



Report Overview

This report will outline the strongest industries in Kenya and further evaluate niches in Nairobi. The research will focus on the city previously mentioned and will have a focus on the top industries in those cities as well as a focus on the college's interest in South Africa.

Kenya at a Glance

Kenya has a market-based economy and is generally considered the economic, commercial, financial and logistics hub of East Africa. With the strongest industrial base in East Africa, Kenya has been successful in attracting U.S. exporters and investors. More U.S. companies are investing in Kenya and setting up local and regional operations to take advantage of Kenya's strategic location, diversified economy, entrepreneurial workforce, comprehensive air routes, and status as a regional financial centre. Kenya is also a very "young" country with almost 79% of the population under the age of 35. The country's per capita GDP was \$1,553 in 2016, but unemployment and poverty remain high with an estimated 40% of the population living below the poverty line.

Manufacturing accounts for 10% of GDP. This growth is generally attributed to government investment in public infrastructure development projects as well as the real estate sector. The government is placing a high priority on the implementation of mega infrastructure projects (Road, rail, energy, port and airport modernization). The World Bank's 'Ease of Doing Business Index' shows Kenya moved up 21 places in the 2017 report to position 92 globally, making it the third most improved economy in 2017. Kenya accounted for 67% of all private equity funding in East Africa. Agriculture remains the backbone of Kenya's economy and central to Kenya's development strategy. It accounts for more than 25% of GDP and is the largest employer with more than 70% of Kenyans earning at least part of their income in the sector. The tourism sector in Kenya is one of the most diverse sectors in East Africa with increased investments in conference, eco and leisure tourism. Tourist arrivals increased by 12% in 2016 and sector earnings grew by 17% to approximately \$1 billion. Nairobi is the transportation hub of Eastern and Central Africa and the largest city between Cairo and Johannesburg. The Port of Mombasa is the most important deep-water port in the region, supplying the shipping needs of more than a dozen countries.¹

While economic activity faltered following the 2008 global economic recession, growth resumed in the last three years reaching 5.8% in 2016 placing Kenya as one of the fastest growing economies in Sub-Saharan Africa. Looking ahead, near-term GDP growth is expected to decelerate to 5.5% in 2017 because of ongoing drought, weak credit growth, security concerns and the pick-

¹ <https://www.export.gov/article?id=Kenya-Market-Overview>

up in oil prices. Medium-term GDP growth should rebound to 5.8% in 2018 and 6.1% in 2019 respectively dependent on completion of ongoing infrastructure projects, resolution of slow credit growth, strengthening of the global economy and tourism. Increasing the competitiveness of the manufacturing sector will contribute to more growth and jobs.²

- Population: 49.7 million (2017)
- GDP per capita: (USD) 1,553 (2016)
- GDP: (USD) 74.94 billion (2017)
- Unemployment: 7.4%
- Youth unemployment: 26.2%
- Inflation: 5.71% (2018)

Emergency care has been a neglected area of focus in many low-and-middle-income countries (LMICs), and particularly so in sub-Saharan Africa. It has been predicted that by 2030, road accidents will be the fifth leading cause of death in LMICs, ahead of malaria, tuberculosis, and HIV. Along with trauma, non-communicable disease (NCD) deaths are projected to rise by 15% globally between 2010 and 2020, with the greatest increase in Africa, the eastern Mediterranean, and southeast Asia. Thus, an establishment of the first Emergency Care Center (ECC) in rural Kenya went underway at the Sagam Community Hospital (SCH) in Luanda, Kenya. SCH is one of seven sub-district hospitals in Siaya County, Kenya with over 842,000 inhabitants, over 38% of whom live in abject poverty. Since opening its doors in April 2015, the ECC has treated over 24,000 patients.³



Nairobi overview

Nairobi is the main commercial center of Kenya. It has got a well-developed infrastructure with modern equipment and systems. The Nairobi Stock Exchange (NSE) is one of the Africa's largest stock exchanges and is officially recognized as an overseas stock exchange by the London Stock Exchange. NSE ranks fourth in Africa in terms of trading volumes and fifth in terms of Market Capitalization. Nairobi is a home for most of the international companies and organizations along with the United Nations Habitat headquarters and the UNEP. The city's textiles, clothing, building materials, foods and beverages industries also

² <https://www.worldbank.org/en/country/kenya/overview>

³ https://www.massgeneral.org/emergencymedicineglobalhealth/initiatives/Emergency_Care_Center_Rural_Kenya.aspx

help in building up its economy. Agriculture also has a hand in the growing economy of the city. The main agricultural land surrounds the city. Maize, cassava, sorghum, beans, and fruit are the main food crops grown here. Coffee is also grown but on a small scale. Flower exports forms the main source of foreign exchange. Nairobi is also a famous tourist destination and the main transport center.⁴

Population: 4 million

Unemployment rate: 7.4%

GDP per capita: (USD) 4,065

6 Biggest Companies in Kenya are: Kenya Airways, Safaricom, Kenya Commercial Bank (KCB), Nation Media Group, East African Breweries, Equity Bank, Tech Employers in Kenya, Microsoft, Google, Oracle, Andela, and IBM. There is STEM development in Kenya. Though little, strengthening STEM Education in Kenya remains a priority since 80% of students studying in Universities were in the Humanities and Social Sciences, whereas, only 20% were in STEM courses. The CS disclosed that the government has allocated (SHS) 1.3 billion equiv. (USD) 0.346 million towards the training of students in STEM. 40,000 students in these institutions have applied to the Higher Education Loans Board (HELB) for financial support, saying more students should apply for the support from HELB.⁵ To address this, the Kenya Advanced Institute of Science and Technology rolled out a new program called Repackage STEM in Education and Training. This project is expected to promote experiential learning, innovation creativity and attraction to STEM related disciplines through well-coordinated programs in education, R&D and Training in all aspects of ST&I at all levels starting from Early Childhood to Primary and Secondary Education levels up to University. Integration of Science, Technology and Innovation in Education Management is another program that will establish a sector-wide education and formulate a national critical skills development strategy to increase the number of researchers, scientists and engineers for the industry. This project will include an audit on the existing skills and the requirements for the country and draw up a strategy for closing the gap.⁶

⁴ <https://www.nairobi.com/v/economy/>

⁵ <http://educationnews.co.ke/2017/04/10/strengthening-stem-education-in-kenya/>

⁶ <http://vision2030.go.ke/project/development-of-the-science-technology-engineering-and-mathematics-sector/>