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President William Ruto (2022-present) says on 21 March that his government plans to speed up economic growth to 7.2% by 2027 by implementing his so-called 'Bottom-Up Strategy'. France-based global financial watchdog, the Financial Action Task Force (FATF), re-adds Kenya to its grey list on 23 February. In the space of less than three months, Kenya's stock benchmark moves from third-worst to being the world's best performer by 18 March. Kenya and Haiti on 1 March sign a pact allowing Kenya to send 1,000 police officers to the Caribbean island, however, the plan is interrupted by Haitian prime minister Ariel Henri's (2021-2024) resignation on 11 March.

Ruto sees bottom-up plan bolstering economic growth by 2027...

President **William Ruto** (2022-present) announced on 21 March that his government plans to speed up economic growth to 7.2% by 2027 by implementing his so-called '**Bottom-Up Strategy**'.¹ Ruto was speaking during the fourth **Medium Term Plan** (2023-2027) where he was outlining key policies and projects that his government plans to implement to achieve **Kenya Vision 2030**.² According to projections in a five-year economic plan for 2027, Ruto's strategy is an acceleration from an estimated 6.1% last year and a 6.3% forecast for 2024.³ Treasury secretary **Njuguna Ndung'u** said on 21 March that the main focus areas of the plan are housing, agriculture, small- and medium-sized businesses, the digital economy and universal healthcare.⁴ Some of the practical goals in Ruto's plan include building one million affordable housing units, creating 1.2 million jobs annually and laying 4,600 kilometres of high-voltage transmission lines.⁵ Other key targets of the 2023-2027 plan include;

- Lowering annual price growth to 5%;
- Boosting foreign exchange reserves to cover 6.1 months of imports by improving exports;
- Reducing the budget gap to 3.2% of gross domestic product (GDP) in the 2027-2028 fiscal year from 5.6% in the current period ending June;
- Constructing 6,000 kilometres (km) of new roads;
- Extending the **Standard Gauge Railway (SGR)** from **Naivasha** to **Kisumu** (262km) and onward to **Malaba** (107km);
- Adding a terminal facility at **Jomo Kenyatta International Airport (JKIA)**, which can handle 20 million passengers yearly;
- Constructing 100 dams to supply 1.5 billion cubic metres of water.⁶

Speaking on the plan, Ruto said that the Kenyan economy continues to struggle with low productivity, and widening inequality and remains susceptible to economic shocks.⁷ Kenya is also in the middle of a cost-of-living crisis with inflation, recorded at 6.3% in February, sitting above the government's 5%

¹ KBC, 21 Mar 2024; Bloomberg, 21 Mar 2024

² KBC, 21 Mar 2024

³ Bloomberg, 21 Mar 2024

⁴ KBC, 21 Mar 2024; Bloomberg, 21 Mar 2024

⁵ KBC, 21 Mar 2024; Bloomberg, 21 Mar 2024

⁶ Bloomberg, 21 Mar 2024; KBC, 21 Mar 2024

⁷ KBC, 21 Mar 2024

target. Ruto stressed that the aforementioned challenges “demand urgent and resolute interventions to regain lost ground and align ourselves with our aspirations”.⁸

Ruto’s strategy is as much an economic plan as it is an electoral plan. It is not coincidental that the target end date for the Bottom-Up Strategy is 2027, the end of Ruto’s term. If Ruto is to achieve those ambitious goals, he will undoubtedly be re-elected as president. However, the strategy requires a substantial amount of money, and Kenya is still in need of foreign exchange despite the shilling performing well recently (see below). Even though Kenya has also in recent months managed to boost confidence in its currency and ease investor jitters, the **International Monetary Fund (IMF)** still classifies it as being at high risk of debt, leaving major doubts about whether Ruto will be able to achieve his targets.

Kenya re-added to global financial grey list...

The **France**-based global financial watchdog, the **Financial Action Task Force (FATF)**, re-added Kenya to its grey list on 23 February, citing shortcomings in tackling illicit financial flows.⁹ The grey list refers to countries that have inadequate measures in place to combat money laundering and terrorism financing and are placed under increased monitoring.¹⁰ Kenya has also been flagged as a regional hub for illicit gold and transit for drug and wildlife traffickers, with local law firms, real estate agents and casinos being highlighted as some of the enablers of money laundering.¹¹

The FATF, which last placed Kenya on its list in 2014, also added **Namibia** to its list and removed **Uganda**. Kenya’s treasury said in a statement posted on **X** (previously **Twitter**) on 23 February that the FATF asked authorities to improve the quality of financial intelligence, increase prosecution of money laundering cases, and supervise crypto assets.¹² Kenya, which joins 23 other countries on the grey list, including fellow **African** countries **South Africa** and **Nigeria**, was added just as Ruto is trying to lure investors to the country.¹³ Being placed on the grey list is likely to hurt **Nairobi**’s standing as the financial capital of the region, increase its foreign funding costs, and weigh on trade flows. However, Ndung’u said on 23 February that he remains optimistic that the rating would not impact Kenya’s economy negatively and emphasised that while there are deficiencies,

“Kenya remains fully committed to implementing the FATF Action Plan comprehensively and expeditiously.”¹⁴

Shilling boosts Kenyan stocks to among world’s best performing...

United States (US) based **Bloomberg** reported on 18 March that the **Nairobi Securities Exchange (NSE) All-Share Index** has returned almost 30% for dollar investors this year, the most out of more than 90 benchmarks Bloomberg monitors, indicating that in the space of less than three months, Kenya’s stock benchmark has moved from a slump to being the world’s best performer.¹⁵ Bloomberg has credited the recovery mostly to a recovery in the shilling from an all-time low in January, which is “supercharging returns” in dollar terms and also concurrently stimulating solid performances for the country’s banking stocks.¹⁶

The shilling has strengthened by 22% since 25 January following a successful **Eurobond** issue and debt buyback that has eased investor concerns about Kenya’s balance-of-payments position.¹⁷ The IMF’s injection of \$684.7m in January also strengthened Kenya’s foreign reserves and an unexpected rate hike in February has helped in slowing inflation. **Nairobi**-based **Standard Investment Bank**’s

⁸ Bloomberg, 21 Mar 2024

⁹ The East African, 23 Feb 2024; African Business, 1 Mar 2024

¹⁰ African Business, 1 Mar 2024

¹¹ The East African, 23 Feb 2024

¹² Treasury, 23 Feb 2024

¹³ Bloomberg, 23 Feb 2024

¹⁴ The East African, 23 Feb 2024

¹⁵ Bloomberg, 18 Mar 2024

¹⁶ Bloomberg, 18 Mar 2024

¹⁷ Bloomberg, 18 Mar 2024

research associate **Wesley Manambo** said on 18 March that those aforementioned developments have helped in luring investors back to Kenya's stocks, emphasising that dividends are now attractive to foreign investors as they are not losing on capital investments:

"From an FX perspective, the risk has declined".¹⁸

United Kingdom-based economic firm **Oxford Economics** also said on 18 March that the shilling is expected to continue gaining, adding that evidenced multilateral support for Kenya and winning markets over with a debt buyback has been crucial in breathing new life into the shilling.¹⁹ The shilling's gains have also helped boost confidence in local banking stocks, with several of the country's biggest lenders seeing surges in their stocks.

Kenya's remarkable turnout from the world's third-worst performer has seen it join **Nigeria** and **Egypt** among the world's frontier markets. These are markets that have implemented aggressive policy shifts which are now attracting inflows, with investors in local-currency bonds starting to reap the benefits. In the long term, a strengthening of the shilling and inflow of capital from investors will provide Kenya with much-needed foreign exchange, help with debt payments, and strengthen its global financial standing.

Kenya and Haiti sign agreement to send 1,000 Kenyan police to island...

Kenya and **Haiti** on 1 March signed a pact that allows Kenya to send 1,000 police officers to the **Caribbean** island as part of a strategy by international donors to stop the country from sliding deeper into lawlessness.²⁰ Ruto and Haitian prime minister, **Ariel Henri** (2021-2024), signed the agreement in an official ceremony in Nairobi.²¹ Henri has been serving as Haiti's acting president and prime minister since the assassination of **Jovenel Moïses** (2017-present) in July 2021, which submerged the country further into chaos.²² At the signing ceremony, Ruto said that he and Henri discussed the "*next steps to enable the fast-tracking of the deployment*".²³

Kenya's cabinet and **National Security Council** first approved the deployment in October 2023, a decision that was unanimously approved by the parliament a month later. However, Kenya's high court in January temporarily blocked the deployment, noting that it would be unconstitutional.²⁴ But Ruto has decided to push on with the deployment, which the **United Nations Security Council (UNSC)** approved in October in a bid to help Haiti's overwhelmed police force as they battle to contain rampant gang violence.²⁵

Haiti was also rocked by anti-government protests in February that left at least six people dead and large areas of the country paralysed. **United Nations (UN)** figures show the number of killings reported in the Caribbean country more than doubled to 4,500 last year, with reported kidnappings increasing by more than 80% to 2,500 cases.²⁶ The UN and the US are counting on Kenya to lead a multinational security force to stem gang violence and restore order to Haiti, which many are now calling a failed state. The mission has also received support from **Bangladesh, Benin, Bahamas, Barbados, and Chad**, which have all pledged to provide support forces that will be led by Kenya.²⁷ The US has also pledged \$100m to support the multinational security force.

However, the deployment plans were thrown into disarray when Henri resigned as prime minister on 11 March, barely a week after the pact was signed. Henri was pressured into resigning after a federation of local gangs, **G9** or **FRG9**, led by former police officer, **Jimmy Chérizier**, took over the

¹⁸ Bloomberg, 18 Mar 2024

¹⁹ Bloomberg, 18 Mar 2024

²⁰ The East African, 1 Mar 2024

²¹ The East African, 1 Mar 2024

²² Aljazeera, 11 Mar 2024

²³ The East African, 1 Mar 2024

²⁴ Africa News, 27 Jan 2024

²⁵ Africa News, 27 Jan 2024

²⁶ Africa News, 27 Jan 2024

²⁷ The East African, 1 Mar 2024

international airport and prevented Henri's plane from returning to **Port au Prince** following his trip to Kenya.²⁸ Henri, who is currently in **San Juan (Puerto Rico)**, will remain in office in an acting capacity until a transitional presidential council is established. In the meantime, Henri's decision to resign has delayed the deployment of Kenyan and international security forces as fighting intensified in Haiti, where the G9 has very quickly taken over or attacked several government premises.²⁹ The foreign ministry said on 12 March that while the deal still stands, the deployment of Kenyan security forces will be put on hold because it requires a sitting government to collaborate with.³⁰

If Kenyan troops eventually deploy, there are major doubts about whether they would be able to assist the rapidly deteriorating situation and gang-related issues - former US envoy to Haiti, **Daniel Lewis Foote**, said that the Kenyan force is too small and well-organised gangs will prove particularly challenging.³¹ Foote also stressed that the mission will only be successful if the number of international troops deployed to Haiti is increased,

"Every time there has been a military intervention in Haiti in the past 20 years, it's had a minimum of 20,000 troops or police going in there".³²

Ruto also has to appeal the high court's ruling blocking the deployment of Kenyan troops and overcome major public disapproval of the mission. Despite that, he remains steadfast in pushing through the deployment, which seems targeted at boosting Kenya's global standing.

Planner

21 – 23 May 2024 **Nairobi (Kenya) International Energy Agency (IEA) 9th annual global conference on energy efficiency;**

2 – 5 Apr 2024 **Nairobi (Kenya) Connected Africa ICT and digital economy summit 2024;**

8 – 10 Apr 2024 **Nairobi (Kenya) 5th Africa Women Summit;**

24 – 25 Apr 2024 **Nairobi (Kenya) American Chamber of Commerce (AmCham) business summit;**

27 – 31 May 2024 **Nairobi (Kenya) African Development Bank Group annual meeting;**

16 – 21 Jul 2024 **Nairobi (Kenya) Kenya Geothermal Congress 2024;**

2025 **Lamu (Kenya) Expected commencement of LAPSSET Corridor Programme construction of standard gauge railway (SGR) linking Lamu port to Ethiopia and South Sudan;**

Chronology

25 Mar 2024 **Nairobi (Kenya) Business Daily. Nuclear Power and Energy Agency (NuPEA) says it will require at least KSh 11 billion (\$83.33m) as the initial cost of developing Kenya's first nuclear research reactor;**

²⁸ Aljazeera, 11 Mar 2024

²⁹ Aljazeera, 11 Mar 2024

³⁰ The Guardian, 12 Mar 2024

³¹ The East African, 1 Mar 2024

³² The East African, 1 Mar 2024

25 Mar 2024 **Nairobi (Kenya)** *Anadolu Agency*. A bomb explosion kills three people in **Mandera** town, with authorities saying they suspect it was carried out by **al-Shabaab**;

23 Mar 2024 **Dar es Salaam (Tanzania)** *The East African*. Tanzania reportedly offers to register the **Uganda National Oil Company (UNOC)** to use the **Dar es Salaam** port for fuel importation as the stalemate between Uganda and **Kenya** on fuel imports continues;

22 Mar 2024 **Nairobi (Kenya)** *The East African*. Prime cabinet secretary **Musalia Mudavadi** says that the **East African Community Regional Force (EACRF)** that served in **Democratic Republic of Congo (DRC)** last year was a successful mission despite the mission being asked to leave by the Congolese government because it did not successfully target the **M23** rebel group;

20 Mar 2024 **Nairobi (Kenya)** *Business Daily*. **KCB Group** says it will sell its subsidiary, **National Bank of Kenya**, to **Nigeria**-headquartered **Access Group**, helping the Nigerian bank expand its footprint in Kenya;

19 Mar 2024 **Zanzibar (Tanzania)** *The citizen*. President **William Ruto** attends a meeting with leaders of the founding members of the **East African Community (EAC) – Tanzania and Uganda** - to discuss East African integration;

16 Mar 2024 **Nairobi (Kenya)** *Business Daily*. **United States** says the **World Bank's** investment arm, the **International Finance Corporation (IFC)**, tried to cover up reports of child sex abuse at schools it had invested in;

16 Mar 2024 **Nairobi (Kenya)** *The East African*. Outgoing national treasury debt management chief **Haron Sirima** says government has paid **Export-Import Bank of the United States** \$109m of **Kenya Airways'** debt in a bid to avoid bankruptcy proceedings;

12 Mar 2024 **Nairobi (Kenya)** *Reuters*. Kenya pauses its deployment of 1,000 police officers to **Haiti** following the resignation of Haiti's prime minister, **Ariel Henry**;

12 Mar 2024 **Kampala (Uganda)** *The East African*. **Equity Bank Uganda**, a local subsidiary of **Kenya**-based **Equity Bank**, confirms employees are under investigation for an alleged \$16m loan fraud;

11 Mar 2024 **Nairobi (Kenya)** *Business Daily*. **Kenya Power and Lighting Company's (KPLC)** debt to **United States (US)** energy firm **Ormat Technology** reaches KSh 4.31 billion (\$30.89m) with the US firm warning of financial exposure due to the deteriorating pace of payments by KPLC;

9 Mar 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Investors speaking at the **Kenyan Diaspora in Tanzania Forum** say they are seeking to raise the number of Kenya-backed projects in Tanzania by 100% in coming years;

7 Mar 2024 **Nairobi (Kenya)** *The Citizen*. President **William Ruto** says that **East African Community (EAC)** leaders will back opposition leader **Raila Odinga** for chairmanship of the **African Union Commission (AUC)**;

6 Mar 2024 **Nairobi (Kenya)** *Bloomberg*. Kenyan lawmakers approve the treasury's plans to offer debt-for-nature and food-security swaps to bolster the nation's finances for its next fiscal year starting 1 July;

5 Mar 2024 **Nairobi (Kenya)** *Reuters*. The **Stanbic Bank Kenya Purchasing Managers' Index (PMI)** increases to 51.3 in February from 49.8 in January, signalling that the private sector recorded its first expansion since August;

4 Mar 2024 **Nairobi (Kenya)** *CBK*. **Central Bank of Kenya (CBK)** says its **Monetary Policy Committee (MPC)** will hold its next rate meeting on 3 April;

2 Mar 2024 **Nairobi (Kenya)** *The Standard*. President **William Ruto** and **Haitian** prime minister **Ariel Henry** sign an agreement that paves the way for the deployment of Kenyan police officers to Haiti under a mission with the **United Nations**;

1 Mar 2024 **Nairobi (Kenya)** *The East Africa*. **European Parliament** endorses the **European Union (EU)-Kenya Economic Partnership Agreement**, paving way for heads of state and government to give final approval;

29 Feb 2024 **Nairobi (Kenya)** *Bloomberg*. The **Tea Board of Kenya** says that the country's earnings from black-tea exports surged 31% to a record last year as sales by the world's largest shipper of the leaves increased;

28 Feb 2024 **Nairobi (Kenya)** *Africa News*. President **William Ruto** hosts **Ethiopia's** prime minister, **Abiy Ahmed**, marking Abiy's first visit to Kenya since 2020;

26 Feb 2024 **Nairobi (Kenya)** *Africa News*. The sixth session of the **United Nations Environment Assembly** is taking place in Nairobi, with a focus on how multilateralism can help solve climate change, biodiversity loss and pollution;

26 Feb 2024 **Kampala (Uganda)** *Monitor*. President **Yoweri Museveni** meets with **Kenyan** opposition leader **Raila Odinga** who is currently campaigning for chairmanship of the **African Union Commission**;

23 Feb 2024 **Addis Ababa (Ethiopia)** *The East African*. **Kenya Power** data shows that Ethiopia is now supplying 11% of the utility's power, making it KenyaPower's fourth largest source of power supply;

21 Feb 2024 **Nairobi (Kenya)** *The East African*. Department of immigration and citizen services says citizens of **Comoros, Ethiopia, Eritrea, Mozambique, Republic of Congo, San Marino** and **South Africa** will not be required to pay the \$30 per traveller fee charges for e-visa;

20 Feb 2024 **Nairobi (Kenya)** *The East African*. Treasury reports that public debt increased to \$13.3 billion in the year ended December 2023, bringing Kenya's indebtedness levels to a new high of \$76.83 billion;

20 Feb 2024 **Abidjan (Côte d'Ivoire)** *VOA*. **African Development Bank (AfDB)** warns that the rising cost of energy, food and other commodities in countries including **Angola, Ethiopia, Kenya** and **Nigeria** could trigger social unrest;

19 Feb 2024 **Nairobi (Kenya)** *Business Daily*. Trade numbers indicate that imports from **Tanzania** fell by KSh 10.23 billion (\$70.79m) off the back of renewed trade barriers and tensions;

15 Feb 2024 **Nairobi (Kenya)** *Bloomberg*. Kenya's government says it will repurchase the bulk of its outstanding June 2024 dollar bonds, a move to shore up market confidence amid concerns about repaying the \$2 billion principal;

14 Feb 2024 **Nairobi (Kenya)** *Bloomberg*. The **Central Bank of Kenya (CBK)** accepts bids for about three times the amount of infrastructure bonds on offer at an auction, raising KSh 241 billion (\$1.58 billion);

14 Feb 2024 **Nairobi (Kenya)** *Daily Nation*. The shilling gains over 3% against the **United States** dollar, ending the day at KSh 150 to the dollar, as confidence continues to grow that the government will meet its **Eurobond** payment in June;

12 Feb 2024 **Nairobi (Kenya)** *The East Africa*. **Energy and Petroleum Regulatory Authority (Epra)** data shows Kenya's electricity imports from **Uganda** increased by 18.4% driven by larger demand;

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