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Kenya Summary 26 October 2026

President William Ruto's (2022-present) government moves to strengthen Kenya's position as a regional energy and industrial hub following the launch of a $16 billion oil refinery in Lamu on 30 September. The Central Bank of Kenya (CBK) maintains its benchmark interest rate at 8.75%, despite rising inflation driven by higher food and energy prices. The decision comes a week after Kenya National Bureau of Statistics (KNBS) confirmed that annual inflation increased to 6.8% in September, up from 6.6% in August, reaching its highest level in 32-months. Kenya reclaims its position as East Africa's largest economy after five years. Health ministry confirms on 23 October that the country had recorded its second death from Ebola as the outbreak originating in the Democratic Republic of Congo (DRC) continues to spread across Africa.

Kenya expands its energy ambitions with $16 billion oil refinery

President **William Ruto**'s (2022-present) government moved to strengthen Kenya's position as a regional energy and industrial hub following the launch of a $16 billion oil refinery in **Lamu** on 30 September. **Nigerian** billionaire **Aliko Dangote**, supported by the Kenyan government, will lead the project that aims to reduce **East Africa**'s reliance on imported refined petroleum products and lower fuel costs across the region. Groundbreaking and construction officially began on 30 September, with the project expected to be completed in 2030. Dangote, Ruto and the leaders of **Ethiopia**, **Uganda**, **Togo** and **Benin** attended the high-profile ceremony. Dangote has also offered East African governments a combined 30% stake in the project, while the refinery's shares are expected to be listed on the **Nairobi Securities Exchange (NSE)**.

Ruto said the project, a replica of Dangote's 700,000 barrel-a-day Nigerian oil refinery, could increase Kenya's annual GDP by 12%, making it one of the country's most important industrial projects. Once complete, the facility is expected to serve the regional market, with annual petroleum demand estimated at between 20 million and 30 million metric tonnes. It could also support Kenya's ambitions to develop Lamu into a major transport and trade hub, as the project is part of a wider infrastructure plan linking Lamu with **South Sudan** and Ethiopia via roads, railways, pipelines, airports and power facilities.

Dangote also confirmed on 21 October that his company, **Dangote Group**, had acquired a 25% stake in **Kenya Pipeline Company (KPC)** for $327m. The pipeline is central to Kenya's fuel distribution system, giving Dangote a greater role in the country's energy infrastructure and strengthening the connection between fuel production and distribution.

Questions remain about the availability of local crude oil supplies and whether regional energy infrastructure can support the refinery. Local environmental campaigners have also raised concerns about the potential impact on Lamu's **World Heritage** site, which hosts fragile marine life. But if the refinery is completed successfully, it could reduce fuel import costs, create jobs and strengthen Kenya's regional influence. However, the facility's long-term success will depend on securing reliable oil supplies, addressing environmental concerns and developing the necessary infrastructure.

Central bank holds interest rates as inflation rises to 32-month high

The **Central Bank of Kenya (CBK)** announced on 7 October that it had decided to maintain its benchmark interest rate at 8.75% for a fourth consecutive meeting, despite rising inflation driven by higher food and energy prices. CBK cited the need to assess the impact of rising costs before making further changes. The decision came a week after **Kenya National Bureau of Statistics (KNBS)** announced on 30 September that annual inflation had increased to 6.8% in September, up from 6.6% in August, reaching its highest level in 32-months. The inflation rate is approaching the upper end of the CBK's target range of 2.5% to 7.5%. The central bank also said that core inflation, which excludes more volatile prices, increased from 3.4% to 4%, indicating that price pressures are spreading beyond food and fuel.

Higher food prices have been a major driver of inflation in Kenya, with food and non-alcoholic drinks prices reaching 9.5% from 9%. Transport costs remained elevated at 15.6% but decreased slightly from 15.7%, as authorities kept petrol prices unchanged during a mid-month review. On the other hand, inflation for housing and utilities decreased to 3.2% from 3.6%, aided by lower electricity prices. On a monthly basis, consumer prices increased up by 0.9%, the largest rise since May, after a 0.4% increase in August.

Despite these challenges, the CBK expects inflation in Kenya to remain within its target range in the short term. Government measures, including fuel subsidies and a temporary reduction in fuel VAT, have helped limit price increases. The CBK also raised its 2026 economic growth forecast slightly from 4.9% to 5%. However, analysts say that the outlook remains uncertain and forecast that food-price inflation could push overall inflation above 7% in the coming months. The CBK must therefore balance the need to control rising prices against the risk that higher interest rates could slow economic activity.

Kenya overtakes Ethiopia as East Africa's largest economy

Kenya has officially reclaimed its position as East Africa's largest economy after five years, overtaking **Ethiopia** as the depreciation of the Ethiopian birr reduced the **United States (US)** dollar value of its economy and renewed security challenges weighed on its regional rival. The **International Monetary Fund**'s **(IMF)** October **2026 World Economic Outlook** indicated that Kenya's GDP reached $135.92 billion in 2025, compared with Ethiopia's recorded at $126.35 billion. The global lender also forecast that the gap will widen to $24 billion in 2026, further strengthening Kenya's position as a leading commercial and financial hub in the region.

Kenya's relatively stable shilling has helped preserve the dollar value of its economy. Meanwhile, Ethiopia saw its economy's dollar value fall after currency reforms introduced in July 2024 allowed the birr to depreciate under an IMF-supported financing programme. Despite this, Ethiopia's economy recorded real economic growth of 9.2% in 2025, compared with Kenya's 4.6%. Ethiopia also retains a larger economy when measured by purchasing power parity (PPP), which accounts for differences in local prices.

However, Kenya stands to benefit from renewed fighting in Ethiopia's **Tigray Region** and deteriorating relations with **Eritrea** as investors seek more stable regional business opportunities. Kenya's established financial services, technology and logistics sectors could also support its ambition to strengthen its role as a regional investment hub. The Lamu project could also further boost Kenya's industrial and energy sectors if completed (see above). However, the country continues to face multiple challenges, including high public debt, elevated borrowing costs and pressure on government finances. Maintaining economic stability and attracting investment will be crucial if Kenya is to sustain its position as East Africa's largest economy.

Kenya records second Ebola death as regional outbreak spreads

The health ministry confirmed on 23 October that Kenya had recorded its second death from **Ebola** as the outbreak originating in the **Democratic Republic of Congo (DRC)** continues to spread across **Africa**. The ministry confirmed that a 65-year-old woman had died after developing symptoms while in quarantine and was a close relative of Kenya's first Ebola victim, a man who travelled from the DRC and died at a **Nairobi** hospital on 5 October.

Kenya has thus far confirmed nine cases of Ebola, including the two deaths, with the remaining seven patients receiving treatment at two isolation facilities. Authorities have also traced 135 contacts, all of whom have been placed in quarantine. However, they said there was no evidence of community transmission and that the cases remained within a single cluster.

The outbreak in Kenya has raised concerns about the spread of the virus beyond the DRC. By 23 October, cases had been reported in DRC, Uganda, Kenya and Nigeria. Nigeria became the fourth African country to report an Ebola case on 20 October, its first in 12 years, and health officials said genetic testing showed that their reported case was closely related to Kenya's first imported case, differing by only one mutation. This makes this outbreak the widest geographic spread of any Ebola outbreak in Africa to date.

For Kenya, the immediate challenge is to contain the virus by identifying contacts, isolating infected patients, and preventing further transmission. Although authorities report no evidence of wider community spread, the emergence of cases in several countries underscores the importance of regional cooperation and rapid public health responses.

Planner

19 Jun – 17 Jul 2027 **(Kenya)** Kenya to co-host **Africa Cup of Nations (AFCON)** alongside Tanzania and Uganda;

10 Aug 2027 **(Kenya)** General election;

Chronology

23 Oct 2026 **Nairobi (Kenya)** *TimesLive*. The **Kenya Red Cross** says it is sending humanitarian supplies to families who fled into Kenya after fighting erupted in the **Ethiopian** border town of **Moyale** this week, and that its response will initially reach 1,000 households;

21 Oct 2026 **Nairobi (Kenya)** *Reuters*. **Aliko Dangote** says that his company, **Dangote Group**, has bought a 25% stake in **Kenya Pipeline Company (KPC)** to move petroleum products;

21 Oct 2026 **Nairobi (Kenya)** *Business Day*. Kenya's government and a group of donors sign a $160m conservation programme to protect 173,000 square km of some of the most complex and least disturbed natural environments on Earth;

20 Oct 2026 **Nairobi (Kenya)** *IOL*. Authorities say Kenya has detected a ninth case of Ebola in the country;

19 Oct 2026 **Nairobi (Kenya)** *Business Insider Africa.* **South Africa**-headquartered **Nedbank** confirms it has cleared the outstanding conditions for its acquisition of a 66% stake in Kenya's **NCBA Group**;

19 Oct 2026 **Nairobi (Kenya)** *Bloomberg.* Remittance flows to Kenya could decline this year for the first time since 2009, as a new **United States (US)** tax on money transfers and headwinds from the **Iran** war stunts the nation's largest source of foreign exchange;

18 Oct 2026 **Nairobi (Kenya)** *Nation.* Director general for health **Patrick Amoth** confirms Kenya has confirmed an eighth **Ebola** case, a patient attendant who likely contracted it from Kenya's first Ebola case;

17 Oct 2026 **Nairobi (Kenya)** *Business Insider Africa.* Kenya reclaims its position as **East Africa**'s largest economy after five years, surpassing **Ethiopia**, with Kenya's GDP standing at $135.92 billion in 2025 against Ethiopia's $126.35 billion;

15 Oct 2026 **Nairobi (Kenya)** *Bloomberg.* **Central Bank of Kenya (CBK)** governor **Kamau Thugge** says the timing of a new **International Monetary Fund (IMF)** programme is hard to predict as the continue negotiations;

14 Oct 2026 **Nairobi (Kenya)** *Reuters.* Health ministry confirms Kenya has registered a second case of **Ebola**, noting that both cases are linked and that there is no evidence of a spread in the wider community;

14 Oct 2026 **Nairobi (Kenya)** *Bloomberg*. Kenya is preparing reforms to combat money laundering and terrorism financing as part of an effort to exit the **Financial Action Task Force**'s **(FATF)** grey list of countries under increased monitoring by April 2027;

12 Oct 2026 **Nairobi (Kenya)** *Nation.* President **William Ruto** travels to the **North Rift Region** as part of his 2027 re-election campaign, using his addresses to accuse former president **Uhuru Kenyatta** of betraying him by backing the late **Raila Odinga** in the 2022 election;

12 Oct 2026 **Nairobi (Kenya)** *Business Insider Africa*. Kenya approves a $350m financing package for national carrier **Kenya Airways**, seeking to return grounded aircraft to service while preparing a separate overhaul of approximately $941m in existing government debt;

9 Oct 2026 **Nairobi (Kenya)** *Investing*. The finance ministry says Kenya's budget deficit is expected to rise to 5.9% of GDP in the 2027/28 fiscal year from 5.5% in 2026/27;

7 Oct 2026 **Nairobi (Kenya)** *CNBC Africa*. The **Central Bank of Kenya (CBK)** keeps its benchmark rate unchanged at 8.75% as policymakers adopt a wait-and-see approach to assessing the impact of energy shocks stemming from the **Iran** war on the economy and inflation;

6 Oct 2026 **Nairobi (Kenya)** *Daily Maverick*. Kenya confirms its first Ebola case after a Kenyan citizen who had travelled from the **Democratic Republic of Congo (DRC)** died in Nairobi;

5 Oct 2026 **Nairobi (Kenya)** *CNBC Africa.* **Capital Markets Authority (CMA)** confirms it has approved a short form prospectus for a global depository receipt that will allow eligible Kenyan investors to participate in **Nigeria**-headquartered **Dangote Petroleum Refinery**'s initial public offering (IPO);

4 Oct 2026 **Lamu (Kenya)** *Business Insider Africa*. **Iranian**-flagged container ship **MV Hamouna** sets a new record at Kenya's **Port of Lamu** after discharging about 5,200 containers in a single call, highlighting the deep-water port's growing capacity as it prepares to support a planned $16 billion **East African** refinery;

1 Oct 2026 **Nairobi (Kenya)** *Binance*. The **World Bank** says Kenya needs to lower electricity costs, create a more stable tax environment, and undertake other reforms to attract private-sector investment and create jobs;

30 Sep 2026 **Lamu (Kenya)** *eNCA*. **Nigerian** billionaire **Aliko Dangote** and President **William Ruto** break ground on a $16 billion oil refinery in Lamu to meet growing demand for

petroleum products across **East Africa**, with leaders from **Ethiopia**, **Uganda** and **Benin** attending the ceremony;

30 Sep 2026 **Nairobi (Kenya)** *All Africa*. **Uganda**'s President **Yoweri Museveni** says he will engage with **Tanzania**'s President **Samia Suluhu Hassan** to establish what led to the relocation of the planned **East African** oil refinery from Tanzania's **Tanga** to **Lamu** in Kenya;

29 Sep 2026 **Nairobi (Kenya)** *Bloomberg*. **Nigerian** billionaire **Aliko Dangote**, who is raising funds in **Africa**'s largest initial public offering for his Nigerian refinery, plans to have shares in a similar facility he's building in Kenya trade on the **Nairobi Stock Exchange**;

29 Sep 2026 **Lamu (Kenya)** *Bloomberg.* A court orders construction to be paused on **Nigeria**-headquartered **Dangote Group**'s oil refinery pending a hearing in October with 133 petitioners, including farmers and locals, claiming they will be deprived of their property rights if the refinery is allowed to proceed;

27 Sep 2026 **Nairobi (Kenya)** *Business Insider Africa*. Kenyan and **United States (US)** forces conducted their first joint defence exercise across the entire **Manda Bay** military installation, testing how personnel from both countries would respond to threats against a base central to their security cooperation in **East Africa**;

25 Sep 2026 **Nairobi (Kenya)** *Bloomberg*. Kenya's appeals court upholds an unpopular housing levy that President **William Ruto**'s administration introduced to help finance a program to build 200,000 affordable home units annually;

21 Sep 2026 **Nairobi (Kenya)** *Borkena*. **Kenya Power** renews its electricity supply agreement with **Ethiopian Electric Utility**, doubling contracted electricity imports from Ethiopia from 200MW to 400MW, with the additional supply expected to reach Kenya's grid in December;

20 Sep 2026 **Nairobi (Kenya)** *Daily Nation*. Energy and petroleum cabinet secretary **Opiyo Wandayi** defends local oil marketers after **Uganda**'s President **Yoweri Museveni** accused Kenyan middlemen involved in the government-to-government fuel arrangement of inflating fuel costs through high premiums;

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