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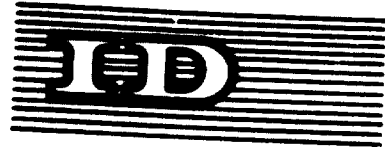
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COUNTRY INFORMATION SHEET ✓

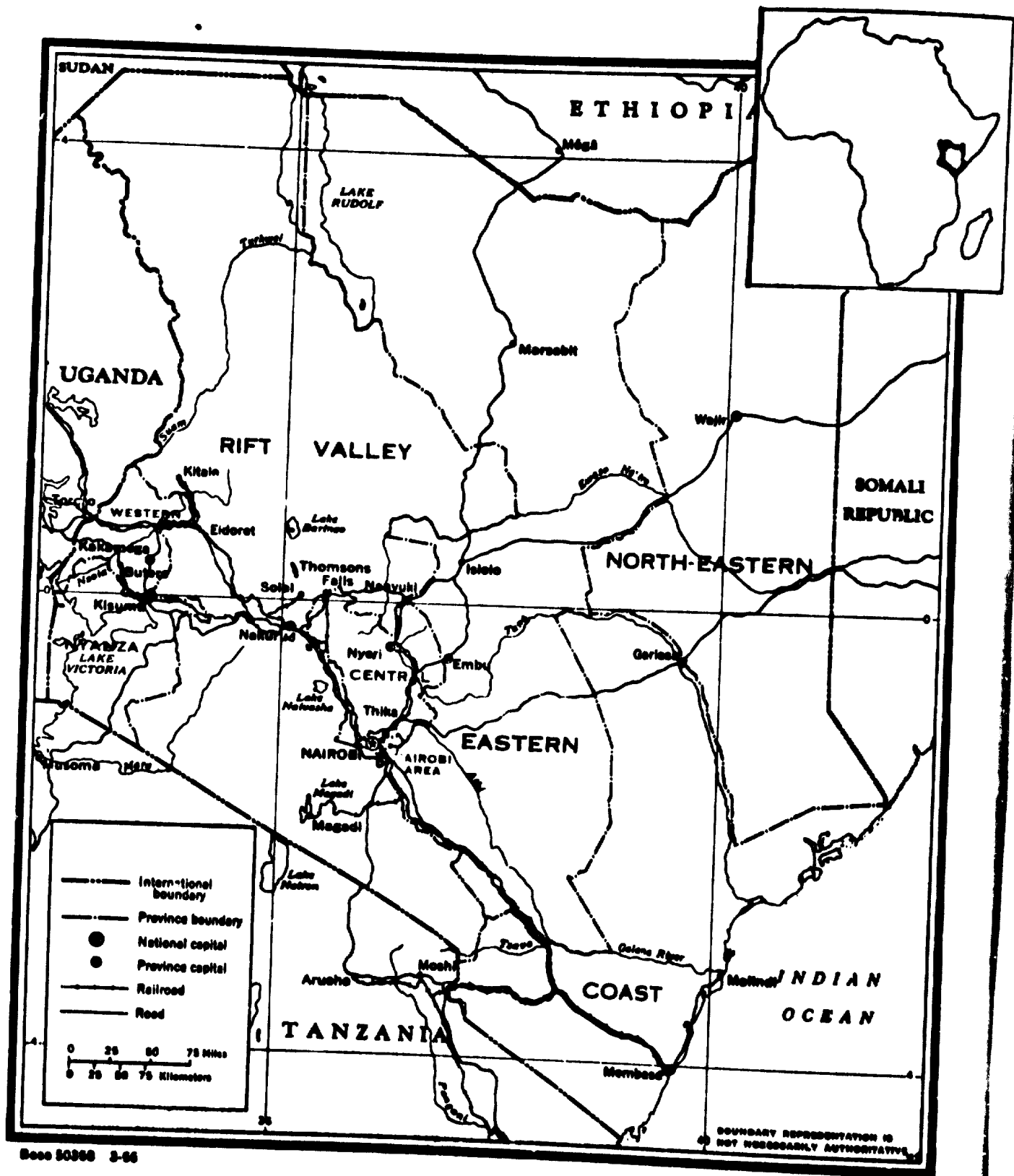
KENYA

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KENYA



BRIEF BACKGROUND INFORMATION

A. THE COUNTRY AND ITS PEOPLE

1. Geography

- (a) Area 224,960 square miles
- (b) Situation, climate, etc.

Kenya has Uganda on the West, the Indian Ocean in the East, Somalia and Ethiopia in the North and Tanzania in the South. Above 4,000 ft. the climate is temperate with sufficient rainfall (80 inches a year from Lake Victoria to Kericho. The coastal plain is hot and humid and the North and North-East get very little rainfall and are hot and dry. In the highlands, in the centre of the country, long rains occur from March to May, and short rains from November to December. On the coast the temperature is 20° - 30° C. In the mountains it is 28° in February to 12° C in June and July. As regards physical features, the terrain rises from the Coast to the Western and Southern borders. The North-East has series of plateaus. North to South is a mountainous region (dominated by Mt. Kenya, 17,058 ft high) and is cut from North to South by the Great Rift Valley. Kenya has lakes and rivers. More than half of the country is desert or semi-desert, particularly the North and the coastal regions. The plateaus provide good land and in the West are bushes and savannah.

(c) Population

9.93 million people (estimate 1968). About 300,000 are non-Africans and more than half of these are Asians. The Europeans form a sixth and there are Arabs on the coast.

The rate of growth is 2.9% p.a. There are about 40 different tribes who fall into 4 main linguistic groups: the Bantu (majority), Nilohamitic, Nilotic and Hamitic. The most important tribes are: Kikuyu (1.7 million), the Luo (1.2 million), the Baruhya (1.1 million) and the Kamba (1 million). Twenty-five per cent of Africans are Christians. On the coast descendants of Arabs are Moslems. The Asians are hindus and moslems while Europeans are christians.

(d) Language

English and Swahili are the official languages. Kikuyu and Luo are widely spoken.

(d) Main commercial centres

Nairobi, the capital (266,794); Mombasa, the main port (179,575); Nakuru (38,000); Kisumu (23,500); Eldorata (19,600); Thika (13,900); Nanyuki (10,448). All this was in 1962 census.

(e) Transport

- (i) Road. There are about 26,000 miles of public roads of which about 1,500 are tarred. About 4,000 miles of the main roads are gravel. Most roads in Kenya are murrum. The road joining Kenya (Athi River to Naranga is under construction while the road Tororo to Eldoret (linking with Uganda) has been tarred.
- (ii) Railway. The Kenya railway system is part of the E.A. Railway Corporation. The main line runs from Mombasa to Kampala in Uganda. There are many branches serving the main centres and there is a line connecting with Tanzania.
- (iii) Water. The main port is Mombasa, where several ships from many parts of the world call regularly.
- (iv) Air. Nairobi has a modern airport where about 16 international airlines have landing rights. East African Airways flies to other East African countries, West Africa, Zambia, Malawi, Rwanda, Burundi, Europe, India, Pakistan and the mid-East. There are several smaller airports or airstrips in Kenya as well as several charter facilities.

2. Government

Kenya became independent on 12th December 1963 and a republic within the Commonwealth a year later. The ruling party is the Kenya African National Union (KANU) led by Mr. Kenyatta, the President of Kenya. The legislative power is exercised by the National Assembly consisting of one chamber and composed of 158 elected members and 12 members elected by the Assembly for four years. The President is executive who is assisted by the Cabinet. The President appoints and sacks Ministers.

Source: Africa 1969/70.

B. BASIC ECONOMIC DATA

1. Economic indicators(a) National currency

The Kenya shilling is the national currency.
£ 1 = 17.1429 Kenya shillings.

(b) Gross National Product at Factor Cost

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Total (£ K. million)	331.4	330.5	385.0	406.7	430.7
Per head (£ K.)	36.4	35.3	40.0	41.0	42.2

Source: The Economist Intelligence Unit, Annual Supplement, September 1969.

(c) Retail price indices for Nairobi

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>End May</u> <u>1969</u>
<u>End of year</u>						
Wage-earners' index July 1964 = 100	100.6	107.2	109.7	111.8	112.7	111.7
Middle-income index July 1964 = 100	101.0	102.4	106.7	109.6	110.4	110.8

(d) Balance of payments (in \$ million)

	<u>1966</u>	<u>1967</u>	<u>1968</u>
Balance of trade (c.i.f.)			
Travel	-74.5	-104.4	-104.7
Investment income	24.6	21.5	24.4
Other services	-34.9	-36.7	-38.3
Private transfers	57.4	63.1	65.4
Government transfers	0.2	-1.8	-1.7
Balance on current account	<u>8.6</u>	<u>4.5</u>	<u>12.5</u>
Private investment	-18.6	-53.8	-42.4
Government loans	5.1	20.5	39.2
Bank and other monetary institutions	30.5	11.3	21.2
Net errors and omissions	-9.5	28.3	-11.4
Balance on capital account	<u>12.6</u>	<u>-4.2</u>	<u>13.6</u>
Net change in reserves	38.7	55.9	62.6
(- indicates increase)			
	-20.1	-12.1	-20.2

Source: The Economist Intelligence Unit, Annual Supplement, September 1969.

(e) Industrial origin of GDP at factor cost^{a/}

	1964 (£.K.mn.)	% of total	1968 (£.K.mn.)	% of total
Agriculture and livestock	125.4	37.8	142.9	33.0
Fishing	1.0	0.3	1.5	0.3
Forestry	4.0	1.1	6.0	1.4
Mining and quarrying	1.5	0.4	2.2	0.5
Manufacturing	33.7	10.2	49.1	11.4
Building and construction	12.6	3.8	21.8	5.0
Utilities	6.9	2.1	10.0	0.2
Transport, storage & communications	25.1	7.7	35.9	8.3
Commerce	33.0	9.9	44.2	10.3
Ownership of dwellings	19.0	5.7	24.1	5.6
Government	43.0	13.0	57.1	13.3
Other services	<u>26.2</u>	<u>9.0</u>	<u>36.9</u>	<u>10.7</u>
ODP at factor cost	<u>331.4</u>	<u>100.0</u>	<u>430.7</u>	<u>100.0</u>

Source: Economist Intelligence Unit, Annual Supplement, September 1969.

a/ New calculations.

2. Main industries

The main industries include: food processing such as: breweries, flour mills, meat canning and processing and oil mills, 3 sugar refineries, textiles (clothing, bed-covers, table linen); chemicals such as fertilizers, plastics, detergents; oil refinery, cement works; creameries.

3. Investments

Industrial investment has increased considerably since independence and numerous commercial firms have been established or expanded. One of the contributory factors to the expansion is the setting-up of the East African Community with some 31 million people of which Kenya is a member.

4. Natural resources

The climate, soil, vegetation and physical features of Kenya are ideal for the production of such crops as: maize, sweet potatoes, rice, sorghum, millet, beans, peas, coffee, tea, sisal, pyrethrum cotton, wheat, sugar canes, etc. Livestock rearing is also ideal for Kenya. There are salt deposits at Lake Magadi which are one of the most important in the world. Kenya's wealth in wild game and lovely sceneries has created a big tourist industry.

5. Labour force

With a population of 9.93 million, Kenya has a reservoir of unskilled labour. There is however a dearth of skilled or sufficiently qualified people in the technical and scientific cadres which calls for external assistance.

C. DEVELOPMENT PLAN

The Development Plan 1970-1974 aims at raising the target rate of growth of the economy from an average of 6.3% set in the first plan and achieved in 1964/68 to 6.7 per cent through to 1974. This means a growth in the per capita income from K. £ 43 in 1967 to K. £ 55 in 1974, and a growth of the average family income from K. £ 270 to K. £ 345 over the plan period. The General Government Budget over the five years will be some K. £ 720 million. 87% of the proposed capital and recurrent expenditure will be financed from within the country. The plan provides an investment of K. £ 440 million by the private sector. K. £ 100 million will be in manufacturing industry. The Government's first industrial goal is to accelerate the rate of manufacturing development, consistent with economic viability and stable price levels for industrial goods. The plan aims at raising the rate of growth from 5.7% in 1964-68 to 9% per annum in during the plan period. Diversification of production and exports and establishment of industries for import substitution are emphasized in the Plan, among many other important objectives.

D. FOREIGN TRADE DATA1. Foreign trade balance (£.K. million)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Exports	47.0	57.9	53.3	57.8
Re-exports	<u>4.6</u>	<u>4.1</u>	<u>6.1</u>	<u>5.2</u>
	51.6	62.0	59.4	63.0
Net imports	<u>89.0</u>	<u>112.3</u>	<u>106.5</u>	<u>114.8</u>
Trade balance	<u>-37.4</u>	<u>-50.3</u>	<u>-47.1</u>	<u>-51.8</u>

Source: Economist Intelligence Unit, Annual Supplement, September 1969.

2. Main imports^{a/} (£ K. million)

	<u>1967</u>	<u>1968</u>
Machinery and transport equipment	44.0	39.5
Mineral fuels, lubricants, etc.	12.0	13.2
Chemicals	8.1	11.2
Metals	11.0	11.2
Textiles	7.5	10.3
Semi-manufactures	7.1	8.4

Source: Economist Intelligence Unit, Annual Supplement, September 1969.

a/ Net imports less re-exports.

3. Main suppliers of imports (percentage of total value)

	<u>1967</u>	<u>1968</u>
United Kingdom	32.8	31.4
West Germany	9.9	7.9
Iran	8.0	7.7
Japan	5.4	6.9
Italy	3.6	4.1
E.E.C.	21.9	20.5

Source: Economist Intelligence Unit, Annual Supplement, September 1969.

4. Main exports (£ K. million)

	<u>1967</u>	<u>1968</u>
Coffee	15.7	12.8
Tea	7.4	10.0
Petroleum products	7.2	6.1
Maize	1.4	4.8
Meat and meat products	2.9	3.0
Pyrethrum extracts	2.4	2.5

Source: Economist Intelligence Unit, Annual Supplement, September 1969.

5. Main destination of exports (percentage of total value)

	<u>1967</u>	<u>1968</u>
United Kingdom	27.8	27.5
West Germany	9.1	10.2
U.S.A.	7.1	7.2
Zambia	4.8	5.0
Netherlands	4.6	5.0
E.E.C.	18.5	20.4

Source: Economist Intelligence Unit, Annual Supplement, September 1969.

6. Exports to Tanzania and Uganda (£ K. million)

	<u>Tanzania</u>	<u>Uganda</u>	<u>Total</u>
1966	13.3	15.6	28.9
1967	11.4	14.8	26.2
1968	13.1	13.3	26.4

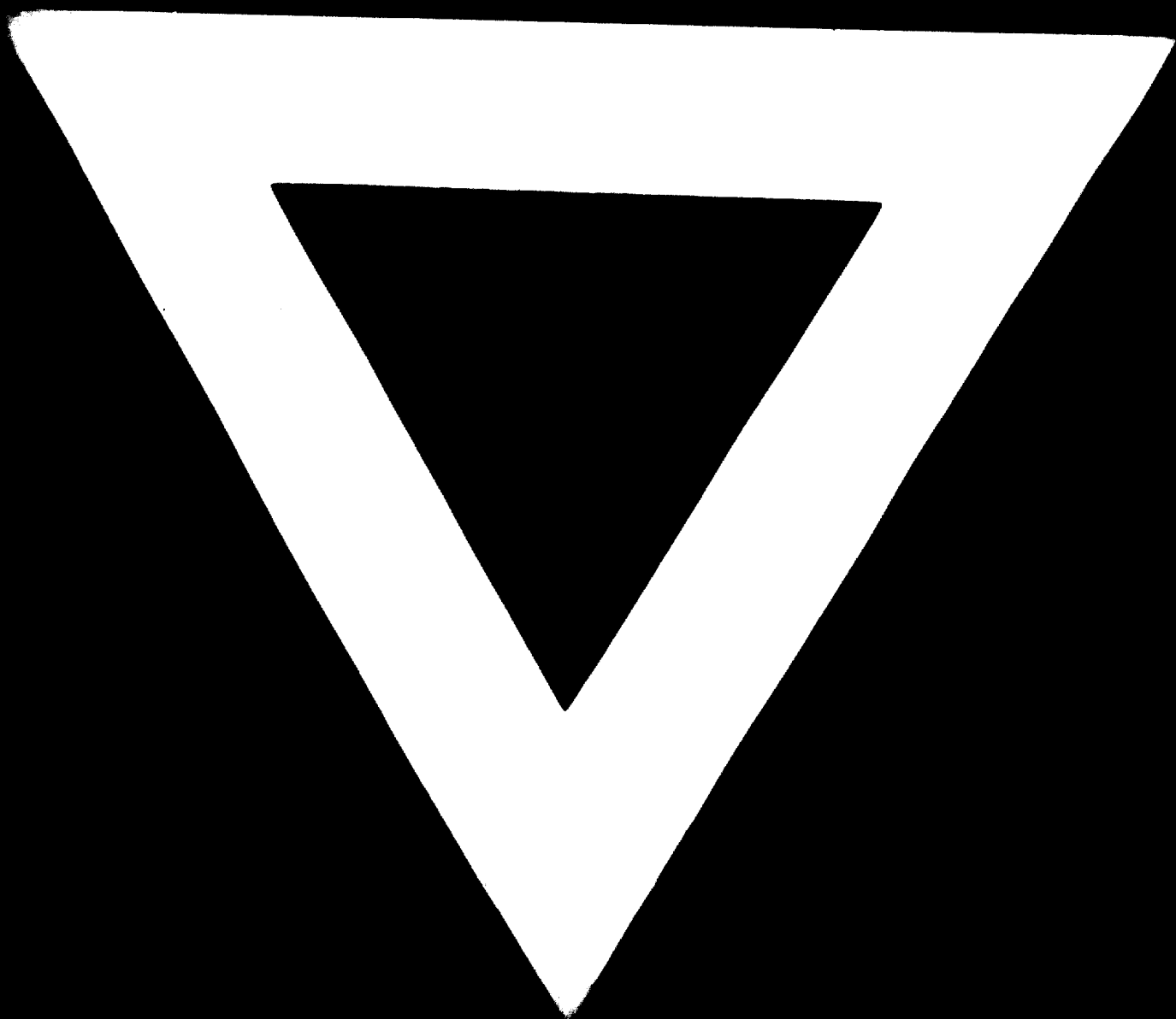
7. Imports from Tanzania and Uganda (£ K. million)

	<u>Tanzania</u>	<u>Uganda</u>	<u>Total</u>
1966	3.9	7.3	11.1
1967	3.3	10.2	13.5
1968	3.7	8.7	12.4

8. Balance of inter-territorial trade

	<u>1966</u>	<u>1967</u>	<u>1968</u>
Exports	28.9	26.2	26.4
Imports	<u>11.1</u>	<u>13.4</u>	<u>12.4</u>
Balance	<u>+17.8</u>	<u>+12.8</u>	<u>+14.0</u>

Source: Economist Intelligence Unit, Annual Supplement, September 1969.



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