39,888**	**24,450**	**64,338**	**40,377**	**25,117**	**65,494**	**47,707**	**31,020**	**78,727**	**51,525**	**33,913**	**85,438**

Source : Teachers Service Commission

* Provisional

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

3.22. **Teacher Training Institutions:** Teacher trainee enrolment by year and sex from 2011 to 2015 is presented in Table 3.11. The total number of teacher trainees in both P1 and Diploma colleges rose by 3.9 per cent from 39,853 in 2014 to 41,402 in 2015. This decelerated growth compared to a 7.4 per cent growth recorded in 2014, is mainly attributed to a single intake as opposed to the double intake for diploma trainee teachers in January and September 2014. The enrolment of P1 teacher trainees increased by 5.2 per cent from 37,471 in 2014 to 39,431 in 2015 with the number of teacher trainee in public colleges increasing by 7.6 per cent compared with private colleges growth of 2.2 per cent. First year diploma trainees enrolment declined by 30.1 per cent from 1,187 in 2014 to 830 in 2015 mainly as a result of the double intake in 2014 while enrolment of first year public primary P1 trainees increased by 14.3 per cent.

Table 3.11: Teacher Trainees Enrolment by Year and Sex, 2011- 2015

Number

TYPE OF INSTITUTION/ CERTIFICATION	2011		2012		2013		2014		2015*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1)										
1st Year	4,372	4,444	4,403	4,497	5,249	5,435	4,994	5,536	5,769	6,270
2nd Year	4,579	4,763	4,365	4,402	4,967	5,357	5,249	5,435	5,513	5,266
Sub Total	**8,951**	**9,207**	**8,768**	**8,899**	**10,216**	**10,792**	**10,243**	**10,971**	**11,282**	**11,536**
Private primary (P1)	**4,918**	**4,844**	**5,342**	**5,943**	**6,997**	**7,392**	**7,905**	**8,352**	**8,102**	**8,511**
Total Private P1	**9,762**		**11,285**		**14,389**		**16,257**		**16,613**	
SUB TOTAL	**13,869**	**14,051**	**14,110**	**14,842**	**17,213**	**18,184**	**18,148**	**19,323**	**19,384**	**20,047**
Diploma[1]										
1st Year	339	208	392	226	316	269	671	516	419	411
2nd Year	346	236	329	215	379	226	317	260	300	280
3rd Year	358	206	349	233	327	199	387	231	305	256
SUB TOTAL	**1,043**	**650**	**1,070**	**674**	**1,022**	**694**	**1,375**	**1,007**	**1,024**	**947**
TOTAL	**14,912**	**14,701**	**15,180**	**15,516**	**18,235**	**18,878**	**19,523**	**20,330**	**20,408**	**20,994**
GRAND TOTAL	**29,613**		**30,696**		**37,113**		**39,853**		**41,402**	

Source: Ministry of Education, Science and Technology

* Provisional

[1] Enrolment for 2014 is from Kagumo, Lugari and Kibabii Colleges only

3.23. **Technical and Vocational Educational Training Institutions (TVET)**: Table 3.12 shows enrolment in TVET institutions from 2011 to 2015. The total enrolment in TVET institutions rose by 4.7 per cent from 148,142 in 2014 to 155,176 in 2015. The increase is partly attributed to expansion of TVET institutions. Student enrolment in national polytechnics and technical universities declined by 5.0 per cent from 23,583 in 2014 to 22,403 in 2015. However, the enrolment of females in these institutions increased by 17.4 per cent compared to a decrease of 18.6 per cent for males. During the review period, enrolment in Technical and Vocational Colleges, formerly Institutes of Technology and Technical Training Institutes, increased from 50,864 in 2014 to 55,308 in 2015. The enrolment in youth polytechnics grew by 5.1 per cent from 73,695 in 2014 to 77,465 in 2015, mainly due to the expansion of the youth ppolytechnics and infrastructure development by the County Governments.

Table 3.12: Student Enrolment in Technical Institutions by Sex, 2011 – 2015

Number

INSTITUTION	2011+		2012+		2013+		2014+		2015*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Technical University of Kenya[1]	2,360	2,098	1,698	1,024	4,814	2,607	4,432	2,769	3,911	2,517
Technical University of Mombasa[1]	3,558	1,794	2,190	1,150	3,048	1,506	3,250	1,708	2,835	1,633
Kenya Technical Teachers College	..	..	..	..	..	..	858	597	913	1,119
Kisumu Polytechnic	1,990	936	2,256	1,136	2,223	1,267	2,926	1,872	2,078	2,422
Eldoret Polytechnic	3,132	2,145	2,730	1,669	3,081	1,949	3,194	1,977	2,189	2,786
Sub Total	**11,040**	**6,973**	**8,874**	**4,979**	**13,166**	**7,329**	**14,660**	**8,923**	**11,926**	**10,477**
Other TIVET Institutions										
Technical and vocational Colleges	26,898	21,862	28,153	18,631	31,956	23,989	29,632	21,232	32,221	23,087
Youth Polytechnics	15,648	19,338	40,233	26,821	42,942	28,627	45,473	28,222	47,625	29,840
Sub Total	**42,546**	**41,200**	**68,386**	**45,452**	**74,898**	**52,616**	**75,105**	**49,454**	**79,846**	**52,927**
TOTAL		**101,759**		**127,691**		**148,009**		**148,142**		**155,176**

Source: Ministry of Education, Science & Technology

* Provisional

+ Revised

[1] Diploma and Certificate courses only

3.24. **University Education:** The enrolment of students by sex in public and private universities from 2012/13 to 2015/16 academic years is presented in Table 3.13. Total university student enrolment is expected to grow by 15.6 per cent from 443,783 in 2014/15 to 512,924 in 2015/16 compared to a 22.8 per cent increase recorded in 2014/2015. This may partly be attributed to expansion of universities' infrastructure, and establishment of more constituent colleges. Male student enrolment is expected to rise by 15.2 per cent to 299,133 in 2015/16 compared to a 13.2 per cent increase in female student enrolment. During the review period, enrolment in public universities is expected to increase by 16.1 per cent from 363,334 in 2014/15 to 421,783 in 2015/16. The number of males enrolled in public universities is expected to increase by 16.9 per cent to 253,874 2015 compared to a 14.9 per cent growth in enrolment of females in 2014. Total enrolment at private universities is expected to grow by 6.8 per cent from 80,448 in 2014/15 to 85,889 in 2015/16.

Table 3.13: Student Enrolment[1] by Sex in Universities, 2012/13 - 2015/16

Number

INSTITUTION	2012/13		2013/14		2014/15		2015/16*	
	Male	Female	Male	Female	Male	Female	Male	Female
Public Universities								
Nairobi	30,710	20,185	38,693	25,376	42,328	27,618	60,102	38,611
Kenyatta	25,633	31,559	37,758	32,248	43,165	33,714	40,254	31,237
Moi	17,372	14,273	18,547	15,684	22,458	20,838	26,469	20,257
Egerton	4,577	3,101	7,044	4,896	8,661	5,267	5,869	3,253
Jomo Kenyatta (JKUAT)	19,048	9,870	19,729	10,847	20,860	11,469	24,025	15,089
Maseno	3,953	2,159	3,922	2,247	7,356	7,412	11,031	7,084
Masinde Muliro	6,295	3,901	5,606	3,445	7,480	4,213	8,642	5,613
Technical University of Kenya	405	135	5,102	1,915	5,391	2,024	7,586	2,446
Technical University of Mombasa	1,828	524	3,993	1,050	4,186	1,234	5,060	1,813
Dedan Kimathi	871	338	1,546	584	4,715	1,578	4,378	1,435
Chuka	-	-	7,318	2,663	9,716	3,931	6,455	4,066
Karatina	-	-	2,700	2,014	3,095	2,209	4,680	3,045
Kisii	-	-	913	531	4,780	3,495	6,660	5,059
Meru	-	-	2,001	903	2,825	1,174	3,067	1,272
Multi Media	-	-	697	331	754	346	1,160	539
South Eastern	-	-	1,988	1,037	3,676	2,138	4,274	2,624
Jaramogi Oginga Odinga	-	-	1,259	771	2,537	1,638	6,040	3,773
Laikipia	-	-	857	574	3,260	2,652	4,049	3,384
University of Eldoret	-	-	8,059	4,507	9,447	6,215	13,898	9,810
Kabianga	-	-	1,004	681	3,375	2,366	1,249	1,017
Pwani	-	-	2,666	1,591	2,981	1,603	3,777	2,494
Masai Mara	-	-	2,585	1,851	4,118	3,036	5,149	3,988
Kibabii	-	-	-	-	-	-	3,527	1,815
SUB-TOTAL	**110,692**	**86,045**	**173,987**	**115,746**	**217,164**	**146,170**	**257,326**	**169,708**
Private Universities	29,554	24,905	39,980	31,666	42,454	37,994	45,259	40,630
GRAND TOTAL	**251,196**		**361,379**		**443,783**		**512,924**	

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

* Provisional

[1]Enrolment excludes Diploma/Certificate.

3.25. **Registration of Universities and other Institutions offering Degree Programmes:** Table 3.14 shows information on the registration of universities and other institutions offering degree programmes from 2011 to 2015. The number of universities with Letters of Interim Authority (LIA) decreased from 13 in 2014 to 12 in 2015 after revocation of the license of one private university. The number of public universities increased from 22 to in 2014 to 23 in 2015 due to granting of a full university charter to one more university.

Table 3.14: Registration of Universities and Other Institutions offering Degree Programmes, 2011-2015

Number

Category of Institutions	2011	2012	2013	2014	2015*
Chartered private universities	14	15	17	17	17
Universities with Letter of Interim Authority	11	12	11	13	12
Newly Registered universities	2	2	2	1	1
Institutions approved for collaboration with universities in offering university programmes	33	33	33	33	34
Public universities	7	8	22	22	23
Public university constituent colleges	23	23	9	9	10
Private university constituent colleges	4	4	5	5	5
Public university campuses established	30	33	33	33	33

Source: Commission for University Education

* Provisional

3.26. The number of approved degree programmes from 2011 to 2015 is presented in Table 3.15. The number of approved private university degree programmes remained at 333. Similarly, the number of approved degree programmes for collaboration with universities, remained constant at 38.

Table 3.15: Approved Degree Programmes, 2011-2015

Number

Programme	2011	2012	2013	2014	2015*
Approved private university degree programmes	109	160	362	333	333
Approved degree programmes for collaboration with universities	38	38	38	38	38
Validated diploma programmes	134	140	140	..	..

Source: Commision for University Education

* Provisional

.. Data not avalable

Health and Vital Statistics

3.27. The number of births registered by county from 2013 to 2015 is presented in Table 3.16 (a). The total number of registered births marginally decreased from 954,254 in 2014 to 950,224 in 2015. Similarly, the coverage rate declined marginally from 63.4 per cent in 2014 to 60.4 per cent in 2015. Disparities in registration of births were observed across counties with Garissa recording the highest coverage rate of 93.3 per cent while Mandera recorded the least coverage rate at 16.0 per cent. Other counties which registered high coverage rates of over 70.0 per cent were Nairobi City, Kiambu, Bomet, Embu and Mombasa. Counties with low birth registration coverage rates of less than 20.0 per cent were: Wajir, Mandera and Turkana.

3.28. Table 3.16 (b) shows the number of registered births by county and place of occurrence from 2013 to 2015. Overall, 90.0 per cent of births were registered in health facilities in 2015 compared to 83.0 per cent in 2014. However, Marsabit, Tana River and Wajir Counties recorded relatively high rates of over 40 per cent of births registered at home.

3.29. Table 3.17 (a) presents the number and coverage rate of deaths registered by county from 2013 to 2015. The total death registration coverage rate declined marginally from 45.8 per cent in 2014 to 45.2 per cent in 2015. During the review period, Embu and Nairobi City Counties recorded high death registration coverage rates of 80.4 per cent and 73.6 per cent, respectively. On the other hand, lower rates continued to be observed in the Northern corridor of Kenya with Mandera and Wajir Counties recording low death coverage rates of 5.1 per cent and 8.4 per cent, respectively, in 2015.

3.30. Table 3.17(b) presents the number of registered deaths by county and place of occurrence from 2013 to 2015. The total number of registered deaths in health facilities declined from 113,311 in 2014 to 112,201 in 2015. The total deaths registered at home increased by 3.1 per cent from 85,300 in 2014 to 88,004. More than half of the counties registered more deaths at home than in health facilities with Muranga, Kakamega, Vihiga, Siaya, Marsabit, Wajir and Mandera recording high rates of over 60 per cent.

Table 3.16 (a): Birth Registration Coverage by County, 2013-2015

County	2013			2014			2015		
	Expected Births	Registered Births	Coverage rate (%)	Expected Births	Registered Births	Coverage rate (%)	Expected Births	Registered Births	Coverage rate (%)
KENYA	**1,491,951**	**870,599**	**58**	**1,505,146**	**954,254**	**63**	**1,574,356**	**950,224**	**60.4**
Mombasa	40,119	32,080	80	41,414	31,568	76	42,695	31,553	73.4
Kwale	35,680	15,128	42	36,903	19,047	52	38,133	16,140	42.3
Kilifi	60,230	33,664	56	62,354	38,070	61	64,492	38,412	59.6
Tana River	11,643	4,602	40	12,045	5,165	43	12,453	4,450	35.7
Lamu	3,901	2,565	66	4,039	2,674	66	4,176	2,762	66.1
Taita Taveta	11,086	5,877	53	11,479	7,311	64	11,870	6,373	53.7
Garissa	23,558	20,035	85	22,601	22,548	100	20,368	18,994	93.3
Wajir	23,943	4,193	18	24,626	4,377	18	25,365	4,430	17.5
Mandera	36,660	6,676	18	37,736	8,463	22	38,903	6,224	16.0
Marsabit	13,785	5,365	39	13,827	6,045	44	13,857	7,184	51.8
Isiolo	6,293	3,184	51	6,301	4,049	64	6,305	3,978	63.1
Meru	49,669	25,089	51	49,677	26,491	53	49,632	27,066	54.5
Tharaka -Nithi	12,562	7,550	60	11,917	7,640	64	12,551	7,214	57.5
Embu	17,583	12,437	71	17,583	12,065	69	17,559	13,084	74.6
Kitui	45,286	20,842	46	45,399	26,433	58	45,467	20,746	46.1
Machakos	51,312	22,665	44	51,286	25,457	50	51,203	28,196	55.1
Makueni	33,296	10,866	33	33,324	12,988	39	33,316	13,857	40.7
Nyandarua	23,569	14,620	62	24,023	15,381	64	24,465	14,443	59.0
Nyeri	28,085	16,402	58	28,586	17,173	60	29,061	15,742	54.7
Kirinyaga	15,553	9,123	59	15,815	11,093	70	16,066	10,531	65.6
Murang'a	24,375	14,694	60	24,815	15,326	62	25,234	16,806	66.6
Kiambu	68,715	52,278	76	69,863	52,229	75	70,964	57,456	81.0
Turkana	51,522	7,939	15	53,730	10,652	20	55,973	9,684	17.3
West Pokot	26,738	8,381	31	27,894	9,009	32	29,064	8,497	29.2
Samburu	12,666	1,815	14	13,205	3,813	29	13,753	2,776	20.1
Trans Nzoia	42,480	16,019	38	44,242	16,750	38	46,023	17,346	38.1
Uasin Gishu	44,623	15,815	35	46,443	18,379	40	54,225	16,867	31.1
Elgeyo/ Marakwet	19,154	9,520	50	19,959	9,506	48	20,770	10,046	48.4
Nandi	38,139	14,802	39	39,714	18,960	48	41,305	14,589	35.3
Baringo	30,357	7,778	26	31,677	9,051	29	33,008	8,732	26.5
Laikipia	17,165	7,646	45	17,878	7,611	43	18,597	7,175	38.6
Nakuru	76,000	35,242	46	79,103	42,266	53	82,232	47,146	57.3
Narok	51,652	12,391	24	53,810	13,127	24	55,997	11,460	20.6
Kajiado	51,098	12,368	24	53,157	13,742	26	55,230	12,258	22.2
Kericho	48,543	22,620	47	50,487	19,850	39	52,448	17,394	33.2
Bomet	39,124	26,245	67	40,729	27,220	67	42,351	33,294	78.6
Kakamega	79,796	35,512	45	80,985	37,469	46	82,170	35,836	43.6
Vihiga	21,945	10,493	48	22,277	10,404	47	22,605	9,995	44.2
Bungoma	82,337	34,809	42	83,604	36,759	44	84,869	30,801	36.3
Busia	24,668	15,734	64	25,048	16,654	67	25,428	15,801	62.1
Siaya	43,015	25,418	59	43,976	22,619	51	44,925	19,959	44.4
Kisumu	48,089	25,771	54	49,090	31,865	65	50,072	33,502	66.9
Homa Bay	54,224	19,128	35	55,431	27,070	49	56,628	33,556	59.3
Migori	54,899	21,564	39	56,181	27,676	49	57,452	25,501	44.3
Kisii	56,617	26,116	46	57,879	29,418	51	59,109	28,884	48.9
Nyamira	37,316	9,998	27	38,143	13,291	35	38,945	14,734	37.8
Nairobi City	134,342	107,500	80	139,723	109,500	78	145,034	118,750	81.9

Source: Civil Registraion Services

* Provisional

Note:

1. Expected births is calculated from population of women in reproductive age group (15-49) multiplied by Age Specific Fertility Rate (ASFR)
2. Data excludes late registration and births that occur at home and were not registered

Table 3.16 (b): Registered Births by County and Place of Occurrence, 2013-2015

County	2013					2014					2015*				
	Health Facility	%	Home	%	Total	Health Facility	%	Home	%	Total	Health Facility	%	Home	%	Total
KENYA	**711,105**	**81.7**	**159,494**	**18.3**	**870,599**	**796,230**	**83.4**	**158,024**	16.6	**954,254**	**855,720**	**90.1**	**94,506**	**9.9**	**950,226**
Mombasa	30,745	95.0	1,609	5.0	32,354	30,768	97.5	800	2.5	31,568	30,708	97.9	645	2.1	31,353
Kwale	6,995	48.7	7,359	51.3	14,354	13,143	69.0	5,904	31.0	19,047	12,711	78.8	3,429	21.2	16,140
Kilifi	22,690	66.1	11,626	33.9	34,316	29,963	78.7	8,107	21.3	38,070	32,857	85.8	5,455	14.2	38,312
Tana River	2,238	46.1	2,619	53.9	4,857	2,579	49.9	2,586	50.1	5,165	2,583	58.0	1,867	42.0	4,450
Lamu	1,934	76.3	600	23.7	2,534	2,086	78.0	588	22.0	2,674	2,286	82.8	476	17.2	2,762
Taita Taveta	4,833	81.6	1,089	18.4	5,922	6,498	88.9	813	11.1	7,311	5,894	92.5	479	7.5	6,373
Garissa	18,809	94.0	1,206	6.0	20,015	21,854	96.9	694	3.1	22,548	18,390	97.3	504	2.7	18,894
Wajir	2,033	48.5	2,160	51.5	4,193	2,239	51.2	2,138	48.8	4,377	2,598	58.6	1,832	41.4	4,430
Mandera	3,402	51.0	3,274	49.0	6,676	4,249	50.2	4,214	49.8	8,463	4,033	64.8	2,191	35.2	6,224
Marsabit	2,562	47.8	2,803	52.2	5,365	1,976	32.7	4,069	67.3	6,045	4,034	56.2	3,150	43.8	7,184
Isiolo	2,584	76.7	786	23.3	3,370	3,174	78.4	875	21.6	4,049	3,462	87.0	516	13.0	3,978
Meru	24,605	98.1	484	1.9	25,089	26,008	98.2	483	1.8	26,491	26,688	98.6	378	1.4	27,066
Tharaka Nithi	6,810	90.2	740	9.8	7,550	6,916	90.5	724	9.5	7,640	6,652	92.2	562	7.8	7,214
Embu	10,831	85.2	1,876	14.8	12,707	10,881	90.2	1,184	9.8	12,065	12,300	94.0	784	6.0	13,084
Kitui	15,173	72.7	5,687	27.3	20,860	18,165	68.7	8,268	31.3	26,433	17,952	85.7	2,994	14.3	20,946
Machakos	20,061	88.5	2,604	11.5	22,665	22,785	89.5	2,672	10.5	25,457	27,104	96.1	1,092	3.9	28,196
Makueni	9,176	84.5	1,689	15.5	10,865	11,324	87.2	1,664	12.8	12,988	12,925	95.4	620	4.6	13,545
Nyandarua	13,412	88.2	1,790	11.8	15,202	13,736	89.3	1,645	10.7	15,381	14,043	97.2	402	2.8	14,445
Nyeri	15,605	92.6	1,253	7.4	16,858	16,640	96.9	533	3.1	17,173	15,742	98.0	320	2.0	16,062
Kirinyaga	8,743	90.4	926	9.6	9,669	10,651	96.0	442	4.0	11,093	10,287	97.7	244	2.3	10,531
Murang'a	12,261	80.8	2,910	19.2	15,171	13,338	87.0	1,988	13.0	15,326	15,282	90.9	1,524	9.1	16,806
Kiambu	50,746	96.8	1,678	3.2	52,424	50,926	97.5	1,303	2.5	52,229	56,864	99.0	592	1.0	57,456
Turkana	5,339	68.5	2,458	31.5	7,797	7,672	72.0	2,980	28.0	10,652	7,019	72.5	2,665	27.5	9,684
West Pokot	5,051	60.3	3,330	39.7	8,381	6,319	70.1	2,690	29.9	9,009	6,795	80.0	1,702	20.0	8,497
Samburu	1,278	70.4	537	29.6	1,815	1,916	50.2	1,897	49.8	3,813	2,245	80.9	531	19.1	2,776
Trans Nzoia	9,386	58.6	6,633	41.4	16,019	10,800	64.5	5,950	35.5	16,750	12,363	70.5	5,183	29.5	17,546
Uasin Gishu	14,056	88.9	1,759	11.1	15,815	15,317	83.3	3,062	16.7	18,379	15,756	93.5	1,091	6.5	16,847
Elgeyo Marakwe	7,751	85.9	1,276	14.1	9,027	8,371	88.1	1,135	11.9	9,506	9,453	94.1	593	5.9	10,046
Nandi	8,542	57.7	6,260	42.3	14,802	10,859	57.3	8,101	42.7	18,960	10,536	72.2	4,053	27.8	14,589
Baringo	7,142	91.8	636	8.2	7,778	8,250	91.2	801	8.8	9,051	8,346	95.6	386	4.4	8,732
Laikipia	6,035	78.9	1,611	21.1	7,646	6,114	80.3	1,497	19.7	7,611	6,389	89.0	786	11.0	7,175
Nakuru	30,802	87.4	4,440	12.6	35,242	37,419	88.5	4,847	11.5	42,266	43,881	93.1	3,265	6.9	47,146
Narok	7,182	58.0	5,209	42.0	12,391	7,639	58.2	5,488	41.8	13,127	7,484	64.7	4,076	35.3	11,560
Kajiado	10,066	81.4	2,302	18.6	12,368	11,302	82.2	2,440	17.8	13,742	11,094	90.5	1,164	9.5	12,258
Kericho	16,838	74.4	5,782	25.6	22,620	17,708	89.2	2,142	10.8	19,850	16,505	94.9	889	5.1	17,394
Bomet	20,592	78.5	5,653	21.5	26,245	16,428	60.4	10,792	39.6	27,220	23,067	69.3	10,227	30.7	33,294
Kakamega	23,118	65.1	12,393	34.9	35,511	28,893	77.1	8,576	22.9	37,469	31,377	87.8	4,371	12.2	35,748
Vihiga	7,252	62.9	4,278	37.1	11,530	8,229	79.1	2,175	20.9	10,404	7,604	76.1	2,391	23.9	9,995
Bungoma	16,458	51.3	15,623	48.7	32,081	21,553	58.6	15,206	41.4	36,759	23,806	77.3	6,995	22.7	30,801
Busia	11,358	68.3	5,279	31.7	16,637	13,677	82.1	2,977	17.9	16,654	14,082	89.1	1,719	10.9	15,801
Siaya	20,955	88.0	2,844	12.0	23,799	19,739	87.3	2,880	12.7	22,619	18,792	94.2	1,167	5.8	19,959
Kisumu	22,892	88.8	2,879	11.2	25,771	29,888	93.8	1,977	6.2	31,865	30,973	92.5	2,529	7.5	33,502
Homa Bay	15,827	82.7	3,301	17.3	19,128	22,877	84.5	4,193	15.5	27,070	30,774	91.7	2,782	8.3	33,556
Migori	16,979	78.7	4,585	21.3	21,564	17,431	63.0	10,245	37.0	27,676	22,385	87.8	3,116	12.2	25,501
Kisii	22,956	87.9	3,160	12.1	26,116	26,269	89.3	3,149	10.7	29,418	26,377	91.3	2,507	8.7	28,884
Nyamira	9,501	95.0	497	5.0	9,998	12,161	91.5	1,130	8.5	13,291	14,472	98.2	262	1.8	14,734
Nairobi City[1]	107,500	100.0	-	-	107,500	109,500	100.0	-	-	109,500	118,750	100.0	-	-	118,750

Source: Civil Registration Services

[1]All registered births were from health facilities due to the gazettement of the Medical Officer of Health (MOH) as a single civil registration agent for births.

Table 3.17 (a): Death Registration Coverage by County, 2013-2015

County	2013			2014			2015*		
	Expected Deaths	Registered Deaths	Coverage (%)	Expected Deaths	Registered Deaths	Coverage (%)	Expected Deaths	Registered Deaths	Coverage (%)
KENYA	**426,078**	**194,332**	**45.6**	**433,769**	**198,611**	**45.8**	**442,966**	**200,205**	**45.2**
Mombasa	10,602	5,575	52.6	10,938	5,997	54.8	11,289	6,161	54.6
Kwale	8,175	2,191	26.8	8,418	2,411	28.6	8,675	2,632	30.3
Kilifi	12,691	5,251	41.4	13,038	4,988	38.3	13,407	5,239	39.1
Tana River	3,313	592	17.9	3,415	684	20.0	3,521	660	18.7
Lamu	1,373	403	29.4	1,410	522	37.0	1,450	454	31.3
Taita Taveta	5,270	1,773	33.6	5,424	1,944	35.8	5,587	1,791	32.1
Garisa	3,706	2,604	28.5	3,685	1,061	28.8	3,695	861	23.3
Wajir	4,994	607	12.2	4,999	627	12.5	5,042	421	8.4
Mandera	9,797	302	3.1	9,715	733	7.5	9,801	506	5.1
Marsabit	2,543	712	28.0	2,533	788	31.1	2,524	1,408	55.8
Isiolo	1,051	395	37.6	1,047	504	48.1	1,044	559	53.5
Meru	11,583	6,333	54.7	11,550	6,312	54.6	11,528	6,639	57.6
Tharaka -Nithi	3,180	1,877	59.0	3,162	1,975	62.5	3,148	1,715	54.5
Embu	4,402	3,320	75.4	4,371	3,266	74.7	4,349	3,481	80.4
Kitui	11,270	4,522	40.1	11,163	4,623	41.4	11,091	4,421	39.7
Machakos	14,185	7,759	54.7	14,033	6,868	48.9	13,910	7,630	54.9
Makueni	11,302	3,630	32.1	11,184	4,178	37.4	11,093	4,201	37.9
Nyandarua	6,963	3,361	48.3	7,083	2,918	41.2	7,216	3,013	41.8
Nyeri	10,058	5,022	49.9	10,253	5,072	49.5	10,355	4,653	41.9
Kirinyaga	5,786	2,681	46.3	5,870	3,212	54.7	5,984	3,211	53.7
Murang'a	11,553	4,926	42.6	11,746	4,359	37.1	11,962	5,317	44.5
Kiambu	15,329	10,721	69.9	15,598	10,479	67.2	15,895	9,978	62.8
Turkana	11,750	1,361	11.6	12,154	1,974	16.2	12,580	1,947	15.5
West Pokot	6,783	800	11.8	6,986	993	14.2	7,221	983	13.6
Samburu	2,288	273	11.9	2,500	433	17.3	2,591	389	15.0
Trans Nzoia	9,792	3,675	37.5	10,128	4,100	40.5	10,484	4,769	45.5
Uasin Gishu	11,677	4,987	42.7	11,997	5,693	47.5	18,432	5,782	31.4
Elgeiyo/ Marakwet	4,487	1,166	26.0	4,589	1,232	26.8	4,705	1,151	24.3
Nandi	10,332	2,608	25.2	10,585	2,705	25.6	10,871	2,487	22.9
Baringo	7,232	1,340	18.5	7,425	1,312	17.7	7,639	1,410	18.5
Laikipia	5,813	1,752	30.1	5,991	1,644	27.4	6,184	1,747	28.3
Nakuru	22,498	9,274	41.2	23,230	9,483	40.8	24,017	9,154	38.1
Narok	7,387	1,432	19.4	7,626	1,581	20.7	7,884	1,821	23.1
Kajiado	6,332	1,596	25.2	6,524	1,778	27.3	6,731	1,797	26.7
Kericho	9,561	3,645	38.1	9,842	3,784	38.4	10,149	3,385	33.4
Bomet	8,394	2,484	29.6	8,652	3,103	35.9	8,931	4,146	46.4
Kakamega	21,773	10,443	48.0	22,676	10,269	45.3	22,833	10,967	48.0
Vihiga	10,684	5,041	47.2	10,756	4,561	42.4	7,363	4,672	63.5
Bungoma	19,217	6,207	32.3	19,321	6,302	32.6	19,438	7,264	37.4
Busia	7,278	4,406	60.5	7,318	4,423	60.4	7,363	4,150	56.4
Siaya	19,315	7,485	38.8	19,685	6,908	35.1	20,084	7,165	35.7
Kisumu	15,968	8,184	51.3	16,279	8,914	54.8	14,614	8,358	57.2
Homa Bay	15,155	4,791	31.6	15,457	5,300	34.3	15,781	4,163	26.4
Migori	14,826	4,006	27.0	14,407	4,190	29.1	14,709	3,841	26.1
Kisii	13,402	8,605	64.2	13,619	8,950	65.7	13,855	8,041	58.0
Nyamira	6,804	1,713	25.2	6,901	2,207	32.0	7,008	2,179	31.1
Nairobi City	28,084	22,501	80.1	29,973	23,251	77.6	31,917	23,486	73.6

Source: Civil Registraion Services

* Provisional

Note:

1. Expected deaths are calculated as the total population per age group multiplied by age specific mortality rate.
2. Data excludes late registration of deaths and deaths that occur at home and were not registered.

Table 3.17 (b): Registered Deaths by County and Place of Occurrence, 2013-2015

	2013					2014					2015				
County+A1:O44	Home	%	Health Facility	%	Total	Home	%	Health Facility	%	Total	Home	%	Health Facility	%	Total
Kenya	**93,460**	**48.1**	**100,872**	**51.9**	**194,332**	**85,300**	**42.9**	**113,311**	**57.1**	**198,611**	**88,004**	**44.0**	**112,201**	**56.0**	**200,205**
Mombasa	2,072	31.6	4,490	68.4	6,562	1,690	28.2	4,307	71.8	5,997	1,973	32.0	4,188	68.0	6,161
Kwale	1,408	67.3	683	32.7	2,091	1,115	46.2	1,296	53.8	2,411	1,214	46.2	1,416	53.8	2,630
Kilifi	1,867	35.6	3,384	64.4	5,251	2,480	49.7	2,508	50.3	4,988	2,258	43.1	2,981	56.9	5,239
Tana River	867	85.2	151	14.8	1,018	458	67.0	226	33.0	684	377	57.1	283	42.9	660
Lamu	246	61.0	157	39.0	403	271	51.9	251	48.1	522	247	53.5	215	46.5	462
Taita Taveta	980	58.6	693	41.4	1,673	1,057	54.4	887	45.6	1,944	976	54.5	815	45.5	1,791
Garissa	709	69.9	305	30.1	1,014	656	61.8	405	38.2	1,061	485	56.3	376	43.7	861
Wajir	494	81.4	113	18.6	607	266	42.4	361	57.6	627	308	73.2	113	26.8	421
Mandera	245	81.1	57	18.9	302	460	62.8	273	37.2	733	373	74.6	127	25.4	500
Marsabit	573	80.5	139	19.5	712	603	76.5	185	23.5	788	1,213	86.2	195	13.8	1,408
Isiolo	189	47.8	206	52.2	395	280	55.6	224	44.4	504	231	41.3	328	58.7	559
Meru	2,089	39.0	3,274	61.0	5,363	2,836	44.9	3,476	55.1	6,312	3,082	46.4	3,557	53.6	6,639
Tharaka Nithi	869	48.9	908	51.1	1,777	845	42.8	1,130	57.2	1,975	851	49.6	864	50.4	1,715
Embu	1,588	49.3	1,632	50.7	3,220	1,516	46.4	1,750	53.6	3,266	1,657	47.6	1,824	52.4	3,481
Kitui	4,379	72.2	1,683	27.8	6,062	2,523	54.6	2,100	45.4	4,623	2,569	58.1	1,852	41.9	4,421
Machakos	4,474	59.2	3,085	40.8	7,559	3,568	52.0	3,300	48.0	6,868	3,509	46.0	4,121	54.0	7,630
Makueni	2,765	71.8	1,084	28.2	3,849	2,336	55.9	1,842	44.1	4,178	2,293	54.6	1,908	45.4	4,201
Nyandarua	1,820	54.2	1,541	45.8	3,361	1,528	52.4	1,390	47.6	2,918	1,594	52.9	1,419	47.1	3,013
Nyeri	2,209	44.0	2,813	56.0	5,022	2,068	40.8	3,004	59.2	5,072	1,631	35.1	3,022	64.9	4,653
Kirinyaga	1,845	68.8	836	31.2	2,681	1,570	48.9	1,642	51.1	3,212	1,359	42.3	1,852	57.7	3,211
Murang'a	3,145	71.1	1,281	28.9	4,426	2,831	64.9	1,528	35.1	4,359	3,337	62.8	1,980	37.2	5,317
Kiambu	4,458	44.3	5,594	55.7	10,052	4,635	44.2	5,844	55.8	10,479	4,119	41.3	5,859	58.7	9,978
Turkana	520	41.2	741	58.8	1,261	768	38.9	1,206	61.1	1,974	597	30.7	1,350	69.3	1,947
West Pokot	245	35.0	455	65.0	700	215	21.7	778	78.3	993	353	35.9	630	64.1	983
Samburu	67	38.3	108	61.7	175	188	43.4	245	56.6	433	191	49.1	198	50.9	389
Trans Nzoia	2,243	62.3	1,359	37.7	3,602	1,943	47.4	2,157	52.6	4,100	2,479	52.0	2,290	48.0	4,769
Uasin Gishu	1,765	36.4	3,082	63.6	4,847	1,875	32.9	3,818	67.1	5,693	1,354	23.4	4,428	76.6	5,782
Elgeyo Marakwet	641	60.1	425	39.9	1,066	584	47.4	648	52.6	1,232	546	47.4	605	52.6	1,151
Nandi	989	41.1	1,419	58.9	2,408	1,069	39.5	1,636	60.5	2,705	1,383	55.6	1,104	44.4	2,487
Baringo	555	44.8	685	55.2	1,240	320	24.4	992	75.6	1,312	498	35.3	912	64.7	1,410
Laikipia	963	58.3	689	41.7	1,652	872	53.0	772	47.0	1,644	979	56.0	768	44.0	1,747
Nakuru	4,950	54.2	4,184	45.8	9,134	4,385	46.2	5,098	53.8	9,483	5,122	56.0	4,032	44.0	9,154
Narok	657	49.3	675	50.7	1,332	608	38.5	973	61.5	1,581	1,014	55.7	807	44.3	1,821
Kajiado	2,019	43.3	2,645	56.7	4,664	865	48.7	913	51.3	1,778	1,063	59.2	734	40.8	1,797
Kericho	1,904	53.8	1,638	46.2	3,542	1,390	36.7	2,394	63.3	3,784	1,722	50.9	1,663	49.1	3,385
Bomet	939	37.8	1,545	62.2	2,484	1,023	33.0	2,080	67.0	3,103	2,316	55.9	1,830	44.1	4,146
Kakamega	7,967	76.3	2,476	23.7	10,443	7,681	74.8	2,588	25.2	10,269	7,259	66.2	3,708	33.8	10,967
Vihiga	4,823	80.6	1,158	19.4	5,981	3,567	78.2	994	21.8	4,561	3,631	77.7	1,041	22.3	4,672
Bungoma	3,860	62.2	2,347	37.8	6,207	3,476	55.2	2,826	44.8	6,302	4,100	56.4	3,164	43.6	7,264
Busia	2,646	60.1	1,760	39.9	4,406	1,987	44.9	2,436	55.1	4,423	2,351	56.7	1,799	43.3	4,150
Siaya	3,255	43.5	4,230	56.5	7,485	1,948	64.2	1,088	35.8	3,036	4,403	61.5	2,762	38.5	7,165
Kisumu	3,570	48.0	3,865	52.0	7,435	5,642	48.2	6,057	51.8	11,699	3,330	39.8	5,028	60.2	8,358
Homa Bay	2,623	59.8	1,763	40.2	4,386	1,849	48.7	1,951	51.3	3,800	1,866	44.8	2,297	55.2	4163
Migori	2,182	54.5	1,824	45.5	4,006	2,403	44.9	2,946	55.1	5,349	1942	50.6	1899	49.4	3841
Kisii	3,649	47.8	3,980	52.2	7,629	4,029	38.8	6,349	61.2	10,378	2771	34.5	5270	65.5	8041
Nyamira	1,137	48.5	1,209	51.5	2,346	1,021	46.3	1,186	53.7	2,207	1050	48.2	1129	51.8	2179
Nairobi City[1]	0	0	22501	100	22501	0	0	23251	100	23251	28	0.1	23458	99.9	23486

Source: Civil Registration Services

[1] No deaths registered at home 2015

3.31. Information on the number of registered deaths by major causes from 2011 to 2015 is presented in Table 3.18. The total number of registered deaths by major causes declined by 598 to 108,337 in 2015. Pneumonia, Malaria, Cancer, HIV/AIDS and Tuberculosis remained the top five leading causes of death in Kenya.

Table 3.18: Registered Deaths by Major Causes, 2011 – 2015

Number

Cause	2011	2012	2013	2014	2015*
Malaria	26,652	24,772	23,789	22,948	20,691
Pneumonia	22,632	22,051	22,918	21,640	22,473
Cancer	11,527	12,574	13,720	14,175	15,714
HIV/AIDS	11,274	11,111	11,448	12,235	11,131
Tuberclosis	11,149	10,611	11,186	10,986	10,183
Anaemia	7,984	8,169	8,124	8,469	8,472
Road traffic accidents[1]	4,382	4,997	4,942	4,710	5,488
Other accidents	4,726	4,630	4,857	4,187	3,887
Heart disease	4,404	5,188	4,544	5,030	5,799
Menengitis	4,497	4,480	4,265	4,555	4,499
Sub-total	**109,227**	**108,583**	**109,793**	**108,935**	**108,337**
Others	73,425	79,234	84,539	89,676	91,868
Total	**182,652**	**187,817**	**194,332**	**198,611**	**200,205**

Source: Civil Registration service

*Provisional

[1]The data includes deaths that occur after the road accidents have been reported

3.32. **National Hospital Insurance Fund (NHIF):** The NHIF is a compulsory contributory health insurance scheme for all formal employees. The resource base of the Fund for the period 2010/11 to 2014/15 is shown in Table 3.19(a). The total receipts of the Fund grew by 16.2 per cent from KSh 13.6 billion in 2013/14 to KSh 15.8 billion in 2014/15 on account of enhanced monthly contributions, in the last quarter of 2014/15, and growth in membership. Similarly, the benefits accrued to members rose by 16.0 per cent from KSh 9.4 billion in 2013/14 to KSh 10.9 billion in 2014/15. The overall net income for the Fund increased by 16.7 per cent from KSh 4.2 billion in 2013/14 to KSh 4.9 billion in 2014/15.

Table 3.19 (a): National Hospital Insurance Fund Resources, 2010/2011-2014/2015

KSh Million

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15*
Receipts	6,765.8	9,595.6	12,054.9	13,629.1	15,826.2
Benefits	3,677.4	5,999.8	8,236.2	9,401.4	10,891.1
Contributions Net of Benefits	**3,088.3**	**3,595.8**	**3,818.7**	**4,227.7**	**4,935.1**

Source: National Hospital Insurance Fund

* Provisional

3.33. **National Hospital Insurance Fund Membership:** The number of registered members of the National Hospital Insurance Fund from 2010/11 to 2014/15 is shown in Table 3.19 (b). Overall, membership rose by 17.1 per cent from 4,450.4 thousand in 2013/14 to 5,213.2 thousand in 2014/15. The formal sector contributed the bulk of the membership with a share of 61.8 per cent. Over the same period, the informal sector registered a growth of 32.9 per cent compared to a 9.1 per cent growth in the formal sector. The increase in the number of registered members in the informal sector may partly be explained by sustained campaigns by the Fund.

Table 3.19 (b): Registered Members of the National Hospital Insurance Fund, 2010/11-2014/15

Number

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15*
Formal Sector	2,197,940	2,441,795	2,679,370	2,952,362	3,221,621
Informal Sector	688,746	898,364	1,115,424	1,498,031	1,991,614
Total	**2,886,686**	**3,340,159**	**3,794,794**	**4,450,393**	**5,213,235**

Source: National Hospital Insurance Fund

* Provisional

3.34. The total number of registered medical personnel and those in training for the years 2014 and 2015 is shown in Table 3.20. The total number of registered medical personnel rose by 9.4 per cent from 121,578 in 2014 to 133,002 in 2015. Consequently, the ratio of registered medical personnel per 100,000 people grew to 301 in 2015 from 282 in 2014. During the review period, of all the registered medical personnel, only the ratio of Dentists and Public Health Technicians remained at the same level as that of 2014 at 3 and 14 per 100,000 population, respectively. The total number of medical students in-training increased from 14,751 in 2014/16 to 14,826 in 2015/16. Increases were noted for all in trainee medical personnel except for trainee dentists, pharmaceutical technologists and enrolled nurses.

Table 3.20: Registered Medical Personnel and those in Training, 2014-2015

Type of Personnel	Registered Medical Personnel				In-Training	
	2014		2015			
	Number	No. Per 100,000 Population	Number	No. Per 100,000 Population	2014/2015	2015/2016*
Doctors	9,149	21	9,734	22	3,279	3,493
Dentists	1,090	3	1,149	3	369	320
Pharmacists	2,355	5	2,537	6	969	998
Pharmaceutical Technologists	7,041	16	7,922	18	610	442
BSc. Nursing	2,418	6	3,008	7	3,979	3,409
Registered Nurses	41,371	96	46,038	104	2,702	3,123
Enrolled Nurses	27,186	63	27,524	62	509	330
Clinical Officers	15,960	37	19,011	43	1,583	1,640
Public Health officers[1]	9,039	21	10,110	23	751	1,071
Public Health Technicians[2]	5,969	14	5,969	14	_	_
Total	**121,578**	**282**	**133,002**	**301**	**14,751**	**14,826**

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

* Provisional

[1] Estimates

[2] Training phased out

3.35. Table 3.21 presents the total number of undergraduate and postgraduate medical students at the universities by course and sex from 2011/12 to 2015/16 academic years. The total number of undergraduate and postgraduate medical students is expected to marginally decline from 11,488 in 2014/15 to 11,435 in 2015/16. The number of students undertaking Medicine and Surgery is expected to rise by 6.5 per cent to 3,493 in 2015/16. The number of students undertaking Dental Surgery, BSc Nursing and Environmental Health is expected to decline by 13.3 per cent, 14.3 per cent and 14.0 per cent, respectively, during the review period. The number of medical postgraduate students is expected to grow by 22.0 per cent from 1,430 in 2014/15 to 1,745 in 2015/16.

Table 3.21: Undergraduate and Post Graduate Medical Students by Course and Sex, 2011/12- 2015/16

Number

Undergraduate	2011/12		2012/13		2013/14		2014/15		2015/16*	
Medical Degree	Male	Female	Male		Male	Female	Male	Female	Male	Female
Medicine & Surgery	1,373	1,099	1,649	1,521	1,784	1,673	1,706	1,573	2,068	1,425
BSc (Nursing)	630	1,302	781	1,368	1,042	1,531	1,197	2,781	1,251	2,158
Dental Surgery	118	100	138	130	147	144	201	168	157	163
Environmental Health	307	233	409	671	570	473	571	675	532	539
Pharmacy	168	130	207	259	389	265	550	419	544	454
BSc (Biochemistry)	321	180	186	194	275	186	140	77	260	139
Sub-Total	**2,917**	**3,044**	**3,370**	**4,143**	**4,207**	**4,272**	**4,365**	**5,693**	**4,812**	**4,878**
Postgraduate students	243	342	335	283	662	461	706	724	1,046	699
Total	**3,160**	**3,386**	**3,705**	**4,426**	**4,869**	**4,733**	**5,071**	**6,417**	**5,858**	**5,577**
Grand Total	**6,546**		**8,131**		**9,602**		**11,488**		**11,435**	

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

*Provisional

3.36. The number of middle level students registered to undertake various courses at the Kenya Medical Training College (KMTC) from 2011 to 2015 is shown in Table 3.22. The total number of trainees increased substantially by 14.5 per cent from 8,079 in 2014 to 9,254 in 2015. The number of students undertaking diploma courses in Community Health Nursing grew from 1,342 in 2014 to 3,000 in 2015, while those undertaking a diploma in Clinical Medicine and Surgery increased to 1,520.

3.37. Information on under one year old children who have received all basic vaccinations by nine months after birth is presented in Table 3.23. The number of children fully immunized declined from 1,128.8 thousand in 2014 to 1,124.1 thousand in 2015. During the review period, slightly more than half of the counties recorded an increase in immunization coverage. Kwale, Nyeri and Taita Taveta Counties registered high increases in the percentage points of 28.9 per cent, 24.0 per cent and 18.5 per cent, respectively, in 2015.

Table 3.22: Middle Level Medical Trainees in Public Medical Training Colleges, 2011 –2015

Number

Level of Training	2011	2012	2013	2014	2015*
Certificate in:					
Community Nursing	184	278	279	175	330
Medical Engineering Technology	76	84	94	186	60
Health Records & Information Technology	722	781	528	571	830
Nutrition	196	180	318	334	320
Sub-Total	**1,178**	**1,323**	**1,219**	**1,266**	**1,540**
Diploma in:					
Community Health Nursing	1,029	2,662	2,708	1,342	3,000
Community Nutrition	72	138	187	364	320
Environmental Health Sciences	464	589	568	736	560
Medical Laboratory Sciences	429	411	459	617	462
Clinical Medicine & Surgery	1,134	1,156	1,125	1,466	1,520
Medical Engineering Technology	55	75	118	60	83
Community Oral Health	40	41	47	72	47
Dental Technology	39	39	36	48	41
Health Records and Information technology	225	255	381	424	401
Occupational Therapy	42	44	44	50	84
Orthopaedic Technology	32	35	25	38	25
Pharmacy	406	448	434	610	442
Physiotherapy	117	143	109	290	167
Medical Imaging Sciences	115	165	143	179	147
Optical Technology	25	22	28	37	20
Registered Nursing-Mental Health &Psychiatry[6]	-	50	93	87	60
Neurophysiology[5]	14	16	-	-	-
Sub Total	**4,238**	**6,273**	**6,505**	**6,420**	**7,379**
Higher Diploma in:					
Pharmacy	-	5	-	-	-
Environmental Health Sciences[1]	21	6	4	15	4
Medical Laboratory Sciences[2]	18	15	18	34	11
Nursing[3]	81	52	163	108	123
Clinical Medicine and Surgery[4]	48	83	112	127	120
Medical Engineering	60	27	-	-	-
Ultra Sound Image Pattern Analysis	49	21	36	48	37
Community Health & HIV/AIDS Care	45	58	33	21	15
Health Education & Promotion	25	18	17	10	14
Medical Education[6]	-	17	11	30	11
Post Graduate Medical Education[5]	20	-	-	-	-
Sub-Total	**367**	**297**	**394**	**393**	**335**
Total	**5,783**	**7,893**	**8,118**	**8,079**	**9,254**

Source: Kenya Medical Training College, Ministry of Health

* Provisional

[1] Includes food science and inspection, epidemiology, solid waste and occupational health

[2] Includes clinical chemistry, haematology, histology, parastology, virology, microbiology, bacterialogy and blood transfusion sciences

[3] Includes Psychiatry Nursing, Community Health Nursing, intensive care, ophthalmic and PeriOperative nursing

[4] Includes paediatrics, orthopaedics, anesthesia, lungs & skin, ent & audiology, reproductive health and opthalmology & cataract surgery

[5] Courses Discontinued

[6] New course started to replace Post Graduate Certificate and Post Graduate Medical Education

Table 3.23: Full Immunization Coverage (FIC), Rate of Under-One Year Old Children by County[1], 2012-2015

County	2012		2013		2014		2015*	
	Number	%	Number	%	Number	%	Number	%
Mombasa	30,089	92.4	26,761	79.7	26,200	72.8	31,826	86.6
Kwale	22,571	84.6	23,438	85.2	24,185	66.5	27,271	95.4
Kilifi	37,580	84.6	37,051	80.9	36,522	96.0	38,712	97.6
Tana River	7,197	64.7	6,553	57.1	6,501	56.1	6,575	60.7
Lamu	3,139	90.0	2,990	83.2	3,462	86.5	3,589	90.5
Taita Taveta	6,791	78.9	6,886	77.6	8,003	62.6	7,603	81.1
Garissa	11,583	124.1	11,768	129.7	15,157	61.9	14,670	61.5
Wajir	9,095	115.3	10,706	139.6	12,352	47.8	14,292	55.1
Mandera	8,663	75.3	7,813	69.9	10,212	20.4	11,494	26.8
Marsabit	7,925	96.7	7,671	92.7	9,425	71.7	9,950	78.2
Isiolo	4,026	85.6	4,255	89.6	4,136	61.3	4,385	64.2
Meru	31,782	78.9	24,105	59.3	28,522	57.9	28,564	64.3
Tharaka Nithi	10,635	101.7	8,748	82.8	7,357	47.7	7,110	54.7
Embu	11,876	87.4	13,193	96.1	11,878	73.3	12,309	90.5
Kitui	23,787	70.8	24,480	72.2	28,282	69.6	25,547	66.1
Machakos	28,568	93.6	25,828	83.8	27,266	77.7	27,107	78.2
Makueni	21,436	84.7	20,361	79.7	23,603	81.0	22,152	84.0
Nyandarua	13,442	74.4	12,919	69.5	15,030	85.5	15,134	85.7
Nyeri	10,431	60.1	13,780	77.2	15,212	75.8	14,966	99.8
Kirinyaga	11,167	82.2	11,169	80.0	11,166	85.2	11,667	87.6
Muranga	17,032	67.8	14,476	56.1	21,316	85.6	20,579	85.1
Kiambu	41,004	82.8	34,402	67.6	45,881	92.3	48,511	98.8
Turkana	17,429	78.4	15,248	66.5	20,390	75.0	20,854	64.1
West Pokot	12,410	52.6	11,812	48.4	14,819	63.3	14,317	65.6
Samburu	6,651	68.4	5,313	52.9	5,797	61.3	5,546	57.7
Trans Nzoia	20,483	61.5	18,880	55.0	22,188	59.8	23,573	60.5
Uasin Gishu	26,759	82.6	24,653	73.8	26,780	73.6	28,127	68.9
Elgeyo Marakwet	12,129	80.0	10,310	65.9	12,280	75.7	12,105	72.8
Nandi	22,008	80.1	20,009	70.6	22,971	67.5	21,972	64.6
Baringo	14,884	69.9	14,258	64.8	15,793	58.7	15,049	56.7
Laikipia	11,203	82.8	11,755	84.3	11,453	61.9	13,253	69.0
Nakuru	57,619	100.5	46,781	79.2	54,150	89.3	56,303	87.8
Narok	28,633	69.1	24,394	57.0	26,216	80.0	24,731	56.2
Kajiado	22,236	81.8	16,352	58.4	22,999	69.6	23,292	74.1
Kericho	27,259	100.2	14,727	52.5	20,908	63.6	19,224	58.5
Bomet	11,976	42.0	17,144	58.3	19,785	53.8	19,630	60.6
Kakamega	54,512	84.3	56,899	85.9	59,438	79.4	57,113	78.7
Vihiga	16,776	89.1	18,439	95.6	17,701	84.6	17,528	79.2
Bungoma	41,188	63.3	40,314	60.5	46,262	76.0	44,282	71.3
Busia	32,749	170.4	23,046	117.1	27,593	82.6	22,977	72.6
Kisumu	28,872	80.7	27,079	74.2	29,981	75.8	30,435	78.0
Siaya	27,456	88.0	24,423	76.6	26,870	76.5	26,013	78.2
Homabay	33,829	88.6	31,377	80.5	30,786	67.2	28,185	65.0
Migori	33,364	83.1	33,142	80.9	33,624	75.8	35,173	76.3
Kisii	39,623	94.8	31,422	73.7	34,341	81.5	32,622	65.3
Nyamira	13,234	65.4	20,032	97.1	20,690	98.0	20,121	97.0
Nairobi	111,502	95.2	96,196	75.1	113,328	72.5	107,620	70.4
Kenya	**1,094,603**	**83.0**	**1,003,358**	**76.0**	**1,128,811**	**74.0**	**1,124,058**	**73.4**

Source: Ministry of Health, Division of Vaccine and Immunization

*Provisional

[1]Refers to children under one year old who have received all basic vaccinations by nine months after birth

3.38. The incidence of diseases causing morbidity for the period 2011 to 2015 is presented in Table 3.24. Overall, cases of morbidity increased by 2,000 to 47,040,650 in 2015. Malaria and respiratory infections continued to be the leading diseases collectively accounting for 55.3 per cent of total diseases causing morbidity. The number of reported malaria cases reported continued to decline by 19.6 per cent to 7,770,124 in 2015. This may be attributed to the Ministry of Health anti-malaria campaigns.

Table 3.24: Incidence of Diseases in Kenya, 2011-2015

	2011		2012		2013		2014		2015*	
DISEASE	Number	%	Number	%	Number	%	Number	%	Number	%
Malaria	11,150,223	26.4	9,445,107	24.0	8,808,471	20.2	9,660,992	20.5	7,770,124	16.5
Disease of the Respiratory System	11,098,928	26.3	12,215,993	31.0	14,823,864	34.0	17,998,237	38.3	18,251,974	38.8
Diseases of the Skin (Incl. Ulcers)	2,882,050	6.8	3,051,026	7.7	3,648,361	8.4	4,556,925	9.7	4,758,707	10.1
Diarrhoea Diseases	2,024,812	4.8	2,081,487	5.3	2,226,107	5.1	3,013,256	6.4	3,207,084	6.8
Intestinal Worms	374,886	0.9	357,844	0.9	349,632	0.8	357,319	0.8	323,309	0.7
Pneumonia	1,100,997	2.6	1,135,046	2.9	1,282,996	2.9	1,509,851	3.2	1,504,809	3.2
Accidents (incl. fractures, burns etc)	780,908	1.9	846,287	2.1	927,861	2.1	1,079,953	2.3	1,356,056	2.9
Rheumatism, Joint pains etc	750,888	1.8	845,397	2.1	1,081,245	2.5	1,352,350	2.9	1,469,346	3.1
Urinary Tract Infections	778,433	1.8	912,646	2.3	1,091,371	2.5	1,361,275	2.9	1,537,051	3.3
Eye Infection	689,004	1.6	717,983	1.8	778,073	1.8	1,002,778	2.1	982,933	2.1
All Other Diseases	6,701,348	15.9	7,781,869	19.8	8,618,536	19.8	5,145,714	10.9	5,879,257	12.5
TOTAL	**38,332,477**	**100.0**	**39,390,685**	**100.0**	**43,636,517**	**100.0**	**47,038,650**	**100.0**	**47,040,650**	100.0

Source: Ministry of Health, Health Management information System

* Provisional

3.39. **National Social Security Fund (NSSF):** Table 3.26 shows details of National Social Security Fund from 2011 to 2015. The number of registered employers increased by 4.0 per cent to 93.0 thousand in 2015. Similarly, the number of registered employees increased by 300 to 3,981.3 thousand in the review period. Annual contributions went up by 39.8 per cent to KSh 9,209.9 million in 2015, while benefits paid grew by 38.8 per cent from KSh 2,881.3 million in 2014 to KSh 3,999.2 million in the same period.

Table 3.25: National Social Security Fund, 2011- 2015

Details	2011	2012	2013	2014	2015*
Registered Employers '000	84.2	92.1	92.1	92.3	93.0
Registered Employees '000					
Male	2,720.0	2,954.7	2,955.0	2,975.7	2,975.9
Female	945.2	1,001.2	1,001.3	1,005.3	1,005.4
Total	3,665.2	3,955.9	3,956.3	3,981.0	3,981.3
Annual contribution (KSh Million)	5,990.6	6,571.1	6,571.6	6,587.9	9,209.9
Annual benefits paid (KSh Million)	2,357.1	2,765.3	2,844.6	2,881.3	3,999.2

Source: National Social Security Fund

* Provisional

3.40. **Adult Education:** Table 3.26 gives details on adult education enrolment by Sex and County for the year 2015. Nationally, 246,215 adults were enrolled under the adult education program, out of which 68.2 per cent were females and 31.8 per cent were males. Nairobi City County recorded the highest number of adult learners while Taita Taveta registered the lowest number.

Table 3.26: Adult Enrolment by Sex and County, 2015*

County	Male	Female	Total
Baringo	2,489	6,337	8,826
Bomet	860	2,114	2,974
Bungoma	3,760	7,081	10,841
Busia	972	2,510	3,482
Elgeyo Marakwet	1,680	1,962	3,642
Embu	553	2,145	2,698
Garissa	5,179	4,084	9,263
Homabay	2,827	9,572	12,399
Isiolo	369	1,249	1,618
Kajiado	3,345	6,873	10,218
Kakamega	1,080	3,000	4,080
Kericho	1,357	3,690	5,047
Kiambu	2,094	3,751	5,845
Kilifi	1,455	7,112	8,567
Kirinyaga	557	1,663	2,220
Kisii	1,862	5,190	7,052
Kisumu	1,159	3,412	4,571
Kitui	1,504	8,550	10,054
Kwale	1,154	5,675	6,829
Laikipia	860	2,242	3,102
Lamu	498	1,150	1,648
Machakos	869	3,193	4,062
Makueni	664	4,108	4,772
Mandera	1,537	1,808	3,345
Marsabit	761	1,486	2,247
Meru	3,073	7,870	10,943
Migori	1,955	5,184	7,139
Mombasa	668	1,256	1,924
Muranga	466	2,185	2,651
Nairobi	6,351	7,831	14,182
Nakuru	5,099	1,219	6,318
Nandi	1,345	3,953	5,298
Narok	1,079	1,805	2,884
Nyamira	1,843	4,208	6,051
Nyandarua	563	2,173	2,736
Nyeri	628	1,978	2,606
Samburu	1,507	2,296	3,803
Siaya	233	1,043	1,276
Taita Taveta	191	918	1,109
Tana River	1,906	4,794	6,700
Tharaka Nithi	1,396	4,093	5,489
Trans Nzoia	950	1,491	2,441
Turkana	2,600	3,000	5,600
Uasin Gishu	2,814	4,480	7,294
Vihiga	1,222	2,858	4,080
Wajir	1,304	1,223	2,527
West Pokot	1,691	2,071	3,762
Total	**78,329**	**167,886**	**246,215**

Source: Directorate of Adult Education; Ministry of Education, Science and Technology
*Provisional

3.41. Details on adult private candidates registered for proficiency and KCPE by sex and county in 2015 are presented in Table 3.27. Adult learners registered for proficiency and KCPE were 19,359 and 7,558, respectively, in 2015. Garissa County recorded the highest number of adult learners for proficiency followed by Meru, Migori and Kitui Counties. In KCPE registration, Meru County recorded the highest number of adults registered or KCPE accounting for 10.3 per cent of the total number registered followed by Nairobi with 618 adult learners. Wajir, Murang'a and Marsabit counties did not register any candidate for proficiency in the reviewperiod.

Table 3.27: Adult Private Candidates Registered for Proficiency and KCPE by Sex and County, 2015*

S/NO	COUNTY	Proficiency[1]			KCPE		
		Male	Female	Total	Male	Female	Total
1	Baringo	40	82	122	28	30	58
2	Bomet	153	257	410	9	7	16
3	Bungoma	112	327	439	63	57	120
4	Busia	63	226	289	36	21	57
5	Elgeyo Marakwet	73	104	177	12	20	32
6	Embu	116	555	671	70	48	118
7	Garissa	935	745	1680	119	25	144
8	Homabay	43	259	302	157	123	280
9	Isiolo	72	199	271	24	16	40
10	Kajiado	118	155	273	160	100	260
11	Kakamega	124	274	398	106	98	204
12	Kericho	59	181	240	61	48	109
13	Kiambu	102	306	408	140	142	282
14	Kilifi	84	0	84	71	35	106
15	Kirinyaga	52	98	150	124	71	195
16	Kisii	142	408	550	324	217	541
17	Kisumu	103	305	408	246	227	457
18	Kitui	184	968	1152	57	83	140
19	Kwale	71	152	223	16	6	21
20	Laikipia	61	126	187	46	4	50
21	Lamu	71	236	307	40	37	77
22	Machakos	149	661	810	38	37	75
23	Makueni	61	474	535	16	8	24
24	Mandera	190	255	445	88	21	109
25	Marsabit	-	-	-	86	86	172
26	Meru	442	1090	1532	481	299	780
27	Migori	404	860	1264	49	47	96
28	Mombasa	28	55	83	117	113	230
29	Muranga	-	-	-	40	30	70
30	Nairobi	215	350	565	293	352	618
31	Nakuru	411	502	913	138	73	211
32	Nandi	115	346	461	213	254	467
33	Narok	91	164	255	60	52	85
34	Nyamira	94	205	299	57	48	105
35	Nyandarua	95	288	383	48	30	78
36	Nyeri	119	345	464	45	25	70
37	Samburu	18	23	41	12	16	28
38	Siaya	64	219	283	50	53	103
39	Taita Taveta	67	129	196	29	31	60
40	Tana river	87	158	245	47	34	81
41	Tharaka Nithi	82	315	397	39	23	62
42	Trans Nzioa	69	60	129	45	44	89
43	Turkana	258	377	635	125	94	219
44	Uasin Gishu	92	84	176	129	89	218
45	Vihiga	75	319	394	58	33	93
46	Wajir	-	-	-	41	9	50
47	West Pokot	49	64	113	28	30	58
	Total	**6,053**	**13,306**	**19,359**	**4,281**	**3,346**	**7,558**

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

*Provisional

[1] Refers to exams given to adult learners to asses their reading, writing and counting skills.

3.42. **Gender and Development:** Engendering the development process enables men and women participate on an equal basis in determining their common future. The number of registered women groups by membership, contributions, Government loans to groups through Uwezo Fund and Women Enterprise Fund is presented in Table 3.28. The number of registered women groups increased from 150,857 in 2014 to 154,425 in 2015. The total membership rose by 3.3 per cent from 6.0 million in 2014 to 6.2 million in 2015.The group contributions also grew by a similar margin to KSh 623 million in 2015.

Table 3.28: Women Groups Registration, Contributions and Source of Loans, 2011-2015

Year	Numbers			Loans[1]	
	No. of Women Groups	Membership	Group contributions (KSh Million)	Uwezo Fund (KSh Million)	Women Enterprise Fund (KSh Million)
2011	143,792	5,618,064	553.8	80.0	440.0
2012	145,856	5,734,543	568.7	70.0	352.0
2013	148,190	5,872,172	585.2	-	167.0
2014	150,857	6,024,848	603.3	-	169.0
2015	154,425	6,177,492	623.0	4,240.0	524.0

Source: Ministry of labour & EAC Affairs, The *Uwezo* Oversight Board and Women Enterprise Fund,
[1]Loans by National Government only

Other Social Services

3.43. **Uwezo Fund:** The *Uwezo Fund* was established in 2014 with the objective of expanding access to finances for youth and women in business. During the review, the Fund disbursed KSh 4,240 million in 2015 as shown in Table 3.28.

3.44. **Women Enterprise Fund:** Women Enterprise Fund is one of the flagship projects under the Vision 2030. Government loans disbursed through the Women Enterprise Fund increased from KSh 169 million in 2014 to KSh 524 million in 2015, being the highest amount so far disbursed over the last five years.

3.45. **Women in Decision-Making:** Gender equality in decision making has improved in recent years, although wide disparities still exist. Participation of men and women in key decision making positions is shown in Table 3.29. The share of female Members of Parliament in the National Assembly remained at 19.8 per cent of total legislators in 2015. The share of female Cabinet Secretaries declined from 33.3 per cent in 2014 to 25.5 per cent in 2015. The categories where the constitutional threshold of one-third was met was in Principal Secretaries, County Commissioners, Judges, Magistrates, Lawyers and Members of County Assembly.

Table 3.29: Women Participation in Key Decision Making Positions, 2014- 2015

Categories	2014*				2015*			
	Number			(%)F	Number			(%)F
	F	M	Total		F	M	Total	
Cabinet Secretaries	6	12	18	33.3	5	15	20	25.5
National Assembly	69	280	349	19.8	69	280	349	19.8
Principal Secretaries	7	19	26	26.9	15	26	41	36.6
Diplomatic Corps	15	48	63	23.8	17	47	64	26.6
Senators	18	49	67	26.9	18	49	67	26.9
Governors	0	47	47	0	0	47	47	-
Deputy Governors	9	38	47	19.2	9	38	47	19.2
County Commissioners	18	29	47	38.3	18	29	47	38.3
Sub County Commissioners	33	262	295	11.2	35	260	295	11.9
Deputy Secretaries	58	137	195	29.7	62	142	204	30.4
Supreme Court Judges	2	5	7	28.6	2	5	7	28.6
Court of Appeal Judges	9	21	30	30	8	18	26	30.8
High Court Judge	37	60	97	38.1	41	64	105	39.0
Magistrates	219	239	458	47.8	231	241	472	48.9
Kadhis	0	35	35	0	0	56	56	-
Chiefs	101	2,489	2,590	3.9	114	2476	2590	4.4
Assistant Chiefs	473	5,413	5,886	8	482	5404	5886	8.2
Lawyers	2,581	4,193	6,774	38.1	2,708	4305	7013	38.6
Members of the County Assembly	761	1,463	2,224	34.2	761	1463	2224	34.2

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

3.46. **Social Protection Fund:** The social protection fund was established to facilitate access to credit and cash transfers in a bid to attain a meaningful and better quality of life of poor and vulnerable individuals in the society. The beneficiaries of the fund are the elderly aged 65 years and above and, Orphaned and Vulnerable Children (OVC). The funds allocated towards for social protection for older persons increased by 57.7 per cent from KSh 5,051.5 million in 2014/15 to KSh 7,966.3 million in 2015/16 as shown in Table 3.30.The direct cash disbursed increased by 49.8 per cent to KSh 7,334.5 million in 2015/16 due to an increase in the targeted number of beneficiaries. During the period under review, funds allocated for the OVC increased by 63.6 per cent from KSh 5,957.6 million in 2014/15 to KSh 9,746.3 million in 2015/16.

Table 3.30: Allocation and Disbursement of Funds for Social Protection by the National Government, 2011/12 – 2015/16

Financial Year	Social Protection Fund for Older Persons		Social Protection Fund for OVC	
	Allocation (KSh million)	Direct cash Disbursement (KSh million)	Allocation (KSh million)	Direct cash Disbursement (KSh million)
2011/12	1,000.0	949.5	1,026.9	896.9
2012/13	1,519.2	1,478.0	1,081.4	1,030.3
2013/14	3,168.0	2,919.0	4,763.1	4,524.9
2014/15	5,051.5	4,897.5	5,957.6	5,769.8
2015/16*	7,966.3	7,334.5	9,746.3	9,433.4

Source: Ministry of Labour and East African Community Affairs

* Provisional

Chapter 4

Employment, Earnings and Consumer Prices

Employment, Earnings and Consumer Prices

Overview

Total employment outside small-scale agriculture and pastoralist activities increased by 5.9 per cent to 15,160.8 thousand persons in 2015. Informal sector employment rose by 6.0 per cent to 12,559.6 thousand persons, and accounted for 82.8 per cent of total persons engaged during the period. Employment in the modern sector expanded by 5.2 per cent to 2,601.2 thousand persons; consisting of 2,478.0 thousand wage employees and 123.2 thousand self-employed and contributing family workers. Wage employment within the public sector increased slightly from 700.8 thousand persons in 2014 to 718.4 thousand persons in 2015.

4.2. Overall, total earnings increased from KSh 1,311.1 billion in 2014 to KSh 1,497.3 billion in 2015, representing a rise of 14.2 per cent. Nominal average earnings per employee increased by 9.2 per cent to KSh 604,255.8 per annum in 2015. The easing of inflation rate coupled with faster upward movement of wages led to a 2.1 per cent increase in real average earnings per employee from KSh 368,979.9 per annum in 2014 to KSh 376,577.2 per annum in 2015. Inflation rate as measured by the Consumer Price Index (CPI) declined from 6.9 per cent in 2014 to 6.6 per cent in 2015. The easing of inflation rate was largely due to reduced cost of petroleum products, electricity and tight monetary policies.

Employment

4.3. Employment in the modern and informal sectors went up by 5.9 per cent from 14,319.2 thousand in 2014 to 15,160.8 thousand in 2015 as shown in Table 4.1. Wage employment in the modern sector recorded a growth of 4.5 per cent in 2015 compared to 3.8 per cent registered in 2014. In the year under review, total number of new jobs generated in the economy is estimated to have increased by 4.9 per cent to 841.6 thousand, of which 128.0 thousand jobs were in the modern sector. The number of self-employed and unpaid family workers engaged in the modern sector grew by 19.6 per cent in 2015 compared to 22.9 per cent recorded in 2014. The informal sector created 713.6 thousand new jobs in 2015 compared to 695.9 thousand new jobs in 2014. This constituted 84.8 per cent of all new jobs created outside small scale agriculture sector and pastoralist activities.

Table 4.1: Total Recorded Employment[1], 2011 – 2015

'000

	2011	2012	2013	2014	2015*
Modern Establishments - Urban and Rural Areas:					
Wage Employees	2,084.1	2,155.8	2,283.1	2,370.2	2,478.0
Self-employed and unpaid family workers	73.8	76.9	83.8	103.0	123.2
Sub -Total	2,157.9	2,232.7	2,366.9	2,473.2	2,601.2
Informal Sector[2]	9,958.3	10,548.4	11,150.1	11,846.0	12,559.6
TOTAL	**12,116.2**	**12,781.1**	**13,517.0**	**14,319.2**	**15,160.8**

* Provisional

[1] Figures refer to employment stock as at 30th June and excludes small scale farming and pastoralist activities

[2] Estimated

Modern sector

4.4. Details of wage employment in the modern sector by industry and sector are presented in Table 4.2. Wage employment in the modern sector registered an increase of 107.8 thousand persons in 2015 compared to 87.1 thousand in 2014.

4.5. **Private sector**: The share of private sector employment in modern sector wage employment was 71.0 per cent in 2015, slightly higher than 70.4 per cent recorded in 2014. This was attributed to the slow growth in employment in the public sector relative to the private sector. During the period under review, the private sector recorded a growth of 5.4 per cent in employment levels compared to 4.4 per cent registered in 2014. Overall, the private sector created 90.2 thousand new wage employment compared to 69.6 thousand in 2014.

4.6. In 2015, the largest contributors to wage employment in the private sector were agriculture, forestry and fishing; manufacturing; wholesale and retail trade, repair of motor vehicles and motor cycles; and education accounting for 16.7, 15.3, 13.1 and 10.7 per cent of the total private sector employment, respectively. There was a turn-around in agriculture, forestry and fishing industry, which recorded a 1.2 per cent growth in 2015 compared to a decline of 3.1 per cent registered in 2014. The education sector registered the highest growth of 13.4 per cent in 2015. This was followed by mining and quarrying industry, which registered an increase of 13.1 per cent to 13.8 thousand persons employed in the sector in 2015. This was however, a deceleration compared to a growth of 40.2 per cent realized in 2014. Construction; and finance and insurance activities maintained an upward trend registering a rise of 11.8 per cent and 7.9 per cent in job employment, respectively. Wage employment in accommodation and food service activities registered a growth of 4.2 per cent in 2015 compared to a decline of 0.6 per cent registered in 2014.

4.7. **Public sector:** Public sector employment increased by 2.5 per cent from 700.8 thousand persons in 2014 to 718.4 thousand persons in 2015. The slow down in public sector employment is attributed to restricted recruitment mainly to essential services and replacement of those leaving the service through natural attrition in an effort to contain the public sector wage bill. In the education sector, an additional 16,300 persons were employed while in human health and social work activities; and electricity, gas, steam and air conditioning supply industries , each had additional 1,600 persons in 2015. Employment in public administration and defence; compulsory social security activities recorded a decline of 2.2 per cent compared to an increase of 2.0 per cent in 2015.

Table 4.2: Wage Employment by Industry and Sector, 2011 - 2015

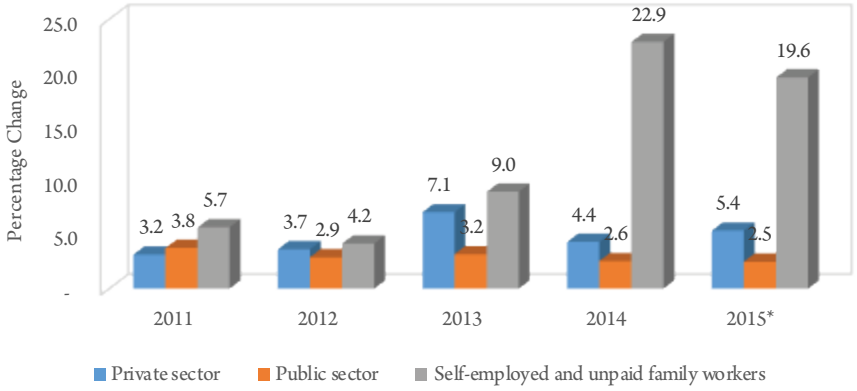
'000

	2011	2012	2013	2014	2015*	% change
PRIVATE SECTOR:						
Agriculture, forestry and fishing	289.0	295.5	299.9	290.6	294.0	1.2
Mining and quarrying	8.0	8.3	8.7	12.2	13.8	13.1
Manufacturing	245.2	245.4	253.4	261.3	269.0	2.9
Electricity, gas, steam and air conditioning supply	1.1	1.1	1.1	0.9	0.9	0.0
Water supply; sewerage, waste management and remediation activities	1.3	1.3	1.4	1.4	1.4	0.0
Construction	88.8	98.7	111.6	125.4	140.2	11.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	189.6	197.1	210.9	218.9	230.7	5.4
Transportation and storage	56.1	58.1	58.8	62.1	64.8	4.3
Accommodation and food service activities	64.2	67.6	72.1	71.7	74.7	4.2
Information and communication	78.8	83.9	90.6	97.3	103.8	6.7
Financial and insurance activities	48.5	51.3	56.3	58.1	62.7	7.9
Real estate activities	3.6	3.7	3.8	3.9	4.0	2.6
Professional, scientific and technical activities	55.6	56.9	59.4	60.7	62.6	3.1
Administrative and support service activities	4.2	4.5	4.8	4.9	5.2	6.1
Public administration and defence; compulsory social security	-	-	-	-	-	-
Education	100.9	106.9	142.5	166.7	189.1	13.4
Human health and social work activities	68.9	73.8	80.1	85.2	91.3	7.2
Arts, entertainment and recreation	3.9	4.0	4.3	4.3	4.5	4.7
Other service activities	27.3	28.2	29.2	30.5	31.7	3.9
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	104.8	106.3	109.8	112.1	114.1	1.8
Activities of extraterritorial organizations and bodies	1.0	1.0	1.1	1.1	1.1	0.0
TOTAL PRIVATE SECTOR	**1,440.8**	**1,493.6**	**1,599.8**	**1,669.4**	**1,759.6**	**5.4**
PUBLIC SECTOR:						
Agriculture, forestry and fishing	41.4	42.2	42.6	42.7	42.9	0.5
Mining and quarrying	0.7	0.7	0.7	0.6	0.6	0.0
Manufacturing	25.0	25.6	26.0	26.1	26.4	1.1
Electricity, gas, steam and air conditioning supply	10.3	13.2	13.5	14.4	16.0	11.1
Water supply; sewerage, waste management and remediation activities	6.3	7.2	8.1	9.0	10.1	12.2
Construction	6.8	7.3	7.5	7.7	7.9	2.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.8	0.9	1.3	1.3	1.6	23.1
Transportation and storage	16.8	17.1	17.2	17.6	17.8	1.1
Accommodation and food service activities	1.4	1.3	1.4	1.4	1.4	0.0
Information and communication	1.7	1.8	1.8	1.8	1.9	5.6
Financial and insurance activities	7.9	8.6	9.0	9.4	10.0	6.4
Real estate activities	-	-	-	-	-	-
Professional, scientific and technical activities	5.7	5.8	5.8	5.9	5.9	0.0
Administrative and support service activities	-	-	-	-	-	-
Public administration and defence; compulsory social security	206.0	208.2	222.4	226.9	222.0	-2.2
Education	281.2	289.5	293.0	302.3	318.6	5.4
Human health and social work activities	29.0	30.4	30.7	31.1	32.7	5.1
Arts, entertainment and recreation	2.2	2.4	2.4	2.4	2.5	4.2
Other service activities	-	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-	-	-
TOTAL PUBLIC SECTOR	**643.3**	**662.1**	**683.3**	**700.8**	**718.4**	**2.5**
TOTAL WAGE EMPLOYMENT	**2,084.1**	**2,155.7**	**2,283.1**	**2,370.2**	**2,478.0**	**4.5**

* Provisional

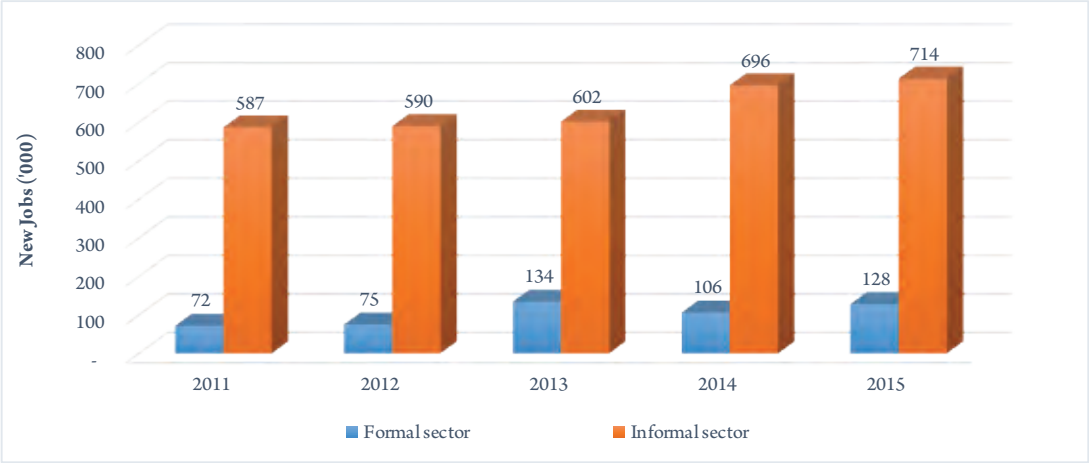
4.8. Figure 4.1 shows percentage changes in wage employment in public, private and self-employed from 2011 to 2015. The rate of increase for self-employed and unpaid family workers continued to be the highest in 2015 albeit slower than that recorded in 2014. In the private sector, wage employment increased by 5.4 per cent in 2015. During the same period, wage employment in the public sector rose by 2.5 per cent.

Figure 4.1: Percentage changes in Wage Employment in Public, Private and Self –Employed, 2011 - 2015



4.9. Figure 4.2 depicts new jobs created in the formal and informal sectors from 2011 to 2015. Majority of new jobs are in the informal sector.

Figure 4.2: Formal and Informal New Jobs Created, 2011 - 2015



4.10. Wage employment in various public sector domains is presented in Table 4.3. Overall, wage employment in the public sector grew by 2.5 per cent to 718.4 persons in 2015. Employment in county governments registered the highest rise of 10.9 per cent to 110.5 thousand persons during the period. The Teachers Service Commission (TSC), which is the largest employer in the public sector, registered a 3.2 per cent growth in employment to 290.7 thousand persons in 2015. Employment in corporations having majority control by the public sector and parastatal bodies each went up by 0.7 per cent in 2015. Whereas institutions in the public sector increased their levels of employment, the National Government registered a decline of 1.8 per cent in 2015.

Table 4.3: Wage Employment in the Public Sector, 2011 – 2015

'000

	2011	2012	2013	2014	2015*	% Change
National Government[1]	219.9	222.6	179.0	180.9	177.7	-1.8
Teachers Service Commission	258.7	267.6	272.5	281.7	290.7	3.2
Parastatal Bodies[2]	86.0	90.6	92.5	93.5	94.2	0.7
Majority Control by the Government[3]	41.4	43.6	44.5	45.0	45.3	0.7
County governments[4]	37.3	37.7	94.7	99.6	110.5	11.0
TOTAL	**643.3**	**662.1**	**683.3**	**700.8**	**718.4**	**2.5**

* Provisional.

[1] Includes employees of Judiciary and Parliament

[2] Refers to Government wholly-owned corporations

[3] Refers to institutions where the Government has over 50 per cent shares but does not wholly own them

[4] Data for 2011 and 2012 refers to Local Government

4.11. Wage employment by industry and sex is presented in Table 4.4. Number of males employed in the modern sector accounted for 62.9 per cent of the total wage employment in 2015. Education, Manufacturing and agriculture, forestry and fishing services engaged the largest number of males accounting for 17.2, 15.8 and 14.3 per cent of total males engaged in 2015, respectively. On the other hand, majority of female employees were working in educational services (26.1%), public administration and defence; compulsory social security (15.5 %) and agriculture, forestry and fishing services (12.4 %) of total females engaged in the modern sector. Casual employment registered a growth of 9.6 per cent to 540.2 thousand persons in 2015 and accounted for 21.8 per cent of the total wage employment..

Table 4.4: Wage Employment by Industry and Sex, 2014 -2015

`000

	Male		Female		Total	
INDUSTRY	2014	2015*	2014	2015*	2014	2015*
Agriculture, forestry and fishing	220.6	222.6	112.7	114.4	333.3	337.0
Mining and quarrying	10.9	12.2	2.0	2.2	12.9	14.4
Manufacturing	234.5	246.4	53.0	49.0	287.5	295.4
Electricity, gas, steam and air conditioning supply	11.1	12.6	4.2	4.3	15.3	16.9
Water supply; sewerage, waste management and remediation activities	8.0	9.2	2.4	2.4	10.4	11.6
Construction	88.7	103.6	44.3	44.4	133.0	148.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	164.6	179.3	55.4	52.7	220.0	232.0
Transportation and storage	58.3	62.5	21.4	20.1	79.7	82.6
Accommodation and food service activities	49.1	53.7	24.1	22.4	73.2	76.1
Information and communication	62.0	69.9	37.2	35.7	99.2	105.6
Financial and insurance activities	40.5	46.3	27.1	26.4	67.6	72.7
Real estate activities	2.9	3.1	1.0	0.9	3.9	4.0
Professional, scientific and technical activities	46.4	49.7	20.2	18.9	66.6	68.6
Administrative and support service activities	4.3	4.7	0.6	0.5	4.9	5.2
Public administration and defence; compulsory social security	60.8	79.6	166.1	142.4	226.9	222.0
Education	251.5	267.9	217.6	240.2	469.1	508.1
Human health and social work activities	50.0	59.9	66.3	64.1	116.3	124.0
Arts, entertainment and recreation	4.6	4.9	2.1	2.0	6.7	6.9
Other service activities	18.6	21.0	11.9	10.7	30.5	31.7
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	40.3	48.4	71.8	65.7	112.1	114.1
Activities of extraterritorial organizations and bodies	0.8	0.8	0.3	0.3	1.1	1.1
TOTAL	**1,428.5**	**1,558.3**	**941.7**	**919.7**	**2,370.2**	**2,478.0**
Of which: Regular	**1,115.6**	**1,197.6**	**761.9**	**740.2**	**1,877.5**	**1,937.8**
Casual	**312.9**	**360.7**	**179.8**	**179.5**	**492.7**	**540.2**

* Provisional

Wage Earnings in the Modern Sector

4.12. Total wage payments by industry in the modern sector for the period 2011 to 2015 is shown in Table 4.5. The nominal wage bill rose from KSh 1,311.1 billion in 2014 to KSh 1,497.3 billion in 2015, an increase of 14.2 per cent. The private sector wage bill went up by 16.7 per cent from KSh 897.7 billion in 2014 to KSh 1,047.3 billion in 2015. The share of public sector wage bill decreased to 30.1 per cent in 2015 from 31.5 per cent in 2014 mainly attributable to the National Government efforts to reduce the public sector wage bill.

Table 4.5: Total Wage Payments by Industry and Sector[1], 2011 - 2015

KSh Million Per Annum

	2011	2012	2013	2014	2015*
PRIVATE SECTOR:					
Agriculture, forestry and fishing	49,961.9	53,822.1	65,576.7	67,038.5	74,769.2
Mining and quarrying	1,834.7	2,045.5	2,587.9	4,196.5	5,412.9
Manufacturing	62,243.9	66,360.9	81,131.6	91,470.6	105,013.8
Electricity, gas, steam and air conditioning supply	983.6	1,041.4	1,256.2	1,151.2	1,255.4
Water supply; sewerage, waste management and remediation activities	164.7	167.0	196.6	246.0	289.4
Construction	35,866.7	40,594.9	52,893.3	68,809.2	87,022.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	78,959.9	83,667.5	103,613.3	113,726.5	130,920.7
Transportation and storage	43,358.6	47,686.0	57,024.4	65,458.0	76,319.4
Accommodation and food service activities	21,031.3	21,488.0	25,185.1	25,933.9	28,955.8
Information and communication	50,310.7	53,804.0	65,920.7	72,710.6	83,234.7
Financial and insurance activities	59,896.1	64,563.4	82,242.8	87,451.4	101,893.5
Real estate activities	685.3	728.0	870.2	926.7	1,040.8
Professional, scientific and technical activities	36,175.2	39,023.4	48,444.5	52,317.9	58,897.7
Administrative and support service activities	3,862.4	4,383.8	5,712.1	6,056.6	7,057.5
Public administration and defence; compulsory social security	-	-	-	-	-
Education	67,769.7	74,530.1	116,483.5	138,368.5	167,352.3
Human health and social work activities	37,381.0	40,130.0	49,486.4	55,701.6	65,323.5
Arts, entertainment and recreation	1,634.7	1,767.2	2,194.7	2,290.4	2,575.8
Other service activities	12,834.5	13,801.1	16,903.3	19,993.6	23,446.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	15,567.2	16,166.1	19,464.2	20,853.2	23,219.8
Activities of extraterritorial organizations and bodies	2,327.7	2,398.4	2,804.2	2,973.8	3,309.8
TOTAL PRIVATE SECTOR	**582,849.8**	**628,168.8**	**799,991.7**	**897,674.7**	**1,047,310.4**
PUBLIC SECTOR:					
Agriculture, forestry and fishing	11,968.1	13,268.2	14,810.1	15,704.8	16,533.2
Mining and quarrying	179.4	197.3	224.8	223.9	231.7
Manufacturing	16,440.5	17,819.9	19,570.6	20,840.0	21,764.0
Electricity, gas, steam and air conditioning supply	11,108.7	15,080.1	16,570.2	18,115.4	20,597.7
Water supply; sewerage, waste management and remediation activities	2,779.0	3,663.0	4,754.9	5,939.8	6,227.0
Construction	3,212.1	3,757.0	4,344.9	4,733.6	5,135.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	624.1	748.9	931.3	1,065.0	1,402.7
Transportation and storage	17,688.0	19,927.8	22,381.6	24,304.8	26,026.1
Accommodation and food service activities	996.9	1,113.2	1,342.0	1,599.9	1,801.1
Information and communication	953.2	1,064.0	1,174.9	1,276.5	1,332.0
Financial and insurance activities	10,801.8	12,353.4	13,996.6	15,158.1	16,386.4
Real estate activities	-	-	-	-	-
Professional, scientific and technical activities	2,696.3	2,946.1	3,274.3	3,482.5	3,646.1
Administrative and support service activities	-	-	-	-	-
Public administration and defence; compulsory social security	73,126.4	83,730.8	102,526.7	109,243.1	113,348.8
Education	103,423.0	119,428.5	139,401.7	158,762.1	178,134.6
Human health and social work activities	20,945.7	24,547.5	28,068.5	31,270.9	35,657.4
Arts, entertainment and recreation	1,295.3	1,502.2	1,571.5	1,723.4	1,784.8
Other service activities	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-	-
TOTAL PUBLIC SECTOR	**278,238.6**	**321,148.0**	**374,944.3**	**413,443.7**	**450,009.0**
TOTAL PUBLIC AND PRIVATE	**861,088.4**	**949,316.8**	**1,174,936.0**	**1,311,118.4**	**1,497,319.4**

* Provisional

[1] Annualised June wages

4.13. Wage payment in the public sector by type of employer is summarised in Table 4.6. Total public wage bill rose by 8.8 per cent to 450.0 billion in 2015. The TSC wage bill registered a 10.5 per cent rise to KSh 160.7 billion accounting for the largest share of public sector wage bill in 2015. The share of the National Government wage bill to the total public sector wage bill was 20.1 per cent in 2015. County governments registered the highest increase of 14.8 per cent in earnings in the public sector, rising from KSh 62.0 billion in 2014 to KSh 71.2 billion in 2015. Parastatal bodies and corporations with majority control by the public sector each recorded an increase of 5.6 per cent.

Table 4.6: Wage Payments in the Public Sector[1], 2011 - 2015

KSh Million

	2011	2012	2013	2014	2015*
National Government	73,171.9	88,728.8	79,009.4	84,981.0	90,275.2
Teachers Service Commission	101,859.7	115,276.7	130,427.4	145,407.0	160,720.4
Parastatal Bodies[2]	55,975.6	63,971.4	66,217.9	74,013.5	78,143.9
Majority Control by the Government[3]	35,601.4	40,686.8	42,115.6	47,073.7	49,700.7
County governments[4]	11,630.0	12,484.5	57,174.0	61,968.3	71,168.7
TOTAL	**278,238.6**	**321,148.0**	**374,944.3**	**413,443.7**	**450,009.0**

* Provisional.

[1] Annualised June wages

[2] Refers to Government wholly-owned corporations

[3] Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them

[4] Data up to 2012 refers to former Local Authorities

4.14. Annual average earnings for the period 2011 to 2015 is presented in Table 4.7. Overall, annual earnings per employee increased by 9.2 per cent from KSh 553,137.7 in 2014 to KSh 604,255.8 in 2015. The average annual earnings in the private sector increased by 10.7 per cent compared to 6.2 per cent growth in the public sector. In the private sector, activities of extraterritorial organizations and bodies recorded the highest annual average earnings followed by finance and insurance activities while water supply, sewerage and waste management activities recorded the lowest annual average earnings. Within the public sector, finance and insurance activities, recorded the highest earnings while mining and quarrying recorded the lowest.

4.15. Table 4.8 presents the percentage change in wage employment and average earnings for the periods 2010 and 2015 and; 2014 and 2015. Over the five year period, total wage employment rose by 22.9 per cent. Over the same period, wage employment in the private sector increased by 26.0 per cent while that of public grew by 15.9 per cent. Annual average earnings have risen by 52.8 per cent over the five year period, with the public sector average earnings rising by 55.7 per cent. Private sector employees in mining and quarrying continued recording the highest increase in average earnings.

4.16. Private sector employees in the water supply; sewerage, waste management and remediation activities had the highest rise in average earnings over the period 2014 to 2015. Public sector workers in accommodation and food service activities recorded the highest increase in average earnings over the same period.

4.17. Table 4.9 shows the estimated real average earnings for the period 2011 to 2015. Real average earnings per employee per annum, in the private sector increased by 3.4 per cent from KSh 358,662.1 in 2014 to KSh 370,940.8 in 2015. However, real average earnings per employee in the public sector declined by 0.8 per cent to KSh 390,383.3 per annum in 2015.

Table 4.7: Average Wage Earnings per Employee[1], 2011 – 2015

KSh Per Annum

	2011	2012	2013	2014	2015*
PRIVATE SECTOR:					
Agriculture, forestry and fishing	172,761.8	182,148.4	218,637.7	230,717.7	254,274.7
Mining and quarrying	229,388.6	245,938.1	297,797.2	343,893.9	392,039.5
Manufacturing	254,032.0	270,630.0	320,187.1	349,733.7	390,406.1
Electricity, gas, steam and air conditioning supply	920,934.0	957,190.0	1,125,666.0	1,247,238.0	1,399,604.0
Water supply; sewerage, waste management and remediation activities	126,514.0	126,042.0	142,540.0	176,322.0	201,136.0
Construction	403,945.0	411,200.3	473,758.8	548,910.1	620,879.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	416,527.8	424,598.2	491,409.9	519,429.6	567,591.9
Transportation and storage	772,632.2	821,081.5	969,506.0	1,053,344.1	1,177,969.1
Accommodation and food service activities	327,437.3	317,897.6	349,259.4	361,473.9	387,737.5
Information and communication	638,834.0	640,989.8	727,472.8	747,113.9	802,169.8
Financial and insurance activities	1,234,259.4	1,257,786.3	1,461,808.8	1,504,281.5	1,624,448.0
Real estate activities	191,800.7	196,717.0	228,154.6	238,649.9	260,652.5
Professional, scientific and technical activities	650,903.0	685,631.1	816,100.0	861,867.2	940,331.7
Administrative and support service activities	921,367.5	980,710.6	1,181,397.3	1,236,542.6	1,363,245.9
Public administration and defence; compulsory social security	-	-	-	-	-
Education	671,895.7	696,882.1	817,809.1	830,085.0	885,101.5
Human health and social work activities	542,170.4	544,017.3	617,576.4	654,012.7	715,536.5
Arts, entertainment and recreation	420,772.4	437,107.1	513,856.2	530,300.4	575,076.5
Other service activities	473,239.2	491,653.2	577,929.2	655,765.5	739,900.7
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	149,167.8	152,874.1	177,267.8	186,011.9	203,473.4
Activities of extraterritorial organizations and bodies	2,313,842.0	2,299,566.0	2,613,378.0	2,683,940.0	2,883,096.0
TOTAL PRIVATE SECTOR	**407,477.7**	**425,142.6**	**500,065.8**	**537,670.4**	**595,211.6**
PUBLIC SECTOR:					
Agriculture, forestry and fishing	288,952.9	314,367.0	347,891.6	367,655.6	385,120.9
Mining and quarrying	266,242.0	288,412.0	323,896.0	346,104.0	364,856.0
Manufacturing	657,911.1	696,606.4	752,483.8	797,183.7	823,363.0
Electricity, gas, steam and air conditioning supply	1,079,352.0	1,145,472.0	1,231,708.0	1,261,782.0	1,285,110.0
Water supply; sewerage, waste management and remediation activities	442,240.0	505,386.0	590,152.0	658,438.0	615,198.0
Construction	471,816.0	517,850.0	577,088.0	617,720.0	653,192.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	742,117.5	813,112.3	910,344.7	1,018,154.2	1,057,082.4
Transportation and storage	1,050,104.3	1,168,579.8	1,298,010.1	1,382,681.1	1,465,186.5
Accommodation and food service activities	721,856.0	839,516.0	991,838.0	1,126,668.0	1,263,076.0
Information and communication	551,596.6	595,433.3	645,169.5	693,358.3	711,933.6
Financial and insurance activities	1,370,259.2	1,433,106.7	1,552,072.0	1,604,205.8	1,637,334.1
Real estate activities	-	-	-	-	-
Professional, scientific and technical activities	472,378.2	447,526.0	560,096.4	590,358.0	613,928.8
Administrative and support service activities	-	-	-	-	-
Public administration and defence; compulsory social security	354,924.0	402,229.2	461,100.8	481,382.8	510,596.0
Education	367,889.6	412,570.8	475,306.4	524,732.9	558,580.1
Human health and social work activities	721,245.4	806,449.3	915,027.2	1,005,817.6	1,090,439.6
Arts, entertainment and recreation	577,500.0	621,776.0	665,322.0	715,992.0	727,882.0
Other service activities	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-	-
TOTAL PUBLIC SECTOR	**432,521.6**	**485,016.0**	**548,731.4**	**589,984.8**	**626,409.0**
TOTAL PRIVATE AND PUBLIC SECTOR	**415,148.8**	**443,322.1**	**514,630.7**	**553,137.7**	**604,255.8**
MEMORANDUM ITEMS IN PUBLIC SECTOR:					
National Government	332,750.9	398,601.8	441,289.9	469,692.7	508,131.9
Teachers Service Commission	393,736.7	430,779.8	478,625.5	516,195.1	552,843.3
Parastatal Bodies[2]	650,670.8	705,717.6	715,826.2	791,393.2	829,832.0
Majority Control by the Government[3]	860,130.9	932,898.0	946,260.7	1,046,153.8	1,096,966.5
County governments[4]	311,998.2	331,342.1	603,521.2	621,978.5	643,815.6
TOTAL PUBLIC SECTOR	**432,521.6**	**485,016.0**	**548,731.4**	**589,984.8**	**626,409.0**

* Provisional.

[1] Annualised June earnings

[2] Refers to Government wholly-owned corporations

[3] Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them

[4] Data up to 2012 refer to Local Authorities

Table 4.8: Wage Employment and Average Earnings[1], percentage changes, 2010/2015 and 2014/2015

	EMPLOYMENT		AVERAGE EARNINGS	
	2015*/2010	2015*/2014	2015*/2010	2015*/2014
PRIVATE SECTOR:				
Agriculture, forestry and fishing	1.6	1.2	53.4	10.2
Mining and quarrying	76.9	13.1	79.0	14.0
Manufacturing	13.6	2.9	56.7	11.6
Electricity, gas, steam and air conditioning supply	-18.2	0.0	57.4	12.2
Water supply; sewerage, waste management and remediation activities	16.7	0.0	49.2	14.1
Construction	72.2	11.8	55.7	13.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	27.7	5.4	41.5	9.3
Transportation and storage	20.4	4.3	59.7	11.8
Accommodation and food service activities	20.9	4.2	17.3	7.3
Information and communication	36.2	6.7	25.4	7.4
Financial and insurance activities	40.6	7.9	35.6	8.0
Real estate activities	14.3	2.6	36.2	9.2
Professional, scientific and technical activities	15.1	3.1	48.2	9.1
Administrative and support service activities	30.0	6.1	52.1	10.2
Public administration and defence; compulsory social security	-	-	-	-
Education	93.0	13.4	33.3	6.6
Human health and social work activities	40.0	7.2	34.6	9.4
Arts, entertainment and recreation	18.4	4.7	40.1	8.4
Other service activities	17.4	3.9	59.8	12.8
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	8.7	1.8	37.9	9.4
Activities of extraterritorial organizations and bodies	10.0	0.0	23.8	7.4
TOTAL PRIVATE SECTOR	**26.0**	**5.4**	**51.6**	**10.7**
PUBLIC SECTOR:				
Agriculture, forestry and fishing	2.1	0.5	42.8	4.8
Mining and quarrying	-14.3	0.0	52.0	5.4
Manufacturing	5.6	1.1	32.9	3.3
Electricity, gas, steam and air conditioning supply	50.9	11.1	23.6	1.8
Water supply; sewerage, waste management and remediation activities	57.8	12.2	58.2	-6.6
Construction	-18.6	2.6	49.2	5.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	62.5	30.0	54.1	3.8
Transportation and storage	5.3	1.1	54.9	6.0
Accommodation and food service activities	7.7	0.0	100.0	12.1
Information and communication	11.8	5.6	37.4	2.7
Financial and insurance activities	28.2	6.4	25.4	2.1
Real estate activities	-	-	-	-
Professional, scientific and technical activities	3.5	0.0	38.6	4.0
Administrative and support service activities	-	-	-	-
Public administration and defence; compulsory social security	16.4	-2.2	57.1	6.1
Education	18.6	5.4	64.6	6.5
Human health and social work activities	11.2	5.1	65.6	8.4
Arts, entertainment and recreation	13.6	4.2	33.4	1.7
Other service activities	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-
TOTAL PUBLIC SECTOR	**15.9**	**2.5**	**55.7**	**6.2**
TOTAL PRIVATE AND PUBLIC SECTOR	**22.9**	**4.5**	**52.8**	**9.2**
MEMORANDUM ITEMS IN PUBLIC SECTOR:				
National Government	-16.2	-1.8	67.7	8.2
Teachers Service Commission	19.6	3.2	52.9	7.1
Parastatal Bodies[2]	11.1	0.7	33.9	4.9
Majority Control by the Government[3]	11.1	0.7	33.9	4.9
County governments[4]	182.0	11.0	122.2	3.5
TOTAL PUBLIC SECTOR	**15.9**	**2.5**	**55.7**	**6.2**

* Provisional.

[1] Annualised June earnings

[2] Refers to Government wholly-owned corporations

[3] Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them

[4] Data up to 2012 refers to former Local Authorities

Table 4.9: Estimated Real Average Wage Earnings per Employee[1], 2011 – 2015

KSh Per Annum

	2011	2012	2013	2014	2015*
PRIVATE SECTOR:					
Agriculture, forestry and fishing	142,884.6	136,891.9	156,628.5	153,904.1	158,466.1
Mining and quarrying	189,718.5	184,832.5	213,337.1	229,400.2	244,322.3
Manufacturing	210,100.1	203,389.4	229,376.8	233,295.8	243,304.3
Electricity, gas, steam and air conditioning supply	761,669.0	719,367.2	806,408.8	831,991.2	872,244.8
Water supply; sewerage, waste management and remediation activities	104,634.9	94,725.7	102,113.3	117,618.6	125,349.6
Construction	334,087.3	309,033.7	339,393.1	366,159.8	386,937.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	344,494.1	319,102.8	352,038.0	346,494.3	353,728.0
Transportation and storage	639,014.3	617,076.1	694,538.3	702,651.0	734,120.1
Accommodation and food service activities	270,810.8	238,913.0	250,203.7	241,127.3	241,641.2
Information and communication	528,355.0	481,729.9	521,149.7	498,375.0	499,918.9
Financial and insurance activities	1,020,808.4	945,277.5	1,047,216.0	1,003,456.4	1,012,369.4
Real estate activities	158,631.0	147,840.8	163,446.2	159,195.5	162,440.8
Professional, scientific and technical activities	538,336.8	515,279.6	584,640.7	574,923.1	586,022.5
Administrative and support service activities	762,027.5	737,043.9	846,333.8	824,856.6	849,586.1
Public administration and defence; compulsory social security	-	-	-	-	-
Education	555,699.0	523,735.2	585,865.1	553,722.2	551,602.6
Human health and social work activities	448,408.2	408,851.1	442,421.7	436,270.2	445,928.3
Arts, entertainment and recreation	348,004.6	328,503.8	368,118.2	353,745.8	358,392.4
Other service activities	391,397.9	369,497.4	414,019.1	437,439.5	461,112.2
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	123,370.9	114,891.1	126,991.8	124,082.4	126,806.3
Activities of extraterritorial organizations and bodies	1,913,689.5	1,728,217.3	1,872,181.4	1,790,367.6	1,796,769.3
TOTAL PRIVATE SECTOR	**337,009.1**	**319,511.9**	**358,239.0**	**358,662.1**	**370,940.8**
PUBLIC SECTOR:					
Agriculture, forestry and fishing	238,981.8	236,259.6	249,223.9	245,250.9	240,010.5
Mining and quarrying	220,198.5	216,753.3	232,033.8	230,874.5	227,381.3
Manufacturing	544,132.9	523,528.0	539,067.1	531,774.9	513,126.6
Electricity, gas, steam and air conditioning supply	892,690.4	860,868.8	882,375.5	841,693.0	800,891.2
Water supply; sewerage, waste management and remediation activities	365,759.7	379,818.1	422,775.3	439,222.2	383,396.5
Construction	390,220.8	389,185.3	413,416.4	412,060.6	407,074.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	613,776.8	611,087.0	652,156.1	679,177.0	658,782.5
Transportation and storage	868,500.8	878,235.2	929,873.3	922,340.8	913,116.4
Accommodation and food service activities	597,019.3	630,930.4	710,536.6	751,562.9	787,159.4
Information and communication	456,204.3	447,492.3	462,188.9	462,516.4	443,682.9
Financial and insurance activities	1,133,288.6	1,077,038.0	1,111,879.1	1,070,112.6	1,020,400.2
Real estate activities	-	-	-	-	-
Professional, scientific and technical activities	390,685.8	336,334.0	401,243.9	393,808.3	382,605.5
Administrative and support service activities	-	-	-	-	-
Public administration and defence; compulsory social security	293,544.0	302,291.6	330,325.1	321,114.5	318,207.7
Education	304,267.3	310,063.7	340,501.8	350,032.0	348,111.7
Human health and social work activities	596,514.3	606,079.4	655,510.6	670,947.6	679,571.0
Arts, entertainment and recreation	477,628.0	467,289.9	476,625.8	477,614.6	453,622.1
Other service activities	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-	-
TOTAL PUBLIC SECTOR	**357,721.9**	**364,509.2**	**393,102.2**	**393,559.3**	**390,383.3**
TOTAL PRIVATE AND PUBLIC SECTOR	**343,353.6**	**333,174.6**	**368,673.0**	**368,979.9**	**376,577.2**
MEMORANDUM ITEMS IN PUBLIC SECTOR:					
National Government	275,205.4	299,565.5	316,132.9	313,316.5	316,672.0
Teachers Service Commission	325,644.4	323,748.5	342,879.5	344,336.7	344,536.5
Parastatal Bodies[2]	538,144.7	530,375.5	512,806.2	527,912.2	517,158.2
Majority Control by the Government[3]	711,381.1	701,110.8	677,885.7	697,854.6	683,638.6
County governments[4]	258,041.7	249,017.1	432,352.7	414,901.3	401,231.2
TOTAL PUBLIC SECTOR	**357,721.9**	**364,509.2**	**393,102.2**	**393,559.3**	**390,383.3**

* Provisional.

[1] Average earnings adjusted for the rise in consumer prices(Base year 2009). Annualised June earnings deflated by June CPI

[2] Refers to Government wholly-owned corporations

[3] Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them

[4] Data up to 2012 refers to fromer Local Authorities

4.18. Table 4.10 shows changes in inflation, wage employment and real average earnings from 2011 to 2015. Inflation rate as at June declined from 7.4 per cent in 2014 to 7.0 per cent in 2015. On the other hand, average earnings per employee at current prices increased by 9.2 per cent in 2015. Real average earnings increased by 2.1 per cent during the period under review. Since 2013, average earnings have been increasing at a faster rate than inflation and hence the positive real average earnings during the period.

Table 4.10: Changes in Wage Employment, Prices and Real Earnings, 2011 - 2015

Percentage

	2011	2012	2013	2014	2015*
Wage employment	3.4	3.4	6.0	3.8	4.5
Average earnings at current prices	5.0	6.8	16.1	7.5	9.2
Inflation rates[1]	14.5	10.0	4.9	7.4	7.0
Real average earnings	-8.3	-3.0	10.7	0.1	2.1

* Provisional

[1] Refers to June

4.19. The informal sector, also referred to as the *jua kali* sector continues to play an important role in absorbing unemployed persons in the labour force. Informal sector covers all small scale activities that are semi organized and unregulated, use low and simple technologies. Majority of the small businesses such as retailers, hawkers, *boda boda* riders and other service providers fall in this sector. The ease of entry and exit into the sector coupled with the use of low level or no technology makes it an easy avenue for employment creation.

4.20. Employment in the informal sector grew by 6.0 per cent from an estimated 11,846.0 thousand persons in 2014 to 12,559.6 thousand persons in 2015. As it may be derived in Table 4.11, a total of 713.6 thousand jobs were created in the sector over the review period compared to 695.9 thousand jobs created in 2014. The proportion of persons engaged in the informal sector in the rural areas was 64.5 per cent of the total persons engaged in 2015.

Table 4.11: Number of Persons Engaged in the Informal Sector by Activity[1], 2011 - 2015

`000

Activity	2011	2012	2013	2014	2015*
Manufacturing	1,893.0	1,956.4	2,124.1	2,364.9	2,544.7
Construction	251.7	270.4	277.9	307.3	320.5
Wholesale and Retail Trade, Hotels and Restaurants.	5,787.6	6,130.9	6,364.9	7,120.4	7,509.3
Transport and Communications[2]	651.6	747.4	875.5	369.5	392.5
Community, Social and Personal Services	932.1	985.2	1,031.0	1,152.1	1,219.2
Others	432.6	438.2	476.7	531.8	573.4
TOTAL	**9,948.6**	**10,528.5**	**11,150.1**	**11,846.0**	**12,559.6**
Urban	3,245.3	3,405.5	3,973.7	4,208.1	4,458.0
Rural	6,703.3	7,123.0	7,176.4	7,637.9	8,101.6

* Provisional

[1] Estimated

[2] Includes mainly support services to transport activity

4.21. On labour day 2015, the Government increased the statutory minimum wages by 12.0 per cent as specified in both the Regulation and Wages Agriculture Order, 2015 and the Regulation of Wages (General) Order, 2015. During the year under review, real minimum wages, increased by 5.1 per cent.

4.22. Table 4.12 presents gazetted monthly basic minimum wages for the agricultural industry. The lowest paid category of workers, unskilled employees, had their monthly wages increased from KSh 4,854 in 2014 to KSh 5,437 in 2015. Farm foreman and farm clerks who are the highest paid workers in the agricultural industry, had their minimum wages increased to KSh 9,808 in 2015. House servants or cooks had their gazetted minimum monthly basic salary increased to KSh 6,207 in 2015.

Table 4.12: Gazetted Monthly Basic Minimum Wages for Agricultural Industry, 2011 – 2015

KSh

Type of Employee	2011	2012	2013	2014	2015
Unskilled employees	3,765	4,258	4,854	4,854	5,437
Stockman, Herdsman and Watchman	4,348	4,917	5,606	5,606	6,279
SKILLED AND SEMI-SKILLED EMPLOYEES:					
House servant or cook	4,298	4,861	5,542	5,542	6,207
Farm foreman	6,792	7,681	8,757	8,757	9,808
Farm clerk	6,792	7,681	8,757	8,757	9,808
Section foreman	4,397	4,973	5,669	5,669	6,350
Farm artisan	4,500	5,089	5,802	5,802	6,498
Tractor driver	4,772	5,397	6,153	6,153	6,891
Combine harvester driver	5,257	5,945	6,778	6,778	7,592
Lorry driver or car driver	5,517	6,239	7,113	7,113	7,967
AVERAGE	**5,044**	**5,704**	**6,503**	**6,503**	**7,284**

Source: Ministry of Labour & EAC Affairs

4.23. As shown in Table 4.13, the average gazetted monthly basic minimum wages in Nairobi, Mombasa and Kisumu cities increased to KSh 17,200 in 2015. Employees working in county headquarters and in towns in Nairobi environs had their basic monthly minimum wages increased from KSh 14,267 in 2014 to KSh 15,980 in 2015. In all other towns, occupations with the highest pay were cashiers, heavy commercial vehicle drivers and artisans grade1 whose basic minimum was KSh 21,811 per month.

Table 4.13: Gazetted Monthly Basic Minimum Wages[1] in Urban Areas, 2014 & 2015

KSh

	Nairobi , Mombasa & Kisumu Cities		County Headquarters and in towns in Nairobi environs		All other towns	
Occupation	2014	2015	2014	2015	2014	2015
General labourer	9,781	10,955	9,024	10,107	5,218	5,844
Miner, stone cutter, turnboy, waiter, cook	10,564	11,831	9,372	10,497	6,029	6,753
Night watchman	10,912	12,221	10,116	11,330	6,224	6,970
Machine attendant	11,086	12,416	10,316	11,554	8,361	9,365
Machinist	12,655	14,174	11,839	13,259	9,679	10,841
Plywood machine operator	13,202	14,786	12,184	13,646	10,071	11,280
Pattern designer	15,065	16,872	13,773	15,425	11,743	13,153
Tailor, Driver (medium vehicle)	16,603	18,595	15,259	17,091	13,606	15,239
Dyer, Crawler, Tractor driver, Salesman	18,329	20,529	17,102	19,154	15,435	17,287
Saw doctor, Caretaker (building)	20,284	22,718	18,940	21,213	17,645	19,762
Cashier, Driver (heavy commercial)	22,071	24,720	20,770	23,262	19,474	21,811
Artisan (Ungraded)	13,202	14,786	12,184	13,646	10,071	11,280
Artisan Grade III	16,603	18,595	15,259	17,091	13,581	15,210
Artisan Grade II	17,932	20,084	17,102	19,154	15,435	17,287
Artisan Grade I	22,071	24,720	20,770	23,262	19,474	21,811
AVERAGE	**15,357**	**17,200**	**14,267**	**15,980**	**12,136**	**13,593**

Source: Ministry of Labour & EAC Affairs

[1] Excluding Housing Allowance

4.24 Table 4.14 shows the number of collective bargaining agreements registered by the Industrial Court in 2014 and 2015. Total number of agreements registered in 2015 were 230 compared to 328 in 2014, indicating a reduction in industrial disputes during the year. Workers in the manufacture of textile, wearing apparel and leather industries; and in electronics and electrical products registered the highest reductions in registered agreements. Electricity and water sub-sectors were the only ones that registered an increase in bargaining agreements. The agreements registered resulted into average monthly basic wage increasing from KSh 30,316 in 2014 to KSh 38,521 in 2015. This was a 19.6 per cent increase compared with the 12.0 per cent raise in minimum wages announced on labour day of 2015. During the same period, average monthly housing allowance offered increased by 21.6 per cent to KSh 4,960 in 2015.

Table 4.14: Collective Bargaining Agreements Registered by the Industrial Court, 2014 and 2015

	No. of Agreements		No. of Unionisable Employees Covered by the Agreements		Average Monthly Basic Wage (KSh)		Average Monthly Housing Allowance Offered (KSh)	
	2014	2015*	2014	2015*	2014	2015*	2014	2015*
Agriculture, Forestry, Hunting & Fishing	28	17	9,848	5,122	20,772	31,371	2,718	2,022
Mining & Quarrying	2	3	137	598	13,616	28,335	1,500	5,205
Manufacturing of :								
Food, Beverage & Tobacco	37	37	10,721	4,260	22,612	38,346	3,519	4,869
Textile, Wearing Apparels & Leather Industry	33	15	11,544	2,820	14,351	14,923	2,559	2,373
Wood & Wood Industry including Furniture	5	1	1,162	20	13,191	20,425	3,289	3,000
Paper & Paper Products, Printing & Publishing	11	6	1,645	811	34,084	22,674	4,361	3,150
Chemical, Petroleum Rubber & Plastic Product	23	13	872	1,390	23,737	21,568	4,899	3,290
Glass, Ceramic & Cement	8	1	1,539	68	27,834	13,158	6,332	3,500
Basic Metal Industries	1	1	156	15	26,823	27,459	3,599	5,000
Electronics & Electrical Products	44	19	2,913	1,874	25,499	20,402	3,913	3,187
Other Manufacturing industries	-	1	-	12	-	87,763	-	5,939
Electricity and Water	3	13	496	12,151	18,033	81,490	5,713	9,200
Building & Construction	9	7	1,422	5,055	12,672	17,207	4,956	5,360
Wholesale & Retail Trade, Restaurant & Hotels	27	21	6,112	2,820	38,087	17,630	3,703	3,614
Transport and Communication	29	18	14,725	7,588	55,102	49,930	6,052	7,011
Finance, Insurance, Real Estate & Business Services	23	17	20,166	22,700	120,005	128,143	7,914	10,488
Community & Social Services	45	40	7,398	3,127	48,948	34,038	4,293	7,114
Total/Average	**328**	**230**	**90,856**	**70,431**	**30,316**	**38,521**	**4,078**	**4,960**

Source: Ministry of Labour & EAC Affairs

* Provisional

Consumer Price Index

4.25. The annual inflation rate as measured by the Consumer Price Index (CPI) decelerated marginally from 6.9 per cent in 2014 to 6.6 per cent in 2015. The easing of inflation was largely due to reduced costs of petroleum products, electricity and tight monetary policies. The first quarter of 2015 was characterized by drought conditions that pushed up prices of some food items such as potatoes, tomatoes, milk, cabbages, beans and onions. However, during the second half of the year, weather conditions improved resulting in increased supplies and corresponding decreases in prices of several food items.

4.26. Table 4.15(a) shows percentage changes of the indices in the broad divisions of all consumer goods and services from 2011 to 2015. Food and Non-alcoholic beverages's index which has largest weight in the CPI basket increased by 11.4 per cent to 188.22 in 2015. The Transport index decreased by 0.5 per cent to 160.61 points in 2015 compared with 2014 mainly due to lower costs of petrol and diesel. Housing, water, electricity, gas and other fuels index went up by 3.2 per cent during the review period mainly due to increases in house rents. In December 2015, excise tax was increased and this pushed up the prices of beer and cigarettes leading to an increase of Alcoholic Beverages, Tobacco & Narcotics index.

Table 4.15(a): Consumer Price Indices and Inflation by Broad Divisions, 2011-2015

February 2009=100

Broad Item Group	Weights (Per cent)	2011	2012	2013	2014	2015	% Change
Food & Non-Alcoholic Beverages	36.03	131.77	144.92	155.44	168.97	188.22	11.4
Alcoholic Beverages, Tobacco & Narcotics	2.06	121.96	132.99	141.02	148.03	153.42	3.6
Clothing & Footwear	7.43	112.41	123.22	129.65	135.85	142.19	4.7
Housing, Water, Electricity, Gas and other Fuels	18.30	117.11	127.99	133.82	141.31	145.81	3.2
Furnishings, Household Equipment and Routine Household Maintenance	6.16	113.03	124.39	129.72	136.27	142.34	4.5
Health	3.13	113.89	120.49	125.68	133.39	139.82	4.8
Transport	8.67	130.95	140.64	147.38	161.36	160.61	(0.5)
Communication	3.82	75.22	79.54	78.35	77.10	77.83	0.9
Recreation & Culture	2.25	109.96	120.51	127.90	140.95	145.27	3.1
Education	3.14	105.80	112.92	118.80	125.21	130.26	4.0
Restaurant & Hotels	4.49	122.34	139.91	149.90	159.82	168.08	5.2
Miscellaneous Goods & Services	4.52	111.23	121.75	127.37	133.02	139.41	4.8
Weighted average of all Items	**100.00**	**121.17**	**132.53**	**140.11**	**149.74**	**159.60**	**6.6**

4.27. Table 4.15(b) shows a breakdown of food and non-alcoholic beverages division according to Classification of Individual Consumption by Purpose (COICOP) from 2011 to 2015. Fruits and vegetables had the highest increase of 21.9 per cent and 32.4 per cent in 2015, respectively. On the other hand, oils and fats as well as Sugar, jam, honey, chocolate and confectionery classes recorded declines during the same period. Meat, fish and sea foods, also recorded significant increases of 6.7 per cent and 9.6 per cent, respectively during the year under review.

Table 4.15(b): CPI and Inflation Rate For Food and Non-Alcoholic Beverages, 2011 - 2015

Food and non-alcoholic beverages	Weight per cent	2011	2012	2013	2014	2015	% Change
Bread and cereals	10.52	122.41	132.56	136.08	143.53	147.88	0.2
Meat	5.68	126.25	143.06	152.64	164.29	174.24	6.7
Fish and Sea foods	1.32	125.23	145.94	163.26	181.65	198.31	9.6
Milk, Cheese and Eggs	4.96	122.64	143.42	158.78	169.52	181.47	6.0
Oils and fats	1.69	159.30	168.81	163.69	163.27	161.90	-0.8
Fruits	2.38	138.75	152.21	176.68	197.84	233.28	21.9
Vegetables	5.68	139.99	157.38	180.46	221.60	297.19	32.4
Sugar, jam, honey, chocolate and confectionery	2.33	172.75	164.50	165.24	153.37	152.29	-0.4
Food products n.e.c.	0.11	108.13	119.29	127.48	135.99	144.70	5.7
Coffee, tea and cocoa	0.38	117.76	121.50	121.20	122.03	125.10	2.1
Mineral waters, soft drinks, fruit and vegetable juices	1.00	120.36	133.28	136.26	141.04	143.97	2.3

4.28. Table 4.16 shows variation in annual inflation rates across the Nairobi lower, middle and upper income groups, as well as for other urban areas outside Nairobi. Nairobi upper recorded the lowest annual inflation of 2.6 per cent, while the rest of urban areas and Nairobi lower income groups both had equal and the highest inflation of 6.9 per cent, in 2015.

Table 4.16: Annual Inflation Rates, 2011-2015

Per cent

Income Group	2011	2012	2013	2014	2015
Nairobi Lower Income Inflation	15.1	9.5	5.9	5.8	6.9
Nairobi Middle Income Inflation	9.9	7.8	4.5	4.7	4.3
Nairobi Upper Income Inflation	9.9	5.8	3.4	6.0	2.6
Nairobi Inflation	14.1	9.0	5.5	5.6	6.1
Rest of Urban Towns Inflation	14.3	9.7	5.9	7.8	6.9
Overall Inflation Rate	**14.0**	**9.4**	**5.7**	**6.9**	**6.6**

Note:

1: The lower income group comprises households with monthly expenditure below KSh 23, 670 in October 2005

2: The middle income group comprises households with monthly expenditure between KSh 23,671 and KSh 119,999 in October 2005

3 The upper income group comprises households with monthly expenditure above KSh 120,000 in October 2005

4.29. Table 4.17 shows that the annual average CPI for Nairobi lower income group rose from 151.59 in 2014 to 161.98 in 2015. The highest index of 167.48 was recorded in December, while the lowest of 155.65 was recorded in January 2015.

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

Table 4.17: Consumer Price Indices for Nairobi Lower Income Group, 2011-2015

February 2009=100

Month	2011	2012	2013	2014	2015
January	111.59	134.21	138.55	148.47	155.65
February	114.08	134.38	139.72	148.75	156.51
March	117.46	136.85	141.17	149.36	158.81
April	121.32	137.61	142.91	150.57	161.85
May	121.77	138.00	142.84	151.51	162.09
June	123.70	136.21	142.68	151.39	162.47
July	124.83	134.44	142.94	151.71	162.74
August	126.64	133.18	142.82	153.51	162.78
September	128.27	133.61	146.54	153.64	163.13
October	129.60	134.13	146.18	153.18	164.26
November	131.23	135.14	146.29	152.88	166.02
December	133.09	136.49	146.93	154.08	167.48
Annual average	**123.63**	**135.35**	**143.30**	**151.59**	**161.98**

Table 4.18: Consumer Price Indices, Nairobi Middle Income Group, 2011- 2015

February 2009=100

Month	2011	2012	2013	2014	2015
January	106.64	121.65	125.13	131.93	136.19
February	107.26	121.37	125.79	131.99	136.25
March	108.86	122.53	126.89	132.79	137.09
April	111.35	123.49	127.57	133.22	137.74
May	112.42	123.66	127.08	133.91	138.95
June	112.95	123.31	126.80	134.48	140.70
July	113.83	121.96	127.56	135.45	141.17
August	115.05	122.03	127.61	135.76	141.66
September	116.57	122.40	131.11	135.48	142.04
October	118.86	123.12	130.91	135.33	141.93
November	120.95	123.36	130.66	134.97	141.75
December	121.73	123.51	130.88	135.60	145.22
Annual average	**113.87**	**122.70**	**128.16**	**134.24**	**140.06**

Table 4.19: Consumer Price Indices, Nairobi Upper Income Group, 2011-2015

February 2009=100

Month	2011	2012	2013	2014	2015
January	110.90	123.72	126.64	134.11	136.86
February	111.29	123.63	126.91	134.32	136.66
March	111.95	124.12	127.77	134.63	137.07
April	113.12	124.90	127.88	135.10	137.67
May	113.93	124.98	127.25	136.39	138.96
June	118.28	124.83	126.93	136.83	139.25
July	120.18	124.26	127.09	137.30	141.35
August	120.90	124.74	127.72	139.94	143.53
September	121.83	124.87	132.57	139.46	143.35
October	123.51	125.72	132.47	138.22	143.05
November	124.52	125.51	132.40	138.03	142.70
December	124.03	125.46	132.51	136.74	143.34
Annual average	**117.87**	**124.73**	**129.01**	**136.76**	**140.32**

Table 4.20: Consumer Price Indices, Overall Nairobi, 2011-2015

February 2009=100

Month	2011	2012	2013	2014	2015
January	110.37	130.78	134.86	143.94	150.24
February	112.33	130.84	135.88	144.16	150.87
March	115.18	132.91	137.22	144.81	152.75
April	118.60	133.73	138.64	145.80	155.12
May	119.22	134.05	138.45	146.69	155.63
June	120.90	132.67	138.26	146.76	156.34
July	122.00	131.04	138.63	147.25	156.72
August	123.63	130.17	138.58	148.72	156.96
September	125.21	130.58	142.29	148.72	157.30
October	126.78	131.16	141.98	148.31	158.07
November	128.49	131.94	142.00	148.00	159.29
December	130.01	132.94	142.51	148.97	161.20
Annual average	**121.06**	**131.90**	**139.11**	**146.84**	**155.87**

Table 4.21: Consumer Price Indices, Rest Urban Areas, 2011-2015

February 2009=100

Month	2011	2012	2013	2014	2015
January	110.71	130.84	136.15	146.42	155.67
February	111.87	130.71	137.08	147.21	156.42
March	114.22	132.23	138.48	147.87	158.04
April	118.07	133.74	139.72	149.88	161.20
May	119.67	134.12	140.27	151.81	163.03
June	120.91	133.33	140.53	152.12	163.34
July	122.75	132.54	140.73	152.95	163.26
August	124.21	132.45	141.49	154.33	163.66
September	125.24	132.81	143.19	154.71	164.15
October	127.50	133.38	143.28	154.45	164.98
November	129.57	134.31	143.94	154.55	165.55
December	130.15	135.17	144.79	154.99	167.18
Annual average	**121.24**	**132.97**	**140.81**	**151.77**	**162.21**

Table 4.22: Consumer Price Indices Kenya, 2011-2015

February 2009=100

Month	2011	2012	2013	2014	2015
January	110.57	130.82	135.62	145.40	153.43
February	112.06	130.76	136.59	145.95	154.14
March	114.62	132.51	137.96	146.61	155.86
April	118.29	133.74	139.28	148.20	158.70
May	119.48	134.09	139.52	149.70	159.98
June	120.91	133.06	139.59	149.91	160.46
July	122.44	131.92	139.87	150.60	160.57
August	123.97	131.51	140.29	152.02	160.90
September	125.23	131.89	142.82	152.24	161.33
October	127.20	132.46	142.75	151.92	162.13
November	129.13	133.33	143.14	151.85	162.97
December	130.09	134.25	143.85	152.51	164.72
Annual average	**121.17**	**132.53**	**140.11**	**149.74**	**159.60**

Chapter 5

Money, Banking and Finance

Overview

The Central Bank of Kenya (CBK) through the Monetary Policy Committee (MPC) focused on achieving and maintaining stability in the general price levels in the economy. The monetary policy aimed to achieve the inflation target of 5.0 per cent as set out in the budget for the fiscal year 2014/15. The MPC raised the Central Bank Rate (CBR) from 8.5 per cent to 10.0 per cent in June, and further to 11.5 per cent in July, 2015 to contain incipient inflationary pressures and stem exchange rate volatility. As a result, the overall annual inflation eased slightly to 6.58 per cent in 2015 from 6.88 per cent in 2014. The Government negotiated a precautionary programme support with the International Monetary Fund (IMF) to mitigate the impact of possible exogenous shocks in 2015. Through the programme, the IMF made available the cumulative amount of Special Drawing Rights (SDR) 434.24 million (USD 610.7 million) that provided adequate buffer against short-term shocks and strengthened Kenya's external position. In view of this, the Central Bank set out the optimal path for both reserve money and money supply expansion consistent with the Government's inflation target and the expected economic growth. Money supply, M3, was targeted to grow by 14.2 per cent in the review period.

5.2. The Central Bank of Kenya used Open Market Operations (OMO), repo securities and Term Auction Deposits (TAD), to sterilize excess liquidity in the money market and to reduce volatility of the interbank rate during the year. The Monetary Policy Committee adjusted the pricing of the TAD instrument by 250 basis points above the CBR in May 2015 to enhance liquidity management. The excess liquidity was occasioned by net redemptions of government securities as well as government payments. During this period, CBK sold and purchased foreign exchange from the interbank market to stabilize liquidity and mitigate exchange rate volatility. The short-term money market interest rates trended close to the CBR corridor. The interbank rate increased from an average of 6.60 per cent in June 2014 to 11.8 per cent in June 2015.

5.3. Interest rates recorded mixed performance with spikes and dips for most nominal rates in 2015. The CBR increased from 8.50 per cent in December 2014 to 10.00 per cent and 11.50 per cent in June and December 2015, respectively. Lending interest rates for loans and advances from commercial banks rose from 15.99 per cent in December 2014 to 17.45 per cent in December 2015. Similarly, the Commercial banks' Loans-Deposit interest rate spread rose from 9.18 percentage points in December 2014 to 9.53 percentage points in December 2015.

5.4. Performance of the capital market in 2015 was depressed. The Nairobi Securities Exchange (NSE) 20-Share index recorded a high of 5,346 points during the first quarter of the year but dipped to 4,040 points in December 2015, representing a drop of 21.0 per cent compared to December 2014. The total number of shares traded during the review period also went down to 6,812 million from 8,134 million reported in 2014. Similarly, there was a drop in the value of shares traded during 2015 compared to 2014.

Table 5.1: Monetary Indicators+, 2011-2015

KSh Million

As at end of:	Net Foreign Assets (KSh Million)	Domestic Credit (KSh million)			Broad Money Supply[2] (M3) (KSh Million)	Commercial Bank Liquidity Ratio[3]	Advances / Deposits Ratio (per cent)
		Private[1]	National Government	Total			
2011 Dec	296,965	1,203,946	328,435	1,532,381	1,514,152	37.6	79.0
2012 Dec	327,821	1,345,209	422,536	1,767,745	1,727,686	33.0	79.3
2013 Dec ...	389,179	1,595,205	450,707	2,045,912	1,996,242	40.3	82.3
2014 Dec	481,515	1,950,437	424,852	2,375,289	2,329,979	38.8	83.0
2015 Mar	463,813	1,994,436	511,075	2,505,511	2,398,762	40.6	83.0
Jun	437,495	2,138,678	559,912	2,698,590	2,552,995	44.9	82.7
Sep	391,393	2,254,292	533,428	2,787,719	2,556,049	41.2	88.7
Dec	493,531	2,292,435	538,037	2,830,472	2,658,165	44.1	86.3

Source: Central Bank of Kenya

[1] includes other public bodies

[2] See Table 5.2 and 5.3 for details

[3] Commercial Banks' liquid assets as per cent of deposit liabilities

[+] Revised

Selected Monetary Indicators and the Consolidated Accounts of the Banking System

5.5. Table 5.1 shows selected monetary indicators for the period 2011 to 2015. The net foreign assets (NFA) held by the banking system increased by 2.5 per cent to stand at KSh 493.5 billion in December 2015. There was accelerated growth of 19.2 per cent in total domestic credit in December 2015 compared to a growth of 16.1 per cent in December 2014. This was as a result of increased credit to the National Government that rose to KSh 538.0 billion as at December 2015 compared to KSh 424.9 billion as at December 2014. Credit to the private sector including other public bodies also expanded by 17.5 per cent in the review period to reach KSh 2,292.4 billion. Broad money supply M3 grew by 14.1 per cent in 2015 to KSh 2,658.2 billion compared to an expansion of 16.7 per cent in 2014. The ratio of liquid assets to deposit liabilities of commercial banks (liquidity ratio) improved to stand at 44.1 per cent in December 2015 compared to 38.8 per cent in December 2014. The advances to deposits ratio improved from 83.0 per cent in December 2014 to 86.3 per cent in December 2015 reflecting increased uptake of loans issued by commercial banks.

Table 5.2: Money and Quasi Money Supply+, 2011-2015

KSh Million

		Money[1] (M1)	Quasi-Money		M2	M3	L
			Banks	Others[2]			
2011	Dec	622,731	613,279	17,948	1,253,958	1,514,152	1,854,928
2012	Dec	710,884	737,083	21,433	1,469,400	1,727,686	2,130,550
2013	Dec	827,069	818,891	25,635	1,671,595	1,996,242	2,523,227
2014	Dec	936,440	1,011,414	34,007	1,981,860	2,329,979	2,949,057
2015	Jan	939,593	1,015,997	32,269	1,987,859	2,350,802	2,983,725
	Feb	946,469	1,052,947	32,266	2,031,683	2,407,825	3,032,404
	Mar	971,266	1,042,465	33,039	2,046,770	2,398,762	3,034,642
	Apr	999,702	1,054,074	33,437	2,087,214	2,464,482	3,098,440
	May	991,192	1,074,337	33,501	2,099,030	2,501,589	3,139,914
	Jun	1,000,969	1,102,011	36,554	2,139,534	2,552,995	3,196,867
	Jul	1,016,663	1,089,436	36,157	2,142,256	2,548,981	3,234,067
	Aug	1,015,251	1,109,312	36,503	2,161,066	2,569,877	3,252,042
	Sep	979,788	1,116,626	36,940	2,133,354	2,556,048	3,231,613
	Oct	1,022,867	1,122,872	36,494	2,182,233	2,574,707	3,284,746
	Nov	1,025,979	1,127,859	37,843	2,191,680	2,604,514	3,331,829
	Dec	1,023,672	1,170,480	40,645	2,234,797	2,658,166	3,390,818

Source: Central Bank of Kenya.

[1] Currency outside banks plus all demand deposits except; those of National Government, County Government, Commercial Banks, Non Residents and foreign currency denominated deposits

[2] Following the conversions and mergers there are no operational Non Bank Financial Institutions (NBFIs).

+ Revised

Notes:

(a) Broad Money, **M2,** is money supplied by the Central Bank, Commercial Banks and NBFIs.
The items include currency outside banking institutions, deposits held by non-banking institutions with Central Bank, all deposits as well as certificates of deposits held by the private and other public sectors with banking institutions. Excluded are National Government, County Government and Non-residents deposits with banking institutions.

(b) Broad Money, **M3**, comprises M2 and foreign currency holdings by residents.

(c) Overall Liquidity, **L**, comprises M3 and Treasury Bill holdings by the non-bank public.

5.6. Table 5.2 presents money and quasi money supply for the period 2011 to 2015. Money Supply M1 and quasi money deposits held by commercial banks expanded by 9.3 per cent and 15.7 per cent respectively in December 2015. Consequently, broad money supply M2 grew by 12.8 per cent to KSh 2,234.8 billion. The benchmark broad money supply M3 expanded by 14.1 per cent which was within monetary policy target on account of foreign currency deposits growing by 21.6 per cent. The overall liquidity expanded by 15.0 per cent to stand at KSh 3,390.8 billion by the end of the review period.

Table 5.3: Consolidated Accounts of the Banking System+, 2011-2015

KSh Million

	2011	2012	2013	2014	2015*			
LIABILITIES-	**December**	**December**	**December**	**December**	**March**	**June**	**September**	**December**
1. Money (M1):								
1.1 Demand Deposits	485,628	562,991	663,709	762,935	799,689	825,486	804,669	832,421
1.2 Currency outside banks	137,103	147,893	163,359	173,505	171,578	175,483	175,119	191,251
Sub-Total	**622,731**	**710,884**	**827,069**	**936,440**	**971,266**	**1,000,969**	**979,788**	**1,023,672**
2. Quasi-Money(MS):								
2.1Call + 7 days Notice Deposits	61,328	73,708	81,889	101,141	104,246	110,201	111,663	117,048
2.2 Savings Deposits	153,320	184,271	204,723	252,853	260,616	275,503	279,156	292,620
2.3 Time Deposits	398,631	479,104	532,279	657,419	677,602	716,307	725,807	760,812
Sub-Total (quasi-money banks)	**613,279**	**737,083**	**818,891**	**1,011,414**	**1,042,465**	**1,102,011**	**1,116,626**	**1,170,480**
Money(M1) & MS(Banks)	**1,236,010**	**1,447,967**	**1,645,959**	**1,947,854**	**2,013,731**	**2,102,980**	**2,096,414**	**2,194,152**
3. Quasi-Money (NBFIs)[1]	17,948	21,433	25,635	34,007	33,039	36,554	36,940	40,645
Broad Money Supply(M2)	**1,253,958**	**1,469,400**	**1,671,595**	**1,981,860**	**2,046,770**	**2,139,534**	**2,133,354**	**2,234,797**
4. Foreign Currency Deposits	260,193	258,287	324,647	348,119	351,992	413,461	422,694	423,369
Broad Money Supply(M3)	**1,514,152**	**1,727,686**	**1,996,242**	**2,329,979**	**2,398,762**	**2,552,995**	**2,556,048**	**2,658,166**
5. Treasury Bill Holdings	340,776	402,864	526,985	619,078	635,880	643,872	675,565	732,652
Overall Liquidity(L)	**1,854,928**	**2,130,550**	**2,523,227**	**2,949,057**	**3,034,642**	**3,196,867**	**3,231,613**	**3,390,818**
6. Other Items Net(OIN)	315,194	367,881	438,850	526,825	570,562	583,090	623,065	665,837
TOTAL (M3+OIN)	**1,829,346**	**2,095,567**	**2,435,092**	**2,856,804**	**2,969,324**	**3,136,085**	**3,179,113**	**3,324,003**
ASSETS-								
7. Net Foreign Assets	296,965	327,821	389,179	481,515	463,813	437,495	391,393	493,531
8. Domestic Credit:								
8.1 National Govt. (Net)	328,435	422,536	450,707	424,852	511,075	559,912	533,428	538,037
8.2 Other Public Bodies	30,809	49,814	39,620	48,402	43,836	44,677	48,029	46,322
8.3 Private Sector	1,173,137	1,295,395	1,555,586	1,902,034	1,950,600	2,094,002	2,206,263	2,246,112
Sub-Total	**1,532,381**	**1,767,745**	**2,045,912**	**2,375,289**	**2,505,511**	**2,698,590**	**2,787,719**	**2,830,472**
TOTAL	**1,829,346**	**2,095,566**	**2,435,091**	**2,856,804**	**2,969,324**	**3,136,085**	**3,179,113**	**3,324,003**

Source: Central Bank of Kenya.

* Provisional

[1] NBFIs refer to Microfinance Institutions and Mortgage finance

+Revised

Notes:

(a) Other Items Net Includes SDR allocated by IMF.

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

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

5.7. Consolidated accounts of the banking system for the period 2011 to 2015 are presented in Table 5.3. The total liabilities and assets of the banking system for the period under review grew to KSh 3,324.0 billion, an increase of 16.4 per cent. Total liabilities of the banking system increased on account of expansion in broad money supply, foreign currency holdings and other items net. Other Items Net, which include SDR allocated by IMF, increased by 26.4 per cent from KSh 526.8 billion in December 2014 to KSh 665.8 billion in December 2015. The increase in assets of the banking system was due to increases in domestic credit to the National Government and private sector, which grew by 26.6 per cent and 18.1 per cent respectively, leading to an increase of 19.2 per cent in overall domestic credit. The share of credit to National Government to total credit rose from 17.9 per cent to 19.0 per cent.

Sources of Change in M3 and Real Values of Selected Financial Aggregates

5.8. Table 5.4 presents the changes in money supply and their sources for the period 2011 to 2015. Broad money, M3 increased by KSh 328.2 billion in December 2015 compared to KSh 333.7 billion recorded in December 2014. The major changes that contributed to the expansion of broad money supply M3 was a KSh 159.1 billion increase in quasi money held by banks, followed by an increase of KSh 87.2 billion in currency in circulation and demand deposits held by commercial banks. Foreign currency deposits also contributed to the increase in M3 changing by KSh 75.3 billion. The main source of the growth in broad money M3 was

increase in credit both to private sector by KSh 344.1 billion and National Government by KSh 113.2 billion.

Table 5.4: Changes in Money Supply and the Sources[+], 2011-2015

KSh Million

	2011	2012	2013	2014	2015
MONEY SUPPLY CHANGES					
1 Currency plus demand deposits (M1)	45,525	88,153	116,185	109,371	87,232
2 Quasi-money (Banks)	106,625	123,804	81,807	192,523	159,066
3 Quasi-money (NBFIs)	2,599	3,484	4,203	8,371	6,638
4 Foreign Currency Deposits	87,789	-1,907	66,360	23,472	75,250
5 Broad Money supply (M3)	242,513	213,534	268,555	333,737	328,187
SOURCES OF CHANGES					
6 Net foreign assets	25,804	30,856	61,359	92,336	12,015
7 All Domestic Credit					
(a) to National Government (net)	-18,835	94,102	28,170	-25,854	113,185
(b) to other public sector	8,629	19,006	-10,195	8,782	-2,080
(c) to private sector	274,646	122,257	260,191	346,449	344,078
8 Other Items (Net)	-47,402	-52,686	-70,969	-87,975	-139,012
9 Total sources of change (6+7+8)	242,513	213,534	268,556	333,738	328,187

Note: Changes in Money Supply and the sources compares year-end values

[+] Revised

Trends in Real Values of Selected Financial Aggregates

5.9. The trend of real values of selected financial aggregates are presented in Table 5.5. In real terms, broad money supply (M3) grew by 5.6 per cent to stand at KSh 1,613.7 billion in December 2015 compared to a growth of 10.1 per cent recorded in 2014. Real overall liquidity (L) expanded during the review period to KSh 2,058.5 billion from KSh 1,933.7 billion recorded in 2014. Most notable change was in the expansion of total commercial bank credit which increased by 41.9 per cent to KSh 1,699.5 billion in 2015. This was however, a recovery from a 15.8 per cent contraction recorded in December 2014. Real commercial bank's credit to private sector increased by 8.8 per cent during the review period while the banks deposit liabilities increased by 8.4 per cent. The overall banking system liabilities increased by 7.7 per cent while the ratio of deposit liabilities to total liabilities rose marginally to 78.8 per cent.

Table 5.5: Trends in the Real Values of Selected Financial Aggregates[+], 2011-2015

KSh Million

	2011	2012	2013	2014	2015
1 Money Supply (M3)	1,163,926	1,286,917	1,387,724	1,527,755	1,613,748
2 Overall Liquidity (L)	1,425,880	1,587,002	1,754,068	1,933,681	2,058,534
3 Commercial bank credit to private sector	731,839	785,703	870,489	961,296	1,046,064
4 Total commercial bank credit	1,131,407	1,301,747	1,422,428	1,198,016	1,699,530
5 Commercial Banks' Deposit Liabilities	1,115,527	1,248,326	1,306,795	1,466,392	1,590,128
6 Total liabilities of banking system	1,406,216	1,560,944	1,692,799	1,873,191	2,017,971
Memorandum item:					
7 Line 5 as per cent of line 6	79.3	80.0	77.2	78.3	78.8

Trends in the real values of selected financial aggregates was deflated by December Consumer Price Indices.

[+] Revised

Nominal and Real Interest Rates

5.10. There was mixed performance of spikes and dips in most of the nominal interest rates during 2015 as shown in Table 5.6. Most notable are the upward revisions of the Central Bank Rate (CBR). The CBR was revised upwards twice during the review period. The rate increased from 8.50 per cent in December 2014 to 10.00 per cent and 11.50 per cent in June and December 2015, respectively. The 91-day Treasury bill rate dropped from 8.58 per cent in December 2014 to 8.26 per cent in June 2015 and rising to 9.81 per cent by December

2015. The interbank lending rate spiked in June 2015 to 11.78 per cent from 6.91 per cent in December 2014 before dropping to 7.27 per cent in December 2015.

5.11. Similar oscillations were reported for all commercial banks interest rates in 2015 with the exception of savings deposits rate that dropped in December 2015. Commercial banks loans and advances lending interest rates rose to 17.45 per cent in December 2015 from 15.99 per cent in December 2014. The fluctuations in interest rates by commercial banks was similarly reflected in the Loans-Deposits interest rate spread which dropped from 9.18 percentage points in December 2014 to 8.84 percentage points in June 2015 and rose to 9.53 percentage points in December 2015.

Table 5.6: Nominal Principal Interest Rates, 2011-2015

Per cent

	2011	2012	2013	2014	2015	
	December	December	December	December	June	December
CENTRAL BANK OF KENYA						
91 day Treasury Bills Rate	18.30	8.30	9.52	8.58	8.26	9.81
Central Bank Rate	18.00	11.00	8.50	8.50	10.00	11.50
Repo rate	17.59	6.85	..	5.39	9.70	9.23
Inter-bank rate	21.75	5.84	8.98	6.91	11.78	7.27
COMMERCIAL BANKS[1]						
Average deposits	6.99	6.80	6.65	6.81	6.64	7.92
Savings deposits	1.59	1.60	1.58	1.85	1.85	1.56
Loan and Advances (maximum)	20.04	18.15	16.99	15.99	15.48	17.45
Overdraft	20.20	17.79	16.51	15.86	15.65	17.19
Loans-Deposits Spread	13.05	13.05	10.34	9.18	8.84	9.53

Source: Central Bank of Kenya.

[1]Weighted average commercial bank interest rates

.. Data not available

5.12. There was a general decline in real interest rates during the review period as shown in Table 5.7. Real interest rates for commercial bank savings deposit rate and the inter-bank rate were negative at 4.46 per cent and 0.74 per cent, respectively. The real interest rate for 91 day treasury bills dropped from 2.56 per cent in 2014 to 1.80 per cent in 2015 , while real interest for loans and advances from commercial banks dipped slightly to 9.44 per cent in 2015 from 9.97 per cent recorded in 2014.

Table 5.7: Trends in Selected Real Principal Interest Rates+, 2011-2015

Percentage

		Year	Nominal Interest	Inflation Rate	Real Interest[1]
1	Average Interest Rate for 91-day Treasury Bills	2011	18.30	18.93	-0.63
		2012	8.30	3.20	5.10
		2013	9.52	7.15	2.37
		2014	8.58	6.02	2.56
		2015	9.81	8.01	1.80
2	Commercial bank savings deposits (average)	2011	1.60	18.93	-17.33
		2012	1.60	3.20	-1.60
		2013	1.58	7.15	-5.57
		2014	1.85	6.02	-5.30
		2015	1.56	8.01	-4.46
3	Commercial bank loans and advances (maximum)	2011	20.04	18.93	1.11
		2012	18.15	3.20	14.95
		2013	16.99	7.15	9.84
		2014	15.99	6.02	9.97
		2015	17.45	8.01	9.44
4	Inter-Bank Rate	2011	21.75	18.93	2.82
		2012	5.84	3.20	2.64
		2013	8.98	7.15	1.83
		2014	6.91	6.02	0.89
		2015	7.27	8.01	-0.74

Note: Trends in selected real Principal interest rates are as at December

[1] Real Interest Rate equals Nominal Rate minus Inflation Rate

+ Revised

Table 5.8: Central Bank of Kenya Assets and Liabilities+, 2011-2015

KSh Million

	2011	2012	2013	2014	2015			
ASSETS					1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
1. Foreign Exchange								
1.1 Balances with External Banks	314,010	488,588	566,040	722,100	703,836	703,806	678,711	763,638
1.2 Treasury Bills	35,506	-	-	-	-	-	-	-
1.3 Other Investments	8,705	80	1,894	-	-	-	-	-
1.4 Special Drawing Rights	1,431	596	4,036	1,205	3,370	4,385	4,670	1,489
TOTAL	**359,652**	**489,264**	**571,969**	**723,279**	**707,206**	**708,191**	**683,381**	**765,127**
2. Advances & Disc. to Banks	-	-						
3. Direct Advances & Overdraft to Kenya Government	25,373	25,373	34,187	30,929	37,398	36,494	45,924	45,233
4. Other Assets including Kenya Treasury Bills & Bonds	48,760	34,080	44,514	32,001	31,605	30,367	67,498	74,842
TOTAL ASSETS	**433,785**	**548,717**	**650,670**	**786,209**	**776,210**	**775,052**	**796,803**	**885,202**
LIABILITIES								
1. Capital	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
2. Currency in Circulation-								
2.1 Notes	169,096	181,946	203,988	215,272	211,592	215,513	215,330	233,703
2.2 Coins	3,145	5,797	6,008	6,658	6,544	6,665	6,660	7,228
TOTAL CURRENCY	172,234	187,737	209,990	221,930	218,136	222,178	221,990	240,931
3. Deposits								
3.1 Kenya Government	13,709	46,296	115,542	179,963	153,972	105,373	86,240	177,905
3.2 Kenyan Banks[1]	82,771	105,887	110,773	158,111	128,144	149,810	154,707	151,499
3.3 External Banks	99,690	123,919	139,694	133,819	135,447	142,916	154,112	143,741
3.4 Other	13,329	14,446	30,948	26,729	27,756	31,260	25,443	29,634
TOTAL Deposits	209,499	290,548	396,957	498,622	445,319	429,359	420,502	502,778
4. Other Liabilities	47,052	65,432	38,723	60,658	107,754	118,515	149,311	136,493
TOTAL LIABILITIES	**433,785**	**548,717**	**650,670**	**786,209**	**776,210**	**775,052**	**796,803**	**885,202**

Source: Central Bank of Kenya

[1]Deposits from commercial banks excluding non-bank financial institutions (NBFIs)

+ Revised

5.13. Table 5.8 presents the balance sheet of the Central Bank of Kenya (CBK). The total assets and liabilities of the CBK increased by 12.6 per cent to KSh 885.2 billion in December 2015. Notable increases in assets were other assets including treasury bills and bonds that more than doubled to reach KSh 74.8 billion in 2015, and direct advances and overdraft to Kenya Government that increased by 46.2 per cent during the review period. The increase in liabilities of the Central Bank is attributed to increases in other liabilities, other deposit liabilities and growth in total currency which rose by 125.0 per cent, 10.9 per cent, and 8.6 per cent, respectively during the review period.

Table 5.9a: Commercial Banks' Bills, Loans and Advances+, 2011-2015

KSh Million

	2011 Dec	2012 Dec	2013 Dec	2014 Dec	2015 Dec
PUBLIC SECTOR:					
National Government (net)[1]	322,828	422,536	411,957	396,159	507,031
County Government (net)[2]	2,314	2,888	-228	278	1,149
Enterprises[3], Parastatal bodies and other Public entities	28,494	46,926	39,847	48,125	45,173
TOTAL PUBLIC SECTOR	**353,636**	**472,351**	**451,577**	**444,561**	**553,353**
PRIVATE ENTERPRISES:					
Agriculture	53,191	57,479	58,656	75,001	85,925
Mining and Quarrying	25,271	25,048	27,804	23,421	20,776
Manufacturing	146,197	169,262	181,687	237,422	290,069
Building and Construction	50,805	69,183	70,770	80,406	106,307
Transport, Storage and Communication	87,359	75,776	89,488	130,304	171,643
Wholesale and retail trade, hotels and restaurants	190,889	211,172	253,198	306,927	378,043
Real Estate	137,409	161,940	198,337	262,691	282,586
Financial Institutions	29,919	32,689	29,924	50,384	61,042
Other Business	155,981	169,047	231,631	306,165	402,179
TOTAL PRIVATE ENTERPRISES	**877,022**	**971,597**	**1,141,496**	**1,472,721**	**1,798,569**
Community and Personal Services (including Non-Profit Making Institutions)	158,147	174,900	226,200	316,187	360,292
Other Activities (nec)	137,969	148,897	187,890	113,126	87,252
TOTAL BILLS, LOANS AND ADVANCES	**1,526,774**	**1,767,745**	**2,007,163**	**2,346,596**	**2,799,466**

Source: Central Bank of Kenya.

Note: Commercial banks',bills,loans and advances excludes portfolio investment by private enterprises and bank deposits placed with non-bank financial institutions

[1]Data on Credit to National Government include investments in Government Securities

[2]Data for up to 2012 refers to Local Authorities

[3]Government majority owned market enterprises

+ Revised

5.14. Table 5.9a presents commercial banks credit for the years 2011-2015. Overall commercial banks credit grew significantly by 19.3 per cent to KSh 2,799.5 billion in December 2015 compared to an increase of 16.9 per cent recorded in December 2014. The sector which recorded the highest percentage increase in uptake of credit was building and construction recording 32.2 per cent increase in December 2015 compared to 13.6 per cent increase in a similar period in 2014. Credit to the mining and quarrying sector declined for the second consecutive year to stand at KSh 20.8 billion. Credit to public sector increased by 24.5 per cent in 2015 with county governments uptake increasing significantly from KSh 278 million in 2014 to KSh 1,149 million in December 2015.

Table 5.9b: Commercial Banks' Bills, Loans and Advances Sector Shares+, 2011-2015

Per cent

	2011 Dec	2012 Dec	2013 Dec	2014 Dec	2015 Dec
PUBLIC SECTOR:					
National Government [1]	21.1	23.9	20.5	16.9	18.1
County Government[2]	0.2	0.2	0.0	0.0	0.0
Enterprises[3], Parastatal bodies and other Public entities	1.9	2.7	2.0	2.1	1.6
TOTAL PUBLIC SECTOR	**23.2**	**26.7**	**22.5**	**18.9**	**19.8**
PRIVATE ENTERPRISES:					
Agriculture	3.5	3.3	2.9	3.2	3.1
Mining and Quarrying	1.7	1.4	1.4	1.0	0.7
Manufacturing	9.6	9.6	9.1	10.1	10.4
Building and Construction	3.3	3.9	3.5	3.4	3.8
Transport, Storage and Communication	5.7	4.3	4.5	5.6	6.1
Wholesale and retail trade, hotels and restaurants	12.5	11.9	12.6	13.1	13.5
Real Estate	9.0	9.2	9.9	11.2	10.1
Financial Institutions	2.0	1.8	1.5	2.1	2.2
Other Business	10.2	9.6	11.5	13.0	14.4
TOTAL PRIVATE ENTERPRISES	**57.4**	**55.0**	**56.9**	**62.8**	**64.2**
Community and Personal Services (including Non-Profit Making Institutions)	10.4	9.9	11.3	13.5	12.9
Other Activities (nec)	9.0	8.4	9.4	4.8	3.1
TOTAL BILLS, LOANS AND ADVANCES	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Central Bank of Kenya.

Note: Commercial banks',bills,loans and advances excludes portfolio investment by private enterprises and bank deposits placed with non-bank financial institutions

[1] Data on Credit to National Government includes investments in Government Securities

[2] Data for upto 2012 refers to Local Authorities

[3]Government majority owned market enterprises

[+] Revised

5.15. The uptake of commercial banks credit to sectors exhibited mixed performance as shown in Table 5.9b. The National Government was a key gainer with share of credit extended to it increasing from 16.9 per cent to 18.1 per cent of the total credit. This was occasioned by the effort to finance Government fiscal deficit. The share of credit to private sector increased from 62.8 per cent in 2014 to 64.2 per cent in 2015.

5.16. The deposit liabilities and liquid assets of commercial banks for the period 2011 to 2015 are presented in Table 5.10. Deposit liabilities held by commercial banks grew by 17.1 per cent to reach KSh 2,619.3 billion in December 2015 from KSh 2,236.4 billion in December 2014. Liquid assets increased significantly by 33.1 per cent in December 2015 compared to a 14.6 per cent rise recorded in December 2014. The overall liquidity ratio rose to 44.1 per cent by December 2015 from 38.8 per cent recorded at end of December 2014.

Table 5.10: Commercial Banks' Deposit Liabilities and Liquid Assets[1], 2011-2015

	Deposit Liabilities (KSh Million)	Liquid Assets[2] (KSh Million)	Overall Liquidity Ratio (Per cent)
2011 December ..	1,451,189	545,976	37.6
2012 December ..	1,675,878	553,784	33.0
2013 December ..	1,879,825	757,296	40.3
2014 December ..	2,236,394	868,039	38.8
2015 January	2,240,468	867,059	38.7
February .. .	2,318,107	936,054	40.4
March ..	2,311,072	937,491	40.6
April	2,367,372	946,535	40.0
May	2,421,092	953,591	39.4
June	2,533,188	1,136,454	44.9
July	2,503,763	1,090,964	43.6
August	2,523,553	1,075,116	42.6
September..	2,525,874	1,040,263	41.2
October .. .	2,514,711	1,096,047	43.6
November ..	2,558,664	1,112,718	43.5
December ..	2,619,259	1,155,181	44.1

Source: Central Bank of Kenya.

[1] Deposits and Liquid Assets are calculated as an average of three days balances

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

Insurance

5.17. Life insurance claims grew to KSh 33.1 billion in 2015 from KSh 23.8 billion in 2014 while earned premiums grew from KSh 57.6 billion in 2014 to KSh 61.0 billion during the review period. The gross earned premiums from non-life insurance increased by 9.5 per cent in 2015 to KSh 110.8 billion. Similarly, claims increased from KSh 42.7 billion in 2014 to KSh 48.8 billion in 2015. Claims for Private Motor Vehicle and Commercial Motor Vehicles increased from KSh 11.0 billion and KSh 10.7 billion to KSh 12.8 billion and KSh 12.9 billion, respectively over the same period. Gross earned premiums for medical insurance rose from KSh 25.5 billion in 2014 to KSh 29.5 billion in 2015 compared to claims which rose by 17.2 per cent to KSh 15.0 billion in 2015.

Capital Markets

5.18. The performance of the stock market in 2015 was bearish as depicted by all indicators as shown in Table 5.11. The NSE 20-Share index recorded a high of 5,346 points during the first quarter of 2015 but started to dip in the second quarter to record 4,040 points in December 2015, representing a drop of 21.0 per cent compared to December 2014. The share volume dropped from 8,233 million in 2014 to 6,812 million in 2015 resulting to a corresponding drop in equity turnover from KSh 216 billion in 2014 to KSh 209 billion in 2015. Total bond turnover decreased from KSh 506 billion in 2014 to KSh 305 billion in 2015. Notable changes in the number of licensed players in the capital markets was the increase in investment banks, fund managers, and collective investment schemes all of which their number increased by one.

Table 5.11: Gross Secondary Markets Statistics, 2011-2015

	2011	2012	2013	2014	2015				
					1st Qr	2nd Qr	3rd Qr	4th Qr	Total
Equities Market									
Total No. of Shares Traded (million)	5,721	5,464	7,576	8,233	1,622	1,852	1,883	1,455	6,812
Total No. of Deals	355,738	342,235	426,327	548,991	126,915	105,297	96,277	78,143	406,632
Total Value of Shares Traded (KSh bn)	79	86	156	216	46	60.00	57.00	46.00	209
NSE 20 Share Index (Base Jan 1966=100)	3,205	4,133	4,927	5,113	5,346	4,906	4,173	4,040	
Market Capitalization (KSh bn)	868	1,272	1,921	2,316	2,452	2,301	2,064	2,054	
Fixed Income Securities Market									
Total bond Turnover (KSh bn)	446	565	452	506	129	60	45	71	305
Capital Markets, Licensed/approved Institutions									
Securities Exchange (NSE)	1	1	1	1	-	-	-	-	1
Central Depositories (CDSC)	1	1	1	1	-	-	-	-	1
Investment Banks	11	10	10	13	1	-	-	-	14
Stockbrokers	5	12	11	10	(1)	-	-	-	9
Investment advisers	18	18	16	17	1	(1)	-	-	17
Fund Managers	19	21	20	24	-	1	-	-	25
Collective Investment Schemes	16	16	16	19	-	1	-	-	20
Authorized depositories/Custodians	14	15	15	14	-	-	-	-	14
Credit Rating Agencies	1	1	2	3	-	-	-	-	3
Venture Capital Companies	1	1	1	1	-	-	-	-	1
Total	**87**	**96**	**93**	**103**	**1**	**1**	**-**	**-**	**105**

Source: Capital Markets Authority

Deposit Taking Savings and Credit Cooperatives

5.19. Key performance indicators of the deposit taking savings and credit cooperatives (DTSs) are highlighted in Table 5.12. The assets of the DTSs grew by 12.2 per cent to stand at KSh 338.2 billion in December 2015. While deposits recorded a significant growth of 14.6 per cent, loans and advances grew by 8.9 per cent during the review period. This mixed performance can partly be explained by the savings requirement of at least six months.

Table 5.12: Key Trends in Performance of Deposit taking savings and credit cooperatives (DTSs)

KSh Million

Indicator	2013	2014	2015*	Growth in 2015 (Per cent)
Assets	257,368	301,537	338,246	12.2
Deposits	182,683	205,974	236,058	14.6
Loans and Advances	197,409	228,524	248,934	8.9
Capital Reserves	32,991	43,086	61,908	43.6

Source: Sacco Society Regulatory Authority (SASRA)

*Provisional

Banking sector

Developments in the Financial Sector

5.20. During the year under review, the Kenya Government negotiated a precautionary programme support with the IMF to mitigate the impact of possible exogenous shocks in 2015. The programme, which is a blend of the Stand-By Arrangement (SBA) and Stand-By Credit Facility (SCF) took effect in February 2015. Through this programme, the IMF undertook to provide US$ 696.7 million (SDR 488.2 million) 2015 of which US $ 503.2 million is under SCF and US $193.5 million under the SBA to strengthen Kenya's external position. The IMF

made available the cumulative amount under the arrangements to SDR 434.24 million (about USD 610.7 million). The arrangements boosted the Bank's capacity to respond to short-term volatility in the foreign exchange market.

5.21. To strengthen the banking sector's capital position, the Central Bank introduced a 2.5 per cent capital conservation buffer in 2013 and which became effective on 1st January 2015. The capital buffer is to be maintained by institutions as a cushion for losses during periods of financial and economic stress. As a consequence of this introduction, the effective minimum core and total capital requirements rose from 8.0 per cent and 12.0 per cent to 10.5 per cent and 14.5 per cent, respectively. As at December 2015 these ratios had risen above the statutory requirements at 15.6 per cent and 18.6 per cent respectively. The money market experienced a small turbulence from August to October 2015 following pressures on the Government borrowing programme and the placement of two commercial banks under receivership in the months of August and October respectively. However, given the two institutions small market share, the receivership/liquidation did not cause any systemic concern for the banking sector. The CBK used Reverse Repos to address the temporary liquidity shortages in segments of the market arising from these stresses.

Capital Market

5.22. In the primary equity market, the first Real Estate Investment Trust (REIT) - namely, Stanlib Fahari REIT got listed through an Initial Public Offer (IPO) process in the newly created Real Estate Investment Segment of the NSE in October 2015. The Stanlib REIT raised KSh 3.6 billion against a minimum target of KSh 2.6 billion. Further, during the year there was one (1) new rights issue by Housing Finance. In this cash call, Housing Finance sought to raise KSh 3.5 billion by issuing 116,666,667 new ordinary shares at an Offer Price of KSh 30.00 (28.9 per cent discount) per share in the ratio of 1:2. The issue received a 257 per cent subscription level, raising KSh 9.01 billion.

5.23. In the primary Treasury Bonds space, during the period under review, there were sixteen (16) bond issue offers including re-openings. The bonds' tenure ranged between 2 and 20 years. In 2015, the Government of Kenya sought to raise KSh 270 billion and received subscriptions worth KSh 346.5 billion. However, it accepted to issue bonds worth KSh 256.7 billion. Subscription levels for the various tenures of bonds were between 46.5 per cent and 204.5 per cent. The Corporate Bonds space was also relatively active in 2015, with Five (5) companies (East African Breweries, Centum Investment Company Limited, Chase Bank, Real People and Family Bank) raising a total of KSh 19.5 billion.

5.24. The Authority approved Nairobi Securities Exchange (NSE) to operate a derivatives exchange business in Kenya in December 2015. The approval was the final step towards confirmation of a provisional license that the NSE had been granted in January 2015. The approval confirms NSE's full compliance with The Capital Markets (Futures Exchanges) (Licensing Requirements) Regulations, 2013 which were drafted in line with the International Organization of Securities Commissions (IOSCO) Principles for the Regulation and Supervision of Commodity Derivatives Markets.

5.25. In line with the principle-based approach to approval of new product launch, the Authority issued a Policy Guidance Note (PGN) in September 2015 on issuance and listing of exchange-traded funds (ETFs), pending the development of a comprehensive regulatory framework for ETFs. Consequently, the Nairobi Securities Exchange and Central Depository and Settlement Corporation were required to amend their Listing and Trading Rules; and Central Depository Rules respectively to include the ETFs component, as well modernizing

their respective market infrastructure.

5.26. The first set of EAC Council Directives on Securities Legal and Regulatory was gazetted on 29th May 2015. The objective is to ensure harmonization of the capital markets legal and regulatory framework by way of issuance of Council Directives by the Council of Ministers. This set includes Directives covering the following areas; public offers of equity, debt, and corporate governance for market intermediaries, listing on exchanges and admission to secondary exchanges. There are six proposed Directives focusing on; Credit Rating Agencies, Regulated Activities, and Corporate Governance for Public Listed Companies, Real Estate Investment Trusts, Securities Exchanges and Central Securities.

Insurance

5.27. In 2015 the Insurance Regulatory Authority (IRA) made a number of initiatives aimed at ensuring the stability and growth in the insurance industry. Key among these initiatives were review of the legal framework with respect to minimum capital requirement, which was amended, vide Finance Act 2015 and new capital requirements adopted and expected to be implemented in phased approach up to 2018. Guidelines were developed for *Takaful* or Islamic insurance to ensure growth of the segment that is critical in enhancing insurance growth and coverage, and penetration. The aim of the guidelines is to provide a framework for the establishment and growth of *Takaful* business that will be efficient, thereby leading to financially sound and sustainable *Takaful* funds.

Pensions

5.28. During the period (2015) there were 20 fund managers, 29 administrators and 11 custodians registered by the Retirement Benefits Authority (RBA). The pension assets are expected to grow during the period though at a slow pace due to the dampened stock market activity. The assets are expected to exceed KSh 800 billion. The assets and membership of the individual retirement benefits schemes grew during the period from 144,000 members in December 2014 to 162,000 members in December 2015 while the assets grew from KSh 23.3 billion in 2014 to KSh 28.8 billion in 2015. The growth in membership in the individual retirement benefit schemes can be attributed to the intense public campaigns and member education undertaken by the RBA and the various service providers.

Chapter 6

Public Finance

Overview

The Government's Fiscal Framework is aimed at supporting rapid and inclusive economic growth, ensuring sustainable debt position and supporting devolution for effective delivery of services. In 2015/16 the Fiscal plan was aligned to the second Medium Term Plan (MTP II) and strategic interventions of National interest. The framework involves a continued prudent public expenditure management to contain fiscal risks, gradually lower the fiscal deficit and contain growth of recurrent expenditure in favour of productive capital spending. The 2015/16 budget emphasizes resource allocation towards development programmes in infrastructure, agriculture, security, health, education, social protection and youth empowerment; aimed at enhancing sustainable and equitable growth and job creation.

6.2. **Overall Fiscal Results:** The National Government budget estimates for 2015/16 amounts to KSh 2,224.0 billion, an increase from KSh 1,950.7 billion spent in 2014/15. Total recurrent expenditure is estimated at KSh 1,238.2 billon, while development expenditure is expected to grow by 22.8 per cent to KSh 985.8 billion. In this period, KSh 398.0 billion is budgeted for public debt repayment and KSh 259.8 billion will be transferred to county Governments. In 2015/16, total recurrent revenue is estimated to register a 26.6 per cent growth to stand at KSh 1,401.2billion, out of which tax revenue will account for 92.0 per cent. Total stock of debt as at end of 2014/15 stood at KSh 2,601.4 billion, of which external debt stock accounted for 54.7 per cent. In 2015/16, county governments overall budgeted expenditure is estimated at KSh 361.1 billion against an estimated revenue of KSh 343.7 billion.

National Government

6.3. The statement of National Government operations for the period 2011/12 to 2015/16 is presented in Table 6.1. In 2015/16, the total revenue inclusive of grants is estimated to amount to KSh 1,474.6 billion while total expense is estimated to grow by 17.9 per cent to stand at KSh 1,607.1 billion. Acquisition of non-financial assets is expected to grow by 9.0 per cent to KSh 340.1 billion in 2015/16. In the period under review, the Net Operating Balance (NOB) is estimated to improve significantly to KSh 132.5 billion while the net borrowing position is estimated to improve by 12.7 per cent to KSh 472.6 billion.

Table 6.1: Statement of National Government Operations, 2011/12-2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15*	2015/16+
1. Revenue[1]	798,241.78	896,496.50	1,001,374.83	1,134,495.51	1,474,604.67
2. Expense (2.1+2.2)	819,545.16	929,091.54	1,173,854.87	1,363,664.25	1,607,086.91
2.1 Current Expenditure	700,412.80	802,472.96	1,004,233.89	1,178,256.45	1,337,972.29
2.2 Capital Transfers	119,132.36	126,618.57	169,620.98	185,407.80	269,114.62
3. Net Operating Balance(N.O.B) (1-2)	**-21,303.38**	**-32,595.04**	**-172,480.04**	**-229,168.74**	**-132,482.25**
4. Acquisition of Non-Financial Assets(net)[2]	96,275.52	137,193.72	135,008.60	312,101.47	340,082.78
5. Net lending/Borrowing (3-4)	**-117,578.90**	**-169,788.76**	**-307,488.64**	**-541,270.21**	**-472,565.03**
FINANCING (6-7)	-196,726.74	-246,534.17	-354,083.37	-509,929.66	-464,213.52
6. Net Acquisition of financial assets (6.1+6.2)	3,209.87	32,542.29	(21,189.02)	55,045.81	41,317.40
6.1. Domestic	3,209.87	32,542.29	-21,189.02	55,045.81	41,317.40
6.2. Foreign	0.00	0.00	0.00	0.00	0.00
7. Net Incurrence of liabilities (7.1+7.2)	199,936.61	279,076.46	332,894.35	564,975.46	505,530.93
7.1. Domestic	76,036.61	169,776.28	165,338.55	127,892.59	120,652.93
7.2. Foreign	123,900.00	109,300.18	167,555.79	437,082.87	384,878.00
MEMORANDUM ITEMS:					
8. Public debt Redemption	92,495.17	162,745.13	213,953.00	232,950.71	212,655.31
8.1. External	25,666.08	34,336.70	85,253.00	82,949.81	35,633.36
8.2. Internal	66,829.09	128,408.43	128,700.00	150,000.90	177,021.95

* Provisional

\+ Revised estimates

[1] Includes grants

[2] Acquisition of non-financial assets(net) equals to acquisition of non-financial assets minus gross disposal of non-financial assets

6.4. Details of key fiscal ratios for the period 2011/12 to 2015/16 are given in Table 6.2. In 2015/16, the ratio of Net Operating Balance to expenditure on acquisition of non-financial assets is estimated to improve notably from 73.4 per cent in 2014/15 to 39.0 per cent in 2015/16. This demonstrates the deliberate effort by the government to reorient spending from recurrent to capital expenditure. Net borrowing as a percentage of revenue is estimated to register an improvement of 15.7 percentage points in 2015/16 mainly attributable to a faster growth in anticipated revenue. Similarly, the ratio of net borrowing to total expenditure is estimated to improve from 28.1 per cent in 2014/15 to 21.5 per cent in 2015/16. In the same period, the ratio of total external loans and grants to acquisition of non-financial assets is estimated to increase by 30 percentage points principally as a result of a significant growth in borrowing to finance development of key physical infrastructure. The ratios of revenue and expenditure as a percentage of GDP are expected increase to 23.6 and 35.7 per cent in 2015. Net borrowing is expected to improve from a deficit of 9.3 in 2014 to 7.6 per cent in 2015. The ratio of public debt to GDP stood at 41.8 in 2014/15.

Table 6.2: Analysis of Key Fiscal Ratios, 2011/12-2015/16

		2011/12	2012/13	2013/14	2014/15	2015/16
1	Gross operating balance as a % of Revenue	-2.67	-3.64	-17.22	-20.20	-8.98
2	Gross operating balance as a % of Acquisition of Non financial assets (net)	-22.13	-23.76	-127.75	-73.43	-38.96
3	Ratio of Acquisition of Non financial assets (net) to Current Expenditure	13.75	17.10	13.44	26.49	25.42
4	Net lending/Borrowing as % of Revenue	-14.73	-18.94	-30.71	-47.71	-32.05
5	Net lending/Borrowing as % of Total Expenditure	-11.59	-13.71	-20.10	-28.09	-21.47
6	External Grants and Loans as % of Acquisition of Non financial assets (net)	144.57	94.97	117.89	104.03	134.76
7	Net Short-Term Borrowing as % of Acquisition of nonfinancial assets (net)	-5.82	85.98	-0.64	4.10	17.77
8	Revenue as % of GDP at Current Market Prices	18.43	18.07	19.70	19.52	23.69
9	Total Government Expenditure as % of GDP at Current Market Prices	25.40	27.60	30.30	33.57	35.73
10	Net lending/Borrowing as % of GDP at Current Market Prices	-4.50	-5.63	-6.30	-9.31	-7.59
11	Public debt to GDP ratio	35.97	36.51	41.08	41.79	..

6.5. Table 6.3 details the comparison between National Government Budget Estimates and actual out-turns of revenue and expenditure for the period 2012/13 to 2014/15, and revised budget estimates for 2015/16. In 2014/15, actual recurrent revenue realized was 94.9 per cent of the targeted estimates. Absorption of funds meant for recurrent spending remained relatively high as has been the case in the previous financial years averaging 99.7 per cent of the budgeted funds. There was a significant improvement in the absorption of development funds from 80.5 per cent in 2013/14 to 93.8 per cent in 2014/15.

Table 6.3: Comparison of National Government Budget Estimates with Actual Out-turns, 2012/13 to 2014/15 and revised estimates for 2015/16

KSh Million

	2012/13			2013/14		
	Budget	Actual	Difference	Budget	Actual	Difference
Recurrent Revenue	915,088.93	875,506.86	-39,582.08	1,006,862.03	974,417.72	-32,444.30
Recurrent Expenditure[1]	1,001,759.45	941,192.13	-60,567.33	1,043,902.38	1,021,922.89	-21,979.49
Recurrent Balance	-86,670.52	-110,872.56	-24,202.05	-37,040.35	-40,929.74	-3,889.39
Development Expenditure	453,225.02	300,204.23	-153,020.79	635,177.67	511,070.16	-124,107.51
External Financing (Net)[2]	127,454.33	130,289.82	2,835.49	184,949.00	194,512.90	9,563.90
Balance for Domestic Financing (Net)	-412,441.21	-280,786.97	125,983.26	-487,269.02	-357,487.00	110,654.22
	2014/15*			2015/16+		
	Budget	Actual	Difference	Printed Budget	Revised Budget	Difference
Recurrent Revenue	1,166,372.80	1,106,378.02	-59,994.78	1,325,641.35	1,401,198.67	75,557.32
Recurrent Expenditure[1]	1,069,204.86	1,147,969.00	78,764.14	1,242,340.75	1,238,156.79	-4,183.96
Recurrent Balance	97,167.94	-41,590.98	-138,758.92	83,300.60	163,041.88	79,741.28
Development Expenditure	855,681.01	802,740.06	-52,940.95	985,646.89	985,823.22	176.33
External Financing (Net)[2]	448,581.01	465,200.37	16,619.36	448,621.00	458,284.00	9,663.00
Balance for Domestic Financing (Net)	-309,932.06	-379,130.67	-102,437.33	-453,725.29	-364,497.34	69,901.95

Source: The National Treasury

* Provisional

\+ Revised budget estimates

[1] Reccurent expenditure consists of Current expenditure, acquisition on non financial assets (Net) and consolidated fund services

[2] Includes external grants

6.6. Table 6.4 presents ordinary revenue receipts for the National Government on recurrent account from 2011/12 to 2015/16. In 2015/16, the total ordinary revenue is projected to grow by 26.6 per cent compared to a growth of 13.5 per cent in 2014/15. Total tax revenue is expected to amount to KSh 1,288.9 billion, accounting for 92.0 per cent of total ordinary revenue during the period under review. Revenue from Income tax and Value Added Tax (VAT) areexpectedto increase by 22.5 per cent and 25.1 per cent, respectively. Revenue from excise taxes is expected to grow by 24.7 per cent to stand at KSh 144.5 billion. This growth will be supported by the enactment of the Excise Tax Act 2015 which has led to the expansion of the tax bracket to include products that were previously not covered such as airtime and financial transactions. The Government has also instituted other administrative reforms to enhance compliance with the tax system and ensure stable tax revenue collections. Further, the reform measures are expected to enhance revenue collection through increased tax base, reduced compliance costs and efficient revenue administration.

Table 6.4: National Government Gross Receipts on Recurrent Account, 2011/12-2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15*	2015/16+
Taxes on income, profits and capital gains	**328,908.78**	**373,086.04**	**449,590.07**	**509,159.84**	**623,515.46**
Income tax from individuals (P.A.Y.E)	174,774.70	199,847.16	249,872.80	279,795.65	330,524.05
Income tax from corporations (other income tax)	154,134.08	173,238.88	199,717.27	228,785.25	292,991.41
Capital gains taxes				578.95	
Taxes on property	**490.30**	**653.73**	**0.00**	**0.00**	**10,072.96**
Immovable property	83.18	169.58	0.00	0.00	72.96
Financial and capital transactions	407.12	484.15	0.00	0.00	10,000.00
Value Added Tax (VAT)	**176,386.07**	**184,916.31**	**232,630.32**	**259,685.20**	**324,944.85**
VAT on domestic goods and services	81,495.51	90,713.83	107,737.35	127,904.57	159,655.89
VAT on imported goods and services	94,890.56	94,202.48	124,892.97	131,780.63	165,288.96
Taxes on other goods and services	**105,771.60**	**114,821.86**	**125,363.91**	**140,243.32**	**174,758.72**
Excise taxes	78,884.26	85,660.29	102,029.10	115,871.72	144,542.87
Taxes on use of goods and on permission to use the goods or to perform services and activities	565.59	2,458.44	4,910.49	4,650.51	3,986.87
Taxes on goods and services collected as AIA	26,321.76	26,703.12	18,424.32	19,721.08	26,228.98
Taxes on international trade transactions	**76,473.85**	**81,812.59**	**94,232.51**	**101,040.90**	**140,380.14**
Custom duties	51,711.78	57,649.68	67,554.64	74,047.72	82,497.39
Other taxes on international trade and transactions	24,762.07	24,162.91	26,677.87	26,993.18	57,882.75
Other taxes not elsewhere classified	**7,857.10**	**8,537.81**	**9,986.89**	**11,467.76**	**15,198.01**
TOTAL TAX REVENUE	**695,887.71**	**763,828.34**	**911,803.70**	**1,021,597.03**	**1,288,870.13**
Social security contributions	110.87	584.48	203.85	207.93	674.03
Property income	17,277.13	18,683.12	10,767.53	15,290.28	25,444.13
Sale of goods and services	7,366.72	11,735.49	2,678.84	1,745.86	3,210.14
Fines penalties and forfeitures	1,078.88	1,465.50	1,442.62	2,490.95	147.26
Repayments from domestic lending and on-lending	1,611.56	2,183.55	1,618.36	1,313.35	2,180.15
Ministerial Appropriation in Aid	57,434.00	67,781.00	35,707.06	56,705.93	76,952.02
Other receipts not elsewhere classified	2,188.91	9,245.38	10,195.77	7,026.70	3,720.81
TOTAL NON-TAX REVENUE	**87,068.07**	**111,678.52**	**62,614.02**	**84,780.99**	**112,328.53**
TOTAL ORDINARY REVENUE	**782,955.78**	**875,506.86**	**974,417.72**	**1,106,378.02**	**1,401,198.67**

Source: The National Treasury

* Provisional

+ Revised Estimates

6.7. Table 6.5 gives details of import duty levied on selected commodities from 2011 to 2015. Import duty collection realised in 2015 was KSh 71.2 billion; representing a slower growth of 8.8per cent, compared to a growth of 18.4 per cent in 2014. Import duty from food drinks and tobacco category recorded a notable increase of 16.9per cent, whilethat from transport equipment category registered a growth of 9.9per cent. Import duty from machinery category declined by 2.7 per cent in 2015,a reversal from a 10.8 per cent growth in 2014 possibly due to duty free imports associated with the standard gauge railway.

Table 6.5: Import Duty Collections for Selected Items[1], 2011-2015

KSh Million

END-USE CATEGORY	2011	2012	2013	2014	2015*
Food, drinks and tobacco	8,179.12	9,667.38	11,207.96	13,823.42	16,163.83
Basic materials	2,369.59	2,930.71	2,887.86	3,312.82	3,710.74
Fuels	967.30	1,201.96	1,017.90	1,338.13	1,413.23
Chemicals	2,360.59	2,685.71	2,779.13	3,508.57	3,970.02
Textiles	1,508.64	1,564.91	1,607.42	1,814.36	1,638.48
Semi-manufactures[2]	6,187.93	4,187.87	4,412.02	4,615.17	4,772.37
Metals	3,390.43	3,795.67	3,679.55	5,116.45	5,315.61
Transport Equipment	10,134.55	12,186.21	15,148.74	17,576.28	19,310.19
Machinery	6,401.12	6,850.25	6,428.76	7,123.38	6,934.12
Miscellaneous commodities	4,822.31	5,317.13	6,062.88	7,179.58	7,924.10
TOTAL	**46,321.58**	**50,387.79**	**55,232.22**	**65,408.16**	**71,152.69**

Source: Kenya Revenue Authority

* Provisional

[1] Calendar years

[2] Excludes non-metallic mineral manufactures

6.8. Table 6.6 presents excise revenue collected from selected commodities and services produced domestically, for 2011 to 2015. Excise revenue for the selected commodities grew significantly by 70.0 per cent to KSh 62.7 billion in 2015, following the introduction of cellular and telephone airtime, and financial transactions excise duty which contributed KSh 14.1 billion and KSh 7.2 billion, respectively. Beer and airtime were the largest source of excise revenue, even though the value of excise revenue from beer recorded a marginal growth.

Table 6.6:Excise Revenue by Selected Commodities and Services, 2011-2015

KSh Million

	2011	2012	2013	2014	2015*
Beer	14,456.04	16,544.52	16,886.17	18,996.80	19,525.74
Wines and Spirits	2,837.84	2,413.40	3,036.86	4,638.32	6,148.36
Mineral Water, Soft Drinks and Juices	1,639.95	1,776.02	2,252.14	2,474.05	2,514.64
Cigarettes	7,626.79	9,527.65	10,199.78	10,281.88	12,230.19
Airtime	0.00	0.00	0.00	0.00	14,138.80
Financial Transactions	0.00	0.00	0.00	0.00	7,222.07
Other commodities[1]	1,101.27	1,788.44	787.01	2,719.59	902.15
TOTAL	27,661.89	32,050.03	33,161.96	36,881.95	62,681.94

Source: Kenya Revenue Authority

* Provisional

[1] Includes revenue from jewellery, cosmetics and locally assembled vehicles

6.9. Table 6.7 presents the financing of investment in non-financial assets for the period 2011/12 to 2015/16. In 2015/16, total financing is estimated at KSh 578.9 billion compared to KSh 560.3 billion, in 2014/15. Borrowing from external loans are estimated to grow by 73.7 per cent, to KSh 384.9 billion while grants are estimated to more than double to KSh73.4 billion, during the same period. Total long-term and short-term domestic borrowing is projected at KSh 120.7 billion in 2015/16, compared to KSh 127.9 billion in 2014/15.

Table 6.7: National Government Financing of Non-Financial Assets, 2011/12 -2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15*	2015/16+
EXPENDITURE:					
Acquisition of Non financial Assets (Net)..	96,275.52	137,193.72	135,008.60	312,101.47	340,082.78
TOTAL	**96,275.52**	**137,193.72**	**135,008.60**	**312,101.47**	**340,082.78**
FINANCING:	**215,222.61**	**300,066.10**	**359,851.45**	**560,330.11**	**578,936.93**
External Loans	123,900.00	109,300.18	132,204.19	221,613.25	384,878.00
External Grants	15,286.00	20,989.64	26,957.11	28,117.49	73,406.00
International Sovereign Bond			35,351.60	182,706.78	0.00
Long-Term Domestic Borrowing (Net)	81,635.42	51,818.61	166,208.66	115,111.28	60,225.19
SHORT TERM BORROWING:	**-5,598.81**	**117,957.67**	**-870.11**	**12,781.31**	**60,427.74**
Treasury Bills (Net)	-4,265.71	124,330.34	32,811.90	12,947.02	96,373.06
Other Short-Term Borrowing (Net)	-1,333.10	-6,372.67	-33,682.01	-165.71	-35,945.32
CHANGE IN CASH BALANCES: Increase=(-)	-118,947.10	-162,872.38	-224,842.85	-323,189.64	-238,854.15
TOTAL	**96,275.52**	**137,193.72**	**135,008.60**	**312,101.47**	**340,082.78**

Source: Central Bank of Kenya and The National Treasury

* Provisional.

+ Revised budget estimates

6.10. Table 6.8 shows the functional classification of National Government outlays for the period 2012/13 to 2015/16. Total estimated outlays are projected to grow by 14.0 per cent to KSh 2,224.0 billion up from KSh 1,950.7 billion in 2014/15. In the same period, recurrent expenditure is estimated to rise by 7.9 per cent compared to 22.8 per cent growth for development expenditure estimates. In the period under review, expenditure on economic affairs is estimated to register a significant growth of 26.8 per cent and account for 25.3 per cent of the total outlays in 2015/16. In this category, expenditure on transport is expected to increase by 10.8 per cent mainly attributable to the continued investment in construction of the standard gauge railway and, construction and rehabilitation of other general transport infrastructure and civil works.Similarly, the estimated expenditure in energy related activities is expected to more than double in 2015/16, owing to the massive investmentaimed at expanding the country's energy sources to meet the targets in the Vision 2030.

6.11. In 2015/16, Public debt transactions are expected to register a decline of KSh 2.3 billion, and account for 17.9 per cent of total budgetary outlays. Expenditure on education is projected to register a slower growth of 6.0 per cent to KSh 319.4 billion in 2015/16, from 18.9 per cent growth in 2014/15. Education expenditure is also expected to account for 14.4 per cent of the budget. Expenditure on general public services, defense, and public order and safety are expected to grow by 38.5, 15.7 and 12.7 per cent, respectively.

Table 6.8: Classification of National Government Expenditure by Functions of Government (COFOG), 2012/13-2015/16

KSh Million

	2012/13			2013/14			'2014/15*			2015/16+		
	Recurrent Account	Development Account	Total	Recurrent Account	Development Account	Total	Recurrent Account	Development Account	Total	Recurrent Account	Development Account	Total
General public services	134,203.5	33,775.1	**167,978.6**	115,040.2	32,013.5	**147,053.7**	94,317.3	37,823.0	**132,140.3**	104,619.1	78,368.1	**182,987.2**
Public debt transactions	255,695.8	-	**255,695.8**	345,779.3	-	**345,779.3**	400,323.7	-	**400,323.7**	397,980.2	-	**397,980.2**
Transfers of general character betw. levels of govt.	21,498.0	-	**21,498.0**	-	210,000.0	**210,000.0**	-	229,263.7	**229,263.7**	-	259,774.5	**259,774.5**
Defense	72,728.6	-	**72,728.6**	93,756.7	-	**93,756.7**	97,922.5	-	**97,922.5**	113,247.1	76.8	**113,323.9**
Public order and safety	92,826.9	9,387.7	**102,214.6**	120,082.1	6,258.1	**126,340.2**	130,774.4	11,020.3	**141,794.7**	140,288.3	19,498.8	**159,787.1**
Economic affairs	**73,749.3**	**183,855.2**	**257,604.5**	**54,434.4**	**193,866.2**	**248,300.5**	**59,226.6**	**385,137.5**	**444,364.1**	**98,056.7**	**465,238.2**	**563,294.9**
General economic, commercial & labour affairs	11,909.3	10,765.0	**22,674.3**	9,534.7	21,425.3	**30,960.0**	5,960.6	25,625.3	**31,585.9**	13,874.2	18,654.9	**32,529.0**
Agriculture, forestry, fishing, and hunting	21,133.7	20,882.0	**42,015.8**	14,193.6	27,141.6	**41,335.2**	16,490.7	33,951.5	**50,442.2**	13,997.1	40,761.0	**54,758.1**
Fuel and energy	1,886.8	61,035.9	**62,922.8**	1,594.1	52,536.7	**54,130.8**	2,016.4	62,673.6	**64,690.0**	14,377.9	122,739.0	**137,116.9**
Mining, manufacturing and construction	265.2	312.1	**577.2**	473.8	542.9	**1,016.7**	747.7	1,097.1	**1,844.8**	737.1	614.1	**1,351.1**
Transport	31,921.1	83,828.7	**115,749.8**	20,965.1	84,500.7	**105,465.8**	26,326.5	253,691.5	**280,018.0**	46,673.0	263,553.4	**310,226.4**
Communication	2,071.0	4,078.5	**6,149.5**	2,204.8	5,287.5	**7,492.3**	2,436.7	5,389.0	**7,825.8**	2,999.4	14,522.1	**17,521.5**
Other industries	4,562.2	2,953.0	**7,515.1**	5,468.3	2,431.5	**7,899.8**	5,248.0	2,709.4	**7,957.4**	5,398.0	4,393.9	**9,791.9**
Environmental protection	4,474.1	19,243.3	**23,717.4**	**2,627.9**	**18,326.7**	**20,954.6**	10,228.6	7,005.8	**17,234.5**	4,336.8	33,993.4	**38,330.2**
Housing and community amenities	4,193.5	8,964.7	**13,158.2**	1,845.3	8,716.0	**10,561.3**	3,786.1	71,463.9	**75,250.0**	1,138.0	57,630.3	**58,768.2**
Health	**49,459.3**	**22,392.4**	**71,851.7**	**21,574.7**	**16,622.6**	**38,197.3**	**28,307.7**	**21,474.0**	**49,781.7**	**28,894.2**	**29,639.2**	**58,533.4**
Outpatient services	8,300.3	6,346.8	**14,647.1**	729.9	5,288.8	**6,018.7**	1,531.5	5,251.5	**6,783.0**	1,470.0	6,068.3	**7,538.3**
Hospital services	33,000.5	3,722.6	**36,723.2**	16,776.1	2,660.6	**19,436.8**	13,766.2	802.0	**14,568.2**	14,771.1	1,578.5	**16,349.7**
Public health services	5,567.4	11,962.9	**17,530.3**	1,163.0	8,465.3	**9,628.3**	3,651.6	6,967.6	**10,619.2**	1,559.9	13,700.7	**15,260.6**
Health expenditure not elsewhere classified	2,591.1	360.1	**2,951.2**	2,905.6	207.9	**3,113.5**	9,358.4	8,452.9	**17,811.3**	11,093.1	8,291.7	**19,384.8**
Recreation, culture and religion	904.9	420.4	**1,325.3**	582.8	243.6	**826.4**	2,580.5	1,379.0	**3,959.5**	3,793.4	2,240.5	**6,033.9**
Education	**202,319.2**	**18,018.9**	**220,338.1**	**232,899.3**	**20,732.9**	**253,632.2**	**277,990.3**	**23,458.1**	**301,448.4**	**297,850.9**	**21,574.3**	**319,425.2**
Administration	130,467.8	8,170.3	**138,638.2**	161,288.9	9,815.3	**171,104.2**	178,366.3	3,344.8	**181,711.1**	190,236.1	2,981.7	**193,217.8**
Pre-primary and primary education	8,518.7	248.4	**8,767.1**	10,533.8	6,236.1	**16,769.8**	17,001.8	4,163.5	**21,165.3**	16,660.8	5,959.4	**22,620.2**
Secondary education	19,053.8	3,221.9	**22,275.7**	22,407.4	648.4	**23,055.8**	28,414.9	2,446.2	**30,861.0**	33,208.6	844.2	**34,052.8**
Tertiary education	42,396.4	5,405.7	**47,802.1**	36,543.2	3,892.7	**40,435.9**	52,459.9	8,011.1	**60,471.0**	54,575.9	7,678.9	**62,254.9**
Education expenditure not elsewhere classified	1,882.4	972.6	**2,855.0**	2,126.0	140.4	**2,266.4**	1,747.4	5,492.5	**7,239.9**	3,169.5	4,110.1	**7,279.6**
Social protection	29,139.0	4,146.6	**33,285.6**	33,300.3	4,290.6	**37,590.9**	42,511.2	14,714.9	**57,226.1**	47,952.2	17,788.9	**65,741.2**
TOTAL OUTLAYS[1]	**941,192.1**	**300,204.2**	**1,241,396.4**	**1,021,922.9**	**511,070.2**	**1,532,993.0**	**1,147,969.0**	**802,740.1**	**1,950,709.1**	**1,238,156.8**	**985,823.2**	**2,223,980.0**

Source: The National Treasury

* Provisional

\+ Revised estimates

[1] Total in this Table vary with that in Table 6.9 by disposal of non financial assets item

6.12. Table 6.9 presents the National Government expenditure by economic classification for the period 2011/12 to 2015/16. The overall budgeted expenditure in 2015/16 (excluding disposal of non-financial assets) is expected to grow by 14.2 per cent to KSh 2,201.1 billion. Consumption expenditure on goods and services is estimated to grow by 14.1 per cent to KSh 613.0 billion and account for 27.8 per cent of the total expenditure. Current grants are estimated to increase by 14.1 per cent to KSh 463.0 billion in 2015/16. During this period, transfers to County Governments and other General Government units are estimated at KSh 259.8 billion and KSh 192.4 billion, respectively. Total current expenditure, inclusive of social benefits and other expenses is estimated at KSh 1,338.0 billion and will account for 60.8 per cent of the total expenditure. Interest paymentson debt are expected to register a slower growth of 10.7 per cent to KSh 185.3 billion, with interest on domestic debt accounting for 83.5 per cent.

6.13. In 2015/16, capital grants to State Owned Enterprises (SOEs) are expected to increase by 45.1 per cent to KSh 269.1 billion from KSh 185.4 billion in 2014/15.These funds are directed towards government priority programmes in irrigation and agriculture, energy and general infrastructure. Expenditure on acquisition of non-financial assets is expected to grow by 9.0 per cent, to KSh 340.1 billion in 2015/16. This is attributable to expected increase inexpenditure on building and structures which is estimated to account for 14.6 per cent of the total budget. Machinery and equipment component is estimated to register a significant growth of 16.0 per cent, in the period under review.

Table 6.9: Economic Analysis of National Government Expenditure, 2011/12 -2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15*	2015/16+
EXPENSE					
Consumption expenditure on goods and services:					
Compensation of employees	251,017.08	323,453.14	338,086.80	362,713.27	397,005.77
Use of Goods and Services	107,260.21	141,320.28	131,929.13	174,331.96	216,005.05
Total	**358,277.29**	**464,773.41**	**470,015.93**	**537,045.23**	**613,010.83**
Subsidies	18,207.25	32,026.74	22,475.46	30,583.64	30,300.04
Interest:	95,191.11	92,950.63	131,826.26	167,372.99	185,324.88
Domestic	85,151.68	82,144.68	119,065.03	137,635.27	154,814.86
Foreign	10,039.44	10,805.96	12,761.23	29,737.73	30,510.02
Grants to:					
International organisations	1,849.59	1,968.45	2,919.91	2,807.70	2,813.71
General Government units	182,882.39	166,536.06	123,653.05	163,618.06	192,409.55
County Governments	0.00	0.00	210,000.05	229,263.65	259,774.50
Other Grants	9,904.06	9,994.84	9,375.04	10,108.08	7,967.17
Total grants	**194,636.04**	**178,499.36**	**345,948.04**	**405,797.48**	**462,964.92**
Social benefits	32,060.82	29,116.10	29,221.49	33,704.74	40,441.63
Other expense	2,040.29	5,106.71	4,746.71	3,752.36	5,930.00
Total current expenditure	**700,412.80**	**802,472.96**	**1,004,233.89**	**1,178,256.45**	**1,337,972.29**
Capital Grants (TRANSFERS)	119,132.36	126,618.57	169,620.98	185,407.80	269,114.62
1 Total Expense	**819,545.16**	**929,091.54**	**1,173,854.87**	**1,363,664.25**	**1,607,086.91**
2 Acquisition of Non-Financial Assets(net)	**96,275.52**	**137,193.72**	**135,008.60**	**312,101.47**	**340,082.78**
Building and structures	77,071.19	109,467.67	107,939.30	295,659.70	321,639.48
Machinery and equipment	16,724.26	26,717.60	25,017.81	32,780.25	38,015.09
Inventories	1,945.83	2,743.39	3,917.78	5,714.44	1,865.81
Non- produced assets & Land	3,171.72	791.47	1,113.88	1,638.40	1,400.00
Less Disposal of Non financial assets	(2,637.49)	(2,526.41)	(2,980.17)	(23,691.30)	(22,837.59)
Equity Participation and on-lending	5,755.36	9,839.56	7,196.46	18,301.32	41,317.40
3 PUBLIC DEBT REDEMPTION	92,495.17	162,745.13	213,953.00	232,950.71	212,655.31
4 Total Expenditure (1+2+3)	**1,014,071.21**	**1,238,869.95**	**1,530,012.93**	**1,927,017.76**	**2,201,142.41**

Source: The National Treasury

* Provisional.

+ Revised Estimates

6.14. Table 6.10 presents the statement of General Government operations for 2014/15. General Government institutional units' transactions presented are classified as revenue, expense, net investment in non-financial assets, net acquisition of financial assets, or net incurrence of liabilities.In the period under review, total revenue realized was to KSh 1,395.5 billion, with National Government revenue accounting for 81.3 per cent of the total revenue. General Government expenditure amounted to KSh 1,373.2 billion, of which compensation of employees and use of goods and services jointly accounted for 69.6 per cent of the amount. The net acquisition of non-financial assets amounted to KSh 549.0 billion, with building and structures amounting to KSh 477.9 billion. The Net borrowing position of the General Government stood at KSh 526.7 billion.

Table 6.10: Statement of General Government Operations, 2014/15

KSh Million

	National Government	Extra-budgetary Units	Social Security Funds	Consolida-tion	Total	County Governments	Consolida-tion	General Government
Revenue	**1,134,495.51**	**413,110.63**	**35,121.02**	**(221,074.76)**	**1,361,652.40**	**263,112.19**	**(229,263.65)**	**1,395,500.94**
Tax revenue	1,021,597.03				**1,021,597.03**			**1,021,597.03**
Social contributions	207.93				**207.93**			**207.93**
Grants					-			-
International organisation	28,117.49	-	-		**28,117.49**			**28,117.49**
Other general government								-
Current	-	109,593.66	-	(109,593.66)	-	229,263.65	(229,263.65)	-
Capital	-	111,481.10	-	(111,481.10)	-			-
Other revenue	**84,573.06**	**192,035.87**	**35,121.02**		**311,729.95**	**33,848.54**		**345,578.49**
Sale of Goods & Services	1,745.86	95,141.15	23,401.02		**120,288.03**	33,848.54		**154,136.57**
Property income	15,290.28	9,263.08	9,351.03		**33,904.38**			**33,904.38**
Ministerial AIA	56,705.93				**56,705.93**			**56,705.93**
Fines, Penalties &Forfeits	2,490.95	44,732.82	4.51		**47,228.29**			**47,228.29**
Other transfers NEC	8,340.05	42,898.82	2,364.46		**53,603.33**			**53,603.33**
Expense	**1,363,664.25**	**264,162.11**	**19,339.57**	**(221,074.76)**	**1,426,091.16**	**176,392.03**	**(229,263.65)**	**1,373,219.55**
Compensation of employees	362,713.27	97,850.42	6,321.03		**466,884.72**	96,212.69		**563,097.41**
Use of goods and services	174,331.96	150,963.75	12,122.83		**337,418.55**	55,465.22		**392,883.76**
CFC/Depreciation	0.00	12,287.35	645.59		**12,932.94**			**12,932.94**
Interest	167,372.99	470.70	154.60		**167,998.30**	5,188.24		**173,186.54**
Subsidies	30,583.64				**30,583.64**	569.82		**31,153.46**
Grants	0.00				-			-
International Organisation	2,807.70		-		**2,807.70**			**2,807.70**
Other General Government	0.00				-			-
Current	173,726.14	1,664.87	-	(109,593.66)	**65,797.35**	5,715.38		**71,512.73**
Capital	185,407.80			(111,481.10)	**73,926.70**			**73,926.70**
County governments	229,263.65				**229,263.65**		(229,263.65)	-
Social benefits	33,704.74	415.54	8.84		**34,129.12**	6,228.52		**40,357.64**
Other expense	3,752.36	509.46	86.68		**4,348.50**	7,012.16		**11,360.67**
Net Operating Balance (NOB)	**(229,168.74)**	**148,948.52**	**15,781.45**	-	**(64,438.77)**	**86,720.16**	-	**22,281.39**
Acquisition of Non-Financial Assets	**312,101.47**	**146,853.79**	**(1,167.17)**		**457,788.09**	**91,217.78**		**549,005.87**
Building and Structures	295,659.70	113,866.24	(929.36)		**408,596.58**	69,270.39		**477,866.97**
Machinery and equipment	32,780.25	13,517.82	(44.84)		**46,253.23**	20,457.73		**66,710.96**
Inventories	5,714.44	3,773.44	-		**9,487.87**	318.46		**9,806.33**
Non-produced Assets and Land	1,638.40	15,696.30	(192.98)		**17,141.72**	1,171.20		**18,312.92**
Disposal of non-financial assets	(23,691.30)				**(23,691.30)**			**(23,691.30)**
Net lending/Borrowing	**(541,270.21)**	**2,094.73**	**14,614.28**	-	**(524,561.20)**	**(4,497.62)**	-	**(529,058.82)**
Net Financial Worth	**(509,929.66)**	**16,172.87**	**13,435.59**	-	**(480,321.19)**	**(3,869.83)**	-	**(484,191.03)**
Transactions in Financial assets	**55,045.81**	**24,571.44**	**14,110.29**		**93,727.54**	**(3,869.83)**	-	**89,857.71**
Currency and deposits	31,043.49	6,770.69	7,141.66		**44,955.83**	(7,570.00)		**37,385.83**
Debt securities	-	2,375.46	6,895.77		**9,271.23**			**9,271.23**
Loans	24,002.32	8,645.67	(10.24)		**32,637.76**	3,700.17		**36,337.93**
Equity and investment fund shares	-	1,738.01	(878.61)		**859.40**			**859.40**
Accounts receivable	-	5,041.62	961.70		**6,003.32**			**6,003.32**
Transactions in Liabilities	**532,212.61**	**(8,398.57)**	**674.70**	-	**524,488.74**	-	-	**524,488.74**
Currency and deposits	-				-			-
Debt securities	310,599.37	67.50			**310,666.87**			**310,666.87**
Domestic	127,892.59				**127,892.59**			**127,892.59**
Foreign	182,706.78				**182,706.78**			**182,706.78**
Loans	221,613.25	8,369.38	(0.40)		**229,982.23**			**229,982.23**
Equity and investment fund shares	-				-			-
Accounts payable	-	(16,835.46)	675.10		**(16,160.35)**			**(16,160.35)**

Source: The National Treasury, Central Bank of Kenya and KNBS

-

6.15. Table 6.11 details the National Government outstanding debt by source for the period 2011 to 2015. The total stock ofdebt grew by 17.3 per cent to KSh 2,601.4 billion in June 2015, of which the external debt amounted to KSh 1,423.3 billion. Stock of debt from the International Sovereign Bond constituted 19.1 per cent of the total external debt as at June 2015 compared to 15.4 per cent as at June 2014. Bilateral external debt from all the traditional lenders declined with the exception of debt stock from the People's Republic of China, which grew significantly by KSh 171.2 billion to KSh 252.0 billion in June 2015. This growth was driven by the continued bilateral engagements in infrastructural development initiatives between the two countries. The stock of debt from multilateral lenders grew by 15.4 per cent to KSh684.6 billion in June 2015.

6.16. Stock of debt from African Development Fund/African Development Bank (ADF/AfDB) registered the largest growth of 47.1 per cent while stock of debt from International Development Association/International Fund for Agricultural Development (IDA/IFAD) and International Monetary Fund (IMF) grew marginally by 10.7 per cent and 3.4 per cent, respectively, as at the end of June 2015. Debt from Commercial banks decreased significantly to KSh 5.7 billion, from KSh 59.5 billion in June 2014, attributed to the repayment of the syndicated loan using proceeds from the International Sovereign Bond during the period under review.The gross internal debt position increased by 9.6 per cent from KSh 1,284.3 billion in June 2014 to KSh 1,420.4 billion in June 2015. This growth was occasioned by the rise in stocks of treasury bonds by13.2 per cent and the rise in treasury bills by 6.5 per cent. Government deposits and on-lending stood at KSh 242.3 billion in June 2015.

Table 6.11: National Government Outstanding Debt by Source, 2010/11-2014/15

KSh Million

	2010/11	2011/12	2012/13	2013/14	2014/15*
EXTERNAL DEBT:					
Lending Countries:					
Germany	26,670.05	24,878.80	25,042.37	26,571.29	22,558.54
Japan	111,842.72	107,402.77	86,788.50	84,514.51	79,016.83
France	40,347.13	36,708.95	47,397.05	61,579.73	59,032.26
USA	5,901.00	5,136.78	4,816.04	4,542.27	4,461.92
Netherlands	3,011.87	2,925.78	2,599.67	2,701.91	1,960.29
Denmark	2,774.66	2,076.63	1,987.79	1,991.76	1,437.14
Finland	132.30	104.81	96.64	93.59	71.43
China	32,453.00	36,661.87	63,123.40	80,858.59	252,039.33
Belgium	9,037.00	7,365.07	7,607.22	8,096.36	6,141.68
Other	28,839.52	20,281.11	22,048.18	22,907.13	18,337.23
Total (billateral)	261,009.25	243,542.57	261,506.86	293,857.14	445,056.63
International Organisations:					
IDA / IFAD	315,224.61	297,588.74	328,753.29	378,282.41	418,596.27
EEC/ EIB	12,496.71	10,933.89	15,769.40	20,657.26	20,624.97
IMF	47,581.72	66,593.02	73,779.44	83,282.16	86,149.90
ADF/ AfDB	52,645.14	70,863.36	80,728.61	102,118.16	150,229.35
Other	8,890.00	9,098.86	8,889.77	9,056.67	9,030.22
Total (multilateral)	436,838.18	455,077.87	507,920.51	593,396.67	684,630.72
Commercial Banks	0.00	50,539.98	58,927.52	59,545.24	5,678.32
International Sovereign Bond	0.00	0.00	0.00	175,253.80	271,258.35
Suppliers' Credit	25,040.88	14,811.51	15,207.35	16,451.86	16,628.21
TOTAL EXTERNAL	722,888.31	763,971.93	843,562.24	1,138,504.71	1,423,252.24
INTERNAL DEBT:					
Treasury Bills[1]	126,605.00	131,831.29	267,693.15	299,406.15	318,928.15
Treasury Bonds	595,661.00	686,950.90	744,174.06	914,762.09	1,035,706.68
Non Interest bearing debts[2]	31,663.00	29,998.76	28,888.76	28,273.00	26,615.00
Others(includes stocks)	10,293.00	10,048.60	9,860.00	41,886.01	39,194.54
Less govt deposits & on-lending	-139,470.00	-90,260.29	-161,435.17	-205,520.00	-242,264.49
TOTAL INTERNAL (net)[3]	624,752.00	768,569.26	889,180.80	1,078,807.25	1,178,179.89
TOTAL DEBT	1,347,640.31	1,532,541.19	1,732,743.04	2,217,311.96	2,601,432.13

Source: The National Treasury and Central Bank of Kenya

* Provisional

[1] Excludes Repo Bills

[2] Pre-1997 Govt. Overdraft debt(Repo T-bills)

[3] Excludes Government deposits to Central Bank and Commercial Banks

6.17. Details of the National Government debt servicing charges and receipts from interest and loan repayments on on-lending for the period 2010/11 to 2014/15 are given in Table 6.12. The gross debt servicing charges in 2014/15 increased by 15.8 per cent to KSh 400.3 billion compared to35.2 per cent growth in 2013/14. Net external debt servicing charges grew to KSh 112.7 billion from KSh 98.0 billion in 2013/14, while the net internal debt servicing charges increased by 16.3 per cent to KSh 286.3 billion in 2014/15. Receipts on interest and loan repayments declined to KSh 1.3 billion as at the end of June 2015 from KSh 1.6 billion as at June2014.

Table 6.12: National Government Debt Servicing Charges, 2010/11-2014/15

KSh Million

	Annual Debt Servicing Charges			Interest and Loan Repayment Receipts			Net Servicing Charges		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
2010/11	31,805.55	158,528.92	190,334.48	..	1,159.75	1,159.75	31,805.55	157,369.17	189,174.72
2011/12	35,705.51	151,980.77	187,686.28	..	1,611.56	1,611.56	35,705.51	150,369.21	186,074.72
2012/13	45,142.66	210,553.11	255,695.76	..	2,183.55	2,183.55	45,142.66	208,369.56	253,512.21
2013/14	98,014.23	247,765.03	345,779.26	..	1,618.36	1,618.36	98,014.23	246,146.67	344,160.90
2014/15*	112,687.54	287,636.17	400,323.71	..	1,313.35	1,313.35	112,687.54	286,322.82	399,010.35

Source: The National Treasury

* Provisional

6.18. The ratio of National Government external public debt servicing charges to earnings from export of goods and services for the period 2011 to 2015 are presented in the Table 6.13. The ratio gives an assessment of the economy's ability to service external debt by measuring the cost of servicing debt in terms of export earnings. In 2014/15, the debt servicing charges as a percentage of export earnings, increased to 11.0 per cent from 9.9 per cent in 2013/14. This is attributable to a faster growth in debt servicing charges compared to the growth in export earnings.

Table 6.13: The Ratio of National Government Debt Service Charges on External Debt to Exports of Goods and Services, 2011-2015

	Debt Service Charges on 'External Debt[1] (Fiscal Year)	Exports of Goods and Services (Calender Year)	External debt service Charges as a percentage of Exports of Goods and Services
	KSh Million	KSh Million	%
2011	31,805.55	885,248.9	3.6
2012	35,705.51	947,189.7	3.8
2013	45,142.66	945,477.6	4.8
2014	98,014.23	992,326.0	9.9
2015*.. ..	112,687.54	1,028,867.9	11.0

Source: The National Treasury and Kenya National Bureau of Statistics

* Provisional.

[1] Including debt redemption, however, interest payments on drawing on IMF are excluded.

County Governments

6.19. Table 6.14 gives the County Governments' revenue by source for2014/15 and 2015/16. As per the County Allocation of Revenue Act, 2015, a total of KSh 287.0 billion is expected to be transferred to the county governments in 2015/16. This amount comprises equitable share of national revenue (KSh 259.8 billion), conditional additional allocations to County Governments from National Government revenue (KSh 16.6 billion) and loans and grants from development partners (KSh 10.7 billion). The additional allocations from National Government revenue consists of,KSh 3.6 billion (level-5 hospitals), KSh 4.3 billion(free maternal health care), KSh 0.9 billion (compensation for user fees foregone), KSh 4.5 billion (leasing of medical equipment) and KSh 3.3 billion (road maintenance fuel levy fund). The conditional additional allocations to County Governments from loans and grants includes; World Bank loan of KSh 508.2 million and DANIDA grant of KSh 844.7 million both budgeted to supplement financing of county health facilities.

6.20. In 2015/16, County Governments expect to collect KSh 56.6 billion as local revenue compared to KSh 33.8 billion collected in 2014/15. In addition, county governments approved the spending of KSh 30.2 billion cumulative cash balance brought forward from 2014/15. Nairobi City County had the highest allocation of equitable share revenue of KSh 13.0 billion in 2015/16, while Lamu County hadthe least at KSh 2.1 billion. Nairobi City County had the largest overall total budgeted revenue with KSh 37.4 billion, while Turkana, Mombasa and Kakamega have KSh 11.0 billion, KSh 11.1 billion and KSh 11.0 billion, respectively.

Table 6.14: Annual County Government revenue, 2014/15 - 2015/16+

KSh Million

	Equitable share		Conditional Grant++		Annual Local Revenue		Total Revenue	
County	2014/15*	2015/16+	2014/15*	2015/16+	2014/15*	2015/16+	2014/15*	2015/16+
Baringo	3,874.91	4,440.58	23.79	274.06	249.72	300.00	**4,148.43**	**5,014.63**
Bomet	4,123.08	4,706.89	12.57	245.82	206.39	312.70	**4,342.04**	**5,265.41**
Bungoma	6,697.66	7,675.73	12.37	598.65	504.62	755.66	**7,214.66**	**9,030.04**
Busia	4,746.85	5,440.25	10.31	322.18	315.20	543.04	**5,072.36**	**6,305.47**
Elgeyo/Marakwet	2,853.53	3,270.44	18.42	230.30	128.91	149.98	**3,000.85**	**3,650.72**
Embu	3,349.20	3,837.94	197.14	520.76	401.11	630.76	**3,947.45**	**4,989.46**
Garissa	5,036.33	5,771.69	127.49	626.95	130.72	500.00	**5,294.53**	**6,898.64**
Homa Bay	4,916.76	5,634.96	22.39	345.65	157.86	181.73	**5,097.01**	**6,162.34**
Isiolo	2,667.46	3,056.57	5.59	177.82	133.70	360.00	**2,806.75**	**3,594.39**
Kajiado	3,849.65	4,412.63	15.51	307.21	785.84	1,134.88	**4,651.00**	**5,854.72**
Kakamega	7,772.53	8,908.23	227.46	1,083.92	516.89	1,000.00	**8,516.88**	**10,992.15**
Kericho	3,915.07	4,505.06	20.22	292.10	413.58	553.40	**4,348.87**	**5,350.57**
Kiambu	6,511.57	7,463.54	104.67	1,339.42	2,110.86	3,683.08	**8,727.10**	**12,486.05**
Kilifi	6,492.28	7,441.22	13.15	475.53	545.50	1,499.01	**7,050.93**	**9,415.75**
Kirinyaga	3,086.85	3,538.22	10.39	540.49	311.64	500.00	**3,408.87**	**4,578.70**
Kisii	6,189.53	7,093.63	103.93	768.98	296.77	700.00	**6,590.23**	**8,562.61**
Kisumu	4,957.07	5,681.27	262.71	717.48	970.90	1,868.59	**6,190.68**	**8,267.34**
Kitui	6,340.50	7,267.27	34.61	359.27	320.52	608.20	**6,695.63**	**8,234.74**
Kwale	4,472.54	5,125.70	11.24	339.83	253.97	300.00	**4,737.76**	**5,765.53**
Laikipia	3,009.70	3,449.55	9.35	448.86	400.48	500.00	**3,419.53**	**4,398.41**
Lamu	1,789.92	2,051.88	5.26	155.71	61.67	50.00	**1,856.86**	**2,257.60**
Machakos	5,905.80	6,768.65	181.23	815.50	1,356.56	2,371.63	**7,443.59**	**9,955.78**
Makueni	5,208.87	5,969.67	21.75	517.13	215.35	400.00	**5,445.97**	**6,886.80**
Mandera	7,813.82	8,955.70	12.44	308.15	87.73	270.00	**7,913.99**	**9,533.85**
Marsabit	4,527.79	5,189.46	13.17	213.23	99.11	130.00	**4,640.07**	**5,532.69**
Meru	5,665.87	6,493.60	82.72	798.54	539.24	997.93	**6,287.83**	**8,290.07**
Migori	5,092.81	5,836.85	18.06	443.77	355.11	400.00	**5,465.98**	**6,680.62**
Mombasa	4,535.16	5,197.89	213.53	745.13	2,492.60	5,181.67	**7,241.29**	**11,124.69**
Murang'a	4,673.16	5,356.00	22.43	391.37	562.23	850.00	**5,257.82**	**6,597.36**
Nairobi City	11,340.19	12,996.61	24.92	6,864.38	11,500.05	17,528.00	**22,865.16**	**37,388.99**
Nakuru	7,082.15	8,116.33	340.72	858.30	2,200.28	2,911.15	**9,623.15**	**11,885.78**
Nandi	4,148.80	4,755.11	15.93	259.06	298.04	255.76	**4,462.77**	**5,269.93**
Narok	4,613.74	5,287.90	15.51	295.08	1,639.21	3,507.10	**6,268.46**	**9,090.09**
Nyamira	3,625.10	4,154.54	21.54	266.33	104.25	240.96	**3,750.89**	**4,661.83**
Nyandarua	3,758.30	4,307.07	16.48	306.93	240.63	235.55	**4,015.41**	**4,849.56**
Nyeri	3,882.45	4,449.22	218.13	802.07	680.70	1,488.36	**4,781.27**	**6,739.65**
Samburu	3,098.86	3,552.28	8.61	179.93	195.72	356.59	**3,303.18**	**4,088.81**
Siaya	4,358.01	4,995.30	25.15	425.95	143.33	343.31	**4,526.49**	**5,764.55**
Taita/Taveta	2,887.46	3,309.57	12.43	218.60	216.60	310.00	**3,116.49**	**3,838.16**
Tana River	3,476.13	3,984.57	7.11	189.07	33.03	120.00	**3,516.28**	**4,293.64**
Tharaka -Nithi	2,737.36	3,137.57	9.95	505.59	115.73	248.05	**2,863.04**	**3,891.21**
Trans Nzoia	4,449.88	5,099.61	8.95	258.85	301.27	389.03	**4,760.10**	**5,747.49**
Turkana	9,143.33	10,479.03	9.89	304.57	126.52	200.00	**9,279.75**	**10,983.60**
Uasin Gishu	4,529.66	5,190.88	14.94	317.18	800.82	1,037.22	**5,345.43**	**6,545.28**
Vihiga	3,378.09	3,871.41	11.79	292.43	115.94	277.00	**3,505.82**	**4,440.84**
Wajir	6,310.75	7,232.74	17.71	289.80	107.74	200.00	**6,436.20**	**7,722.54**
West Pokot	3,763.44	4,313.69	10.00	231.73	103.90	227.31	**3,877.34**	**4,772.74**
Total	**226,660.00**	**259,774.50**	**2,603.65**	**27,269.69**	**33,848.54**	**56,607.65**	**263,112.19**	**343,651.84**

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

+ Revised Estimates

++ Includes Conditional Additional Allocations to County Governments from National Government Revenue & Conditional Additional Allocations to County Governments from Loans and Grants

6.21. Table 6.15 details the economic classification of county governments' expenditure for the period 2013/14 to 2015/16. County governments' expenditure is expected to grow by 33.1 per cent to KSh 361.1 billion in 2015/16. Expenditure on use of goods and services is expected to grow by 41.2 per cent to KSh 78.3 billion, in 2015/16, and account for 21.7 per cent. Salaries and allowances are estimated to grow by 19.2 per cent to cost KSh 112.5 billion, and will account for 32.2 per cent of the total expenditure. In the same period, acquisition of non-financial assets is expected to increase by 39.9 per cent to KSh 127.7 billion, representing 35.3 per cent of the total budget. Expenditure on building and structures, and plant and machinery will account for 76.3 per cent and 22.2 per cent of the total budget, respectively.

Table 6.15: Economic classification of County Governments Expenditure, 2013/14 – 2015/16

KSh Million

	2013/14	2014/15*	2015/16+
Compensation of Employees	**64,262.36**	**96,212.69**	**116,419.69**
Salaries	51,487.67	71,168.66	91,040.04
Allowances	11,407.41	23,277.19	21,509.71
Social contbributions	1,367.28	1,766.85	3,869.95
Use of goods and services	**35,353.92**	**55,465.22**	**78,313.81**
Utilities, Supplies and Services	895.72	2,457.71	3,369.59
Printing , Advertising and Information Supplies and Services	1,895.56	3,109.46	4,250.08
Rentals	897.73	1,120.94	1,998.51
Communication, Supplies and Services	503.53	686.40	1,305.59
Transportation costs	6,520.28	8,955.77	11,126.85
Training Expenses	2,413.92	2,968.22	4,556.13
Hospitality Supplies and Services	2,158.33	3,349.47	3,997.42
Insurance	1,564.41	2,476.30	5,615.02
Specialised Materials	4,744.72	9,979.71	15,171.83
Office and General Supplies and Services and materials	1,507.25	1,959.27	2,682.01
Fuel Oil and Lubricants	1,930.10	2,403.35	3,535.89
Other Operating Expenses	6,047.14	12,286.95	15,387.00
Routine Maintenance	4,275.24	3,711.65	5,317.89
Subsidies	330.78	569.82	1,911.19
Interest	4,723.25	5,188.24	4,116.62
Grants	6,708.38	5,715.38	11,528.80
Other expense	1,971.43	7,012.16	4,397.40
Social benefits		6,228.52	9,841.19
Acquisition of Non-financial Assets	**42,423.74**	**91,217.78**	**127,650.21**
Building and Structures	26,428.02	69,270.39	97,390.64
Plant and Machinery	9,748.19	20,457.73	28,345.90
Inventories		318.46	517.72
Non- produced assets & Land	6,247.53	1,171.20	1,395.95
Acquisition of Financial Assets	1,912.56	3,700.17	6,954.33
Memo Item			
Debt repayment and pending bills	3,711.04		
Total	**161,397.47**	**271,309.98**	**361,133.24**

Source: The National Treasury-IFMIS

* Provisional

+ Printed estimates

6.22. The classification of county governments' expenditure by functions for 2013/14 and 2015/16 is provided in the Table 6.16. In 2015/16, total expenditure by county governments is expected to increase from KSh 271.3 billion in 2014/15 to KSh 361.1 billion. Expenditure on general public services is projectedto grow marginally and account for 38.0 per cent of the total expenditure during the review period. Expenditure on economic affairs is expected to more than double from KSh 40.2 billion in 2014/15 to KSh 90.1 billion in 2015/16. During this period, expenditure on transport infrastructureis expected to grow to KSh 46.7 billion, and account for 51.9 per cent of the total economic affairs expenditure. Expenditure on agriculture is estimated to increase to KSh 23.1 billion 2015/16 from KSh14.2 billion in 2014/15. Further, expenditure on health is expected to grow by 15.5 per cent to KSh 63.1 billion, and account for 17.5 per cent of the total expenditure in 2015/16. In the same period, budgeted expenditure on education and social protection are expected to increase to KSh 27.1 billion and KSh 1.6 billion, respectively.

Table 6.16: Classification of Expenditure by Functions of County Governments (COFOG), 2013/14-2015

KSh Million

	2013/14	2014/15*	2015/16+
General Public Services	135,187.04	136,218.19	**137,177.57**
Economic Affairs	**11,086.63**	**40,167.19**	**90,126.60**
General economic affairs	1,312.91	6,286.50	13,299.79
Agriculture	2,876.45	14,199.56	23,101.93
Transport	5,930.08	18,854.74	46,734.38
Other economic Affairs	967.19	826.39	6,990.50
Environmental Protection	873.72	5,277.16	16,559.89
Housing and Community Ammenities	3,532.56	6,997.36	12,747.84
Health	8,492.22	54,671.70	63,122.18
Recreation, Culture and Religion	924.64	7,849.29	12,571.06
Education	1,228.71	19,952.39	27,153.50
Social Protection	71.95	176.70	1,674.60
Total	**161,397.47**	**271,309.98**	**361,133.24**

Source: The National Treasury-IFMIS

* Provisional

+ Printed etimates

Chapter 7

International Trade and Balance of Payments

Overview

In 2015, the balance of trade improved from a deficit of KSh 1,081 billion recorded in 2014 to a deficit of KSh 997 billion. Total exports rose by 8.2 per cent to KSh 581 billion in 2015 while total imports declined by 2.5 per cent to KSh 1,578 billion over the same period. As a result, the volume of trade increased marginally from KSh 2,156 billion in 2014 to KSh 2,158 billion in 2015. The rise in the total export earnings compared to the decline in the total import bill led to the improvement of export-import ratio from 33.2 per cent in 2014 to 36.8 percent in 2015. The leading export earners were tea; horticulture; articles of apparel and clothing accessories; and coffee, collectively accounting for 54.6 per cent of the total export merchandise.

7.2. Favourable unit prices of the export commodities coupled with a decline in import prices of mineral fuels resulted to an improvement in the terms of trade for all items to 84.9 per cent in 2015. During the review period, Africa remained the leading destination of the country's exports accounting for 41.7 per cent of total exports. Within the African continent, Uganda continued to be the leading destination of Kenya's exports, that grew by 12.8 per cent to KSh 69 billion in 2015. Over the review period, Asia continued its dominance as the leading source of the country's imports despite contracting from KSh 990 billion recorded in 2014 to KSh 982 billion in 2015. Consequently, the balance of payments position deteriorated from a surplus of KSh 128 billion in 2014 to a deficit of KSh 25 billion in 2015 largely attributed to repayments of external loans. The current account balance improved by 19.5 per cent to a deficit of KSh 425 billion, as a result of a 7.4 per cent increase in merchandise exports. The financial account net inflows declined from a surplus of KSh 616 billion in 2014 to a surplus of KSh 498 billion in 2015. This was mainly occasioned by increased bearish activities at the Nairobi Securities Exchange.

Balance of Trade

7.3. The value of total exports recorded an increase of 8.2 per cent to KSh 581 billion in 2015, with domestic exports rising to KSh 500 billion as shown in Table 7.1. However, the value of imports decreased by 2.5 per cent from KSh 1,618 billion in 2014 to KSh 1,578 billion in 2015. Consequently, the balance of trade deficit improved from KSh 1,081 billion in 2014 to KSh 997 billion in 2015. The increase in the value of exports and the decrease in the value of imports resulted in the improvement of the export-import ratio. As a result, exports accounted for 36.8 per cent of the import expenditure for 2015 from 33.2 per cent in the previous year, and better than the 35.5 per cent recorded in 2013.

Table 7.1: Balance of Trade, 2011-2015

DESCRIPTION	2011	2012	2013	2014	2015*
EXPORTS (f.o.b) :					
Domestic Exports	484,507	479,706	455,689	460,572	499,708
Re-exports	28,097	38,141	46,598	76,664	81,337
Total	**512,604**	**517,847**	**502,287**	**537,236**	**581,045**
IMPORTS (c.i.f) :					
Commercial	1,283,111	1,360,408	1,403,225	1,599,619	1,540,731
Government	17,639	14,179	10,091	18,702	36,826
Total	**1,300,749**	**1,374,587**	**1,413,316**	**1,618,321**	**1,577,557**
BALANCE OF TRADE	**(788,145)**	**(856,740)**	**(911,029)**	**(1,081,085)**	**(996,512)**
TOTAL TRADE	**1,813,354**	**1,892,434**	**1,915,602**	**2,155,557**	**2,158,602**
COVER RATIO[1] (in percentage)	**39.4**	**37.7**	**35.5**	**33.2**	**36.8**

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

*Provisional

[1]COVER RATIO =(Total Exports/Total Imports)*100

f.o.b = free on board

c.i.f. = cost insurance & freight

Price changes

7.4. Table 7.2(a) shows export and import unit price indices by commodity groups based on the Standard International Trade Classification (SITC) for the period 2011 to 2015. The unit price indices for all exports and non-oil exports increased by 12.9 per cent and 13.0 per cent, respectively, in 2015. This could mainly be explained by rise in export unit price of food and live animals, chemicals and miscellaneous manufactured articles, which increased by 28.1, 15.7 and 10.9 per cent, respectively, in 2015. However, the mineral fuels export price index contracted by 11.9 per cent following the decline in oil prices during the review period. The unit price index for all imports decreased by 2.8 per cent mainly due to a drop of 58.3 per cent of unit price indices of mineral fuels. Decrease in import unit price indices of animal and vegetable oil and fats; and miscellaneous manufactured articles also contributed to the drop in the overall imports unit price. This compensated for the increase in import prices of machinery and transport equipment; and manufactured goods whose unit price indices rose by 21.1 per cent and 19.0per cent, respectively, in 2015. The unit price index for non-oil imports increased by 20.2 per cent during the review period.

Table 7.2(a): Export and Import Price Indices, 2011-2015

2009=100

	2011	2012	2013	2014	2015*
EXPORTS:					
Food and live animals	141	137	133	121	155
Beverages and tobacco	133	134	133	142	126
Crude materials, (inedible)	109	98	126	125	124
Mineral fuels	121	151	150	219	193
Animal and vegetable oils and fats	177	152	125	128	136
Chemicals	124	127	114	134	155
Manufactured goods	112	123	113	112	117
Machinery and transport equipment	224	235	286	246	225
Miscellaneous manufactured articles	137	135	188	165	183
All Exports	**132**	**131**	**136**	**132**	**149**
Non-oil Exports	133	131	136	131	148
IMPORTS:					
Food and live animals	126	132	174	170	176
Beverages and tobacco	111	140	172	136	133
Crude materials, (inedible)	125	131	126	139	152
Mineral fuels	144	199	200	187	78
Animals and vegetable oils and fats	185	165	140	145	124
Chemicals	132	132	158	147	145
Manufactured goods	157	139	140	126	150
Machinery and transport equipment	207	198	181	227	275
Miscellaneous manufactured articles	135	150	164	189	169
All imports	**157**	**166**	**168**	**180**	**175**
Non-oil Imports	160	158	160	178	214

* Provisional

Terms of Trade

7.5. Terms of trade for the period 2011 to 2015 are shown in Table 7.2(b). Terms of trade of all items improved by 11.8 percentage points to 84.9 per cent in 2015. This was mainly due to improved unit prices of the export commodities coupled with a decline in import prices of mineral fuels. However, the terms of trade for non- oil items worsened further by 3.9 percentage points to 69.2 per cent during the period under review owing to the increase in import price indices of machinery and transport equipment; and manufactured goods.

Table 7.2(b): Terms of Trade, 2011-2015

2009=100

Description	2011	2012	2013	2014	2015*
All Items	84.1	78.7	81.1	73.1	84.9
Non-oil Items	83.1	82.8	85.1	73.1	69.2

*Provisional

Volume changes

7.6. Quantum indices for all exports and non-oil exports decreased by 4.5 per cent each, in 2015, as presented in Table 7.2(c). This was mainly on account of export quantities of animal and vegetable oil and fats; and manufactured goods whose export quantum indices declined by 27.5 per cent and 10.8 per cent, respectively. All imports quantum index remained relatively unchanged in 2015 despite a drastic increase of 64.3 per cent in mineral fuels import quantum index. The import quantum index for non-oil imports declined by 11.4 per cent during the review period, owing to the declines in the import quantum indices of machinery and transport equipment, beverages and tobacco; and manufactured goods of 18.0, 9.5 and 5.3 per cent, respectively.

Table 7.2(c): Quantum Indices, 2011-2015

2009=100

	2011	2012	2013	2014	2015*
EXPORTS:					
Food and live animals	103	108	110	116	109
Beverages and tobacco	124	119	105	111	124
Crude materials, (inedible)	125	138	103	135	138
Mineral fuels	124	65	41	42	49
Animal and vegetable oils and fats	136	145	112	80	58
Chemicals	128	120	115	97	89
Manufactured goods	143	121	132	120	107
Machinery and transport equipment	64	73	48	45	55
Miscellaneous manufactured articles	107	112	84	108	100
All Exports	**114**	**113**	**104**	**110**	**105**
Non-oil Exports	113	115	105	112	107
IMPORTS:					
Food and live animals	91	90	64	73	78
Beverages and tobacco	204	118	141	158	143
Crude materials, (inedible)	118	121	117	118	122
Mineral fuels	146	103	99	112	184
Animals and vegetable oils and fats	111	120	125	125	138
Chemicals	127	130	122	139	157
Manufactured goods	116	129	149	171	162
Machinery and transport equipment	67	86	92	100	82
Miscellaneous manufactured articles	119	122	134	126	164
All imports	**106**	**105**	**107**	**114**	**114**
Non-oil Imports	96	105	109	114	101

* Provisional

Quantities of Principal Domestic Exports and Imports

7.7. Table 7.3(a) shows the quantities of principal domestic exports for the last five years. The volume of exports of horticultural products continued to grow for the fifth year in a row to 445,703 tonnes, reflecting a 4.0 per cent growth in 2015. Similarly, the quantity of titanium ores and concentrates; and salt rose by 36.8 per cent and 12.8 per cent to 493,201 tonnes and 303,452 tonnes, respectively, in 2015. In contrast, the volumes of tea exported declined from 456,492 tonnes in 2014 to 420,527 tonnes in 2015, reflecting a 7.9 per cent drop. The quantity of soda ash exported declined by 34.0 per cent for the second consecutive year to 261,304 tonnes in 2015. The volumes of exported cement; and iron and steel declined further by 5.4 and 9.7 per cent to 681,665 tonnes and 124,190 tonnes, respectively, in 2015. Tobacco and tobacco manufactures; animal and vegetable oils; and essential oils continued on a declining trend.

7.8. The volume of imported wheat rose by 16.0 per cent from 1,225,690 tonnes in 2014 to 1,421,785 tonnes in 2015 as presented in Table 7.3(b). The volume of imported maize also recorded 6.8 per cent increase to 490,024 tonnes in the same period. Other commodities that registered increases in the volume of imports included iron and steel; cement clinkers, chemical fertilizers and plastics in primary and non-primary forms. The volume of imported rice declined by 3.6 per cent from 459.2 thousand tonnes in 2014 to 442.7 thousand tonnes in 2015. Similarly, the quantity of imported organic and inorganic chemicals recorded 31.0 per cent drop to 268.5 thousand tonnes in 2015.

Table 7.3(a): Quantities of Principal Domestic Exports, 2011-2015

Commodity	Unit	2011	2012	2013	2014	2015*
Fish and fish preparations	Tonne	15,519	17,455	11,712	15,213	10,801
Maize(unmilled,excluding sweet corn)	Tonne	1,173	548	1,236	1,678	2,007
Meals and flours of wheat	Tonne	4,624	7,488	3,076	2,308	3,250
Horticulture	Tonne	363,799	367,885	394,387	428,670	445,703
Sugar confectionery	Tonne	33,092	33,188	30,159	28,986	29,988
Coffee, unroasted	Tonne	37,570	51,713	48,890	47,438	43,600
Tea	Tonne	385,425	376,996	446,033	456,492	420,527
Margarine and shortening	Tonne	20,288	18,532	15,924	17,097	18,397
Edible products and preparations, n.e.s.	Tonne	17,004	15,907	13,561	14,751	18,399
Beer made from malt	000 Lt.	59,054	62,638	48,166	65,572	64,565
Tobacco and tobacco manufactures	Tonne	40,290	35,259	23,466	21,016	15,961
Hides and Skins	Tonne	2,250	10,200	2,832	2,560	2,272
Sisal	Tonne	12,040	11,066	10,010	10,093	9,015
Stone, sand and gravel	Tonne	45,962	39,138	29,632	45,460	38,678
Fluorspar	Tonne	116,600	105,753	78,002	94,021	70,096
Salt	Tonne	277,005	284,841	289,487	269,111	303,452
Soda Ash	Tonne	592,207	458,811	478,822	396,095	261,304
Titanium ores and concentrates[1]	Tonne				360,525	493,201
Metal scrap	Tonne	4,342	5,465	4,478	5,091	5,814
Animal and Vegetable oils	Tonne	106,420	99,252	70,339	49,375	37,357
Alcohols and derivatives thereof	000 Lt.	23,770	22,403	18,558	15,033	19,246
Pigments, paints, varnishes and related materials	Tonne	14,464	14,068	11,949	12,886	14,733
Medicinal and pharmaceutical products	Tonne	11,446	13,063	12,419	13,285	13,095
Essential oils	Tonne	121,919	120,059	94,157	87,779	78,356
Plates, sheets, film, foil and strip, of plastics	Tonne	8,766	9,121	7,927	8,479	7,247
Insecticides and fungicides	Tonne	3,301	1,709	1,416	1,597	2,209
Leather	Tonne	26,485	22,698	26,542	26,213	23,329
Wood manufactures n.e.s	Tonne	712	608	468	401	529
Paper and paperboard	Tonne	43,272	41,322	41,760	34,043	33,208
Textile yarn	Tonne	2,263	1,859	2,046	1,601	1,648
Made-up articles, wholly or chiefly of textile materials, n.e.s.	Tonne	14,162	14,255	11,464	16,619	16,679
Glassware	Tonne	56,348	45,861	22,693	13,411	13,106
Cement	Tonne	708,384	737,496	826,941	720,465	681,665
Iron and steel	Tonne	170,143	150,182	155,442	137,561	124,190
Metal containers	Tonne	3,262	3,432	2,831	3,162	2,542
Wire products: nails screws, nuts, etc.	Tonne	8,356	10,931	9,232	8,265	6,585
Household equipment of base metal, n.e.s.	Tonne	8,748	9,719	10,401	9,841	7,614
Manufactures of base metal, n.e.s.	Tonne	12,664	9,207	7,572	8,217	11,889
Automatic data proccessing machines and units thereof	No's	70,029	97,431	45,737	106,895	76,375
Electrical machinery and apparatus, n.e.s [2]		..	..	..	..	..
Trailers and semi-trailers[2]		..	..	..	..	..
Furniture and parts thereof [2]		..	..	..	..	..
Footwear	' 000' Pairs	47,288	51,712	52,021	40,092	32,634
Printed matter	Tonne	6,667	5,859	6,553	9,006	6,854
Articles of plastic[3]	..	..	55,882	48,370	58,488	52,629

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

* Provisional.

.. Data not available

[1]the country exported the first batch Titanium ores and concentrates in 2014

[2]items have different units

[3]data for 2011 had varying units of measurement

Table 7.3(b): Quantities of Principal Imports, 2011-2015

Commodity	Unit	2011	2012	2013	2014	2015*
Wheat, unmilled	Tonne	1,002,710	1,044,848	1,033,054	1,225,690	1,421,785
Rice	Tonne	337,446	399,699	409,576	459,165	442,736
Maize(unmilled,excluding sweet corn)	Tonne	359,232	324,622	93,473	458,940	490,024
Wheat flour	Tonne	61,850	54,397	30,853	33,178	16,306
Sugars, Mollases and Honey	Tonne	176,174	267,679	276,542	228,834	286,732
Edible products and preparations, n.e.s.	Tonne	33,248	78,164	48,347	54,264	93,869
Textile fibres and their waste	Tonne	18,182	19,451	18,183	20,051	21,459
Second - hand clothing	Tonne	76,533	82,216	101,066	106,974	110,659
Crude Petroleum[1]	Tonne	1,772,135	997,028	567,432	..	..
Petroleum products	Mn. Lt.	2,874	3,484	3,760	4,645	5,120
Residual petroleum products, n.e.s. and related materials	Tonne	65,303	102,018	71,863	72,684	116,450
Liquefied propane and butane	Tonne	51,799	75,565	55,874	111,933	129,395
Animal/vegetable fats and oils	Tonne	553,087	591,488	636,120	622,343	683,490
Organic & inorganic chemicals	Tonne	240,714	241,719	256,736	389,311	268,454
Pigments, paints, varnishes and related materials	Tonne	25,384	25,394	27,718	28,932	34,410
Medicinal and pharmaceutical products	Tonne	16,637	16,110	17,187	20,713	24,954
Essential oils & pefumes	Tonne	33,273	50,269	46,097	55,425	55,321
Chemical fertilizers	Tonne	522,200	425,840	688,436	496,057	568,600
Plastics in primary & non-primary forms	Tonne	317,119	342,163	377,340	400,188	455,432
Insecticides, rodenticides, fungicides, herbicides e.t.c	Tonne	11,367	13,050	14,761	15,232	15,342
Miscellaneous chemical products, n.e.s.	Tonne	33,992	31,985	37,245	38,880	52,804
Rubber tyres and inner tubes, for wheels of all kinds	"000"No	4,807	5,118	5,718	6,104	6,429
Paper and Paperboard	Tonne	278,797	263,089	279,700	320,726	331,136
Textile yarn	Tonne	17,648	20,295	20,173	22,814	21,734
Cement Clinkers	Tonne	1,087,623	1,489,245	1,427,115	1,307,225	1,973,231
Iron and steel	Tonne	792,093	778,859	1,217,865	1,196,273	1,530,606
Non-ferrous metals	Tonne	45,425	42,405	52,588	53,315	51,010
Structures and parts of structures of iron, steel or aluminium	Tonne	38,153	53,179	52,612	66,405	95,065
Hand & machine tools	Tonne	9,534	11,027	10,682	11,382	11,337
Manufactures of base metal, n.e.s.	Tonne	24,103	30,633	33,046	32,747	66,069
Industrial Machinery[2]	..	..	..	..	..	..
Agricultural Machinery and Tractors [2]	..	..	..	..	..	..
Automatic data proccessing machines and units thereof	"000"No	1,170	1,515	1,618	405	538
Telecommunications equipment, n.e.s., and parts, n.e.s.[2]	..	..	..	..	..	..
Parts, n.e.s. and accessories of the motor vehicles[2]	..	..	..	..	..	..
Motorcycles and cycles fitted with an auxilliary motor	"000"No	147	109	165	148	182
Bicycles, assembled or partly assembled	"000"No	143	134	166	140	162
Road Motor Vehicles	Nos.	65,987	74,111	92,270	103,517	109,781
Aircraft and associated equipment[2]	..	..	..	..	..	..
Prefabricated buldings	Tonne	13,237	14,614	22,136	27,280	30,010
Furniture and parts thereof[2]	..	..	..	..	..	..
Quality control instruments and apparatus, n.e.s.[2]	..	..	..	..	..	..
Printed matter	Tonne	8,312	9,028	9,402	10,218	13,318
Articles, n.e.s., of plastics	Tonne	19,577	25,318	37,770	49,786	46,138

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

* Provisional.

[1] The importation of crude almost ceased after 2013 due to the closure of the Kenya Petroleum Refineries Ltd

[2] Items have different units of measurements

Values of Principal Domestic Exports and Imports

7.9. Tea was the leading source of foreign exchange with revenue from the commodity rising by 30.9 per cent to KSh 123 billion in 2015, as shown in Table 7.4(a). Value of horticultural exports rose from KSh 97 billion in 2014 to KSh 101 billion, in 2015. Foreign earnings from coffee rose for the second consecutive year to KSh 21 billion in 2015. Revenue from the sale of articles of apparel and clothing accessories, tobacco and tobacco manufactures and; iron and steel shrunk to KSh 28 billion, KSh 16 billion and KSh 12 billion, respectively, in 2015. Revenues arising from the export of soda ash and fluorspar declined by 23.9 per cent and 24.2 per cent, respectively, during the review period.

7.10. Petroleum products continued to account for the largest share of imports at 13.6 per cent of the total import bill, as presented in Table 7.4(b). This was in spite of 26.6 per cent drop in the value of imported petroleum products to KSh 215 billion in 2015. Industrial machinery was the second major import expenditure item which registered a 17.5 per cent decline in value to KSh 212billion, in 2015. Similarly, expenditure on aircraft and associated equipment registered a decline from KSh 130 billion in 2014 to KSh 83 billion in 2015. There was continued increase in the importation of motor vehicles with import expenditure amounting to KSh 118 billion in 2015 from KSh 102 billion in 2014. Expenditure on iron and steel grew by 16.7 per cent to KSh 88 billion in the review period, owing to construction activities, particularly the road and railway line infrastructure. Other commodities that registered increased import expenditure during the review period included plastics in primary and non-primary forms; medicinal and pharmaceutical products; wheat; and organic and inorganic chemicals.

Table 7.4(a): Values of Principal Domestic Exports, 2011-2015

KSh Million

Commodity	2011	2012	2013	2014	2015*
Fish and fish preparations	4,955	5,392	3,362	4,266	3,287
Maize(unmilled,excluding sweet corn)	169	57	192	324	312
Meals and flours of wheat	159	290	145	87	138
Horticulture	83,331	81,129	89,339	97,105	100,963
Sugar confectionery	5,211	5,818	5,401	5,345	5,475
Coffee, unroasted	20,863	22,271	16,328	19,913	20,580
Tea	102,236	101,441	104,648	93,996	123,025
Margarine and shortening	2,950	2,684	2,245	2,349	2,307
Edible products and preparations, n.e.s.	2,537	3,218	2,573	2,637	4,048
Beer made from malt	2,961	3,209	3,636	3,416	3,630
Tobacco and tobacco manufactures	18,633	16,615	13,709	16,827	15,757
Hides and skins (undressed)	108	504	134	126	124
Sisal	1,212	1,184	1,020	1,325	1,517
Stone, sand and gravel	494	385	389	643	444
Fluorspar	3,928	3,272	1,714	1,883	1,428
Salt	2,721	3,167	2,978	3,881	4,694
Soda ash	12,371	9,724	8,997	7,832	5,964
Titanium ores and concentrates	..	..	..	7,282	9,420
Metal scrap	1,050	2,826	2,498	3,403	2,598
Animal and Vegatable oils	14,166	12,727	8,156	6,003	4,650
Alcohols , phenols, phenol-alcohols, and the like	1,901	2,170	1,758	1,447	2,059
Pigments, paints, varnishes and related materials	1,717	1,830	1,628	1,894	2,271
Medicinal and pharmaceutical products	7,446	8,699	7,068	8,296	11,199
Essential oils	13,822	13,623	11,172	10,854	9,822
Plates, sheets, film, foil and strip, of plastics	2,483	2,495	2,415	2,641	2,419
Insecticides and fungicides	1,828	801	771	805	1,546
Leather	7,208	7,036	8,491	7,597	6,222
Wood manufactures n.e.s	193	140	159	146	124
Paper and paperboard	5,459	5,150	5,342	4,406	4,773
Textile yarn	851	792	885	721	721
Made-up articles, wholly or chiefly of textile materials, n.e.s.	3,358	3,907	2,881	3,772	3,400
Glassware	3,042	2,344	1,855	840	910
Cement	8,898	8,118	8,292	7,541	7,721
Iron and steel	18,165	15,098	15,560	13,443	12,290
Metal containers	734	715	500	556	575
Wire products: nails screws, nuts, etc.	1,142	1,649	1,036	1,295	992
Household equipment of base metal, n.e.s.	2,955	3,222	3,392	3,508	2,659
Manufactures of base metal, n.e.s.	2,806	2,195	1,948	1,938	2,633
Automatic data proccessing machines and units thereof	1,405	2,819	980	331	236
Electrical machinery and apparatus, n.e.s.	2,150	2,696	2,706	2,025	2,022
Trailers and semi-trailers; other vehicles.	2,131	2,519	2,597	2,041	1,624
Furniture and parts thereof; bedding, mattresses.	1,679	1,894	1,922	1,697	1,421
Footwear	3,562	4,148	3,992	3,569	3,694
Printed matter	4,098	4,346	3,442	4,271	6,363
Articles of plastics	9,350	10,278	10,263	10,995	11,174
Articles of apparel and clothing accessories.	22,260	20,676	24,379	28,948	28,226
Gold, non-monetary (excluding gold ores and concentrates)	6,022	14,104	7,650	463	1,073
All other Commodities	73,811	74,433	62,789	56,353	62,247
GRAND TOTAL	**484,507**	**479,706**	**455,689**	**460,572**	**499,708**

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

* Provisional

Table 7.4(b): Values of Principal Imports, 2011-2015

KSh Million

Commodity	2011	2012	2013	2014	2015*
Wheat, unmilled	31,371	29,743	30,189	33,831	35,663
Rice	12,548	14,520	14,111	15,305	13,370
Maize (unmilled,excluding sweet corn)	11,479	6,451	2,291	9,308	8,378
Wheat flour	2,517	2,120	1,964	1,712	902
Sugars, Mollases and Honey	11,088	17,030	16,770	12,009	15,503
Edible products and preparations, n.e.s.	6,658	8,466	7,402	7,463	10,646
Textile fibres and their waste	5,093	5,025	5,099	5,792	6,623
Second - hand clothing	6,831	8,400	8,345	8,815	10,151
Crude Petroleum[1]	124,042	68,086	41,037	..	..
Petroleum Products	199,120	237,557	252,673	292,643	214,695
Residual petroleum products, n.e.s	4,906	7,263	5,379	5,362	6,635
Liquefied propane and butane	5,351	8,350	5,515	10,834	7,879
Animal/vegetable fats and oils	56,733	54,876	48,371	50,044	47,038
Organic & inorganic chemicals	19,593	22,080	22,303	21,856	22,560
Pigments, paints, varnishes and related materials	5,222	5,766	5,608	6,369	6,872
Medicinal & Pharmaceauticals Products	39,681	41,307	40,114	52,088	61,513
Essential oils & perfumes	13,454	15,351	16,935	18,445	20,901
Chemical Fertilizers	23,045	20,184	27,957	19,331	23,468
Plastics in primary & non-primary forms	49,296	47,650	55,182	60,217	62,724
Insecticides, rodenticides, fungicides, herbicides, e.t.c	8,396	8,828	10,879	10,797	11,335
Miscellaneous chemical products, n.e.s.	8,580	8,698	10,781	12,958	14,417
Rubber tyres and inner tubes, for wheels of all kinds	9,604	12,143	13,189	12,406	13,343
Paper and Paperboard	31,464	30,377	26,864	29,948	29,316
Textile yarn	4,020	4,027	4,106	4,421	4,332
Cement Clinkers	6,322	8,134	7,187	6,563	9,548
Iron and Steel	62,087	56,667	80,749	75,526	88,153
Non-ferrous metals	13,863	12,119	14,626	14,704	14,672
Structures and parts of structures of iron, steel or aluminium	5,834	9,621	10,011	11,211	14,338
Hand & machine tools	2,335	2,794	3,265	4,082	3,267
Manufactures of base metal, n.e.s.	5,826	7,677	8,938	8,459	10,967
Industrial Machinery	177,174	194,666	231,440	256,672	211,724
Agricultural Machinery and Tractors	5,532	6,347	7,802	7,925	8,664
Automatic data proccessing machines and units thereof;	15,546	19,556	15,019	9,720	11,212
Telecommunications equipment, n.e.s., and parts, n.e.s.	21,281	24,582	24,160	23,622	29,444
Parts, n.e.s. and accessories of the motor vehicles	5,729	6,790	7,440	8,105	9,674
Motorcycles and cycles fitted with an auxilliary motor	7,133	5,103	8,306	8,002	10,177
Bicycles, assembled or partly assembled	395	354	429	392	498
Road Motor Vehicles	62,870	73,768	83,330	101,792	117,637
Aircraft and associated equipment	23,970	43,105	21,308	129,589	83,094
Prefabricated buldings	3,234	4,814	4,980	6,702	7,000
Furniture and parts thereof	4,328	5,443	5,842	6,325	7,161
Quality control instruments and apparatus, n.e.s.	6,541	9,799	12,231	12,110	9,651
Printed matter	4,273	3,778	4,022	4,822	5,060
Articles, n.e.s., of plastics	4,229	4,704	5,623	6,846	8,556
All other Commodities	172,158	190,466	183,546	213,194	268,794
GRAND TOTAL	**1,300,749**	**1,374,587**	**1,413,316**	**1,618,321**	**1,577,557**

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

[1]The importation of crude almost ceased after 2013 due to the closure of the Kenya Petroleum Refineries Ltd

* Provisional

Prices of Principal Domestic Exports and Imports

7.11. The average prices of principal domestic exports and imports are presented in Table 7.5(a). The unit price of one Kilogram of tea recorded 42.2 per cent increase to KSh 293 in 2015 due to international supply constraints. The unit price of coffee recorded an improvement during the year with earnings from one Kilogram of coffee rising from KSh 420 in 2014 to KSh 472 in 2015. The average price of soda ash increased from KSh 19,774 per tonne in 2014 to KSh 22,825 per tonne in 2015 although production and value of export declined. Unit price of maize exports recorded a drop of 19.3 per cent to average at KSh 155,622 per tonne in 2015. The average price of metal scrap dipped despite an increase in the volumes exported.

7.12. Average prices of imported paper and paperboard dropped by 5.2 per cent from KSh 93,377 per tonne in 2014 to KSh 88,532 per tonne in 2015 as shown Table 7.5(b). Wheat and maize imports per tonne were cheaper in2015 compared to 2014. Expenditure on imports of road motor vehicles continued to rise with the average price of a motor vehicle increasing from KSh 983,339 in 2014 to KSh 1,071,563 in 2015. The amount spent to import a tonne of non-ferrous metal rose by 4.3 per cent to KSh 287,634 per ton in 2015. Similarly, a tonne of imported second hand clothing cost KSh 9,333 more in 2015 compared to 2014.

Table 7.5(a): Average Prices of Principal Domestic Exports, 2011-2015

KSh/Unit

Commodity	Unit	2011	2012	2013	2014	2015*
DOMESTIC EXPORTS						
Fish and fish preparations	Kg	319	309	287	280	304
Maize(unmilled,excluding sweet corn)	Tonne	143,621	104,445	155,458	192,874	155,622
Meals and flours of wheat	Tonne	34,409	38,749	47,047	37,827	42,403
Horticulture	Kg	229	221	227	223	227
Sugar confectionery	Kg	157	175	179	184	183
Coffee, unroasted	Kg	555	431	334	420	472
Tea	Kg	265	269	235	206	293
Margarine and shortening	Kg	145	145	141	137	125
Edible products and preparations, n.e.s.	Kg	149	202	190	179	220
Beer made from malt	Lt.	50	51	75	52	56
Tobacco and tobacco manufactures	Kg	462	471	584	801	987
Hides and Skins(undressed)	Kg	48	49	47	49	54
Sisal	Tonne	100,650	107,039	101,904	131,316	168,286
Stone, sand and gravel	Tonne	10,752	9,828	13,139	14,139	11,487
Fluorspar	Tonne	33,690	30,941	21,978	20,029	20,368
Salt	Tonne	9,823	11,118	10,288	14,420	15,470
Soda Ash	Tonne	20,890	21,193	18,790	19,774	22,825
Titanium ores and concentrates [1]	Tonne	..	..	..	20,198	19,100
Metal scrap	Tonne	241,711	517,068	557,769	668,406	446,816
Animal and Vegetable oils	Kg	133	128	116	122	124
Alcohols , phenols, phenol-alcohols, e.t.c	Lt.	80	97	95	96	107
Pigments, paints, varnishes and related materials	Kg	119	130	136	147	154
Medicinal and pharmaceutical products	Kg	651	666	569	624	855
Essential oils	Kg	113	113	119	124	125
Plates, sheets, film, foil and strip, of plastics	Kg	283	274	305	312	334
Insecticides and fungicides	Kg	554	469	544	504	700
Leather	Kg	272	310	320	290	267
Wood manufactures n.e.s	Tonne	270,355	230,037	339,262	364,399	234,694
Paper and paperboard	Tonne	126,146	124,641	127,932	129,436	143,718
Textile yarn	Kg	376	426	432	450	437
Made-up articles, wholly or chiefly of textile materials, n.e.s.	Kg	237	274	251	227	204
Glassware	Kg	54	51	82	63	69
Cement	Tonne	12,561	11,008	10,027	10,466	11,327
Iron and steel	Tonne	106,760	100,531	100,105	97,725	98,965
Metal containers	Tonne	225,106	208,247	176,684	175,708	226,354
Wire products: nails screws, nuts, etc...	Tonne	136,613	150,850	112,271	156,752	150,659
Household equipment of base metal, n.e.s.	Tonne	337,815	331,565	326,149	356,500	349,294
Manufactures of base metal, n.e.s.	Tonne	221,575	238,374	257,235	235,891	221,489
Automatic data proccessing machines and units thereof	No's	20,068	28,930	21,434	3,096	24,256
Footwear	Pair	75	80	77	89	113
Printed matter	Tonne	615	742	525	474	928

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

[1] The country exported the first batch of Titanium ores in 2014

* Provisional.

Table 7.5(b): Average Prices of Principal Imports, 2011- 2015

KSh/Unit

Commodity	Unit	2011	2012	2013	2014	2015*
Wheat, unmilled	Tonne	31,286	28,467	29,223	27,601	25,083
Rice	Tonne	37,186	36,326	34,453	33,331	30,198
Maize, unmilled	Tonne	31,954	19,872	24,506	20,283	17,098
Wheat flour	Tonne	40,690	38,975	63,660	51,590	55,294
Sugars, Mollases and Honey	Tonne	62,938	63,621	60,642	52,478	54,070
Edible products and preparations, n.e.s.	Tonne	200,247	108,311	153,102	137,528	113,411
Textile fibres and their waste	Tonne	280,124	258,337	280,434	288,866	308,641
Second - hand clothing	Tonne	89,253	102,169	82,574	82,402	91,735
Crude Petroleum[1]	Tonne	69,996	68,289	72,321	..	..
Petroleum products	Lt.	69	68	67	63	42
Residual petroleum products n.e.s and related materials	Kg	75	71	75	74	57
Liquefied propane and butane	Kg	103	111	99	97	61
Animal and vegetable oils	Kg	103	93	76	80	69
Organic & inorganic chemicals	Kg	81	91	87	56	84
Pigments, paints, varnishes and related materials	Kg	206	227	202	220	200
Medicinal & Pharmaceauticals Products	Kg	2,385	2,564	2,334	2,515	2,465
Essential oils & pefumes	Kg	404	305	367	333	378
Chemical fertilizers	Tonne	44,131	47,399	40,609	38,969	41,273
Plastics in primary & non-primary forms	Tonne	155,448	139,262	146,241	150,473	137,724
Insecticides, rodenticides, fungicides, herbicides, e.t.c	Tonne	738,601	676,516	737,003	708,822	738,833
Miscellaneous chemical products, n.e.s.	Tonne	252,409	271,934	289,454	333,286	273,018
Rubber tyres and inner tubes, for wheels of all kinds	No.	1,998	2,373	2,307	2,033	2,075
Paper and Paperboard	Tonne	112,856	115,463	96,046	93,377	88,532
Cement Clinkers	Tonne	5,813	5,462	5,036	5,021	4,839
Iron and steel	Tonne	78,383	72,757	66,304	63,135	57,594
Non-ferrous metals	Tonne	305,187	285,799	278,116	275,797	287,634
Structures and parts of structures of iron, steel or aluminium	Tonne	152,908	180,918	190,280	168,826	150,822
Hand & machine tools	Kg	245	253	306	359	288
Manufactures of base metal, n.e.s.	Tonne	241,710	250,595	270,469	258,327	165,995
Automatic data proccessing machines and units thereof	No.	13,290	12,910	9,285	24,024	20,831
Motorcycles and cycles fitted with an auxilliary motor	No.	48,390	46,678	50,253	53,953	55,888
Bicycles, assembled or partly assembled	No.	2,767	2,647	2,583	2,801	3,083
Road Motor Vehicles	No.	952,763	995,372	903,108	983,339	1,071,563
Prefabricated buldings	Tonne	244,321	329,373	224,952	245,686	233,249
Printed matter	Tonne	514,072	418,500	427,753	471,934	379,909
Articles, n.e.s., of plastics	Tonne	216,003	185,808	148,883	137,511	185,452

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

[1]The importation of crude almost ceased after 2013 due to the closure of the Kenya Petroleum Refineries Ltd

* Provisional.

Composition of Exports

7.13. Table 7.6 shows the composition of domestic exports by Broad Economic Category. Food and beverage remained the dominant source of export earnings in 2015, accounting for 44.7 per cent. The bulk of this category was in unprocessed form for household consumption. Non-food industrial supplies were the second leading category of exports recording a marginal growth to KSh 129 billion in 2015. Consumer goods not elsewhere specified accounted for 24.9 per cent of export earnings, valued at KSh 124 billion in 2015.

Table 7.6: Domestic Exports by Broad Economic Category, 2011-2015

KSh Million

DESCRIPTION	2011	2012	2013	2014	2015*
FOOD AND BEVERAGES	**195,565**	**197,491**	**195,094**	**188,094**	**223,281**
Primary	153,791	153,198	153,613	147,099	182,774
For Industry	22,448	23,895	18,982	22,101	22,630
For Household Consumption	131,343	129,303	134,631	124,998	160,145
Processed	41,774	44,293	41,482	40,995	40,507
For Industry	7,158	8,071	5,256	4,312	2,478
For Household Consumption	34,616	36,222	36,226	36,683	38,029
INDUSTRIAL SUPPLIES (Non-Food)	**146,601**	**142,019**	**126,192**	**124,452**	**129,288**
Primary	30,702	29,370	24,669	39,428	40,896
Processed	115,900	112,649	101,523	85,024	88,392
FUEL AND LUBRICANTS	**10,015**	**4,029**	**1,610**	**3,281**	**6,288**
Primary	10	8	8	5	9
Processed	10,005	4,021	1,602	3,275	6,279
Motor Spirit	538	395	190	60	38
Other	9,466	3,625	1,412	3,215	6,240
MACHINERY & OTHER CAPITAL EQUIPMENT	**11,214**	**13,713**	**9,736**	**7,503**	**9,522**
Machinery & Other Capital Equipment	9,006	11,864	7,867	6,116	7,565
Parts and Accessories	2,207	1,849	1,868	1,387	1,957
TRANSPORT EQUIPMENT	**7,545**	**7,858**	**8,130**	**7,235**	**7,118**
Passenger Motor Vehicles	160	103	122	92	454
Other	4,356	4,091	8,009	7,143	6,664
For Industry	4,245	3,942	4,402	3,250	3,571
Non-Industrial	111	149	120	255	173
Parts and Accessories	3,029	3,664	3,487	3,638	2,921
CONSUMER GOODS NOT ELSEWHERE SPECIFIED	**113,450**	**113,869**	**113,537**	**128,463**	**124,180**
Durable	1,720	3,803	3,819	4,503	1,449
Semi-Durable	28,467	27,999	31,404	35,417	35,088
Non-Durable	83,263	82,068	78,314	88,544	87,643
GOODS NOT ELSEWHERE SPECIFIED	**117**	**727**	**1,390**	**1,544**	**31**
TOTAL	**484,507**	**479,706**	**455,689**	**460,572**	**499,708**
SHARES (%):					
Food and Beverages	40.36	41.17	42.81	40.84	44.68
Industrial Supplies (Non-Food)	30.26	29.61	27.69	27.02	25.87
Fuel and Lubricants	2.07	0.84	0.35	0.71	1.26
Machinery and other Capital Equipment	2.31	2.86	2.14	1.63	1.91
Transport Equipment	1.56	1.64	1.78	1.57	1.42
Consumer Goods not elsewhere specified	23.42	23.74	24.92	27.89	24.85
Goods not elsewhere specified	0.02	0.15	0.31	0.34	0.01
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

* Provisional

Composition of Imports

7.14. Non-food industrial supplies were the leading class of imports with expenditure growing by 13.5 per cent to KSh 525 billion in 2015, as shown in Table 7.7. This represents 33.3 per cent of total imports during the year. Importation of machinery and other capital equipment rose for the second consecutive year from KSh 279 billion in 2014 to KSh 288 billion in 2015. Transport equipment accounted for 16.9 per cent of the total imports despite declining from KSh 279 billion in 2014 to KSh 267 billion in 2015. The drop was mainly driven by a 13.1 per cent reduction in expenditure on other industrial transport equipment, which amounted to KSh 158 billion. The least expenditure was on goods not elsewhere specified that dropped significantly from KSh 27 billion in 2014 to KSh 12 billion in 2015.

Table 7.7: Imports by Broad Economic Category, 2011-2015

KSh Million

Category	2011	2012	2013	2014	2015*
FOOD AND BEVERAGES	**105,967**	**109,074**	**101,590**	**111,838**	**123,444**
Primary	57,398	52,592	48,048	59,437	66,528
For Industry	48,967	43,342	39,624	50,767	53,985
For Household Consumption	8,430	9,250	8,425	8,670	12,543
Processed	48,569	56,482	53,542	52,401	56,915
For Industry	10,719	12,093	8,933	8,981	10,934
For Household Consumption	37,850	44,389	44,609	43,420	45,981
INDUSTRIAL SUPPLIES (Non-Food)	**406,010**	**407,225**	**450,479**	**462,172**	**524,556**
Primary	24,360	23,319	25,862	26,051	29,318
Processed	381,650	383,906	424,617	436,121	495,238
FUEL AND LUBRICANTS	**349,905**	**336,838**	**326,305**	**346,745**	**237,295**
Primary	128,394	71,104	43,940	3,998	3,789
Processed	221,511	265,734	282,365	342,747	233,506
Motor Spirit	40,094	50,889	58,685	70,683	57,035
Other	181,416	214,845	223,680	272,064	176,471
MACHINERY AND OTHER CAPITAL EQUIPMENT	**210,024**	**253,281**	**250,873**	**278,709**	**287,544**
Machinery and Other Capital Equipment	176,653	202,175	200,349	225,337	242,172
Parts and Accessories	33,371	51,106	50,524	53,372	45,372
TRANSPORT EQUIPMENT	**129,761**	**162,854**	**160,841**	**278,706**	**266,874**
Passenger Motor Vehicles	29,087	35,796	44,604	51,430	56,138
Other	64,600	87,014	72,054	191,815	170,092
Industrial	56,034	80,141	61,998	181,963	158,164
Non-Industrial	8,566	6,874	10,055	9,853	11,928
Parts and Accessories	36,074	40,044	44,183	35,461	40,645
CONSUMER GOODS NOT ELSEWHERE SPECIFIED	**93,075**	**95,965**	**96,299**	**113,537**	**125,884**
Durable	14,767	17,203	24,386	22,469	23,899
Semi-Durable	24,933	21,603	20,738	27,853	32,100
Non-Durable	53,376	57,159	51,175	63,215	69,884
GOODS NOT ELSEWHERE SPECIFIED	**6,008**	**9,350**	**26,927**	**26,616**	**11,960**
TOTAL	**1,300,749**	**1,374,587**	**1,413,316**	**1,618,321**	**1,577,557**
SHARES (%):					
Food and Beverages	8.15	7.94	7.19	6.91	7.82
Industrial Supplies (Non-Food)	31.21	29.63	31.87	28.56	33.25
Fuel and Lubricants	26.90	24.50	23.09	21.43	15.04
Machinery and other Capital Equipment	16.15	18.43	17.75	17.22	18.23
Transport Equipment	9.98	11.85	11.38	17.22	16.92
Consumer Goods not elsewhere specified	7.16	6.98	6.81	7.02	7.98
Goods not elsewhere specified	0.46	0.68	1.91	1.64	0.76
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

* Provisional

Direction of Trade

7.15. Africa remained the leading destination of the country's exports accounting for 41.7 per cent of total exports at KSh 242 billion in 2015, as shown in Table 7.8. The EAC partner states accounted for 52.3 per cent of the total exports to Africa. Europe was the second leading destination of exports with the export earnings growing by 5.0 per cent to KSh 146 billion, during the review period. This was mainly attributed to the increase in export earnings to EU except to Belgium, Italy and Sweden. Netherlands, United Kingdom and Germany were the three major export destinations within the EU region with main exports being horticultural products in 2015.Export earnings from Asia rose to KSh 131 billion in 2015, representing31.0 per cent growth. Pakistan earned KSh 35.3 billion worth of exports to Kenya in 2015.The growth in export earnings from Pakistan was mainly on account of domestic exports of tea. Similarly, exports earnings from United Arab Emirates (UAE) and Afghanistan rose to KSh 29 billion and KSh15 billion respectively. Export earnings from America grew by 10.8 per cent in 2015. Slightly over80 per cent of export earnings were from United States. Articles of apparel

and clothing accessories were the leading class of commodities that were exported to the US, under African Growth Opportunity Act (AGOA) arrangement.

7.16. Asia continued its dominance as the leading source of the country's imports despite the value contracting from KSh 990 billion recorded in 2014 to KSh 982 billion in 2015 as presented in Table 7.9. Within the region, China was the leading source of imports that expanded significantly from KSh 249 billion in 2014 to KSh 321 billion in 2015. This was explained by substantial increases in import expenditure for railway construction materials from China. Despite recording a 4.5 per cent drop in the value of imports, India remained the second largest source of imports in 2015. The United Arab Emirates, Japan and Saudi Arabia had imports valued at KSh 91 billion, KSh 88 billion and KSh 55 billion, respectively, in 2015. The value of imports from the United Arab Emirates dropped by 12.3 per cent over the same period.

7.17. Imports from the EU had a value of KSh 233 billion, accounting for 14.8 per cent of the total import bill in 2015. Germany continued to be the leading source of imports from the EU for the second consecutive year with imports valued at KSh 47 billion in 2015. Import expenditure from the United Kingdom and France dropped by 8.7 and 6.2 per cent to KSh 43 billion and KSh 21 billion, respectively, in 2015. However, import expenditure from Italy, Netherlands and Russian Federation rose during the review period. Imports from Africa rose from KSh 146 billion in 2014 to KSh 149 billion in 2015. Imports from America registered a significant drop from KSh 187 billion in 2014 to KSh 146 billion in 2015. The drop in the expenditure on imports from America was mainly attributed to 25.3 per cent decline in imports from the USA. The decline in import from the USA was mainly as a result of 35.1 per cent drop in value of aeroplanes and other aircraft amounting to KSh 75 billion in 2015.

Table 7.8: Values of Exports by Destination, 2011-2015

KSh Million

	2011	2012	2013	2014	2015*
EUROPE					
WESTERN EUROPE:					
European Union					
Belgium	4,569	5,267	6,193	6,730	4,540
Finland	1,241	1,476	1,106	1,514	1,973
France	5,604	4,915	5,379	5,689	6,074
Germany	7,747	9,771	8,244	10,786	12,508
Italy	6,668	5,413	4,541	6,960	5,248
Netherlands	32,859	31,056	32,578	40,614	42,041
Spain	2,203	1,934	2,018	2,627	3,239
Sweden	3,009	3,810	2,503	2,731	2,510
United Kingdom	47,110	40,630	37,613	35,868	40,668
Poland	1,524	1,290	1,630	1,847	2,263
Other	3,333	3,157	2,840	4,591	4,867
Total	**115,866**	**108,719**	**104,645**	**119,958**	**125,932**
Other Western Europe	10,536	5,692	6,948	8,080	8,527
Total Western Europe	**126,402**	**114,411**	**111,594**	**128,038**	**134,460**
EASTERN EUROPE:					
Russia Federation	5,786	6,582	6,831	7,124	8,065
Kazakhstan	3,641	3,777	4,346	3,267	2,855
Other	417	426	528	536	565
Total Eastern Europe	**9,844**	**10,784**	**11,705**	**10,927**	**11,484**
TOTAL, EUROPE	**136,246**	**125,195**	**123,299**	**138,965**	**145,944**
AMERICA					
U.S.A	25,772	26,405	29,936	38,290	40,725
Canada	1,190	1,516	1,297	1,690	2,289
Other	630	820	2,533	5,684	7,575
TOTAL AMERICA	**27,592**	**28,740**	**33,765**	**45,664**	**50,589**
AFRICA					
EAC					
Uganda	75,954	67,450	65,362	60,783	68,574
Tanzania	41,743	46,036	40,496	42,725	33,663
Rwanda	13,554	16,151	13,500	14,441	17,950
Burundi	5,904	5,309	5,599	7,849	6,595
Total EAC	**137,155**	**134,946**	**124,957**	**125,798**	**126,782**
Rest of Africa					
South Africa	2,835	2,684	3,277	5,936	4,338
Egypt	23,422	21,464	17,001	17,509	20,166
Somalia	16,599	19,237	16,940	13,202	15,210
Ethiopia	4,826	4,578	4,885	6,919	7,154
Sudan	22,154	6,633	6,425	6,241	5,967
South Sudan	0	17,964	16,680	19,823	17,065
Democratic R of Congo	17,537	18,427	18,437	21,052	20,673
Zambia	6,138	6,667	6,288	6,668	5,909
Other[1]	16,936	17,987	16,584	18,215	18,921
TOTAL AFRICA	**247,600**	**250,589**	**231,474**	**241,363**	**242,187**
ASIA					
MIDDLE EAST:					
Iran	1,955	1,310	2,798	2,283	1,152
Israel	1,424	2,058	1,126	1,337	1,449
Jordan	216	272	260	309	853
Saudi Arabia	2,353	3,316	3,190	4,879	5,551
United Arab Emirates	19,918	28,608	25,144	20,198	29,239
Yemen Arab Republic	4,590	4,508	5,044	4,356	4,023
Other	2,484	1,993	1,941	2,445	2,941
Total Middle East	**32,940**	**42,065**	**39,502**	**35,806**	**45,207**
FAR EAST					
China(Mainland)	3,803	5,384	4,199	6,597	8,471
India	9,400	7,528	9,475	8,753	8,954
Indonesia	2,167	1,571	1,252	885	1,323
Japan	2,315	2,457	2,711	3,526	4,054
Korea Republic (South Korea)	489	1,018	1,077	2,532	1,734
Pakistan	21,010	23,889	24,130	22,022	35,250
Singapore	1,131	345	1,679	1,169	1,404
Afghanistan	13,617	12,837	15,861	10,373	14,502
Thailand	2,206	1,728	1,620	1,657	2,071
Other	6,536	6,639	6,052	6,700	7,782
Total Far East	**62,673**	**63,395**	**68,056**	**64,212**	**85,545**
TOTAL, ASIA	**95,613**	**105,460**	**107,558**	**100,018**	**130,752**
AUSTRALIA & OCEANIC					
Australia	914	1,638	2,663	3,029	2,313
Other	134	256	195	436	1,089
TOTAL Australia & Oceania	**1,049**	**1,894**	**2,858**	**3,465**	**3,402**
All Other Countries	1,022	1,191	1,456	1,166	800
Aircraft and Ships Stores	3,483	4,776	1,876	6,595	7,372
TOTAL	**4,504**	**5,968**	**3,332**	**7,761**	**8,172**
GRAND TOTAL EXPORTS	**512,604**	**517,847**	**502,286**	**537,236**	**581,045**

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority
*Provisional

[1]See Table 7.11 for details

Table 7.9: Values of Imports by Country of Origin, 2011-2015

KSh Million

DESCRIPTION	2011	2012	2013	2014	2015*
EUROPE					
WESTERN EUROPE					
European Union					
Belgium	10,716	10,907	13,059	13,159	14,966
Finland	4,783	2,245	3,665	3,840	5,415
France	19,852	27,081	20,666	22,447	21,066
Germany	31,872	41,474	37,488	47,409	47,381
Italy	14,503	20,736	20,324	19,946	22,722
Netherlands	22,435	17,635	24,788	18,792	20,527
Spain	6,372	7,981	8,365	12,516	11,376
Sweden	8,407	8,117	7,091	6,233	6,364
United Kingdom	43,160	43,849	49,020	47,037	42,970
Denmark	8,723	4,745	4,633	4,223	4,097
Ireland	5,326	4,560	4,383	5,689	7,525
Czech Republic	3,044	1,350	2,073	1,959	1,929
Austria	2,627	2,962	1,843	2,635	2,680
Poland	1,168	1,744	2,290	4,720	8,643
Hungary	2,540	1,387	1,627	1,449	2,565
Other	7,977	7,362	6,313	13,363	12,494
Total	**193,505**	**204,133**	**207,628**	**225,416**	**232,720**
Other Western Europe	34,094	21,410	23,969	20,235	27,112
Total Western Europe	**227,599**	**225,543**	**231,597**	**245,651**	**259,832**
EASTERN EUROPE					
Russian Federation	22,981	15,212	23,182	23,118	28,583
Ukraine	3,766	8,516	13,708	15,008	6,118
Other	603	498	2,148	2,168	1,059
Total	**27,350**	**24,226**	**39,039**	**40,294**	**35,759**
TOTAL, EUROPE	**254,950**	**249,769**	**270,635**	**285,945**	**295,592**
AMERICA					
U.S.A	44,547	65,966	57,412	168,720	126,041
Canada	7,418	13,372	6,525	7,886	7,754
Brazil	20,249	25,290	15,603	6,094	6,968
Other	6,954	14,665	4,936	4,775	5,294
TOTAL AMERICA	**79,168**	**119,293**	**84,477**	**187,476**	**146,056**
AFRICA					
South Africa	70,683	61,954	70,724	63,893	61,311
Tanzania	15,670	14,402	11,666	18,364	16,906
Uganda	10,337	15,323	16,086	17,549	22,284
Swaziland	4,862	4,093	5,436	5,594	7,162
Mauritius	2,449	3,057	2,011	2,794	2,713
Rwanda	422	822	1,006	716	790
Zambia	5,574	2,880	2,894	4,380	3,895
Other[1]	41,257	38,225	38,016	32,851	34,037
TOTAL AFRICA	**151,254**	**140,755**	**147,839**	**146,141**	**149,097**
ASIA					
MIDDLE EAST					
Iran	3,676	3,686	2,434	3,788	3,808
Israel	6,345	7,230	9,437	5,659	10,410
Jordan	830	1,175	799	789	945
Saudi Arabia	53,494	66,841	41,423	56,565	55,306
United Arab Emirates	199,030	149,879	117,360	103,255	90,573
Bahrain	19,428	22,915	34,977	41,367	5,759
Oman	11,215	9,113	3,819	10,518	5,942
Other	5,593	23,279	9,631	6,028	5,775
Total Middle East	**299,611**	**284,117**	**219,880**	**227,969**	**178,517**
FAR EAST					
China	143,817	167,206	182,356	248,648	320,816
India	148,567	195,230	258,230	264,536	252,523
Indonesia	43,486	55,241	45,041	48,598	45,939
Japan	56,593	63,135	83,720	86,554	88,239
Korea South	26,391	22,541	24,471	29,105	18,822
Pakistan	17,257	12,881	15,647	18,020	18,347
Singapore	30,807	13,025	19,437	14,624	9,612
Taiwan	9,734	13,409	12,304	15,541	12,391
Malaysia	9,901	7,017	9,349	11,066	10,556
Thailand	11,562	11,361	12,673	12,527	12,913
Other	11,441	11,362	13,593	12,984	12,976
Total Far East	**509,556**	**572,408**	**676,820**	**762,204**	**803,133**
TOTAL, ASIA	**809,123**	**856,525**	**896,700**	**990,173**	**981,650**
AUSTRALIA & OCEANIA					
Australia	2,320	4,589	12,422	7,069	4,032.30
Other	677	3,523	618	431	787
TOTAL AUSTRALIA & OCEANIA	**2,997**	**8,112**	**13,040**	**7,500**	**4,820**
All Other Countries N.E.S.	3,214	134	624	1,086	342
TOTAL	**3,214**	**134**	**624**	**1,086**	**342**
GRAND TOTAL	**1,300,749**	**1,374,587**	**1,413,316**	**1,618,321**	**1,577,557**

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

*Provisional

7.18. Table 7.10 shows the trade with African countries from 2011 to 2015. Imports from Africa constituted 9.5 per cent of total imports valued at KSh 149 billion in 2015. Imports expenditure to COMESA countries increased by 11.2 per cent in 2015 accounting for 45.0 per cent of total imports from Africa. Egypt and Uganda were the main sources of imports from COMESA with expenditure totalling KSh 26 billion and KSh 22 billion respectively, in 2015. The country's imports from South Africa amounted to KSh 61 billion, representing a share of 41.1 per cent of imports from Africa.

7.19. Total exports to African countries rose marginally from KSh 241 billion in 2014 to KSh 242 billion in 2015, to account for 41.7 per cent. COMESA countries constituted the leading destinations of Kenya's exports in 2015 with total exports amounting to KSh 179 billion. Export earnings from Egypt recorded a 15.2 per cent growth to KSh 20 billion, mainly attributed to an 8.9 per cent increase in exports of tea to the country. However, within the same region, export earnings from the Democratic Republic of Congo and South Sudan deteriorated to KSh 21 billion and KSh 17 billion, respectively, in 2015.

7.20. Uganda remained the leading destination of Kenya's exports which grew by 12.8 per cent to KSh 69 billion in 2015. This was mainly on account of increased exports of other lubricants, medicaments and salt which jointly rose by more than KSh 6 billion in 2015. Similarly, growths in export earnings were recorded for goods destined to Rwanda, Somalia and Nigeria. However, export earnings from Tanzania contracted by 21.2 per cent to KSh 34 billion in 2015. Similarly, Burundi, Sudan, South Africa, Zambia and Zimbabwe registered depressed values of export earnings in 2015 compared to 2014.

Table 7.10: Trade with African Countries, 2011-2015

KSh '000

ZONES/COUNTRIES	Total Exports					Total Imports				
	2011	2012	2013	2014	2015*	2011	2012	2013	2014	2015*
EAST AFRICAN COMMUNITY (EAC)										
Tanzania	41,743,395	46,036,163	40,496,493	42,724,911	33,663,396	15,670,393	14,401,599	11,666,407	18,364,083	16,906,157
Uganda	75,953,923	67,450,115	65,361,907	60,782,664	68,573,904	10,337,155	15,322,810	16,085,806	17,549,421	22,283,692
Rwanda	13,553,558	16,151,363	13,499,695	14,440,844	17,949,831	422,246	822,286	1,005,755	715,591	789,704
Burundi	5,903,760	5,308,763	5,598,956	7,849,463	6,594,983	468,845	310,424	52,577	29,446	223,663
Total, EAC	**137,154,635**	**134,946,405**	**124,957,051**	**125,797,882**	**126,782,115**	**26,898,639**	**30,857,118**	**28,810,546**	**36,658,542**	**40,203,215**
COMESA										
Comoros	769,775	1,213,819	880,126	478,664	1,103,877	107	540	63	-	8
Congo, D.R	17,536,632	18,427,368	18,436,875	21,052,099	20,673,353	2,559,008	883,829	561,648	259,805	127,763
Djibouti	1,046,052	1,181,098	1,227,723	1,011,457	1,110,081	2,858	119,318	2,020	3,486	15,328
Egypt	23,421,521	21,464,391	17,001,458	17,509,233	20,166,293	17,871,434	29,844,316	25,602,868	25,532,067	25,816,669
Eritrea	368,855	266,221	306,469	396,846	449,632	654	275	4,578	19	68
Ethiopia	4,826,340	4,578,469	4,885,115	6,918,973	7,154,246	369,149	354,122	278,631	424,764	501,056
Libya	29,539	70,435	112,165	128,998	131,594	30	33,181	6,472	8,591	181,901
Madagascar	682,872	450,088	312,625	429,997	449,833	885,731	638,314	790,495	590,369	2,433,745
Malawi	5,818,314	4,693,589	3,497,283	3,326,340	3,047,465	6,496,237	782,922	1,041,386	302,633	249,795
Mauritius	1,329,186	1,296,488	956,755	1,060,761	1,083,200	2,448,183	3,057,571	2,011,224	2,793,710	2,713,035
Seychelles	250,531	183,693	379,669	177,399	321,581	512,453	403,870	290,695	470,097	64,171
Sudan	22,153,665	6,633,308	6,424,532	6,241,153	5,966,860	818,847	955,403	1,359,591	1,327	454,834
South Sudan	..	17,964,306	16,680,368	19,822,572	17,065,487	..	14,665	21,304	1,210,699	8,709
Swaziland	155,613	11,101	11,741	17,929	103,827	4,861,621	4,092,652	5,436,480	5,594,274	7,161,711
Zambia	6,138,007	6,666,568	6,287,696	6,667,898	5,909,279	5,573,694	2,879,769	2,893,584	4,380,297	3,894,811
Zimbabwe	1,583,580	1,721,158	1,809,563	1,663,268	1,217,307	1,661,126	1,056,068	819,548	494,674	224,209
Sub-Total	**86,110,483**	**86,822,101**	**79,210,163**	**86,903,585**	**85,953,916**	**44,061,131**	**45,116,816**	**41,120,587**	**42,066,812**	**43,847,812**
Total, COMESA[1]	**181,521,724**	**175,732,344**	**163,670,721**	**169,976,556**	**179,072,634**	**55,289,377**	**61,572,335**	**58,264,726**	**60,361,271**	**67,144,871**
OTHER COUNTRIES										
Algeria	3,803	4,503	545,188	108,318	361,859	248,736	19,391	13,650	857,743	799,089
Angola	414,020	402,105	178,648	108,415	102,377	3,995	284,979	132,449	116,955	24,676
Ghana	420,369	369,074	631,527	478,990	490,556	24,829	254,611	254,505	368,916	121,385
Nigeria	1,805,115	2,923,891	2,350,105	2,429,578	3,659,278	164,690	48,664	1,596,189	698,214	205,491
Lesotho	16,371	110,192	33,351	47,556	61,418	40,317	49,184	79,011	10,165	2,191
Mozambique	810,041	1,246,300	1,407,050	1,809,120	1,292,855	1,514,448	695,392	1,833,139	734,959	1,412,850
Reunion	123,227	92,686	126,331	127,782	127,091	4,259	4,985	6,595	2,516	3,561
Somalia	16,598,814	19,236,817	16,940,454	13,201,901	15,209,983	143,870	17,320	293,755	150,268	28,698
South Africa	2,834,528	2,684,280	3,276,892	5,936,345	4,338,440	70,682,533	61,953,797	70,724,146	63,893,353	61,311,246
All Other African Countries	1,308,737	1,750,702	1,817,737	4,413,643	3,806,935	7,466,663	1,452,794	2,974,601	582,942	1,136,711
Sub-Total	**24,335,025**	**28,820,549**	**27,307,284**	**28,661,648**	**29,450,792**	**80,294,338**	**64,781,117**	**77,908,040**	**67,416,032**	**65,045,898**
TOTAL AFRICA	**247,600,143**	**250,589,055**	**231,474,498**	**241,363,115**	**242,186,823**	**151,254,108**	**140,755,051**	**147,839,173**	**146,141,386**	**149,096,925**
Share of Africa exports and imports to the world	48.3	48.4	46.1	44.9	41.7	11.6	10.2	10.5	9.0	9.5

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

* Provisional

.. Data not available

1 South Sudan joined COMESA in 2011

Balance of Payments

7.21. Kenya's Balance of Payments (BOP) statistics are compiled according to Balance of Payments and International Investment Position Manual, 6th edition (BPM6). BOP statistics for the period 2011 to 2014 have been revised. The revision was necessitated by the new data sources including data collected through informal cross border trade and foreign investment surveys. Three rounds foreign investment surveys have conducted namely; Foreign Investment Survey (FIS) 2010, FIS 2013 and FIS 2015 which captured international financial transaction flows.

7.22. As presented in Table 7.11, the balance of payments position deteriorated from a surplus of KSh 128 billion in 2014 to a deficit of KSh 25 billion in 2015, largely attributed to repayments of external loans. The current account balance improved by 19.5 per cent from a deficit of KSh 528 billion in 2014 to a deficit of KSh425 billion in 2015. This was as a result of 7.4 per cent increase in merchandise exports and a marginal decline in merchandise imports on free on board basis. This decline in merchandise imports was on account of decrease in expenditure on petroleum products owing to the decline in international oil prices. Increased export earnings from tea boosted the value of domestic exports during the review period. Consequently, the current account deficit as a percentage of GDP improved to 6.8 in 2015 from 9.8 in 2014.

7.23. International services receipts decreased by 0.9 per cent to KSh 422 billion in 2015. Over the same period, services payments declined by 9.1 per cent to KSh 213 billion. These developments translated into a surplus of KSh 229 billion in international services flows in 2015 from a surplus of KSh 211billion in 2014.

7.24. The financial account net inflows decreased by 19.2 per cent from a surplus of KSh 616 billion in 2014 to a surplus of KSh 498 billion in 2015. The decrease in the financial account surplus was partly occasioned by increased external repayments of loans and bearish activities at the Nairobi Securities Exchange that may have discouraged foreign inflows in the market. Direct investment net inflows increased from a surplus of KSh 92 billion in 2014 to a surplus of KSh 107 billion in 2015.

Table 7.11: Balance of Payments (BPM6 Framework), 2011-2015

KSh Million

	2011+	2012+	2013+	2014+	2015*
A. Current Account, n.i.e	**-339,195.3**	**-356,389.1**	**-417,019.6**	**-527,535.7**	**-424,610.2**
Goods: exports f.o.b	518,080.0	525,120.0	503,491.1	546,781.5	587,330.0
Goods: imports f.o.b	1,260,124.3	1,312,483.6	1,385,669.8	1,541,949.4	1,527,921.2
Services: credit	367,168.9	422,069.7	441,986.5	445,544.5	441,537.9
Services: debit	189,975.2	201,910.3	190,061.0	234,224.9	212,889.5
Balance on goods and services	-564,850.6	-567,204.1	-630,253.1	-783,848.4	-711,942.7
Primary income: credit	24,329.1	29,289.5	28,712.4	27,568.2	30,473.2
Primary income: debit	35,900.6	55,973.1	80,383.9	81,255.9	80,095.5
Balance on goods, services, and primary income	-576,422.2	-593,887.6	-681,924.6	-837,536.1	-761,565.1
Secondary income[1], n. i. e.: credit	241,347.7	240,850.5	268,925.2	327,853.4	343,203.3
Secondary income[1]: debit	4,120.9	3,351.9	4,020.2	17,853.1	6,248.4
B. Capital Account, n.i.e	**20,860.9**	**19,890.0**	**13,644.0**	**24,204.0**	**25,219.0**
Capital account, n.i.e.: credit	20,860.9	19,890.0	13,644.0	24,204.0	25,219.0
Capital account: debit	0.0	0.0	0.0	0.0	0.0
C. Financial Account, n.i.e	**-304,129.6**	**-469,974.7**	**-446,237.6**	**-616,278.9**	**-497,774.0**
Direct investment: assets	7,636.8	20,149.6	17,105.0	28,621.5	39,092.9
Direct investment: liabilities, n.i.e.	128,817.8	116,665.5	96,356.4	120,498.2	145,877.8
Portfolio investment: assets	7,209.6	3,451.7	3,285.4	4,869.6	18,722.0
Equity and investment fund shares	6,089.4	1,864.1	1,016.3	310.0	996.0
Debt securities	1,120.3	1,587.6	2,269.1	4,559.6	17,726.0
Portfolio investment: liabilities, n.i.e.	7,057.6	21,853.3	26,581.6	331,663.4	3,354.0
Equity and investment fund shares	1,787.1	21,734.0	25,563.0	83,907.5	916.0
Debt securities	5,270.4	119.3	1,018.6	247,755.9	2,438.0
Financial derivatives: net	0.0	0.0	0.0	0.0	0.0
Financial derivatives: assets	0.0	0.0	0.0	0.0	0.0
Financial derivatives: liabilities	0.0	0.0	0.0	0.0	0.0
Other investment: assets	62,838.5	-4,306.4	56,268.7	-1,289.7	47,720.6
Other equity	0.0	0.0	0.0	0.0	0.0
Other debt instruments	62,838.5	-4,306.4	56,268.7	-1,289.7	47,720.6
Central bank	0.0	0.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank,	60,061.0	-28,646.6	40,048.0	-7,067.2	40,885.7
General government	0.0	0.0	0.0	0.0	0.0
Other sectors	2,777.6	24,340.3	16,220.7	5,777.5	6,834.9
Other financial corporations	0.0	0.0	0.0	0.0	0.0
Nonfinancial corporations, households, and NPISHs	2,777.6	24,340.3	16,220.7	5,777.5	6,834.9
Other investment: liabilities, n.i.e.	245,939.3	350,750.8	399,958.6	196,318.6	454,077.8
Other equity	0.0	0.0	0.0	0.0	0.0
Special Drawing Rights	0.0	0.0	0.0	0.0	0.0
Other debt instruments	245,939.3	350,750.8	399,958.6	196,318.6	454,077.8
Central bank	5,284.2	2,737.9	-1,433.9	6,910.7	-217.0
Deposit-taking corporations, except the central bank	41,115.8	45,130.5	44,300.8	51,500.4	47,241.8
General government	33,602.6	93,042.0	71,353.7	-21,877.9	174,089.7
Other sectors	165,936.6	209,840.4	285,738.1	159,785.4	232,963.2
Other financial corporations	0.0	0.0	0.0	0.0	0.0
Nonfinancial corporations, households, and NPISHs	165,936.6	209,840.4	285,738.1	159,785.4	232,963.2
D. Net Errors and Omissions	**-65,408.6**	**-30,119.1**	**-11,096.4**	**14,895.1**	**-123,287.9**
E. Overall Balance	**79,613.4**	**-103,356.6**	**-31,765.5**	**-127,842.3**	**24,905.1**
F. Reserves and Related Items	**-79,613.4**	**103,356.6**	**31,765.5**	**127,842.3**	**-24,905.1**
Reserve assets	21,846.6	122,919.4	73,921.9	117,353.1	-35,386.7
Credit and loans from the IMF	25,228.5	16,314.8	15,252.4	-10,489.1	-10,481.6
Exceptional financing	76,231.5	3,248.0	26,904.0	0.0	0.0
Current Account balance as % of GDP	-9.1	-8.4	-8.8	-9.8	-6.8

* Provisional

+ Revised with survey data

[1]Includes current transfers

[2]NPISHs: Non-Profit Institutions Serving Households

International Liquidity

7.25. Table 7.12 presents the stock of foreign reserves of Central Monetary Authorities held by the Central Bank of Kenya (CBK) and the National Treasury from 2011 to 2015. The gross stock of foreign reserves narrowed by 5.4 per cent as at December 2015, compared to an increase of 31.6 per cent as at December 2014. Consequently, the net foreign assets of the CBK, increased from KSh 606 billion as at December 2014 to KSh 661 billion as at December 2015. The reserve position in the International Monetary Fund (IMF) improved from a contraction of 1.2 per cent as at December 2014 to an expansion of 7.9 per cent as at December 2015. Special Drawings Rights (SDRs) also rose by 26.3 per cent in 2015. The combined external Banks' Deposits and Use of Fund Credit which form the Central Bank's foreign liabilities increased by 7.6 per cent to KSh 104,157 million as at December 2015 up from KSh 96,761 million as at December 2014.

Table 7.12: Central Monetary Authorities: Foreign Exchange reserves, 2011-2015

KSh Million

As at end of	Official Foreign Assets and Liabilities								
	Central Bank Of Kenya					Government			Foreign Reserves[1] of Central Monetary Authorities
	S.D.R.'s	Foreign Exchange (cash + gold)	External Banks' Deposits	Use of Fund Credit	Total Net Foreign Assets of Central Bank	Reserve Position in IMF	Other Holdings	Total Reserves of Central Government	
2011	1,431	349,877	8,829	59,507	282,972	1,690	68	1,757	353,065
2012	596	478,334	11,653	76,814	390,417	1,719	110	1,829	480,759
2013	1,369	532,041	10,377	92,333	430,700	1,765	127	1,892	535,302
2014									
January	1,954	557,314	12,094	91,239	455,935	1,756	119	1,875	561,143
February	1,953	559,221	9,943	92,131	459,100	1,775	120	1,896	563,070
March	1,959	558,830	8,824	92,164	459,801	1,776	120	1,896	562,685
April	1,741	569,941	11,767	92,341	467,574	1,789	122	1,911	573,593
May	692	557,716	11,068	92,269	455,072	1,798	123	1,920	560,329
June	692	561,491	11,420	92,625	458,139	1,803	124	1,927	564,111
July	17	587,836	13,792	91,069	482,991	1,785	124	1,909	589,762
August	3,368	582,804	12,444	90,908	482,820	1,782	122	1,905	588,076
September	3,334	666,269	12,412	89,649	567,541	1,758	121	1,879	671,481
October	2,818	648,747	11,213	88,977	551,374	1,754	119	1,873	653,438
November	2,313	640,113	10,694	88,444	543,288	1,753	118	1,871	644,297
December	1,179	701,390	10,602	86,159	605,808	1,743	118	1,861	704,430
2015									
January	513	702,225	13,647	84,185	604,906	1,716	115	1,832	704,570
February	3,411	710,153	16,664	83,802	613,098	1,709	119	1,827	715,391
March	3,370	703,836	16,433	82,968	607,805	1,692	114	1,805	709,011
April	2,991	701,657	18,361	86,153	600,134	1,767	122	1,888	706,536
May	2,562	709,172	18,478	87,534	605,722	1,805	125	1,930	713,664
June	4,385	703,806	17,141	87,433	603,617	1,842	129	1,972	710,163
July	4,528	702,734	19,400	90,111	597,751	1,899	133	2,032	684,168
August	4,618	706,205	20,245	91,894	598,683	1,936	134	2,070	690,185
September	4,670	678,711	19,898	93,148	570,335	1,963	133	2,096	665,872
October	3,946	734,014	19,189	89,084	629,687	1,888	130	2,018	721,302
November	3,373	723,169	19,587	90,732	616,223	1,860	128	1,989	707,688
December	1,489	763,638	17,869	86,288	660,970	1,881	126	2,007	742,753

Source: Central Bank of Kenya

[1] Reserves constitute foreign assets which are readily available for meeting external financial needs

Foreign Exchange Rates

7.26. Generally, the Kenya Shilling depreciated against the major trading international currencies as reflected in the trade-weighted index. The index worsened by 5.7 per cent from 108.10 in 2014 to 114.30 in 2015 as presented in Table 7.13. The Kenya Shilling weakened against the US Dollar, Chinese Yuan, Indian Rupee and Pound Sterling by 11.7, 9.5, 6.3 and 3.7 per cent, respectively, in 2015. However, the Kenya Shilling gained against the Euro, South African Rand and 100 Japanese Yen by 6.7, 4.7 and 2.6 per cent, respectively, in 2015. The Kenya Shilling exhibited instability against the major world trading currencies during the year but stabilised from the month of November 2015.

7.27. The Kenya Shilling displayed mixed performance against the currencies of major trading partners within the EAC during the year 2015. It strengthened against the Ugandan Shilling and Tanzanian Shilling by 11.5 per cent and 9.5 per cent, respectively but weakened against the Rwandese Franc by 9.0 per cent, in 2015.

Table 7.13: Foreign Exchange Rates of Kenya Shilling for Selected Currencies, 2011-2015

Currency	Annual Av. 2011	Annual Av. 2012	Annual Av. 2013	Annual Av. 2014	Annual Av. 2015*
1 Euro[1]	123.60	108.73	114.41	116.84	108.96
1 US Dollar	88.81	84.53	86.12	87.92	98.18
1 Pound Sterling	142.34	134.00	134.75	144.88	150.17
1 UAE Dirham	24.18	23.01	23.45	23.94	26.73
1 Indian Rupee	1.91	1.59	1.48	1.44	1.53
1 Chinese Yuan	13.75	13.40	14.01	14.27	15.62
1 SA Rand	12.27	10.31	8.95	8.10	7.72
100 Japanese Yen	111.62	106.01	88.43	83.26	81.12
1 Saudi Riyal	23.68	22.54	22.97	23.44	26.17
1 Egyptian Pound[2]	14.94	13.93	12.53	12.41	12.77
TSh/KSh	17.88	18.78	18.79	18.93	20.73
1 Pakistan Rupee[2]	1.03	0.91	0.85	0.87	0.96
1 Swedish Kroner	13.68	12.50	13.22	12.88	11.65
1 Swiss Franc	100.59	90.22	92.96	96.18	102.04
USh/KSh	28.43	29.62	30.06	29.55	32.94
1 Congolese Franc	0.10	0.09	0.09	0.10	0.11
Rwanda Francs/KSh[2]	6.75	7.21	7.55	7.79	7.09
Overall Weighted Index 2009=100	**117.57**	**108.82**	**107.12**	**108.10**	**114.30**

Source: Central Bank of Kenya

[1]Countries in the Euro area included in the computation of Trade Weighted Fisher's Ideal Index are: Germany, France, Switzerland, Netherlands, Belgium and Italy.

[2]Via US $ Exchange Rates (DR Congo, Egypt, Pakistan and Rwanda)

Trade and Export Promotion

Developments in the External Sector

7.28. In 2015, the Export Promotion Council (EPC) continued with engagements under the trade policy facilitation platform to advocate for a trade policy environment that aids growth and development of Kenya's export sector. This was achieved through participating and contributing in several bilateral and multilateral trade negotiations policy forums to ensure expansion of export markets for the country's products. The key for a included EAC-EU Economic Partnership Agreements (EPAs), EAC-COMESA-SADC tripartite negotiations, the African Growth and Opportunity Act (AGOA), the Common Market for Eastern and Southern Africa (COMESA), and the East African Community (EAC) common market negotiations, among others.

7.29. During the review period, the Council undertook a market research in the Republic of Nigeria and the Republic of Ethiopia to identify market opportunities, and to ascertain the depth of these opportunities. The studies, whose results were disseminated to the exporting fraternity, identified business opportunities for expanding Kenya's export of goods and services, and pointed out the market entry requirements for Kenyan investors and business persons into both countries. The results from the study revealed reasonable business opportunities for products ranging from the agriculture, manufacturing, food and service industries sectors.

7.30. The Council also engaged in higher-level activities towards market development, which facilitated engagements with the established and the high potential markets. These engagements entailed participation of Kenya's exhibitors in major international trade fairs, and exhibitions in Tanzania, China, Zambia, Uganda, DRC, Zimbabwe, USA, Mozambique, and EXPO Milan Italy. The events contributed towards consolidation and expansion of Kenya's export market, enabling the Kenyan exhibitors to gauge competitiveness of their products, appoint distributors, study consumer trends, and identify opportunities for joint ventures in these markets.

7.31. In view of mainstreaming the export agenda in the Counties' development programmes, the Council continued with the exporters' county clinics, export awareness programmes, and outreach visits, in the counties. The main objective of the county engagement initiative was to enlist the support of county governments in prioritising export agenda, prioritising products for exports, and nurturing enterprises to engage in export businesses. This culminated in increased export awareness throughout the country; increased exports from the counties; identification of new export products; and enhancement of export competitiveness at the county level. To this end, the council has visited 37 counties under the programme with the initiative is still ongoing.

7.32. In the enterprise and product development services, the Council assisted the firms, with the aim of strengthening export supply base, and mainstreaming Micro, Small and Medium Enterprises (MSME) into the export process. This was achieved through the export capacity building programmes for potential and exporting MSMEs to sensitize them on the opportunities available in export trade, the associated market entry requirements, and services provided by relevant trade support organizations.

Chapter 8

Agriculture

Overview

In 2015, the Agricultural Sector recorded mixed performance, partially influenced by abundant rainfall characterized by the e*l nino* weather phenomenon. Agriculture value added rose from 3.5 per cent in 2014 to 6.2 per cent in 2015. Maize production increased from 39.0 million bags to 42.5 million bags in 2015 due to adequate rainfall and reduced incidences of the Maize Lethal Necrosis Disease (MLND). Sugarcane deliveries to factories rose by 4.6 per cent from 6.5 million tonnes in 2014 to 6.8 million tonnes in 2015. The volume of exports of fresh horticultural produce increased by 8.4 per cent to 238.7 thousand tonnes in 2015. The volume of marketed milk increased by 10.9 per cent to 600.4 million litres in 2015. However, tea and coffee production declined by 10.3 per cent and 16.0 per cent, to 399.1 thousand tonnes and 41.6 thousand tonnes, respectively, in 2015.

8.2. Overall, total value of marketed production at current prices increased by 11.3 per cent from KSh 333.2 billion in 2014 to KSh 371.0 billion in 2015. Total earnings from crop sales increased by 15.5 per cent to KSh 271.8 billion in 2015. Wheat earnings increased from KSh 7.6 billion in 2014 to KSh 8.2 billion in 2015. However, the value of marketed maize declined by 11.4 per cent from KSh 9,604.4 million in 2014 to KSh 8,506.0 million in 2015, mainly due to lower prices paid to farmers. Earnings from cane deliveries increased by 5.5 per cent to KSh 21.4 billion in 2015. The value of exports of fresh horticultural produce increased from KSh 84.1 billion in 2014 to KSh 90.4 billion in 2015. During the period under review, the value of tea increased by 39.5 per cent to KSh 118.4 billion in 2015, as a result of improved international prices. However, earnings from coffee sales decreased from KSh 16.6 billion in 2014 to KSh 12.1 billion in 2015. The value of marketed milk rose from KSh 18.8 billion in 2014 to KSh 20.7 billion in 2015.

Agricultural Output and Input

8.3. Agriculture output and input at current and constant prices is presented in Table 8.1 and Figure 8.1. The value of output in real terms increased from KSh 975.4 billion in 2014 to KSh 1,014.3 billion in 2015, while that of intermediate consumption decreased by 4.9 per cent from KSh 193.8 billion in 2014 to KSh 184.3 billion in 2015. This resulted in the Gross Value Added (GVA) increasing by 6.2 per cent to KSh 830.0 billion in 2015. In nominal terms, the output of Agriculture grew to KSh 2,021.7 billion in 2015, while that of intermediate consumption increased by 3.1 per cent to KSh 539.4 billion in 2015.

Table 8.1: Agricultural[1] Output and Input, 2011-2015

KSh Million

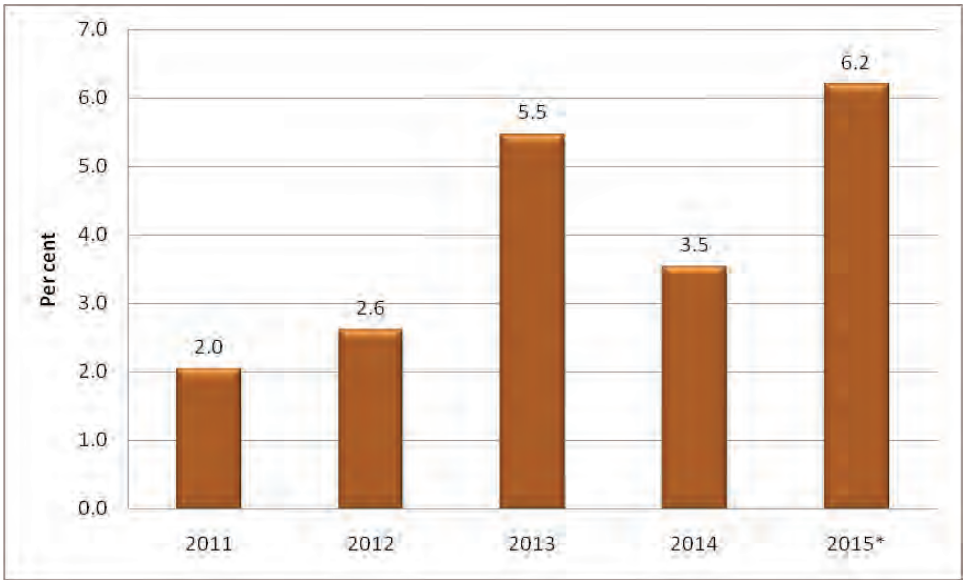
	2011+	2012+	2013+	2014	2015*
PRODUCTION AT CURRENT PRICES					
Output at basic prices	1,108,777	1,238,261	1,387,931	1,626,889	2,021,675
Intermediate consumption	390,364	418,070	468,912	523,161	539,430
Gross Value Added (GVA)	718,413	820,191	919,019	1,103,728	1,482,244
PRODUCTION AT CONSTANT PRICES (2009)					
Output at basic prices	864,570	886,607	936,059	975,414	1,014,341
Intermediate consumption	167,037	170,841	181,149	193,806	184,315
Gross Value Added (GVA)	697,532	715,766	754,910	781,608	830,026

* Provisional

\+ Revised

[1]Excludes forestry and fishing

Figure 8.1: Agricultural Gross Value Added (2009 Prices), Growth Rate, 2011-2015



Marketed Production

8.4. The value of marketed production for the period 2011 to 2015 is presented in Table 8.2. Total value of marketed production at current prices increased by 11.3 per cent from KSh 333.2 billion in 2014 to KSh 371.0 billion in 2015. Overall, the value of marketed crops increased by 15.5 per cent from KSh 235.3 billion in 2014 to KSh 271.8 billion in 2015. Marketed crops continued to account for over 70 per cent of total marketed production in 2015, largely due to improved earnings from tea and horticulture exports.

8.5. The value of marketed maize declined by 11.4 per cent from KSh 9.6 billion in 2014 to KSh 8.5 billion in 2015, mainly on account of lower prices paid to farmers. The lower prices were mainly triggered by increased production which improved largely as a result of adequate rainfall and a lower incidence of the Maize Lethal Necrosis Disease. During the review period, there was a 7.6 per cent increase in the value of marketed wheat from KSh 7.6 billion in 2014 to KSh 8.2 billion. The value of marketed fresh horticultural produce increased from KSh 84.1 billion in 2014 to KSh 90.4 billion in 2015. This was attributed to better unit prices for vegetables and higher volumes of fruits exported. The value of vegetables exported increased by 11.2 per cent from KSh 18.8 billion in 2014 to KSh 20.9 billion in 2015. Improved international tea prices more than offset the effects of reduced marketed production, resulting in a 39.5 per cent increase in earnings to KSh 118.4 billion in 2015. During the year under review, international coffee prices deteriorated significantly. The decline in marketed production coupled with a reduction in international coffee prices, resulted in a 27.4 per cent decrease in domestic coffee earnings to KSh 12.1 billion in 2015. In contrast, value of marketed milk increased by 10.1

per cent from KSh 18.8 billion in 2014 to KSh 20.7 billion in 2015 as a result of increased production.

Table 8.2: Recorded Marketed Production at Current Prices, 2011-2015

KSh Million

	2011	2012	2013	2014	2015*
CEREALS-					
Maize	10,145.5	13,153.0	10,121.1	9,604.4	8,506.0
Wheat	3,045.0	5,612.8	6,926.1	7,618.0	8,198.2
Others	7,090.9	5,721.2	7,555.3	7,720.8	7,488.5
Total	**20,281.4**	**24,487.0**	**24,602.6**	**24,943.2**	**24,192.7**
HORTICULTURE[1]-					
Cut flowers	58,835.0	64,962.6	55,975.7	59,893.1	62,937.5
Vegetables	26,251.2	20,225.4	22,923.3	18,780.6	20,939.5
Fruits	3,535.4	4,680.0	4,482.5	5,410.6	6,561.8
Total	**88,621.7**	**89,868.0**	**83,381.5**	**84,084.3**	**90,438.8**
TEMPORARY INDUSTRIAL CROPS-					
Sugar-cane	18,615.6	21,676.2	24,583.4	20,294.5	21,410.7
Pyrethrum	133.4	17.0	52.6	61.1	51.0
Others	2,775.8	1,706.1	952.7	1,438.9	1,516.8
Total	**21,524.8**	**23,399.3**	**25,588.7**	**21,794.5**	**22,978.5**
PERMANENT CROPS-					
Coffee	17,826.3	15,375.2	10,910.2	16,634.4	12,074.7
Tea	100,145.5	100,262.3	94,722.0	84,854.6	118,391.2
Sisal	2,513.3	2,915.3	2,810.8	2,944.8	3,724.6
Total	**120,485.2**	**118,552.7**	**108,443.0**	**104,433.7**	**134,190.5**
TOTAL CROPS...	**250,913.1**	**256,307.1**	**242,015.7**	**235,255.7**	**271,800.5**
LIVESTOCK AND PRODUCTS-					
Cattle and Calves	48,943.4	54,140.6	58,237.0	59,272.8	66,216.7
Milk	14,548.4	15,415.9	16,776.7	18,785.0	20,670.8
Chicken and eggs	5,553.0	6,482.2	7,086.4	7,440.7	6,005.9
Others	11,854.9	12,266.7	10,727.3	12,490.7	6,321.9
Total	**80,899.7**	**88,305.3**	**92,827.4**	**97,989.2**	**99,215.3**
GRAND TOTAL	**331,812.8**	**344,612.4**	**334,843.1**	**333,245.0**	**371,015.8**

* Provisional.

[1]Data refers to fresh Horticultural exports only

8.6. The quantum and price indices for marketed agricultural produce for the period 2011 to 2015 are presented in Table 8.3. Overall quantum index increased from 203.5 in 2014 to 215.1 in 2015. The index for various categories of marketed crops increased except for permanent crops, which declined in 2015. The increases are attributed to increased production of marketed cereals and temporary crops during the review period. Quantum index for horticulture rose from 237.6 in 2014 to 251.8 in 2015. Quantum index for permanent crops dropped from 140.1 in 2014 to 124.4 in 2015, mainly on account of reduced tea and coffee production. During the review period, overall agricultural price index increased from 228.7 in 2014 to 246.5 in 2015. Increases were recorded in the price indices of horticulture, permanent crops and, livestock and products. However, price indices for cereals and temporary crops declined.

Table 8.3: Volume and Price Indices of Sales to Marketing Boards, 2011 -2015

Base: 2001=100

		2011	2012	2013*	2014	2015*
QUANTUM INDICES	Cereals	97.7	104.2	98.7	100.4	103.5
	Temporary Industrial Crops	139.9	146.2	160.9	157.9	165.9
	Horticulture	245.5	223.2	230.7	237.6	251.8
	Permanent Crops	117.8	119.6	135.4	140.1	124.4
	TOTAL CROPS	131.6	131.4	145.7	146.4	143.8
	Livestock and Products	216.0	260.1	262.5	263.3	289.9
	TOTAL	197.4	194.3	201.6	203.5	215.1
PRICE INDICES	Cereals	177.6	227.5	224.1	228.6	209.3
	Temporary Industrial Crops	155.0	167.9	179.5	161.3	159.7
	Horticulture	117.2	165.3	151.3	146.3	148.9
	Permanent Crops	245.1	218.9	179.7	174.4	241.8
	TOTAL CROPS	196.5	190.3	166.7	163.0	197.1
	Livestock and Products	239.2	261.2	279.5	297.5	298.3
	TOTAL	**217.4**	**224.9**	**212.9**	**228.7**	**246.5**

* Provisional.

8.7. Average gross commodity prices paid to farmers for various commodities are presented in Table 8.4. Price paid per 100 Kg of tea to farmers rose by 55.6 per cent from KSh 19,063.96 in 2014 to KSh 29,656.27 in 2015. Increases were also recorded in prices paid to farmers for wheat, sisal, beef and pig meat. However, the price per 100 Kg of coffee paid to farmers declined by 4.4 per cent from KSh 39,185.89 in 2014 to KSh 37,480.02 in 2015. Sugarcane and milk prices declined marginally during the review period.

Table 8.4: Average Gross Commodity Prices[1] to Farmers, 2011- 2015

KSh per Unit

	UNIT	2011	2012	2013	2014	2015*
Coffee	100 Kg	59,452.85	33,387.29	28,409.58	39,185.89	37,480.02
Tea	100 Kg	26,499.65	27,130.04	21,903.43	19,063.96	29,656.27
Sisal	100 Kg	9,119.72	10,461.70	10,817.84	11,122.13	14,003.69
Sugar-cane	Tonne	3,487.00	3,792.00	3,685.00	3,133.00	3,126.00
Pyrethrum (Pyrethrin equivalent)	Kg	18,999.86	12,626.40	12,626.17	16,871.76	12,570.82
Seed Cotton	100 Kg	6,500.00	4,000.00	4,200.00	4,200.00	4,200.00
Maize	100 Kg	2,499.92	3,396.00	3,133.16	3,318.49	2,870.08
Wheat	100 Kg	3,017.42	3,622.31	3,744.85	3,495.34	3,561.62
Beef	100 Kg	19,979.02	20,977.97	26,000.00	27,500.00	30,510.49
Pig meat	100 Kg	17,014.90	18,175.59	18,427.38	20,268.93	21,266.71
Milk	100 Litres	2,200.00	2,650.00	3,100.00	3,470.00	3,443.00

* Provisional.

[1] Prices refer to the calendar year and may differ from those based on crop years. For tea and coffee , the prices are for black tea and coffee beans, respectively.

8.8. Table 8.5 shows the sales of agricultural produce to marketing boards from large and small farms for the last five years. Total value of sales to marketing boards increased by 11.3 per cent from KSh 333.2 billion in 2014 to KSh 371.0 billion in 2015. The value of output from large farms sold through marketing boards increased by 12.2 per cent from KSh 89.6 billion in 2014 to KSh 100.5 billion in 2015. Similarly, sales from small farms increased from KSh 243.6 billion in 2014 to KSh 270.5 billion in 2015, accounting for 72.9 per cent of total sales in 2015.

Table 8.5: Sale of Produce from Large and Small Farms to Marketing Boards, 2011-2015

	Large Farms		Small Farms		Total		Percentage
Year	KSh Mn.	Annual Percentage change	KSh Mn.	Annual Percentage change	KSh Mn.	Annual Percentage change	Share of Small Farms
2011	93,173.0	23.4	238,639.7	34.4	331,812.8	31.1	71.9
2012	93,866.7	0.7	250,724.8	5.1	344,612.4	3.9	72.8
2013	90,375.1	(3.7)	244,468.0	(2.5)	334,843.1	(2.8)	73.0
2014	89,642.9	(0.8)	243,602.1	(0.4)	333,245.0	(0.5)	73.1
2015*	100,545.3	12.2	270,470.5	11.0	371,015.8	11.3	72.9

* Provisional.

8.9. The quantum and price indices for purchased agricultural inputs for the period 2011 to 2015 are shown in Table 8.6. The overall price index for agricultural inputs decreased from 191.3 in 2014 to 186.6 in 2015 as a result of lower prices paid for fuel and power. The overall quantum index decreased from 221.6 in 2014 to 186.5 in 2015, while that for fertilizer and purchased seeds increased from 240.1 and 206.3 in 2014 to 245.0 and 210.5, respectively, in 2015. The increase in the quantum index for fertilizer was partly due to the continued provision of subsidized fertilizers to farmers by the Government. The quantum index for fuel and power increased from 101.1 in 2014 to 101.6 in 2015, while that for manufactured feeds reduced marginally from 434.3 in 2014 to 430.8 in 2015.

Table 8.6: Purchased Agricultural Input Indices, 2011 - 2015

Base: 2001=100

	2011	2012	2013	2014	2015*
Quantum Indices					
Fertilizers	198.6	106.0	114.5	240.1	245.0
Fuel and Power	67.8	68.7	84.1	101.1	101.6
Bags	68.7	77.4	72.7	54.2	53.8
Manufactured Feeds	212.6	311.4	413.6	434.3	430.8
Seeds	191.9	120.2	118.7	206.3	210.5
Other Material Inputs	110.4	137.1	149.3	152.7	151.5
Total Material Inputs	**142.0**	**143.5**	**164.1**	**204.3**	**171.9**
Service Inputs	159.8	213.5	217.2	369.5	310.9
TOTAL INPUTS	**149.9**	**166.0**	**178.0**	**221.6**	**186.5**
Price Indices-					
Fertilizers	255.5	259.8	250.5	230.7	231.1
Fuel and Power	179.2	230.9	232.0	179.2	126.3
Bags	141.2	154.0	187.2	228.4	241.4
Manufactured Feeds	202.5	203.0	260.4	226.9	244.3
Seeds	102.2	100.8	116.4	131.5	146.1
Other Material Inputs	153.6	155.7	166.0	173.4	201.3
Total Material Inputs	**177.0**	**191.4**	**208.1**	**189.4**	**185.9**
Service Inputs	195.0	198.5	216.4	206.3	234.7
TOTAL INPUTS	**179.4**	**193.3**	**212.5**	**191.3**	**186.6**

* Provisional

8.10. Expenditure on purchased agricultural inputs for the period 2011 to 2015 is shown in Table 8.7. Overall, the value of inputs sold increased by 1.4 per cent from KSh 53,586.9 million in 2014 to KSh 54,340.1 million in 2015. Fertilizer, fuel and power, and manufactured feeds accounted for 68.2 per cent of total inputs purchased. Fuel and power accounted for the largest share of expenditure at 23.7 per cent. The value of purchased manufactured feeds increased by 5.7 per cent to KSh 12,018.7 million in 2015.

Table 8.7: Value of Purchased Agricultural Inputs[1], 2011 – 2015

KSh Million

	2011	2012	2013	2014	2015*
MATERIAL INPUTS-					
Fertilizers	9,397.4	7,737.6	8,898.2	11,817.9	12,172.4
Crop chemicals[2]	3,362.1	4,514.3	4,477.8	4,337.6	4,771.4
Livestock drugs and medicines	1,382.7	2,289.3	2,988.4	2,688.3	3,606.6
Fuel and power	10,213.1	10,607.9	12,204.7	15,115.1	12,879.5
Bags	267.3	290.3	110.6	121.9	128.8
Manufactured feeds	3,910.8	4,594.6	5,207.3	11,370.4	12,018.7
Seeds	3,337.9	3,573.8	3,704.2	4,395.2	4,483.1
Other material inputs	592.6	748.2	924.8	1,030.8	1,197.0
Total	32,463.9	34,355.9	38,516.1	50,877.2	51,257.5
SERVICE INPUTS	1,412.3	1,745.9	2,158.1	2,709.7	3,082.6
TOTAL INPUTS	**33,876.2**	**36,101.8**	**40,674.2**	**53,586.9**	**54,340.1**

*Provisional.

[1]Excluding labour.

[2]Previously referred to as Other Agricultural Chemicals

8.11. Table 8.8 shows the agriculture Terms of Trade for the period 2011 to 2015. The index of purchased inputs decreased from 191.3 in 2014 to 186.6 in 2015, mainly due to a reduction in the price of fuel and power. The general index of agricultural output prices rose from 150.9 in 2014 to 162.6 in 2015, due to improved prices for some of the agricultural commodities. Similarly, the index of purchased consumer goods in rural areas rose from 420.7 in 2014 to 449.7 in 2015. The resultant effect of improved output prices outweighed the increased farm input prices. Consequently, the overall agriculture terms of trade improved from 49.3 in 2014 to 51.1 in 2015.

Table 8.8: Price and Terms of Trade Indices for Agriculture, 2011 – 2015

Base: 2001=100

	2011	2012	2013	2014	2015*
General Index of Agricultural Output Prices	143.6	148.6	140.4	150.9	162.6
PRICE PAID					
Purchased Inputs	179.4	193.3	212.5	191.3	186.6
Index of Purchased Consumer Goods-Rural Areas	336.1	368.6	390.3	420.7	449.7
INDICES OF PRICES PAID	257.7	280.9	301.4	306.0	318.1
Agricultural Sector Terms of Trade	55.7	52.9	46.6	49.3	51.1

* Provisional

8.12. The estimated production for selected agricultural commodities in the country is presented in Table 8.9. Maize production increased from 39.0 million bags in 2014 to 42.5 million bags in 2015. Reduced incidences of the Maize Lethal Necrosis Disease (MLND) was one factor that enhanced production during the review period. Production of Irish potatoes decreased from 2.3 million tonnes in 2014 to 2.0 million tonnes in 2015. Production of beans and sorghum rose by 25.0 per cent and 10.5 per cent to 8.5 million bags and 2.1 million bags, respectively, in 2015.

Table 8.9: Estimated Production of Selected Agricultural Commodities, 2011 – 2015

CROP	Unit	2011	2012	2013	2014	2015*
Maize	Million bags	34.4	41.9	40.7	39.0	42.5
Beans	Million bags	6.4	6.8	7.9	6.8	8.5
Potatoes	Million tonnes	1.6	1.5	2.1	2.3	2.0
Sorghum	Million bags	1.8	1.9	1.7	1.9	2.1
Millet	Million bags	0.8	0.8	1.4	1.4	1.1

Source: Ministry of Agriculture, Livestock and Fisheries

* Provisional

8.13. Retail market prices for selected food crops are presented in Table 8.10. The months of March and September are highlighted to account for seasonality in production. All food items except maize and bananas recorded increases in March 2015 compared to a similar period in 2014. The price of a Kilogramme of maize declined by 13.2 per cent from KSh 38.24 in March 2014 to KSh 33.19 in March 2015, making it the lowest price since 2012. The price of tomatoes in September 2015 was almost at the same level as that of March 2014 after peaks in September 2014 and March 2015. Similarly, the price of cabbages peaked at KSh 38.86 per Kilogramme in March 2015 before dropping to KSh 22.17 per Kilogramme in September 2015. The price of finger millet exhibited a steady increase over the review period.

Table 8.10: Retail Market Prices for Selected Food Crops, 2011 – 2015

KSh per Kg

CROP	2011		2012		2013		2014		2015*	
	Mar	Sept	Mar	Sept	Mar	Sept	Mar	Sept	Mar	Sept
Maize	29.33	42.77	39.6	40.51	38.01	35.38	38.24	35.47	33.19	33.77
Beans	70.24	77.89	74.6	71.82	74.11	68.18	77.16	74.67	77.56	77.08
Finger Millet...	68.14	67.59	75.26	74.22	76.06	75.96	78.90	79.29	83.71	88.86
Sorghum...	41.9	49.62	53.42	54.03	53.47	42.1	54.07	54.01	55.51	53.60
Potatoes	31.7	26.27	39.13	33.05	32.07	29.06	31.20	30.33	34.46	34.11
Cabbages	23.18	20.06	33.54	28.56	23.99	28.19	24.67	24.75	38.86	22.17
Tomatoes	46.8	51.2	57.66	43.41	56.24	41.74	58.70	68.11	68.09	55.03
Bananas	36.57	37.72	40.13	38.7	39.01	34.98	42.50	42.46	37.26	37.46

* Provisional

8.14. Sales of selected crops to marketing boards, as shown in Table 8.11, recorded mixed performance. Sales of maize improved marginally after recording declines for four years. However, the amount of tea and coffee sold centrally declined by 10.3 per cent and 24.2 per cent to 399.2 thousand tonnes and 32.2 thousand tonnes, respectively, in 2015.

Table 8.11: Sale of Selected Crops to Marketing Boards, 2011-2015

CROP	UNIT	2011	2012	2013	2014	2015*
Maize[1]	'000 Tonnes	405.8	387.3	316.4	289.4	295.3
Wheat[2]	'000 Tonnes	100.9	155.0	185.0	218.0	227.3
Coffee	'000 Tonnes	30.0	46.1	38.4	42.5	32.2
Tea	'000 Tonnes	377.9	369.4	432.5	445.1	399.2
Cotton[2]	'000 Tonnes	22.0	11.8	7.2	1.5	1.0
Sugar-cane[2]	Mn. Tonnes	5.3	5.7	6.7	6.5	6.8
Pyrethrum (extract equivalent)	Tonnes	7.0	1.0	4.2	3.6	3.7
Sisal	'000 Tonnes	27.6	27.8	26.0	23.1	21.2
Rice Paddy[2] .	'000 Tonnes	48.7	40.3	43.6	46.2	43.7

* Provisional.

[1] Includes purchases by National Cereals and Produce Board and millers.

[2] Deliveries to factories/ginneries.

8.15. **Wheat:** Production of wheat has continued to increase over the last five years as shown in Table 8.12. During the year under review, wheat production increased by 4.2 per cent from 228.9 thousand tonnes in 2014 to 238.6 thousand tonnes. This production was mainly due to favourable weather conditions in the wheat growing areas. High demand for wheat products has seen the quantity of wheat imports rise over the last two years with imports increasing from 1,225.7 thousand tonnes in 2014 to 1,421.8 thousand tonnes in 2015.

Table 8.12: Production and Imports of Wheat, 2011-2015

'000 Tonnes

YEAR	PRODUCTION[1]	IMPORTS	TOTAL
2011	105.9	1,002.7	1,108.6
2012	162.7	1,044.8	1,207.5
2013..	194.5	1,033.1	1,227.6
2014	228.9	1,225.7	1,454.6
2015*	238.6	1,421.8	1,660.4

* Provisional.

[1]Includes retention for seed.

8.16. **Coffee:** The area, production and average yield of coffee by type of grower for crop year 2010/11 to 2014/15 is shown in Table 8.13. During the period under review, production decreased by 16.0 per cent from 49.5 thousand tonnes in the year 2013/14 to 41.6 thousand tonnes in 2014/15. Production by estates has exhibited downward trend since 2011/12 as compared to that of cooperatives, which recorded a mixed performance. The decrease in production during the review period was mainly as a result of high cost of labour, escalating cost of farm inputs and poor cooperate governance at grower institutions. The average yield for estates and cooperatives declined by 13.3 per cent and 17.2 per cent to 589.5 Kg per hectare and 317.0 Kg per hectare, respectively, in 2014/15.

Table 8.13: Production, Area and Average Yield of Coffee by Type of Grower, 2010/2011-2014/2015

	2010/11	2011/12	2012/13	2013/14	2014/15*
AREA ('000 Ha)					
Co-operatives	82.4	85.2	85.2	85.3	87.8
Estates	24.5	24.6	24.6	24.7	25.7
TOTAL	**106.9**	**109.8**	**109.8**	**110.0**	**113.5**
PRODUCTION ('000 Tonnes)					
Co-operatives	19.6	27.0	21.9	32.7	27.0
Estates	16.7	22.0	17.9	16.8	14.6
TOTAL	**36.3**	**49.0**	**39.8**	**49.5**	**41.6**
AVERAGE YIELD (Kg/Ha)					
Co-operatives	237.9	316.9	257.0	383.0	317.0
Estates	681.6	894.3	727.6	680.0	589.5

Source: Agriculture, Fisheries and Food Authority, Coffee Directorate

* Provisional.

8.17. **Tea:** Table 8.14 presents the annual performance of tea sub-sector from 2011 to 2015. The area planted with tea increased by 3.2 per cent from 203.0 thousand hectares in 2014 to 209.4 thousand hectares in 2015, primarily from smallholders. Despite the increase in area under tea, production decreased significantly by 10.3 per cent from 445.1 thousand tonnes in 2014 to 399.1 thousand tonnes in 2015. Consequently, the average yield decreased by 9.4 per cent for the smallholders, and by 13.2 per cent for the estates.

Table 8.14: Production, Area and Average Yield of Tea by Type of Grower, 2011-2015

	2011	2012	2013	2014	2015*
AREA ('000 Ha)					
Smallholders	123.3	124.9	127.3	128.6	134.2
Estates	64.5	65.7	71.3	74.4	75.2
TOTAL	**187.8**	**190.6**	**198.6**	**203.0**	**209.4**
PRODUCTION ('000 Tonnes)					
Smallholders	218.6	218.5	249.8	262.4	237.5
Estates	159.3	150.9	182.6	182.7	161.6
TOTAL	**377.9**	**369.4**	**432.4**	**445.1**	**399.1**
AVERAGE YIELD (Kg/Ha)[1]					
Smallholders	2,040.0	2,036.3	2,172.0	2,127.0	1,926.0
Estates	3,149.0	2,953.0	3,209.1	2,834.0	2,459.0

Source: Agriculture, Fisheries and Food Authority, Tea Directorate

* Provisional

[1] Obtained by dividing current production by the area four years ago

8.18. **Sugarcane**: Table 8.15 shows the performance of sugarcane sub-sector from 2011 to 2015. During the period under review, the area under cane increased by 5.8 per cent from 211,342 hectares in 2014 to 223,624 hectares in 2015. This increase was partly due to the introduction of Kwale International Sugar Company which started its operations early 2015. As a result, area harvested increased significantly by 8.3 per cent from 72,181 hectares recorded in 2014 to 78,140 hectares in 2015. Overall, cane deliveries increased by 4.6 per cent to 6.8 million tonnes in 2015.

Table 8.15: Planted Area, Area Harvested, Production and Average Yield of Sugarcane, 2011-2015

	2011	2012	2013	2014	2015*
Area under cane (Ha)...	179,451	204,074	213,920	211,342	223,624
Area harvested (Ha)[1]...	79,000	87,340	85,857	72,181	78,140
Production (Tonnes)[2]...	5,307,341	5,823,964	6,673,725	6,477,651	6,849,230
Average yield (Tonnes/Ha)[1]... ...	58.78	51.00	54.00	62.35	66.11

Source: Agriculture, Fisheries and Food Authority, Sugar Directorate

* Provisional

[1]Based on area harvested and production from contracted farmers only

[2]Production includes contracted and non-contracted farmers

8.19. Table 8.16 shows domestic sugar production, imports and exports over the past five years. Total sugar production increased by 6.6 per cent in 2015 to reach an all-time high of 632.0 thousand tonnes. The increase was attributed to increased cane yields and increased crushing capacities by newly licenced private sugar mills. However, inspite of the increased production, imports of sugar increased significantly by 28.8 per cent from 192.1 thousand tonnes in 2014 to 247.4 thousand tonnes in 2015. In March 2015, the Kenyan sugar sector was granted a one year extension of the existing special safeguards on the importation of duty-free sugar from the 19-member Common Market for Eastern and Southern Africa (COMESA).

Table 8.16: Production, Imports and Exports of Sugar, 2011-2015

'000 Tonnes

YEAR	PRODUCTION	IMPORTS	EXPORTS
2011	490.2	139.1	16.7
2012...	493.9	238.6	0.4
2013...	600.2	238.2	0.5
2014...	592.7	192.1	0.6
2015*...	632.0	247.4	0.1

Source: Agriculture, Fisheries and Food Authority, Sugar Directorate

*Provisional

8.20. **Horticulture**: Table 8.17 presents the volumes and values of fresh horticultural exports for the last five years. The total volume of fresh horticultural exports increased by 8.4 per cent from 220.2 thousand tonnes in 2014 to 238.7 thousand tonnes in 2015. The increase may be explained by exports of fresh fruit which rose by 31.6 per cent to 46.2 thousand tonnes. Cut flower exports recorded a decelerated growth of 7.0 per cent in volume during the period under review compared to the 8.7 per cent growth recorded in 2014. Earnings from cut flowers, mainly exported to the European Union through the Netherlands, have maintained an upward trend since 2013 increasing by 5.0 per cent to KSh 62.9 billion in 2015. The volume of vegetable exports declined for the second year running partly due to delays in signing the Economic Partnership Agreement and stringent checks for pesticide levels. However, vegetable export earnings increased from KSh 18.8 billion in 2014 to KSh 20.9 billion in 2015.

Table 8.17: Exports of Fresh Horticultural Produce1, 2011-2015

YEAR	CUT FLOWERS		FRUITS		VEGETABLES		TOTAL	
	Volume 000 Tonnes	Value KSh Billion	Volume 000 Tonnes	Value KSh Billion	Volume 000 Tonnes	Value KSh Billion	Volume '000 Tonnes	Value KSh Billion
2011	110.0	58.8	27.1	3.5	79.2	26.3	216.2	88.6
2012...	108.3	65.0	31.1	4.7	66.4	20.2	205.7	89.9
2013...	105.6	56.0	31.1	4.8	77.2	22.9	213.8	83.7
2014...	114.8	59.9	35.1	5.4	70.3	18.8	220.2	84.1
2015*...	122.8	62.9	46.2	6.6	69.7	20.9	238.7	90.4

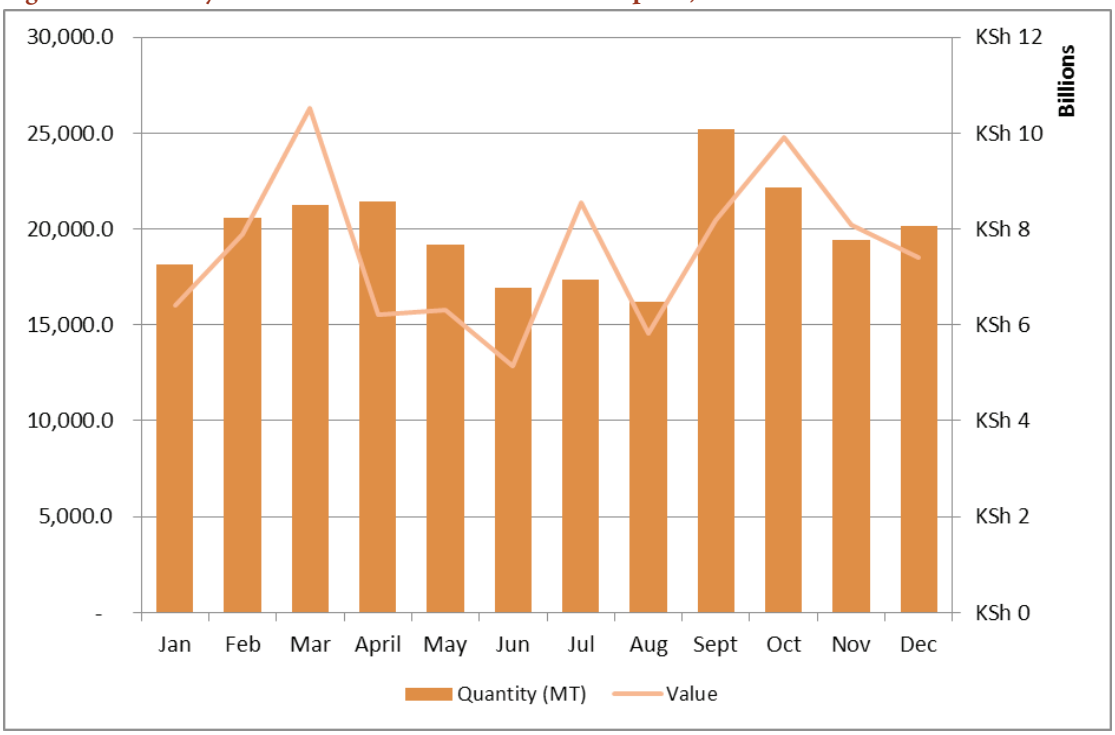
Source: Agriculture, Fisheries and Food Authority, Horticulture Directorate

* Provisional.

[1] Excludes exports of processed horticultural produce and nuts.

8.21. Figure 8.3 presents a monthly analysis of the performance of exports within the horticultural sub-sector in 2015. As with previous years, the highest earnings were recorded in the month of March due to favorable price per metric tonne. The volume of fresh horticultural exports was highest in the month of September 2015.

Figure 8.3: Monthly Performance of Fresh Horticultural Exports, 2015



8.22. **Irrigation:** Table 8.18 presents data on the performance of various irrigation schemes across the country for the last five years. Total paddy production rose by 24.0 per cent from 96,029 tonnes in 2014 to 119,094 tonnes in 2015 despite area cropped and number of farmers remaining constant. Paddy production by the Mwea irrigation scheme increased by 30.1 per cent to 91,624 tonnes in 2015, to account for 76.9 per cent of total production. However, all other schemes jointly recorded a 7.0 per cent increase. During the period under review, gross value of rice output increased from KSh 4.5 billion in 2014 to KSh 6.7 billion in 2015. Payment to plot-holders almost doubled from KSh 3.3 billion in 2014 to KSh 6.3 billion in 2015.

Table 8.18: Production of Irrigation Schemes, 2010/11-2014/15

	2010/11	2011/12	2012/13	2013/14	2014/15*
MWEA-					
Area cropped-Hectares	10,526	10,629	10,629	10,629	10,629
Plot-holders-Number	7,178	7,178	7,178	7,178	7,178
Gross value of output-KSh Million	2,860	2,970	3,880	3,872	5,727
Payments to plot-holders-KSh Million	2,080	2,197	2,793	2,522	4,780
ALL SCHEME AREAS-					
Area cropped-Hectares	17,611	21,101	18,600	19,411	19,411
Plot-holders-Number	15,518	15,828	15,828	15,828	15,828
Gross value of output-KSh Million	4,338	4,932	4,347	4,536	6,709
Payments to plot-holders-KSh Million	3,138	3,637	3,205	3,345	6,340
CROPS PRODUCED - Tonnes					
Mwea-Paddy	52,000	54,000	64,672	70,416	91,624
Ahero-Paddy	6,000	7,484	8,326	7,405	7,942
W.Kano-Paddy	4,500	5,994	5,165	4,345	4,660
Bunyala-Paddy	3,200	4,666	4,278	4,289	4,600
South West Kano- Paddy	6,800	8,100	8,262	9,574	10,268
TOTAL PADDY	72,500	80,244	90,703	96,029	119,094

Source: National Irrigation Board

* Provisional

8.23. **Dairy Produce**: Table 8.19 presents data on the production of livestock and dairy products for the last five years. The quantity of raw milk delivered to processing plants continued on an upward trend for the third consecutive year increasing from 541.3 million litres in 2014 to 600.4 million litres during the review period. This increase was mainly realized during the second half of the year due to availability of enough pastures and fodder. Processed milk and cream increased from 419.6 million litres in 2014 to 437.9 million litres in 2015. Similarly, volume of butter and ghee processed increased by 14.0 per cent to 1,646.4 tonnes in 2015. During the year under review, the number of all categories of livestock slaughtered increased by 7.6 per cent.

Table 8.19: Production of Livestock and Dairy Products, 2011-2015

	UNIT	2011	2012	2013	2014	2015*
RECORDED MILK PRODUCTION	Mn. Litres	549.0	495.2	523.0	541.3	600.4
MILK PROCESSED:						
Milk and cream	Mn. Litres	374.0	331.6	406.7	419.6	437.9
Butter and ghee	Tonnes	1,995.1	1,800.7	1,231.0	1,444.5	1,646.4
Cheese	Tonnes	290.3	254.9	267.4	265.7	296.5
LIVESTOCK SLAUGHTERED						
Cattle and Calves	'000 Head	2,103.4	2,194.2	2,147.3	2,076.7	2,274.5
Sheep and Goats	'000 Head	5,837.5	5,924.2	6,084.8	6,138.5	6,560.8
Pigs	'000 Head	223.5	235.4	264.3	257.2	282.9

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

* Provisional

8.24. **Agricultural Training**: Table 8.20 gives detailed information on enrolment numbers at various institutions that offer agricultural training at degree, diploma, certificate and short-term vocational courses. In 2015, enrolment for agriculture training courses showed a mixed performance. Enrolment of trainees in the universities has been on an upward trend over the past five years. During the year under review, enrolment for degree courses increased by 24.8 per cent to 15,220 trainees. Enrolment of male trainees continued to be higher than that of female trainees. Enrolment of diploma level trainees at Egerton University continued to decline, decreasing from 1,470 in 2014 to 1,124 trainees in 2015. Animal health training colleges recorded an increase of 151 trainees from 560 in 2014 to 711 in 2015. Demand for short term vocational courses increased from 372 in 2014 to 396 in 2015.

Table 8.20: Enrolment in Agricultural Training Institutions, 2011-2015

Number

	2011			2012			2013			2014			2015*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
DEGREE LEVEL -Public Universities															
All Universities	4,393	2,279	6,672	4,705	2,841	7,546	5,948	3,587	9,535	7,758	4,438	12,196	9,420	5,800	15,220
DIPLOMA LEVEL -Public Universities															
Egerton	1,585	928	2,513	1,512	839	2,351	1,149	671	1,820	542	928	1,470	324	800	1,124
DIPLOMA LEVEL - MOA															
Bukura Institute of Agriculture	483	226	709	684	374	1,058	819	360	1,179	674	290	964	710	309	1,019
CERTIFICATE LEVEL-															
Naivasha Dairy Training Institute	94	48	142	134	80	214	122	79	205	138	93	231	102	68	170
Animal Health Training Institutes-															
Kabete	98	24	122	79	26	105	92	24	116	155	32	187	187	25	212
Nyahururu	53	27	80	51	27	78	52	28	80	51	27	78	51	22	73
Ndomba	112	41	153	99	57	156	140	44	184	230	65	295	337	89	426
Total	**263**	**92**	**355**	**229**	**110**	**339**	**284**	**96**	**380**	**436**	**124**	**560**	**575**	**136**	**711**
SHORT-TERM VOCATIONAL COURSES-															
Naivasha Dairy Training School	93	41	134	147	47	194	122	44	166	189	100	289	202	84	286
Athi River M.T. School	53	16	69	66	28	94	66	28	94	46	37	83	66	44	110
Total	**146**	**57**	**203**	**213**	**75**	**288**	**188**	**72**	**260**	**235**	**137**	**372**	**268**	**128**	**396**

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

* Provisional.

8.25. Information on the number of societies and unions by type is presented in Table 8.21. During the year under review, the number of societies and unions increased by 529 from 16,969 in 2014 to 17,498. Agricultural societies increased by 111 new societies from 5,340 in 2014 to 5,451 in 2015. There were 418 additional non-agricultural societies registered from 11,530 in 2014 to 11,948 in 2015, of which 322 were savings and credit.

Table 8.21: Number of Societies and Unions by Type, 2011-2015

Number

TYPE OF SOCIETY	2011	2012	2013	2014	2015*
Agricultural:					
Coffee	586	594	597	600	602
Sugar-cane	179	191	191	191	192
Pyrethrum	146	146	146	146	146
Cotton	60	60	60	60	61
Dairy	313	343	376	412	427
Multi-produce	1,974	2,019	2,068	2,118	2,169
Farm Purchase	114	116	116	116	117
Fisheries	76	80	86	92	94
Other Agricultural Societies	1,398	1,436	1,518	1,605	1,643
Sub-Total	**4,846**	**4,985**	**5,158**	**5,340**	**5,451**
Non-Agricultural:					
Savings and Credit	6,902	7,341	7,942	8,592	8,914
Other Non-Agricultural Societies	2,218	2,548	2,728	2,938	3,034
Sub-Total	**9,120**	**9,889**	**10,670**	**11,530**	**11,948**
Unions (Agricultural)	99	99	99	99	99
GRAND TOTAL	**14,065**	**14,973**	**15,927**	**16,969**	**17,498**

Source: Kenya National Bureau of Statistics and the Directorate of Cooperatives

* Provisional

8.26. Table 8.22 presents data on sales of agricultural produce from co-operative societies and the percentage share to marketed production. In 2015, the total value of sales from co-operative societies slightly increased to KSh 10,509 million from KSh 10,496 million in 2014, mainly due to revenues from milk sales. The decline in the share of milk marketed through cooperatives from 29.2 per cent in 2014 to 26.6 per cent in 2015 may be a reflection of availability of alternative milk market channels.

Table 8.22: Sale of Selected Agricultural Produce by Co-operatives and the percentage share to Marketed Production, 2011 - 2015

YEAR	COFFEE	SUGAR CANE	PYRETHRUM	COTTON	MILK	TOTAL
Sale (KSh Million)						
2011	4,806	268	49	3.0	5,310	10,436
2012	4,807	269	48	3.0	5,320	10,447
2013	4,785	239	36	3.0	5,405	10,468
2014	4,763	212	27	3.0	5,491	10,496
2015*	4,769	213	27	3.0	5,497	10,509
Percentage Share of Sub-sector marketed production						
2011	27.0	1.4	35.2	4.9	36.5	19.9
2012	28.4	1.6	43.4	3.7	34.5	31.0
2013	36.5	0.9	65.4	3.2	32.5	33.5
2014	28.6	1.0	44.2	4.7	29.2	18.8
2015*	39.5	1.0	52.9	4.5	26.6	19.4

Source: Ministry of Industrialization and Enterprise Development, Directorate of Cooperatives

* Provisional.

8.27. The Food Balance Sheet (FBS) presents a comprehensive picture of the pattern of a country's food supply situation during a specific reference period. The FBS shows the sources of supply and respective utilization for each food item. The food supply is presented in terms of Per Caput Daily Supply of calories, proteins and fats. These are obtained by subjecting the total food supply to relevant food conversion factors and averaging for the total population during the reference period. Further, the country's dependence on own production is monitored by the Self Sufficiency Ratio (SSR). The Import Dependency Ratio (IDR) monitors the country's dependence on imported food commodities.

FBS Indicators

8.28. Table 8.23 shows the Food Balance Sheet (FBS) indicators trend for the period 2011 to 2015. The Per Caput Daily Supply of Calories improved modestly from 2,202 kilo calories in 2014 to 2,293 kilo calories in 2015. During the review period, per caput supply of proteins and fats improved to 69 grammes and 47grammes, respectively. The improvement in the FBS indicators is consistent with increase in agricultural production during the year 2015. As shown in the FBS, vegetable products (which include all food commodities other than animal products) have over the years remained the preferred foods, contributing 1,979 kilo calories in 2015 compared to 313 kilo calories for animal products.

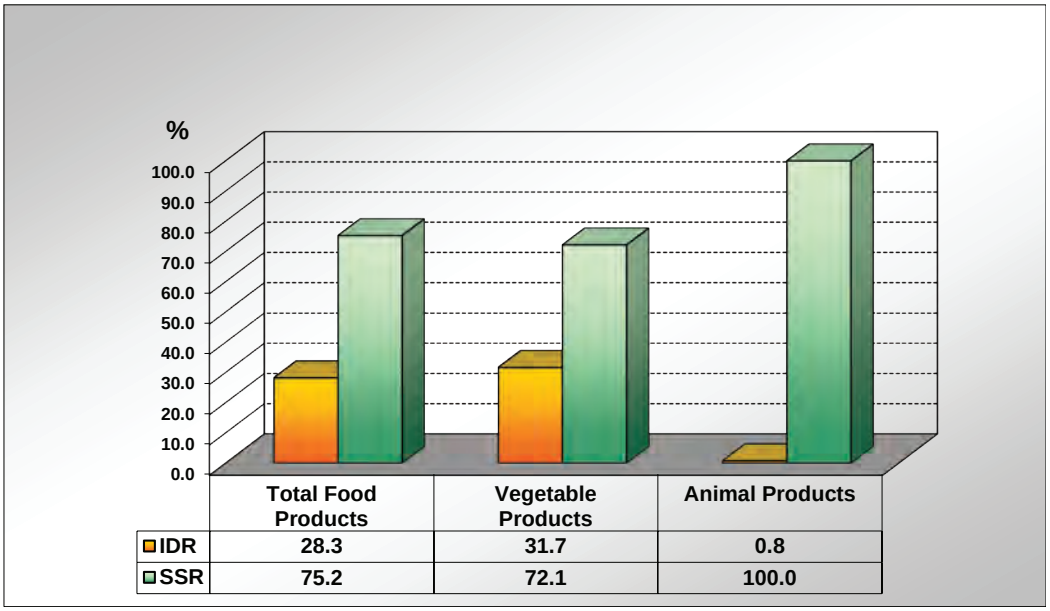
8.29. The SSR improved slightly from 74.4 per cent in 2014 to 75.2 per cent in 2015. The SSR for vegetable increased by 0.6 per cent to 72.1 per cent in 2015 compared to 2014. The country's level of self sufficiency on animal products improved from 99.9 per cent in 2014 to 100.0 per cent in 2015. The level of dependency on imported foods slowed from 29.2 per cent in 2014 to 28.3 per cent in 2015. Over the years, most imported food supplies are vegetable products. In 2015, IDR for vegetables declined slightly to 31.7 per cent. This indicates that during the review period, the country depended slightly less on imports of vegetables compared to 2014. Figures 8.4 and 8.5 present SSR and IDR; and caloric supply by main food groups for 2015 while Tables 8.24(a) and 8.24(b) depict the food balance situation for the last two years.

Table 8.23: Food Balance Sheet, 2011-2015

Indicator		2011	2012	2013	2014	2015*
Per Caput Daily Supply	Calories - '000……	2,253	2,447	2,284	2,202	2,293
	Proteins - Grams……	69	74	67	64	69
	Fats - Grams……	47	47	46	43	47
SSR - Per Cent	Total……	74.6	77.6	80.1	74.4	75.2
	Vegetable Products……	71.5	75.1	77.7	71.6	72.1
	Animal Products……	99.9	100.1	99.1	99.9	100.0
IDR - Per Cent	Total……	29.1	25.7	23.3	29.2	28.3
	Vegetable Products……	32.6	28.4	26	32.3	31.7
	Animal Products……	1.1	1.0	1.0	1.0	0.8
Per Caput Caloric Daily Supply	Vegetable Products - '000 Kcl.	1,955	2,148	1,993	1,945	1,979
	Cereals - '000 Kcl……	959	988	917	925	925
	Animal Products - '000 Kcl….	298	299	291	256	313

*Provisional

Figure 8.4: Import Dependency and Self-Sufficiency Ratios, 2015



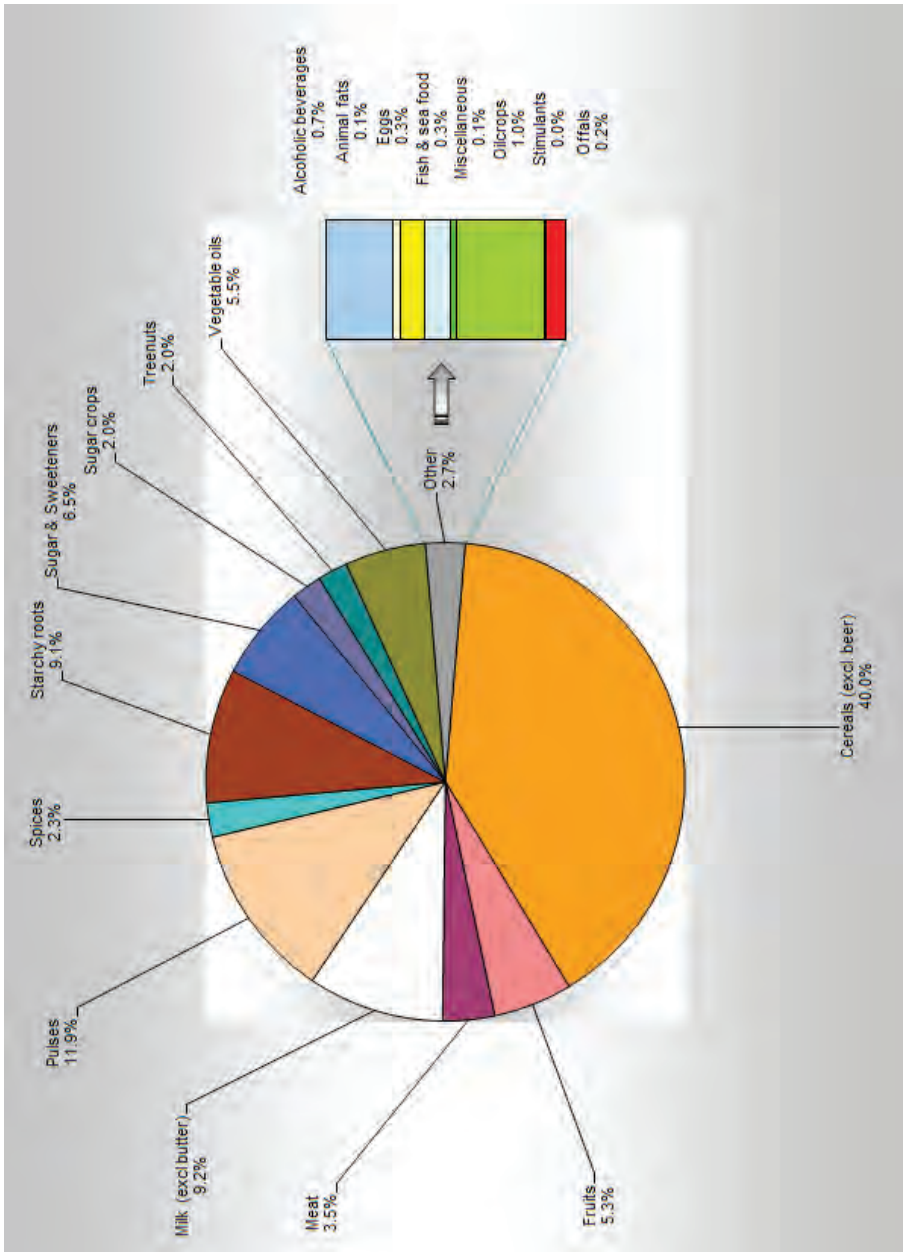


Figure 8.5: Caloric Supply by Main Food Groups, 2015

Table 8.24 (a): Food Balance Sheet, 2015

FOOD BALANCE SHEET 2015

Population('000): 44,156

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)						PER CAPUT SUPPLY			
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER YEAR FOOD	PER DAY Calories	Proteins	Fats
	1000 Metric Tons											Kg.	units	grams	grams
Grand total													**2293**	**69**	**47**
Vegetable prod.													**1979**	**49**	**27**
Animal prod.													**313**	**20**	**20**
Cereals (excl. beer)	**4470**	**2586**	**545**	**114**	**7487**	**115**	**80**	**1410**	**658**	**0**	**4906**	**111**	**925**	**23**	**5**
Wheat	239	1449	0	9	1679	0	11	58	33	0	1539	34.9	252	7	3
Maize	3825	481	545	3	4848	80	63	1242	582	0	2638	59.7	520	12	2
Rice (Milled Eq.)	103	459	0	0	561	0	0	0	3	0	550	12.5	119	2	0
Barley	77	0	0	15	62	0	2	57	2	0	1	0.0	0	0	0
Rye	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oats	0	1	0	0	1	0	0	0	0	0	1	0.0	0	0	0
Millet	37	25	0	0	62	5	2	8	7	0	23	0.5	4	0	0
Sorghum	189	108	0	76	222	30	3	45	32	0	102	2.3	20	1	0
Cereals, other	0	63	0	11	52	0	0	0	0	0	52	1.2	9	0	0
Starchy roots	**4252**	**6**	**0**	**2**	**4257**	**0**	**104**	**3**	**347**	**0**	**3803**	**86.1**	**210**	**3**	**0**
Cassava	1112	1	0	0	1113	0	0	1	33	0	1079	24.4	72	1	0
Potatoes	1960	5	0	2	1963	0	104	2	196	0	1661	37.6	73	2	0
Sweet Potatoes	1150	0	0	0	1150	0	0	0	115	0	1035	23.4	63	0	0
Yams	10	0	0	0	10	0	0	0	1	0	10	0.2	1	0	0
Roots, other	19	0	0	0	19	0	0	0	2	0	17	0.4	1	0	0
Sugar crops	**6849**	**0**	**0**	**0**	**6849**	**0**	**0**	**4150**	**0**	**0**	**2699**	**61.1**	**47**	**0**	**0**
Sugar cane	6849	0	0	0	6849	0	0	4150	0	0	2699	61.1	47	0	0
Sugar beet	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sugar & Sweeteners	**572**	**179**	**-20**	**19**	**712**	**0**	**0**	**34**	**0**	**0**	**678**	**15.4**	**149**	**0**	**0**
Sugar non-centrifugal	23	0	0	0	23	0	0	20	0	0	3	0.1	1	0	0
Sugar (raw equivalent	527	167	-20	15	660	0	0	7	0	0	652	14.8	144	0	0
Sweeteners, other	0	12	0	4	8	0	0	7	0	0	1	0.0	0	0	0
Honey	22	0	0	0	22	0	0	0	0	0	22	0.5	4	0	0
Pulses	**1023**	**8**	**433**	**1**	**1463**	**0**	**10**	**0**	**156**	**0**	**1296**	**29.3**	**275**	**18**	**1**
Beans	765	1	35	0	801	0	0	0	120	0	681	15.4	144	9	1
Peas	0	5	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Pulses, other	258	2	398	1	657	0	10	0	36	0	610	13.8	130	8	1
Treenuts	**33**	**0**	**0**	**6**	**27**	**0**	**0**	**0**	**1**	**0**	**23**	**0.5**	**4**	**0**	**0**
Oilcrops	**179**	**8**	**0**	**11**	**176**	**10**	**2**	**82**	**8**	**0**	**75**	**1.7**	**23**	**1**	**2**
Soybeans	0	0	0	0	0	0	0	0	0	0	1	0.0	0	0	0
Groundnuts	66	1	0	0	67	0	1	0	3	0	63	1.4	21	1	2
Sunflowerseed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape & Mustard seed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed	13	3	0	1	15	0	2	13	1	0	0	0.0	0	0	0
Coconuts (incl. copra)	64	0	0	5	59	10	0	34	4	0	11	0.2	1	0	0
Sesame seed	0	4	0	5	0	0	0	0	0	0	0	0.0	0	0	0
Palm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Olive	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oilcrops, other	36	0	0	0	35	0	0	35	0	0	0	0.0	0	0	0
Vegetable oils	**35**	**536**	**0**	**80**	**491**	**0**	**0**	**0**	**0**	**258**	**232**	**5.3**	**126**	**0**	**14**
Soybean oil	0	5	0	5	0	0	0	0	0	0	0	0.0	0	0	0
Groundnut oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sunflower seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape and mustard oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed oil	2	0	0	0	1	0	0	0	0	0	1	0.0	1	0	0
Palm kernel oil	0	2	0	0	2	0	0	0	0	0	2	0.0	1	0	0
Palm oil	0	515	0	73	442	0	0	0	0	256	186	4.2	101	0	11
Copra oil	6	12	0	1	17	0	0	0	0	0	17	0.4	10	0	1
Sesame seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olive oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rice bran oil	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maize germ oil	14	1	0	0	14	0	0	0	0	0	14	0.3	8	0	1
Oilcrops oil, other	14	1	0	0	15	0	0	0	0	3	12	0.3	6	0	1
Vegetables	**2214**	**115**	**0**	**227**	**2101**	**0**	**0**	**0**	**223**	**0**	**1914**	**43.3**	**26**	**1**	**0**
Tomatoes	494	7	0	0	501	0	0	0	50	0	451	10.2	5	0	0
Onions	68	0	0	0	68	0	0	0	7	0	27	0.6	1	0	0
Vegetables, other	1652	108	0	227	1532	0	0	0	167	0	1436	32.5	20	1	0

FOOD BALANCE SHEET 2015

Population('000): 44,156

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)						PER CAPUT SUPPLY			
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER YEAR FOOD	PER DAY Calories	Proteins	Fats
	1000 Metric Tons											Kg.	units	grams	grams
Fruits	**4002**	**65**	**0**	**250**	**3817**	**0**	**0**	**6**	**451**	**0**	**3390**	**76.8**	**123**	**1**	**1**
Oranges & mandarins	100	13	0	1	112	0	0	0	11	0	101	2.3	2	0	0
Lemons & limes	26	1	0	0	26	0	0	0	3	0	24	0.5	0	0	0
Grapefruit	13	0	0	0	13	0	0	0	1	0	12	0.3	0	0	0
Citrus, other	135	0	0	0	135	0	0	0	14	0	121	2.8	2	0	0
Bananas	1809	1	0	0	1810	0	0	0	271	0	1538	34.8	57	1	0
Plantains	600	0	0	0	600	0	0	6	60	0	534	12.1	29	0	0
Apples (excl. cider)	0	15	0	0	16	0	0	0	1	0	14	0.3	0	0	0
Pineapples	159	1	0	132	28	0	0	0	16	0	80	1.8	2	0	0
Dates	1	4	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Grapes (excl. wine)	0	3	0	0	3	0	0	0	0	0	3	0.1	0	0	0
Fruit, other	1160	27	0	117	1069	0	0	0	74	0	957	21.7	29	0	1
Stimulants	**441**	**16**	**5**	**483**	**-21**	**0**	**0**	**397**	**12**	**0**	**3**	**0.1**	**0**	**0**	**0**
Coffee	42	1	5	58	-10	0	0	0	0	0	1	0.0	0	0	0
Cocoa Beans	0	2	0	1	2	0	0	0	0	0	2	0.0	0	0	0
Tea	399	13	0	424	-12	0	0	397	12	0	0	0.0	0	0	0
Spices	**256**	**3**	**0**	**3**	**256**	**0**	**0**	**0**	**0**	**0**	**256**	**5.8**	**53**	**2**	**2**
Pepper	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Pimento	5	0	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Cloves	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Spices, other	250	3	0	2	251	0	0	0	0	0	251	5.7	52	2	2
Alcoholic beverages	**499**	**7**	**0**	**2**	**504**	**0**	**0**	**0**	**0**	**0**	**504**	**11.4**	**17**	**0**	**0**
Wine	0	4	0	1	3	0	0	0	0	0	3	0.1	0	0	0
Beer	210	2	0	1	211	0	0	0	0	0	211	4.8	6	0	0
Beverages, fermente	264	0	0	0	264	0	0	0	0	0	264	6.0	7	0	0
Beverages, alcoholic	26	1	0	1	26	0	0	0	0	0	26	0.6	5	0	0
Alcohol, non food	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meat	**568**	**0**	**0**	**8**	**561**	**0**	**0**	**0**	**0**	**0**	**683**	**15.5**	**81**	**6**	**7**
Bovine meat	501	0	0	2	499	0	0	0	0	0	499	11.3	59	5	6
Mutton & goat meat	0	0	0	4	-4	0	0	0	0	0	92	2.1	10	1	1
Pig meat	0	0	0	2	-2	0	0	0	0	0	24	0.5	7	0	0
Poultry meat	33	0	0	0	33	0	0	0	0	0	33	0.7	2	0	0
Other meat	34	0	0	0	34	0	0	0	0	0	34	0.8	3	0	0
Offals	**76**	**0**	**0**	**0**	**76**	**0**	**0**	**0**	**0**	**0**	**76**	**1.7**	**5**	**1**	**0**
Animal fats	**17**	**4**	**0**	**1**	**20**	**0**	**0**	**13**	**0**	**3**	**4**	**0.1**	**2**	**0**	**0**
Butter, ghee	1	0	0	0	1	0	0	0	0	0	1	0.0	1	0	0
Cream	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fats, animal, raw	16	4	0	0	19	0	0	13	0	3	3	0.1	2	0	0
Fish, body oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fish, liver oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Milk (excl butter)	**5289**	**26**	**0**	**11**	**5303**	**17**	**0**	**365**	**387**	**0**	**5350**	**121.2**	**212**	**11**	**12**
Eggs	**98**	**0**	**0**	**0**	**98**	**0**	**5**	**0**	**15**	**0**	**79**	**1.8**	**6**	**1**	**0**
Fish & sea food	**152**	**35**	**0**	**23**	**164**	**0**	**0**	**0**	**0**	**0**	**167**	**3.8**	**7**	**1**	**0**
Freshwater fish	135	12	0	8	140	0	0	0	0	0	137	3.1	5	1	0
Demersal fish	4	0	0	10	-5	0	0	0	0	0	0	0.0	0	0	0
Pelagic fish	3	21	0	3	21	0	0	0	0	0	21	0.5	1	0	0
Marine fish, other	7	2	0	1	8	0	0	0	0	0	8	0.2	0	0	0
Crustaceans	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Molluscs other	1	0	0	1	0	0	0	0	0	0	0	0.0	0	0	0
Cephalopods	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic products, oth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic mammals me	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic animals, othe	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic plants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	**18**	**7**	**2**	**14**	**13**	**0**	**0**	**7**	**0**	**3**	**3**	**0**	**1**	**0**	**0**
Infant food	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous, other	18	7	2	14	13	0	0	7	0	3	3	0	1	0	0

Table 8.24 (b): Food Balance Sheet, 2014

FOOD BALANCE SHEET 2014 — Population('000): 42,961

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)						PER CAPUT SUPPLY			
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER YEAR FOOD	PER DAY Calories	Proteins	Fats
	1000 Metric Tons											Kg.	units	grams	grams
Grand total													**2202**	**64**	**43**
Vegetable prod.													**1945**	**48**	**27**
Animal prod.													**256**	**17**	**16**
Cereals (excl. beer)	**4131**	**2387**	**545**	**85**	**6978**	**113**	**80**	**1124**	**612**	**0**	**4744**	**110**	**925**	**23**	**5**
Wheat	224	1275	0	7	1492	0	11	46	29	0	1375	32.0	233	7	2
Maize	3507	460	545	3	4510	80	63	971	541	0	2639	61.4	535	13	2
Rice (Milled Eq.)	98	471	0	1	568	0	0	1	3	0	557	13.0	125	2	0
Barley	77	0	0	14	63	0	2	58	2	0	1	0.0	0	0	0
Rye	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oats	0	1	0	0	1	0	0	0	0	0	1	0.0	0	0	0
Millet	58	24	0	0	82	7	2	10	9	0	30	0.7	6	0	0
Sorghum	167	92	0	49	211	26	3	39	28	0	89	2.1	18	1	0
Cereals, other	0	63	0	11	52	0	0	0	0	0	52	1.2	10	0	0
Starchy roots	**3892**	**1**	**0**	**5**	**3888**	**0**	**104**	**2**	**311**	**0**	**3471**	**80.8**	**201**	**2**	**0**
Cassava	1112	0	0	0	1112	0	0	1	33	0	1079	25.1	74	1	0
Potatoes	1600	0	0	4	1596	0	104	2	160	0	1330	31.0	60	1	0
Sweet Potatoes	1150	0	0	0	1150	0	0	0	115	0	1035	24.1	65	0	0
Yams	10	0	0	0	10	0	0	0	1	0	10	0.2	1	0	0
Roots, other	19	0	0	0	19	0	0	0	2	0	17	0.4	1	0	0
Sugar crops	**6478**	**0**	**0**	**0**	**6478**	**0**	**0**	**4150**	**0**	**0**	**2328**	**54.2**	**42**	**0**	**0**
Sugar cane	6478	0	0	0	6478	0	0	4150	0	0	2328	54.2	42	0	0
Sugar beet	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sugar & Sweeteners	**572**	**179**	**-20**	**19**	**712**	**0**	**0**	**34**	**0**	**0**	**678**	**15.8**	**153**	**0**	**0**
Sugar non-centrifugal	23	0	0	0	23	0	0	20	0	0	3	0.1	1	0	0
Sugar (raw equivalent	527	167	-20	15	660	0	0	7	0	0	652	15.2	148	0	0
Sweeteners, other	0	12	0	4	8	0	0	7	0	0	1	0.0	0	0	0
Honey	22	0	0	0	22	0	0	0	0	0	22	0.5	4	0	0
Pulses	**874**	**7**	**433**	**1**	**1313**	**0**	**10**	**0**	**134**	**0**	**1168**	**27.2**	**255**	**16**	**1**
Beans	616	1	35	0	652	0	0	0	98	0	554	12.9	120	8	1
Peas	0	5	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Pulses, other	258	1	398	1	656	0	10	0	36	0	609	14.2	133	9	1
Treenuts	**33**	**0**	**0**	**6**	**27**	**0**	**0**	**0**	**1**	**0**	**23**	**0.5**	**4**	**0**	**0**
Oilcrops	**179**	**9**	**0**	**16**	**172**	**10**	**2**	**82**	**8**	**0**	**71**	**1.6**	**23**	**1**	**2**
Soybeans	0	0	0	0	0	0	0	0	0	0	1	0.0	0	0	0
Groundnuts	66	1	0	0	67	0	1	0	3	0	63	1.5	22	1	2
Sunflowerseed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape & Mustard seed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed	13	3	0	1	15	0	2	13	1	0	0	0.0	0	0	0
Coconuts (incl. copra)	64	1	0	10	55	10	0	34	4	0	7	0.2	1	0	0
Sesame seed	0	4	0	5	0	0	0	0	0	0	0	0.0	0	0	0
Palm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Olive	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oilcrops, other	36	0	0	0	35	0	0	35	0	0	0	0.0	0	0	0
Vegetable oils	**35**	**536**	**0**	**80**	**491**	**0**	**0**	**0**	**0**	**258**	**232**	**5.4**	**130**	**0**	**15**
Soybean oil	0	5	0	5	0	0	0	0	0	0	0	0.0	0	0	0
Groundnut oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sunflower seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape and mustard oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed oil	2	0	0	0	1	0	0	0	0	0	1	0.0	1	0	0
Palm kernel oil	0	2	0	0	2	0	0	0	0	0	2	0.0	1	0	0
Palm oil	0	515	0	73	442	0	0	0	0	256	186	4.3	104	0	12
Copra oil	6	12	0	1	17	0	0	0	0	0	17	0.4	10	0	1
Sesame seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olive oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rice bran oil	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maize germ oil	14	1	0	0	14	0	0	0	0	0	14	0.3	8	0	1
Oilcrops oil, other	14	1	0	0	15	0	0	0	0	3	12	0.3	7	0	1
Vegetables	**2214**	**115**	**0**	**228**	**2100**	**0**	**0**	**0**	**223**	**0**	**1914**	**44.6**	**27**	**1**	**0**
Tomatoes	494	7	0	0	501	0	0	0	50	0	451	10.5	6	0	0
Onions	68	0	0	0	68	0	0	0	7	0	27	0.6	1	0	0
Vegetables, other	1652	108	0	228	1532	0	0	0	167	0	1436	33.4	20	1	0

FOOD BALANCE SHEET 2014

Population('000): 42,961

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)						PER CAPUT SUPPLY			
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER YEAR FOOD	PER DAY Calories	Proteins	Fats
	1000 Metric Tons											Kg.	units	grams	grams
Fruits	**3530**	**57**	**0**	**252**	**3335**	**0**	**0**	**6**	**382**	**0**	**3022**	**70.3**	**113**	**1**	**1**
Oranges & mandarins	100	9	0	1	107	0	0	0	11	0	97	2.3	2	0	0
Lemons & limes	26	0	0	0	26	0	0	0	3	0	23	0.5	0	0	0
Grapefruit	13	0	0	0	13	0	0	0	1	0	12	0.3	0	0	0
Citrus, other	135	0	0	0	135	0	0	0	14	0	121	2.8	2	0	0
Bananas	1375	1	0	0	1375	0	0	0	206	0	1169	27.2	45	1	0
Plantains	600	0	0	0	600	0	0	6	60	0	534	12.4	30	0	0
Apples (excl. cider)	0	13	0	0	13	0	0	0	1	0	12	0.3	0	0	0
Pineapples	121	1	0	132	-10	0	0	0	12	0	80	1.9	2	0	0
Dates	1	4	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Grapes (excl. wine)	0	3	0	0	3	0	0	0	0	0	3	0.1	0	0	0
Fruit, other	1160	27	0	118	1068	0	0	0	74	0	966	22.5	31	0	1
Stimulants	**495**	**5**	**5**	**500**	**4**	**0**	**0**	**431**	**13**	**0**	**5**	**0.1**	**0**	**0**	**0**
Coffee	50	1	5	58	-2	0	0	0	0	0	4	0.1	0	0	0
Cocoa Beans	0	2	0	1	2	0	0	0	0	0	2	0.0	0	0	0
Tea	445	2	0	442	5	0	0	431	13	0	0	0.0	0	0	0
Spices	**256**	**3**	**0**	**3**	**256**	**0**	**0**	**0**	**0**	**0**	**256**	**6.0**	**55**	**2**	**3**
Pepper	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Pimento	5	0	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Cloves	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Spices, other	250	3	0	3	251	0	0	0	0	0	251	5.8	54	2	2
Alcoholic beverages	**484**	**7**	**0**	**2**	**489**	**0**	**0**	**0**	**0**	**0**	**488**	**11.4**	**17**	**0**	**0**
Wine	0	4	0	1	3	0	0	0	0	0	3	0.1	0	0	0
Beer	210	2	0	1	211	0	0	0	0	0	211	4.9	6	0	0
Beverages, fermente	248	0	0	0	248	0	0	0	0	0	248	5.8	6	0	0
Beverages, alcoholic	26	1	0	1	26	0	0	0	0	0	26	0.6	5	0	0
Alcohol, non food	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meat	**435**	**1**	**0**	**8**	**428**	**0**	**0**	**0**	**0**	**0**	**530**	**12.3**	**64**	**5**	**5**
Bovine meat	380	0	0	2	378	0	0	0	0	0	378	8.8	46	4	4
Mutton & goat meat	0	0	0	3	-3	0	0	0	0	0	83	1.9	9	1	1
Pig meat	0	0	0	2	-2	0	0	0	0	0	15	0.3	4	0	0
Poultry meat	22	0	0	0	22	0	0	0	0	0	22	0.5	2	0	0
Other meat	33	0	0	0	33	0	0	0	0	0	33	0.8	3	0	0
Offals	**76**	**0**	**0**	**0**	**76**	**0**	**0**	**0**	**0**	**0**	**76**	**1.8**	**5**	**1**	**0**
Animal fats	**17**	**4**	**0**	**1**	**20**	**0**	**0**	**13**	**0**	**3**	**4**	**0.1**	**2**	**0**	**0**
Butter, ghee	1	0	0	0	1	0	0	0	0	0	1	0.0	1	0	0
Cream	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fats, animal, raw	16	4	0	0	19	0	0	13	0	3	3	0.1	2	0	0
Fish, body oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fish, liver oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Milk (excl butter)	**4078**	**26**	**0**	**11**	**4093**	**17**	**0**	**347**	**327**	**0**	**4218**	**98.2**	**173**	**9**	**9**
Eggs	**71**	**0**	**0**	**0**	**71**	**0**	**5**	**0**	**11**	**0**	**56**	**1.3**	**4**	**0**	**0**
Fish & sea food	**175**	**37**	**0**	**23**	**189**	**0**	**0**	**0**	**0**	**0**	**192**	**4.5**	**8**	**1**	**0**
Freshwater fish	159	12	0	8	163	0	0	0	0	0	161	3.7	7	1	0
Demersal fish	4	0	0	10	-5	0	0	0	0	0	0	0.0	0	0	0
Pelagic fish	3	22	0	3	22	0	0	0	0	0	21	0.5	1	0	0
Marine fish, other	8	2	0	1	9	0	0	0	0	0	9	0.2	0	0	0
Crustaceans	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Molluscs other	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cephalopods	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic products, oth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic mammals me	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic animals, othe	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic plants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	**18**	**7**	**2**	**14**	**13**	**0**	**0**	**7**	**0**	**3**	**3**	**0**	**1**	**0**	**0**
Infant food	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous, other	18	7	2	14	13	0	0	7	0	3	3	0	1	0	0

Chapter 9

Environment and Natural Resources

Overview

The country's level of development and prospects for economic prosperity are influenced by the sustainable utilization of its diverse natural resource endowment. Increased human socio-economic activities are likely to deplete the resource base and cause environmental degradation. In this regard, the Government continued to review and enforce policy measures that govern the exploitation, management and conservation of the environment and natural resources. During the review period, the Environment Management and Co-ordination Act 2015 (Amendment) was enacted to facilitate effective management of the environment and natural resources.

9.2. In 2015, there was mixed performance in the selected environmental and natural resources indicators. Area under forest plantation stocking increased marginally to 130.5 thousand hectares from 129.4 thousand hectares in 2014. However, the total mineral output declined by 11.3 per cent from 1,772.9 thousand metric tonnes in 2014 to 1,572.1 thousand metric tonnes in 2015. The decline in production was offset by good prices for gemstones and titanium ore, resulting in a 14.7 per cent rise in value of minerals from KSh 21.1 billion in 2014 to 24.2 billion in 2015. The total output value of fish decreased slightly from KSh 22.4 billion in 2014 to KSh 22.2 billion in 2015, occasioned by reduced fish landings.

9.3. Total development expenditure on water supplies and related services by the national government is expected to rise from KSh 32.5 billion in 2014/15 to KSh 41.3 billion in 2015/16. The projected expenditure on environment protection by the county governments is expected to more than triple from KSh 5.2 billion in 2014/15 to KSh 16.6 billion in 2015/16.

Environment and Natural Resources Gross Value Added

9.4. The Gross Value Added (GVA) of selected activities under the environment and natural resources sector are shown in Table 9.1. Forestry and logging continued to contribute the highest share of environment and natural resources sector GVA in 2015. Fishing and aquaculture, water supply and, mining and quarrying related industries contributed 18.5, 20.8 and 23.9 per cent of the Sector's GVA, respectively.

Table 9.1: Trends in Environment and Natural Resources Gross Value Added., 2011/12-2015/16

KSh Million

Industry	2011	2012	2013	2014	2015*
Forestry and Logging	46,661.0	58,039.0	67,229.0	73,355.0	80,633.0
Fishing and Aquaculture	22,999.0	28,902.0	34,333.0	39,344.0	41,488.0
Mining and Quarrying	32,583.0	46,623.0	38,802.0	44,162.0	53,784.0
Water Supply[1]	33,428.0	37,779.0	40,406.0	42,188.0	46,774.0
Total	**135,671.0**	**171,343.0**	**180,770.0**	**201,063.0**	**222,679.0**
GDP at Current Prices	3,725,908.0	4,261,151.0	4,730,601.0	5,398,000.0	6,224,369.0
Resource as per cent of GDP	3.6	4.0	3.8	3.7	3.6

* Provisional

[1] Includes sewerage and waste management

Water Supply

9.5. The Government continued to focus on improving the management and protection of water resources for domestic, agricultural and industrial use; through construction of new water supply projects, rehabilitation and, expansion of existing water supplies. Major water supplies projects completed in 2015 included: Kithuru, Kathangachiini, Othaya, Mukurweini, Lumakanda - Kipkaren and Mutito-Thua-Kinakoni. In addition, small scale projects such as drilling of boreholes and construction of small dams and water pans, were undertaken by the county governments. Water Services Providers (WSPs), which fall under the county government, also continued to provide water services in the period under review. Consequently, water supply coverage across the country is expected to increase.

9.6. Table 9.2 shows the number of Water Purification Points (WPPs) and Boreholes drilled from 2011/12 to 2015/16. The number of WPPs is expected to increase by eight to 242 in 2015/16. During the year under review, the total number of boreholes drilled across the country is expected to increase from 607 boreholes in 2014/15 to 628 boreholes in 2015/16.

Table 9.2: Water Purification Points and Boreholes Drilled, 2011/12-2015/16

Number

	2011/12	2012/13	2013/14	2014/15	2015/16*
Water Purification Points (WPP)	209	218	230	234	242
Boreholes (Total)	**86**	**99**	**376**	**607**	**628**
Public	86	99	74	13	28
Private Sector	..	..	302	594	600

Source: Ministry of Water and Irrigation

* Provisional

.. Data not available

9.7. Development expenditure by the national government on water supplies and related services over the period 2011/12 to 2015/16 is presented in Table 9.3. Total expenditure is expected to increase by 26.7 per cent from KSh 32.6 billion in 2014/15 to KSh 41.3 billion in 2015/16. The increase is attributed to concerted efforts by the government and development partners to enhance water coverage, sewerage infrastructure, irrigation and dam construction. Water development will account for more than half of the total expenditure on water supplies in 2015/16.

9.8. Development expenditure by the National Irrigation Board (NIB) is expected to rise by 15.3 per cent to KSh12.6 billion in 2015/2016, partly due to implementation of the 10,000 acres of the Galana-Kulalu irrigation project. Similarly, expenditure on Irrigation development and rural water supplies is expected to rise from KSh 0.2 billion and KSh1.3 billion in 2014/15 to KSh 2.2 billion and KSh 1.4 billion in 2015/16, respectively. However, expenditure on National Water Conservation and Pipeline Corporation is expected to decline from KSh 2.5 billion in 2014/15 to KSh 1.2 billion in 2015/16, partly due to ceding of some functions to the county governments.

Table 9.3: Development Expenditure on Water Supplies and Related Services by the National Government. 2011/12-2015/16

KSh Million

Item	2011/12	2012/13	2013/14	2014/15	2015/16*
Water development	18,665.0	11,713.9	15,385.0	17,329.0	23,247.7
Training of water development staff	70.0	314.9	135.0	170.0	150.0
Rural water supplies	1,829.1	393.8	300.6	1,326.5	1,436.7
Miscellaneous and special water programmes	650.2	2,080.4	2,153.0	304.8	528.0
National Water Conservation and Pipeline Corporation	3,990.2	5,226.4	3,507.2	2,460.0	1,156.0
Irrigation development	542.2	90.6	139.0	157.2	2,190.9
National Irrigation Board	764.5	671.4	11,268.6	10,900.0	12,569.7
TOTAL	**26,511.2**	**20,491.4**	**32,888.4**	**32,647.5**	**41,279.0**

Source: Ministry of Water and Irrigation

* Provisional

Fisheries

9.9. There was a decline in production of fish from both fresh water and marine sources in 2015, albeit a minimal fluctuation in the value of fish landed. Fish production from fresh water sources remained the major source of fish landed, accounting for over 90 per cent of the total output in the year under review. The high cost of acquiring deep water facilities coupled with inadequate deep water fishing technology remains a limiting factor in the growth of fish production from marine sources.

9.10. Details of quantity and value of fish landed are given in Table 9.4. During the year under review, total fish output declined by 14.3 per cent from 168.4 thousand metric tonnes in 2014 to 144.3 thousand metric tonnes in 2015. Fish landed from fresh water sources dropped by 15.0 per cent from 159.3 thousand metric tonnes in 2014 to 135.4 thousand metric tonnes in 2015, mainly attributed to decline in fish catches from Lake Victoria and fish farming. The decline in landings from Lake Victoria is partly explained by dwindling stocks of the Nile Perch species in the lake. Fish output from fish farming reduced by 22.4 per cent from 24.1 thousand metric tonnes in 2014 to 18.7 thousand metric tonnes in 2015. This was partly attributed to failure by farmers to re-stock fish ponds in 2015.

9.11. Total earnings decreased slightly from KSh 22.4 billion in 2014 to KSh 22.2 billion in 2015. Earnings from fresh water fish slightly dropped from KSh 20.9 billion in 2014 to KSh 20.5 billion in 2015. However, earnings from Crustaceans and Molluscs increased substantially in 2015 compared to 2014.

Table 9.4: Quantity and Value of Fish Landed, 2011 -2015

	2011	2012	2013	2014	2015*
Quantities - Tonnes:					
Freshwater fish					
Lake Victoria	111,619	118,992	124,643	128,708	109,902
Lake Turkana	7,250	3,001	4,338	4,166	4,776
Lake Naivasha	217	143	231	633	962
Lake Baringo	158	251	263	302	176
Lake Jipe	106	112	116	115	122
Tana River dams ..	943	967	705	1,024	444
Fish Farming	19,265	21,487	23,501	24,096	18,656
Other areas	916	197	456	296	312
SUB-TOTAL	**140,474**	**145,150**	**154,253**	**159,340**	**135,350**
Marine Sources					
Marine fish	7,422	7,477	7,667	7,872	7,324
Crustaceans	549	740	799	555	711
Molluscs	601	648	670	646	953
SUB-TOTAL	8,572	8,865	9,136	9,073	8,988
GRAND TOTAL	**149,046**	**154,015**	**163,389**	**168,413**	**144,338**
Value - KSh Million					
Freshwater fish	15,831	16,867	19,984	20,941	20,467
Marine fish	630	878	921	1,072	1,067
Crustaceans	156	233	287	243	253
Molluscs	61	96	90	125	461
TOTAL	**16,678**	**18,074**	**21,283**	**22,382**	**22,248**

Source: State Department Fisheries

* Provisional

Forestry

9.12. Increasing tree cover to the set target of 10 per cent of total land area remained a focus for the National Government in 2015. Some of the achievements in the period under review included enhanced public-private partnerships in forest management, restoration of degraded forests and continued tree planting campaigns on individual farms and schools.

9.13. The forest plantation stocking by the Government for the period 2011 to 2015 is shown in Table 9.5. The total area under plantation stocking increased to 130.5 thousand hectares in 2015 from 129.4 thousand hectares in 2014. Area clear- felled decreased by 23.0 per cent from 6.1 thousand hectares in 2014 to 4.7 thousand hectares in 2015. The decline was partly attributed to the heavy rains experienced during the year, hampering access to the forests. Area planted increased by 40.8 per cent from 7.1 thousand hectares in 2014 to 10.0 thousand hectares in 2015 as a result of favorable weather, availability of seedlings and community participation in planting trees in government forests. The forest plantation stocking area affected by planting failures and/or fire damages increased by 3.2 thousand hectares to 4.2 thousand hectares in 2015.

Table 9.5: Government Forest Plantation Stocking, 2011-2015

'000 Ha

Stocking	2011	2012	2013	2014	2015*
Previous Plantation Area[1]	118.8	121.7	127.1	129.4	129.4
Area Planted	8.0	7.4	8.2	7.1	10.0
Total	126.8	129.1	135.3	136.5	139.4
Area Clear felled	3.9	2.0	4.7	6.1	4.7
Planting failures/fire damages	1.2	-	1.2	1.0	4.2
Total Area	**121.7**	**127.1**	**129.4**	**129.4**	**130.5**

Source: Kenya Forest Service

* Provisional

[1] Opening stock at the beginning of the year

9.14. Table 9.6 gives the recorded sale of forest products from government forests for the years 2011 to 2015. Total sales of timber decreased by 47.1 per cent from 1,197.6 thousand true cubic metres in 2014 to 633.5 thousand true cubic metres in 2015. The decline is mainly explained by the huge reduction in harvesting of softwood timber from 1,167.0 thousand true cubic metres in 2014 to 621.1 thousand true cubic metres in 2015. Sale of hardwood timber more than halved from 30.6 thousand true cubic metres in 2014 to 12.4 thousand true cubic metres in 2015. The reported quantity of hardwood tree species was as a result of clearing part of the natural forests for electricity way-leaves. Sale of fuel wood/charcoal, normally obtained as waste from the sale of forest products, stood at 43.7 thousand stacked cubic metres in 2015. The number of power and telegraph poles decreased from 43.3 thousand in 2014 to 34.5 thousand in 2015.

Table 9.6: Recorded Sale of Government Forest Products, 2011 – 2015

Forest Products	2011	2012	2013	2014	2015*
Timber - '000 true cu. metres-					
Soft wood	419.2	721.3	933.7	1,167.0	621.1
Hard wood	9.5	2.3	0.0	30.6	12.4
TOTAL	**428.7**	**723.6**	**933.7**	**1,197.6**	**633.5**
Fuelwood/charcoal (000 stacked cu. Metres)	6.6	45.9	64.0	70.0	43.7
Power & Telegraph Poles (000)	0.8	1.8	14.5	43.3	34.5

Source: Kenya Forest Service

* Provisional.

Mining

9.15. In 2015, the Government through the Ministry of Mining launched an automated system to manage licensing of mineral prospecting. The online transactional mining register will be used to process fresh applications for mining rights and hence improve efficiency of operations. Implementation of the new mining system is geared towards enhancing transparency and accountability while providing a platform to attract, guide and encourage private investors to tap into the country's huge mineral potential.

9.16. The quantity and value of mineral production over the last five years is reflected in Table 9.7. Total mineral output declined by 11.3 per cent from 1,772.9 thousand tonnes in 2014 to 1,572.1 thousand tonnes in 2015. Production of soda ash dropped by 27.9 per cent from 409.8 thousand tonnes in 2014 to 295.4 thousand tonnes in 2015, as a result of the continued closure of one of the processing plants, and the siltation of Lake Magadi. Over the last four years, fluorspar output has been declining to stand at 70.1 thousand tonnes in 2015, mainly

attributed to unfavourable world export prices since the year 2013.

9.17. Production of salt, carbon dioxide, gold, gemstones and, illmenite and rutile titanium ores increased during the period under review. Production of gemstones increased significantly from 247.3 tonnes in 2014 to 442.0 tonnes in 2015. This was as a result of increased demand of low grade ruby, sapphire and opals from Sri Lanka, Thailand and India in the year under review. Illmenite and rutile registered growths in production of 58.1 per cent and 50.5 per cent, respectively in 2015. In contrast, production of zircon which is also a titanium ore declined by 35.3 per cent to 26.0 thousand tonnes in 2015.

9.18. The overall value of mineral output rose by 14.7 per cent from KSh 21.1 billion in 2014 to KSh 24.2 billion in 2015. The increase was mainly attributed to high earnings from titanium minerals of illmenite, rutile and zircon in the export markets. Earnings from titanium ores accounted for more than half of the minerals value.

Table 9.7: Quantity and Value of Mineral Production, 2011-2015

Mineral	2011	2012	2013	2014	2015*
Quantities - Tonnes:					
Minerals-					
Soda Ash	499,052	449,269	468,215	409,845	295,417
Fluorspar	95,051	91,000	71,987	97,156	70,096
Salt	24,639	9,980	8,895	18,936	21,201
Crushed Refined Soda	1,054,236	882,801	947,074	851,906	614,055
Carbon Dioxide	15,197	19,919	18,436	19,450	19,750
Diatomite	2,039	1,746	1,054	1,195	1,090
Gold	1.6	3.6	2.1	0.2	0.3
Gemstones	310.1	120.9	563.0	247.3	442.0
Titanium Ore					
Illmenite	-	-	-	281,543.0	444,999.0
Rutile	-	-	-	52,465.0	78,947.0
Zircon	-	-	-	40,123.2	25,951.0
TOTAL	**1,690,526**	**1,454,840**	**1,516,226**	**1,772,867**	**1,572,103**
Value - KSh Million					
Soda Ash	7,354.0	9,388.0	8,865.2	7,840.8	6,970.3
Fluorspar	3,984.0	2,942.0	1,783.0	1,901.0	1,427.7
Salt	140.3	65.7	71.6	173.5	197.8
Crushed Refined Soda	532.0	589.0	631.9	568.4	409.7
Carbon Dioxide	411.0	503.0	495.6	503.9	525.6
Diatomite	91.4	85.6	69.6	70.6	70.6
Gold	5,650.8	13,919.7	7,432.6	695.3	978.7
Gemstones	230.9	157.5	411.0	263.6	798.4
Titanium Ore					
Illmenite	-	-	-	3,697.0	3,763.0
Rutile	-	-	-	4,085.2	6,329.0
Zircon	-	-	-	1,281.2	2,727.0
TOTAL	**18,394.4**	**27,650.5**	**19,760.5**	**21,080.5**	**24,197.8**

Source: Department of Mines and Geology

* Provisional

9.19. The average export prices of soda ash, fluorspar and titanium ore and its concentrates over the period 2011 to 2015 are presented in Table 9.8. The export price per tonne of soda ash rose by 15.4 per cent to KSh 22,825 per tonne while that of fluorspar improved by 1.7 per cent to KSh 20,368 per tonne in 2015, but remained unfavorable. However, the average export price per tonne of titanium ore and its concentrates declined by 5.4 per cent to KSh 19,100.

Table 9.8: Average Export Prices of Soda Ash, Fluorspar, Titanium Ore and Concentrates, 2011-2015

KSh per tonne

Mineral	2011	2012	2013	2014	2015*
Soda ash	20,890	21,194	18,790	19,774	22,825
Fluorspar	33,690	30,941	21,978	20,029	20,368
Titanium ore and concentrates	-	-	-	20,198	19,100

Source: Kenya National Bureau of Statistics and Kenya Revenue Authority

*Provisional

Refuse Management

9.20. The total budgeted expenditure for refuse management by Nairobi City County is expected to increase by 8.5 per cent from KSh 419.1 million in 2014/15 to KSh 454.6 million in 2015/16 as shown in Table 9.9. The increase will mainly be driven by expenditure on refuse removal which is expected to increase by 11.8 percent to KSh 285.0 million in 2015/16. Refuse removal accounted for more than 60 per cent of the total expenditure. Expenditure on cleaning and administration is however, expected to decline from KSh143.0 million in 2014/15 to KSh139.6 million in 2015/16. The budgeted expenditure for cleaning- general in 2015/16 is expected to increase tremendously by 43.5 per cent to KSh 30.0 million in 2015/16 on account of payments incurred during engagement of the youth in monthly street clean up exercises.

Table 9.9: Expenditure on Cleaning and Refuse Management by the Nairobi City County, 2011/12-2015/16

KSh Million

Expenditure category	2011/12	2012/13	2013/14	2014/15	2015/16*
Cleaning and administration	67.9	72.1	151.0	143.0	139.6
Cleaning - General	80.0	115.3	36.9	20.9	30.0
Refuse removal	414.3	499.3	380.0	255.2	285.0
Total	562.2	686.7	567.9	419.1	454.6

Source: Nairobi City County

* Provisional

Wildlife

9.21. The diverse wildlife species in the country continues to attract both domestic and international visitors. Consequently, the Government has continued to implement measures aimed at combating poaching and illegal trade in wildlife products.

9.22. Wildlife population by species within the Kenyan rangelands, derived through the use of aerial sample surveys is shown in Table 9.10. The population of buffaloes, Burchell's zebras, elands, Thompson's gazelles, warthogs and impalas increased in the review period. Conversely, the population of elephants, giraffes, wildebeests, gerenuks, ostriches, oryx and waterbucks declined over the same period. The decline in some of the wildlife herbivores was mainly attributed to cross border movements in search of vegetation and poaching of some of the species like Elephants. Other species that showed miniminal variation in numbers were Grant's gazelle, Grevy zebra, Hunters' hartebeest, kongoni, kudu and topi.

Table 9.10: Wildlife Population Estimates in the Kenya Rangelands, 2011 – 2015

'000 Number

Species	2011	2012	2013	2014	2015*
Buffalo	16.2	15.2	13.0	15.6	15.8
Burchell's zebra	101.7	100.0	100.3	149.1	150.0
Eland	7.4	6.8	5.8	4.7	5.0
Elephant	20.5	18.5	16.0	15.9	15.8
Gerenuk	19.8	18.0	16.0	15.8	15.5
Giraffe	23.0	23.1	19.0	18.9	18.5
Grant's gazelle	112.7	112.0	111.7	111.9	111.9
Grevy's zebra	3.4	3.1	3.0	3.0	3.0
Hunters hartebeest	0.8	0.8	0.7	0.3	0.3
Impala	61.0	60.5	61.8	59.9	60.0
Kongoni	7.8	6.9	5.0	4.9	4.9
Kudu	11.2	11.1	11.0	11.0	11.0
Oryx	16.4	15.2	14.5	14.0	13.9
Ostrich	28.0	28.2	28.5	27.8	27.7
Thomson's gazelle	46.0	43.5	42.0	43.4	44.0
Topi	21.0	20.0	20.5	15.3	15.3
Warthog	17.0	18.0	18.4	17.0	17.1
Waterbuck	3.0	2.9	3.5	2.9	2.8
Wildebeest	295.0	288.0	276.0	449.4	440.0

Source: Directorate of Resource Surveys and Remote Sensing

* Provisional

Environmental Impact Assessments

9.23. The number of projects with activities of high environmental risk reported to the National Environment Management Authority (NEMA) in the year 2015 is shown in Table 9.11. There was a general upward trend in the number of Environmental Impact Assessments (EIAs) in most sectors except Agriculture and Forestry; Commerce and Industry; and Mining and Quarrying. The transport sector reported the highest number of EIAs in 2015 which was attributed to increased road construction, Base Transmission Stations (BTS) and fiber optic cabling. About two thirds of the EIAs were issued to Transport and Communication; and Human Settlements and Infrastructure.

9.24. Table 9.11 shows that the number of EIAs reported from the Energy sector increased from 326 in 2014 to 399 in 2015, mainly attributed to the rural electricity expansion program by the government. The number of EIAs reported under the Mining and Quarrying sector remained at 27 due to minimal activities in the sector following temporary suspension of licensing to mining enterprises.

Table 9.11: Number of High Risk Environment Impact Assessments (EIA) by Sector, 2011-2015

Sector	2011	2012	2013	2014	2015*
Transport and Communication	581	293	273	432	758
Energy	174	184	245	326	399
Tourism	36	22	20	16	22
Mining and Quarrying	29	22	28	27	27
Human settlements and Infrastructure	338	371	412	455	691
Agriculture and Forestry	26	29	45	47	34
Commerce and Industry	238	138	108	196	190
Water Resources	27	25	22	64	70
TOTAL	**1,449**	**1,084**	**1,153**	**1,563**	**2,191**

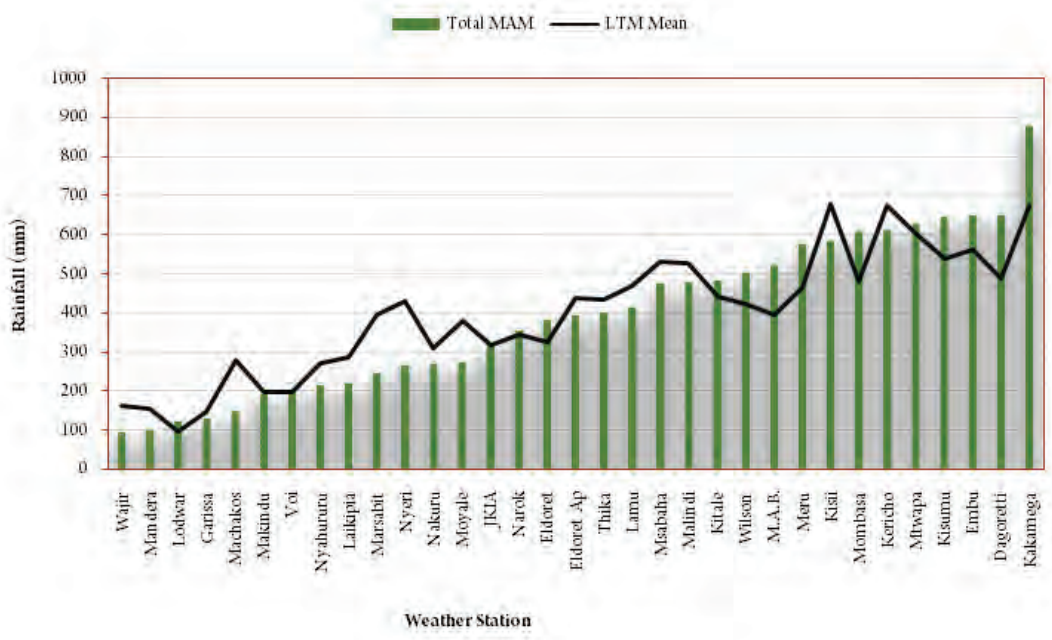
Source: National Environment Management Authority (NEMA)

* Provisional

Weather Patterns

9.25. The 2015 long rains distribution, both in time and space, was generally good over most parts of Western and Central Kenya as depicted in Figure 9.2. Sunny and dry weather conditions were, however, dominant over the entire country during the onset month of March 2015. Most of the rainfall was recorded during the second half of April and throughout the month of May 2015.

Figure 9.1: Long Rains (March to May) Performance, 2015



Source:Kenya Meteorological Deparment

TOT- Total rainfall

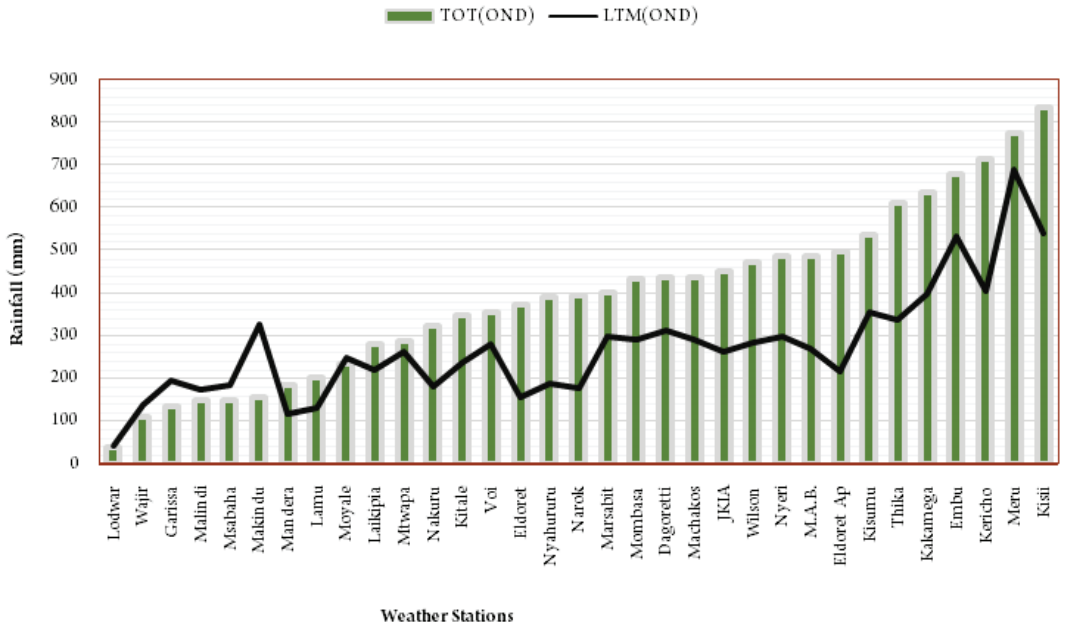
LTM – Long Term Mean

MAM –March-April-May

M.A.B—Moi Air Base

9.26. The assessment of the March-April-May (MAM) 'long rains' depicted generally good rainfall over most parts of the country. Most meteorological stations recorded rainfall amounts that were above 50 per cent of their Long-Term Means (LTMs). Kakamega, Moi Air Base, Dagoretti, Embu, Kisumu, Wilson Airport, and Kitale stations received rainfall that was above their LTM. However, Wajir, Mandera, Machakos, Nyahururu, Laikipia, Marsabit, Nyeri, Nakuru and Moyale recorded rainfall that was well below their LTM.

Figure 9.2: Short Rains (October to December) Performance, 2015



Source:Kenya Meteorological Deparment

TOT- Total rainfall

LTM – Long Term Mean

9.27. Most parts of the country experienced heavy and continuous rainfall during the October-November-December (OND) 2015 "short-rains" season. The rainfall was especially heavy over the Western and Central regions as well as several parts of North Eastern, South Eastern and the Coastal strip. This resulted in massive flooding, landslides/mudslides and loss of lives and property as well as destruction of the infrastructure. The areas that were significantly affected included counties in the Western, Rift Valley and North Eastern parts of Kenya.

9.28. Most meteorological stations recorded rainfall amounts well above 125 per cent of their seasonal LTMs. Eldoret station, for example, recorded more than double the amount normally recorded at the station during the OND season. Other stations that recorded very high amounts included Eldoret Airport, Narok and Nyahururu. Further analysis indicates that the rainfall amounts recorded in some parts of the country were comparable to those recorded during the *El Niño* episode of OND in 1997. Indeed, the rainfall at Kitale, Kisii, Kakamega and Nyahururu stations exceeded that of 1997. Elsewhere, Makindu in South Eastern Kenya and Garissa in North Eastern Kenya were the only stations in the entire country that experienced depressed rainfall of less than 75 per cent of their short rains LTMs.

Recent Developments in Environment and Natural Resources

9.29. Kenya has made remarkable steps towards achieving a green economy. Renewable energy development and restoration of dilapidated forestry land are among the initiatives the country undertook towards transformation into a green economy. In 2015, the Government enhanced Public-Private Partnerships (PPPs) to reinforce the Intended Nationally Determined Contributions (INDC's) towards reducing the greenhouse gas emissions.

9.30. The Environment Management and Co-ordination Act (Amendment) No. 5 of 2015 was enacted with the aim of entrenching the county governments in environment and natural resources management. The Act recognizes the 'Polluter Pays Principle' that requires future projects to set aside funds to mitigate against any resulting pollution damage.

9.31. The 21st session of the United Nations Climate Change Conference, COP 21 was held in Paris, France in 2015. A major outcome of the Conference was the consensus to limit global warming to less than 2°C. The country commemorated the World Environment Day on 5th June 2015 in accordance with the global calendar of environmental events. The 2015 theme of 'Seven Billion Dreams, One Planet, Consume with Care' focused on building a more sustainable future for everyone all over the world in line with Sustainable Development Goals (SDGs).

Chapter 10

Energy

Overview

The energy sector witnessed a steady rise in global crude oil and other liquid inventories in 2015. Murban crude prices decreased to an average of USD 52.53 per barrel in 2015, down from an average of USD 99.45 per barrel in 2014. The lowest price observed in 2015 was USD 37.25 per barrel recorded in December 2015, while the highest was recorded in May 2015 at USD 65.75 per barrel. This was mainly due to sustained excess supply of crude oil compared to global demand driven by slowed pace of growth in the Chinese economy, increased US production of shale oil and the over-supply by the Organization of the Petroleum Exporting Countries (OPEC). The over-supply by OPEC was due to a substantial increase in production by Iraq. The low international crude oil prices translated into cheaper refined petroleum products in the domestic market.

10.2. The volume of petroleum product imports increased marginally from 4,409.0 thousand tonnes in 2014 to 4,431.7 thousand tonnes in 2015. The total import bill for petroleum products however decreased by 32.6 per cent to KSh 226.1 billion during the same period.

10.3. Total installed electricity capacity increased by 6.3 per cent to 2,333.6 MW in 2015, while total electricity generation expanded by 4.1 per cent to 9,514.6 GWh during the same period. Demand for electricity increased from 7,415.4 million KWh in 2014 to 7,826.4 million KWh in 2015. The number of customers connected under the Rural Electrification Programme (REP) rose by 33.0 per cent to stand at 703,190 customers as at July 2015, up from 528,552 as at July 2014.

Petroleum

10.4. Table 10.1 presents the quantity and value of imports and exports of petroleum products for the period 2011 to 2015. Total quantity of petroleum products imports increased from4,409.4 thousand tonnes in 2014 to 4,431.7 thousand tonnes in 2015. The import bill for petroleum products declined from KSh 335.7 billion in 2014 to stand at KSh 226.1 billion in 2015. This was mainly due to reduced oil prices in the international market.

10.5. The quantity of total petroleum product exports increased by 24.3 per cent to 765.5 thousand tonnes in 2015. Re-exports constituted 98.3 per cent of the total volume of petroleum product exports during the review period. The value of total petroleum product exports expanded by 12.0 per cent from KSh 53,165 million to KSh 59,543 million during the same period. The value of domestic exports of petroleum products increased by 9.3 per cent to stand at KSh 5,957.0 million, while that of re-exports rose by 12.3 per cent to KSh 59.5 billion in 2015. The value of petroleum products available for domestic market (net balance) dropped by 41.0 per cent to KSh 166,583 million in 2015 compared to KSh 282,507 million in 2014.

Table 10.1: Quantity and Value of Imports, Exports and Re-exports of Petroleum Products[1], 2011-2015

	Quantity ('000 tonnes)					Value (KSh Million)				
Year	**2011**	**2012**	**2013**	**2014**	**2015***	**2011**	**2012**	**2013**	**2014**	**2015***
IMPORTS										
Crude Petroleum	1,772.1	997.0	567.4	..	..	124,041.6	68,086.0	41,037.4	-	-
Petroleum Fuels+	2,235.6	2,803.4	2,985.9	4,400.2	4,418.1	196,648.9	237,699.5	248,687.4	333,779.0	222,940.0
Lubricating Oils+	4.7	7.1	6.9	6.8	10.8	798.2	1,386.8	1,422.9	1,423.8	2,468.0
Lubricating Greases + ...	1.8	1.8	2.3	2.4	2.8	377.3	383.8	474.9	468.5	717.7
TOTAL	**4,014.2**	**3,809.3**	**3,562.5**	**4,409.4**	**4,431.7**	**321,866.0**	**307,556.1**	**291,622.6**	**335,671.3**	**226,125.7**
DOMESTIC EXPORTS										
Petroleum Fuels	32.0	11.7	17.0	36.8	4.2	2,642.1	1,093.3	1,384.9	2,718.1	295.7
Lubricating Oils	35.0	0.6	-	12.1	8.3	1,740.9	38.8	-	2,716.6	5,639.8
Lubricating Greases	58.2	43.7	11.6	0.1	0.1	3,370.9	2,685.0	734.7	14.7	21.5
TOTAL...	**125.2**	**56.0**	**28.6**	**48.9**	**12.6**	**7,753.9**	**3,817.1**	**2,119.6**	**5,449.4**	**5,957.0**
RE-EXPORTS										
Petroleum Fuels	60.5	55.3	111.1	561.6	752.8	4,824.9	4,824.9	9,395.2	47,134.6	52,939.1
Lubricating Oils	0.1	-	-	5.4	0.2	2.4	2.4	-	570.8	-
Lubricating Greases	60.3	71.5	18.2	0.0	0.0	3,178.7	4,732.8	1,108.3	9.8	646.7
TOTAL...	**120.9**	**126.8**	**129.3**	**567.0**	**753.0**	**8,006.0**	**9,560.1**	**10,503.5**	**47,715.2**	**53,585.8**
TOTAL EXPORTS... ...	**246.1**	**182.8**	**157.9**	**616.0**	**765.5**	**15,759.9**	**13,377.2**	**12,623.1**	**53,164.6**	**59,542.8**
NET BALANCE...						**306,106.1**	**294,178.9**	**278,999.5**	**282,506.7**	**166,582.9**

*Provisional

[1]Excludes other light and medium petroleum oils, preparations and residual petroleum products.

.. Insignificant

+ Revised

10.6. Table 10.2 shows the supply and demand for petroleum products for the period 2011 to 2015. Total demand for petroleum products rose to 4,742.7 thousand tonnes in 2015, mainly due to growth in domestic demand for illuminating kerosene, motor gasoline and light diesel oil which increased by 29.9, 22.5 and 20.9 per cent, respectively. Light diesel oil, the main type of fuel sold in the country, accounted for 43.9 per cent of the total domestic demand in 2015.

Table10.2: Petroleum Supply and Demand, 2011-2015

'000 Tonnes

	2011	2012	2013	2014	2015*
DEMAND -					
Liquefied petroleum gas	91.6	93.6	92.9	149.7	148.6
Motor gasoline (premium and regular)	562.1	618.5	774.5	903.8	1,107.0
Aviation spirit	2.8	1.8	2.2	2.3	18.7
Jet/turbo fuel	670.6	671.0	551.3	529.3	635.3
Illuminating kerosene	269.6	309.0	296.1	300.3	390.1
Light diesel oil	1,461.8	1,486.3	1,601.2	1,721.4	2,080.9
Heavy diesel oil	27.6	20.8	18.7	3.0	0.1
Fuel oil	771.8	437.0	371.0	328.1	357.8
TOTAL	**3,857.9**	**3,638.0**	**3,707.9**	**3,937.9**	**4,738.5**
Refinery usage	83.7	48.0	31.3	0.0	0.0
TOTAL DOMESTIC DEMAND	**3,941.6**	**3,686.0**	**3,739.2**	**3,937.9**	**4,738.5**
Exports of petroleum fuels	32.1	11.7	6.2	36.8	4.2
TOTAL DEMAND	**3,973.7**	**3,697.7**	**3,745.4**	**3,974.7**	**4,742.7**
SUPPLY -					
Imports:					
Crude oil	1,772.1	997.0	567.4	0.0	0.0
Petroleum fuels	2,235.6	2,803.4	2,985.9	4,400.2	4,418.1
TOTAL	4,007.7	3,800.4	3,553.3	4,400.2	4,418.1
Adjustment[1]	-34.0	-102.7	192.1	227.9	324.6
TOTAL SUPPLY	**3,973.7**	**3,697.7**	**3,745.4**	**3,974.7**	**4,742.7**

* Provisional.

[1]Adjustment for inventory changes and losses in production.

10.7. Net domestic sales of petroleum fuels by consumer category for the period 2011 to 2015 are shown in Table 10.3 and Figure 10.1. Net domestic sales of petroleum products increased significantly by 20.3 per cent to 4,738.5 thousand tonnes in 2015. During the period under review, retail pump outlets, road transport, industrial, commercial and other, and aviation (excluding Government.) were the main consumers contributing to the increase in net domestic sales of petroleum products, each contributing 623.7, 120.9 and 107.3 thousand tonnes respectively. Consumption of fuel for power generation declined by more than 60.0 per cent to stand at 32.3 thousand tonnes during the review period. The transport sector (roads and aviation - excluding Government) remain the main consumer of petroleum fuels, jointly accounting for 85.5 per cent of total sales in 2015 up from 84.3 per cent in 2014. Government consumption registered a decrease of 17.2 per cent in 2015 to 7.7 thousand tonnes from 9.3 thousand tonnes in 2014.

Table 10.3: Net Domestic Sale of Petroleum Fuels by Consumer Category, 2011-2015

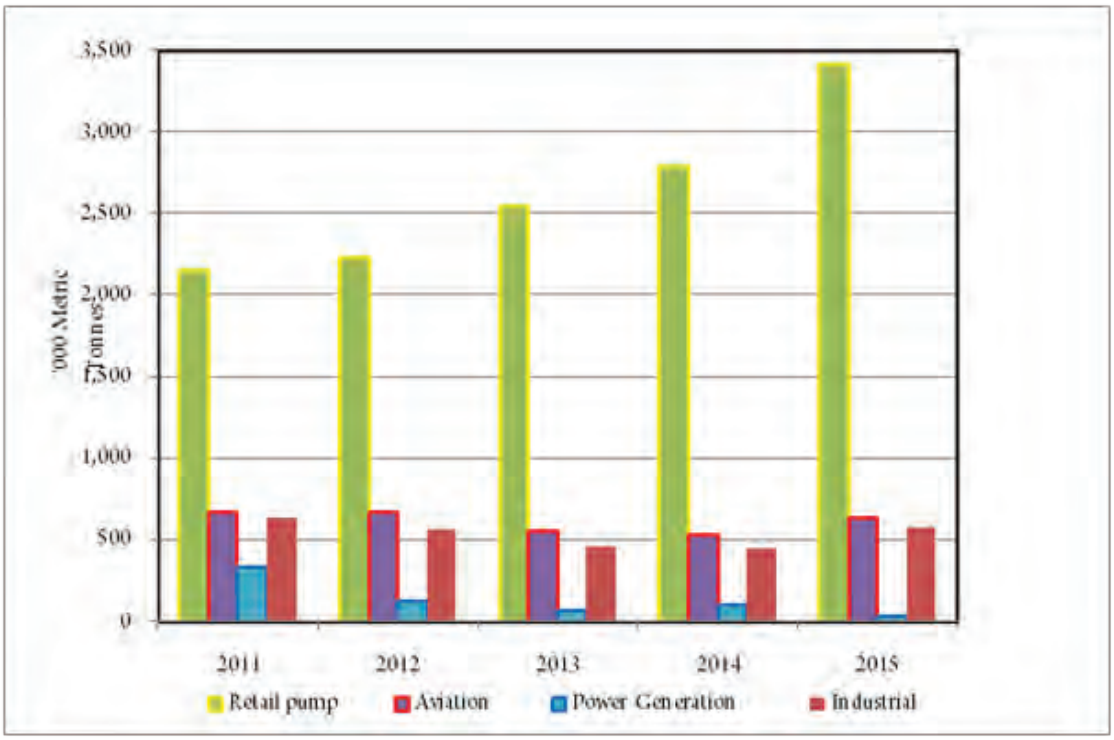
'000 Tonnes

User	2011	2012	2013	2014	2015*
Agriculture	30.4	22.5	28.5	36.4	29.7
Retail pump outlets and road transport	2,159.5	2,234.7	2,573.7	2,791.0	3,414.7
Rail transport	7.3	11.6	14.2	15.6	36.9
Tourism[1]	7.7	6.2	5.5	5.1	4.8
Marine (excl. Naval Forces)	26.8	13.1	25.4	18.6	2.9
Aviation (excl. Government)	665.7	665.5	552.4	530.4	637.7
Power Generation	328.7	118.7	64.1	98.9	32.3
Industrial, Commercial and Other	632.5	566.1	462.3	451.2	572.1
Government	21.0	12.6	7.2	9.3	7.7
Balancing Item	-21.7	-13.0	-25.4	-18.6	0.3
TOTAL	**3,857.9**	**3,638.0**	**3,707.9**	**3,937.9**	**4,738.5**

Source: Ministry of Energy and Petroleum

* Provisional

Figure 10.1: Sale of petroleum fuels by Major Consumer Category, 2011-2015



10.8. Table 10.4 presents wholesale prices of Petroleum Products in Mombasa for December 2011 to December 2015. In general, wholesale prices for all petroleum products were lower in 2015 compared to 2014 due to the prevailing low prices in the international market. Wholesale prices for illuminating kerosene declined substantially by 46.9 per cent from KSh 86,449 per tonne in December 2014 to KSh 45,890 per tonne in December 2015. Similarly, wholesale prices for premium motor gasoline decreased by 38.5 per cent from KSh 133,711 per tonne in December 2014 to KSh 82,240 per tonne in December 2015. Wholesale prices for Light diesel, mainly used by vehicles, dropped from KSh 104,097 per tonne in December 2014 to KSh 99,360 in December 2015.

Table 10.4: Whole Sale Prices[1] of Petroleum Products in Mombasa, 2011-2015

KSh per Tonne

PRODUCT	Dec. 2011	Dec. 2012	Dec. 2013	Dec. 2014	Dec. 2015
Liquefied petroleum gas	131,420	130,910	123,803	110,721	95,920
Motor gasoline (Premium)+	156,896	148,169	143,535	133,711	82,240
Illuminating kerosene	110,792	105,399	101,153	86,449	45,890
Light diesel oil	128,079	121,944	120,303	104,097	99,360
Industrial diesel oil	86,501	81,608	74,238	73,874	..
Fuel oil	68,050	70,838	64,950	58,678	..

Source: Energy Regulatory Commission /National Oil Corporation

[1]Including duties and VAT.

.. Data not available

10.9. Murban crude oil prices at the international market for the period 2011 to 2015 are shown in Table 10.5 and Figure 10.2. The price of Murban crude oil dropped significantly by over 47 per cent in 2015, from an average of USD 99.45 per barrel in 2014 to an average of USD 52.53 per barrel in 2015. This was mainly occasioned by the surge in supply over demand. The highest average crude oil price was USD 65.75 per barrel recorded in May 2015, while the lowest was USD 37.25 per barrel recorded in December 2015.

Table 10.5: Murban ADNOC Prices[1], 2011-2015

US$/BBL

Month/Year	2011	2012	2013	2014	2015*
January	95.55	114.20	112.05	109.75	46.40
February	103.60	120.45	115.4	109.95	56.55
March	112.55	127.00	109.95	108.30	56.10
April	120.70	121.20	105.65	107.95	60.55
May	113.60	110.60	103.65	109.15	65.75
June	112.15	97.35	103	111.65	63.70
July	113.95	101.75	106.85	109.5	57.70
August	109.05	111.65	111.7	104.25	48.85
September	110.90	115.40	114.50	97.95	46.60
October	108.95	113.20	112.45	87.35	47.30
November	114.35	112.10	112.20	77.00	43.55
December	111.80	110.75	113.85	60.65	37.25
Annual average	**110.60**	**112.97**	**110.10**	**99.45**	**52.53**

Source : Ministry of Energy and Petroleum

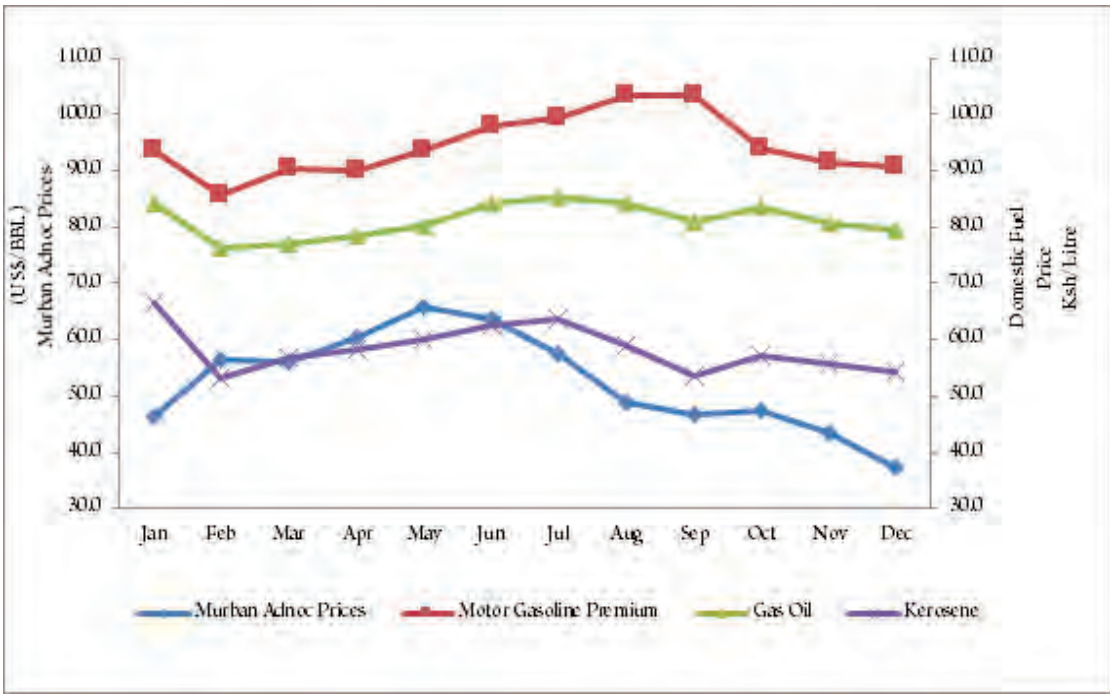
* Provisional

[1] Abu Dhabi Free On Board (FOB) Prices

ADNOC : Abu Dhabi National Oil Company

US$/ BBL: US Dollars per Barrel

Figure 10.2: International Crude Oil Prices against Domestic Fuel Prices, 2015



10.10. There was a general decline in the average retail prices of petroleum products in 2015. This was occasioned by the fall in international petroleum prices as presented in Table 10.6. Domestic retail prices for illuminating kerosene recorded the largest decline of 25.0 per cent to KSh 54.23 per litre in December 2015. Similarly, the average price of liquefied petroleum gas (LPG) for a 13Kg cylinder dropped from KSh 3,018.45 per cylinder to KSh 2,369.46 per cylinder during the same period. The average retail price of gas oil and motor gasoline (premium) dropped by 13.4 per cent and 11.6 per cent, respectively, in the review period.

Table 10.6: Average Retail Prices of Selected Petroleum Products, 2011- 2015

		KSh per Litre			KSh per 13 Kg cylinder
Year	Month	Motor Gasoline Premium	Gas oil	Illuminating Kerosene	Liqufied Petroleum Gas (LPG)
2011	January	95.37	89.47	78.45	2326.65
	March	103.32	95.27	84.92	2308.56
	June	115.87	107.26	86.66	2328.67
	September	118.42	109.01	89.14	2451.66
	December	113.39	105.53	88.34	2510.55
2012	January	112.70	108.74	87.96	3149.63
	March	112.44	105.97	84.99	2882.50
	June	118.40	106.33	84.05	2772.94
	September	109.70	101.92	80.51	2628.06
	December	113.35	106.64	87.29	2604.55
2013	January	112.35	104.83	84.71	2630.73
	March	118.41	108.21	89.39	2662.61
	June	108.93	100.01	82.38	2573.75
	September	114.69	106.47	86.47	2836.67
	December	110.11	105.44	83.99	2876.00
2014	January	111.41	105.65	85.98	2995.22
	March	114.43	105.79	84.82	3094.16
	June	115.43	105.73	84.04	3074.57
	September	112.46	103.28	82.55	3111.74
	December	102.86	91.79	72.30	3018.45
2015	January	93.75	84.3	66.53	2954.36
	February	85.6	76.49	53.37	2846.53
	March	90.34	77.16	56.71	2629.56
	April	90.22	78.44	58.17	2529.56
	May	93.76	80.3	60.2	2424.69
	June	98.14	84.26	62.73	2387.04
	July	99.45	85.51	63.69	2376.22
	August	103.5	84.3	58.94	2374.92
	September	103.49	80.94	53.52	2393.85
	October	94.16	83.38	57.00	2401.31
	November	91.34	80.61	55.77	2386.66
	December	90.94	79.47	54.23	2369.46

Electricity

10.11. Details of installed capacity and generation of electricity by source is shown in Table 10.7a, Table 10.7b and Figure 10.3. Installed capacity refers to the maximum theoretical electric output a power station can produce when operating at 100 per cent while Effective capacity is the capacity a power station is expected to achieve given current operating constraints. During the period under review, total installed capacity rose by 6.3 per cent from 2195.3 MW in 2014 to 2333.6 MW in 2015. Total effective capacity expanded by 8.0 per cent from 2,094.9 MW in 2014 to 2,263.2 MW in 2015. Co-generation effective capacity remained at the 2014 level of 21.5 MW, while thermal effective capacity expanded from 712.6 MW recorded in 2014 to 797.1 MW in 2015.

10.12. Total electricity generation increased from 9,138.6 GWh in 2014 to 9,514.6 GWh in 2015. Generation from geothermal plants shot up by 55.0 per cent to 4,520.6 GWh in 2015 due to installation of new geothermal plant, Orpower4 plant IV. Thermal generation declined significantly from 2,585.2 GWh to 1,412.2 GWh during the same period. Hydro and geothermal power accounted for 84.5 per cent of the total power generated in 2015.

Table 10. 7a: Installed and Effective Capacity, 2011-2015

	INSTALLED CAPACITY MW						EFFECTIVE CAPACITY MW					
Year	Hydro	Thermal Oil	Geo thermal	Wind	Co-gene-ration	Total	Hydro	Thermal Oil	Geo thermal	Wind	Co-gene-ration	Total
2011	763.2	660.5	198.0	5.3	26.0	**1,627.0**	735.0	582.7	190.6	5.3	26.0	**1,539.6**
2012	788.4	660.6	209.5	5.4	26.0	**1,689.9**	769.9	610.6	199.6	5.3	26.0	**1,611.4**
2013	812.3	714.4	241.8	5.9	26.0	**1,800.4**	766.6	693.2	236.5	5.3	21.5	**1,723.1**
2014	818.3	751.3	573.4	26.3	26.0	**2,195.3**	797.5	712.6	558.0	5.3	21.5	**2,094.9**
2015*	820.7	833.8	627.0	26.1	26.0	**2,333.6**	799.5	797.1	619.0	26.1	21.5	**2,263.2**

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

* Provisional

1 Megawatt = million watts = 1,000 kilowatts.

Table 10.7b: Generation and imports of Electricity[1], 2011-2015

GWh[3]

	GENERATION								Imports	Total
		Thermal oil								
Year	Hydro	KenGen	IPP	EPP	Total	Geo thermal	Co-gene-ration	Wind		
2011	3,183.3	903.0	1,538.8	358.7	2,800.5	1,443.7	80.9	17.6	33.9	**7,559.9**
2012	3,976.8	682.5	1,208.9	309.0	2,200.4	1,515.9	104.7	14.4	39.1	**7,851.3**
2013	4,386.0	598.3	1,386.2	177.2	2,161.7	1,780.9	55.6	14.7	49.0	**8,447.9**
2014	3,410.6	844.2	1,673.0	68.0	2,585.2	2,917.4	50.0	17.0	158.4	**9,138.6**
2015*	3,463.3	393.4	954.2	64.5	1,412.1	4,520.7	0.0	59.7	58.8	**9,514.6**

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

* Provisional

[1]Includes generation for industrial establishment with generation capacity of over 100KVA plus

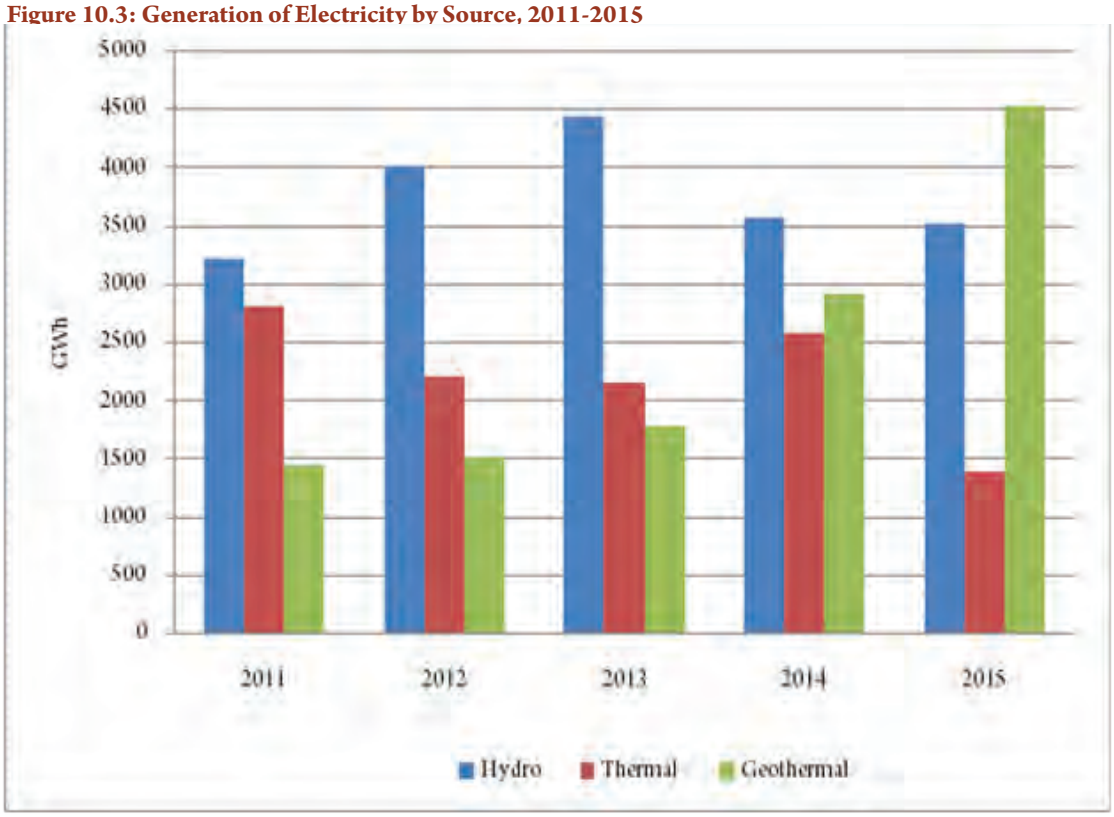
1 Megawatt = million watts = 1,000 kilowatts.

[3]1 Gigawatt hour = 1,000,000 kilowatt hours

IPP: Independent Power Producers

EPP: Emergency Power Producers

Figure 10.3: Generation of Electricity by Source, 2011-2015



10.13. Demand and supply balance of electricity are shown in Table 10.8 for the period 2011 to 2015. Total domestic demand for electricity increasedby 57.8 GWh in 2015 from 7,768.6 GWh in 2014. Sales to large and medium commercial and industrial consumers increased by 3.2 per cent, accounting for 42.2 per cent of total demand in 2015. Similarly, domestic and small commercial consumption rose by 9.8 per cent to account for 34.2 per cent of the total demand.

10.14. Demand for electricity under rural electrification decreased from 504.7 GWh in 2014 to 496.6 GWh in 2015. Local electricity generation increased by 5.3 per cent from 8,980.3 GWh to 9,456.3 GWh in 2015. Exports to Uganda and Tanzania rose substantially by 51.6 per cent to stand at 46.7 GWh during the same period. In contrast, total electricity imports from Uganda and Tanzania decreased by 62.9 per cent from 158.4 GWh in 2014 to 58.8 GWh in 2015. Transmission and distributive losses decreased by 3.0 per cent to 1,641.5 GWh in 2015.

Table 10.8: Electricity Supply and Demand, 2011-2015

Million KWh

	2011	2012	2013	2014	2015*
DEMAND					
Domestic and Small Commercial	2,471.4	2,568.5	2,866.1	2,963.1	3,254.9
Large & Medium (Commercial and Industrial)	3,440.3	3,409.2	3,585.3	3,891.4	4,017.8
Off-peak	37.9	36.0	32.7	33.7	25.7
Street Lighting	17.9	20.6	17.2	22.5	31.4
Rural Electrification	306.1	380.1	426.8	504.7	496.6
TOTAL DOMESTIC DEMAND	**6,273.6**	**6,414.4**	**6,928.1**	**7,415.4**	**7,826.4**
Exports to Uganda & Tanzania	**37.3**	**32.7**	**43.7**	**30.8**	**46.7**
Transmission losses[1] and Distributive losses	1,248.9	1,404.2	1,476.1	1,692.5	1,641.5
TOTAL DEMAND = TOTAL SUPPLY[2]	**7,559.8**	**7,851.3**	**8,447.9**	**9,138.7**	**9,514.6**
Less imports from Uganda and Tanzania	33.9	39.1	49.0	158.4	58.8
Local generation	**7,525.9**	**7,812.2**	**8,398.9**	**8,980.3**	**9,455.8**

Source: Kenya Power and Lighting Company Ltd

*Provisional

[1]Voltage losses in power transmission lines

10.15. Demand and supply of commercial energy by primary source for the period 2011 to 2015 is presented in Table 10.9. Total energy consumption increased by 27.7 per cent to 5,883.7 thousand tonnes of oil equivalent in 2015.Consumption of liquid oil increased by 20.3 per cent to 4,738.5 thousand tonnes of oil equivalent while that of hydro and geothermal energy rose by 21.9 per cent to 696.6 thousand tonnes of oil equivalent during the review period. This was mainly due to a 54.9 per cent increase in local production of geothermal power in 2015. Consumption of coal and coke also expanded by 6.1 per cent from 328.7 thousand tonnes to 348.6 thousand tonnes of equivalent oil in the review period.

Table 10.9: Production, Trade and Consumption of Energy[1] by Primary Sources, 2011-2015

'000 tonnes of Oil Equivalent

	2011	2012	2013	2014	2015
COAL AND COKE	236.3	211.3	208.9	328.7	348.6
LIQUID FUELS	3,857.9	3,638.6	3,707.9	3,937.9	4,738.5
Imports of crude oil	1,772.1	997.1	567.4	0.0	0.0
Net exports of petroleum	2,119.8	2,744.2	2,948.4	3,745.2	4,142.4
Stock changes and balancing item	-34.0	-102.7	192.1	227.9	324.6
HYDRO AND GEOTHERMAL ENERGY:-	403.6	479.0	538.6	571.4	696.6
Total Local Energy Production	400.7	475.6	534.4	557.8	691.5
Local production of hydro power	276.6	345.3	381.3	306.9	302.8
Local production of geothermal power	124.1	130.3	153.1	250.9	388.7
Imports of hydro power	2.9	3.4	4.2	13.6	5.1
TOTAL ENERGY CONSUMPTION	**4,497.8**	**4,328.9**	**4,424.0**	**4,608.0**	**5,883.7**
LOCAL PRODUCTION AS PERCENTAGE OF TOTAL	8.9	11.0	12.1	11.5	11.8
PER CAPITA CONSUMPTION IN TERMS OF KILOGRAMME OF OIL EQUIVALENT	113.7	106.5	105.9	112.5	133.2

* Provisional.

[1] Excludes wood fuel and charcoal.

10.16. Local production of energy as a percentage of total energy consumption increased by 11.8 per cent in 2015. Energy consumption per capita increased by 18.4 per cent to 133.2 kilogramme equivalent of oil in 2015.

Developments in the Energy Sector

Rural Electrification

10.17. In 2014/15, Rural Electrification Authority (REA) targeted to supply electricity to all un-electrified primary schools in preparation for the implementation of the class one laptop programme in public primary schools. In 2015/16, the Government implemented the Last Mile Connectivity Project which aims at increasing electricity access to Kenyans. Through this initiative, REA was to exploit to the maximum the existing distribution transformers through extension of low voltage network to reach households lying within transformers protection distance.

10.18. In 2015, REA financed electricity supply to a total of 21,487 public primary schools, 17,809 on grid and 3,678 on solar. Further, 490 other public facilities were also connected to the grid during the period. In 2015/16, major electrification projects in progress include connection of 3,638 public primary schools to the national grid and 286 publicprimary schools to electricity through solar.

10.19. The number of customers connected under the rural electrification programme expanded by 33.0 per cent to 703,190 customers as at July 2015 up from 528,552 customers as at July 2014. Electricity sold increased by 15.6 per cent from 454 million units in 2013/14 to 525 million units in 2014/2015. This resulted in revenue growth of 11.4 per cent from KSh 7,229 million to KSh 8,051 million during the review period.

10.20. Olkaria 1V (unit 1 & 2) and Olkaria 1(unit 4 & 5) and wellhead Geothermal projects under Vision 2030 Flagship Projects, with a total capacity of 330.6 MW; Ngong 1 Wind Phase 2-6.8 MW, Ngong 11 Wind-13.6 MW plants were the major electric-power energy projects implemented and commissioned in 2014/2015.Olkaria 1 Unit 6, Olkaria 1 rehabilitation, Olkaria V, Olkaria V1, wellhead Units and Meru Wind Project Phase 1 with installed capacities of 70, 51, 140, 140, 350 and 100 MW, respectively are the power generation projects under construction.

Progress in Oil Exploration

10.21. In the third quarter of 2015, Tullow finalized the drilling of three wells in the South Lokichar Basin in Blocks 10BB and 13T. In the same period, an extensive appraisal programme of the Ngamia and Amosing fields in the South Lokichar Basin Block 10BB continued. These oil fields are expected to form the foundation for a phased development of the South Lokichar Basin. One drilling rig is currently active in the South Lokichar Basin.Towards the end of December 2015, Tullow begun the process of oil exploration in Block 12A within Kerio Basin.

10.22. Maersk Oil, one of the leading independent oil and gas companies in the world, acquired half of Africa Oil Corporation's shares in three onshore exploration licenses in Kenya in the third quarter of 2015. This was one of the most significant oil and gas transaction in Africa in 2015.

Chapter 11

Manufacturing

Overview

The manufacturing sector grew by 3.5 per cent in 2015 compared to 3.2 per cent recorded in 2014. The growth was partly attributed to reduced cost of inputs such as petroleum products and electricity. Overall, credit to the manufacturing sector increased from KSh 237,422 million in 2014 to KSh 290,069 million in 2015. The value of manufacturing projects approved by industrial financial institutions also increased to KSh 1,092.0 million in 2015 from KSh 569.1 million in 2014. The sector was negatively affected by cheap imports, high cost of capital and disincentives to export because of delayed Value Added Tax refunds.

11.2. In 2015, enterprises operating under Export Processing Zone (EPZ) program recorded increase in employment, exports, imports, and expenditure on local goods and services. Total EPZ sales went up by 12.1 per cent from KSh 57.2 billion in 2014 to KSh 64.1 billion in 2015.

11.3. Producer prices as measured by Producer Price Index (PPI) increased by 3.9 per cent from 109.17 in 2014 to 113.43 in 2015. The increase was mainly due to high cost of imported raw materials arising from depreciation of the Kenya Shilling against major currencies.

11.4. Formal employment in the manufacturing sector went up by 2.7 per cent from 287.4 thousand persons in 2014 to 295.4 thousand persons in 2015. The sector contributed 11.9 per cent of the formal jobs in the country. Food products and beverage industry contributed about one third of employment in the manufacturing sector.

Manufacturing Output

11.5. Table 11.1 presents details of nominal output, intermediate consumption, value added and compensation of employees for the manufacturing sector. Intermediate consumption grew by 3.9 per cent compared to 4.7 per cent in 2014. The slowed growth was due to lower cost of energy in 2015. Value added increased by 19.4 per cent to KSh 644.1 billion. As a result, value of output at current prices increased by 8.5 per cent to KSh 1,986.7 billion in 2015.

Table 11.1: Manufacturing Output, Compensation of Employees and Value Added, 2011-2015

Current Prices - KSh Million

YEAR	Value of Output	Intermediate Consumption	Value Added	Compensation of Employees
2011……	1,580,775	1,142,961	437,814	97,819
2012……	1,619,622	1,150,120	469,502	103,908
2013……	1,732,412	1,234,055	498,357	127,186
2014……	1,831,071	1,291,684	539,388	147,472
2015* ……	1,986,733	1,342,676	644,057	185,392

* Provisional.

Quantum Index

11.6. The manufacturing sector quantum index (volume) recorded a slower growth of 3.9 per cent in 2015 compared to 6.3 per cent in 2014. Most industries in the sector, recorded growth, key among them being the manufacture of pharmaceutical products; beverages; meat and meat products; and non-metallic minerals and plastic products. There was a notable decline in fish processing; other food products, which include tea and coffee; tobacco products; leather

and related products; rubber products and basic metal. Tables 11.2 and 11.3 present quantities of selected products and quantum index of manufacturing sector.

11.7. Production of meat and meat products registered a 9.3 per cent growth in 2015. Beef production went up from 419.1 thousand tonnes in 2014 to 459.4 thousand tonnes in 2015. Production of sausages and processed chicken went up by 10.7 per cent and 0.1 per cent, respectively. However, production of processed fish dropped significantly by 21.8 per cent. As a result, the quantities of fish and fish preparations exported declined by 29.0 per cent from 15,213 tonnes in 2014 to 10,801 tonnes in 2015.

11.8. Preparation and preservation of fruits and vegetables increased by 2.3 per cent in 2015 after a contraction of 15.9 per cent in 2014. Quantities of prepared and preserved vegetables went up by 12.1 per cent while that of prepared and processed fruits dropped by 2.3 per cent during the year under review.

11.9. Manufacture of animal and vegetable fats and oils increased by 6.5 per cent in 2015. The amount of processed vegetable oils increased by 12.2 per cent and that of vegetable fats grew marginally by 0.8 per cent during the review period. There has been a rising demand for vegetable oils compared to vegetable fats over the years mainly due to health awareness and concerns.

11.10. Production of dairy products registered a growth of 8.2 per cent in 2015. Quantity of processed milk increased by 4.3 per cent from 419.3 million litres in 2014 to 437.5 million litres in 2015. The rise is attributable to favourable weather conditions in 2015, which led to increase in pasture and fodder. Production of yoghurt and other fermented milk went up significantly by 24.5 per cent during the same period.

11.11. Grain mill products recorded an impressive growth of 7.8 per cent in 2015 mainly driven by increased processing of wheat flour which grew by 11.1 per cent from 988.7 thousand tonnes in 2014 to 1,098.6 thousand tonnes in 2015. Maize milling in the formal sector rose marginally by 1.7 per cent while milled rice went up by 3.1 per cent from 60.5 thousand tonnes in 2014 to 62.4 thousand tonnes in 2015. Production of animal feeds grew by 4.5 per cent. Manufacture of bakery products increased by 7.2 per cent in 2015, of which biscuits and bread went up by 9.5 per cent and 7.0 per cent, respectively.

11.12. Production of sugar increased by 6.6 per cent from 592.7 thousand tonnes in 2014 to 632.0 thousand tonnes in 2015 mainly attributable to improved supply of cane. However, the sugar industry is still under global and regional threat due to high cost of production, and is therefore uncompetitive in the region and locally. Other challenges are low yields; obsolete milling technology, which leads to inefficiency; and poor transport infrastructure in accessing the cane from the farms. Manufacture of cocoa, chocolate and sugar confectionery registered a marginal growth of 0.8 per cent in 2015. Sweets and chewing gum posted growths of 1.2 per cent and 1.0 per cent, respectively.

Table 11.2: Production of Selected Commodities 2011-2015

Commodity	Units	2011	2012	2013	2014	2015*
Processed Milk	Million litres	375.8	325.4	350.4	419.1	437.5
Wheat flour	Tonnes	815,297.0	844,797.0	884,179.3	988,732.8	1,098,607.6
Maize meal	„	509,077.2	524,036.3	562,543.4	571,173.1	580,660.7
Biscuits	„	13,026.0	11,905.7	12,331.7	10,583.2	11,653.6
Cooking oil	„	138,798.8	143,615.8	162,803.6	186,143.4	208,951.3
Edible fats and magarine	„	234,645.0	214,115.6	235,586.0	265,158.6	266,729.6
Sugar	„	490,210.0	493,936.5	600,560.0	592,657.0	631,957.0
Coffee - milled	„	36,629.0	49,960.0	39,825.0	49,475.0	41,600.0
Tea	„	377,912.2	369,562.0	432,453.0	445,106.0	399,200.0
Soft drinks	000 Litres	363,180.5	365,417.2	407,354.9	457,523.0	496,043.6
Blankets	000 Pieces	1,542.5	1,214.6	2,048.4	2,339.1	2,611.7
Assembled vehicles	Pieces	6,298.0	6,000.0	7,026.0	9,514.0	10,181.0
Galvanized sheets	Tonnes	268,104.7	254,760.3	305,152.1	284,508.3	256,829.5

* Provisional

Table 11.3: Quantum Index of Manufacturing Production, 2011-2015

Base: 2009=100

Industry Divisions and Groups Descriptions	2011	2012	2013	2014	2015*	% Change
Meat and Meat Products	105.1	109.2	109.4	108.3	118.3	9.3
Processing and preserving of fish	110.7	87.8	85.0	86.7	67.8	-21.8
Prepared and Preserved Fruits and Vegetables	109.7	102.9	120.0	100.9	103.2	2.3
Animal and Vegetable Fats and Oils	101.1	98.9	111.4	128.2	136.4	6.5
Dairy Products	149.0	144.9	147.4	156.8	169.7	8.2
Grain Mill Products	126.3	130.3	137.4	148.5	160.0	7.8
Bakery Products	109.4	133.7	141.7	152.3	163.3	7.2
Sugar	89.5	90.1	109.5	108.2	115.3	6.6
Cocoa, Chocolate and Sugar Confectionery	121.8	133.4	131.6	137.4	138.5	0.8
Food Products not elsewhere classified	114.9	117.1	129.6	136.2	121.5	-10.8
Animal Feed	114.9	122.6	131.0	132.2	138.2	4.5
Total Food Products	**113.7**	**116.6**	**126.3**	**132.5**	**134.1**	**1.2**
Beverages	113.6	122.9	112.5	110.8	135.1	22.0
Tobacco Products	117.7	128.2	119.6	144.0	137.6	-4.4
Beverages and Tobacco	**114.3**	**123.8**	**113.7**	**116.5**	**135.6**	**16.4**
Textiles	110.4	117.7	112.1	113.9	123.1	8.1
Wearing Apparel	125.2	140.7	154.4	172.9	191.5	10.8
Leather and Related Products	132.7	130.9	135.4	118.6	104.1	-12.2
Wood and Products of Wood	101.7	107.0	113.9	132.4	144.5	9.2
Paper and Paper Products	126.3	135.2	144.9	140.1	140.6	0.4
Printing and Production of Recorded Media	100.5	100.2	102.3	99.3	99.2	-0.1
Refined Petroleum Products	114.0	91.4	47.0	0.0	0.0	0.0
Chemical and Chemical Products	116.0	116.1	112.6	125.3	127.9	2.1
Pharmaceutical Products	136.1	146.5	179.5	203.9	252.6	23.9
Rubber Products	72.0	82.1	100.2	93.1	76.4	-17.9
Plastic Products	110.0	116.5	114.1	123.6	134.9	9.1
Rubber and Plastic Products	**103.8**	**110.9**	**111.8**	**118.6**	**125.4**	**5.7**
Other Non-metallic Mineral Products	119.3	125.3	135.1	156.1	169.9	8.9
Basic Metals	120.2	124.2	149.8	152.7	144.9	-5.1
Fabricated Metal Products	123.1	131.7	154.3	175.1	158.5	-9.5
Electrical Equipment	127.1	124.8	133.3	145.1	144.9	-0.1
Machinery and Equipment nec	93.6	89.7	90.8	77.1	80.5	4.4
Motor Vehicle, Trailers and Semi Trailers	118.3	123.8	131.0	161.4	172.3	6.8
Manufacture of furniture	150.2	164.2	183.8	211.0	254.5	20.6
Other Manufacturing nec	139.5	134.7	139.5	174.6	210.1	20.4
Repair and Installation of Machinery and Equipment	106.8	106.8	110.2	117.8	122.0	3.6
Total Manufacturing	**116.7**	**121.8**	**130.0**	**138.2**	**143.6**	3.9

* Provisional

11.13. There was a decline in quantities of processed tea and coffee, classified under food products not elsewhere classified. Tea processed declined by 10.3 per cent from 445.1 thousand tonnes in 2014 to 399.2 thousand tonnes in 2015. Production of semi-processed coffee dropped by 15.9 per cent from 49.5 thousand tonnes in 2014 to 41.6 thousand tonnes in 2015. However, production of roasted coffee went up by 7.8 per in 2015. During the same period, processed refined salt increased by 8.7 per cent.

11.14. Manufacture of beverages grew by 22.0 per cent in 2015 mainly driven by production of spirits and beer, which went up by 27.9 and 28.9 per cent, respectively. The remarkable growth in beer production is attributed to a 90 per cent remission of excise duty for beer made from domestically grown sorghum, millet or cassava. Volume of carbonated drinks produced increased by 8.5 per cent from 457.5 million litres in 2014 to 496.0 million litres in 2015. During the same period, production of mineral drinking water grew by 11.7 per cent.

11.15. Manufacture of tobacco products went down by 4.4 per cent in 2015. Production of cigarettes declined by 4.7 per cent to 27.2 million milles. However, other manufactured tobacco products increased by 18.7 per cent leading to an increase of 326 .6 thousand tonnes in exports.

11.16. Textile production went up by 8.1 per cent while that of twine, cordage and rope recovered to grow by 25.1 per cent in 2015. Over the same period, manufacture of blankets increased by 11.7 per cent. On the other hand, production of woven fabrics and knitting wool declined by 0.3 per cent and 8.2 per cent, respectively.

11.17. Production of wearing apparel registered an impressive growth of 10.8 per cent in 2015 mainly driven by T-shirt production, which went up by 19.0 per cent. On the other hand, production of knitted fabrics and shirts dropped by 7.8 per cent and 2.3 per cent, respectively.

11.18. Leather and related products recorded a decline of 12.2 per cent in 2015. This was due to a drop of 16.3 per cent in finished leather products. Quantities of exported leather dropped by 11.0 per cent in 2015 to 23,329 tonnes. The drop in exported leather products may be attributed to the imposition of 80 per cent export tariff on raw hides and skin to encourage value addition. However, production of shoes with uppers of leather went up marginally by 0.8 per cent while production of shoes with uppers of plastic and rubber increased by 2.0 per cent. The sluggish growth in the shoes industry is attributed to competition from imports of new low cost leather and non-leather footwear and second hand footwear.

11.19. Manufacture of wood and products of wood, which are mainly plywood and block boards registered a 9.2 per cent growth in 2015. Production of paper and paper products increased marginally by 0.4 per cent. Manufacture of toilet paper and exercise books went up by 2.3 per cent and 1.7 per cent, respectively. However, production of corrugated cartons went down by 3.7 per cent during the review period. In the same year, printing and production of recorded media decreased by 0.1 per cent.

11.20. Output of chemical and chemical products grew by 2.1 per cent in 2015 while industrial spirits and industrial gases increased by 17.9 per cent and 0.2 per cent, respectively. Manufacture of paints went up by 6.2 per cent from 47.8 million litres in 2014 to 50.7 million litres in 2015. Production of soap, detergent and shoe polish increased by 2.4, 1.8 and 0.2 per cent, respectively. On the other hand, production of sodium silicate dropped by 1.2 per cent.

11.21. Manufacture of pharmaceutical products registered a growth of 23.9 per cent during the review period. Production of syrup, tablets and capsules went up by 26.4, 24.7 and 20.4 per cent respectively.

11.22. Production of rubber and plastic products rose by 5.7 per cent in 2015 driven by polythene bags, plastic pipes and plastic tanks, which went up by 13.7, 8.0 and 6.1 per cent, respectively. However, production of motor vehicle tyres dropped further by 17.9 per cent for the second consecutive year. The industry has experienced depressed growth due to competition from imports.

11.23. Production of basic metals went down by 5.1 per cent during the period under review. This is attributed to a decline of 9.7 per cent in the production of corrugated iron sheets from 284.5 thousand tonnes in 2014 to 256.9 thousand tonnes in 2015. The continued drop is partly linked to imports, which increased by 27.9 per cent to 1.5 million tonnes and the introduction of new roofing materials such as stone coated steel roofing sheets, and asphalt shingles in the market. On the other hand, manufacture of iron bar, rods and angles decelerated by 4.3 per cent during the review period.

11.24. Manufacture of fabricated metal products went down by 9.5 per cent in 2015 partly due to the decline in production of steel structures, which went down by 7.1 per cent. Over the same period, production of aluminium circles(sufurias) and nails dropped by 20.3 per cent and 3.8 per cent, respectively. During the review period, imports of structure and parts of structures went up by 43.2 per cent to 95.1 thousand tonnes in 2015 from 66.4 thousand tonnes in 2014.

11.25. Production of electrical equipment registered a marginal drop of 0.1 per cent in 2015 mainly due to a decline of 4.4 per cent in copper and aluminium cables occasioned by the influx of counterfeits. Manufacture of primary car batteries increased by 6.3 per cent while that of machinery and equipment not elsewhere classified went up by 4.4 per cent.

11.26. Motor vehicle, trailers and semi-trailers production went up by 6.8 per cent in 2015. The number of assembled motor vehicles increased by 7.0 per cent from 9,514 vehicles in 2014 to 10,181 vehicles in 2015. Similarly, production of trailers and semi-trailers increased by 13.2 per cent while that of motor vehicle bodies went up by 1.3 per cent.

11.27. Manufacture of furniture sub-sector registered a growth of 20.6 per cent in 2015 on account of production of mattresses, which went up by 31.2 per cent. Manufacture of pens, which are categorized under other manufacturing not elsewhere classified, increased by 20.4 per cent. Repair and installation of machinery and equipment went up by 3.6 per cent.

11.28. Manufacture of other non-metallic mineral products has continued to record vibrant growth over the years registering an increase of 8.9 per cent in 2015. The number of manufactured glass bottles went up by 24.3 per cent during the review period.

Cement Production and Utilisation

11.29. Cement production went up by 8.0 per cent from 5,882.5 thousand tonnes in 2014 to 6,352.9 thousand tonnes in 2015, as shown in Table 11.4. Cement consumption and stocks rose to 5,708.8 thousand tonnes in 2015 from 5,196.7 thousand tonnes in 2014 as a result of increased demand in the construction sector. However, total exports of cement declined by 5.7 per cent to 681.7 thousand tonnes in 2015. Exports of cement to Uganda and Tanzania

decreased to 487.4 thousand tonnes in 2015 from 547.7 thousand tonnes in 2014. On the other hand, imports of cement rose marginally to 37.6 thousand tonnes in 2015.

Table 11.4: Cement Production and Utilization, 2011-2015

'000 Tonnes

Year	Production	Imports	Consumption and Stocks	Exports to	
				Uganda and Tanzania	All Other Countries
2011	4,478.4	53.0	3,870.9	583.1	125.3
2012	4,693.7	35.3	3,991.2	561.7	176.7
2013	5,059.1	34.4	4,266.5	594.0	233.9
2014	5,882.5	36.4	5,196.7	547.7	175.2
2015* ...	6,352.9	37.6	5,708.8	487.4	194.2

* Provisional.

Credit to Manufacturing Sector

11.30. The number of manufacturing projects approved by financial institutions and other commercial banks is shown in Table 11.5. Approved expenditure increased by 22.4 per cent from KSh 238.0 billion in 2014 to KSh 291.2 billion in 2015. The value of projects approved by industrial financial institutions almost doubled to KSh 1,092.0 million in 2015 from KSh 569.1 million in 2014 as a result of increased lending by Development Bank of Kenya (DBK). Total number of projects endorsed by the financial institutions decreased from 549 in 2014 to 251 in 2015. Increased lending during the year under review, coupled with a decrease in the number of projects approved is an indication that there was an increase in average loan size per enterprise.

Table 11.5: Manufacturing Projects Approved by Financial Institutions and Other Commercial Banks, 2011 -2015

	Number of Projects					Approved expenditure(KSh Million)				
Institution	2011	2012	2013	2014	2015*	2011	2012	2013	2014	2015*
IDB Capital limited.....	2	3	5	3	5	175.0	95.5	339.1	74.2	252.0
Development Bank of Kenya.....	3	5	4	2	6	116.0	182.3	230.0	66.6	341.0
Kenya Industrial Estates Limited	119	109	257	543	233	16.7	68.5	104.5	194.3	120.8
Industrial and Commercial Development Corporation	..	2	2	1	7	..	126.0	431.6	234.0	378.2
**Sub - total..... ....

approved seven manufacturing projects worth KSh 378.2 million in 2015 mainly in food processing.

11.33. Table 11.6 shows projects by manufacturing industry approved by Kenya Industrial Estates (KIE) for the period 2011 to 2015. KIE advances credit to entrepreneurs with a view to financing and developing small and micro enterprises. Loans advanced decreased to KSh 120.8 million in 2015 down from KSh 194.3 million in 2014 mainly in the manufacture of food industry. The number of manufacturing projects funded by KIE reduced from 543 in 2014 to 233 in 2015.

Table 11.6: Industrial Projects by Approved KIE, 2011-2015

Descriptions	Number of Projects					Advanced Loans (KSh '000)				
	2011	2012	2013	2014	2015*	2011	2012	2013	2014	2015*
Manufacture of food products	43	48	83	193	75	12,888	30,330	36,545	64,855	28,092
Manufacture of beverages	-	-	3	3	8	-	-	1,747	6,791	230
Manufacture of animal feeds	-	-	-	2	2	-	-	-	1,500	3,500
Manufacture of food products nec	-	-	-	2	12	-	-	-	3,327	4,370
Manufacture of textiles	4	3	4	3	37	865	3,000	1,360	1,900	12,813
Manufacture of wearing Apparel	31	24	46	139	1	8,840	7,922	18,319	29,891	500
Manufacture of leather and related products	-	-	2	1	2	-	-	550	840	1,000
Manufacture of wood and Products of wood and cork except furniture	1	-	7	17	5	350	-	3,905	9,693	3,355
Manufacture of paper and paper products	-	-	-	1		-	-	-	10,000	-
Printing and reproduction of recorded media	9	2	13	20		2,830	450	6,400	10,700	-
Manufacture of Chemicals and chemical products	2	-	-	-	2	1,500	-	-	-	18,059
Manufacture of other non-metallic mineral products	3	3	7	7	7	700	14,995	1,720	1,510	7,630
manufacture of fabricated metal products except machinery and equipment	17	19	53	105	53	6,000	7,656	20,085	35,005	25,295
Manufacture of furniture	7	8	34	48	27	2,650	3,600	12,470	17,606	13,690
Other manufacturing n.e.c.	2	2	3	2	2	280	550	1,400	700	2,315
Repair and installation of machinery and equipment	-	-	2	-		-	-	350	-	-
TOTAL	**119**	**109**	**257**	**543**	**233**	**36,903**	**68,503**	**104,501**	**194,316**	**120,849**

Source: Kenya Industrial Estates Ltd

* Provisional

11.34. The number of manufacturing projects approved by Kenya Investment Authority increased from 19 in 2014 to 50 in 2015. The value of these investment projects increased to KSh 8.8 billion in 2015 from KSh 7.4 billion in 2014. In 2015, 68.3 per cent of the total capital investments were financed locally.

Export Processing Zones

11.35. The performance of some selected EPZ indicators in the last five years is presented in Table 11.7. In 2015, the EPZ recorded increase in employment, exports, imports, number of gazetted zones and expenditure on local goods and services.

Table 11.7: Selected EPZ Performance Indicators, 2011-2015

	Unit	2011	2012	2013	2014	2015*
Gazetted Zones	Number	44	47	50	52	57
Enterprises Operating	"	79	82	85	86	89
Employment - Locals	"	32,043	35,501	39,961	46,221	50,253
- Expatriates	"	421	428	472	517	597
Total Workers		**32,464**	**35,929**	**40,433**	**46,738**	**50,850**
Export Sales	KSh Million	39,067	39,963	44,427	51,377	60,326
Domestic Sales[1]	"	3,375	4,310	5,867	5,815	3,789
Total Sales		**42,442**	**44,273**	**50,294**	**57,192**	**64,115**
Imports	"	21,443	24, 973	27,413	29,461	30,681
Local Purchases of Goods and Services	"	6,297	8,027	7,721	8,170	9,043
Investment (cumulative)	"	26,464	38,535	48,004	44,218	47,258

Source: Export Processing Zones Authority

* Provisional

[1] Includes sales to duty free shops and agencies

11.36. Total sales from EPZ enterprises increased by 12.1 per cent to KSh 64,115 million in 2015 of which KSh 60,326 million were exports. Domestic sales declined by 34.8 per cent to KSh 3,789 million in 2015 while exports increased by 17.4 per cent. Imports increased by 4.2 per cent to KSh 30,681 million in the year under review and were in form of inputs, equipment and machinery. Local purchases increased by 10.7 per cent to KSh 9,043 million in 2015.

11.37. Total capital investment of EPZ enterprises rose to KSh 47.3 billion in 2015 from KSh 44.2 billion in 2014. The number of local employees increased by 8.7 per cent to 50,523 persons in 2015. The bulk of employment was in the garment/apparel enterprises with a total of 41,548 persons mainly due to expansion of existing apparel, and agro-processing firms.

African Growth and Opportunity Act

11.38. African Growth and Opportunity Act (AGOA) is a US initiative meant to increase exports, especially apparels, from accredited Sub-Saharan Africa (SSA) countries. Table 11.8 show selected EPZ garment/apparel indicators under AGOA. Exports of apparel increased by 14.4 per cent from KSh 30.2 billion in 2014 to KSh 34.6 billion in 2015. Direct employment generated under AGOA increased by 10.0 per cent to 41,548 persons in 2015 from 37,785 persons engaged in 2014.

Table 11.8: Selected EPZ Garment / Apparel Performance Indicators under AGOA, 2011-2015

	2011	2012	2013	2014	2015*	% Growth
Number of Enterprises	18	22	22	21	21	0.0
Employment	25,169	28,298	32,932	37,785	41,548	10.0
Capital Investment (KSh Million)	6,858	10,732	13,465	15,051	14,482	-3.8
Exports (KSh Million)	20,948	22,308	24,246	30,244	34,587	14.4

Source: Export Processing Zones Authority

*Provisional

Producer Prices

11.39. Industrial Producer Price Indices (PPI) measure the average prices of a basket of goods sold by producers at basic prices. It measures the gross changes in the trading price of products on the domestic and the non-domestic markets and helps in monitoring inflation from the producers' perspective.

Table 11.9: Producer Price Indices and Percentage Changes, 2011 to 2015

June 2011 = 100

Division	Description	Weights	2011	2012	2013	2014	2015	% Change
08	Mining and Quarrying	1.60	102.98	107.63	111.40	123.09	131.67	7.0
10	Manufacture of food products	34.24	103.00	109.79	109.84	107.52	114.17	6.2
11	Manufacture of beverages	6.54	104.18	107.41	111.16	124.25	132.36	6.5
12	Manufacture of tobacco products	1.38	105.72	114.98	117.31	117.96	121.74	3.2
13	Manufacture of textiles	2.29	101.35	106.43	108.19	109.96	122.72	11.6
14	Manufacture of wearing apparel	2.91	99.96	99.67	99.88	100.27	101.64	1.4
15	Manufacture of leather and related products	0.90	100.44	101.41	101.79	102.19	103.77	1.5
16	Manufacture of wood and of products of wood and cork except furniture	2.19	99.37	102.90	104.69	105.40	106.91	1.4
17	Manufacture of paper and paper products	3.15	103.74	104.68	102.28	106.15	109.64	3.3
18	Printing and reproduction of recorded media	5.66	100.00	100.00	102.33	104.66	104.66	0.0
19	Manufacture of lubricating petroleum oils	0.01	99.60	112.45	117.13	132.83	114.76	-13.6
20	Manufacture of chemicals and chemical products	5.97	101.18	106.97	106.67	113.24	119.61	5.6
22	Manufacture of rubber and plastics products	5.47	102.60	103.81	105.07	107.66	110.01	2.2
23	Manufacture of other non-metallic mineral products	4.32	104.51	111.37	113.59	116.00	117.36	1.2
24	Manufacture of basic metals	6.51	102.49	102.01	98.69	97.11	93.68	-3.5
25	Manufacture of fabricated metal products except machinery and equipment	3.31	103.48	101.12	94.11	96.62	94.35	-2.3
29	Manufacture of motor vehicles	1.20	102.60	107.82	112.60	117.28	121.17	3.3
31	Manufacture of Furniture	1.83	101.23	102.45	102.45	102.17	132.88	30.1
33	Repair and installation of machinery and equipment	1.42	100.00	100.00	99.78	100.16	102.92	2.8
35	Electricity	8.63	100.19	99.20	98.34	118.41	116.52	-1.6
36	Water	0.46	98.94	103.08	114.44	124.54	129.93	4.3
	Total	**100.00**	**102.10**	**105.47**	**105.96**	**109.17**	**113.43**	**3.9**
	Overall percentage change		**2.10**	**3.30**	**0.46**	**3.03**	**3.91**	

11.40. The overall upstream inflation as measured by Producer Price Index (PPI) increased by 3.9 per cent from 109.17 in 2014 to 113.43 in 2015, as shown in Table 11.9. The increase was mainly due to high cost of imported raw materials arising from the depreciation of the Kenya Shilling against other major currencies. Industries that contributed to the increase were manufacture of textiles, manufacture of furniture, manufacture of food products and manufacture of beverages. However, manufacture of lubricating petroleum oils and lower costs of electricity helped in easing the industrial inflation. The increase in excise tax on beer, mineral water and soft drinks was increased in December 2015, caused the PPI of beverages to rise. The PPI for manufacture of food products increased mainly due to high prices of tea recorded in 2015 compared to the previous year.

Developments

11.41. In 2015, the Government through the Ministry of Industry, Investment and Trade initiated programmes aimed at improving the output of the manufacturing sector and developing a favourable environment to shift into production of higher value-added goods that will be competitive in the export market. The plan aims to tap into new markets in textile and apparel, leather, food processing, fish processing and agro-processing sectors by establishing industrial parks, clusters, hubs and zones in different parts of the country.

11.42. Further, to simplify both local and foreign investment, Special Economic Zones Act, 2015, was enacted in December 2015, to provide for the establishment of Special Economic Zones (SEZs). The Government also introduced tamper proof tax stamps to enhance the fight against counterfeit products in the market.

Chapter 12

Building and Construction

Overview

The Government has continued to develop an efficient and effective infrastructure for rapid and sustained economic growth as well as enhancing national, regional and international integration and trade facilitation. In 2015, the country witnessed a thriving construction industry registering a growth of 13.6 per cent compared to an expansion of 13.1 per cent recorded in 2014. Formal sector employment in the Building and Construction industry grew by 11.4 per cent in 2015, to stand at 148.0 thousand up from 132.9 thousand in 2014. Majority of these jobs were created in the private sector. Construction in the railways and roads sub-sectors was on-going with the national and county governments allocating resources to the improvement of the road network.

12.2. Total expenditure for the State Department of Infrastructure is expected to rise by 54.5 per cent to KSh 124.5 billion in 2015/16 compared to KSh 80.6 billion in 2014/15. This increase is mainly attributed to increased budgetary allocations towards development expenditure on roads for the financial year 2015/16, which is expected to rise from an expenditure of KSh 54.8 billion in 2014/15 to KSh 98.3 billion. Disbursements to various road agencies by the Kenya Roads Board (KRB) for maintenance and repair of roads is expected to increase from KSh 25.8 billion allocated in 2014/15 to KSh 26.2 billion in 2015/16.

12.3. Approved expenditure on housing is expected to increase by 7.4 per cent to KSh 7.9 billion in 2015/16. Actual expenditure on housing went down from KSh 6.1 billion in 2013/14 to KSh 5.9 billion in 2014/15, as fewer projects were completed. Although the approved expenditure in 2014/15 was KSh 7.4 billion, the amount actually spent was KSh 5.9 billion. The National Housing Corporation (NHC), which is the public agency responsible for real estate development, completed 45 housing units in Nyeri at a cost of KSh 61.5 million in 2015. In addition, NHC advanced housing loans amounting to KSh 14.9 billion to the Counties. The value of reported building plans approved went up from KSh 205.4 billion in 2014 to KSh 215.2 billion in 2015, representing an increase of 4.8 per cent. The value of reported new buildings completed in Nairobi increased by 15.1 per cent to stand at KSh 68.6 billion in 2015. Cement consumption, which is a key indicator of the level of activity in the construction industry, rose by 9.9 per cent to 5,708.8 thousand tonnes in 2015.

Key Economic Indicators

12.4. Selected key economic indicators in the building and construction sector for the period 2011 to 2015 are presented in Table 12.1. The index of Government expenditure on roads increased from 263.4 in 2014 to 386.7 in 2015 to support projects being undertaken during the year. Cement consumption went up by 9.9 per cent from 5,196.7 thousand tonnes in 2014 to 5,708.8 thousand tonnes in 2015. The index of reported private building works completed in major towns rose from 341.4 in 2014 to 367.1 in 2015. Similarly, the index of reported public building works completed in major towns registered an increase from 106.1 in 2014 to 116.2 in 2015. Loans and advances to the sector increased by 32.3 per cent from KSh 80.4 billion in 2014 to KSh 106.4 billion in 2015. The loans and advances to the sector have more than doubled since 2011.

Table 12.1 Selected Key Economic Indicators in Building and Construction, 2011 – 2015

1982=100

Indicator/Year	2011	2012	2013	2014	2015*
Index of reported private building works completed in major towns	252.3	300.6	321.3	341.4	367.1
Index of reported public building works completed in major towns	48.2	86.9	103.7	106.1	116.2
Index of government expenditure on roads	370.7	449.8	313.9	263.4	386.7
Index of Employment	158.3	175.3	197.8	220.0	245.0
Cement consumption ('000 tonnes)	3,870.9	3,991.2	4,266.5	5,196.7	5,708.8
Private Employment ('000 persons)	88.8	98.7	112.0	125.3	140.2
Public Employment+ ('000 persons)	6.8	7.2	7.5	7.6	7.8
Loans and Advances from Commercial Banks to the sector (KSh Mn)	50,805.0	69,183.0	70,770.0	80,406.0	106,367.0

* Provisional.

+ Revised

The index of roads, reported private and public building works completed has been deflated using construction input price indices.

Construction Price Indices

12.5. Table 12.2 gives a trend of the annual percentage changes in construction input price indices for the period 2013 to 2015. Wages in the Building and Construction sector rose by 10.0 per cent in 2015 from a 7.9 per cent growth in 2014 due to successful Collective Bargaining Agreements (CBAs) reached between unions in the sector and the employers. The rate of change of the total cost index of residential buildings and other construction went up by 4.4 per cent and 5.6 per cent, respectively, in 2015. Overall, total cost index increased by 4.9 per cent in 2015 compared to an increase of 10.1 per cent in 2014. The decline in the index is mainly attributable to the fall in fuel prices, a key component of the index. The year witnessed a steady decline in the prices of industrial diesel, automobile diesel fuel and petrol. However, other material inputs to the compilation of the index such as timber, hydrated lime, explosives, hard-core filling, aggregates and structural steel, recorded increases in prices during the review period.

Table 12.2: Annual Average Percentage Changes in Construction Input Price Indices, 2013 – 2015

	Materials			Labour			Total		
	2013	2014	2015*	2013	2014	2015*	2013	2014	2015*
Residential Buildings	6.3	12.4	2.6	9.9	7.9	10.0	7.2	11.2	4.4
Non-Residential Buildings	5.4	10.1	2.3	9.9	7.9	10.0	6.8	9.4	4.7
All Buildings	5.9	11.3	2.5	9.9	7.9	10.0	7.0	10.4	4.5
Other Construction[1]	3.4	11.6	0.9	9.9	7.9	10.0	6.7	9.7	5.6
Overall Cost Index	**5.2**	**11.4**	**2.1**	**9.9**	**7.9**	**10.0**	**6.9**	**10.1**	**4.9**

Source: KNBS and Ministry of Labour and EAC Affairs

* Provisional.

[1]Refers mainly to road construction and includes bridges, dams

12.6. Table 12.3 shows the average annual basic wages for unskilled, semi-skilled and skilled workers in the building and construction industry for the last five years. In the year 2015, basic wages for the unskilled, semi-skilled and skilled workers increased by 10.5, 10.1 and 9.7 per cent compared to 7.5, 7.9 and 8.2 per cent in 2014, respectively.

Table 12.3: Annual Average Basic Wages in the Building and Construction Industry, 2011 - 2015

KSh

Year	Unskilled	Semi-Skilled	Skilled
2011	13,354	18,365	26,338
2012	14,342	19,812	28,514
2013	15,811	21,778	31,263
2014	16,994	23,500	33,832
2015	18,771	25,868	37,127

Source: Ministry of Labour and EAC Affairs

12.7. There was a 4.8 per cent increase in the value of reported building plans approved from KSh 205.4 billion in 2014 to KSh 215.2 billion in 2015 as presented in Table 12.4. Similarly, the value of reported new buildings completed in Nairobi increased by 15.1 per cent to stand at KSh 68.6 billion in 2015.

Table 12.4: Value of Private Building Plans Approved and Building Works Completed[1] in Nairobi City County, 2011– 2015

KSh Million

Year	Plans Approved	Building Works Completed+
2011	112,842.8	42,464.1
2012	135,128.2	48,273.7
2013	190,646.5	54,001.4
2014	205,423.9	59,558.8
2015*	215,211.0	68,625.3

Source: Nairobi City County

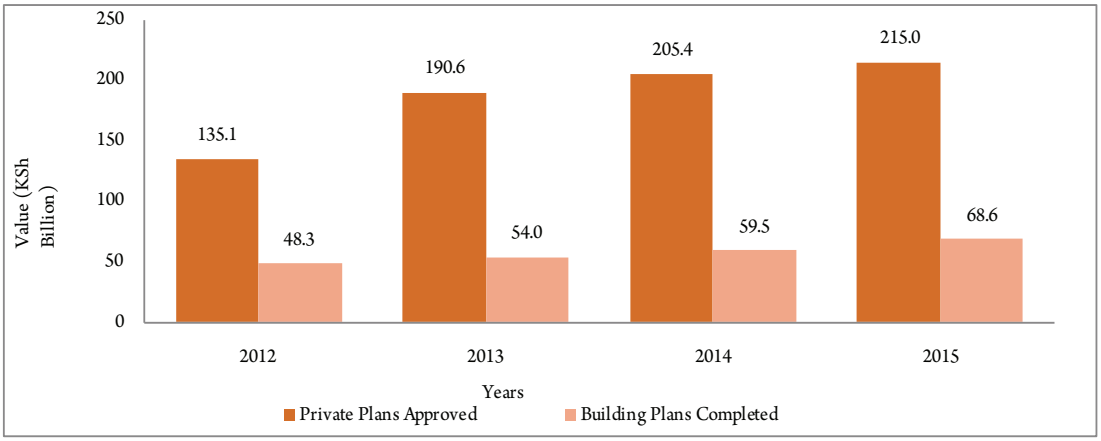
* Provisional

[1] This excludes extensions

+ Revised

12.8. A comparison of the value of reported private plans approved and building completions for Nairobi City County is presented in Figure 12.1. In 2015, the value of reported building works completed was 31.9 per cent of the approvals, up from 29.0 per cent in 2014. The values of both plan approvals and reported building completions continued to show an upward trend since 2011.

Figure 12.1: Comparison of Value of Private Plans Approved and Reported New Private Buildings Works Completed in Nairobi, 2012-2015



12.9. Table 12.5 presents the number of private buildings reported as completed in Nairobi City County and public buildings completed across the country. The total number of reported private buildings completed increased by 12.6 per cent from 7,523 units in 2014 to 8,468 in 2015 with residential buildings accounting for 87.8 per cent of the completed private buildings during the review period.

Table 12.5: Reported Number of Completions of New Private and Public Buildings, 2011 – 2015

	Private (Nairobi City County)			Public (Nationwide)		
Year	Residential	Non- Residential	Total	Residential	Non- Residential	Total
2011	4,512	505	**5,017**	587	-	**587**
2012	4,824	637	**5,461**	2,015	20	**2,035**
2013	5,447	876	**6,323**	376	-	**376**
2014	6,538	985	**7,523**	243	-	**243**
2015*	7,434	1,034	**8,468**	45	-	**45**

Source: National Housing Corporation & The State Department for Housing

* Provisional

12.10. Reported value of new private buildings in Nairobi City County (NCC) and that of public buildings countrywide is shown in Table 12.6. The value of new private buildings increased by 14.5 per cent to KSh 68.1 billion in 2015, on account of an increase in the value of residential buildings. The value of public buildings completed decreased to KSh 61.5 million in 2015 from KSh 502.1 million in 2014.

Table 12.6: Reported Value of New Private and Public Buildings, 2011 – 2015

KSh Million

Year	Private (Nairobi City County)			Public (Nationwide)		
	Residential	Non- Residential	Total	Residential	Non- Residential	Total
2011	34,046.5	5,803.4	**39,849.9**	2,614.2	-	**2,614.2**
2012	37,373.4	6,200.8	**43,574.2**	4,629.5	70.0	**4,699.5**
2013	45,236.4	7,039.6	**52,276.0**	1,725.4	-	**1,725.4**
2014	50,952.2	8,567.5	**59,519.7**	502.1		**502.1**
2015*	58,428.5	9,645.1	**68,073.6**	61.5	-	**61.5**

Source: NHC & the State Department for Housing

* Provisional

Note: Public Residential buildings are constructed by the State Department for Housing and NHC

Housing

12.11. Approved and actual Government expenditure on housing for the financial years 2011/12 to 2015/16 is shown in Table 12.7. The housing sector has been characterized by inadequacy of affordable and decent housing. There is a low level of urban home ownership, extensive and inappropriate dwelling units, including slums and squatter settlements. To improve the situation, approved expenditure on housing is expected to increase significantly to KSh 7.9 billion in 2015/16. Actual expenditure on housing decreased from KSh 6.1 billion in 2013/14 to KSh 5.9 billion in 2014/15 as fewer projects were completed. Although the approved expenditure in 2014/15 was KSh 7.4 billion, the amount spent was KSh 5.9 billion representing 79.2 per cent utilization.

Table 12.7: Approved and Actual Government Expenditure on Housing, 2011/12 – 2015/16

Year	Expenditure in KSh Million		Actual Expenditure as Percentage of Approved Expenditure
	Approved	Actual	
2011/12	3,875.8	3,191.0	82.3
2012/13	5,208.2	3,452.9	66.3
2013/14	7,032.0	6,088.6	86.6
2014/15*	7,395.0	5,857.0	79.2
2015/16**	7,943.4		

Source: State Department of Housing

* Provisional

**Estimates

12.12 National Housing Corporation (NHC) is the Government agency responsible for implementing housing programmes and policies. The number of completed units during the review period was 45 in 2015 compared to 243 in 2014. A total of six projects were on-going in various parts of the country as at the close of the calendar year in 2015. The projects upon completion will produce 460 housing units. In the financial year 2015/16, the corporation plans to undertake eight housing projects in major towns across the country, and this will add to the national housing stock a total of 3,820 units. The Corporation advanced housing loans to counties amounting to KSh 14.9 billion in 2014/15 as shown in Table 12.8.

Table 12.8: Housing Loans Advanced by National Housing Corporation to the Counties; 2014/2015

County	Number of Loans	Amount (KSh Million)
Nyeri	1	2,000
Kiambu	2	4,800
Embu	1	1,500
Isiolo	1	1,250
Elgeyo Marakwet	1	480
Muranga	1	910
Kakamega	1	470
Trans Nzoia	1	1,000
Machakos	2	2,500
Total	**11**	**14,910**

Source: National Housing Corporation

Roads

12.13. Improved road network enhances connectivity, mobility and promotes trade and investments by reducing cost of doing business. The sector therefore, remains crucial in the promotion of socio-economic growth and prosperity. Table 12.9 shows the total expenditure on roads for the period 2011/12 to 2015/16. The total proposed development expenditure on roads increased significantly to stand at KSh 98.3 billion in 2015/16. This was mainly attributed to increased budgetary allocations, which is expected to translate to more roads being constructed, rehabilitated and maintained. Expenditure on maintenance and repair by Kenya Roads Board to the road agencies is anticipated to stand at KSh 26.2 billion in 2015/16. Trunk and primary roads (class A, B and C) accounted for 48.7 per cent of the total expenditure, with an allocation of KSh 60.7 billion in the 2015/16 budget. The overall expenditure is expected to rise by 54.4 per cent to KSh 124.5 billion in financial year 2015/16 compared to KSh 80.6 billion in 2014/15.

Table 12.9: Total Expenditure on Roads, 2011/12 - 2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15*	2015/16**
Development:					
Trunk and primary Roads (A,B and C).....	44,950.0	65,152.3	43,763.4	37,792.0	60,686.8
Secondary and Minor Roads (D and E)	14,032.3	14,215.6	16,784.0	12,343.5	20,492.1
Miscellaneous Roads (Including Urban).....	14,761.6	5,125.8	3,853.0	4,698.4	17,093.3
Sub-total	**73,743.9**	**84,493.7**	**64,400.4**	**54,833.9**	**98,272.2**
Recurrent:					
Maintenance & Repair.....	17,786.3	24,370.5	23,228.9	25,792.0	26,229.0
Total	**91,530.2**	**108,864.2**	**87,629.3**	**80,625.9**	**124,501.2**

Source: State Department of Infrastructure

*Provisional

**Estimates

12.14. Collaboration between National and County Governments and other stakeholders led to significant works on road rehabilitation, periodic maintenance, upgrading and new construction of Roads under the 2000 programme. The main objective of the Road 2000 programme is to improve rural roads and train small local contractors in the routine maintenance of roads using labour-based methods. Table 12.10 presents work in progress of Road 2000 programme. Fifteen counties benefitted from the programme whereby out of the planned 724.15 kilometers, an estimated 434.20 kilometers had been completed as at December 2015.

Table 12.10: Status of On-going Roads 2000 Programme, December 2015

County	Length to be covered (Km)	Length completed (Km)	Percentage Completion	Estimated Budget 2015/16 (KSh Million)
Kakamega.....	28.4	0.1	0.3	60.8
Bungoma.....	40.6	3.0	7.3	95.1
Vihiga.....	15.7	2.0	13.0	38.3
Busia.....	56.3	56.3	100.0	133.5
Embu.....	11.0	-	-	231.6
Tharaka/ Nithi.....	30.0	-	-	537.3
Meru.....	24.0	-	-	499.4
Machakos.....	16.0	-	-	301.3
Makueni.....	20.0	-	-	362.0
Kirinyaga.....	89.6	68.3	76.3	508.7
Kiambu.....	200.4	157.5	78.6	1,048.3
Laikipia.....	43.9	24.0	54.7	388.9
Murang'a.....	38.2	29.6	77.4	77.2
Nyandarua.....	14.5	8.6	59.0	81.9
Nyeri.....	95.6	84.8	88.8	467.9
Total.....	**724.2**	**434.2**	**60.0**	**4,832.1**

Source: Kenya Rural Roads Authority

12.15. Table 12.11 shows the road network by type and classification as at 1st July 2013 and as at 1st July 2015. During the period under review, there was an increase of road under bitumen from 11.3 thousand kilometres in 2013 to 13.9 thousand kilometres. The total kilometres of road under earth/gravel increased from 52.4 thousand kilometres in 2013 to 65.6 thousand kilometres in 2015 due to the adoption of the low volume sealed roads technology for road improvement and upgrading.

Table 12.11: Kilometres of Road as at1st July, 2013 and 1st July, 2015 by Type and Classification

'000 Km

Type of Road	2013		2015*	
	Bitumen	Earth/Gravel	Bitumen	Earth/Gravel
Trunk and Primary Roads (A, B and C)...	7.9	6.4	8.2	6.5
Secondary, Minor & Special Purpose[1] Roads (D, E and F)...	3.1	35.1	3.2	47.8
Urban Roads in Cities and Municipalities...	0.2	11.0	2.5	11.3
Total	**11.3**	**52.4**	**13.9**	**65.6**

Source: State Department of Infrastructure

*Provisional

[1]Special purpose roads include Government access, settlement, rural access, sugar, tea and wheat roads

12.16. Table 12.12 presents information on major road works completed, being constructed, maintained, improved, bridges constructed and rehabilitated during the financial year 2015/16. Overall, a total of KSh 84.1 billion is expected to be utilised on road works covering a total distance of 1,092 kilometres during the financial year. A total of KSh 12.5 billion is expected to be used to rehabilitate 164.8 kilometres of roads, while KSh 70.7 billion is earmarked for the construction and improvement of 927.8 kilometres of roads. Nairobi City County had the longest uncompleted road works, which covered: Missing Link Roads and Non-Motorised Transport (NMT) facilities in Nairobi and the Nairobi Outering road. Other uncompleted projects included; Kamkuoya-Kaptoma-Kapsokwony-Siriswa, Naro Moru-Munyu-Karisheri and Meru bypass roads, among others.

Table 12.12: Major Road Works Completed or in Progress, 2015/16

Activity	Length(Km)	Contract Amount (KSh Million)
Road constructions		
Konza Techno City loop road to gravel standards	4.0	136.7
KapsoyaRoads in Eldoret Municipality	8.1	1,105.3
Construction of Missing Link Roads and Non-Motorised Transport (NMT) facilities in Nairobi	17.2	4,578.2
Garissa Roads: Sankuri , Garissa Ndogoand Ngamia Roads in Garissa County	4.1	407.6
City Cabanas	5.0	2,514.5
Nairobi Outering Road	10.0	7,395.2
Meru Bypass Roads	23.0	2,391.8
Sotik - Cheborge - Roret - Kebenet - Sigowet Road (D226)	45.5	3,331.8
Gatugi-jn D430, (E552) Iria-ini, Mugaa-ini (E1682) JN E552-Witima-Gikundo-Tambaya, JN Gichiche-Kiganjo TBC(E459)-Kariki-JN D430, Kiinu-Ngaru (E1659)-Konyu-Mucharage-Kairo (E511) Nyamari-Kihuri (Water Treatment (E558)	72.5	3,156.9
Kamukunywa - Kaptama – Kapsokwony – Sirisia (D275) Road	31.7	2,699.6
Naro Moru - Munyu - Karisheni	46.0	2,468.8
Giakanja -Tetu Mission Road(D4340	60.0	2,453.1
St. Mary's - Kinooro, Chuka Boys, Igoji Teachers College and Kanyakine Access Roads	15.0	2,314.4
Access to Igoji TTC/Kanyakine Market	27.0	2,314.4
Tirap - Embobut - Chesogon	35.5	2,220.2
Muranga - Gitugi	40.0	2,170.3
Limo Hospital - Illula - Elgeyo Border - Kapkoi (D296)	25.0	2,158.7
Kimutwa – Makutano – Kikima – Tawa (D516 / D517) Roads	43.0	1,895.1
Sigalagala -Musoli-Sabatia- Butere Road	34.3	1,809.6
Kamagambo - Nyasembe - Mogonga (D205/D204)	25.0	1,724.6
Meru – Mikinduri – Maua (D482) Road (Phase II)	24.0	1,721.9
Mosoriot - Chepterwai - Kipkaren River	20.0	1,593.1
Mweiga-Brookside-Kimathi University (D449/D450A)	23.4	1,590.6
Nabengele -Rwambwa - Port Victoria	30.0	1,488.3
Luanda-Akala Road (phase I)	24.0	1,486.1
Mairi - Makomboki	25.0	1,458.9
Bugar - Kapsowar Phase II	22.0	1,421.5
Jua Kali - Surgoi	35.7	1,350.3
Mathatani-Kaloleni-Kaseve Road	21.0	1,251.8
Muthatari - Siakago - Ugweri (D469/D467)	21.0	1,232.6
Lanet - Elementaita - Mau Narok (D 320) Road	19.3	1,148.1
Jua Kali - Akorino - Maili Sita (D462)	15.0	991.0
Mukurueini – Gakonya (D429 / E559) and Rutune – Mahuaini (E554) Roads (Phase II)	12.5	974.9
Thogoto – Gikambura – Mutarakwa (D411) Road (Phase II)	17.0	935.4
Moi North Lake Road Naivasha	12.0	898.6
Riruta - Ndunyu (UUP11)	8.5	721.0
Iten - Bugar Phase I	12.0	656.5
Kimilili - Misikhu Road	7.5	498.9
Litein - Cheborge - Kiburget	6.0	20.4
Sub-Total	**927.8**	**70,686.7**

Table 12.12: Major Road Works Completed or in Progress, 2015/16, Cont'd.

Activity	Length (Km)	Contract Amount (KSh Million)
Road rehabilitations		
Langata Road (Kws Gate to Bomas Section) in Nairobi County.	2.9	2,671.2
First Avenue Eastleigh and General Waruinge Roads	4.6	2,523.5
Upper Hill Roads, Phase 1	5.5	2,002.9
Unsoaat Changamwe Industrial Area in Mombasa County	1.8	182.3
NanyukiRoad in Nairobi County	2.5	146.2
Ngorongo - Githunguri	22.0	1,341.3
Mumbuni - Kathiani Thwake River Project (C99)	20.0	637.2
Eldoret - Ziwa - Kachibora (D328) and Kachibora - Moi's Bridge (D330 / E334)	74.5	1,650.5
Kabenes-Kachibora	31.0	1,313.9
Sub-Total	**164.8**	**12,469.0**
Bridge construction		-
Pangani Girls Footbridge	-	100.8
Kipsonoi Bridge and Approach Roads	-	119.2
Gortu Bridge	-	369.0
Toku Bridge	-	346.0
Sub-Total	**-**	**935.0**
Total	**1,092.6**	**84,090.7**

Source: State Department of Infrastructure

Railways

12.17. The Kenya Railways provides rail transport services mainly across the main towns of Nairobi, Mombasa and Kisumu. Over the review period, there was remarkable activity within the railways sub-sector in the proposed construction of the Standard Gauge Railway (SGR). The first phase of construction of the single-track standard gauge from Mombasa to Nairobi is in progress and 174km had been constructed with an investment level of KSh 113.9 billion as at December 2015. The line is expected to have a route length of 472km and a total length of 609km.

Table 12.13: Status of on-going SGR project, December 2015

Railway line	Mombasa - Nairobi
Route Length	609.0
Total Length	472.0
Length Constructed (Km)	174.0
Cost 2015/16	113,943.7

Source: Kenya Railways Corporation

CHAPTER 13

Tourism

Overview

Tourism remains a key source of foreign exchange earnings in the country. Tourism earnings went down to KSh 84.6 billion in 2015 compared to KSh 87.1 billion in 2014. International visitor arrivals declined by 12.6 per cent to 1,180.5 thousand in 2015. The sector's suppressed performance was mainly due to security concerns, particularly in the coastal region, and negative travel advisories from some European source markets. The aftermath of Ebola outbreak in West Africa in 2014 also slowed international visitor arrivals in 2015. In an effort to revive the sector, the Government increased budgetary allocation to the State Department of Tourism from KSh 5.6 billion in 2014/15 to KSh 10.7 billion in 2015/16, to among others, market Kenya as a preferred tourism destination.

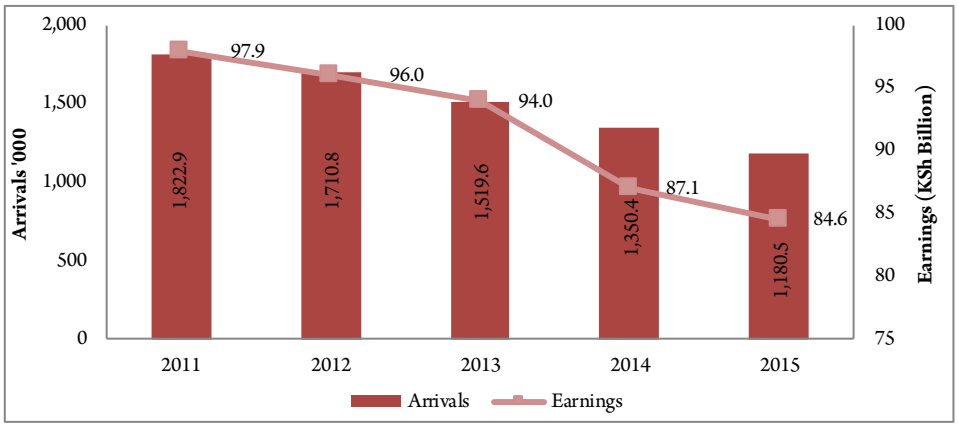
13.2. Bed-nights occupancy decreased by 6.4 per cent from 6,281.6 thousand in 2014 to 5,878.6 thousand in 2015. The number of local conferences held increased by 4.0 per cent from 3,077 in 2014 to 3,199 in 2015. Although the number of international conferences contracted by 9.5 per cent in 2015, Kenya played host to a number of high profile conferences including the 10th World Trade Organisation (WTO) Ministerial Conference (MC10) and the Global Entrepreneurship Summit. Conference tourism is one of the rapidly growing segments in the tourism sector and is largely associated with travel for business purposes.

13.3. Number of visitors to museums, snake parks and other historical sites went up by 15.4 per cent to 797.5 thousand in 2015 compared to 690.9 thousand in 2014. The number of visitors to national parks and game reserves declined by 10.8 per cent to 1,953.8 thousand in 2015.

Arrivals and Departures

13.4. International visitor arrivals and tourism earnings from 2011 to 2015 are presented in Figure 13.1. Both visitor arrivals and tourism earnings have been on a downward trend since 2011. This was mainly attributed to security concerns associated with terrorism activities. Tourism earnings declined further to KSh 84.6 billion in 2015 despite the high level events that took place in the country such as the 10th WTO Ministerial Conference, the visit by the US President and the Papal visit.

Figure 13.1: International Visitor Arrivals and Tourism Earnings, 2011 – 2015



13.5. Monthly visitor arrivals through Moi International Airport (MIA) and Jomo Kenyatta International Airport (JKIA) for 2014 and 2015 are presented in Figures 13.2(a) and 13.2(b), respectively. Monthly visitor arrivals through MIA were lower in 2015 in comparison with 2014 for all the months except November. Similarly, arrivals through JKIA were lower in most months of 2015 compared to 2014 though there was a slight improvement in the last half of the year.

Figure 13.2(a): Monthly Visitor Arrivals through MIA, 2014 -2015

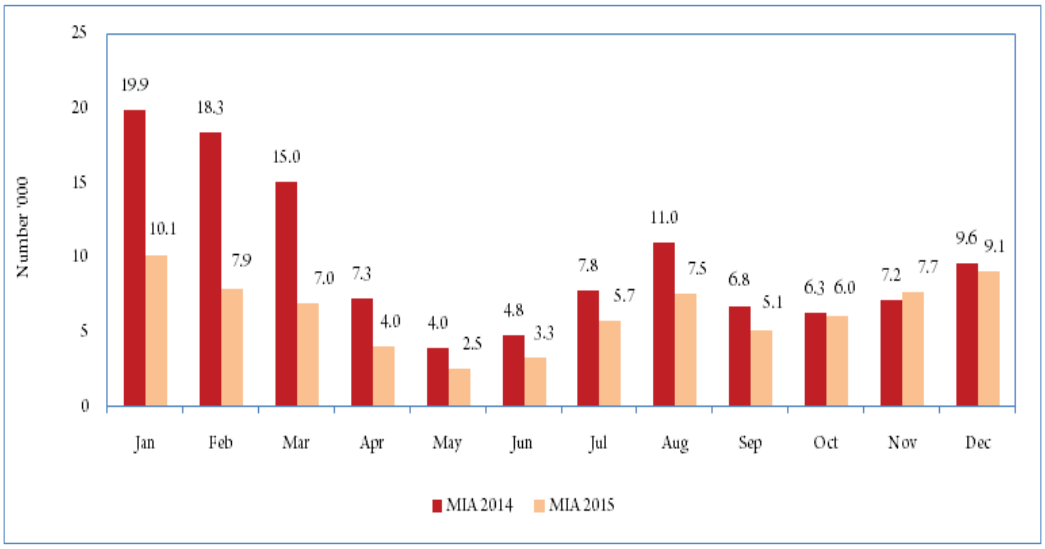
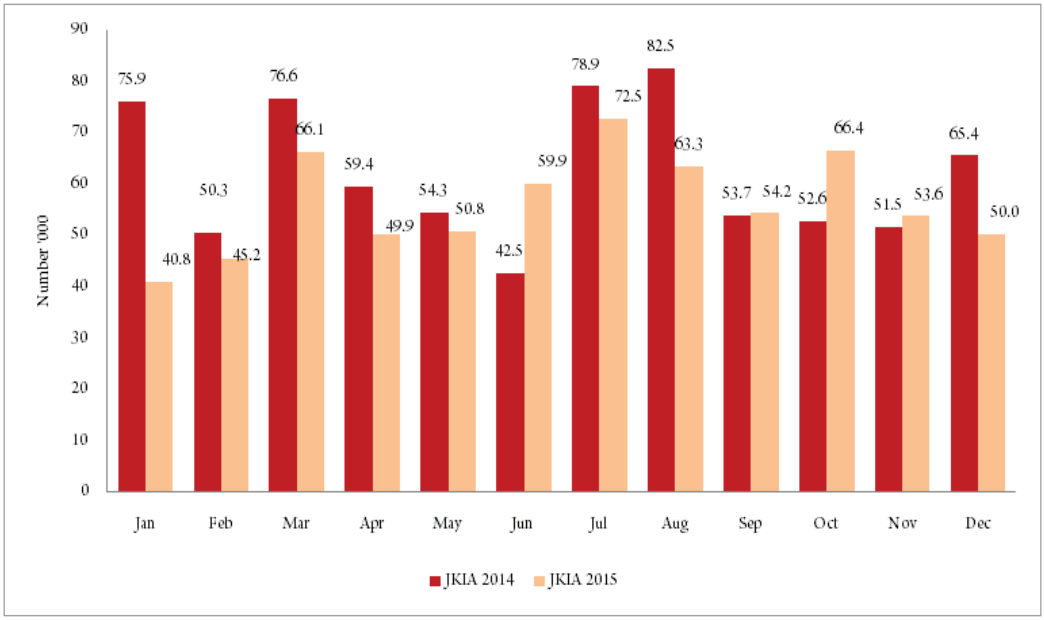
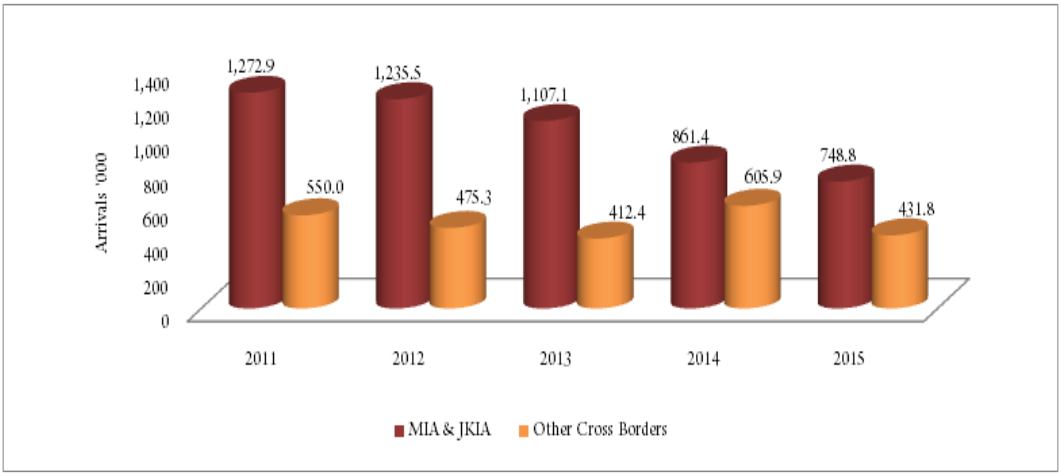


Figure 13.2(b): Monthly Visitor Arrivals through JKIA, 2014 -2015



13.6. Figure 13.2(c) depicts the trend of international visitor arrivals from the two major international airports and other cross borders from 2011 to 2015. Visitors who passed through MIA and JKIA in 2015 constituted 63.4 per cent of the total visitors compared to 58.7 per cent in 2014.

Figure 13.2(c): Number of Visitor Arrivals through the two Major International Airports and other Cross Borders, 2011 -2015



13.7. Table 13.1 presents the number of international arrivals by purpose of visit on a quarterly basis from 2011 to 2015. In 2015, the total number of visitors went down by 23.3, 11.4 and 12.9 per cent in the first, second and third quarters, respectively. Overall, international visitor arrivals contracted by 12.6 per cent to 1,180.5 thousand in 2015. Notable drops in visitor arrivals by purpose were registered in those arriving on holiday and on transit.

Table 13.1: International Visitor Arrivals by Purpose of Visit, 2011-2015

'000

Quarter	Purpose	2011	2012	2013	2014	2015*
1st Qtr.	Holiday	302.8	317.0	257.6	266.2	210.1
	Business	63.6	68.4	45.9	50.1	41.3
	Transit	22.2	21.4	22.5	28.5	18.2
	Other	38.5	35.4	30.5	37.1	23.5
	TOTAL	**427.1**	**442.2**	**356.4**	**382.0**	**293.1**
2nd Qtr.	Holiday	235.5	240.1	222.0	207.0	171.8
	Business	56.0	58.8	47.3	38.5	42.5
	Transit	21.1	22.6	21.8	22.9	14.3
	Other	64.7	45.0	39.5	24.2	30.7
	TOTAL	**377.4**	**366.5**	**330.6**	**292.5**	**259.3**
3rd Qtr.	Holiday	411.9	323.6	284.2	267.9	231.4
	Business	50.1	55.7	41.7	43.0	37.2
	Transit	15.3	27.0	20.8	22.2	19.6
	Other	50.1	52.8	35.5	36.7	34.0
	TOTAL	**527.4**	**459.1**	**382.2**	**369.8**	**322.1**
4th Qtr.	Holiday	369.7	338.5	340.1	235.7	231.5
	Business	62.4	53.2	55.3	35.3	37.5
	Transit	14.2	20.9	21.1	15.5	14.3
	Other	44.6	30.6	34.0	19.5	22.6
	TOTAL	**491.0**	**443.1**	**450.4**	**306.1**	**306.0**
Annual	Holiday	1,319.9	1,219.1	1,103.8	976.9	844.8
	Business	232.1	236.1	190.2	166.9	158.6
	Transit	72.9	91.8	86.1	89.2	66.4
	Other	198.0	163.8	139.5	117.5	110.7
	TOTAL	**1,822.9**	**1,710.8**	**1,519.6**	**1,350.4**	**1,180.5**

*Provisional

13.8. Table 13.2 shows that the number of international departures declined by 4.0 per cent from 1,403.7 thousand in 2014 to 1,347.6 thousand in 2015. In the second and third quarters of 2015, the number of visitors departing registered a growth of 2.3 per cent and 8.9 per cent, respectively. On the other hand, the first and fourth quarters recorded a drop of 14.1 per cent and 11.7 per cent in visitor departures, respectively. There was a decline in international visitor departures for all purposes of visitors.

Table 13.2: International Visitor Departures by Purpose of Visit, 2011-2015

'000

Quarter	Purpose	2011	2012	2013	2014	2015*
1st Qtr.	Holiday	277.6	281.7	264.0	234.6	222.9
	Business	56.9	54.1	51.7	53.6	43.8
	Transit	20.4	25.2	21.4	33.7	19.3
	Other	36.6	29.2	33.8	40.1	24.9
	TOTAL	**391.5**	**390.1**	**370.9**	**362.0**	**310.9**
2nd Qtr.	Holiday	204.9	216.0	206.8	205.6	211.4
	Business	52.4	53.7	57.1	45.6	52.3
	Transit	17.2	18.4	17.3	23.7	17.6
	Other	31.9	37.0	26.8	37.0	37.7
	TOTAL	**306.2**	**325.1**	**308.0**	**312.0**	**319.1**
3rd Qtr.	Holiday	322.8	297.6	265.7	244.9	257.9
	Business	31.4	46.0	40.5	45.7	44.7
	Transit	12.0	23.0	20.2	24.4	23.5
	Other	47.1	49.9	44.4	40.4	60.8
	TOTAL	**413.3**	**416.4**	**370.7**	**355.4**	**386.9**
4th Qtr.	Holiday	314.2	289.4	323.3	260.3	250.1
	Business	57.5	47.8	53.0	48.1	40.6
	Transit	12.1	18.4	23.2	25.7	15.5
	Other	33.4	28.5	32.6	40.1	24.4
	TOTAL	**417.3**	**384.1**	**432.1**	**374.3**	**330.6**
Annual	Holiday	1,119.5	1,084.6	1,059.8	945.5	942.4
	Business	198.3	201.5	202.3	193.0	181.4
	Transit	61.6	85.1	82.1	107.6	75.9
	Other	149.1	144.6	137.6	157.6	147.9
	TOTAL	**1,528.4**	**1,515.7**	**1,481.8**	**1,403.7**	**1,347.6**

*Provisional

13.9. Table 13.3 presents the number of departing visitors by country of residence and purpose of visit. Departures declined by 3.7 per cent to 1,199.7 thousand in 2015. Departures destined to Italy and Scandinavian countries decreased by 30.9 per cent and 42.8 per cent, respectively, while those to United Kingdom and Switzerland increased marginally in 2015. Visitors departing to African destinations excluding Tanzania and Uganda increased by 11.0 per cent to 242.1 thousand in 2015. Departures to "All Other Countries" more than doubled.

Table 13.3: Departing Visitors by Country of Residence and Purpose of Visit[1], 2013-2015

'000

Country of Residence	Holiday			Business			Transit			Total		
	2013	2014	2015*	2013	2014	2015*	2013	2014	2015*	2013	2014	2015*
Germany	135.1	99.1	79.3	25.6	10.9	9.1	11.2	6.1	4.8	171.9	116.1	93.3
United Kingdom	196.2	128.6	132.2	31.3	26.3	28.0	10.2	14.6	10.0	237.7	169.5	170.1
Switzerland	34.9	10.7	11.3	2.5	2.2	2.1	2.9	1.2	0.9	40.2	14.1	14.3
Italy	90.6	56.1	40.4	22.4	11.4	7.5	5.3	6.4	3.1	118.3	73.9	51.1
France	36.5	20.8	21.3	8.9	4.2	4.0	2.4	2.4	1.7	47.8	27.4	27.0
Scandinavia	38.8	52.4	31.3	5.1	10.7	5.8	2.7	6.0	2.4	46.6	69.0	39.5
Other Europe	106.5	69.4	65.6	12.9	14.2	14.0	4.2	7.9	5.9	123.6	91.5	85.5
TOTAL EUROPE	**638.6**	**437.1**	**381.5**	**108.7**	**79.9**	**70.5**	**38.9**	**44.6**	**28.8**	**786.1**	**561.6**	**480.7**
USA	101.1	104.0	116.8	16.5	21.2	15.5	8.5	11.8	8.4	126.1	137.0	140.8
Canada	23.2	23.8	22.5	4.7	4.9	4.7	2.6	2.7	1.7	30.5	31.4	28.9
TOTAL NORTH AMERICA	**124.3**	**127.8**	**139.3**	**21.2**	**26.1**	**20.2**	**11.1**	**14.5**	**10.1**	**156.6**	**168.4**	**169.6**
Uganda	36.1	34.7	37.5	9.4	7.1	9.4	4.0	3.9	3.0	49.6	45.7	49.8
Tanzania	30.5	23.6	23.1	8.2	4.8	4.4	1.8	2.7	1.8	40.5	31.0	29.3
Other Africa	116.3	165.5	191.0	14.9	33.8	36.0	10.2	18.8	15.1	141.4	218.1	242.1
TOTAL AFRICA	**182.9**	**223.7**	**251.7**	**32.5**	**45.7**	**49.7**	**16.1**	**25.5**	**19.8**	**231.5**	**294.9**	**321.2**
India	20.9	60.3	63.6	8.7	12.3	12.0	3.8	6.9	5.0	33.4	79.5	80.6
Japan	11.8	9.8	8.3	8.8	2.0	1.6	1.9	1.1	0.7	22.4	12.9	10.5
Israel	7.1	3.1	3.0	5.5	0.6	2.6	1.3	0.4	0.2	13.8	4.1	5.8
Other Asia	45.6	53.5	62.3	8.5	20.2	17.7	2.6	11.3	4.9	56.8	85.0	84.9
TOTAL ASIA	**85.3**	**126.7**	**137.2**	**31.5**	**35.2**	**33.9**	**9.6**	**19.6**	**10.8**	**126.4**	**181.5**	**181.9**
Australia and New Zealand	12.8	21.7	18.3	5.2	4.4	3.4	2.4	2.5	1.4	20.5	28.6	23.2
All Other Countries	15.9	8.5	14.4	3.2	1.7	3.7	4.0	1.0	4.9	23.1	11.1	23.0
TOTAL	**1,059.8**	**945.5**	**942.4**	**202.3**	**193.0**	**181.4**	**82.1**	**107.6**	**75.9**	**1,344.2**	**1,246.1**	**1,199.7**

* Provisional

[1]Excludes visitors whose purpose of visit is "Other"

13.10. Number of visitor-days stayed by purpose of visit and the average length of stay is shown in Table 13.4. The total number of days stayed by all categories of departing visitors excluding "Other" visitor contracted from 16,114.3 thousand in 2014 to 15,837.0 thousand in 2015 mainly due to a decline in holiday and business visitors. However, the average length of stay improved from 12.9 days in 2014 to 13.2 days in 2015. The continued assessment of security measures across the country including enhanced checks in public areas and increased police to citizen ratio encouraged the longer stay of tourists.

Table 13.4: Number of Visitor-Days Stayed[1] by Purpose of Visit, 2011 -2015

'000

Purpose	2011	2012	2013	2014	2015*
Holiday	15,719.8	15,229.7	14,881.8	13,276.2	13,232.9
Business	2,637.6	2,681.1	2,691.6	2,568.1	2,413.7
Transit	154.5	213.4	205.9	270.0	190.3
TOTAL	**18,511.9**	**18,124.2**	**17,779.3**	**16,114.3**	**15,837.0**
Average length of stay in days	13.4	13.2	13.2	12.9	13.2

* Provisional

[1]Excludes visitors whose purpose of visit is "Other"

Hotel Occupancy by Country of Residence

13.11. Figures 13.3(a) and 13.3(b) illustrate monthly bed and room occupancy rates. Annual average bed occupancy went down slightly from 31.6 per cent in 2014 to 29.1 per cent in 2015. Room occupancy dropped from 38.1 per cent in 2014 to 37.2 per cent in 2015. Bed occupancy rate was lower in 2015 compared to 2014 except in the months of April, September, October and November. Similarly, room occupancy rate was higher in February, August and October

during the period under review.

Figure 13.3(a): Monthly Bed Occupancy Rates, 2014-2015

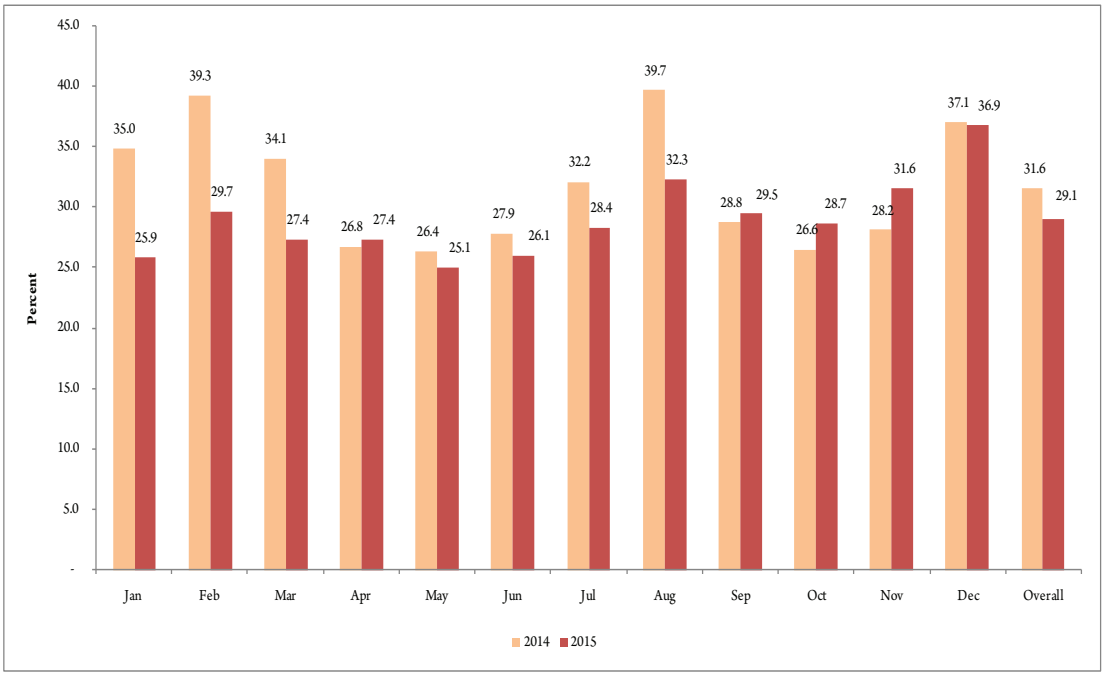
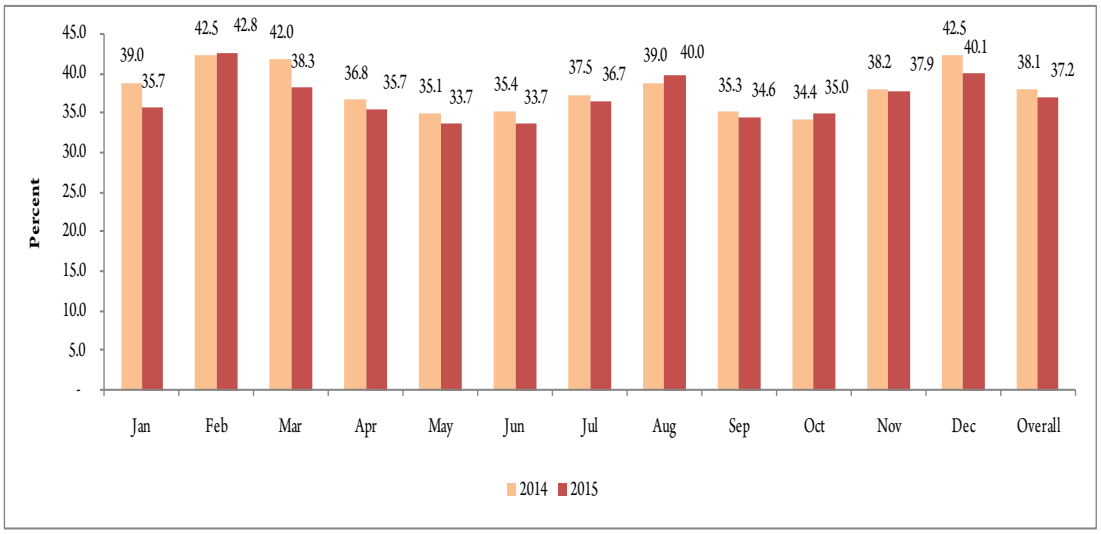


Figure 13.3(b): Monthly Room Occupancy Rates, 2014- 2015



13.12. Hotel bed-nights occupancy by country of residence from 2011 to 2015 is presented in Table 13.5. The number of hotel bed-nights occupied declined by 6.4 per cent to 5,878.6 thousand in 2015. Bed occupancy by residents of Europe went down by 23.6 per cent. The highest decline was registered for residents of Italy from 156.2 thousand in 2014 to 74.1 thousand in 2015. The number of occupants who were residents of Africa grew by 6.5 per cent to 3,619.3 thousand in 2015 with the highest number being Kenyan residents. The number of hotel bed-nights available in hotels, lodges and other rooming houses grew by 1.6 per cent from 19,877.2 thousand in 2014 to 20,187.2 thousand in 2015 mainly due to increased investments in the hospitality industry.

Table 13.5: Hotel Bed - Nights Occupancy by Country of Residence, 2011-2015

'000

Country of Residence	2011	2012	2013	2014	2015*
Permanent Occupants[1]	58.5	46.3	57.6	98.7	102.3
Germany	677.0	748.9	751.1	751.7	617.9
Switzerland	95.8	98.2	96.9	82.1	80.2
United Kingdom	765.9	521.6	498.3	275.0	224.5
Italy	495.3	415.5	234.8	156.2	74.1
France	239.5	160.0	113.9	75.6	67.1
Scandinavia	113.2	154.5	143.5	120.0	71.9
Other Europe	484.0	448.5	482.2	341.5	240.4
EUROPE	**2,870.6**	**2,547.2**	**2,320.6**	**1,802.2**	**1,376.1**
Kenya Residents	2,603.4	2,787.7	2,699.1	2,948.7	3,154.1
Uganda	76.2	81.8	110.2	67.7	76.0
Tanzania	68.5	69.2	64.5	62.0	55.7
East and Central Africa	101.5	115.9	104.3	101.3	102.3
West Africa	63.1	55.9	63.3	68.0	60.7
North Africa	30.9	23.9	29.0	37.3	24.9
South Africa	88.4	88.2	91.1	75.2	88.0
Other Africa	50.8	40.7	37.5	37.0	57.7
AFRICA	**3,082.7**	**3,263.3**	**3,199.0**	**3,397.2**	**3,619.3**
U.S.A	283.8	291.5	294.6	293.9	248.5
Canada	64.7	55.9	61.8	59.9	46.4
Other America	38.4	40.1	36.8	35.2	37.0
AMERICA	**386.9**	**387.4**	**393.3**	**389.0**	**331.9**
Japan	43.0	41.9	48.1	38.9	33.3
India	110.1	110.3	101.1	110.3	115.1
Middle East	43.6	50.2	50.6	57.4	55.8
China	89.6	114.0	105.9	92.1	82.6
Other Asia	53.0	68.2	54.4	49.4	45.2
ASIA	**339.3**	**384.5**	**360.1**	**348.1**	**332.1**
Australia and New Zealand	63.0	56.9	62.3	58.4	44.3
All Other Countries	214.1	175.2	203.9	188.0	72.6
TOTAL-OCCUPIED	**7,015.2**	**6,860.8**	**6,596.7**	**6,281.6**	**5,878.6**
TOTAL-AVAILABLE	**17,419.6**	**18,849.6**	**18,292.2**	**19,877.2**	**20,187.2**
Occupancy rate %	**40.3**	**36.4**	**36.1**	**31.6**	**29.1**

*Provisional

[1]Persons staying one month or more in one hotel, including block bookings for air crew

13.13. Hotel bed-nights occupancy by zone for the period 2011 to 2015 is shown in Table 13.6. Occupancy in coastal beach zone dropped by 16.4 per cent from 2,527.7 thousand in 2014 to 2,113.8 thousand in 2015. Bed-nights occupied in Nairobi-High Class also registered a drop from 1,119.1 thousand in 2014 to 1,014.9 thousand in 2015. However, some zones, which included the Coastal Other, Maasailand, Nyanza Basin, Western and Northern Kenya, reported notable improved performances. The Northern Kenya zone occupancy more than doubled from 60.9 thousand in 2014 to 135.1 thousand in 2015.

Table 13.6: Hotel Bed-Nights by Zone, 2011-2015

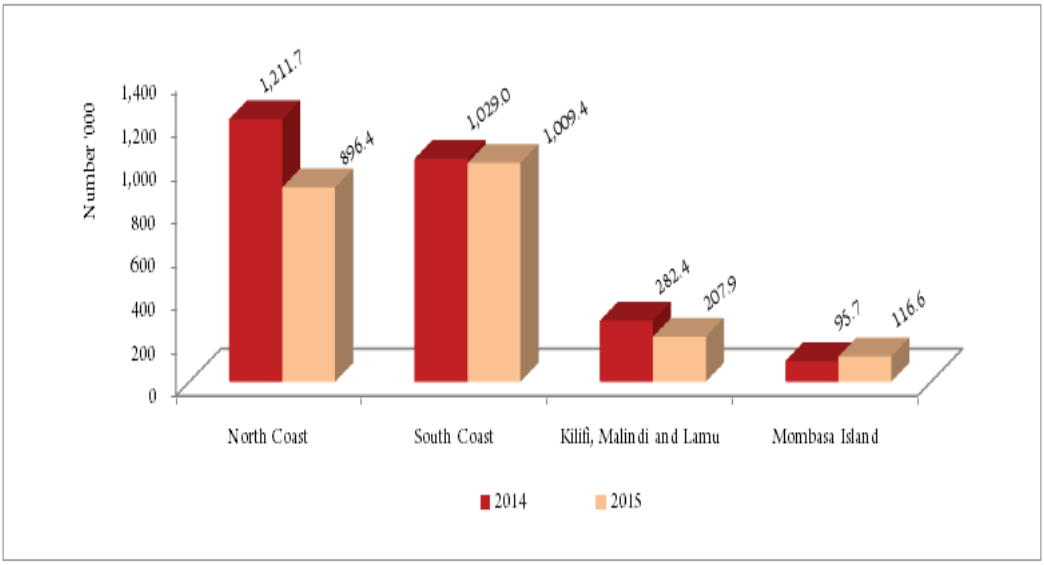
000

Zone	2011	2012	2013	2014	2015*
Coastal-Beach	3,144.6	3,132.6	2,750.3	2,527.7	2,113.8
Coastal-Other	283.8	260.0	124.0	95.9	116.6
Coastal Hinterland	82.3	88.7	125.5	133.2	108.4
Nairobi-High Class	1,155.7	1,145.0	1,175.3	1,119.1	1,014.9
Nairobi-Other	526.2	490.5	455.7	388.0	378.0
Central	683.3	526.0	622.2	686.3	583.6
Maasailand	418.6	443.7	473.0	479.5	491.6
Nyanza Basin	301.9	252.1	345.3	357.7	487.8
Western	374.9	464.3	454.1	433.3	448.8
Northern	43.9	57.8	71.2	60.9	135.1
TOTAL-OCCUPIED	**7,015.2**	**6,860.8**	**6,596.7**	**6,281.6**	**5,878.6**
TOTAL-AVAILABLE	**17,419.6**	**18,849.6**	**18,292.2**	**19,877.2**	**20,187.2**

*Provisional

13.14. Figure 13.4 shows the bed-nights occupied at the coast by zone in 2014 and 2015. The South Coast was the most preferred destination, a shift from the North Coast. Mombasa Island registered improved bed-nights occupancy at the Coast in 2015 mainly due to its proximity to the international airport.

Figure 13.4: Bed-Nights Occupancy at the Coast, 2014 – 2015



13.15. Table 13.7 presents the analysis of the number of bed-nights occupied by area and country of residence. The share of hotel bed-nights occupied in lodges expanded from 8.6 per cent in 2014 to 10.7 per cent in 2015. The number of bed-nights occupied by Kenyans in the lodges increased from 171.0 thousand in 2014 to 300.9 thousand in 2015. However, the percentage share of bed-nights occupied in Nairobi and the Coast continued to decline for the third year running. Notable declines were observed in Coast region for residents from USA, United Kingdom, Italy, Germany and Scandinavia.

Table 13.7: Hotel Bed-Nights Occupancy by Area and Country of Residence, 2014-2015

'000

Country of Residence	Nairobi		Coast		Lodges		Others		Total	
	2014	2015*	2014	2015*	2014	2015*	2014	2015*	2014	2015*
Permanent Occupants[1]	35.5	3.6	18.3	41.8	4.0	1.6	40.9	55.3	98.7	102.3
Germany	28.9	24.1	686.4	562.2	23.3	18.7	13.2	12.9	751.7	617.9
Switzerland	11.4	11.6	62.3	58.2	5.0	5.2	3.5	5.1	82.1	80.2
United Kingdom	83.6	89.0	137.9	84.6	29.9	24.8	23.6	26.0	275.0	224.5
Italy	12.5	12.8	131.4	47.8	7.7	6.5	4.6	7.1	156.2	74.1
France	23.6	23.2	30.2	24.6	12.1	9.9	9.8	9.5	75.6	67.1
Scandinavia	26.1	24.6	69.8	25.4	16.4	12.3	7.7	9.7	120.0	71.9
Other Europe	63.9	66.6	223.4	125.3	36.1	36.3	18.0	12.3	341.5	240.4
Kenya	444.4	476.7	1,208.1	1,191.3	171.0	300.9	1,125.2	1,185.1	2,948.7	3,154.1
Uganda	40.4	36.4	11.3	15.8	1.9	1.1	14.0	22.6	67.7	76.0
Tanzania	42.1	31.4	12.7	11.1	1.0	1.6	6.2	11.6	62.0	55.7
East & Central Africa	80.9	79.0	11.5	11.1	0.8	2.1	8.0	10.2	101.3	102.3
West Africa	49.3	43.3	6.0	9.2	1.1	1.4	11.6	6.9	68.0	60.7
North Africa	24.5	15.4	4.7	4.1	2.2	1.2	5.9	4.3	37.3	24.9
South Africa	57.5	64.7	9.9	10.7	3.3	2.8	4.5	9.8	75.2	88.0
Other Africa	21.2	39.5	10.2	8.7	1.6	2.2	4.0	7.2	37.0	57.7
USA	138.3	128.4	25.3	19.1	82.5	66.2	47.7	34.9	293.9	248.5
Canada	26.1	21.0	9.1	6.2	16.7	11.6	8.0	7.6	59.9	46.4
Other America	14.9	18.4	7.0	4.1	7.3	4.9	6.0	9.6	35.2	37.0
Japan	15.2	12.1	6.3	5.2	11.7	5.2	5.6	10.7	38.9	33.3
India	56.5	53.7	11.9	13.6	24.8	33.6	17.0	14.2	110.3	115.1
Middle East	34.1	26.9	11.5	14.7	6.3	5.0	5.5	9.2	57.4	55.8
China	30.0	21.6	10.0	13.5	31.7	34.1	20.4	13.5	92.1	82.6
Other Asia	26.9	21.0	6.3	8.8	9.2	7.5	7.0	8.0	49.4	45.2
Australia & New Zealand	22.3	16.2	8.4	7.0	18.6	14.5	9.1	6.5	58.4	44.3
All Other Countries	96.9	31.8	26.9	15.0	14.2	15.5	50.0	10.4	188.0	72.6
TOTAL	**1,507.1**	**1,393.0**	**2,756.8**	**2,338.8**	**540.4**	**626.7**	**1,477.2**	**1,520.2**	**6,281.6**	**5,878.6**
PERCENTAGE SHARE	**24.0**	**23.7**	**43.9**	**39.8**	**8.6**	**10.7**	**23.5**	**25.9**	**100.0**	**100.0**

* Provisional

[1]Persons staying one month or more in one hotel, including block bookings for air crew

13.16. Table 13.8 presents bed-nights occupancy in game lodges and type of catering offered to foreign and East African residents. Despite the decrease in the number of visitors to national parks and game reserves, the number of bed-nights occupied in hotel establishments located in these areas improved significantly from 540.4 thousand in 2014 to 626.7 thousand in 2015, representing 16.0 per cent rise. The number of bed-nights occupied by foreign residents dropped by 11.8 per cent to 323.1 thousand in 2015. However, bed-nights occupied by East Africa residents grew by 74.8 per cent from 173.9 thousand in 2014 to 303.7 thousand in 2015. More than 85 per cent of the visitors preferred full catering services to self-service.

Table 13.8: Game Lodges[1] Occupancy, 2013 – 2015

'000

	Bed-Nights Occupied								
	Foreign Residents			E.A. Residents			Total		
	2013	2014	2015*	2013	2014	2015*	2013	2014	2015*
Game Reserves	112.1	106.2	117.3	47.0	69.9	175.7	159.1	176.1	293.0
National Parks	313.0	260.3	205.8	72.2	104.0	128.0	385.2	364.3	333.7
TOTAL	**425.1**	**366.5**	**323.1**	**119.2**	**173.9**	**303.7**	**544.3**	**540.4**	**626.7**
Of which full Catering ...	372.8	311.5	304.6	98.2	132.6	230.8	471.0	444.1	535.4
Self Service	52.3	55.0	18.5	21.0	41.3	72.8	73.3	96.3	91.3

*Provisional

[1]Lodges in National Parks and Game Reserves

National Parks and Game Reserves

13.17. Table 13.9 presents the number of visitors to national parks and game reserves from 2011 to 2015. The number of visitors dropped by 9.7 per cent from 2,164.6 thousand in 2014 to 1,953.8 thousand in 2015. This drop may partly be attributed to competition from neighbouring countries that do not charge Value Added Tax on park entry fees. Amboseli and Lake Nakuru national parks recorded major declines of 25.7 per cent and 16.4 per cent, respectively, in 2015. However, Nairobi Safari Walk and Hell's Gate registered improvements of 4.7 per cent and 6.7per cent, respectively.

Table 13.9: Number of Visitors to National Parks and Game Reserves, 2011-2015

'000

Park/Reserve	2011	2012	2013	2014	2015*
Nairobi	135.1	151.1	154.7	131.8	133.2
Nairobi Safari Walk	176.3	147.2	136.0	133.0	139.2
Nairobi Mini Orphanage	403.0	474.6	407.4	361.3	328.2
Amboseli	176.2	141.4	141.2	117.1	87.0
Tsavo (West)	98.9	70.9	68.8	51.0	32.9
Tsavo (East)	268.0	176.7	153.2	103.2	75.2
Aberdare	45.8	44.3	50.1	43.8	34.7
Lake Nakuru	245.0	253.5	262.5	226.0	188.9
Maasai Mara	138.2	102.0	103.8	166.0	146.9
Haller's Park	149.8	125.5	121.5	116.2	115.4
Malindi Marine	49.5	40.8	41.9	28.9	28.8
Lake Bogoria	108.3	114.6	91.5	80.5	71.4
Meru	20.2	17.8	14.7	19.2	17.4
Shimba Hills	29.4	26.1	23.2	17.6	17.2
Mt. Kenya	33.3	27.5	24.6	20.2	18.5
Samburu	14.2	15.0	13.5	15.4	8.5
Kisite/Mpunguti	59.5	48.4	44.7	29.7	25.0
Mombasa Marine	38.3	34.6	36.8	27.4	26.2
Watamu Marine	37.3	36.3	35.1	31.3	24.3
Hell's Gate	133.1	95.4	89.0	114.1	121.8
Impala Sanctuary(Kisumu)	201.6	247.0	222.3	227.6	212.2
Mt. Longonot	43.2	44.1	43.6	50.7	51.4
Other[1]	60.1	57.5	57.5	52.6	49.6
TOTAL	**2,664.1**	**2,492.2**	**2,337.7**	**2,164.6**	**1,953.8**

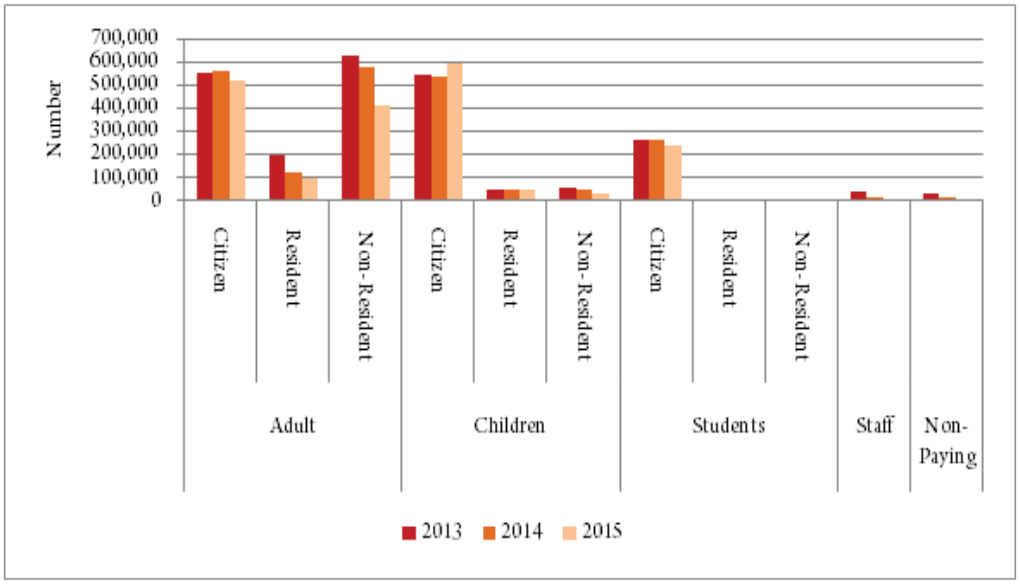
Source: Kenya Wildlife Services

* Provisional

[1]Other include Arabuko Sokoke, Ol-Donyo Sabuk, Marsabit, Saiwa swamp, Sibiloi, Bamburi, Chyulu, Ruma National Park, Mwea National Reserve, Central lsland National Park, Kiunga, Mt.Elgon, Nasolot, Ndere and Kakamega.

13.18. Figure 13.5 depicts visitors to national parks and game reserves in 2013 to 2015. Children citizens and residents categories recorded increases in 2015 compared to 2014, with children citizens registering the highest number of all visitors. Most of the visitors to national parks and game reserves in 2015 continued to be the adult non-residents and citizens; children citizens and student citizens.

Figure 13.5: Visitors to National Parks and Game Reserves, 2013-2015



Note: Residents refers to foreign residents who are non-residents expecting and/or have stayed in Kenya for more than 12 months

Museums, Snake Parks and Historical Sites

13.19. The number of visitors to Museums, Snake Parks and Historical Sites is presented in Table 13.10. Overall, the number of visitors to these attraction sites rose by 15.4 per cent to 797.5 thousand in 2015 on account of increases in the number of visitors to the National Museum and Fort Jesus while the rest of the sites recorded decreases. The National Museum main gate recorded a remarkable performance of 264.0 thousand visitors in 2015 following the re-opening after renovations. Similarly, visitors to Fort Jesus increased by 7.0 per cent from 113.4 thousand in 2014 to 121.3 thousand in 2015. The number of visitors to Museums, Snake Parks and Historical Sites was highest in August while May registered the lowest as shown in Figure 13.6.

Table 13.10: Number of Visitors to Museums, Snake Parks and Historical Sites, 2011-2015

Number

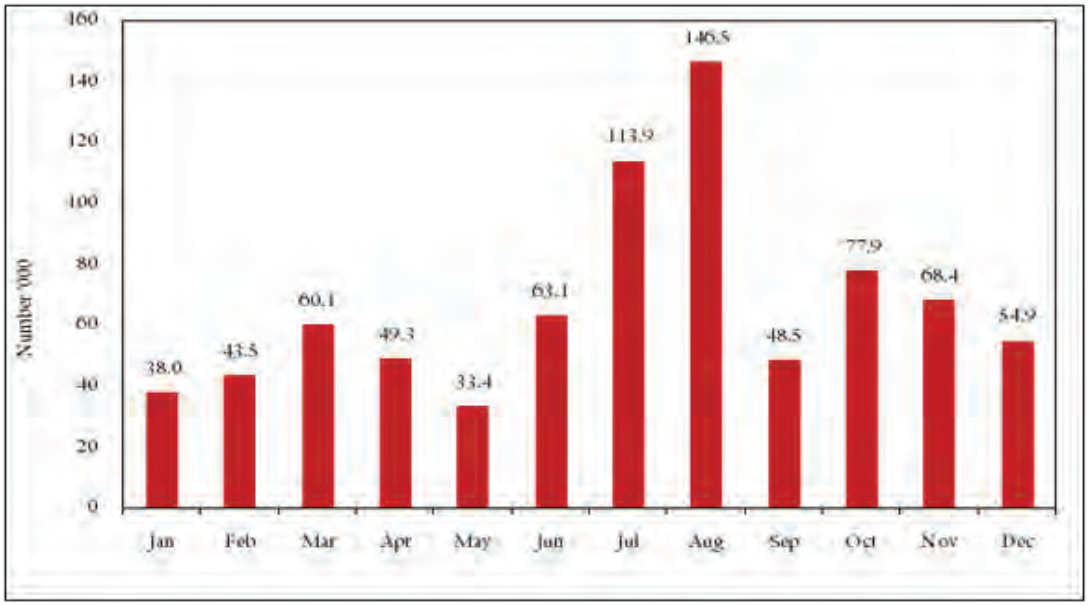
Name	2011	2012	2013	2014	2015*
National Museum:(Main Gate)	170,601	184,670	130,925	52,527	264,014
National Museum:(Snake Park)	138,639	146,370	94,810	32,972	23,983
Fort Jesus	168,797	127,562	152,118	113,373	121,278
Kisumu Museum	110,941	144,881	151,170	219,380	210,637
Kitale Museum	38,748	41,765	54,330	64,752	33,497
Gedi	54,003	43,131	54,584	47,498	39,856
Meru Museum	21,809	24,216	26,327	32,766	23,685
Lamu	4,949	2,638	2,828	1,726	1,478
Jumba la Mtwana	8,381	5,731	7,374	5,743	4,344
Olorgessaile	4,557	..	..	2,695	1,055
Kariandusi	12,894	10,200	4,271	24,206	11,435
Hyrax Hill	11,198	8,900	5,888	11,604	8,723
Karen Blixen	54,529	54,864	44,701	45,205	25,862
Malindi Museum	30,232	17,920	26,059	20,990	14,685
Kilifi Mnarani	2,351	1,615	818	2,527	1,194
Kabarnet	1,718	1,255	1,612	1,697	1,401
Kapenguria	6,588	7,585	8,698	9,737	7,276
Pete Sites	34	2	1	10	-
Swahili House	596	323	310	268	40
Narok Museum	370	183	573	642	517
German Post	84	145	67	51	4
Takwa Ruins	1,268	669	615	551	180
Koobi Fora	87	..	1	..	..
Rabai	..	..	2,656.0	..	2,377.0
Thimlich Ohinga	..	..	72.0	..	..
TOTAL	**843,374**	**824,625**	**770,808**	**690,920**	**797,521**

Source: National Museums of Kenya

* Provisional

.. Data not available

Figure 13.6: Monthly Number of Visitors to the Museums, Snake Parks and Historical Sites, 2015



Conference Tourism

13.20. Conference tourism is one of the rapidly growing segments in the tourism sector and is largely associated with travel for business purposes. However, the number of international conferences and delegates dropped by 9.5 per cent and 8.0 per cent, respectively, in 2015 as presented in Table 13.11. Over the same period, local conferences and delegates increased by 4.0 per cent and 7.4 per cent, respectively. The average occupancy rate of conference facilities declined by 0.3 percentage points to 11.1 per cent in 2015.

Table 13.11: Indicators on Conference Tourism, 2013-2015

Number

	2013		2014		2015*	
	Local	International	Local	International	Local	International
No.of conferences	2,849	299	3,077	241	3,199	218
No.of delegates	401,809	40,109	432,998	77,848	465,116	71,620
No.of delegate days	523,224	179,922	547,262	131,193	561,374	124,633
No.of delegate days available ..	5,498,958	5,498,958	5,925,801	5,925,801	6,168,945	6,168,945
Percentage Occupancy	9.5	3.3	9.2	2.2	9.1	2.0

*Provisional

Training

13.21. The Kenya Utalii College (KUC) is one of Africa's leading hospitality and training institutions whose graduates serve locally and internationally. The total number of graduates who pursued various courses at KUC declined from 2,350 in 2014 to 2,324 in 2015 as shown in Table 13.12. This was mainly attributed to the decrease in the number of people pursuing refresher courses. The number of graduates in short courses rose by 26.0 per cent in 2015 mainly as a result of increase in enrolments in food and beverage service basic course, food production and front office courses.

Table 13.12: Kenya Utalii College Graduates, 2011-2015

Number

Year	Pioneer Course[1]	In- Service		Professional Courses			Grand Total
		Refresher	MDP[2]	Regular Courses	Short Courses	Sub-Total	
2011	561	1,494	264	613	30	643	2,962
2012	458	1,644	224	627	17	644	2,970
2013	..	1,450	252	541	758	1,299	3,001
2014	..	936	237	593	584	1,177	2,350
2015*	..	813	258	517	736	1,253	2,324

Source: Kenya Utalii College

* Provisional

.. Not available

[1]Pioneer is a 3 month course

[2]MDP - Management Development Programmes

Developments in the Tourism Sector

13.22. In 2015/16, the Government increased budgetary allocation to the State Department of Tourism from KSh 5.6 billion to KSh 10.7 billion, to among others, market Kenya as a preferred tourism destination. This was to counter the negative publicity occasioned by restrictive travel advisories in our key source markets. In addition, the Government created a stand-alone Ministry of Tourism, which is intended to focus more on issues that directly affect the sector.

13.23. The sector is expected to improve following the scrapping of landing fees at Mombasa and Malindi international airports for chartered planes from January 2016 till June 2018 and a subsidy of US$ 30 for each passenger who disembarks in Kenya during the period.

CHAPTER 14

Transport and Storage

Overview

An efficient and effective transport system is crucial in promoting social and economic activities at the national, regional and international levels. Sufficient road, rail, air, pipeline and maritime transport infrastructural facilities are important in enhancing trade and mobility. The Government continued to undertake various activities aimed at improving the transport network in the country. These included the construction of the first phase of the Standard Gauge Railway (SGR) from Mombasa to Nairobi, the improvement of facilities and enhanced operational efficiency at the Port of Mombasa, the expansion and rehabilitation of facilities at the airports, particularly at the Jomo Kenyatta International Airport (JKIA), Mombasa International Airport (MIA) and Kisumu International Airport (KIA).

14.2. The Port of Mombasa recorded a growth of 7.5 per cent in total throughput handled from 24,875 thousand tonnes in 2014 to 26,732 thousand tonnes in 2015. Similarly, container traffic rose by 6.3 per cent to stand at 1,076,118 Twenty-foot Equivalent Units (TEUs) during the review period compared to 1,012,002 TEUs in 2014.

14.3. The total throughput of refined petroleum products transported via pipeline increased by 154.2 thousand cubic metres to 5,712.1 thousand cubic metres in 2015. In the air transport sub-sector, total commercial passengers handled expanded by 1.3 per cent during the reference period, which was lower than 7.9 per cent recorded in 2014. Suppressed activity of the tourism sector and the closure of some routes in some parts of Western Africa due to the Ebola disease impacted negatively on the performance of air transport. The rail transport exhibited mixed performance during the reference period. Total freight traffic transported by rail grew by 4.4 per cent in 2015 while total passenger journeys declined by 38.6 per cent in the same period.

14.4. The road transport sub-sector posted improved performance during the review period as reflected by; the increase in consumption of fuel such as light diesel oil and the number of licenses issued to Passenger Service Vehicle (PSV) operators. In 2015, total newly registered motor vehicles stood at 107,761 units compared to 102,606 units in 2014, an increase of 5.0 per cent. Similarly, the number of newly registered motor and auto cycles increased by 21.2 per cent to 134,645 in 2015. The number of reported road traffic accidents dropped by 6.4 per cent in the review period. However, the number of persons killed went up by 5.2 per cent in the same period.

Value of Output

14.5. The output of the transport and storage sector increased by 6.4 per cent in 2015 to KSh 951.4 billion compared to a 15.3 per cent increase in 2014 as shown in Table 14.1. Increases in the consumption of fuel and registration of new motor vehicles supported growth in road transport sub-sector which expanded by 4.5 per cent during the review period. Notable growths were also recorded in the pipeline and railway transport, which grew by 26.8 per cent and 17.3 per cent, respectively.

Table 14.1: Transport and Storage - Value of Output, 2011 – 2015

KSh Million

	2011	2012	2013+	2014	2015*
Road Transport	431,867	474,458	519,861	587,253	613,873
Railway Transport	5,247	5,731	4,849	5,357	6,282
Water Transport	23,392	26,294	36,537	52,319	58,447
Air Transport	103,993	114,596	131,456	139,700	140,913
Services Incidental to Transpor	50,625	61,598	62,583	81,276	96,171
Pipeline Transport	15,474	17,938	19,862	28,160	35,697
Total	**630,598**	**700,615**	**775,148**	**894,065**	**951,384**

* Provisional.

+ Revised

Road Transport

14.7. Table 14.2 shows details of funds disbursed from the Roads Maintenance Fund to the various road agencies for maintenance and rehabilitation of roads in the country. Total funds approved for disbursement by the Kenya Roads Board (KRB) are expected to increase by 1.6 per cent from KSh 25.8 billion in 2014/15 to KSh 26.2 billion in 2015/16. Fuel levy collection is projected to expand by KSh 0.4 billion to KSh 25.8 billion in 2015/16. Likewise, collection from transit toll is expected to increase slightly by 1.8 per cent from KSh 454 million in 2014/15 to KSh 462 million in 2015/16.

Table 14.2: Roads Maintenance Funds, 2011/12 - 2015/16

KSh Million

	2011/12	2012/13	2013/14	2014/15*	2015/16**
Fuel Levy	23,757	23,978	22,822	25,338	25,767
Transit Toll	343	392	407	454	462
Total	**24,100**	**24,370**	**23,229**	**25,792**	**26,229**

Source: Kenya Roads Board

* Provisional.

** Estimates

14.8. Earnings from road traffic rose from KSh 587.3 billion in 2014 to KSh 613.9 billion in 2015. There was a 6.4 per cent growth in earnings from freight transported by road, which outpaced earnings from road passenger transport, which grew by 2.9 per cent to KSh 291.7 billion and KSh 322.2 billion, respectively in 2015 as highlighted in Table 14.3. Nevertheless, this was a decelerated growth in both road passenger and freight traffic compared to 2014.

Table 14.3: Earnings from Road Traffic+, 2011 – 2015

KSh Million

	2011	2012	2013	2014	2015*
Passenger Traffic	231,497	254,149	274,863	313,031	322,161
Freight Traffic	200,370	220,309	244,998	274,223	291,712
Total Road Traffic Earnings	**431,867**	**474,458**	**519,861**	**587,254**	**613,873**

* Provisional.

+ Revised

New Registration of Motor Vehicles and Motor Cycles

14.9. Details of newly registered motor vehicles and motor cycles in the country for the period 2011 to 2015 are shown in Table 14.4 and Figure 14.1. Total units registered rose by 13.4 per cent from 218,057 in 2014 to 247,181 in 2015.

14.10. **Motor vehicles:** Newly registered motor vehicles increased from 102,606 units in 2014 to 107,761 units in 2015, representing a growth of 5.0 per cent. Overall, the number of newly registered motor vehicles maintained an upward trend during the review period except for saloon cars which declined by 9.6 per cent to 14,369. Similarly, registration of other vehicles declined marginally from 2,533 in 2014 to 2,522 in 2015. The number of station wagons registered in 2015 rose slightly by 1.1 per cent to 54,120 units compared to a growth of 10.0 per cent in 2014. However, there are significantly higher number of registrations of station wagons in 2015 compared to 2011 as shown in Figure 14.1.

14.11. **Lorries/Trucks:** There has been a significant increase in the annual number of new registrations over the last five years as shown in Figure 14.1. During the review period, new registration of lorries and heavy trucks, panel vans and pick-ups; and buses and coaches rose by 29.1, 10.4 and 6.0 per cent respectively. The notable rise in registration of lorries and trucks could be attributed to increased construction activities. The number of trailers registered went up by 33.5 per cent from 2,925 in 2014 to 3,905 in 2015.

14.12. **Motor cycles:** Total motor cycles registered rose by 20.8 per cent to 139,420 in 2015 which is reflected by a 22.8 per cent growth in imports of motorcycles. The number of motor and auto cycles registered increased from 111,124 in 2014 to 134,645 in 2015, reflecting a growth of 21.2 per cent. The increase may be partly due to the rising demand for motor cycles as an alternative mode of passenger transport. Likewise, the number of three wheelers rose by 10.4 per cent during the review period.

Table 14.4: New Registration of Road Motor Vehicles and Motor cycles, 2011 – 2015

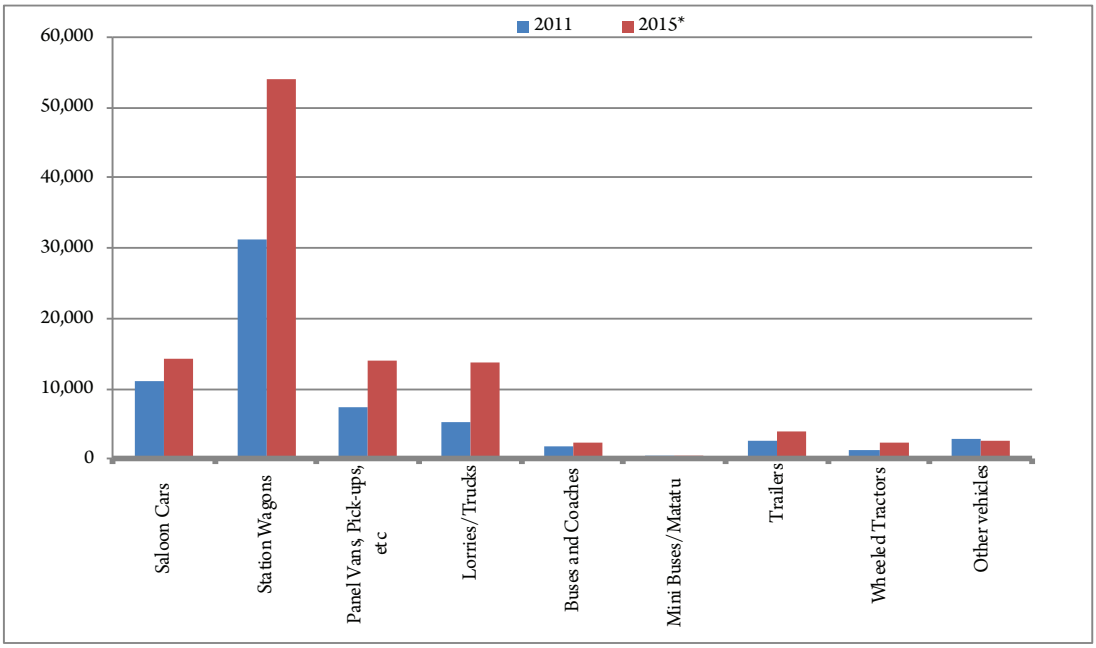
Number

Type of Vehicle/Motor Cycle	2011	2012	2013	2014	2015*
Saloon Cars	11,026	12,985	16,343	15,902	14,369
Station Wagons	31,199	39,862	48,662	53,542	54,120
Panel Vans, Pick-ups, etc	7,442	7,945	9,819	12,568	13,878
Lorries/Trucks	5,247	7,821	9,570	10,681	13,785
Buses and Coaches	1,662	1,638	2,062	2,210	2,342
Mini Buses/Matatu	451	78	235	213	581
Trailers	2,556	3,761	3,973	2,925	3,905
Wheeled Tractors	1,179	1,386	1,902	2,032	2,259
Other vehicles	2,724	1,753	1,451	2,533	2,522
Total Motor Vehicles	**63,486**	**77,229**	**94,017**	**102,606**	**107,761**
Motor and Auto Cycles	140,215	93,970	125,058	111,124	134,645
Three Wheelers	2,140	1,845	3,103	4,327	4,775
Total Motor Cycles	**142,355**	**95,815**	**128,161**	**115,451**	**139,420**
Total Units Registered	**205,841**	**173,044**	**222,178**	**218,057**	**247,181**

Source: National Transport and Safety Authority

* Provisional.

Figure 14.1: Number of New Registration of Selected Motor Vehicle Units, 2011 and 2015



Road Licenses

14.13. The various types of road licenses issued by the National Transport and Safety Authority (NTSA) are shown in Table 14.5. The total number of Public Service Vehicle (PSV) licenses issued went up by 12.3 per cent from 27,153 in 2014 to 30,506 in 2015. PSV licenses issued to *matatus,* buses and mini buses recorded increases in the review period with *matatus* accounting for more than half of total PSV licenses issued.

14.14. In 2015, the total number of driving licenses issued rose by 3.5 per cent to 120,016 from 115,966 in 2014. Original driving licenses issued increased by 3.0 per cent to 91,336 in 2015, while issuance of duplicate and foreign licenses also maintained upward trends in 2015, registering increases of 5.3 and 3.3 per cent, respectively.

Table 14.5: Road Transport Licenses Issued, 2011 - 2015

Number

	2011	2012	2013	2014	2015*
PSV Licenses					
Matatus.	15,198	15,394	9,545	15,936	17,138
Buses	5,692	4,169	3,792	5,155	6,182
Mini Buses[1]	2,790	2,489	3,350	6,062	7,186
Total	**23,680**	**22,052**	**16,687**	**27,153**	**30,506**
Driving Licenses					
Original	195,536	160,719	90,519	88,666	91,336
Duplicate..	39,146	29,065	23,069	24,563	25,854
Foreign.....	3,239	2,768	2,671	2,737	2,826
Total.	**237,921**	**192,552**	**116,259**	**115,966**	**120,016**

Source: Kenya Revenue Authority/National Transport and Safety Authority

* Provisional

[1] Includes Tour Vans

Road Traffic Accidents

14.15. The number of reported road traffic accidents has been on a downward trend over time partly attributable to sustained government enforcement of road safety rules and sensitization of the public on road safety. Total reported accidents dropped by 6.4 per cent from 5,672 in 2014 to 5,310 in 2015 as shown in Table 14.6. However, fatalities increased by 5.2 per cent from 2,907 in 2014 to 3,057 during the review period. The number of persons who suffered serious injuries dropped further to 4,731 in 2015, while those with slight injuries increased from 3,971 in 2014 to 4,350 in 2015.

Table 14.6: Reported Road Traffic Accidents, 2011 - 2015

Number

	2011	2012	2013	2014	2015*
Total Number of Reported Traffic Accidents	8,193	6,917	6,205	5,672	5,310
Persons Killed or Injured:-	**19,093**	**15,612**	**14,324**	**12,018**	**12,138**
of which:					
Killed	3,302	3,141	3,191	2,907	3,057
Seriously Injured	8,647	7,434	6,299	5,140	4,731
Slightly Injured	7,144	5,037	4,834	3,971	4,350

Source: Kenya Police, Traffic Department

* Provisional.

Railway Transport

14.16. The performance of the railway transport sub-sector for the last five years is shown in Table 14.7. In 2015, total cargo traffic registered a growth of 4.4 per cent to 1,575 thousand tonnes from 1,509 thousand tonnes recorded in 2014. Likewise, revenue earned from freight transport increased from KSh 6.1 billion in 2014 to KSh 6.2 billion during the review period. There has been a continuous decline in rail passenger indicators of journey, passenger-km and revenue. The major reason is prioritizing on the freight, which is more profitable than passengers' services hence the available locomotives are prioritized to freight. Passenger journeys declined to 2,359 thousand in 2015 compared to 3,845 thousand in 2014. This led to a 38.9 per cent drop in earnings from passenger traffic stream in 2015.

Table 14.7: Railway Traffic, 2011 – 2015

	Unit	2011	2012	2013	2014	2015*
Freight:						
Tonnes	000	1,596	1,394	1,214	1,509	1,575
Tonne-km	Million	1,135	995	848	1,169	1,391
Revenue	KSh Million	4,983	5,525	4,638	6,148	6,218
Revenue per tonne-Km	KSh	4.39	4.39	5.47	5.26	4.47
Passenger:						
Journeys	000	6,004	4,077	4,016	3,845	2,359
Passenger-Km	Million	283	221	183	176	108
Revenue	KSh Million	264	206	211	162	99
Revenue per passenger-Km	KSh	0.93	0.93	1.15	0.92	0.92

Source: Kenya Railways Corporation/Rift Valley Railways

Water Transport

14.17. Table 14.8 presents details of cargo throughput handled at the Port of Mombasa for the period 2011 to 2015. The number of vessels that docked decreased by 7.5 per cent from 1,832 in 2014 to 1,694 in 2015. However, total throughput handled at the port recorded 26,732 thousand tonnes of cargo in 2015 against 24,875 thousand tonnes handled in 2014, reflecting a growth of 7.5 per cent. This is explained by the fact that the vessels that docked at the Port were of higher capacity. In 2015, the Port of Mombasa handled a 6000 TEU capacity vessel, the biggest vessel to ever dock at the Port of Mombasa. Nevertheless, this was a slower growth compared to the 11.5 per cent growth recorded in 2014. Total throughput handled rose from

24.4 million dead weight tonnes (DWT) in 2014 to 26.7 (DWT)during the review period. Total container traffic handled increased by 6.3 per cent to 1,076,118 TEUs in 2015 up from 1,012,002 TEUs in 2014.

14.18. Total imports handled expanded by 9.2 per cent from 20.8 million tonnes in 2014 to 22.7 million tonnes in 2015. Imports of dry bulk cargo handled increased by 21.4 per cent to 6,350 thousand tonnes in 2015. Likewise, imports of dry general cargo and bulk liquids handled went up by 8.9 per cent and 0.6 per cent respectively, in 2015. The number of motor vehicles landed declined by 8.9 per cent from 157,856 units in 2014 to 143,833 units in 2015.

14.19. During the review period, total exports handled rose slightly to 3.5 million tonnes from 3.4 million tonnes in 2014. This small gain is partly on account of increased dry bulk exports handled which grew by 37.0 per cent in 2015. The volume of dry general cargo exports handled increased marginally in 2015, while bulk liquid exports handled dropped by 11.1 per cent from 45 thousand tonnes to 40 thousand tonnes over the same period.

Table 14.8: Traffic handled at Mombasa Port, 2011 – 2015

	Unit	2011	2012	2013	2014	2015*
Container Traffic	TEUs	770,804	903,463	894,000	1,012,002	1,076,118
Ships Docking	No.	1,684	1,763	1,768	1,832	1,694
Imports	000' DWT					
Dry General	"	6,524	7,256	7,700	8,354	9,099
Dry Bulk	"	3,807	4,811	4,913	5,231	6,350
Bulk Liquids	"	6,607	6,665	6,537	7,192	7,232
Total Imports	"	**16,938**	**18,732**	**19,150**	**20,777**	**22,681**
Of which Transit In	"	5,166	6,201	6,338	6,691	7,126
Motor Vehicles landed	No.	105,048	120,268	136,915	157,856	143,833
Exports	000' DWT					
Dry General	"	2,508	2,779	2,818	2,899	2,915
Dry Bulk	"	122	106	65	422	578
Bulk Liquids	"	158	160	100	45	40
Total Exports	"	**2,788**	**3,045**	**2,983**	**3,366**	**3,533**
Of which Transit Out	"	430	425	513	508	541
Total Imports and Exports	"	**19,726**	**21,777**	**22,133**	**24,143**	**26,214**
Transhipment	"	227	143	174	732	518
Grand Total	"	**19,953**	**21,920**	**22,307**	**24,875**	**26,732**

Source: Kenya Ports Authority

* Provisional.

DWT - Deadweight Tonnes

Pipeline Transport

14.20. Total throughput of refined petroleum products transported through the pipeline rose by 2.8 per cent in 2015 to 5,712.1 thousand cubic metres from 5,557.9 thousand cubic metres in 2014 as shown in Table 14.9. The growth in throughput volumes is lower than the 7.5 per cent growth recorded in 2014. The volume of petroleum products for export expanded by 2.1 per cent from 1,985.5 thousand cubic metres in 2014 to 2,026.4 thousand cubic metres in 2015. Similarly, throughput of refined petroleum products for domestic consumption recorded a 3.2 per cent increase to 3,685.7 thousand cubic metres during the review period from 3,572.4 thousand cubic metres in 2014.

Table 14.9: Pipeline Throughput of White Petroleum Products, 2011 – 2015

'000 Cubic Metres

	2011	2012	2013	2014	2015*
Exports					
Motor Spirit (Premium)	429	626.3	688.6	726.0	757.0
Kerosene Illuminating Oil	84.7	89.3	86.1	75.8	70.1
Light Diesel Oil	516.8	899.4	979.1	916.1	936.9
Jet Fuel	142.3	206.4	198.3	267.6	262.4
Sub-Total	**1,172.8**	**1,821.4**	**1,952.1**	**1,985.5**	**2,026.4**
Domestic Consumption[1]					
Motor Spirit (Premium)	782.6	785.9	897.5	1,028.8	1,103.4
Motor Spirit (Regular)	43.3	14.2	1.3	0	0
Kerosene Illuminating Oil	250.5	304.8	353.8	362.9	396.5
Light Diesel Oil	1,129.8	1,079.0	1,174.0	1,314.2	1,372.6
Jet Fuel	878.4	850.3	792.7	866.5	813.2
Sub-Total	**3,084.6**	**3,034.2**	**3,219.3**	**3,572.4**	**3,685.7**
Grand Total	**4,257.4**	**4,855.6**	**5,171.4**	**5,557.9**	**5,712.1**

Source: Kenya Pipeline Company

* Provisional.

[1] Excludes fuels transported by Kenya Railways or consumed in the Coastal region

Air Transport

14.21. **Passenger traffic:** Details of commercial traffic handled at the airports for the period 2011 to 2015 are shown in Table 14.10(a). During the review period, total passenger traffic handled recorded a slow growth of 1.3 per cent compared to 7.9 per cent in the previous year. This is partly attributed to a decline of 3.0 per cent in the number of international passengers handled in 2015. The total number of passengers handled stood at 8,993.2 thousand in 2015 up from 8,882.0 thousand in 2014. While total domestic passengers handled rose by 9.0 per cent to 3.4 million in 2015, total international passengers handled contracted by 3.0 per cent from 5.7 million in 2014 to 5.6 million in the year under review. This decline is partly due to negative travel advisories by some key tourist source countries especially during the first half of 2015 that impacted negatively on tourist arrivals. Total passengers handled at Jomo Kenyatta International Airport (JKIA) stood at 6.5 million passengers in 2015 up from 6.4 million passengers recorded in 2014. Domestic and international passengers handled at Moi International Airport (MIA) were 902,600 and 329,400 respectively, during the review period.

14.22. **Cargo and Mail Traffic:** Table 14.10(b) shows the commercial cargo and mail traffic by airport from 2011 to 2015. During the reference period, total cargo traffic handled at the airports decreased by 5.9 per cent from 279.4 thousand in 2014 to 263.0 thousand. Total mail traffic handled at both JKIA and MIA increased 15.6 per cent in 2015.

Table 14.10a: Commercial Passenger Traffic by Airport, 2011 - 2015

000 Number

Year	Category	Sub-Category	JKIA Nairobi	MIA Mombasa	Other Airports	Total Passenger Traffic
2011	Domestic	Arrivals	676.7	412.1	413.3	1,502.1
		Departures	518.9	412.8	398.9	1,330.6
		Sub-Total	**1,195.6**	**824.9**	**812.2**	**2,832.7**
	International	Arrivals	2,492.4	254.3	13.7	2,760.4
		Departures	1,357.2	268.9	23.1	1,649.2
		In Transit	1,246.0	123.9	109.5	1,479.4
		Sub-Total	**5,095.6**	**647.1**	**146.3**	**5,889.0**
	Total		**6,291.2**	**1,472.0**	**958.5**	**8,721.7**
2012	Domestic	Arrivals	649.0	399.8	415.5	1,464.3
		Departures	483.3	386.6	400.0	1,269.9
		Sub-Total	**1,132.3**	**786.4**	**815.5**	**2,734.2**
	International	Arrivals	2,480.2	205.6	12.8	2,698.6
		Departures	1,432.9	241.0	19.7	1,693.6
		In Transit	1,226.5	114.8	116.1	1,457.4
		Sub-Total	**5,139.6**	**561.4**	**148.6**	**5,849.6**
	Total		**6,271.9**	**1,347.8**	**964.1**	**8,583.8**
2013	Domestic	Arrivals	602.4	370.5	443.6	1,416.5
		Departures	408.3	361.5	418.1	1,187.9
		Sub-Total	**1,010.7**	**732.0**	**861.7**	**2,604.4**
	International	Arrivals	2,403.8	210.0	12.7	2,626.5
		Departures	1,380.2	234.0	18.2	1,632.4
		In Transit	1,152.2	103.2	112.9	1,368.3
		Sub-Total	**4,936.2**	**547.2**	**143.8**	**5,627.2**
	Total		**5,946.9**	**1,279.2**	**1,005.5**	**8,231.6**
2014	Domestic	Arrivals	761.3	438.5	495.1	1,694.9
		Departures	550.9	420.1	472.2	1,443.2
		Sub-Total	**1,312.2**	**858.6**	**967.3**	**3,138.1**
	International	Arrivals	2,491.4	220.4	10.7	2,722.5
		Departures	1,501.8	199.0	15.7	1,716.5
		In Transit	1,081.1	88.5	135.3	1,304.9
		Sub-Total	**5,074.3**	**507.9**	**161.7**	**5,743.9**
	Total		**6,386.5**	**1,366.5**	**1,129.0**	**8,882.0**
2015	Domestic	Arrivals	823.8	458.8	564.0	1,846.6
		Departures	579.2	443.8	551.1	1,574.1
		Sub-Total	**1,403.0**	**902.6**	**1,115.1**	**3,420.7**
	International	Arrivals	2,523.1	126.9	7.2	2,657.2
		Departures	1,390.7	118.1	10.8	1,519.6
		In Transit	1,163.6	84.4	147.7	1,395.7
		Sub-Total	**5,077.4**	**329.4**	**165.7**	**5,572.5**
	Total		**6,480.4**	**1,232.0**	**1,280.8**	**8,993.2**

Source: Kenya Airports Authority

* Provisional

Table 14.10b: Commercial Cargo and Mail Traffic by Airport, 2011 - 2015

			Cargo Traffic (Tonnes)			Mail Traffic (Tonnes)		
Year	Category	JKIA Nairob	MIA Mombasa	Other Airports	Total Cargo	JKIA Nairobi	MIA Mombasa	Total Mail
2011	Landed	59,837.0	1,866.0	6,164.3	67,867.9	1,663.0	15.9	1,678.9
	Loaded	226,630.0	6,066.4	3,565.3	236,261.7	160.0	18.1	178.1
	Total	**286,467.0**	**7,932.4**	**9,729.6**	**304,129.6**	**1,823.0**	**34.0**	**1,857.0**
2012	Landed	59,982.0	1,536.7	6,928.1	68,446.8	1,144.8	4.7	1,149.5
	Loaded	219,009.3	2,702.6	4,895.7	226,607.6	173.0	18.8	191.8
	Total	**278,991.3**	**4,239.3**	**11,823.8**	**295,054.4**	**1,317.8**	**23.5**	**1,341.3**
2013	Landed	52,350.8	1,533.5	8,482.4	62,366.7	506.3	6.6	512.9
	Loaded	191,966.9	2,290.3	5,091.6	199,348.8	236.6	15.5	252.1
	Total	**244,317.7**	**3,823.8**	**13,574.0**	**261,715.5**	**742.9**	**22.1**	**765.0**
2014	Landed	52,336.2	1,833.7	10,472.0	64,641.9	421.2	2.3	423.5
	Loaded	206,291.3	2,711.1	5,736.4	214,738.8	94.5	7.2	101.7
	Total	**258,627.5**	**4,544.8**	**16,208.4**	**279,380.7**	**515.7**	**9.5**	**525.2**
2015*	Landed	45,393.3	2,621.1	11,648.4	59,662.8	317.9	3.9	321.8
	Loaded	197,891.6	2,020.5	3,463.1	203,375.2	269.7	15.7	285.4
	Total	**243,284.9**	**4,641.6**	**15,111.5**	**263,038.0**	**587.6**	**19.6**	**607.2**

Source: Kenya Airports Authority

*Provisional

Postal Services

14.23. Table 14.11 shows the performance of the postal service sub-sector for the period 2011 to 2015. The courier market segment remained buoyant during the review period as reflected in increased outlets and the number of licensed courier operators. Total private courier operator outlets rose by 3.4 per cent from 2,048 in 2014 to 2,117 in 2015. Likewise, the number of licensed courier operators increased by 4.8 per cent to 241 in the review period. The total items handled recorded an increase of 2.2 per cent. Total items handled by the Expedited Mail Service (EMS) went up from 1,801 thousand in 2014 to 1,840 thousand in 2015, representing a 2.2 per cent increase.

14.24. Total registered and insured items posted dropped by 20.0 per cent from 1.0 million in 2014 to 0.8 million during the review period. Total parcels handled increased marginally from 48,000 in 2014 to 49,000 in 2015.Whereas domestic parcels handled increased by 23.1 per cent to 32,000 in 2015, international parcels handled dropped from 22,000 in 2014 to 17,000 in the same period. During the period under review, total money orders issued rose by 11.4 per cent from 1.3 million in 2014 to 1.5 million in 2015 mainly as a result of a significant increase of 44.6 per cent in domestic money orders issued.

Table 14.11: Postal Services, 2011 – 2015

Item	Unit	2011	2012	2013	2014	2015*
Post Offices..	No.	697	634	622	622	623
Private Courier Operator Outlets..	No.	635	683	707	2,048	2,117
Licensed Courier Operators..	No.	176	190	214	230	241
Total Private Letter Boxes:						
Installed	'000	428	432	432	432	432
Rented..	'000	366	382	383	380	382
Private Bags Rented..	No.	846	846	846	846	846
Total EMS Items Handled:	**'000**	**1,681**	**1,619**	**1,483**	**1,801**	**1,840**
Accepted	'000	776	821	772	933	916
Delivered	'000	905	798	711	868	924
Total Registered and Insured Items Pos	**'000**	**1,424**	**1,254**	**1,005**	**1,001**	**812**
Domestic	'000	1,333	1,169	924	914	718
International	'000	91	85	81	87	94
Unregistered correspondence handled :	**Millions**	**96**	**75**	**68**	**69**	**73**
Domestic	Millions	88	68	63	64	67
International	Millions	8	7	5	5	6
Parcels handled :	**'000**	**52**	**51**	**36**	**48**	**49**
Domestic - Posted..	'000	26	26	18	26	32
International - Posted	'000	26	25	18	22	17
Money Orders Issued[1]:	**'000**	**385**	**346**	**586**	**1,339**	**1,491**
Domestic (IFS)	'000	284	281	513	500	723
Express	'000	12	10	-	-	-
PostaPay	'000	87	55	73	839	768
Interstate (IFS)	'000	2	0.2	0.2	0.2	0.2
Postal Orders Issued:	**No.**	3	5	0	0	0

Source:Postal Corporation of Kenya/Communication Authority of Kenya

* Provisional

[1] Series re-classified

IFS - International Financial Services

Container Freight Stations

Storage

14.25. The Container Freight Stations (CFS) offer services in cargo handling and in the process help decongest the Port of Mombasa. There were no additional CFSs' registered in 2015 with the number of licensed CFSs' remaining constant at twelve with a combined holding capacity of about 1.2 million TEUs during the review period.

CHAPTER 15

Information and Communication Technology

Overview

Information and Communication Technology (ICT) is increasingly becoming an important enabler of economic growth. Over the years, increased deployment of fiber optic cables, Worldwide Interoperability for Microwave (WIMAX) and Very Small Aperture Terminal (VSAT) technologies have seen a steady growth of the internet and broadband market, which have resulted in improved competitive data services to consumers. Further, the Government has continued to focus on the implementation of e-government to enhance the uptake of ICT in its operations for effective and efficient delivery of services to its citizens. The sustained uptake of ICTs in the country is expected to continue supporting economic growth and modernization as well as enabling optimization of production in every sector of the economy. In 2015, the country successfully concluded the digital migration for TV broadcasting ahead of the global deadline of 17th June 2015. The switch-off of analogue signals started on 30th December 2014 and was finalized on 30th March 2015.

15.2. Key ICT indicators show that the sector's growth slowed in 2015 compared to 2014. However, the growth remained robust because of resilient expansion in mobile telephony networks and increased uptake of internet services. The freeing up of valuable portions of the TV broadcast spectrum that emanated from the successful completion of the digital migration facilitated significant growth of digital TV stations from 36 in 2014 to 62 in 2015. This has benefited the consumers through more options, better sound and picture quality. In 2015, mobile telephony continued to revolutionize the uptake of ICT services, in particular, the mobile broadband and mobile money services. Consequently, mobile telephone subscriptions increased leading to a rise in penetration from 78.3 per cent in 2014 to 85.4 per cent in 2015. Internet subscriptions increased significantly from 16.4 million in 2014 to 23.9 million in 2015. This resulted in increased internet and broadband penetration from 38.3 per cent and 9.9 per cent in 2014 to 54.2 per cent and 16.4 per cent in 2015, respectively. Similarly, data speed for computer modems and transmission carriers increased by 66.9 per cent to 20,293 bits per second per capita (BPs/person) owing to availability of fiber optic. However, the mobile telephone capacity decreased by 3.5 per cent due to the exit of Essar Kenya (YU) limited from the Kenyan market. The fixed network capacity declined sharply due to the decommissioning of fixed wireless in 2015, which resulted in a reduction of its penetration from 0.52 per cent in 2014 to 0.19 per cent.

Value of Output

15.3. Details on value of output, intermediate consumption and value added for the ICT sector at current prices is presented in Table 15.1. The value of ICT output increased by 8.1 per cent to stand at KSh 280.0 million in 2015 compared to KSh 259.0 million in 2014. Intermediate consumption increased by 14.9 per cent. As a result value added decreased from KSh 66.3 in 2014 to KSh 58.7 in 2015, representing 11.4 per cent drop.

Table 15.1: Communications Output, Intermediate Consumption and Value Added, 2011-2015

KSh Million

Year	Value of Output	Intermediate Consumption	Value Added
2011	186,039.9	124,658.6	61,381.3
2012	203,692.9	135,255.4	68,437.5
2013	228,352.5	160,053.6	68,298.9
2014	258,970.6	192,660.5	66,310.1
2015*	279,994.0	221,273.2	58,720.8

* Provisional

Fixed Telephone and Mobile Network Services

15.4. **Fixed Telephone:** The performance of fixed and mobile network services is shown in Table 15.2. During the year under review, Telkom Kenya decommissioned the fixed wireless network due to the obsolete technology, expensive maintenance cost and high competition from other telephone technologies. Consequently, subscribers under Code Division Multiple Access (CDMA) network were migrated to the company's mobile network. This resulted in a decline of fixed wireline capacity from 340 thousand in 2014 to 75 thousand in 2015. However, the wireline connections, increased by 77.1 per cent from 48 thousand in 2014 to 85 thousand in 2015.

15.5. **Mobile Network Services:** In 2015, the mobile telephone capacity declined by 3.5 per cent to 62.8 million owing to the exit of Essar Kenya (YU) limited. Airtel Kenya and Safaricom took over subscribers and infrastructure from the exiting operator, respectively. However, Equitel, which is a Mobile Virtual Network Operator (MVNO) on Airtel infrastructure, entered the market during the same year. This led to an increase of 12.1 per cent mobile connections to stand at 37.7 million subscribers in 2015. The growth in the subscribers resulted in an expansion in used mobile capacity from 51.7 per cent in 2014 to 60.1 per cent in 2015.In the mobile money sector, the number of agents increased by 16.4 per cent from 123,703 in 2014 to 143,946 in 2015. Similarly, the number of mobile money transfer service subscribers grew by 2.8 per cent to 26.8 million over the same period. Total amount of money transacted through mobile money platforms expanded by 18.7 per cent to KSh 2,816 billion during the review period.

Table 15.2: Fixed and Mobile Network Services, 2011-2015

	2011	2012	2013	2014+	2015*
Fixed Telephony					
Fixed line Capacity ('000)[1]	401	380	408	340	75
Total Connections ('000)	**380**	**263**	**206**	**180**	**85**
Wireline Connections	188	75	57	48	85
Wireless Connections[1]	192	188	149	132	0
Mobile Telephony					
Mobile Telephone Capacity ('000)[2]	47,677	49,977	55,077	65,077	62,800
Connections ('000)	26,981	30,433	31,309	33,633	37,716
Mobile Money Transfer Agents	42,313	49,079	93,689	123,703	143,946
Mobile Money Transfer Service Subscribers ('000)	17,396	19,319	26,016	26,023	26,753
Total Deposits through Agents in KSh Billion +	566	811	1,033	1,269	1,347
Total Transfers, in KSh Billion	1,169	1,544	1,902	2,372	2,816

Source: Communication Authority of Kenya/Central Bank of Kenya

* Provisional

+ Revised

[1] Includes Local Loop Operators, the wireless connections were decommissioned in 2015

[2] As at June

Voice call traffic

15.6. **International Telephone Traffic:** Voice call traffic for the period 2011 to 2015 is presented in Table 15.3. The international telephone traffic increased by 11.4 per cent from 1,053 million minutes in 2014 to 1,173 million minutes in 2015. This was a reversal from the declines that had been recorded since 2013. The outgoing and incoming international telephone traffic increased by 17.9 per cent and 6.3 per cent, respectively, in 2015 as shown in Figure 15.1. However, fixed line traffic has been declining since 2012 as shown in Figure 15.2. The increase in the international mobile traffic was partly due to the reduction of international mobile rates within the East African Community, except Tanzania, through the One Network Area Initiative that enhanced the standardization of the calling rates. The decline in fixed line traffic may be attributed to the decommissioning of the fixed wireless network during the review period.

15.7. **Roaming Traffic:** Total roaming traffic more than doubled to 194.8 million minutes in 2015. Similarly, both outbound and inbound roaming more than doubled to 91.2 and 103.6 million minutes, respectively, during the review period. The increase in roaming traffic may partly be attributed to the reduced calling rates within the East African Community (EAC) and the visits by high-level dignitaries during the review period.

15.8. **Domestic Traffic:** The total domestic telephone call traffic increased by 27.7 per cent from 30.7 billion minutes in 2014 to 39.2 billion minutes in 2015. Mobile to mobile telephone traffic increased by 28.2 per cent to 39.1 billion minutes, to account for 99.7 per cent of the total domestic telephone traffic. Mobile to fixed telephone traffic increased by 13.3 per cent to 75.4 million minutes. However, fixed to fixed telephone traffic registered a drastic decline from 23.3 million minutes in 2014 to 5.3 million minutes in 2015 mainly attributed to the decommissioning of the fixed wireless network.

15.9. **VoIP Traffic:** The volume of the international outgoing fixed Voice over Internet Protocol (VoIP) traffic declined by 34.8 per cent to 4.8 million minutes in 2015. The VoIP traffic has been declining since 2011 mainly due to shift in preference to instant messaging applications and social media.

Table 15.3: Telephone Call Traffic, 2011-2015

Minutes '000

	2011	2012	2013	2014+	2015*
International Calls					
Total International Outgoing Telephone Traffic	**642,603**	**630,591**	**546,558**	**461,754**	**544,560**
International Outgoing Mobile	624,952	614,208	530,823	446,591	534,433
International Outgoing Fixed	17,651	16,383	15,736	15,163	10,127
Total International Incoming Telephone Traffic	**611,513**	**797,532**	**676,267**	**591,022**	**628,403**
International Incoming Mobile	589,318	781,010	664,035	578,920	619,395
International Incoming Fixed	22,195	16,522	12,232	12,102	9,008
Total International Telephone Traffic	**1,254,116**	**1,428,123**	**1,222,825**	**1,052,776**	**1,172,963**
Roaming					
Roaming by Home Subscribers Abroad (Outbound Roaming)	129,510	36,992	48,011	38,251	91,171
Roaming by Foreign Subscribers Abroad (Inbound Roaming)	25,913	40,593	41,382	48,060	103,612
Total Roaming	**155,423**	**77,585**	**89,393**	**86,311**	**194,783**
Domestic Calls					
Total Fixed to Fixed Telephone Traffic+ (a+b)	**171,000**	**59,078**	**28,560**	**23,298**	**5,252**
Fixed wireless to Fixed wireless+ (a)	93,153	41,026	18,892	21,622	3,336
Fixed to Fixed telephone+ (b)	77,847	18,052	9,668	1,676	1,916
Fixed to Mobile telephone	130,920	124,423	101,722	117,053	47,702
Mobile to Mobile telephone	26,024,608	27,439,110	29,758,949	30,473,694	39,068,816
Mobile to Fixed telephone	90,420	66,823	52,334	66,564	75,394
Total Domestic Traffic	**26,347,464**	**27,654,199**	**29,960,246**	**30,680,916**	**39,197,164**
International Outgoing Fixed VoIP	18,171	9,886	8,101	7,335	4,785

Source: Communication Authority of Kenya

*Provisional

`+Revised

Figure 15.1: International Outgoing and Incoming Mobile Traffic, 2011-2015

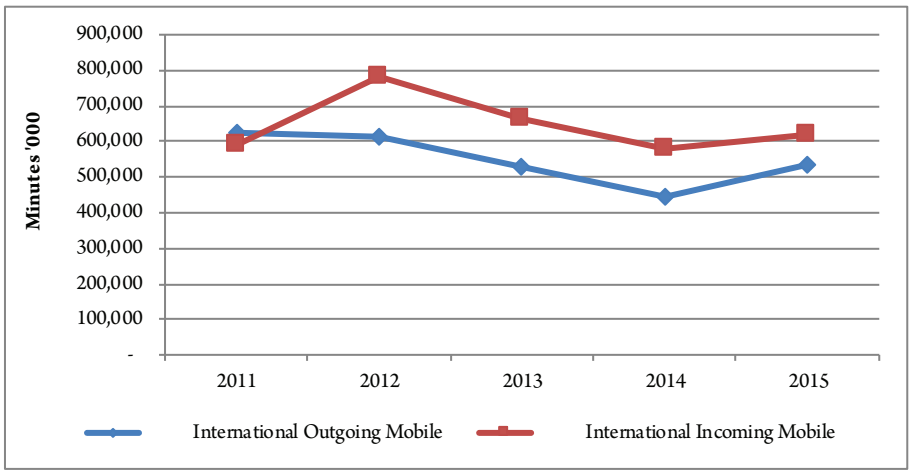
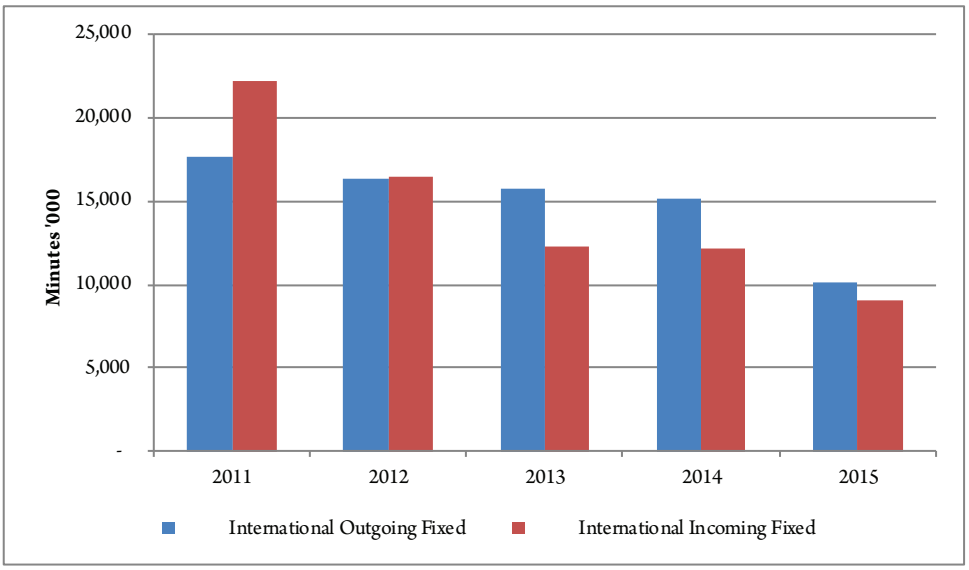


Figure 15.2: International Outgoing and Incoming Fixed Traffic, 2011-2015



Message Services Traffic

15.10. **Message Services Traffic:** The message service traffic is presented in Table 15.4. The Multimedia Messaging Services (MMS) enables individuals mainly to send graphics, sound or video. The number of messages sent via MMS rose by 13.9 per cent to 13.7 million in 2015. The total number of messages sent via Short Messaging Services (SMS) increased by 3.3 per cent compared to a 38.2 per cent increase recorded in 2014. The number of international SMS received declined by 19.0 per cent to 131.1 million in 2015 compared to a 60.7 per cent increase recorded in 2014 as depicted in Figure15.3. The slowed growth in SMS was associated with high uptake of Over The Tops (OTTs) platform such as WhatsApp and use of social media during the review period.

Table 15.4: Message Traffic, 2011-2015

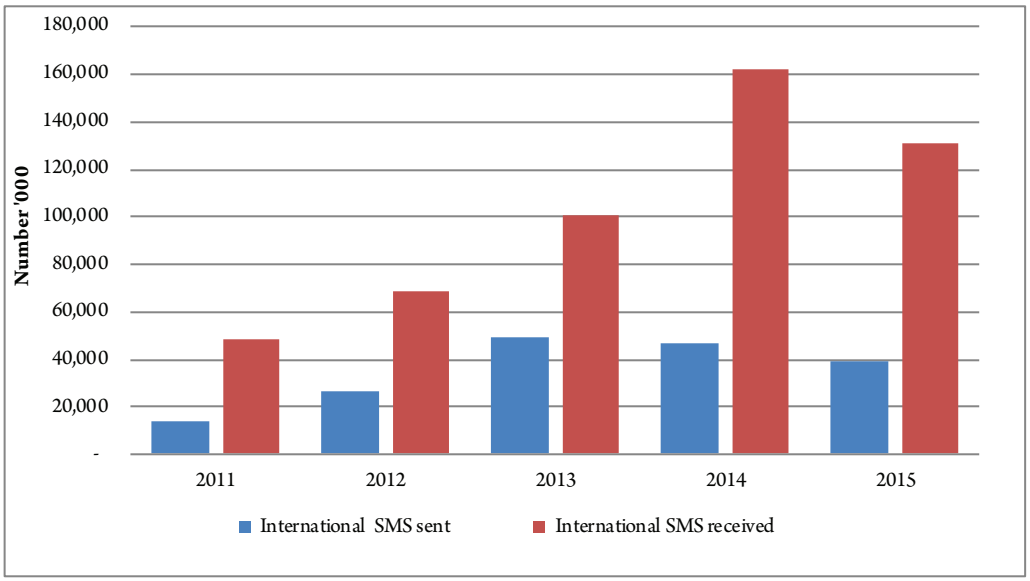
Number '000

Messages	2011	2012	2013	2014	2015*
Multimedia Messaging Service (MMS)..	5,100	8,783	9,761	12,011	13,686
Total SMS sent	**3,596,875**	**6,788,315**	**19,837,856**	**27,416,127**	**28,320,513**
Domestic...	3,583,092	6,761,927	19,788,436	27,368,995	28,281,231
International	13,783	26,388	49,420	47,132	39,282
International SMS received	48,535	68,812	100,670	161,763	131,076

Source: Communication Authority of Kenya

* Provisional

Figure 15.3 International SMS Traffic



Internet Services

15.11. **Internet:** The number of licensed Internet Service Providers (ISPs) increased by 24.9 per cent from 177 in 2014 to 221 in 2015 as shown in Table 15.5. The estimated internet users also expanded by 35.9 per cent to 35.6 million users over the same period. Total wireless internet subscriptions increased by 45.4 per cent to 23.8 million with the terrestrial mobile data subscribers having the largest share. Total wired internet subscriptions increased by 20.2 per cent to 115,111 with fixed fiber optic data accounting for 96.7 per cent of the total wired subscriptions in 2015. Fixed fiber optic data grew by 37.1 per cent to 111,354 subscriptions in 2015. However, fixed Digital Subscriber Line (DSL) data reduced significantly from 14,512 subscriptions in 2014 to 3,732 subscriptions in 2015.

Table 15.5: Internet Providers, Users and Subscriptions, 2011 - 2015

Number

	2011	2012	2013	2014	2015*
Licensed Internet Services Providers (ISPs)...	90	165	171	177	221
Estimated Internet Users (000')	11,335	13,542	21,274	26,164	35,550
Total Wireless Internet Subscriptions...	**6,104,019**	**8,458,818**	**13,107,459**	**16,357,239**	**23,814,546**
Terrestrial Mobile Data...	6,076,444	8,436,578	13,090,348	16,338,990	23,794,550
Terrestrial Wireless Data...	26,615	21,709	16,429	17,537	19,507
Satellite Data...	960	531	682	712	489
Total Fixed (Wired) Internet Subscriptions... ...	**48,961**	**48,351**	**79,509**	**95,780**	**115,111**
Fixed Digital Subscriber Line (DSL) Data... ...	11,422	10,098	12,014	14,512	3,732
Fixed Fiber Optic Data...	37,514	38,228	67,470	81,243	111,354
Fixed Cable Modem (Dial Up) Data...	25	25	25	25	25
Total Fixed and Wireless Internet Subscriptions...	**6,152,980**	**8,507,169**	**13,186,968**	**16,453,019**	**23,929,657**

Source: Communication Authority of Kenya

* Provisional

Broadband Services

15.12. **Bandwidth Capacity:** Available bandwidth capacity increased by 83.0 per cent from 847,523 megabits per second (mbps) in 2014 to 1,550,768 mbps in 2015 as presented in Table 15.6. The increase in the bandwidth capacity was attributed to fiber installation in the counties during the review period. The utilized bandwidth capacity increased by 71.6 per cent to 854,551 mbps in 2015. The ratio of total utilized bandwidth to available capacity shrank from 58.8 per cent in 2014 to 55.1 per cent during the period under review.

15.13. **Broadband Subscriptions:** The total wireless broadband subscriptions increased from 4.2 million to 7.1 million due to significant uptake of the Global System for Mobile (GSM), which went up by 85.6 per cent to 6.3 million subscribers in 2015. This was occasioned by migration of CDMA to mobile technology and the entry of Equitel subscribers. Fiber to home and office increased by 35.9 per cent and 37.2 per cent, respectively, during the review period.

Table 15.6: Broadband Services, 2011-2015

	2011	2012	2013	2014	2015*
Capacity in Megabits Per Second (Mbps)					
Undersea Bandwidth Capacity ……	434,870	574,054	862,210	847,250	1,550,270
Satellite Bandwidth Capacity ……	650	650	264	273	498
1. Total Available Bandwidth Capacity……	**435,520**	**574,704**	**862,474**	**847,523**	**1,550,768**
Utilized Bandwidth in Mbps					
Undersea Bandwidth ……	32,152	264,426	365,330	498,015	854,300
Satellite Bandwidth ……	119	158	83	106	251
2. Total Utilized Bandwidth …… ……	**32,271**	**264,584**	**365,413**	**498,121**	**854,551**
Broadband Subscriptions					
Copper line (Dial-up, DSL and xDSL)	4,712	5,214	5,967	3,388	441
Fiber to the Home ……	29,839	31,280	42,958	59,986	81,532
Fiber to the Office ……	7,772	16,236	20,215	21,257	29,156
3.Total Fixed (Wired)- Broadband ……	**42,323**	**52,730**	**69,140**	**84,631**	**111,129**
4. Satellite broadband…… ……	649	476	474	495	481
5. Terrestrial fixed wireless broadband……	11,059	10,941	15,367	16,687	19,507
6. Total Active mobile broadband (a+b+c)	**204,868**	**1,838,844**	**2,395,836**	**4,141,498**	**7,112,991**
GSM mobile phones (a) ……	..	817,815	1,755,116	3,417,949	6,344,226
GSM modems (b) ……	110,540	948,847	586,484	657,902	768,765
CDMA 2000 phones** (c) ……	94,328	72,182	54,236	65,647	0
7. Total wireless broadband (4+5+6)	**216,576**	**1,850,261**	**2,411,677**	**4,158,680**	**7,132,979**
8. Total fixed and wireless broadband (3+7)	**258,899**	**1,902,991**	**2,480,817**	**4,243,311**	**7,244,108**

Source: Communication Authority of Kenya

* Provisional

+Revised

** CDMA 2000 phones were decommissioned in 2015

.. Data not available

Tariffs

15.14. **Fixed and Mobile Telephone Charges:** Table 15.7 presents information on fixed and mobile charges for the period 2011 to 2015. In 2015, the telephone services installation and subscription fees remained unchanged at KSh 3,394 and KSh 580 per month, respectively. During the period, the average call cost per minute of fixed to fixed local calls decreased from KSh 4.50 to KSh 3.00 while that of fixed to mobile remained unchanged at KSh 9.00. The average call cost per minute of mobile-to-mobile decreased from KSh 3.10 in 2014 to KSh 3.08 in 2015 while that of mobile to fixed remained unchanged at KSh 3.25. However, the average price of SMS went up from KSh 1.00 to KSh 1.25 during the review period.

Table 15.7: Fixed and Mobile Charges, 2011-2015

KSh

	2011	2012	2013	2014	2015*
Fixed Charges					
Business and Residential Telephone Service					
Installation Fee	5,694.00	5,694.00	3,394.00	3,394.00	3,394.00
Monthly Susbcription	580.00	580.00	580.00	580.00	580.00
Average price of a one minute Fixed to Fixed local call	2.36	2.64	4.50	4.50	3.00
Average price of a one minute Fixed to Mobile local call	9.00	9.00	9.00	9.00	9.00
Mobile Charges					
Lowest recharge card value	5.00	5.00	5.00	5.00	5.00
Average price of a one minute Mobile to Mobile local call	3.29	3.57	3.86	3.10	3.08
Average price of a one minute Mobile to Fixed local call	2.93	3.17	3.25	3.25	3.25
Average price of a message via SMS	1.50	1.50	1.50	1.00	1.25

Source: Communication Authority of Kenya

* Provisional

Note: All averages are unweighted

Domains

15.15. The total number of domains grew by 33.8 per cent to 51,543 in 2015 as presented in Table 15.8. The number of ".co.ke" domains increased by 35.5 per cent to account for 92.7 per cent of the total registered domains in 2015. The growth in the number of registered Kenyan based domains was mainly attributed to the reduction in renewal and average annual fees from KSh 2,320 to KSh 580 and KSh 2,300 to KSh 650, respectively, during the period under review.

Table 15.8 Registered Domains, 2011-2015

Number

Subdomain	Users	2011	2012	2013	2014	2015*
.ac.ke	Institutions of Higher Education	341	603	737	792	851
.co.ke	Companies	12,798	22,607	27,643	35,274	47,800
.go.ke	Government entities	157	278	339	314	351
.info.ke	Information e.g. blogs	46	84	98	105	119
.me.ke	Personal websites & email	187	331	413	650	325
.mobi.ke	Mobile content	17	31	37	48	46
.ne.ke	Network Devices	24	38	46	65	139
.or.ke	Non profit making organisations or NGO's	537	948	1,159	1,190	1,577
.sc.ke	Lower & middle institutions of learning	53	93	113	95	335
TOTAL		**14,160**	**25,013**	**30,585**	**38,533**	**51,543**
	Number of registras	120	150	180	210	199
	Domain renewal fee	2,320	2,320	2,320	2,320	580
	Average annual fee to operate domain in KSh	2,300	2,300	2,300	2,300	650

Source: Kenya Network Information Centre

* Provisional

Media Frequencies and Mobile Transceivers

15.16. **Media Frequencies and Subscriptions:** Information on media frequencies and mobile transceivers for the period 2011 to 2015 is presented in Table 15.9. The number of Frequency Modulation (FM) for radio increased to 608 while television frequencies rose to 302 in 2015. The number of digital signal distributors in the country increased to five due to the entry of the self-provisioning and common carrier signal distributors in the market. The number of digital TV stations increased to 62 due to the migration from analogue to digital platform. Digital Terrestrial Televisions (STBs) subscriptions more than tripled to 3.7 million in 2015 while cable TV and direct to home satellite subscriptions increased by 44.6 per cent and 18.3 per cent, respectively. The number of radio stations increased by four to 139 stations in 2015.

15.17. **Mobile Transceivers:** The total mobile transceivers increased by 9.3 per cent to 109,294 in 2015. The second generation (2G) increased by 6.3 per cent while the third generation (3G) rose by 25.5 per cent during the review period. The 2G accounted for 82.3 per cent of the total transceivers in 2015.

Table 15.9: Media Frequencies and Mobile Transceivers, 2011-2015

Number

		2011	2012	2013	2014+	2015*
TV Frequencies		91	228	336	245	302
Radio FM Frequencies		346	461	553	561	608
Digital Signal Distributor (Number)		1	2	2	2	5
Analogue TV Stations[1]		14	14	14	19	0
Digital TV stations		0	0	0	36	62
Total TV Stations		**14**	**14**	**14**	**55**	**62**
Digital Subscriptions						
Cable TV		..	..	..	56,106	81,118
Direct to Home Satellite		..	..	..	211,846	250,627
Digital Terrestrial Televisions (STBs)		..	..	..	1,041,656	3,712,548
Total Digital Subscriptions		**0**	**0**	**0**	**1,309,608**	**4,044,293**
Radio Stations						
English and Kiswahili		72	74	80	85	89
All Vernacular Languages		44	50	50	50	50
Total Radio Stations		**116**	**124**	**130**	**135**	**139**
Mobile Transceivers by Technology	2G	65,809	71,884	80,894	84,631	89,994
	3G	5,039	11,053	12,775	15,381	19,300
Total		**70,848**	**82,937**	**93,669**	**100,012**	**109,294**

Source: Communication Authority of Kenya

* Provisional

+ Revised

.. Data not available

[1] Closure of analogoue TV stations as required by law

STBs- Set Top Boxes

Employment, Investment and Revenue

15.18. **Employment:** Table 15.10 presents employment, investment and revenue on mobile operators and Internet Service Providers (ISPs) for the period 2011 to 2015. There was a marginal decline in the level of employment by telecommunication operators from 6,201 in 2014 to 6,147 in 2015. Over the same period, employment in the ISPs increased by 25.3 per cent to 7,817. This was partly due to the laying of fiber optic in the country.

15.19. **Investment and Revenue:** The value of investment by the telecommunication operators went up to KSh 36.2 billion in 2015. Similarly, annual revenue from the telecommunication operators rose by 12.0 per cent to KSh 194.5 billion during the same period. The value of investment in ISPs went down marginally while revenue grew by 9.6 per cent to KSh 17.2 billion in 2015.

Table 15.10: Employment, Investment and Revenue by Telecommunication Operators, 2011-2015

		2011	2012	2013	2014	2015*
Employment (Number)	Telecommunication Operators[1]	5,827	5,542	5,668	6,201	6,147
	Internet Service Provider (ISPs)[2]	7,482	7,154	7,076	6,237	7,817
Annual Investment in KSh Billion[3]	Telecommunication Operators[1]	34.6	33.8	30.4	32.5	36.2
	ISPs[2]	5.2	6.4	3.7	3.4	3.3
Annual Revenue in KSh Billion[3]	Telecommunication Operators[1]	22.5	134.1	152.5	173.6	194.5
	ISPs[2]	11.7	12.8	14.6	15.7	17.2

* Provisional

[1] Include operators offering fixed, mobile and satellite telecommunication actvities

[2] Include Application Service Providers (ASPs)

[3] As at June

Information Society

15.20. **ICT Penetration Rate (Total Population):** Table 15.11 shows key indicators used for measuring information society. During the year under review, ICT penetration rate improved for all categories except that of the fixed line, which declined from 0.52 in 2014 to 0.19 in 2015. The improvement in the uptake of ICT was partly attributed to the affordability of mobile phones in the market; cheaper internet bundles offered by mobile operators and finalization of phase one of laying the fiber optic cables across the country. The internet penetration stood at 54.2 per cent in 2015 with that of wireless internet increasing to 53.9 per cent. Total broadband penetration increased to 16.4 per cent in 2015 from 9.9 per cent in 2014. The bits per second per capita (Bps/person) increased by 66.9 per cent to 20,293.0 in 2015. The mobile money penetration remained unchanged in the period under review.

15.21. **ICT Penetration Rate (3 years and above):** This measures the ICT penetration for the population aged three years and above which is considered capable of owning and using ICT equipment. The mobile penetration stood at 94.0 per cent while internet penetration stood at 59.6 per cent in 2015. Broadband subscriptions increased to 18.1 per cent in 2015 from 10.9 per cent in 2014.

Table 15.11: Key Indicators Measuring Information Society, 2011-2015

Represents Total Population	2011	2012	2013	2014	2015*
Fixed telephone lines per 100 inhabitants	1.20	0.96	0.65	0.52	0.19
Mobile-cellular telephone subscriptions per 100 inhabitants	68.2	74.9	74.9	78.3	85.40
Wireless internet subscribers per 100 inhabitants	15.4	20.8	31.4	38.1	53.90
Internet subscribers per 100 inhabitants (Wireless and Fixed)	15.6	20.9	31.6	38.3	54.20
Bits per second per capita (Bps/person)	855.7	6824.7	9,168.2	12,157.9	20,293.0
Broadband subscriptions per 100 inhabitants (wireless)	0.5	4.6	5.8	9.7	16.20
Broadband subscriptions per 100 inhabitants (Fixed and Wired)	0.7	4.7	5.9	9.9	16.40
Mobile money subscriptions per 100 inhabitants	44.0	47.5	62.3	60.6	60.60
Represents Population of Three (3) years and above					
Fixed telephone lines per 100 inhabitants	1.06	0.71	0.54	0.46	0.21
Mobile-cellular telephone subscriptions per 100 inhabitants	75.1	82.4	82.5	86.2	94.00
Wireless internet subscribers per 100 inhabitnats	17.0	22.9	34.5	41.9	59.30
Internet subscribers per 100 inhabitants (Wireless and Fixed)	17.1	23.0	34.7	42.2	59.60
Bits per second per capita (Bps/person)	942.2	7,513.5	10,095.9	13,386.5	22,330.4
Broadband subscriptions per 100 inhabitants (wireless)	0.6	5.0	6.4	10.7	17.80
Broadband subscriptions per 100 inhabitants (Fixed and Wired)	0.7	5.2	6.5	10.9	18.10

*Provisional

International Trade in ICT Equipment

15.22. International trade in ICT equipment based on the Standard International Trade Classification (SITC) is presented in Table 15.12. The value of ICT goods exported increased by 64.1 per cent to KSh 2.1 billion in 2015 compared to KSh 1.3 billion recorded in 2014. Exports of telecommunication equipment accounted for 63.1 per cent of the total ICT goods exports in 2015. The value of ICT equipment imports increased by 23.1 per cent to KSh 51.3 billion in 2015. Telecommunication equipment imports accounted for 57.1 per cent of the total ICT equipment imports over the same period.

Table 15.12: International Trade in ICT Equipment, 2011-2015

KSh Million

Exports	2011	2012	2013	2014	2015*
Office machines [1]	77.8	9.8	24.1	17.1	113.3
Automatic data processing machines, storage units etc	1,405.3	2,818.7	980.3	330.9	358.5
Part and accessories [2]	113.9	96.1	63.8	68.9	76.2
Monitors and projectors and reception apparatus for television [3]	104.6	118.4	72.4	294.9	194.6
Reception apparatus for radio broadcasting [4]	24.6	16.1	30.5	8.8	12.5
Recording equipments [5]	18.9	6.9	5.7	9.5	5.9
Telecommunications equipment [6]	555.7	1,016.7	1,122.6	528.2	1,303.5
Total	**2,300.8**	**4,082.7**	**2,299.4**	**1,258.3**	**2,064.5**
Imports					
Office machines [1]	1,382.8	603.3	834.1	804.7	1,352.1
Automatic data processing machines, storage units etc	15,546.1	19,556.0	15,018.8	9,720.0	11,211.7
Part and accessories [2]	871.1	1,158.9	998.9	1,034.1	682.3
Monitors and projectors and reception apparatus for television [3]	3,227.6	3,923.1	8,621.6	5,991.5	8,049.7
Reception apparatus for radio broadcasting [4]	232.0	247.8	488.8	134.9	118.4
Recording equipments [5]	655.4	477.5	592.2	370.0	462.3
Telecommunications equipment [6]	21,280.9	24,582.4	24,160.0	23,622.2	29,444.0
Total	**43,195.9**	**50,549.0**	**50,714.4**	**41,677.4**	**51,320.5**

*Provisional

[1] Electronic calculating machines, cash registers, accounting machines, postage-franking machines, ticket issuing machines, reproducing and displaying machines with calculating functions, duplicating machines and their parts/accessories etc

[2] For office machines and data processing machines

[3] Include Television sets, decoders etc

[4] Whether or not combined with sound recording or reproducing apparatus or a clock

[5] Sound recording, video recording or reproducing apparatus including or not including a video tuner

[6] Such as computer, laptops, networking equipments etc plus their parts and accessories such as telephone sets, microphones,electric sound amplifier sets Television cameras, digital or video cameras recorders, radio or tv transmission apparatus etc

Newspaper Circulation and Online Newspaper Readership

15.23. In 2015, the circulation of daily English and Kiswahili newspapers continued to decline due to online readership of newspaper as presented in Table 15.13. The English and Kiswahili daily circulations declined by 3.4 per cent and 10.2 per cent, respectively. Similarly, the number of weekly English newspapers in circulation decreased by 5.8 per cent over same period. However, the average online users went up by 53.7 per cent in 2015.

Table 15.13: Local Daily/Weekly Newspapers in Circulation, 2011 - 2015

'000 Copies

Newspapers	2011	2012	2013	2014	2015*
Daily Newspapers					
English	108,000	110,592	104,057	102,000	98,548
Kiswahili	9,000	6,000	5,900	5,800	5,209
Weekly Newspapers					
English	27,000	29,019	16,794	15,900	14,975
Kiswahili	1,600	1,790	1,810	1,900	1,825
Average online visitors per day	149,858	294,546	793,046	1,025,043	1,575,043

Source: Various Media Houses

* Provisional

Chapter 16

Governance

Overview

In 2015, the Judiciary implemented a number of institutional changes aimed at improving delivery of justice. This included recruitment of more judicial officers, opening up of new court stations and launching the Magistrates and Kadhis Courts Registry Manual. The registry manual is intended to improve registry staff performance to facilitate effective and efficient service delivery. In the review period, the number of judicial officers (Kadhis, Magistrates and Puisne Judges) increased by 43 corresponding to an increase of 6.9 per cent. The growth of pending cases in 2015 significantly slowed to 13.6 per cent compared to 30.3 per cent in 2014.

16.2. During the review period, the Police continued to implement the Police Service modernization programme. This involved procurement of police armoured vehicles and operation of the Incidents Command Centre (IC3) in Nairobi and its environs, and Mombasa. Consequently, additional police officers were recruited during this period.

16.3. The number of crimes reported to the Police in 2015 was 72,490 compared to 69,376 in 2014. A significant increase in the number of crimes reported to the Police was observed among offences involving police officers (34.0 per cent) and traffic offences (20.0 per cent).

16.4. The number of persons reported to have committed offences stood at 31,695 in 2015, 8.3 per cent lower than reported in 2014, with males accounting for 80.3 per cent. During this period, persons reported to have committed assault, creating disturbance and defilement stood at 14,529, 5,528 and 4,107, respectively. The prison population declined by 10.6 per cent to 221,974 in 2015, partly attributed to continued implementation of policies to decongest the prisons.

16.5. The number of cases handled by the Ethics and Anti-Corruption Commission in 2014/15 was 5,551. During this period, public assets worth KSh 3.9 billion were traced while assets valued at KSh 140 million were recovered by the EACC.

Public Safety, Law and Order

16.6. Table 16.1 shows the number of crimes reported to the police from 2011 to 2015. The total number of crimes reported stood at 72,490 in 2015, compared to 69,376 in 2014. The highest increase in the number of crimes reported was in other offences against persons, which rose by 1,263 to 21,174 crimes in 2015. This was followed by offences against morality which grew by 980 to 6,164.

Table 16.1: Crimes Reported to the Police, 2011 – 2015

Number

Crimes[1]	2011	2012	2013	2014	2015*
Homicide	2,641	2,761	2,878	2,649	2,648
Offences against morality	4,703	4,806	4,779	5,184	6,164
Other offences against persons	20,144	20,698	19,344	19,911	21,174
Robbery	3,262	3,262	3,551	3,011	2,865
Breakings	7,325	7,578	6,397	5,656	5,591
Theft of stock	2,269	2,377	1,965	1,848	1,961
Stealing	13,797	14,111	11,455	10,042	9,528
Theft by servant	2,889	2,984	2,702	2,279	2,184
Theft of Vehicles and other thefts	1,768	1,663	1,631	1,239	1,111
Dangerous drugs	4,649	4,181	4,316	4,850	5,525
Traffic offences	100	66	45	100	120
Criminal damage	3,345	3,769	3,603	3,709	3,983
Economic crimes	3,036	3,369	2,750	3,038	3,244
Corruption	52	49	57	138	79
Offences involving police officers	27	69	95	53	71
Offences involving tourists	0	0	14	21	19
Other penal code offences	5,726	6,109	6,250	5,648	6,223
Total	**75,733**	**77,852**	**71,832**	**69,376**	**72,490**

Source: Kenya Police Service

** Provisional*

[1] Refers to the description of crimes in appendix 16.1

16.7. The number of crimes reported to the Police by command stations for 2014 to 2015 is provided in Table 16.2. In 2015, the highest crimes reported were in Kiambu (4,768), Nakuru (4,384), Nairobi City (4,383), Meru (4,215) and Mombasa (3,194). The highest increase in the number of crimes reported were in Meru (2,244), Kitui (851), Machakos (723) and Bungoma (702). The highest declines were recorded in Nairobi, Kirinyaga and Elgeyo Marakwet respectively.

Table 16.2 Crimes Reported to Police by Command Stations, 2014-2015

S/No	Counties/Commands	2014	2015*
1	Mombasa	2,946	3,194
2	Kwale	958	1,097
3	Kilifi	2,362	2,199
4	Tana River	525	622
5	Lamu	316	492
6	Taita Taveta	1,047	961
7	Garrissa	850	638
8	Wajir	438	317
9	Mandera	252	271
10	Marsabit	370	468
11	Isiolo	219	213
12	Meru	1,971	4,215
13	Tharaka Nithi	659	628
14	Embu	824	848
15	Kitui	722	1,573
16	Machakos	738	1,461
17	Makueni	561	1,025
18	Nyandarua	1,654	1,446
19	Nyeri	1,632	1,668
20	Kirinyaga	1,776	1,177
21	Muranga	2,501	2,363
22	Kiambu	4,449	4,768
23	Turkana	787	974
24	West Pokot	739	684
25	Samburu	371	355
26	Trans Nzoia	1,610	1,781
27	Uasin Gishu	1,872	1,654
28	Elgeyo Marakwet	892	571
29	Nandi	1,090	989
30	Baringo	923	1,035
31	Laikipia	752	830
32	Nakuru	4,525	4,384
33	Narok	1,626	1,335
34	Kajiado	1,502	1,256
35	Kericho	1,577	1,510
36	Bomet	1,089	968
37	Kakamega	2,444	2,514
38	Vihiga	771	1,146
39	Bungoma	2,150	2,852
40	Busia	931	1,553
41	Siaya	1,452	1,493
42	Kisumu	2,249	2,293
43	Homa Bay	1,320	1,568
44	Migori	1,054	1,282
45	Kisii	1,933	2,018
46	Nyamira	878	1,124
	Sub Total[1]	**62,307**	**67,813**
47	Nairobi City	6,732	4,383
48	KAPU	148	132
49	Railways	189	162
	Kenya	**69,376**	**72,490**

Source: Kenya Police Service

* Provisional

[1] Excludes Nairobi City County

[2] Kenya Airport Police Unit (KAPU) and Railways are fully fledged police command stations

16.8. The number of firearms and rounds of ammunition recovered and surrendered, and the quantity of drugs seized for 2011 to 2015 are presented in Table 16.3. The total number of firearms recovered in 2015 was 332 compared to 391 recovered in 2014. The number of rounds of ammunitions recovered stood at 5,007 in 2015, compared to 5,173 in 2014. During the review period, 4,420 Kilograms of dangerous drugs were seized by the police.

Table 16.3: Firearms and Ammunition Recovered or Surrendered, and Drugs Seized, 2011 – 2015

Number

Firearms/Ammunition/Drugs	Unit	2011	2012	2013	2014	2015*
Firearms						
Recovered						
Rifles	Number	164	122	169	210	107
Pistols	Number	102	97	77	142	117
Toy Pistols ...	Number	38	17	39	39	108
Total		**304**	**236**	**285**	**391**	**332**
Surrendered						
Rifles	Number	26	11	16	1	1
Toy Pistols ...	Number	38	0	0	0	0
Total		**64**	**11**	**16**	**1**	**1**
Ammunition (Rounds)						
Recovered	Number	16,288	12,768	3,712	5,166	5,000
Surrendered	Number	100	56	499	7	7
Total		**16,388**	**12,824**	**4,211**	**5,173**	**5,007**
Dangerous Drugs seized[1]	Kg	**25,943**	**4,735**	**17,122**	**4,313**	**4,420**

Source: Kenya Police Service

** Provisional*

[1] *Means non pharmaceutical harmful and outlawed susbstances. 705 tablets of psychostrophic susbstances (Rohypnol) were also seized in 2015. This quantity is not included in the 4,420 Kg reported because weight of the tablets was not ascertained*

16.9. Table 16.4 shows the number of persons reported to the police to have committed offences by sex and county for 2014 to 2015. Overall, the proportion of female offenders was higher in 2015 (19.7 per cent) than in 2014 (16.4 per cent). In 2015, counties that reported a high number of female offenders were Nyeri, Meru and Kirinyaga at 34.8, 31.0 and 30.4 per cent respectively. Counties with a low female offenders were Isiolo, Mandera, Garissa and Turkana.

Table 16.4: Persons Reported to the Police to have Committed Offences by sex and Command Stations, 2014 – 2015

S/No	County	2014			2015		
		Male	Female	Total	Male	Female	Total
1	Mombasa	2,266	620	2,886	1,045	140	1,185
2	Kwale	376	135	511	904	272	1,176
3	kilifi	587	104	691	1,481	330	1,811
4	Tana River	395	109	504	415	81	496
5	Lamu	360	41	401	577	140	717
6	Taita Taveta	940	153	1,093	870	184	1,054
7	Garrissa	399	280	679	270	23	293
8	Wajir	66	11	77	165	47	212
9	Mandera	310	29	339	259	17	276
10	Marsabit	468	60	528	377	69	446
11	Isiolo	258	80	338	93	4	97
12	Meru	4,588	1,525	6,113	2,870	1,292	4,162
13	Tharaka Nithi	665	96	761	559	129	688
14	Embu	1,342	180	1,522	1,110	327	1,437
15	Kitui	1,328	309	1,637	1,788	410	2,198
16	Machakos	2,123	679	2,802	1,829	471	2,300
17	Makueni	1,339	218	1,557	1,293	223	1,516
18	Nyandarua	1,202	299	1,501	1,243	286	1,529
19	Nyeri	1,519	284	1,803	1,330	709	2,039
20	Kirinyaga	628	343	971	423	185	608
21	Muranga	1,992	380	2,372	1,333	334	1,667
22	Kiambu	3,804	1,199	5,003	4,401	1,304	5,705
23	Turkana	737	240	977	350	41	391
24	West Pokot	659	147	806	464	142	606
25	Samburu	35	38	73	234	53	287
26	Trans Nzoia	3,129	818	3,947	1,751	463	2,214
27	Uasin Gishu	1,631	406	2,037	1,439	222	1,661
28	Elgeyo Marakwet	644	84	728	324	60	384
29	Nandi	633	171	804	724	229	953
30	Baringo	721	134	855	579	133	712

Table 16.4: Persons Reported to the Police to have Committed Offences by sex and Command Stations, 2014 – 2015 Cont…

S/No	County	2014			2015		
		Male	Female	Total	Male	Female	Total
31	Laikipia… … ..	730	114	844	739	127	866
32	Nakuru… … ..	2,757	807	3,564	3,038	775	3,813
33	Narok… … …	1,156	300	1,456	292	110	402
34	Kajiado… … ..	322	319	641	1,108	305	1,413
35	Kericho… … ..	1,383	183	1,566	1,075	184	1,259
36	Bomet… … …	1,073	162	1,235	636	78	714
37	Kakamega… ..	2,355	339	2,694	2,294	701	2,995
38	Vihiga… … …	1,903	217	2,120	1,045	140	1,185
39	Bungoma… …	2,467	541	3,008	2,138	433	2,571
40	Busia… … … ..	1,191	120	1,311	1,358	537	1,895
41	Siaya… … … ..	1,030	224	1,254	1,025	145	1,170
42	Kisumu… … ..	900	146	1,046	1,775	327	2,102
43	Homa Bay… ..	992	351	1,343	993	131	1,124
44	Migori… … …	844	198	1,042	1,349	176	1,525
45	Kisii… … … ..	1,525	514	2,039	1,275	408	1,683
46	Nyamira… … .	898	217	1,115	1,000	158	1,158
47	Nairobi… … ..	5,799	2,309	8,108	4,110	1,465	5,575
48	KAPU… … …	19	2	21	62	20	82
49	Railways… …	141	13	154	129	34	163
	Total	**27,485**	**7,076**	**34,561**	**25,441**	**6,254**	**31,695**

Source: Kenya Police Service

* Provisional

Note: The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

16.10. Table 16.5 gives the number of persons reported to have committed offences against morality and other offences against persons by sex from 2011 to 2015. The number of persons who committed offences against morality and other offences against persons stood at 26,250 in 2015. This was 8.0 per cent lower than the 28,525 reported in 2014. However, the number of persons reported to have committed offences against morality was 5,700 in 2015, 6.1 per cent higher than that reported in 2014. Further, the number of persons who committed offences against persons in 2015 was 20,550 compared to 23,125 reported in 2014. Defilement accounted for 72.1 per cent of all offences against morality, while assault accounted for 70.7 per cent of other offences against persons during the review period. For all reported offences, the number of males was higher than that of females.

Table 16.5: Persons Reported to have committed Offences against Morality and Other Offences against Persons by Sex, 2011-2015

Number

	2011			2012			2013			2014			2015*		
Offence	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Against morality															
Rape	1,024	27	1,051	839	44	883	772	141	913	710	145	855	758	135	893
Defilement	3,272	80	3,352	3,082	135	3,217	3,174	422	3,596	3,554	342	3,896	3,794	313	4,107
Incest	241	6	247	286	22	308	220	22	242	199	16	215	267	24	291
Unnatural/sodomy	127	3	130	111	3	114	115	9	124	107	6	113	101	8	109
Bestiality	10	0	10	47	3	50	76	55	131	23	4	27	25	5	30
Indecent assault	135	2	137	173	82	255	201	69	270	167	16	183	179	17	196
Abduction	72	13	85	102	12	114	55	15	70	60	15	75	46	16	62
Bigamy	21	0	21	3	56	59	32	13	45	6	0	6	11	1	12
Sub-total	**4,902**	**131**	**5,033**	**4,643**	**357**	**5,000**	**4,645**	**746**	**5,391**	**4,826**	**544**	**5,370**	**5,181**	**519**	**5,700**
Other offences against persons															
Assault	13,929	2,210	16,139	11,182	3,292	14,474	13,460	3,142	16,602	11,574	4,079	15,653	10,788	3,741	14,529
Creating disturbance	5,593	732	6,325	4,253	1,367	5,620	5,360	1,128	6,488	5,294	1,593	6,887	4,144	1,384	5,528
Affray (scuffle)	596	177	773	484	231	715	331	177	508	434	181	615	307	186	493
Sub-total	**20,118**	**3,119**	**23,237**	**15,919**	**4,890**	**20,809**	**19,151**	**4,447**	**23,598**	**17,302**	**5,853**	**23,155**	**15,239**	**5,311**	**20,550**
Total	**25,020**	**3,250**	**28,270**	**20,562**	**5,247**	**25,809**	**23,796**	**5,193**	**28,989**	**22,128**	**6,397**	**28,525**	**20,420**	**5,830**	**26,250**

Source: Kenya Police Service

**Provisional*

Note: The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime

16.11. Table 16.6 shows the number of persons reported to have committed homicide by sex from 2011 to 2015. The number of persons who were reported to have committed homicide offences was 2,047 in 2015, 7.6 per cent lower than that reported in 2014. However, the number of persons reported to have either committed manslaughter or caused death by dangerous driving in 2015 was higher than that reported in 2014. In 2015, the number of males and females reported to have committed homicide stood at 1,625 and 422 compared to 1,759 and 444 in 2014, respectively. Murder, causing death by dangerous driving and suicide accounted for 66.2, 14.0 and 10.8 per cent of the total cases of homicide, respectively.

Table 16.6: Persons Reported to the Police to have Committed Homicide by Sex, 2011 – 2015

Number

	2011			2012			2013			2014			2015*		
Offence	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Murder	1,460	133	1,593	1,711	297	2,008	1,507	214	1,721	1,248	240	1,488	1,115	240	1,355
Manslaughter	69	5	74	217	41	258	42	11	53	30	6	36	44	13	57
Infanticide	3	16	19	7	35	42	15	45	60	6	25	31	11	19	30
Procuring abortion	3	24	27	7	31	38	5	29	34	8	37	45	8	25	33
Concealing birth	6	69	75	13	85	98	7	88	95	23	53	76	21	44	65
Suicide	124	39	163	219	104	323	263	64	327	239	62	301	177	44	221
Causing death by dangerous driving	506	37	543	338	19	357	462	32	494	205	21	226	249	37	286
Total	**2,171**	**323**	**2,494**	**2,512**	**612**	**3,124**	**2,301**	**483**	**2,784**	**1,759**	**444**	**2,203**	**1,625**	**422**	**2,047**

Source: Kenya Police Service

*Provisional

Note: The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

16.12. The number of persons reported to have committed robbery and theft from 2011 to 2015 are shown in Table 16.7. The number of persons reported to have committed robbery and theft was 22,869 in 2015, 10.9 per cent lower than was reported in 2014. During the period under review, cases of theft of motor vehicles and other vehicle related theft stood at 922, and was 20.8 per cent lower than in 2014. Further, reported cases on robbery were also lower by 17.2 per cent during this period compared to those reported in 2014. Reported cases of stealing were the highest in 2015 just as was the case in 2014. Females accounted for 16.2 per cent of all persons reported to have committed robbery and theft in 2015. The highest number of females (1,847) who were reported to have committed robbery and theft, were in the stealing category, followed by theft by servant category (667). During the same period, majority of the males who were reported to have committed theft and robbery were in the stealing category (7,346) and breakings category (5,326).

Table 16.7: The number of Persons Reported to the Police to have Committed Robbery and Theft by Sex, 2011-2015

Number

Offences	2011			2012			2013			2014			2015*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Robbery	3,358	171	3,529	4,044	265	4,311	4,025	307	4,332	2,983	379	3,362	2,485	298	2,783
Breakings	7,747	344	8,091	7,252	526	7,778	7,134	405	7,539	6,176	587	6,763	5,326	563	5,889
Theft of stock	1,622	132	1,754	2,403	99	2,502	2,335	126	2,461	2,091	182	2,273	1,688	223	1,911
Stealing	13,024	1,268	14,292	11,332	2,238	13,570	10,550	1,719	12,269	7,404	2,145	9,549	7,346	1,847	9,193
Theft by servant	2,794	484	3,278	2,303	853	3,156	2,134	918	3,052	1,704	841	2,545	1,504	667	2,171
Vehicle & other thefts ...	1,590	61	1,651	1,975	62	2,037	2,294	293	2,587	1,029	135	1,164	820	102	922
Total	**30,135**	**2,460**	**32,595**	**29,309**	**4,043**	**33,354**	**28,472**	**3,768**	**32,240**	**21,387**	**4,269**	**25,656**	**19,169**	**3,700**	**22,869**

Source: Kenya Police Service

*Provisional

Note: The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

16.13. Persons reported to have committed offences related to drugs, criminal damage, economic crimes and corruption by sex for the period 2011 to 2015 are shown in Table 16.8. In 2015, the number of offences reported (12,206) were 5.3 per cent lower than those reported in 2014. Dangerous drugs and criminal damage jointly accounted for 72.5 per cent of all reported offences in 2015. The proportion of female offenders in 2015 was 20.7 per cent compared to 18.4 per cent in 2014. The number of females reported to have involved in economic crimes was 831 in 2015, lower than the 913 reported in 2014. On the other hand, the number of females engaged in criminal damage was 893 and was higher than the 878 reported in 2014. The number of offences reported against police officers involved in crime was 118 in 2015 compared to 146 in 2014. The number of corruption cases reported in 2015 was 331, more than three times that reported in 2014.

Table 16.8: Persons Reported to have Committed Offences Related to Drugs, Criminal Damage, Economic Crimes and Corruption by Sex, 2011-2015

Number

	2011			2012			2013			2014			2015*		
Offences	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**male**	**female**	**Total**
Dangerous Drugs	4,777	422	5,199	3,759	406	4,165	3,670	562	4,232	4,424	541	4,965	4,111	718	4,829
Criminal Damage	3,669	382	4,051	2,992	879	3,871	3,471	605	4,076	3,645	878	4,523	3,126	893	4,019
Economic crimes	2,775	432	3,207	3,252	641	3,893	2,081	556	2,637	2,233	913	3,146	2,078	831	2,909
Corruption	128	20	148	326	48	374	141	24	165	78	26	104	247	84	331
Offences involving Police officers ..	18	4	22	69	6	75	38	24	62	913	16	146	116	2	118
Total	**11,367**	**1,260**	**12,627**	**10,398**	**1,980**	**12,378**	**9,401**	**1,771**	**11,172**	**11,293**	**2,374**	**12,884**	**9,678**	**2,528**	**12,206**

Source: Kenya Police Service

**Provisional*

Note: The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

Ethics and Corruption

16.14. Table 16.9a shows the number of corruption cases handled by the Ethics and Anti-Corruption Commission (EACC) for the period 2010/11 to 2014/15. The number of cases handled in 2014/15 stood at 5,551 compared to 4,013 in 2013/14. Among the cases handled by EACC in 2015, close to 50 per cent of the cases were recommended for investigations, while 30.1 per cent were advised on the right authority to report to. Terminated cases in 2014/15 were 395, more than double those terminated in 2013/14 and constituted 7.1 per cent of all cases handled by EACC in the review period.

Table 16.9a: Cases Handled and Action Taken by Ethics and Anti-Corruption Commission, 2010/11-2014/15

Number

S/No	Action taken	2010/11	2011/12	2012/13	2013/14	2014/15*
1	Corruption cases for investigation	2,816	1,424	1,423	1,950	2,747
2	Cases referred to other investigative agencies	314	82	111	681	649
3	Cases referred to public service organizations for administrative intervention	987	31	506	7	8
4	Pending for more information	43	25	18	65	80
5	Complainants advised on the right authority to report	2,050	1,050	1,170	1,132	1,672
6	Complainants advised to seek civil redress	869	301	0	0	0
7	No further action (terminated)	247	65	127	178	395
	Total	**7,326**	**2,978**	**3,355**	**4,013**	**5,551**
8	Cases forwarded to ODPP[1]	136	70	56	68	117
9	Convictions obtained	25	8	1	2	1

Source: Ethics and Anti-Corruption Commission

[1] *Office of the Director of Public Prosecutions*

16.15. Table 16.9b shows the number of cases forwarded to, and action taken by the Office of the Director of Public Prosecution (ODPP) from 2010/11 to 2014/15. In 2014/15, cases forwarded to ODPP were 117, compared to 75 in 2013/14. The ODPP recommended 74 cases for prosecution, 19 for closure and 12 for further investigation.

Table 16.9b: Number of cases forwarded to the Office of the Director of Public Prosecution and action taken, 2010/11-2014/2015

Number

S/No	Action Taken	2010/11	2011/12	2012/13	2013/14	2014/15*
1	Recommendation to prosecute accepted	52	102	38	43	74
2	Recommendation to prosecute not accepted	2	3	4	1	1
3	Recommendation for administrative or other action accepted	2	2	5	7	8
4	Recommendation for administrative or other action not accepted	1	0	0	1	0
5	Recommendation for closure accepted	2	16	15	14	19
6	Recommendation for closure not accepted	1	2	0	3	3
7	Files returned for further investigations	5	6	6	6	12
8	Files awaiting DPP's action	6	7	2	0	0
	Total	**71**	**138**	**70**	**75**	**117**

Source: Ethics and Anti-Corruption Commission (EACC)

Note: DPP means Director of Public Prosecution

16.16. Table 16.9c shows the value of public assets traced, recovered and loss averted by EACC for the period 2010/11 to 2014/15. The value of public assets traced stood at KSh 3.9 billion in 2014/2015 compared to KSh 7.2 billion in 2013/14. The value of recovered public assets was KSh 140.3 million in 2014/15 compared to KSh 2.1 billion in 2013/14. The value of loss averted was KSh 1.6 billion in 2014/15 compared to KSh 5.6 billion worth of assets in 2013/14.

Table 16.9 (c). Public Assets traced, recovered and loss averted by EACC, 2010/11 – 2014/15

Financial year	Value of Public Assets traced (KSh Million)	Value of public Assets recovered (KSh Million)	Loss Averted[1] (KSh Million)
2010/2011	771.7	1,780.0	3,893.4
2011/2012	126.5	41.2	1,208.2
2012/2013	16,380.0	567.4	55,016.5
2013/2014	7,214.0	2,068.0	5,600.0
2014/2015*	3,861.0	140.3	1,600.0

Source: Ethics and Anti-Corruption Commission (EACC)

*Provisional

[1] Loss Averted refers to total value of public assets where an attempted illegal acquisition was detected and foiled through pre-emptive investigations by the EACC

Environmental Crimes

16.17. Environmental crimes reported to National Environmental Management Authority (NEMA) for the period 2011 to 2015 are presented in Table 16.10. In 2015, the number of environmental crimes reported were 212 compared to 268 in 2014. Cases involving air pollution were 57 in 2015 compared to 72 reported in 2014. Further, reported cases on water and soil pollution were 52 and 44 respectively, during the same period. In 2015, there were more cases involving illegal movement or dumping of waste compared to 2014.

Table 16.10: Environmental Crimes Reported to NEMA, 2011– 2015

Number

Type of cases	2011	2012	2013	2014	2015*
Air Pollution	41	20	13	72	57
Water Pollution	13	6	34	79	52
Soil Pollution	6	1	11	71	44
Illegal movement or dumping of waste	22	5	8	46	59
Total	**82**	**32**	**66**	**268**	**212**

Source: National Environment Management Authority

*Provisional

Public Prosecutions

16.18. Table 16.11 shows the number of registered murder cases and convictions obtained by High Court Station from 2011 to 2015. The number of registered murder cases stood at 1,423 in 2015 while murder convictions were 205 during the same period. Meru registered the highest number of murder cases at 351 followed by Nyeri and Nairobi at 207 and 118, respectively. Meru recorded the highest murder convictions followed by Nairobi and Eldoret, respectively.

Table 16.11: Registered Murder cases and Convictions obtained by High Court Station, 2011 – 2015

Number

	2011		2012		2013		2014		2015*	
High Court Station	**R**	**C**	**R**	**C**	**R**	**C**	**R**	**C**	**R**	**C**
Nairobi	99	9	109	5	188	18	95	15	118	25
Mombasa	33	0	74	0	95	0	43	16	57	16
Kisumu	75	8	121	0	131	5	5	4	30	3
Eldoret	88	16	149	9	150	41	21	4	89	21
Kitale	65	1	55	5	86	12	77	12	50	18
Kakamega	54	9	70	5	74	0	70	0	41	0
Bungoma	31	5	123	14	124	24	124	8	37	3
Meru	70	38	85	1	122	7	43	16	351	44
Machakos	77	6	41	4	67	79	149	6	59	7
Kericho	56	1	48	2	72	15	38	0	14	16
Nyeri	37	1	50	6	61	0	87	0	207	2
Kisii	122	10	212	4	212	15	30	5	79	1
Embu	25	2	33	0	61	4	26	12	27	4
Malindi	32	2	30	0	46	2	71	4	7	11
Nakuru	91	12	135	8	141	22	36	7	21	5
Busia	37	0	12	3	26	6	0	0	27	1
Garissa	-	-	-	-	29	6	29	12	39	0
Homa Bay	-	-	-	-	24	8	5	1	27	12
Murang'a	-	-	-	-	-	-	77	9	36	2
Kerugoya	-	-	-	-	-	-	200	27	28	0
Bomet [1]	-	-	-	-	-	-	-	-	48	7
Isiolo [1]	-	-	-	-	-	-	-	-	8	0
Kajiado [1]	-	-	-	-	-	-	-	-	3	0
Kitui [1]	-	-	-	-	-	-	-	-	13	7
Makueni [1]	-	-	-	-	-	-	-	-	2	0
Taita Taveta [1]	-	-	-	-	-	-	-	-	5	0
Total	**992**	**120**	**1,347**	**66**	**1,709**	**264**	**1,226**	**158**	**1,423**	**205**

Source: Office of the Director of Public Prosecutions

** Provisional*

R - Registered murder cases, C - Murder convictions obtained

[1] New High court stations

Judiciary

16.19. The number of cases filed, disposed of, and pending for the period 2011 to 2015 are given in Table 16.12. The number of new cases filed were 330,553 in 2015 compared to 500,349 in 2014. The same period recorded a reduction in the number of cases arbitrated and disposed of, to stand at 247,743. The Supreme Court disposed of 62 cases in 2015 compared to 53 in 2014, while the court of appeal disposed of 1,785 in 2015 compared to 368 in 2014. On the other hand, the magistrates' courts disposed of fewer cases (201,439) in 2015 than (318,225) in 2014.

Table 16.12: Cases Handled by Various Courts, 2011 – 2015

Year	Status of Case	Kadhis Court	Magistrates Courts	High Courts	Court of Appeal	Supreme Court	Total
2011	Filed	2,055	319,469	25,798	958	..	346,225
	Pending	3,265	596,283	50,462	5,714	..	652,459
	Disposed of ...	1,586	338,712	17,395	498	..	356,605
2012	Filed	2,421	315,206	27,614	1,126	17	343,963
	Pending	2,437	510,107	114,826	6,234	9	631,176
	Disposed of ...	3,123	313,457	21,290	606	8	335,361
2013	Filed	3,462	277,666	41,814	402	70	319,952
	Pending	2,222	304,080	160,058	4,209	20	468,367
	Disposed of ...	2,262	213,688	18,718	476	42	232,924
2014	Filed	2,795	461,893	37,938	446	72	500,349
	Pending	2,814	447,748	158,216	4,287	39	610,290
	Disposed of ...	2,203	318,225	39,780	368	53	358,426
2015*	Filed	2,335	279,198	49,448	1,823	84	330,553
	Pending	3,253	525,507	163,207	4,325	61	693,100
	Disposed of ...	1,896	201,439	44,457	1,785	62	247,743

Source: Judiciary

*Provisional

.. Data not available

Filed cases refer to all cases brought before a court during the year in reference

Pending cases refer to the cases which had not been determined by 31st December during the year in reference

Disposed of cases refer to all cases that judgment was entered during the year in reference

16.20. The number of judicial officers by cadre and practicing lawyers for the period 2011 to 2015 are shown in Table 16.13. The number of judicial officers increased by 43 to 666 in 2015 with female officers constituting 42.3 per cent. The increase was recorded in the magistrate cadre, with the number of Kadhis increasing from 35 in 2014 to 56 in 2015. The High Court Judges increased by eight, during the same period while that of court of Appeal and Supreme judges remained the same. During the period under review, the number of practicing lawyers declined by 5.9 per cent to 6,775. This was attributed to suspensions and de-registration of some lawyers by the Law society among other factors.

Table 16.13: The number of Magistrates, Judges and Practicing Lawyers, 2011 – 2015

Category of Magistrates	2011	2012	2013			2014			2015*		
Magistrates and Kadhis	**Total**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Chief Magistrates	15	33	27	13	40	25	24	49	23	24	47
Senior Principal Magistrate	22	49	53	28	81	32	22	54	31	22	53
Principal Magistrate	69	81	60	39	99	56	29	85	55	28	83
Senior Resident Magistrate	89	78	30	42	72	58	46	104	69	59	128
Resident Magistrate	74	214	28	60	88	68	98	166	63	98	161
District Magistrate II[1]	69	-	-	-	-	-	-	-	-	-	-
Total Magistrates	**338**	**455**	**198**	**182**	**380**	**239**	**219**	**458**	**241**	**231**	**472**
Chief Kadhi	1	1	1	0	1	1	0	1	1	0	1
Deputy Chief Kadhi	..	..	1	0	1	1	0	1	1	0	1
Principal Kadhi	..	..	2	0	2	2	0	2	2	0	2
Kadhi I	..	..	8	0	8	11	0	11	11	0	11
Kadhi II	..	..	18	0	18	20	0	20	41	0	41
Total Kadhis	**..**	**..**	30	0	30	35	0	35	56	0	56
Total magistrates&Kadhis	**339**	**456**	**228**	**182**	**410**	**274**	**219**	**493**	**297**	**231**	**528**
Judges											
Supreme Court Judges	7	6	5	2	7	5	2	7	5	2	7
Court of Appeal Judges	10	27	18	8	26	18	8	26	18	8	26
High Court (Puisne) Judges	70	80	51	35	86	60	37	97	64	41	105
Total Judges	**87**	**113**	**74**	**45**	**119**	**83**	**47**	**130**	**87**	**51**	**138**
Grand Total	**426**	**569**	**302**	**227**	**529**	**357**	**266**	**623**	**384**	**282**	**666**
Number of Practicing Lawyers	**4,910**	**5,525**	**..**	**..**	**6,500**	**..**	**..**	**7,200**	**..**	**..**	**6,775**

Source: Judiciary

* Provisional

..Data not available

[1]The rank of District Magistrate II was phased out in 2012

Prisons 16.21. Table 16.14 provides prison population by sex and duration of sentence for the period 2011 to 2015. The total prison population declined by 10.6 per cent to 221,974 in 2015. The number of convicted prisoners declined by 18.8 per cent to 88,115 in 2015, while remandees declined by 4.0 per cent to 133,272 in the period under review. More than 85 per cent of the convicted population were sentenced to 2 years and below. The prisoners on death sentence declined by 61.6 per cent from 2,757 in 2014 to 1,059 in 2015 while those who were previously convicted almost halved to 17,683 during the review period.

Table 16.14: Prison Population by Sentence, Duration and Sex, 2011 – 2015

Number

	2011		2012		2013+		2014		2015*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Less than 1 Month	15,116	1,656	12,294	1,374	14,736	1,644	24,374	2,053	20,597	1847
Sentenced to 1 Month -2yrs	48,169	5,584	34,604	3,853	43,686	5,721	53,313	7,819	43,015	9,574
Sentenced to 2 yrs or more	2,820	256	500	511	7,563	421	15,138	407	10,083	779
Life imprisonment	1,981	42	1,994	44	2,111	45	2,582	42	1,074	87
Death sentence	673	19	714	27	778	31	2,708	49	998	61
Total Convicted Prisoners by sex	**68,759**	**7,557**	**57,516**	**6,175**	**68,874**	**7,862**	**98,115**	**10,370**	**75,767**	**12,348**
Total Convicted Prisoners	**76,316**		**63,691**		**76,736**		**108,485**		**88,115**	
Committed for debt	655	20	118	18	556	113	1036	108	472	115
Total Committed for debt	**675**		**136**		**669**		**1,144**		**587**	
Committed to remand by sex	157,891	12,284	129,348	11,512	137,974	12,539	124,795	13,966	121,097	12,175
Total Committed to Remand	**170,175**		**140,860**		**150,513**		**138,761**		**133,272**	
Total Prisons Population by sex	**227,305**	**19,861**	**186,982**	**17,705**	**207,404**	**20,514**	**223,946**	**24,444**	**197,336**	**24,638**
Total Prisons Population	**247,166**		**204,687**		**227,918**		**248,390**		**221,974**	
Number Previously convicted	20,620	1,966	11,446	1,503	21,830	1,080	23,670	11,257	15,979	1,704
Deaths (Excluding Executions)	210	10	217	19	623	9	421	3	247	14
Prison population per 100,000 of Kenyan population	**625.0**		**480.2**		**556.4**		**578.2**		**502.7**	

Source: Kenya Prisons Service

* Provisional

+ Revised

16.22. Table 16.15 presents the daily average population of prisoners by sex from 2011 to 2015. The daily average population of prisoners decreased slightly by 1.2 per cent to 54,631 in 2015. The daily average convicted population declined by 5.5 from 32,686 in 2014 to 30,886 in 2015. The decline is partly attributed to continued implementation of non-custodial policy by the judiciary to decongest the prisons. Daily average remanded population however increased by 5.1 per cent to 23,745 in 2015. During the review period, the daily average remanded female and male prisoners increased by 17.6 per cent and 4.1 per cent to 1,985 and 21,760, respectively.

Table 16.15: Daily Average Population of Prisoners by Sex, 2011-2015

Number

	2011	2012	2013	2014	2015*
Convicted Prisoners					
Males	29,309	31,877	30,356	30,601	28,889
Females	1,130	2,165	1,575	2,085	1,997
Sub-Total	**30,439**	**34,042**	**31,931**	**32,686**	**30,886**
Remanded Prisoners					
Males	11,554	16,472	19,166	20,896	21,760
Females	1,048	1,497	1,175	1,688	1,985
Sub -Total	**12,602**	**17,969**	**20,340**	**22,584**	**23,745**
Total	**43,041**	**52,011**	**52,271**	**55,270**	**54,631**

Source: Kenya Prison Service

16.23. Table 16.16 gives the convicted prison population by age and sex from 2011 to 2015. In 2015 the convicted male prison population declined by 22.8 per cent to 75,767 while that

of female increased by 19.1 per cent to 12,348 in 2015. There was a general decline in the convicted male prison population across all the ages. On the other hand, the female prisoners aged 18 years and above increased.

Table 16.16: Convicted Prison Population by Age and Sex, 2011-2015

Number

Year	Sex	Under 16	16 -17	18-20	21-25	26-50	51+	Total
2011	Male	158	2,527	13,609	21,716	26,259	4,489	68,759
	Female	4	185	1,235	2,338	3,403	393	7,557
	Total...	**162**	**2,712**	**14,844**	**24,054**	**29,662**	**4,882**	**76,316**
2012	Male	184	2,462	11,537	17,188	21,864	4,281	57,516
	Female	1	120	878	2,010	2,849	317	6,175
	Total...	**185**	**2,582**	**12,415**	**19,198**	**24,713**	**4,598**	**63,691**
2013+	Male	231	2,247	13,814	20,252	27,615	4,715	68,874
	Female	5	66	1,115	2,420	3,768	488	7,862
	Total...	**236**	**2,313**	**14,929**	**22,672**	**31,383**	**5,203**	**76,736**
2014	Male	139	3,198	18,002	29,662	40,439	7,711	98,115
	Female	13	105	1,448	2,632	5,500	780	10,370
	Total...	**152**	**3,303**	**19,450**	**32,294**	**45,939**	**8,491**	**108,485**
2015*	Male	107	2,522	14,779	22,984	30,842	4,533	75,767
	Female	13	91	1,735	2,974	6,288	1,247	12,348
	Total...	**120**	**2,613**	**16,514**	**25,958**	**37,130**	**5,780**	**88,115**

Source: Kenya Prison Service

** Provisional*

+ Revised

16.24. Table 16.17 presents convicted prisoners by type of offence and sex for 2011 to 2015. Most convictions were mainly offences under the Liqour Act (30.5 per cent) with over half of the total female convicts falling under this category. The persons convicted under Employment Act increased by 28.6 per cent to 6,104 in 2015. There was a huge decline in the number of convicts for crime involving registration of persons, which reduced to 448 in 2015 from 4,817 in 2014.

Table 16.17: Convicted Prisoners by Type of Offence and Sex, 2011 -2015

Number

Type of Offence[1]	2011		2012		2013+		2014		2015*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Order and administration of lawful authority	7,909	296	6,880	279	8,862	345	17,171	415	10,235	457
Injurious to public	2,645	167	2,492	154	2,947	174	4,527	188	3,231	169
Against person	4,046	560	3,598	329	4,838	467	7,574	496	5,771	394
Related to property	8,739	491	8,569	384	9,393	374	13,762	503	9,382	333
Attempts & conspiracies	3,104	107	1,213	81	1,554	62	3,720	106	1,312	75
Employment Act	2,814	917	2,222	768	2,861	611	4,375	321	5,851	253
Liquor Act	10,696	2,507	9,832	2,457	12,309	3,899	18,828	6,485	18,292	8,564
Drugs related	3,757	121	3,292	78	3,361	59	5,246	221	5,174	249
Various cases	25,049	2,391	19,418	1,645	20,545	1,732	18,303	1,427	16,111	1,814
Registration of persons[2]	..	..	..	..	2,204	139	4,609	208	408	40
Total by sex	**68,759**	**7,557**	**57,516**	**6,175**	**68,874**	**7,862**	**98,115**	**10,370**	**75,767**	**12,348**
Total convicted	**76,316**		**63,691**		**76,736**		**108,485**		**88,115**	

Source: Kenya Prison Service

* Provisional

\+ Revised

[1] As categorised in Appendix 16.2

[2] refers to offences outlined in the Registration of Persons Act Cap 107 such as illegal registrations

Police, Prison and Probation Personnel

16.25. The number of serving Police, Prison and Probation officers from 2011 to 2015 are shown in Table 16.18. The number of police officers increased by 9.3 per cent to 42,853 in 2015, with the female officers increasing by 31.1 per cent to 6,668 in 2015. During the same period, the number of probation officers increased by 6.4 per cent to 579. The number of female probation officers increased to 258 while that of males rose to 321. Number of male prison officers however, declined from 19,587 in 2014 to 19,389 in 2015. Prison officers taking care of the juveniles increased to 321 in 2015.

Table 16.18: Number of Police, Prisons and Probation Officers, 2011 – 2015

Number

Year	Sex	Police Officers	Prison Officers			Probation Officers
			in Adult Prisons	in Juvenile Prisons	Total	
2011	Male	35,964	16,601	243	16,844	379
	Female	3,755	2,913	51	2,964	284
	Total	**39,719**	**19,514**	**294**	**19,808**	**663**
2012	Male	37,868	16,688	235	16,923	349
	Female	4,718	3,163	54	3,217	275
	Total	**42,586**	**19,851**	**289**	**20,140**	**624**
2013	Male	37,293	16,488	227	16,715	365
	Female	4,852	3,139	51	3,190	286
	Total	**42,145**	**19,627**	**278**	**19,905**	**651**
2014	Male	34,129	16,288	201	16,489	316
	Female	5,086	3,067	31	3,098	228
	Total	**39,215**	**19,355**	**232**	**19,587**	**544**
2015*	Male	36,185	16,014	257	16,271	321
	Female	6,668	3,054	64	3,118	258
	Total	**42,853**	**19,068**	**321**	**19,389**	**579**

Source: Kenya Police, Prisons Service and Probation and Aftercare Department

** Provisional*

Probation and Aftercare

16.26. Non-custodial sentences have continued to be implemented to alleviate congestion in government prisons and ease correction of offenders committing serious crimes. These sentences include probation, community service orders and aftercare service. Table 16.19 shows the number of offenders serving probation sentence, community service and aftercare by sex and type of offence from 2014 to 2015. A total of 58,003 offenders served probation, community service orders and aftercare service in 2015 representing an increase of 23.3 per cent. About three quarters of the offenders were committed to serve community service orders. Most offenders placed under probation had engaged in offences involving general stealing, dangerous drugs, assault and other offences against persons.

Table 16.19: Number of Offenders Serving Probation Sentence, Community Service and Aftercare by Sex and Type of Offence, 2014 and 2015

Offence	Offenders Serving Probation Sentence						Offenders Serving Community Service						Offenders Serving Aftercare					
	2014			2015*			2014			2015*			2014			2015*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Murder (including attempt)	23	9	32	27	19	46	0	0	0	0	0	0	2	0	2	5	0	5
Manslaughter	25	10	35	91	28	119	1	0	1	16	1	17	6	0	6	3	0	3
Rape (including attempt)	157	0	157	188	0	188	15	2	17	18	0	18	143	0	143	123	0	123
Assault	1,402	497	1,899	1,006	355	1,361	656	149	805	525	118	643	39	5	44	22	6	28
Other offences against persons	924	376	1,300	1,065	309	1,374	757	151	908	421	80	501	44	4	48	48	7	55
Robbery and Allied offences	186	12	198	67	10	77	84	1	85	13	1	14	32	0	32	32	0	32
Breakings	827	57	884	529	16	545	136	55	191	330	28	358	158	3	161	193	11	204
Theft of Stock	317	6	323	317	10	327	366	4	370	199	16	215	38	0	38	14	2	16
General stealing	1,530	316	1,846	1,717	214	1,931	1,460	187	1,647	1,532	179	1,711	312	8	320	396	10	406
Theft of M/vehicle	15	4	19	20	0	20	15	0	15	23	0	23	0	0	0	10	0	10
Theft of M/vehicles parts	11	1	12	4	0	4	20	0	20	4	0	4	1	0	1	0	0	0
Theft from m/ vehicles	13	7	20	9	2	11	281	14	295	11	0	11	1	0	1	0	0	0
Theft of bicycles	17	2	19	7	3	10	317	3	320	214	0	214	0	0	0	2	0	2
Theft by servant	286	113	399	223	66	289	600	100	700	624	33	657	14	0	14	0	0	0
Dangerous drugs[1]	368	210	578	1,341	538	1,879	1,481	419	1,900	2,613	1,002	3,615	54	5	59	43	30	73
Handling stolen property	233	26	259	193	19	212	392	41	433	85	15	100	13	0	13	11	0	11
Corruption	4	5	9	16	1	17	157	18	175	1	3	4	0	0	0	0	0	0
Causing death by dangerous driving	23	11	34	3	1	4	55	38	93	8	0	8	0	0	0	0	0	0
Other offences against property	593	125	718	598	111	709	1,005	195	1,200	636	181	817	40	0	40	26	3	29
All other penal code offences	2,375	724	3,099	3,335	964	4,299	21,328	3,528	24,856	29,341	5,109	34,450	230	4	234	173	31	204
TOTAL	**9,329**	**2,511**	**11,840**	**10,756**	**2,666**	**13,422**	**29,126**	**4,905**	**34,031**	**36,614**	**6,766**	**43,380**	**1,127**	**29**	**1,156**	**1,101**	**100**	**1,201**

Source: Probation and Aftercare Department

* Provisional

[1] See Appendix 1

Immigration

16.27. Table 16.20 shows the number of passports and work permits issued, and foreign nationals registered for the period 2011 to 2015. The number of passports issued stood at 151,589 in 2015, 17.2 per cent lower than those issued in 2014. The number of foreign nationals registered were 25,091 in 2015, 12.4 per cent higher than those registered in 2014. Foreign nationals issued with work permits during the year under review were 7,683 compared to 10,540 in 2014, while work permits renewed in 2015 were 11,125.

Table 16.20: Passports and Work Permits Issued, and Foreign Nationals Registered, 2011 - 2015

Number

Category	2011	2012	2013	2014	2015*
Passports issued...	168,324	171,169	148,940	183,042	151,589
Foreign Nationals Registered[1]	19,034	23,490	21,920	22,326	25,091
Work permits issued[2]...	21,383	11,360	10,411	10,540	7,683
Work Permits Renewed	23,498	8,636	9,315	10,532	11,125

Source: Department of Immigration

* Provisional

[1] Means the same as "Aliens registered" in previous reports

[2] Means the same as "Entry permits" in previous reports

National Identity Cards

16.28. Kenyan citizens who attain 18 year are required by law to avail themselves for registration and issuance of national identity cards by the National Registration Bureau. Table 16.21 shows the number of applications made by persons not previously registered, the number of cards produced and collected in the period 2012 to 2015 by County. The number of new applications made increased by 22.1 per cent from 913,087 in 2014 to 1,115,081 in 2015. New applications increased significantly in Mandera, Wajir, Lamu, Vihiga and Nandi while Laikipia and Taita Taveta experienced a decline. New ID cards produced in 2015 were 816,477 compared to 738,064 in 2014. In 2015, a total of 764,445 identity cards were collected, compared to 709,573 in 2014.

16.29. Out of the new Identity Card applications made in 2015, about 73 per cent were processed. The proportion of identity cards collected relative to applications processed was highest in Lamu, Nandi and Nakuru. On the other hand, Kericho, Meru and Tana River recorded the lowest rate for identity cards collected relative to applications processed.

Table 16.21:New Identity Card Applications Made, Processed and Collected by county and Sex, 2012-2015

S/No	County	NPR Applications made				NPR IDs Produced				NPR IDs Collected			
		2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
1	Mombasa	35,676	23,104	17,318	20,817	43,150	41,549	15,653	15,176	33,652	22,104	17,859	13,500
2	Kwale	28,117	22,444	17,169	21,513	10,949	3,137	15,802	14,745	24,137	24,921	15,969	32,753
3	Kilifi	47,748	38,326	36,227	41,283	21,933	26,574	29,382	30,820	51,970	40,609	29,183	14,469
4	Tana River	13,403	11,450	4,803	9,149	9,659	9,572	4,471	5,022	10,648	5,987	5,152	292
5	Lamu	4,149	1,060	735	2,357	28,792	24,657	1,625	119	3,188	3,063	1,513	6,316
6	Taita Taveta	13,306	8,263	7,245	6,354	14,941	10,219	7,323	5,315	13,238	9,667	6,063	4,685
7	Garissa	14,364	5,154	6,879	8,060	20,988	4,088	4,476	4,563	9,223	4,966	2,832	3,842
8	Wajir	24,471	6,591	4,225	14,157	19,835	5,147	3,454	5,033	12,956	7,961	1,748	1,866
9	Mandera	16,924	8,845	675	26,585	13,780	5,935	2,147	2,694	22,741	5,832	1,778	2,678
10	Marsabit	11,076	7,551	8,282	8,882	9,080	8,258	7,307	5,053	7,028	7,368	5,665	10,714
11	Isiolo	7,802	3,926	2,071	2,717	4,095	3,501	1,620	1,554	4,158	3,042	1,687	1,429
12	Meru	75,751	43,069	30,646	36,659	23,538	43,118	27,523	30,079	48,956	34,093	24,221	5,090
13	Tharaka Nithi	17,758	7,115	7,457	7,965	14,551	9,702	7,451	7,321	15,062	7,672	6,438	20,000
14	Embu	12,207	12,870	12,329	13,467	9,117	10,178	10,752	12,021	10,155	15,783	10,623	5,884
15	Kitui	54,381	30,138	29,626	32,969	42,163	32,307	24,728	29,031	48,867	34,959	26,227	25,142
16	Machakos	46,585	32,532	29,781	30,510	39,344	31,998	23,555	24,259	42,379	32,689	24,875	23,522
17	Makueni	41,528	28,185	26,248	25,118	38,936	31,261	21,879	24,419	32,545	31,972	21,227	20,720
18	Nyandarua	25,660	11,425	15,526	15,340	21,699	16,258	12,113	13,881	23,917	14,449	12,867	33,341
19	Nyeri	26,923	12,614	16,950	17,641	26,981	20,730	13,660	16,273	22,237	16,648	15,137	20,204
20	Kirinyaga	18,181	9,602	12,102	11,623	27,085	14,327	9,455	11,578	16,474	7,970	9,395	15,933
21	Muranga	38,361	18,772	23,021	24,745	24,855	15,610	19,526	21,749	49,528	21,358	20,206	10,173
22	Kiambu	50,919	29,055	36,921	39,555	45,747	35,979	30,150	36,354	50,481	31,551	30,676	13,301
23	Turkana	27,862	10,397	14,162	24,058	26,178	15,262	11,546	14,232	20,047	11,534	6,118	12,944
24	West Pokot	21,170	11,895	12,363	16,323	25,470	18,051	6,762	5,865	11,725	13,898	5,698	7,701
25	Samburu	9,303	2,699	3,831	6,341	6,379	3,443	2,222	15,952	6,722	4,253	2,180	16,636
26	Trans Nzoia	26,891	16,104	20,593	23,499	23,040	20,378	14,679	16,551	19,532	17,841	10,635	15,014
27	Uasin Gishu	23,872	17,194	20,456	20,138	14,165	15,558	14,512	7,761	21,285	14,813	15,979	5,433
28	Elgeyo Marakwet	16,611	7,985	9,511	9,845	17,583	8,048	7,409	13,946	15,978	9,461	8,148	10,386
29	Nandi	30,278	11,508	9,339	21,113	33,481	15,194	10,507	10,556	24,279	13,960	8,284	42,429
30	Baringo	21,879	8,833	10,746	13,562	13,564	9,061	7,423	8,693	17,721	7,918	6,355	9,310
31	Laikipia	14,790	8,914	9,814	7,984	19,344	10,219	7,963	36,520	17,046	9,476	5,859	14,334
32	Nakuru	62,796	31,589	45,660	55,237	47,693	34,782	32,579	4,661	55,129	32,970	32,800	14,743
33	Narok	27,638	12,664	15,549	21,469	33,061	22,101	12,517	9,897	27,130	17,831	8,529	9,441
34	Kajiado	9,153	6,451	8,759	10,259	23,206	18,209	13,349	13,454	8,556	7,897	6,475	15,099
35	Kericho	31,222	21,329	23,160	23,077	11,231	11,586	14,450	16,928	31,501	22,611	17,509	3,149
36	Bomet	22,335	11,029	13,896	15,009	19,276	16,113	12,823	14,767	18,135	11,598	9,620	28,171
37	Kakamega	71,332	44,652	55,590	50,910	61,907	45,618	39,908	44,432	58,848	44,719	41,456	38,417
38	Vihiga	23,543	13,653	18,932	47,385	38,969	45,584	12,291	15,107	24,197	12,782	12,972	11,941
39	Bungoma	56,972	40,551	43,971	47,385	23,830	23,145	39,086	30,013	35,038	34,669	26,511	25,117
40	Busia	28,289	18,511	21,667	27,817	20,774	15,256	21,098	21,377	26,305	20,052	15,381	16,329
41	Siaya	57,343	20,591	25,457	35,071	54,925	34,866	19,430	26,613	45,643	24,558	19,003	26,652
42	Kisumu	58,143	26,429	27,123	37,333	34,340	25,644	21,711	27,062	44,566	29,627	20,500	23,640
43	Homabay	49,217	15,360	23,987	33,553	28,057	20,814	18,321	26,903	45,945	22,688	17,299	18,263
44	Migori	47,903	23,001	23,594	33,279	32,902	30,507	18,047	20,014	39,341	24,241	14,003	25,691
45	Kisii	66,234	22,298	31,799	32,752	19,801	20,887	22,662	27,739	58,270	31,316	21,890	24,230
46	Nyamira	29,554	13,951	20,617	23,066	18,792	15,758	14,347	16,237	26,303	15,238	14,780	13,967
47	Nairobi City	87,310	51,950	56,275	61,150	80,782	53,901	47,901	53,470	116,378	58,840	70,248	49,554
48	Foreign Office	..	..	..	..	..	127	469	668	..	..	..	..
Total		**1,548,942**	**843,642**	**915,101**	**1,117,096**	**1,241,980**	**956,230**	**740,078**	**818,492**	**1,371,172**	**901,468**	**711,587**	**766,460**

Source: National Registration Bureau

NPR means New Persons Registration

.. means Data not available

Registration of Voters

16.30. Table 16.22 presents the number of registered voters by county and sex as at December2015. The proportion of registered voters to total eligible population stood at 62.6 per cent nationally. However there were variations in the proportion of registered voters to total eligible population across counties. Lamu registered the highest with 79.9 per cent, followed by Kiambu 77.3 per cent, and Murang'a and Nyeri at 74.3 per cent each. Turkana, Mandera and West Pokot had the lowest proportion of registered voters to total eligible population at 26.7, 36.7 and 44.9 per cent, respectively.

Table 16.22: Number of Registered Voters by County and by sex, 2015

Code	County	No. of Constituencies	Number of Registered Voters			Percentage of Adult population Registered as Voters		
			Male	Female	Total	Male	Female	Total
1	Mombasa	6	236,275	172,472	408,747	61.9%	51.2%	56.9%
2	Kwale	4	84,161	90,282	174,443	48.6%	45.0%	46.7%
3	Kilifi	7	155,649	180,483	336,132	53.2%	51.8%	52.5%
4	Tana River	3	37,723	41,731	79,454	60.8%	62.4%	61.7%
5	Lamu	2	27,788	24,558	52,346	80.1%	79.6%	79.9%
6	Taita Taveta	4	59,193	54,669	113,862	58.6%	56.6%	57.6%
7	Garissa	6	59,613	55,588	115,201	51.5%	49.7%	50.6%
8	Wajir	6	60,202	57,889	118,091	52.0%	53.9%	52.9%
9	Mandera	6	60,647	60,121	120,768	35.8%	37.8%	36.7%
10	Marsabit	4	51,130	53,485	104,615	68.0%	78.8%	73.1%
11	Isiolo	2	26,348	28,114	54,462	67.4%	77.6%	72.3%
12	Meru	9	252,091	235,174	487,265	65.1%	59.3%	62.1%
13	Tharaka Nithi	3	77,040	78,447	155,487	74.9%	70.8%	72.8%
14	Embu	4	114,481	112,805	227,286	75.1%	70.8%	72.9%
15	Kitui	8	146,249	178,424	324,673	66.5%	64.6%	65.4%
16	Machakos	8	225,817	219,279	445,096	72.8%	67.1%	69.8%
17	Makueni	6	144,673	153,548	298,221	66.9%	62.7%	64.7%
18	Nyandarua	5	125,673	130,311	255,984	75.9%	72.4%	74.1%
19	Nyeri	6	175,033	181,348	356,381	74.8%	73.8%	74.3%
20	Kirinyaga	4	135,586	129,704	265,290	73.0%	69.2%	71.1%
21	Murang'a	7	222,672	230,169	452,841	76.5%	72.3%	74.3%
22	Kiambu	12	436,033	425,796	861,829	77.7%	76.8%	77.3%
23	Turkana	6	53,635	79,250	132,885	21.2%	32.3%	26.7%
24	West Pokot	4	58,038	62,948	120,986	44.9%	44.8%	44.9%
25	Samburu	3	27,192	33,922	61,114	45.8%	53.7%	49.8%
26	Trans Nzoia	5	128,447	116,193	244,640	54.1%	47.3%	50.6%
27	Uasin Gishu	6	174,357	156,273	330,630	58.0%	53.2%	55.6%
28	Elgeyo Marakwet	4	67,653	66,915	134,568	62.8%	59.8%	61.3%
29	Nandi	6	136,815	126,439	263,254	59.0%	54.2%	56.6%
30	Baringo	6	85,156	88,497	173,653	55.8%	55.0%	55.4%
31	Laikipia	3	88,406	85,499	173,905	68.9%	63.5%	66.1%
32	Nakuru	11	360,532	334,786	695,318	67.9%	62.7%	65.3%
33	Narok	6	134,333	128,405	262,738	57.0%	53.9%	55.4%
34	Kajiado	5	161,878	142,468	304,346	70.0%	62.0%	66.0%
35	Kericho	6	151,368	139,090	290,458	62.5%	58.5%	60.5%
36	Bomet	5	127,553	124,805	252,358	60.8%	56.8%	58.7%
37	Kakamega	12	280,135	287,325	567,460	70.0%	62.9%	66.2%
38	Vihiga	5	92,643	110,179	202,822	69.8%	67.1%	68.3%
39	Bungoma	9	210,119	200,343	410,462	64.9%	56.5%	60.5%
40	Busia	7	121,268	130,037	251,305	72.7%	64.2%	68.0%
41	Siaya	6	141,933	169,986	311,919	68.3%	65.1%	66.5%
42	Kisumu	7	193,260	192,560	385,820	71.1%	67.0%	69.0%
43	Homa Bay	8	149,794	176,033	325,827	65.8%	64.1%	64.8%
44	Migori	8	136,072	147,790	283,862	62.6%	59.2%	60.8%
45	Kisii	9	205,735	207,210	412,945	70.1%	59.1%	64.1%
46	Nyamira	4	111,337	108,021	219,358	70.7%	58.5%	64.1%
47	Nairobi City	17	990,092	738,709	1,728,801	75.5%	56.1%	65.7%
	Sub Total	**290**	**7,301,828**	**7,048,080**	**14,349,908**	65.5%	59.9%	62.7%
	Diaspora	1	1,871	766	2637	..	..	..
	Total	**291**	**7,303,699**	**7,048,846**	**14,352,545**	65.5%	59.9%	62.7%

Source: Independent Electoral and Boundaries Commission, Kenya National Bureau of Statistics

* Provisional

Refugees in Kenya

16.31. Table 16.23 shows the number of refugees in the country by age and sex from 2012 to 2015. The registered refugee population remained stable both in size and composition. In 2015, total number of refugees stood at 593,881, a 1.5 per cent increase from the 2014 levels. The proportion of male refugees was 52.3 per cent in 2015 compared to 50.8 per cent in 2014. In 2015, the proportion of children refugees was 55.8 per cent compared to 56.2 per cent in 2014.

Table 16.23: Number of Registered Refugees by Age and Sex, 2012-2015

Category	2012			2013			2014			2015*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Children (under 18 yrs)	177,254	161,017	338,271	173,544	157,070	330,614	173,573	155,350	328,923	174,344	157,276	331,620
Adults (18 yrs & above)	128,004	141,838	269,842	151,227	135,382	286,609	123,991	132,449	256,440	129,616	132,645	262,261
Total	**305,258**	**302,855**	**608,113**	**324,771**	**292,452**	**587,223**	**297,564**	**287,799**	**585,363**	**303,960**	**289,921**	**593,881**

Source: Department of Refugees Affairs, Ministry of Interior and Coordination of National Government

*Provisional

.. disagreragated by age and sex not available

Appendix 16.1: Classification of Offences by the Kenya Police Service

CODE	OFFENCES	CATEGORY OF OFFENCES	CODE	OFFENCES	CATEGORY OF OFFENCES
1	HOMICIDE	a) Murder	8	THEFT BY	a) Stealing by Directors
		b) Manslaughter		SERVANT	b) Stealing by employee/servant
		c) Infanticide	9	VEHICLE AND	a) Theft of M/V
		d) Procuring Abortion		OTHER THEFTS	b) Theft from M/V
		e) Concealing Birth			c) Theft of M/V part
		f) Suicide			d) Theft of M/Cycle
		g) Causing Death by dangerous	10	DANGEROUS	a) Possession
		Driving		DRUGS	b) Handling
					c) Trafficking
2	OFFENCES	a) Rape			d) Cultivating
	AGAINST	b) Defilement			e) Usage
	MORALITY	c) Incest	11	TRAFFIC	a) Taking and Driving Motor
		d) Unnatural Offences(Sodomy)		OFFENCES	Vehicle without Authority
		e) Bestiality			b) Driving under influence of
		f) Indecent assault			alcohol
		g) Abduction			
		h) Bigamy	12	CRIMINAL	a) Malicious Damage
				DAMAGE	b) Arson
3	OTHER	a) Assault			c) Negligent Acts
	OFFENCES	b) Creating Disturbance			
	AGAINST	c) Affray	13	ECONOMIC	a) Obtaining by False Pretence
	PERSONS			CRIMES	b) Currency Forgery
					c) Other Fraud/Forgery Offences
4	ROBBERY	a) Robbery			
		b) Robbery with Violance			
		c) Carjacking	14	CORRUPTION	a) Soliciting for Bribe
		d) Robbed of M/V			b) Accepting Bribe
		e) Cattle Rustling			c) Accept Free Gifts
					d) Demanding by false pretence
5	BREAKING	a) House Breaking			e) Other Corruption Offences
		b) Burglary			
		c) Other Breakings	15	OFFENCES	a) Soliciting for Bribe
6	THEFT OF STOCK			INVOLVING	b) Accepting Bribe
				POLICE	c) Accept Free Gifts
7	STEALING	a) Handling Stolen Property		OFFICERS	d) Demanding by false pretence
		b) Stealing from Person			e) Other Criminal Offences
		c) Stealing by Tenants/lodgers	16	OFFENCES	a) Bag Snatching
		d) Stealing from a building		INVOLVING	b) Other offences Against Tourists
		e) General Stealing		TOURIST	c) Other Offences involving Tourist

Appendix 16.2: Description of Offences

Order and administration of lawful authority	Treason, incitement to mutiny, aiding civil disobedience
Injurious to public	Stealing government property, stealing by person in public service, stealing from state corporation
Against person	Assault, grievous harm, murder etc
Related to property	Theft, robbery with violence, arson
Attempts and conspiracies	Attempts to commit offences, neglect to prevent offence, conspiracies to commit offences
Employment Act	Employment of aliens without permit
Drugs related	Possession, manufacture, trafficking etc of any quantity
Various cases	By-laws under the Llocal Government Act, Traffict Act, Tax Act etc

Chapter 17

Highlights of FinAccess Household Survey, 2016

Overview

The 2016 FinAccess Household Survey is the fourth in a series of surveys that measure the financial inclusion landscape (access, usage, quality and impact) in Kenya. The survey was conducted in 2015 and the report launched in early 2016. The 2006, baseline survey and the subsequent surveys of 2009 and 2013, have shown that Kenya has made significant progress in fostering financial inclusion, with the latest survey providing a ten year perspective on Kenya's financial landscape. The 2015FinAccess Household Survey was jointly conducted by the Central Bank of Kenya (CBK), Kenya National Bureau of Statistics (KNBS) and Financial Sector Deepening Kenya (FSD Kenya) between August and October 2015. The findings from the survey showed that Kenya has made significant progress in fostering financial inclusion over the past decade. Following the growth in access and usage of financial services across the financial sector, Kenya's progress in formal financial inclusion has made it a leader across the continent, after South Africa, but considerably above countries in the East African Community (EAC) region.

Objectives of the survey

17.2. The overall objective of the FinAccess survey is to measure and provide better understanding of the financial inclusion landscape in Kenya and monitor progress overtime under the Kenya Vision 2030 Medium Term Plan (MTP) targets for the financial sector. The specific objectives of the survey were to: provide information to policymakers about the main barriers to financial inclusion; provide information to the private sector about market opportunities in the financial sector; track progress and evaluate the effect of various government and donor led initiatives in the financial sector; and provide data for use in research into the impact of enhanced financial inclusion and innovations on growth and poverty reduction.

Survey Methodology

17.3. The survey sample was designed to achieve a statistically valid, nationally representative sample of individuals aged 16 years and above. The sample was drawn using the KNBS National Sample Surveys and Evaluation Programme (NASSEP V) sampling frame. The sample was allocated to sub-domains using the probability proportional to size (PPS) method. The target sample size for the survey was 10,008 households.

17.4. The sample was distributed to known sub-regions based on similarities in the key geographic, demographic and economic indicators. The 13 sub-regions are shown in Figure 17.1. They are; North Rift, Central Rift, South Rift, Nyanza, Western, Central, Lower Eastern, Middle Eastern, Upper Eastern, Coastal, North Eastern, Nairobi and Mombasa.

Figure 17.1: Sub-regional distribution of the sample



	Sub region	Counties
1	North Rift region	Turkana, Samburu and West Pokot
2	Central Rift region	TransNzoia, Uasin Gishu, Elgeyo Marakwet, Laikipia, Nakuru and Nandi
3	South Rift region	Kajiado, Narok, Bomet, Kericho
4	Nyanza region	Kisumu, Siaya, Migori, Homa Bay, Kisii, Nyamira
5	Western region	Kakamega, Vihiga, Bungoma, Busia
6	Central region	Nyandarua, Nyeri, Kirinyaga, Murang'a Kiambu
7	Lower Eastern region	Kitui, Machakos, Makueni
8	Upper Eastern region	Marsabit, Isiolo
9	Middle Eastern region	Meru, Tharaka Nithi, Embu
10	Coastal region	Tana River, Lamu, Taita Taveta, Kwale, Kilifi
11	North Eastern region	Garissa, Wajir, Mandera
12	Nairobi	Nairobi
13	Mombasa	Mombasa

Response Rate

17.5. There were 8,665 interviews successfully completed, representing an 87 per cent response rate. Some regions had better success rates than others due to challenges such as insecurity, rough terrain and the difficulty in locating interviewees' especially nomadic pastoralists.

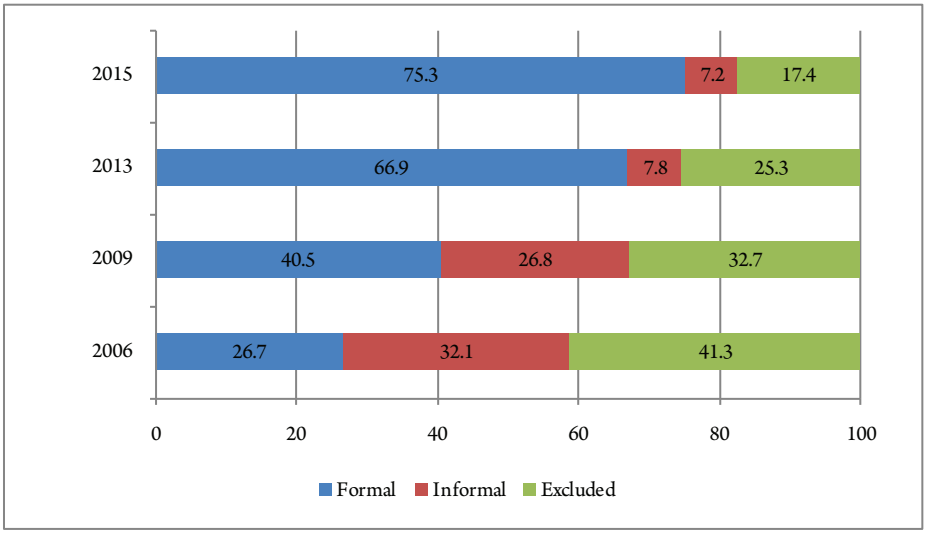
Access strands to finance

Key survey findings

17.6. The access strand classifies users according to the most formal financial service provider that they used during the review period. Formal providers included banks, Savings and Credit Co-operative (SACCO), mobile phone financial service providers (MFSs) and insurance, among other providers. Respondents who used at least one formal service provider were classified as formally included. Respondents who did not use any formal provider, but used at least one informal service provider (e.g. groups, chamas, shopkeeper credit, etc.) were classified as informally included. Respondents who did not use any formal or informal service providers were classified as financially excluded. The excluded population often relied on basic financial mechanisms such as saving in secret/hiding places or borrowing from a family member or a friend in case of need.

17.7.Kenya has made considerable progress in financial inclusion since 2006, as depicted in Figure 17.2.The survey findings showed that more than three-quarters of Kenyans are now formally included. Financial exclusion, which is now down to 17.4 per cent, has more than halved since 2006. Reliance on informal financial providers remains high but is increasingly combined with formal services providers such as banks, SACCOs and MFSs. The percentage of Kenyans relying solely on informal services providers have decreased from 32.1 per cent in 2006 to 7.2 per cent in 2015.

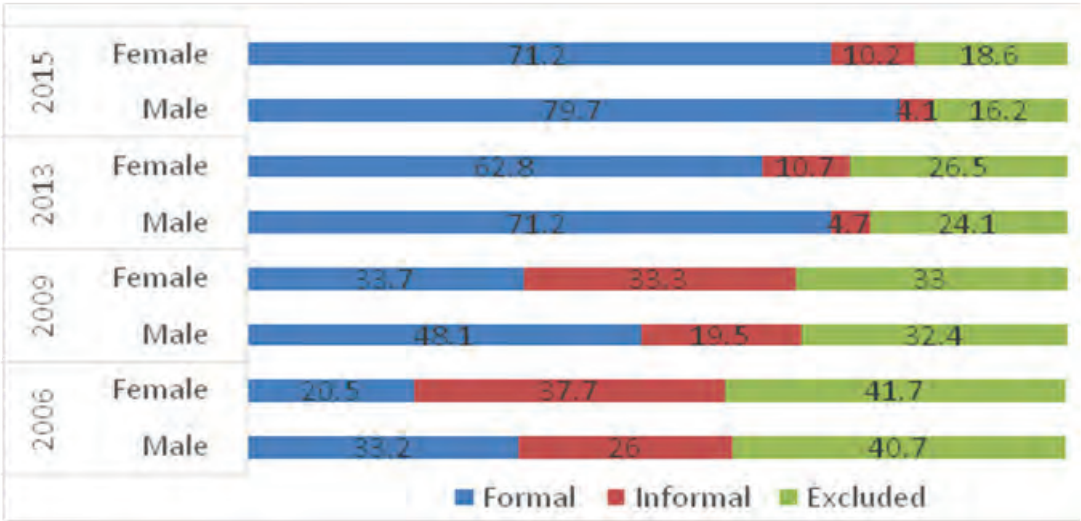
Figure 17.2: Access strands between 2006 and 2015



Access strand by gender, age, and education

17.8. As indicated in Figure 17.3, the survey revealed that formal inclusion for men has risen steadily from 33.2 per cent in 2006 to 79.7 per cent in 2015, whereas for women, it has risen from 20.5 per cent in 2006 to 71.2 per cent in 2015. This has mainly been driven by the spread of Mobile Financial Services (MFSs) whereby the usage by men and women was 75.5 per cent and 67.5 per cent, respectively. Ultimately, this has lessened women's previous exclusive reliance on the use of informal financial services providers. However, women still have lower access to formal prudentially regulated service providers compared to men, such as, banks (46.8 per cent for men and 30.6 per cent for women) and insurance (29.8 per cent for men and 17.0 per cent for women). Reliance on groups is far more common among women (51.4 per cent) compared to men (30.9 per cent).

Figure 17.3: Access strand by gender between 2006 and 2015

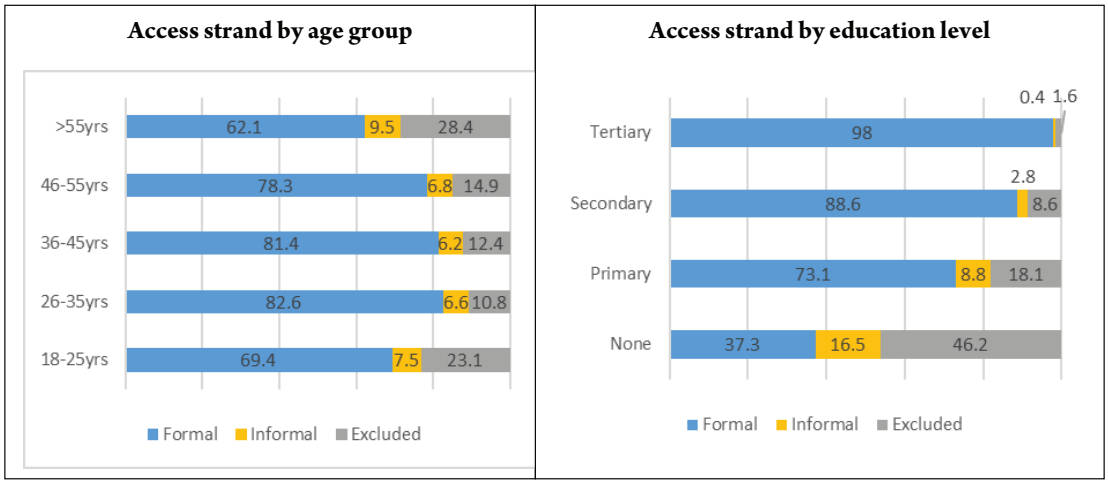


17.9. The survey findings show that age plays an important role in financial inclusion. The oldest and youngest age groups (below 25 and above 55 years) are more likely to be excluded and less likely to have formal financial services than the middle band of the population (Figure 17.4). The survey revealed that 23.1 per cent of young adults aged 18 to 25 years are excluded compared to the national average of 17.4 per cent. Exclusion for the elderly population above 55 years is even higher at 28.4 per cent. Younger adults had higher adoption rates for MFSs and mobile banking technologies. Further, over 23 per cent of people aged 18 to 25 were actively using a mobile banking account against less than 4 per cent of the population above 55 years.

Formal inclusion was highest in the age band between 26 years and 35 years, at almost 82.6 per cent.

17.10. Formal inclusion is also related to the level of education. Almost all Kenyans (98.0 per cent) with tertiary education have access to a formal financial service provider as reflected in Figure 17.4, whereas only 37.3 per cent of adults with no education use formal financial service providers. Exclusion for Kenyans without formal schooling is extremely high, at 46.2 per cent, indicating that illiteracy is a significant barrier to financial inclusion.

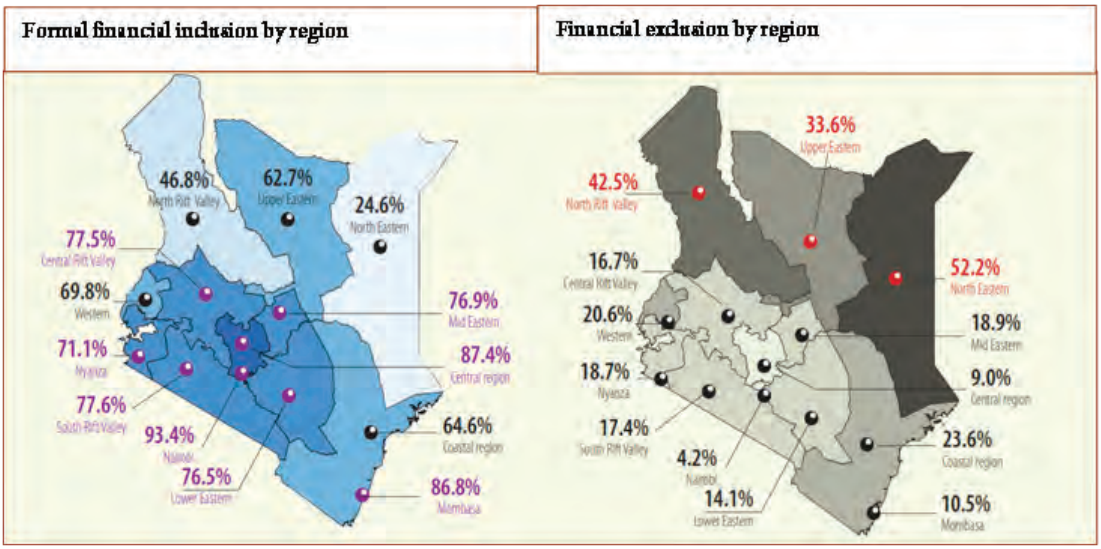
Figure 17.4: Access strands by age group and education level in 2015



Geographical disparities in financial inclusion in 2015

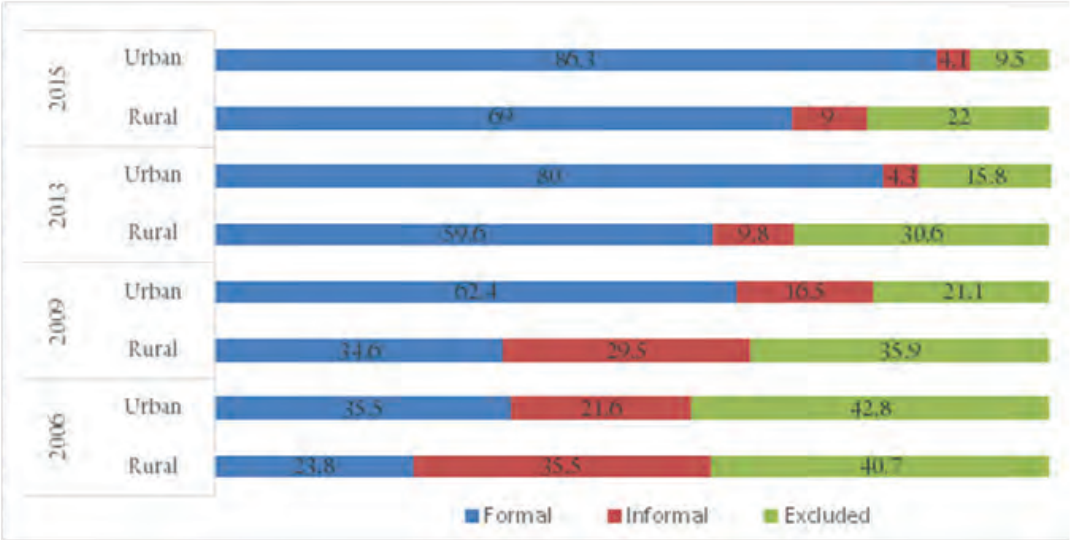
17.11. The survey findings showed that progress in the level of financial inclusion in Kenya over the last decade is not evenly distributed across the country. For instance, Nairobi, Central region and Mombasa registered the highest levels of formal inclusion at 93.4, 87.4 and 86.8 per cent, respectively. As shown in Figure 17.5, North Rift and North Eastern regions registered the lowest levels of financial inclusion at 46.8 per cent and 24.6 per cent, respectively. The Western region and the Coastal region were also below the national average of 75.3 per cent in formal financial inclusion.

Figure 17.5: Map of formal inclusion and exclusion by region in 2015 (Per cent)



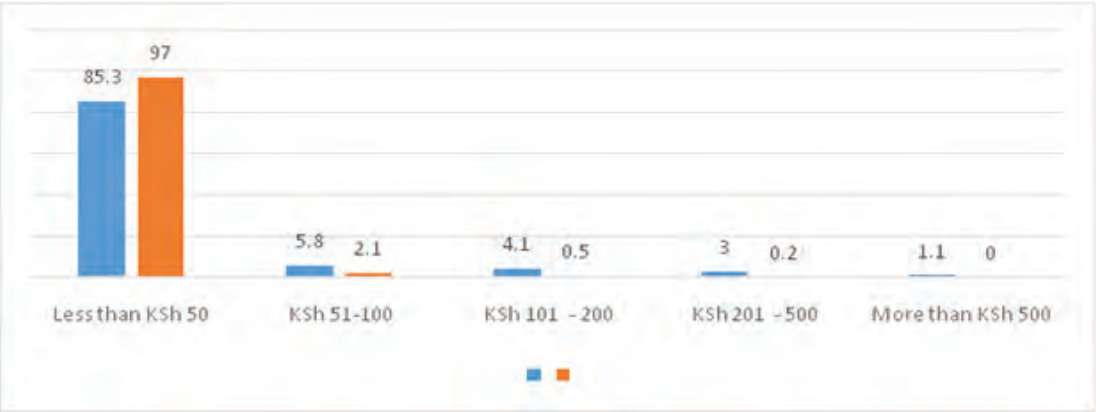
17.12. The analysis further showed that there exists a rural-urban gap in financial inclusion, which has grown over the last decade, as shown in Figure 17.6. The use of formal financial services in urban areas is higher than that of rural areas, mostly due to poor connectivity in some areas and lower level of infrastructural development. Further, the survey findings showed that financial exclusion has decreased in both urban and rural areas with a widening gap.

Figure 17.6: Access strands in rural versus urban areas between 2006 and 2015 (Per cent)



17.13. As shown in Figure 17.7, on average, over 90 per cent of the population is able to reach a financial service provider with less than KSh50. The survey data showed that almost all urban residents (97 per cent) can reach a financial service provider for less than KSh 50, while approximately 15 per cent of rural residents have to spend over KSh50. Hence, this adversely affects the total costs of conducting basic financial transactions such as depositing, withdrawing or transferring money.

Figure 17.7: Cost to reach the nearest financial service access point in 2015

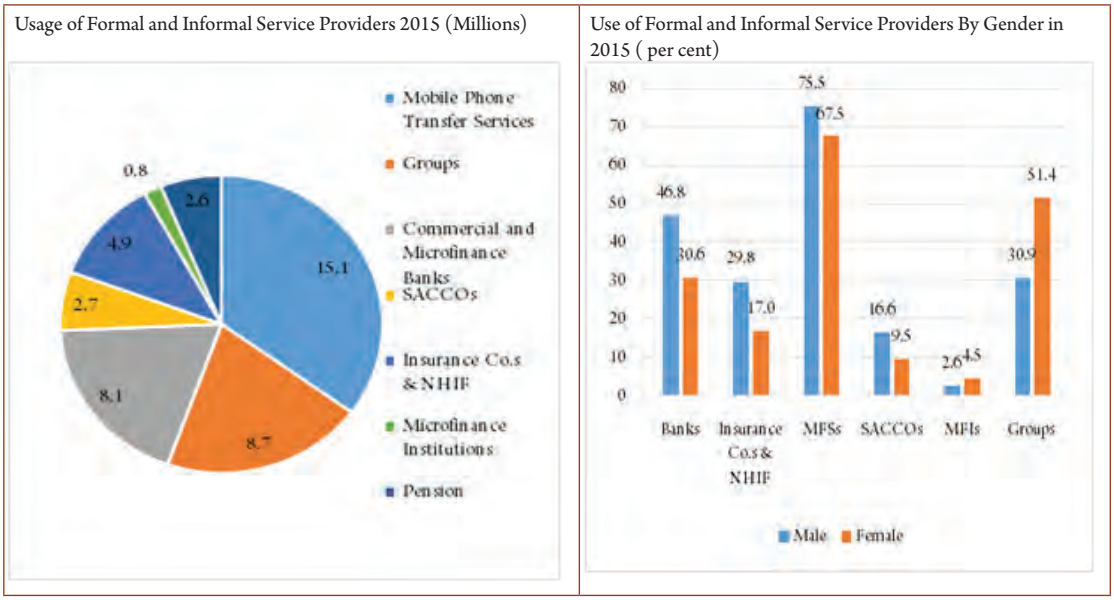


Usage of financial services

17.14. The usage of financial services has increased across all types of providers and products, for both formal and informal services compared to a decade ago. It is estimated that usage of formal services has increased from 25 per cent in 2006, to 75 per cent in 2015. Banks and groups are equally popular among users of financial services, with 8.1 million users and 8.7 million users, respectively, as depicted in Figures 17.8. The data also shows that nearly twice as many Kenyans use mobile financial services. Usage of insurance services, for both private and statutory insurance services, has increased with 4.9 million Kenyans using insurance

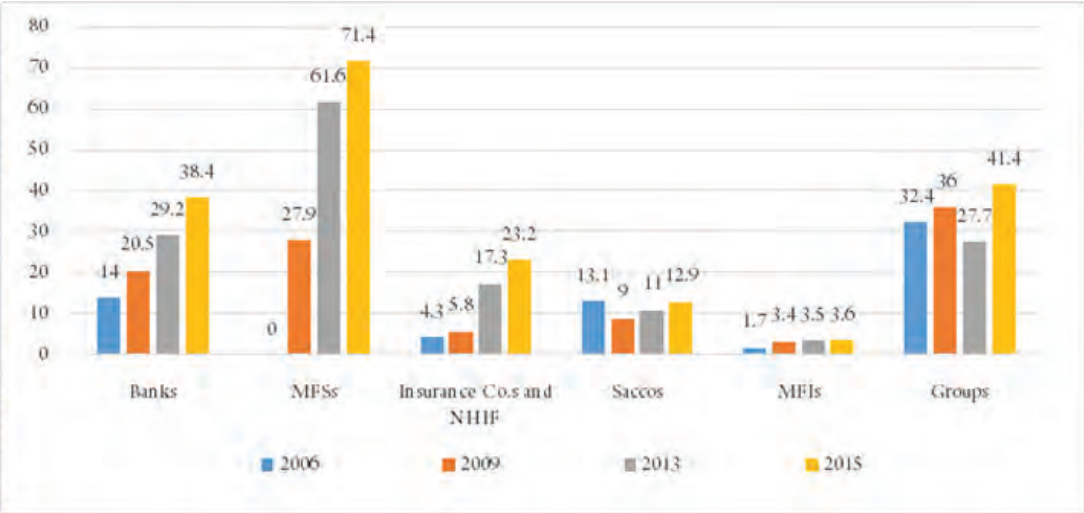
services and 2.6 million Kenyans using pension schemes. There are considerable differences between men and women, with men having higher access to banks, insurance and Savings and Credit Co-operative (SACCOs), while women participate more often in groups such as Rotating Savings and Credit Association (ROSCAs) and Accumulating Savings and Credit Association(ASCAs).

Figure 17.8: Usage of formal and informal service providers in 2015



17.15. There has been a positive trend in the access of all the financial service providers as shown in Figure 17.9. For instance, banks' penetration has increased steadily in the last 10 years from 14.0 per cent in 2006 to 38.4 percent in 2015, driven by expansion of banks and increased uptake of agency banking and mobile banking services. The most widely used financial service in Kenya are services from mobile phone financial service providers (MFSs), which is used by 71.4 per cent of the population, followed by groups such as ROSCAs and ASCAs at 41.4 per cent, in 2015. Uptake of insurance has grown to 23.2 per cent by the population in 2015 from 4.3 per cent in 2006. Growth in the insurance sector has been driven primarily by uptake of statutory health insurance from the National Hospital Insurance Fund (NHIF).

Figure 17.9: Access to formal and informal service providers between 2006 and 2015



17.16. Accessibility to formal financial services providers differs widely across different regions as shown in Table 17.1. Overall, accessibility is higher in the cities (Nairobi and Mombasa) and in the Central region, while it is substantially lower in the northern regions. However, the difference in access to specific financial service providers shows diverse patterns of financial sector development in the country. For instance, there is huge disparity in access and usage of services from mobile phone financial service providers between Nairobi (91.6 per cent) and the North Eastern region (22.6 per cent). Usage of SACCOs is highest in the Central region (25.0 per cent), while it is virtually non-existent in North Eastern (0.7 per cent). On the other hand, Mombasa and the Coastal region reported the highest usage of microfinance services at 6.6 per cent and 5.9 per cent, respectively, considerably above the national average 3.6, while usage of microfinance services in the Central region is below the national average at only 3.0 per cent. Usage of insurance services is relatively high in Nairobi, Mombasa, Central Region and South Rift, while it is lowest in the North Eastern region. Similar patterns are observed in access to private and statutory pension services.

Table 17.1: Accessibility to formal service providers in 2015 by sub-region

Per cent

Region	Commercial and Microfinance Banks	SACCOs	MFSs	Microfinance Institutions	Insurance Providers	Pension Providers
Nairobi	68.3	15.8	91.6	4.4	40.7	30.5
Central	45.6	25.0	82.3	3.0	31.2	13.9
Mombasa	54.6	9.7	81.7	6.6	29.8	23.6
Coast	27.3	5.9	60.7	5.9	15.6	12.9
Upper Eastern	22.6	4.1	57.5	0.5	14.5	7.0
Middle-Eastern	35.2	20.9	71.0	2.2	23.6	8.9
Lower Eastern	32.7	8.2	72.8	4.1	16.8	6.4
North Eastern	4.8	0.7	22.6	0.0	4.1	2.5
Nyanza	32.6	10.3	65.9	3.5	20.0	7.8
North Rift	26.7	5.8	40.8	0.7	13.0	10.3
Central Rift	39.6	12.3	74.4	4.1	22.5	12.0
South Rift	39.9	16.8	71.5	3.9	27.1	14.2
Western	27.9	7.1	68.3	3.3	14.2	6.1
National average	**38.4**	**12.9**	**71.4**	**3.6**	**23.2**	**12.5**

Access to formal and informal credit

17.17. The analysis showed that usage of formal credit has grown across most types of providers over the last 10 years, as presented in Table 17.2. Banks are the most widespread source of formal credit at 9.5 per cent, with mobile banking loans penetration at 5.9 per cent while SACCOs are the second most used source of formal credit at 5.0 per cent.

17.18. Informal credit markets continue to play a prominent role in Kenya, particularly, for the poor and low-income segments and those without regular income. Shopkeeper credit and loans from family and friends have experienced mixed trends in the last decade, but they are still the most widely used, accounting for 9.9 per cent and 6.6 per cent, respectively. While family and shopkeepers were of major significance in 2006 and 2009, they were much less important, thereafter. On the other hand, Mobile Financial Services (MFSs) were only introduced in 2007, and the adoption rate was still low in 2009. Besides bank loans being the counterpart of MFSs, also reflects the special expansion of banking industry footprint (including agency banking). Employer loans have grown remarkably as well, being used by 5.1 per cent of adults in 2015 compared to 0.9 per cent in 2006.

Table 17.2: Access to formal and informal credit between 2006 and 2015

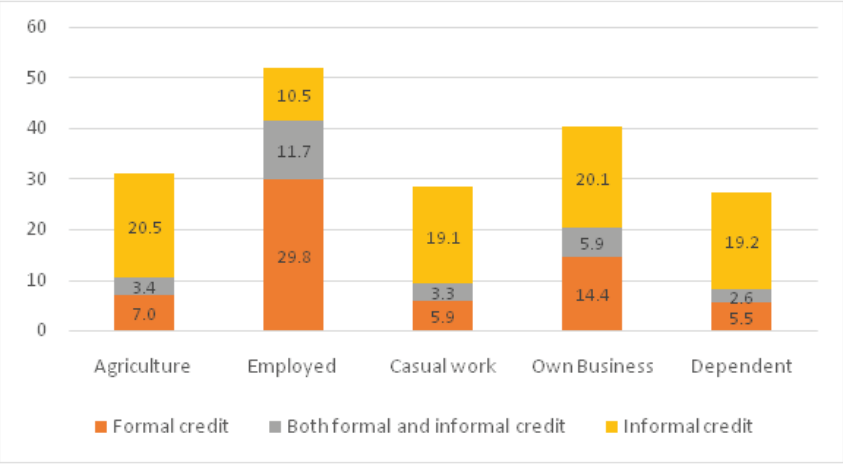
Per cent

Source of credit	2006	2009	2013	2015
Bank Loans (personal, overdraft, mobile bank account loans*)	1.9	2.7	3.9	9.5
Credit Card	0.8	0.8	1.8	1.2
SACCO Loan	4.2	3.1	4	5
Microfinance Loan	0.8	1.8	1.6	1.8
Employer Loan	0.9	0.5	1	5.1
Group loan from ASCA or "chama"	1.7	1.8	4.6	7.8
Family/Friend/Neighbour Loan	12.6	12.2	5.2	6.6
Informal Moneylender	0.7	0.4	0.4	0.4
Shopkeeper	22.8	24.3	5.5	9.9

*Comprise: Equitel loans, KCB M-Pesa loans, M-Shwari loans, MCo-op Cash loans

17.19. The survey results further established that access to credit is closely related to the type of employment and livelihood sources. Overall, salaried employees have the highest access to credit (52 per cent), followed by entrepreneurs (40.4 per cent) and agriculture (30.9 per cent), as reflected in Figure 17.10. The lowest is registered by dependents and casual labourers at 27.3 per cent and 28.3 per cent, respectively. Regular salaried persons have the highest access to formal credit sources, with 29.8 per cent against 7.0 per cent of adults in agriculture, and 5.9 per cent of adults in casual labour. On the other hand, informal sources of credit are the most widely used across different types of livelihoods, including agriculture, entrepreneurs, casual workers and dependents.

Figure 17.10: Access to formal and informal credit by type of livelihood in 2015



17.20. The number of Kenyans using at least one formal or informal saving/deposit instrument has increased since 2013 as presented in Table 17.3. Growth in usage of saving instruments has been driven by services from mobile phone financial service providers. Groups such as ASCAs and ROSCAs have increased considerably especially among the poor and low-income segments of the population. A significant proportion of the population prefers to save in a secret place and ROSCAs.

Table 17.3: Usage of saving instruments between 2006 and 2015

Per cent

	2006	2009	2013	2015
Postbank Account	5.6	2.5	2.3	1.5
SACCO	12.8	8.9	10.6	12.6
MFI	1.5	3.2	3.1	3.3
ASCA	5.4	7.8	5.9	15.2
ROSCA	29.3	31.7	21.4	33.8
Group of Friends	10.9	5.5	12.2	9.0
Family /Friend	5.7	6.7	7.0	6.4
Secret Place	27.9	55.7	31.7	35.8
Bank Savings Account	12.7	11.6	9.8	10.4
Mobile Bank Accounts	..	..	..	17.5

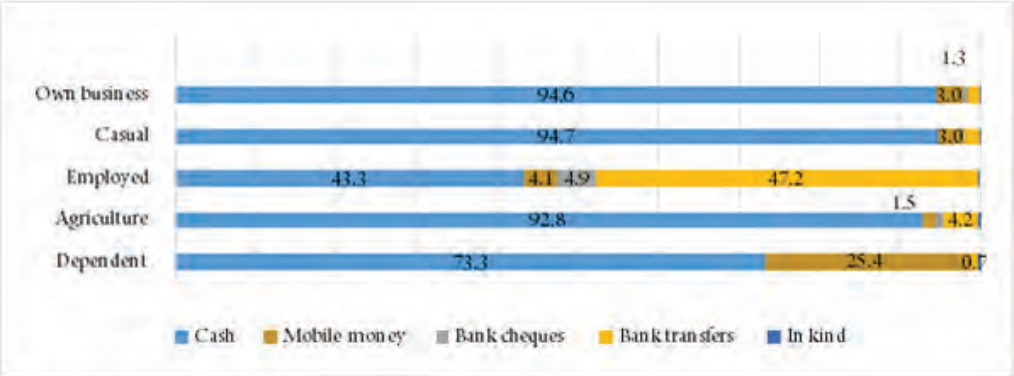
.. Data not available

Usage of formal and informal savings instruments

17.21. The FinAccess 2015 survey results show that Kenya is primarily a cash-based economy, as depicted in Figure 17.11. With the exception of adults in salaried employment, over 50 per cent of whom receive their money digitally, all other types of livelihoods are paid in cash.

About 95 per cent of entrepreneurs and casual labourers are paid in cash. The same applies to 93 per cent of farmers and farm workers.

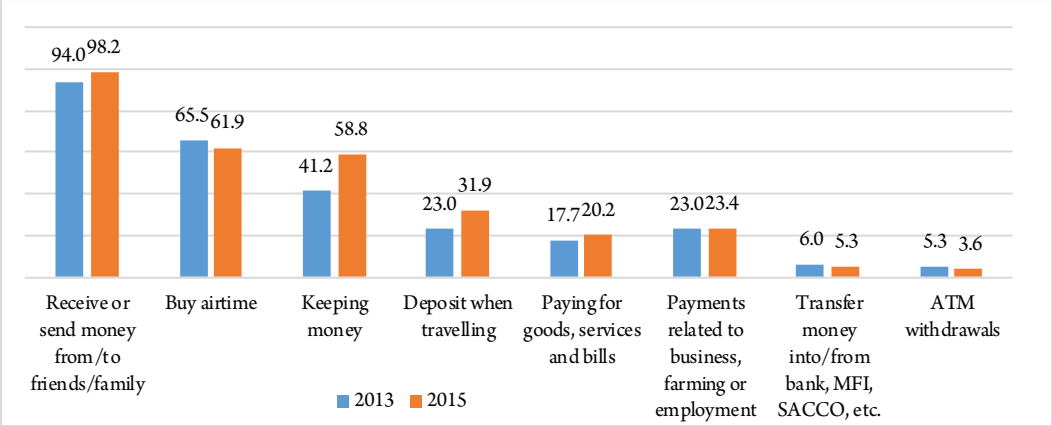
Figure 17.11: Main mode of receiving payment for source of livelihood 2015 (Per cent)



The payments landscape

17.22. The survey findings shows that the usage of services from mobile phone financial service providers has grown remarkably in recent years, and it is increasingly being used for payments beyond the person-to-person transfers. While the dominant use of mobile phone financial service providers are still for interpersonal transfers, 20.2 per cent of Kenyans in 2015 use it to pay for goods, services and bills, and 23.4 per cent use it for business related payments like paying suppliers, employees and receiving payments from customers, as shown in Figure 17.12. In 2015, almost 59 per cent of Kenyans, also use services from mobile phone financial service providers to save or keep money aside, compared to 41.2 per cent in 2013.

Figure 17.12: Main reasons to use services from MFSs in 2013 and 2015 (Per cent)



Kenya National Bureau of Statistics
P.O. Box 30266, 00100
Nairobi, Kenya
Tel: +254-254-20-3317583 /612
Fax: +254-20-3315977
Email: info@knbs.or.ke
directorgeneral@knbs. or. ke

ISBN : 9966-767-54-1