



UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION



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Country Presentation
Statistics Kenya

*Item 12: Trade System, re-exports and re-imports, Customs
Procedure Codes and Free Zone Administration*

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Background Information – Kenya

Area: 580,367 km²
Water : 2.3%
Arable land: 5%
Pop: 34,707,817
Density: 59 /km²
Real GDP: US\$ 18.7 billion
(5.7%) - (2005)
GDP Per Capita: US\$ 535.9
Real GDP: 6.1% (2006)
Exchange rate : 1 US\$ =
KSh. 75.55 (2005)



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Overview of Kenya National Bureau of Statistics (KNBS)

- KNBS is a government department, in the Ministry of Planning and National Development mandated by law to collect, analyze and disseminate socio-economic statistics needed for planning and policy formulation.

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Overview of EPZs - Kenya

- EPZs - program commenced in 1992 following the enactment of CAP 517 Laws of Kenya, which also created the EPZs Authority (EPZA) as the regulatory body.
- Production activities began in 1993, effectively.
- Factors for establishment of EPZs - Kenya:
 - ✓ relatively large & dynamic private sector,
 - ✓ a low cost but well trained labour force, and
 - ✓ relatively good infrastructure, among others.

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Overview of EPZs – Kenya Cont.

- Objectives of the EPZ program:
 - ✓ Attraction of new investment
 - ✓ Expansion & diversification of export products & markets
 - ✓ Employment creation
 - ✓ Technology transfer & skills upgrading
 - ✓ Linkage development thro' local resource utilization & foreign exchange earnings

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Customs Procedures

- Kenya uses the Kyoto Convention as the basis for the definitions of Customs procedures.
- Hence, recording by customs procedures allows for the identification of goods admitted/leaving the commercial or industrial free zones.
- There's a clear link between goods entering or leaving the zones

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Trade System in Kenya

- Customs department of the Kenya Revenue Authority (KRA) collects and process trade statistics concerning all elements within the framework of the General Trade system.
- Coverage comprises all goods that enter or leave economic territory whether dutiable or not. In terms of coverage this accords with BOP requirements

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Trade System in Kenya Cont.

- Goods entering/leaving the following territorial elements are included in the trade statistics:
 - ✓ Industrial free zones (w.e.f 2005)
 - ✓ Commercial free zones (w.e.f 2005)
 - ✓ Customs warehouses
 - ✓ Premises designated for inward processing

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Trade System in Kenya Cont.

- Trade statistics is disseminated **only** according to the General Trade System as opposed to Special Trade System.
- On the ground of the existing institutional agreement, Customs Authority records trade for EPZA & sends data to KNBS.

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Time of Recording

- Basing on the convention for recording goods, recording cannot be done simultaneously by exporter/importer. Hence, change of ownership can't be used as a basis of inclusion of certain goods in the trade statistics.
- Compilation of detailed commodity by partner trade statistics on the basis of change of ownership is not easy.

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Partner Country

- Trade partners are identified on the basis of the statistical territory as given by partners themselves.
- Import statistics are compiled by Country of Origin in accordance with the 'origin criteria' outlined in the Kyoto convention.
- They are also compiled by country of consignment but not country of purchase.
- Imports are recorded for the country of granted, but not requested preferential treatment.

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Partner Country Cont.

- When the country of origin changes to Kenyan origin, new customs declaration forms must be completed.
- Export statistics are compiled by country of last known destination and by country of consignment.
- However, they are not compiled by country of sale.

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Processing Activities

- Kind of processing
- ✓ In industrial free zones
 - food processing & agro-processing, wood based products, leather & animal based products, building materials, other minerals – processing
 - pharmaceutical/cosmetic/medical, packaging, textiles, electronics/electrical/engineering goods, transport equipment based products – processing.
 - printing & publishing services
- ✓ In commercial free zones
 - order taking & re-packing e.g. coffee & tea packaging
 - bulk-breaking & trading operations

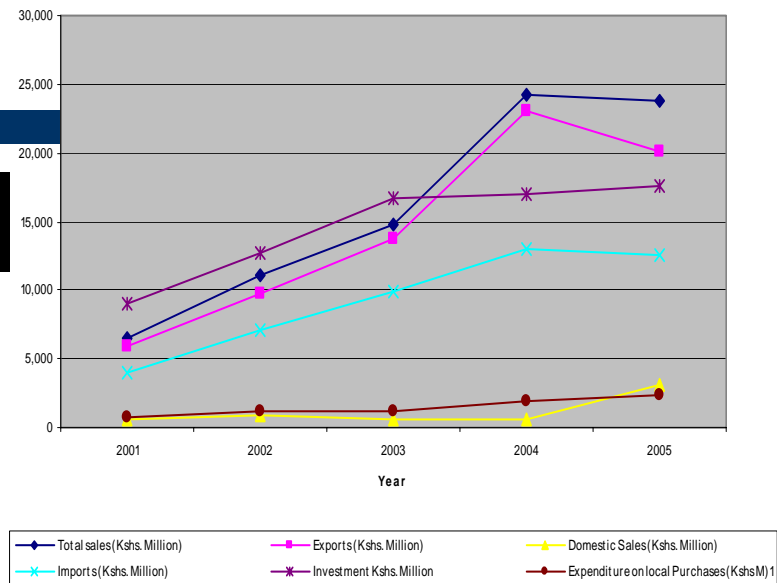
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EPZ Performance :2001-2005

Indicator	2001	2002	2003	2004	2005	Growth %
Gazetted zones (No.)	23	31	37	41	43	4.9
Enterprises Operating (No.)	39	54	66	74	68	-8.1
Total Employment	13,758	27,148	39,111	38,560	38,844	0.7
Total sales (Kshs. Million)	6,499	11,040	14,817	24,217	23,774	-1.8
Exports (Kshs. Million)	5,962	9,741	13,812	23,047	20,036	-13.1
Domestic Sales (Kshs. Million)	538	932	619	651	3,160	385.4
Imports (Kshs. Million)	3,990	7,043	9,920	13,029	12,497	-4.1
Investment Kshs. Million	8,950	12,728	16,716	17,012	17,637	3.7
Expenditure on local Purchases (Kshs M) ¹	718	1,127	1,176	1,893	2,388	26.1

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EPZ Performance : 2001 2005



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Foreign Direct Investment (FDI)

- The **Kenya Investment Authority (KenInvest)** collects FDI statistics in the process facilitating investment into the country. However, the information generated is currently not being used for compilation of FPC flow statistics. The data collected is not complete since it is not mandatory for investment firms to be registered with the KIA.

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The End

**Thank You For
Your Attention**

