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Kenya Summary 16 January 2025

Former prime minister Raila Odinga continues his campaign for the African Union Commission (AUC) chairmanship. While his success could elevate Kenya's influence in continental affairs, his failure stands to significantly disrupt Kenya's domestic political landscape. Kenya's economic growth slows to 4% in quarter three (Q3) 2024, down from 6% in the same period in 2023, driven by reduced growth in key sectors like construction, manufacturing, and tourism. Public service cabinet secretary Justin Muturi publicly accuses Kenya's National Intelligence Service (NIS) of abducting his son during anti-government protests in June 2024, highlighting the involvement of state agencies in enforced disappearances.

Raila Odinga's campaign for Africa Union Commission chairperson nears its end

Opposition leader and former prime minister **Raila Odinga** has ramped up his campaign for the **Africa Union Commission (AUC)** chairmanship ahead of the February elections. To date Odinga has been endorsed by the leaderships of the **Botswana, Democratic Republic of Congo (DRC), Tanzania, Uganda, Rwanda, Nigeria, Zambia, Zimbabwe, Malawi, Burundi, South Sudan, Guinea-Bissau, Angola, and Algeria**.¹Odinga's opponents for the position are **Djibouti's** foreign affairs minister **Muhammadu Ali Yusouf** and **Madagascar's** former foreign minister **Richard James Randri**.

Odinga formally launched his candidature in August 2024. His campaign team includes prominent individuals such as foreign affairs principal secretary (PS) **Korir Sing'Oei**, former Kenyan ambassador to the **United States (US)** and **France, Elkanah Odembo**, former **Intergovernmental Authority on Development (IGAD)** executive secretary **Mahboub Maalim**, US based academic **Matau Mukua**, and deputy chief of staff, bureau of the deputy chairperson at the AUC **Anthony Okura**.²

Odinga is a veteran Kenyan politician, having run five-times (unsuccessfully) in presidential elections, but has also been a key figure in African governance and diplomacy. During his 2018-2023 tenure as AU high representative for infrastructure development, he supported the development of the **African Continental Free Trade Area (AfCFTA)** and championed pan-African infrastructure projects.³ If successful in his bid for AUC chairmanship, Odinga has pledged to transform the AU into a "people-centred organisation" and pursue "homegrown" solutions to the continent's challenges.⁴ The octogenarian emphasised the importance of continental integration which aligns with the AU's **Agenda 2063** and has advocated for easing visa requirements within African countries, combatting trade barriers, and ensuring that the continent benefits from its own natural resources.⁵ During the 12 December leadership debate Odinga reiterated the importance mobilising Africa's youthful demographic as an asset and proposed utilising digital technology and artificial intelligence (AI) to create employment opportunities.⁶

¹ People Daily, 10 Jan 2025

² Africa Confidential, 28 Aug 2024

³ Independent Online, 11 Jan 2025

⁴ Ministry of Foreign and Diaspora Affairs, 27 Aug 2024

⁵ African Leadership Magazine, 12 Dec 2024

⁶ Independent Online, 11 Jan 2025

Despite their historic political rivalry, Ruto has wholeheartedly supported Odinga's campaign, calling him a "*visionary Pan-African, a bold and wise leader, a professional and technocrat as well as a towering statesman and veteran mobiliser for positive change.*"⁷ Odinga's success would be a significant achievement for Kenya, solidifying its influence in regional and continental affairs. As AUC chairperson, Odinga would be positioned to steer policies that align with Kenya's strategic interests and elevate Kenya's diplomatic standing.

Odinga's focus on securing the AUC role has also worked in favour of Ruto's **Kenya Kwanza** administration. – in the absence of Odinga as a unifying figure, the opposition **Azimio la Umoja** coalition has largely fragmented. Under Ruto's "*broad based*" strategy he has incorporated several opposition figures into his cabinet. In July 2024 Ruto appointed four allies of Odinga to key positions in the finance and energy ministries and in December Ruto appointed **Mutahi Kagwe, Lee Kinyanjui, and William Kabogo**, allies of former president **Uhuru Kenyatta** (2013-2022), to cabinet positions.⁸

If Odinga fails in his AUC bid, his return to domestic Kenyan politics has the potential to significantly disrupt the current political dynamics ahead of the 2027 general elections. While Odinga's return could reinvigorate the Azimio coalition, it could also further fragmentise the opposition which is currently divided over how to challenge Ruto's increasingly entrenched administration.⁹

Economic growth slows to 4% in Q3 2024

The **Kenya National Bureau of Statistics (KNBS)** published its third quarter (Q3) of 2024 GDP report on 7 January, reporting that economic growth slowed to 4% from 6% in the same period in 2023.¹⁰ This was Kenya's slowest growth rate in almost four years.¹¹ KNBS attributed the drop a general decline in most sectors – construction output contracted by 2% and mining and quarrying by 11.1%. While the manufacturing sector expanded by 2.3%, it was down from 3.3% in the previous quarter, which corresponds to a reduced output of galvanized sheets, cement, and motor vehicle assembly.¹² Kenya-based global broker **FXPesa's** lead market analyst **Rufas Kamau** commented that Ruto's administration cut road construction activities by 69% due to austerity conditions tied to **International Monetary Fund (IMF)** and **World Bank** loans.¹³ The sector's KSh 47.3 billion (\$362.6m) budget cut led to the tabling of 2,300km of road rehabilitation projects and 1,089km of new construction.¹⁴

While the tourism industry is among the country's largest foreign-exchange earners, the corresponding growth in accommodation and food services increased just 13.7% compared to 34.5% in the third quarter of 2023.¹⁵ This is likely a result of the June anti-government protests and subsequent security concerns. This economic slowdown follows the World Bank's December 2024 downgrade of Kenya's growth estimate for 2024 from 5% to 4.7% due to the impact of floods, anti-government protests and faltering fiscal consolidation efforts.¹⁶

Growth in agriculture, forestry and fishing, transportation and storage activities, and financial and insurance activities provided a buffer against further economic slowdown. Agriculture, forestry, and fishing reported a 4.2% growth, and financial and insurance services recorded a moderate growth of 4.7%.¹⁷ The number of shares traded in the **Nairobi Securities Exchange (NSE)** declined from 424 million in September 2023 to 334 million in September 2024. Similarly, the total value of shares traded decreased from KSh 5.2 billion (\$39.8m) in September 2023 to KSh 5.0 billion (\$38.3m) in

⁷ Citizen Digital, 27 Aug 2024

⁸ BBC, 20 Dec 2024

⁹ Africa Report, 8 Nov 2024

¹⁰ KNBS, 7 Jan 2025

¹¹ Bloomberg, 7 Jan 2024

¹² KNBS, 7 Jan 2025

¹³ Tuko, 8 Jan 2025

¹⁴ Tuko, 14 Feb 2023

¹⁵ KNBS, 7 Jan 2025

¹⁶ Reuters, 7 Jan 2025

¹⁷ KNBS, 7 Jan 2025

September 2024, signalling reduced market activity. However, the **NSE 20 Share Index** increased from 1,508 points in September 2023 to 1,776 points in September 2024 which points to a better performance in the equity market despite the decline in the number of traded shares. The return of **Kenya Airways (KQ)** to the NSE on 6 January after a five-year suspension is a welcome development for some 75,000 individual shareholders who together own 2.8% in the national carrier.¹⁸

The government has remained optimistic about the nation's economic outlook and projects growth of 5.4% in 2025, supported by initiatives in agriculture, affordable housing, and industrial parks.¹⁹ In a statement on 2 January, deputy president **Kithure Kindiki** reassured citizens that economic measures undertaken during the past two years "*will start yielding returns.*"²⁰ He noted that reductions in fuel prices and the strengthening of the Kenyan shilling (KSh) signalled improved macroeconomic stability.²¹ During Ruto's end of year address he stated:

*"The progress we have made has set us firmly on a path of rapid and sustainable growth. As a result, we can anticipate stronger economic performance, more jobs for our youth, and higher incomes for farmers and entrepreneurs."*²²

In the year ahead, the government is expected to prioritise emerging sectors such as renewable energy and information and communication technologies (ICT). Treasury cabinet secretary (CS) **John Mbadi** announced on 10 January a draft policy to legalise and regulate cryptocurrencies, building on the nation's success with mobile money platforms such as **M-Pesa**. The draft bill seeks to balance innovation with oversight, addressing risks like fraud and money laundering while fostering a competitive market.²³

Cabinet secretary implicates state intelligence agencies in wave of abductions

In a statement recorded with the **Directorate of Criminal Investigations (DCI)** on 14 January, public service CS **Justin Muturi** alleged that the **National Intelligence Service (NIS)** abducted his son, **Leslie Muturi**, during the June 2024 anti-government protests. Muturi's statement reports that "*armed, hooded gangsters*" took his son on 22 June in **Nairobi**. On learning of the abduction, Muturi, who was at the time a member of the **National Security Council**, contacted senior police officials, who declared ignorance. After an informant within the NIS told Muturi that his son was in their custody, Muturi attempted unsuccessfully to reach NIS director general **Noordin Haji**. On 23 June, Muturi sought the intervention of Ruto, who contacted Haji and confirmed the NIS was holding Leslie. On Ruto's directive, Haji agreed to release him within an hour.²⁴

Muturi's revelation not only implicates state agencies but also suggests tacit approval or, at the very least, awareness of the abductions at the highest levels of government. The government's response has been inconsistent. Although the **Directorate of Criminal Investigations (DCI)** has claimed to prioritise these cases, progress has been slow and opaque. Muturi stated that he has yet to receive any answers or reasons for his son's abduction.²⁵ Although Ruto had previously expressed concern over allegations of state-sponsored abductions and stated that he had no knowledge of such acts, in his 31 December address he acknowledged "*instances of excessive and extrajudicial actions by members of the security services.*"²⁶

The recent increase in abductions has primarily targeted young people, activists, and critics of the government. The **Kenya National Commission on Human Rights (KNCHR)** reports that of the 82

¹⁸ African Markets, 6 Jan 2025

¹⁹ Reuters, 7 Jan 2025

²⁰ Standard Media, 2 Jan 2025

²¹ Standard Media, 2 Jan 2025

²² Capital FM, 2 Jan 2025

²³ Finance Magnates, 10 Jan 2025

²⁴ The Star, 14 Jan 2025

²⁵ Kawaha Tungu, 13 Jan 2025

²⁶ Reuters, 6 Jan 2025

cases of abduction reported in 2024 only 29 had been resolved.²⁷ **Amnesty International Kenya** executive director **Irūngū Houghton** has condemned the abductions as violations of fundamental rights, calling on the government to uphold its commitment as a member of the **United Nations Human Rights Council (UNHRC)**.²⁸ International actors have similarly expressed their concern over the trend and have urged Kenya to investigate and end these violations. **British** high commissioner to Kenya **Neil Wigan** called on Ruto to undertake “*swift and transparent*” and highlighted that Kenya’s international image had been damaged by the high number of abductions, enforced disappearances and extrajudicial killings.²⁹

It is also important to note that the abductions have not been limited to Kenyan nationals. Foreign nationals have also been targeted which further risks Kenya’s reputation as a haven for political refugees and a leader in regional stability. Armed individuals suspected to have ties to **Tanzanian** intelligence abducted Tanzanian activist **Maria Sarungi Tsehai** in central Nairobi on 13 January.³⁰ Similar incidents involving the abduction and forced repatriation of Ugandan and **Turkish** nationals further underscores the negative implications for Kenya’s democratic credentials and international reputation (*see ARC Briefing Kenya Nov 2024*).

Planner

15-17 Jan 2025 **Nairobi (Kenya)** **Japan’s** foreign affairs minister **Fujii Hisayuki** to visit Kenya to discuss trade and investment

10-21 Feb 2025 **(Kenya)** **United States Africa Command’s Justified Accord 2025 (JA25)** multinational military exercise

12-13 Feb 2025 **Nairobi (Kenya)** Africa Tech Summit

17-18 Feb 2025 **Addis Ababa (Ethiopia)** **Africa Union (AU)** Summit and AU Commission Elections

11-13 Mar 2025 **Nairobi (Kenya)** Third African Forum on Cybercrime

18-19 Mar 2025 **Nairobi (Kenya)** State visit to Kenya by **King Willem-Alexander** and **Queen Máxima** of the **Netherlands**

9-11 Apr 2025 **Nairobi (Kenya)** World Chamber Forum-Africa Global Summit 2025

21-22 May 2025 **Nairobi (Kenya)** **Global Trade Review (GTR)** East Africa 2025 Conference

26-28 Jun 2025 **Nairobi (Kenya)** **International Union for Conservation of Nature and Natural Resources (IUCN)** Africa Conservation Forum

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

Chronology

16 Jan 2025 **Nairobi (Kenya)** *The Nation*. National Assembly approves **Sammy Chepkwony** as Salaries and Remuneration Commission (SRC) chairperson, **Mutahi Kagwe** as agriculture cabinet secretary (CS), **William Kabogo** as ICT and digital economy CS, and **Lee Kinyanjui** as investment, trade and industry CS;

15 Jan 2025 **Nairobi (Kenya)** *Kenyans*. Patients from **Kenyatta National Hospital** disrupt health cabinet secretary (CS) **Deborah Barasa’s** press briefing and demand answers over **Social Health Insurance Fund (SHIF)** system failures and bureaucratic frustrations that have left patients without appropriate care;

²⁷ Kenya National Commission on Human Rights, 27 Dec 2024

²⁸ VOA, 27 Dec 2024

²⁹ PD Online, 10 Jan 2025

³⁰ Reuters, 13 Jan 2025

14 Jan 2025 **Nairobi (Kenya)** *Bloomberg*. Kenya said it is in talks with the **United Arab Emirates (UAE)** to expand a railway line to **Uganda** and **South Sudan**, after **China** cut infrastructure funding to the project;

13 Jan 2025 **Dar es Salaam (Tanzania)** *Times Live*. Prominent activist **Maria Sarungi Tsehai** reports that she is safe after armed men reportedly kidnapped her in **Nairobi (Kenya)**;

12 Jan 2025 **Nairobi (Kenya)** *Business Daily*. The government slows down plans to convert all **Mpesa** Paybills into electronic tax registers (ETRs) opting instead to focus on small businesses enjoying turnover tax and rental income earners;

12 Jan 2025 **Nairobi (Kenya)** *eNCA*. Former attorney general and public service and human capital development cabinet secretary **Justin Muturi** speaks on the wave of abductions of young government critics since the protests in June 2024, stating that unknown armed men also abducted his son in June 2024;

11 Jan 2025 **Nairobi (Kenya)** *The Standard*. Opposition **Orange Democratic Movement (ODM)** warns its members against overtly supporting President **William Ruto's** administration, signalling the party may not be too enthusiastic about a coalition with the president as is seeking to strengthen itself to win power in the 2027 general election;

10 Jan 2025 **Nairobi (Kenya)** *The Nation*. Former ICT cabinet secretary **Margaret Nyambura** declines President **William Ruto's** nomination as the new high commissioner to **Ghana** citing personal reasons;

9 Jan 2025 **Nairobi (Kenya)** *Business Daily*. Official data shows that the value of private investments into public-private partnership (PPP) projects dipped by 90.5% to KSh4.3 billion (\$32.9m) in the financial year ending June 2024, compared to KSh 45.6 billion (\$349.6m) in FY2022/2023;

9 Jan 2025 **Nairobi (Kenya)** *Business Daily*. Venture capital and private equity principals **Africa: The Big Deal** report that Kenya attracted the most start-up investments in 2024 with \$638m followed by **Nigeria, Egypt** and **South Africa**;

8 Jan 2025 **Nairobi (Kenya)** *The Star*. The **Famine Early Warning Systems Network (FEWS NET)** estimates that between 2.5 and 2.99 million people will have required humanitarian food assistance from October 2024-May 2025;

8 Jan 2025 **Nairobi (Kenya)** *Business Daily*. The **Communications Authority of Kenya (CA)** introduces proposals that will see satellite communication service providers, including **United States-based Starlink**, paying up to 0.4% of their gross annual turnover every year to the government in addition to a one-off KSh15m (\$115,009) licence fee;

7 Jan 2025 **Machakos (Kenya)** *The Star*. Deputy president Kithure Kindiki says that the government plans to transform Kenya's leather industry to create at least 100,000 jobs and inject KSh120 billion (\$920m) into the economy, up from the current KSh15 billion (\$115m) by 2027;

7 Jan 2025 **Nairobi (Kenya)** *Business Daily*. **South Africa** based **Deal Makers Africa** magazine reports that the number of Kenyan mergers and acquisitions sealed in the first nine months of 2024 declined 51% to 47 deals;

7 Jan 2025 **Nairobi (Kenya)** *The Standard*. The high court upholds the constitutionality of Section 36(8) of the Elections Act, giving the **Independent Electoral and Boundaries Commission (IEBC)** a major victory in its handling of the 2022 County Assembly nominations. The court's decision dismissed a petition filed by several groups including **Kenya Human Rights Commission (KHRC)**, the **United Disabled Persons of Kenya (UDPK)**, and the **Action Network for the Disabled**;

6 Jan 2025 **Nairobi (Kenya)** *BBC*. Family members and rights groups report that five men, allegedly abducted by security agents, have been found alive amid increasing criticism of alleged abductions of government critics;

6 Jan 2025 **Nairobi (Kenya)** *The Standard*. Former deputy president **Rigathi Gachagua** calls on the **International Criminal Court (ICC)** to launch investigation into the alleged resurgence of a criminal gang he claims is being sponsored by the government

6 Jan 2025 **Nairobi (Kenya)** *The Star*. Social movement **Narc Kenya** initiates the legal process to change its name to the **People's Liberation Party (PLP)** in its latest move for the country's Gen Z voters;

6 Jan 2025 **Nairobi (Kenya)** *Reuters*. The **Nairobi Securities Exchange** lifts a suspension on trading shares of national carrier **Kenya Airways** following its profit recorded in 2024;

5 Jan 2025 **Nairobi (Kenya)** *The Standard*. Kenya remains able to export its coffee to **European Union (EU)** countries in 2025 without the looming impact of the anti-deforestation regulations after the **EU Council** postpones implementation by 12 months;

27 Dec 2024 **Nairobi (Kenya)** *RFI*. **Independent Policing Oversight Authority (IPOA)** launches an investigation into the rising number of abductions, allegedly perpetrated by the police;

24 Dec 2024 **Mogadishu (Somalia)** *The Nation*. The **United States Africa Command** confirms that **Al-Shabaab** leader **Mohamed Mire**, who served as the militant group's finance chief during the **Westgate Mall** and **Dusit -D2** attacks in 2013 and 2019, respectively, was killed in an airstrike;

19 Dec 2024 **Nairobi (Kenya)** *Nation*. President **William Ruto** reshuffles his cabinet, dropping agriculture cabinet secretary (CS) **Andrew Karanja** and ICT CS **Margaret Nyambura Ndungu'u**, nominating allies of former president **Uhuru Kenyatta**;

19 Dec 2024 **Nairobi (Kenya)** *The Standard*. Government announces a financing milestone for the Clean Bus Rapid Transit (BRT) system following approval of £320m (\$390.2m) for the Clean Core BRT Line 3 by the **European Investment Bank (EIB)**, **French Development Agency (AFD)**, and the **European Union (EU)**;

18 Dec 2024 **Nairobi (Kenya)** *Business Daily*. Kenya ranks fourth with high interest payments as a share of export earnings by **International Development Association (IDA)**, the soft loan affiliate of the **World Bank**;

17 Dec 2024 **Nairobi (Kenya)** *The Standard*. **Kenya Medical Practitioners, Pharmacists and Dentists Union (KMPDU)** and the **Kenya Union of Clinical Officers (KUCO)** lead protests against what they describe as systemic failures, corruption, and breaches of professional rights that undermine the delivery of quality healthcare;

17 Dec 2024 **Nairobi (Kenya)** *X*. State-owned **Kenya Power** says electricity supply has been restored following a widespread power outage that affected most the country;

17 Dec 2024 **Nairobi (Kenya)** *The Standard*. The **International Monetary Fund (IMF)** tasks President **William Ruto's Kenya Kwanza** administration to address corruption and strengthen public trust in government institutions;

16 Dec 2024 **Nairobi (Kenya)** *Nation*. An **Ethics and Anti-corruption Commission (EACC)** investigation exposes cases of bribery, embezzlement of funds, conflict of interest and fake academic papers in state agencies and counties including the **Independent Electoral and Boundaries Commission (IEBC)**, the **National Police Service**, **Nairobi Water and Sewerage Company (NCWSC)**, and **Kenya Rural Roads Authority (KeRRA)**;

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