

# Kenya

## December 2023

This country fact sheet provides key trade and investment-related statistics for Kenya. Specifically, it shows Kenya's trade and investment flows in relation to both South Africa and the Western Cape, including an analysis of top markets and products. The report highlights the largest and fastest-growing products, and their sub-sectors. It also looks at tourism trends between Kenya, and South Africa and the Western Cape.

### Trade

In 2022, South Africa's exports to Kenya were valued at ZAR8.76bn, representing an increase of 39.75% y-o-y from the ZAR6.27bn recorded in 2021. Kenya was South Africa's 31<sup>st</sup> largest export destination in 2022 and exports to this country accounted for 0.44% of South Africa's total global export earnings in 2022.

South Africa's imports from Kenya totalled ZAR0.44bn in 2022, representing a decline of 17.51% y-o-y from a cost of ZAR0.54bn incurred in 2021.

Semi-finished products of iron or non-alloy steel were South Africa's dominant export category to Kenya in 2022, which at a value of ZAR1,365.70m was equivalent to 15.58% of total exports to Kenya. South Africa's main import product from Kenya was carbonates; peroxocarbonates (percarbonates), which at a cost of ZAR131.01m was equivalent to 29.66% of South Africa's total imports from the country in 2022.

The Western Cape's export receipts from trade with Kenya totalled ZAR1,457.10m in 2022, representing an increase of 42.72% y-o-y from the ZAR1,020.96m earned in 2021. Approximately 17.59% of the exports of semi-finished iron or non-alloy steel products from South Africa to Kenya originated from the Western Cape. Kenya was the Western Cape's 32<sup>nd</sup> largest export destination in 2022 and exports to that country accounted for 0.78% of the Western Cape's global exports in 2022. The value of the Western Cape's imports from Kenya declined by 50.23% y-o-y to ZAR81.07m in 2022, down from ZAR162.88m in 2021.

The Western Cape's leading export product to Kenya in 2022 was semi-finished products of iron or non-alloy steel which, at a value of ZAR240.28m, was equivalent to 16.49% of the province's exports to Kenya in 2022.

### Investments

According to fDI Markets, Kenya benefited from 853 foreign direct investment (FDI) projects between January 2011 and September 2023. Of these, 69 FDI projects were from South Africa, representing a total capital investment of R27.19bn and the generation of 6,221 jobs.

### Tourism

South Africa welcomed 20,000 Kenyan tourists in 2022. This figure represented an increase of 168.2% when compared to 2021. A total of 4,193 Kenyan tourists travelled to the Western Cape in 2022, reflecting a y-o-y increase of 360.8% and a recovery of 65.0% in comparison to the number of tourists recorded in 2019.

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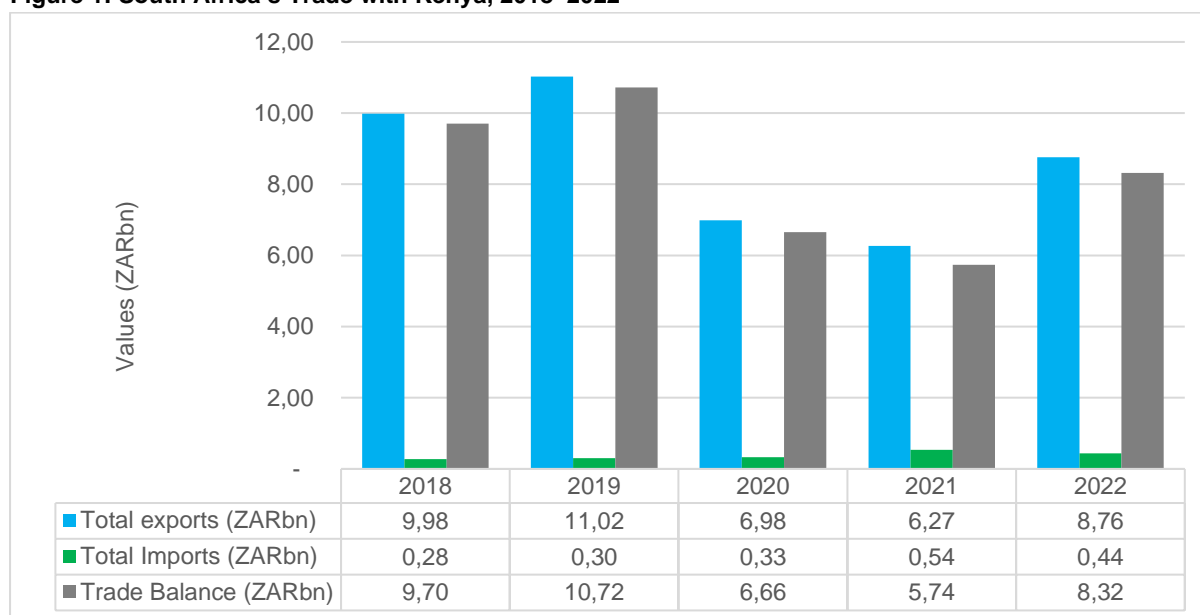
# 1. Trade

## 1.1 South Africa's Trade with Kenya

Figure 1 illustrates that South Africa's exports to Kenya fluctuated substantially between 2018 and 2022, rising from ZAR9.98bn in 2018 to reach a high point of ZAR11.02bn in 2019, and declining thereafter to a low point of ZAR6.27bn by 2021 before recovering in 2022. South Africa's exports to Kenya increased by 39.75% y-o-y to a value of ZAR8.76 bn in 2022, up from ZAR6.27bn in 2021. This was underpinned by significant increases in several export categories including semi-finished products of iron or non-alloy steel, motor vehicles, and coal products among others.

The value of South Africa's imports from Kenya declined by 17.51% y-o-y to ZAR0.44bn in 2022, down from ZAR0.54bn in 2021. South Africa's trade balance with Kenya remained firmly in a surplus throughout the period.

**Figure 1: South Africa's Trade with Kenya, 2018–2022**



Source: Quantec, 2023

Semi-finished products of iron or non-alloy steel was South Africa's primary export to Kenya in 2022, which at a value of ZAR1,365.70m accounted for 15.58% of total export earnings, as shown in Table 1. The export of motor vehicles was the second largest export category at a value of ZAR854.82m (9.75% of total exports), while exports of coal; briquettes placed third, at a value of ZAR761.79m (8.69%).

Iron ores and concentrates was the fastest-growing export category to Kenya from 2018 to 2022, with a five-year average growth rate of 32,504.32%. Semi-finished products of iron or non-alloy steel followed with a five-year average growth rate of 83.28%.

**Table 1: South Africa's Top 10 Exports to Kenya, 2022**

| RANK | PRODUCT   | EXPORTED VALUE (ZARm), 2022 | % SHARE 2022   | AVE GROWTH (%), 2018-2022 |
|------|---|-----------------------------|----------------|---------------------------|
| 1    | Semi-finished products of iron or non-alloy steel | 1 365.70                    | 15.58%         | 83.28%                    |
| 2    | Motor vehicles                                    | 854.82                      | 9.75%          | 7.70%                     |
| 3    | Coal; briquettes                                  | 761.79                      | 8.69%          | 16.99%                    |
| 4    | Iron ores and concentrates                        | 221.25                      | 2.52%          | 32,504.32%                |
| 5    | Motor cars and other motor vehicles               | 212.75                      | 2.43%          | -0.59%                    |
| 6    | Wine of fresh grapes                              | 199.75                      | 2.28%          | 11.74%                    |
| 7    | Apples, pears and quinces, fresh                  | 198.56                      | 2.27%          | 2.72%                     |
| 8    | Bars and rods                                     | 188.37                      | 2.15%          | 23.68%                    |
| 9    | Medicaments                                       | 186.39                      | 2.13%          | 1.58%                     |
| 10   | Insecticides, rodenticides, fungicides            | 134.40                      | 1.53%          | 13.12%                    |
|      | <b>ALL EXPORTS</b>                                | <b>8 763.71</b>             | <b>100.00%</b> | <b>1.66%</b>              |

Source: Quantec, 2023

Table 2 shows that South Africa's top import product from Kenya in 2022 was carbonates; peroxocarbonates (percarbonates) which at a value of ZAR131.01m accounted for 29.66% of total imports from Kenya in that year. This was followed by imports of cut flowers and flower buds; and margarine, valued at ZAR40.05m and ZAR29.16m respectively. Imports of polyacetals was the fastest-growing import category from Kenya during the period 2018–2022, increasing at an average rate of 1,886,828.73% per annum.

**Table 2: South Africa's Top 10 Imports from Kenya, 2022**

| RANK | PRODUCT                                      | IMPORTED VALUE (ZARm, 2022) | % SHARE 2022   | AVE GROWTH (%), 2018 - 2022 |
|------|--|-----------------------------|----------------|-----------------------------|
| 1    | Carbonates; peroxocarbonates (percarbonates) | 131.01                      | 29.66%         | 53.31%                      |
| 2    | Cut flowers and flower buds                  | 40.05                       | 9.07%          | 25.61%                      |
| 3    | Margarine                                    | 29.16                       | 6.60%          | 90.17%                      |
| 4    | Copper waste and scrap                       | 25.57                       | 5.79%          | 20.00%                      |
| 5    | Tea  | 21.11                       | 4.78%          | -0.69%                      |
| 6    | Leguminous vegetables                        | 20.42                       | 4.62%          | 43.68%                      |
| 7    | Coffee                                       | 19.75                       | 4.47%          | 60.88%                      |
| 8    | Mineral or chemical fertilisers              | 11.01                       | 2.49%          | 9.79%                       |
| 9    | Polyacetals                                  | 11.00                       | 2.49%          | 1,886,828.73%               |
| 10   | Wigs, false beards, eyebrows, and eyelashes  | 10.09                       | 2.28%          | 17.70%                      |
|      | <b>ALL IMPORTS</b>                           | <b>441.70</b>               | <b>100.00%</b> | <b>16.18%</b>               |

Source: Quantec, 2023

South Africa's top three export markets in 2022 were China, the United States and Germany, which collectively accounted for 25.85% of the nation's global export earnings in that year. Table 3 shows that China was the top destination for South Africa's exports. Goods valued at ZAR187.17bn, equivalent to 9.30% of South Africa's export earnings in 2022, were exported to that country. The United States followed as the second largest destination market for exports from South Africa. These amounted to a value of ZAR177.90bn (8.84%). Germany secured the third position, accounting for ZAR155.21bn (7.71%) worth of exports from South Africa in 2022. Kenya was South Africa's 31<sup>st</sup> largest export market in 2022.

**Table: 3 Top Destination Markets for South Africa's Exports, 2022**

| RANK                 | COUNTRY        | VALUE 2022 (ZARbn) | % SHARE 2022   | AVE GROWTH (%), 2018 - 2022 |
|----------------------|----------------|--------------------|----------------|-----------------------------|
| 1                    | China          | 187.17             | 9.30%          | 10.80%                      |
| 2                    | United States  | 177.90             | 8.84%          | 17.89%                      |
| 3                    | Germany        | 155.21             | 7.71%          | 13.70%                      |
| 4                    | Japan          | 139.34             | 6.92%          | 24.41%                      |
| 5                    | United Kingdom | 102.43             | 5.09%          | 21.55%                      |
| 6                    | Netherlands    | 97.45              | 4.84%          | 8.62%                       |
| 7                    | Mozambique     | 97.20              | 4.83%          | 22.80%                      |
| 8                    | India          | 95.33              | 4.74%          | 21.69%                      |
| 9                    | Botswana       | 89.55              | 4.45%          | 12.52%                      |
| 10                   | Belgium        | 76.16              | 3.78%          | 8.79%                       |
| 31                   | Kenya          | 8.76               | 0.44%          | 1.66%                       |
| <b>TOTAL EXPORTS</b> |                | <b>2 012.94</b>    | <b>100.00%</b> | <b>11.59%</b>               |

Source: Quantec, 2023

Similarly, China, Germany and the United States were South Africa's largest import source markets in 2022, as shown in Table 4. These countries accounted for 34.89% of imports into South Africa. More particularly, China was South Africa's largest import partner in 2022, with imports valued at ZAR367.11bn (representing a share of 20.17%) having been sourced from there. Asia remains South Africa's top source region, with four of the top ten import markets located on that continent. Interestingly, no African countries featured in South Africa's top 10 source markets.

**Table 4: Top Source Markets for South Africa, 2022**

| RANK                 | COUNTRY              | VALUE 2022 (ZARbn) | % SHARE 2022   | AVE GROWTH (%), 2018 - 2022 |
|----------------------|----------------------|--------------------|----------------|-----------------------------|
| 1                    | China                | 367.11             | 20.17%         | 13.13%                      |
| 2                    | Germany              | 134.33             | 7.38%          | 1.94%                       |
| 3                    | United States        | 133.71             | 7.34%          | 14.66%                      |
| 4                    | India                | 130.60             | 7.17%          | 22.85%                      |
| 5                    | Saudi Arabia         | 73.61              | 4.04%          | 11.23%                      |
| 6                    | United Arab Emirates | 67.24              | 3.69%          | 47.97%                      |
| 7                    | Thailand             | 50.28              | 2.76%          | 9.44%                       |
| 8                    | Japan                | 46.26              | 2.54%          | 5.58%                       |
| 9                    | Oman                 | 43.25              | 2.38%          | 52.88%                      |
| 10                   | Italy                | 40.32              | 2.21%          | 7.46%                       |
| 90                   | Kenya                | 0.44               | 0.02%          | 16.18%                      |
| <b>TOTAL IMPORTS</b> |                      | <b>1 820.45</b>    | <b>100.00%</b> | <b>11.52%</b>               |

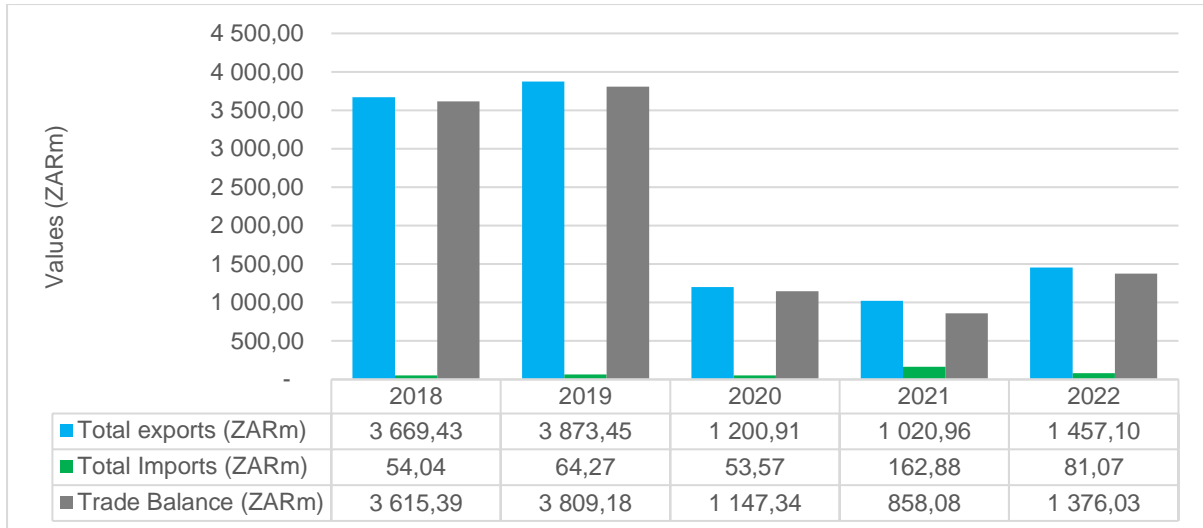
Source: Quantec, 2023

## 1.2 Western Cape's Trade with Kenya

Local export receipts from trade with Kenya totalled ZAR1,457.10m in 2022, representing an increase of 42.72% y-o-y from a value of ZAR1,020.96m recorded in 2021. This can be observed in Figure 2. Kenya was the Western Cape's 33rd largest export destination in 2022.

In turn, import costs totalled ZAR81.07m in 2022, representing a decline of 50.23% compared to the ZAR162.88m recorded in 2021. Kenya was the Western Cape's 81st largest source market for imports in 2022. The Western Cape's trade balance with Kenya remained firmly in surplus throughout the period reviewed.

**Figure 2: Western Cape's Trade with Kenya, 2018–2022**



Source: Quantec, 2023

The Western Cape's leading export product to Kenya in 2022 was semi-finished products of iron which, at a value of ZAR240.28m, was equivalent to 16.49% of the province's total exports to Kenya in that year. Wine of fresh grapes was the second largest export category at a value of ZAR194.14m, while exports of apples, pears and quinces placed third with a value of ZAR168.61m in 2022. This can be seen in Table 5.

Exports of unmanufactured tobacco was the fastest-growing export category, having recorded a five-year average growth rate of 59,536.90% from 2018 to 2022.

**Table 5: Western Cape's Top 10 Exports to Kenya, 2022**

| RANK | PRODUCT   | EXPORTED VALUE (ZARm), 2022 | % SHARE 2022   | AVE GROWTH (%), 2018-2022 |
|------|---|-----------------------------|----------------|---------------------------|
| 1    | Semi-finished products of iron                                  | 240.28                      | 16.49%         | 258.16%                   |
| 2    | Wine of fresh grapes  | 194.14                      | 13.32%         | 19.09%                    |
| 3    | Apples, pears, and quinces                                      | 168.61                      | 11.57%         | 0.88%                     |
| 4    | Unmanufactured tobacco  | 96.04                       | 6.59%          | 59,536.90%                |
| 5    | Trailers and semi-trailers                                      | 84.11                       | 5.77%          | 906.96%                   |
| 6    | Motor cars and other motor vehicles                             | 63.71                       | 4.37%          | 5.07%                     |
| 7    | Rape, colza, or mustard oil                                     | 61.25                       | 4.20%          | -10.73%                   |
| 8    | Machinery preparation of animal or fixed vegetable fats or oils | 32.70                       | 2.24%          | 14.29%                    |
| 9    | Undenatured ethyl alcohol                                       | 28.84                       | 1.98%          | 14.87%                    |
| 10   | Grapes  | 26.38                       | 1.81%          | 24.70%                    |
|      | <b>ALL EXPORTS</b>  | <b>1 457.10</b>             | <b>100.00%</b> | <b>-2.63%</b>             |

Source: Quantec, 2023

Table 6 illustrates that the Western Cape's leading import product from Kenya in 2022 was leguminous vegetables which, at a value of ZAR18.94m, was equivalent to 23.36% of the province's total imports from the East African country in that year. Cut flowers and flower buds was the second largest import category at a value of ZAR18.91m, while mineral or chemical fertilisers was the third largest import category at a value of ZAR11.01m in 2022.

Fruit, nuts, and other edible parts of plants was the fastest-growing import category during the period 2018–2022, with an average growth rate of 181.44% per annum.

**Table 6: Western Cape's Top 10 Imports from Kenya, 2022**

| RANK | PRODUCT  | IMPORTED VALUE (ZARm, 2022) | % SHARE 2022   | AVE GROWTH (%), 2018 - 2022 |
|------|--|-----------------------------|----------------|-----------------------------|
| 1    | Leguminous vegetables  | 18.94                       | 23.36%         | 68.45%                      |
| 2    | Cut flowers and flower buds  | 18.91                       | 23.32%         | 50.14%                      |
| 3    | Mineral or chemical fertilisers or in packages of a gross weight not exceeding 10 kg | 11.01                       | 13.58%         | 45.04%                      |
| 4    | Fruit, nuts, and other edible parts of plants specified or included                  | 5.65                        | 6.97%          | 181.44%                     |
| 5    | Cabbages & cauliflowers  | 3.74                        | 4.61%          | 161.63%                     |
| 6    | Other vegetables   | 3.16                        | 3.89%          | 139.01%                     |
| 7    | Video game consoles and machines equipment   | 3.02                        | 3.73%          | 55.45%                      |
| 8    | Colouring matter of vegetable or animal origin                                       | 2.26                        | 2.79%          | 9.32%                       |
| 9    | Other live animals   | 2.20                        | 2.71%          | 65.30%                      |
| 10   | Vegetable saps and extracts  | 1.63                        | 2.01%          | 31.14%                      |
|      | <b>ALL IMPORTS</b>   | <b>81.07</b>                | <b>100.00%</b> | <b>41.39%</b>               |

Source: Quantec, 2023

The Western Cape's top three export markets in 2022 were the Netherlands, the United States, and the United Kingdom. Table 7 shows that these three countries collectively accounted for 24.06% of the province's global export earnings in 2022. The Netherlands was the Western Cape's largest export market in 2022, with goods exported to that country at a value of ZAR16.82bn, representing a share of 9.04% of the province's global export earnings in that year. The United States was the second largest destination market, having received exports valued at ZAR15.26bn (8.20%). The United Kingdom was in third position, accounting for 6.82% (ZAR12.70bn) of the Western Cape's total exports in 2022. Kenya was Western Cape's 33<sup>rd</sup> largest export market in 2022.

**Table 7: Top Destination Markets for Western Cape's Exports, 2022**

| RANK                 | COUNTRY              | VALUE 2022 (ZARbn) | % SHARE 2022   | AVE GROWTH (%), 2018 - 2022 |
|----------------------|----------------------|--------------------|----------------|-----------------------------|
| 1                    | Netherlands          | 16.82              | 9.04%          | 14.49%                      |
| 2                    | United States        | 15.26              | 8.20%          | 13.99%                      |
| 3                    | United Kingdom       | 12.70              | 6.82%          | 8.00%                       |
| 4                    | Botswana             | 12.26              | 6.59%          | 13.57%                      |
| 5                    | Namibia              | 12.04              | 6.47%          | 1.53%                       |
| 6                    | China                | 10.33              | 5.55%          | 21.24%                      |
| 7                    | Germany              | 5.48               | 2.95%          | 2.81%                       |
| 8                    | United Arab Emirates | 5.26               | 2.83%          | 16.95%                      |
| 9                    | Mozambique           | 4.36               | 2.35%          | 19.39%                      |
| 10                   | Lesotho              | 4.26               | 2.29%          | 11.32%                      |
| 33                   | Kenya                | 1.46               | 0.78%          | -2.63%                      |
| <b>TOTAL EXPORTS</b> |                      | <b>186.08</b>      | <b>100.00%</b> | <b>8.60%</b>                |

Source: Quantec, 2023

In 2022, China, the United Arab Emirates (UAE), and India were the Western Cape's top three import markets, with these countries collectively accounting for 38.43% of the province's total imports in that year, as shown in Table 8. China was the province's largest source market in 2022, accounting for imports that cost ZAR51.94bn, equivalent to 15.86% of total imports to the Western Cape in that year. The UAE followed with imports costing ZAR37.30bn (11.39% of total imports), and India was close in third position with imports costing ZAR36.61bn (11.18%).

**TABLE 8: Top Source Markets for the Western Cape, 2022**

| RANK                 | COUNTRY              | VALUE 2022 (ZARbn) | % SHARE 2022   | AVE GROWTH (%), 2018 - 2022 |
|----------------------|----------------------|--------------------|----------------|-----------------------------|
| 1                    | China                | 51.94              | 15.86%         | 12.05%                      |
| 2                    | United Arab Emirates | 37.30              | 11.39%         | 81.42%                      |
| 3                    | India                | 36.61              | 11.18%         | 33.53%                      |
| 4                    | Saudi Arabia         | 12.26              | 6.59%          | 33.53%                      |
| 5                    | Oman                 | 23.84              | 7.28%          | 7.75%                       |
| 6                    | Turkey               | 20.75              | 6.34%          | 139.70%                     |
| 7                    | Italy                | 11.19              | 3.42%          | 91.62%                      |
| 8                    | Malaysia             | 9.67               | 2.95%          | 21.29%                      |
| 9                    | Germany              | 8.66               | 2.64%          | 39.47%                      |
| 10                   | United States        | 8.13               | 2.48%          | 6.46%                       |
| 81                   | Kenya                | 0.08               | 0.02%          | 41.39%                      |
| <b>TOTAL EXPORTS</b> |                      | <b>327.45</b>      | <b>100.00%</b> | <b>13.82.60%</b>            |

Source: Quantec, 2023

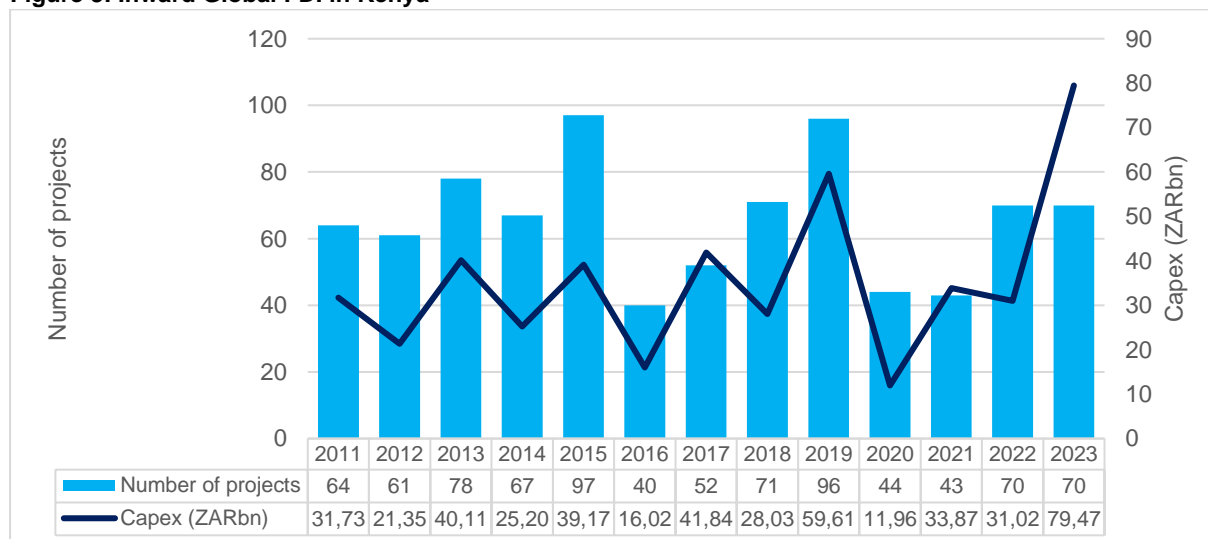
## 2. Foreign Direct Investment (FDI)

### 2.1 Global Inward FDI in Kenya, 2011–September 2023

Kenya benefited from 853 global FDI projects from January 2011 to September 2023, as shown in Figure 3. These projects represented a total capital expenditure (capex) of ZAR459.38bn, which equated to an average investment of ZAR538.43m per project. The FDI projects generated 92,794 jobs. In that period, the number of FDI projects varied from 64 in 2011 to an estimated 70 in the first nine months of 2023. The capex value of these projects fluctuated between ZAR31,729.26m in 2011 and an estimated ZAR79,473.47m by September 2023.

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Figure 3: Inward Global FDI in Kenya



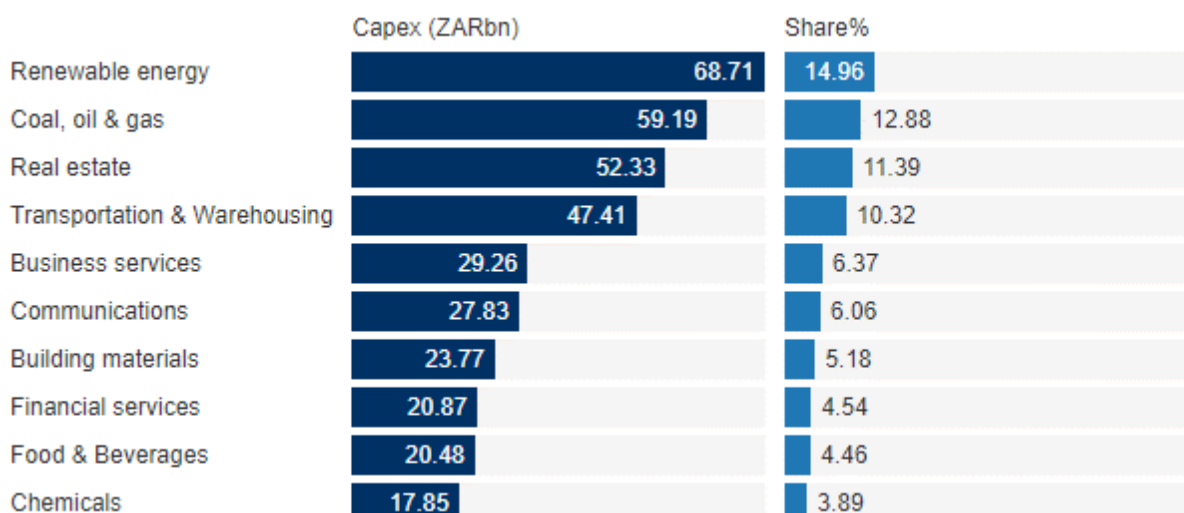
Source: fDI Markets, 2023

Note: The values for 2023 are from January to September.

From January 2011 to September 2023, Kenya's renewable energy sector was the largest recipient of FDI (in terms of capex) from around the world, accounting for 14.96% of investments made in Kenya during this period. The coal, oil and gas, and the real estate sectors were the second and third largest recipients of FDI (in terms of capex), with each of these sectors having benefited from ZAR59.19bn and ZAR52.33bn of respectively.

Figure 4: FDI in Kenya by Sector, Measured in Capex, 2011–September 2023

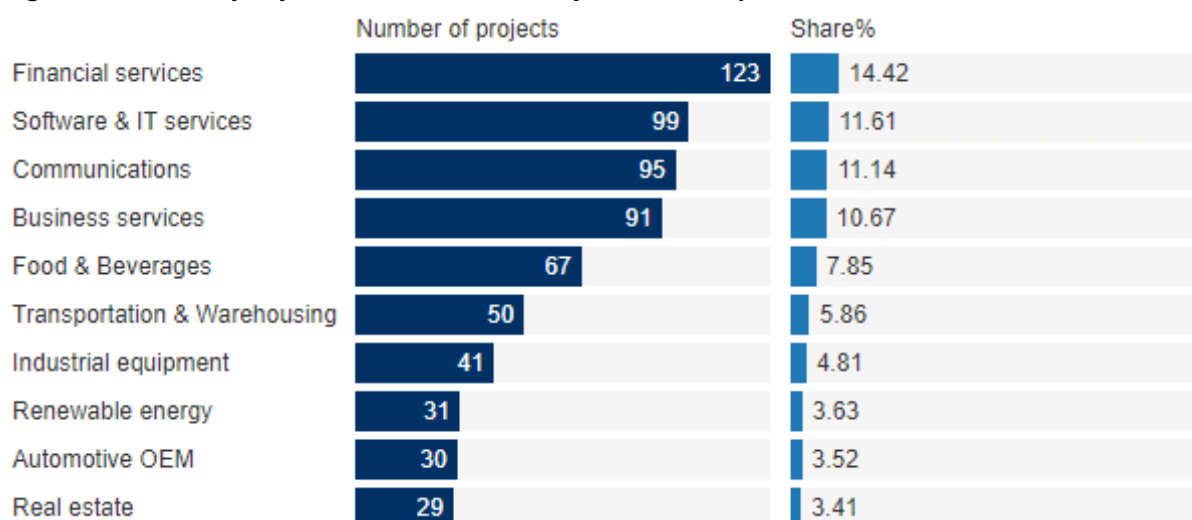




Source: fDI Markets, 2023

When the number of FDI projects in different sectors are ranked, it can be seen in Figure 5 that the financial services sector was the top beneficiary of FDI during this period. This sector attracted 123 projects which was equivalent to 14.42% of the total number of FDI projects. The software and IT services sector placed second, having attracted 99 projects which was equivalent to 11.61% of the total number of FDI projects. The communications sector was third with 95 projects, equating to 11.14% of the total number of FDI projects.

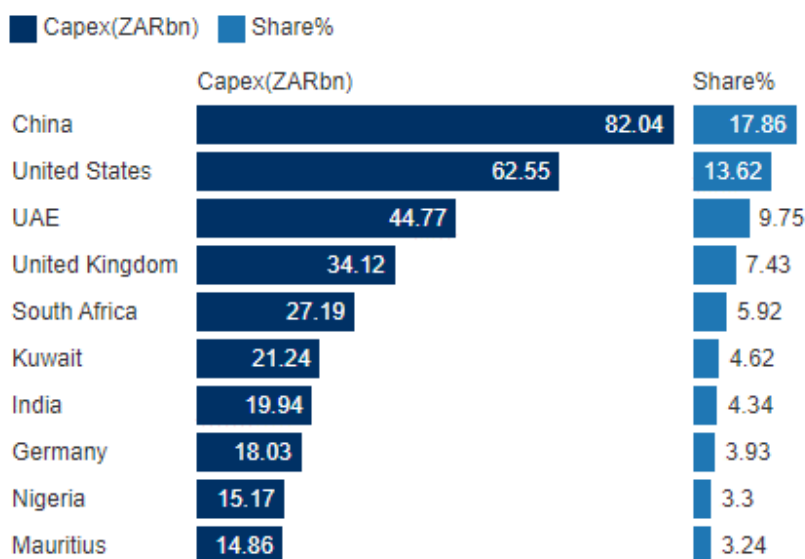
**Figure 5: FDI in Kenya by Sector, Measured in Projects, 2011–September 2023**



Source: fDI Markets, 2023

In terms of key source markets, China was the main source market for FDI in Kenya when measured by capex, which is illustrated in Figure 6. China invested ZAR82.04bn (representing a 17.86% share of investments) across 49 projects from 2011 to September 2023. The United States ranked second with a total capex of ZAR62.55bn, representing a share of 13.62% of investments in 144 projects. The UAE was third, having invested ZAR44.77bn in 45 projects, which was equivalent to share of 9.75% in investments. South Africa was among the top ten countries that invested in Kenya.

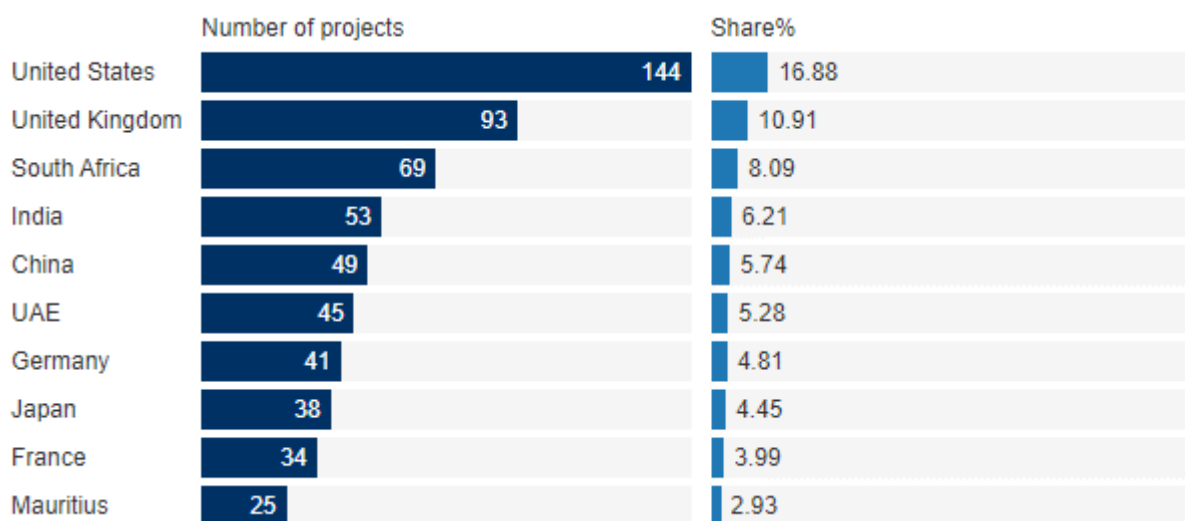
**Figure 6: FDI in Kenya by Source Markets, Measured in Capex, 2011–September 2023**



Source: fDI Markets, 2023

Looking at rankings relating to the number of projects invested in Kenya, the United States was the principal contributor of FDI from January 2011 to September 2023. The country invested a total of ZAR62.55bn in 144 projects, which represented 16.88% of the total FDI projects during this time frame. Figure 7 shows that the United Kingdom ranked second, having invested in 93 projects in Kenya during this time. This was 10.91% of the total number of FDI projects in Kenya. South Africa was third with 69 projects and was the only African nation along with Mauritius to feature among the top ten markets investing in Kenya.

**Figure 7: FDI in Kenya by Source Markets, Measured in Projects, 2011–September 2023**

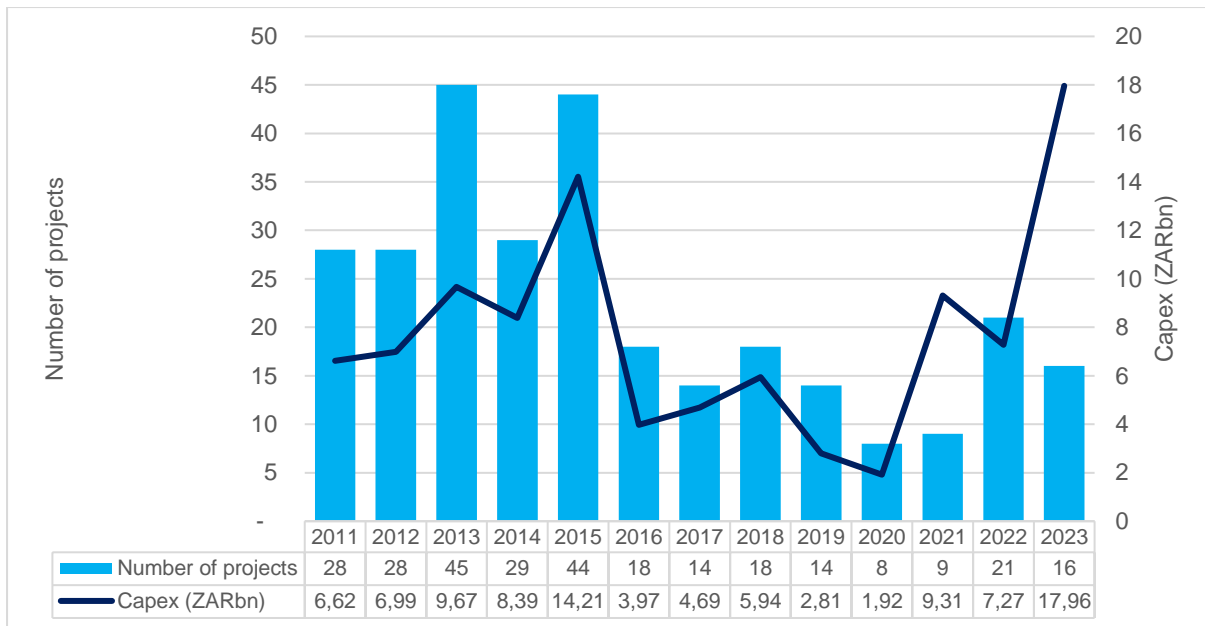


Source: fDI Markets, 2023

## 2.2 Global Outward Foreign Direct Investment (OFDI) from Kenya

Figure 8 indicates that between January 2011 and September 2023, Kenyan corporations engaged in 292 global investments. These investments cumulatively represented a capex value of ZAR99.75bn, translating to an average investment of ZAR342.08m per project. During this period, the FDI projects generated 38,569 job opportunities.

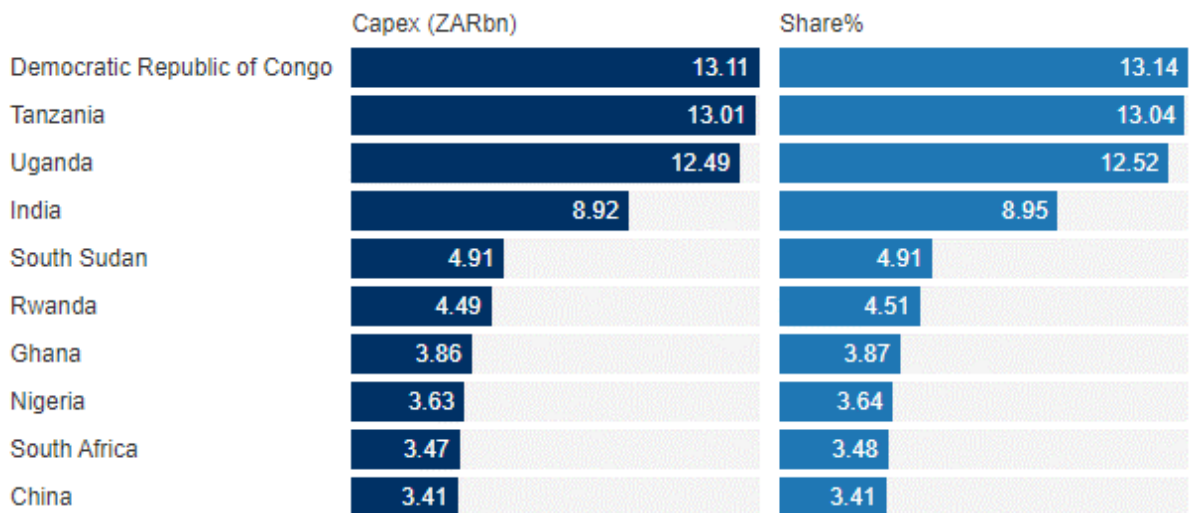
**Figure 8: Trends in OFDI from Kenya, 2011 – September 2023**



Source: fDI Markets, 2023

In terms of destination markets for outward FDI (OFDI) from Kenyan companies, India and China were the only non-African countries that featured among the top ten recipients of OFDI, measured by capex, from January 2011 to September 2023. Figure 9 shows that the Democratic Republic of Congo was the main recipient of OFDI from Kenya during this period, with ZAR13.11bn (representing a share of 13.14% in total capex) invested in five projects. This was followed by Tanzania, which benefited from investments in 57 projects with a capex value of ZAR13.01bn (representing a 13.04% share). Uganda was third, having received investments worth ZAR12.49bn in capex (12.52%) and benefitting from 57 projects during this period.

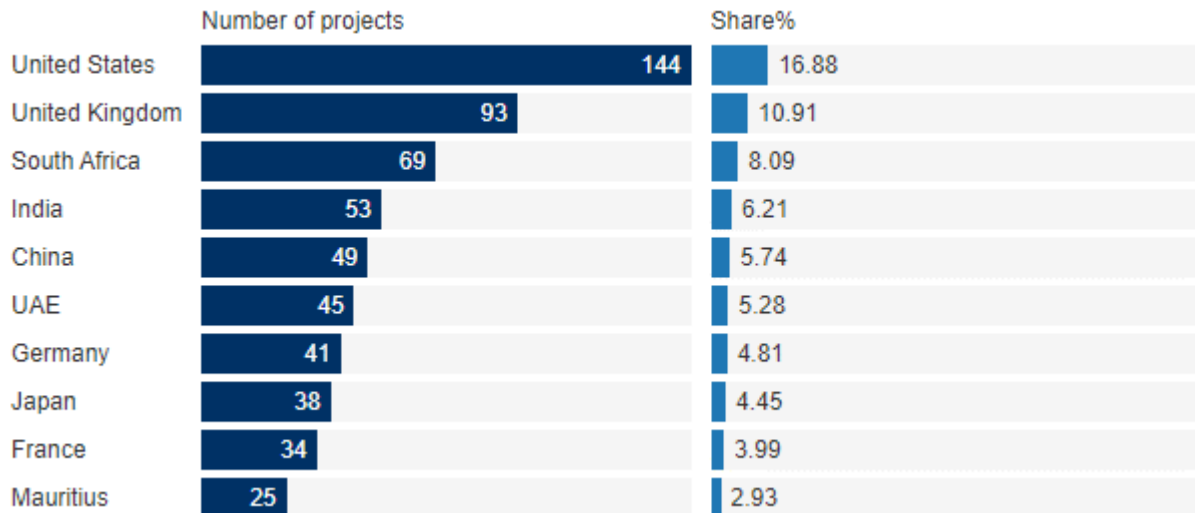
Figure 9: Destination Markets for OFDI from Kenya by Capex, 2011–September 2023



Source: fDI Markets, 2023

Looking at project numbers from 2011 to September 2023, the United States, the United Kingdom, and South Africa emerged as the top beneficiaries of outward FDI from Kenya. Figure 10 demonstrates that these nations attracted 306 projects from Kenya, which represented a 35.87% of Kenya's OFDI during this period. South Africa was again with Mauritius the only African markets to be featured among Kenya's top destinations for OFDI projects.

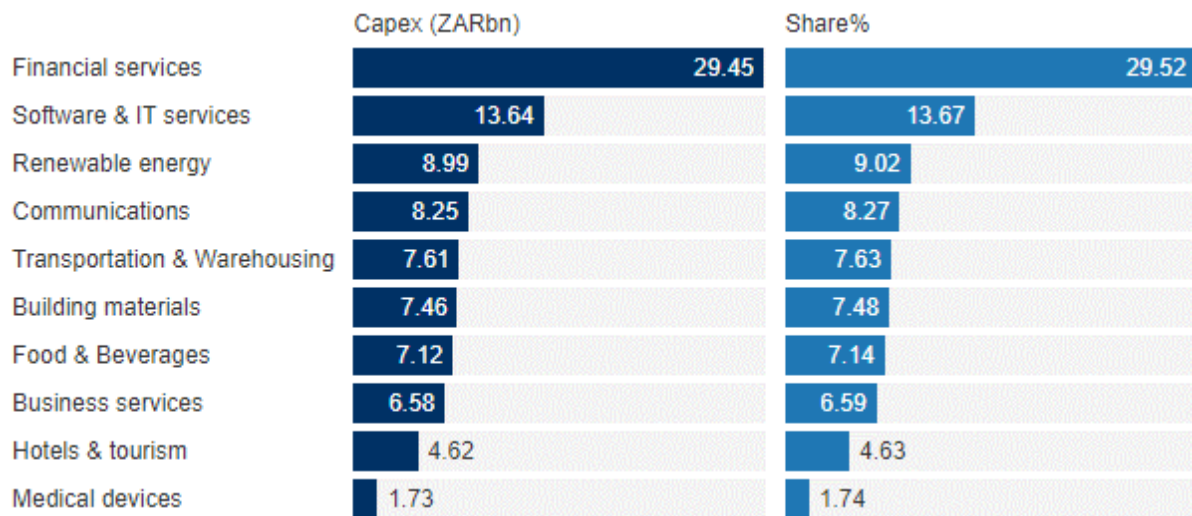
Figure 10: Destination Markets for OFDI from Kenya by Projects, 2011–September 2023



Source: *fDI Markets, 2023*

Figure 11 shows the top sectors that benefited from Kenyan OFDI. The financial services sector was the largest recipient for OFDI from Kenya with investments valued at ZAR29.45bn, representing a 29.52% share of the total capex. This was spread across 119 projects from 2011 to September 2023. The software and IT services sector was the second largest recipient, with investments valued at ZAR13.64bn in capex, equating to a share of 13.67%. The renewable energy sector was third with investments totalling ZAR8.99bn (a share of 9.02%) in capex.

**Figure 11: Top Sectors for OFDI from Kenya by Capex, 2011 – September 2023**



Source: *fDI Markets, 2023*

Regarding the number of projects, OFDI from Kenya was primarily focused on the financial services sector, as demonstrated in Figure 12. From 2011 to September 2023, Kenya directed investments into 119 projects in this sector, representing 40.75% of the total number of projects. The software and IT services sector followed in second position with 58 projects, accounting for a 19.86% share of the number of projects. The food and beverages sector were third, having benefited from 35 projects (11.99% of the total number of projects) during this period.

**Figure 12: Top Sectors for OFDI from Kenya by Projects, 2011–September 2023**

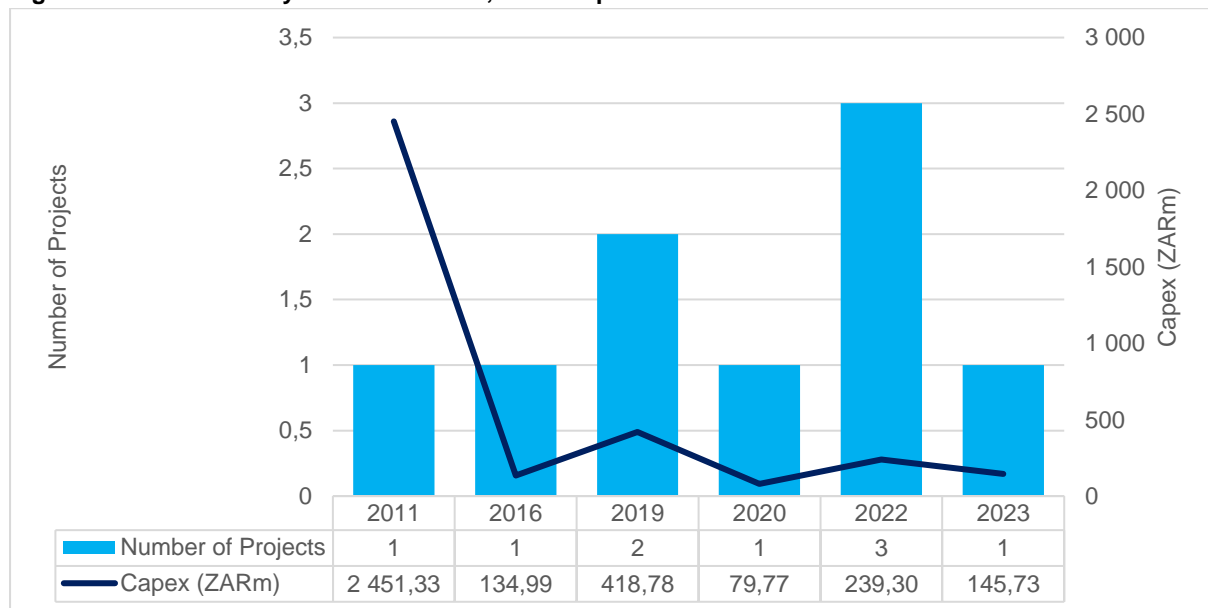
|                              | Number of Projects | Share% |
|------------------------------|--------------------|--------|
| Financial services           | 119                | 40.75  |
| Software & IT services       | 58                 | 19.86  |
| Food & Beverages             | 35                 | 11.99  |
| Business services            | 27                 | 9.25   |
| Transportation & Warehousing | 9                  | 3.08   |
| Communications               | 7                  | 2.41   |
| Medical devices              | 5                  | 1.71   |
| Renewable energy             | 5                  | 1.71   |
| Consumer products            | 4                  | 1.37   |
| Textiles                     | 4                  | 1.37   |

Source: *FDI Markets, 2023*

### 2.3 Bilateral FDI: Kenya's FDI in South Africa, 2011–September 2023

Although the Covid-19 pandemic distorted the global market and created a negative investment climate worldwide, South Africa remained a viable destination for FDI from Kenya. Figure 13 shows that the number of FDI projects in South Africa from Kenya varied between 2011 and September 2023. During this period, the value (capex) declined from between ZAR2,451.33m in 2011 to an estimated ZAR145.73m in September 2023.

**Figure 13: FDI from Kenya in South Africa, 2011–September 2023**



Source: *FDI Markets, 2023*

Figure 14 shows Kenya's FDI in South Africa during from January 2011 to September 2023. The South African industry in which Kenya invested the most was the building materials sector which received ZAR2,451.31m in capex in a single project. This was followed by the software and IT services sector which benefited from ZAR398.81m in capex spread across five projects.

**Figure 14: Top Sectors for FDI from Kenya in South Africa by Capex, 2011–September 2023**

|                              | Capex (ZARm) | Share% |
|------------------------------|--------------|--------|
| Building materials           | 2,451.31     | 70.64  |
| Software & IT services       | 398.81       | 11.49  |
| Renewable energy             | 339.11       | 9.77   |
| Financial services           | 145.71       | 4.21   |
| Transportation & Warehousing | 135.11       | 3.89   |

Source: FDI Markets, 2023

Figure 15 indicates the FDI from Kenya in South Africa based on the number of projects. The software and IT services sector was the top recipient for FDI with five projects representing a share of 55.56%. This was followed by the building materials, financial services, renewable energy, and transportation and warehousing sectors with each having received a single project (each representing 11.11% of the total number of projects).

**Figure 15: Top Sectors for FDI from Kenya in South Africa by Projects, 2011–September 2023**

|                              | Number of projects | Share% |
|------------------------------|--------------------|--------|
| Software & IT services       | 5                  | 55.56  |
| Building materials           | 1                  | 11.11  |
| Financial services           | 1                  | 11.11  |
| Renewable energy             | 1                  | 11.11  |
| Transportation & Warehousing | 1                  | 11.11  |

Source: FDI Markets, 2023

The Kenyan companies that invested in South Africa from January 2011 to September 2023 are listed in Table 9. Only nine Kenyan companies invested in nine projects in South Africa with a capex value of ZAR3,469.91m. These investments generated 463 employment opportunities. Most of the FDI, as measured by capex, was directed towards the building materials and the renewable energy sectors.

**Table 9: FDI from Kenyan Companies in South Africa, 2011–September 2023**

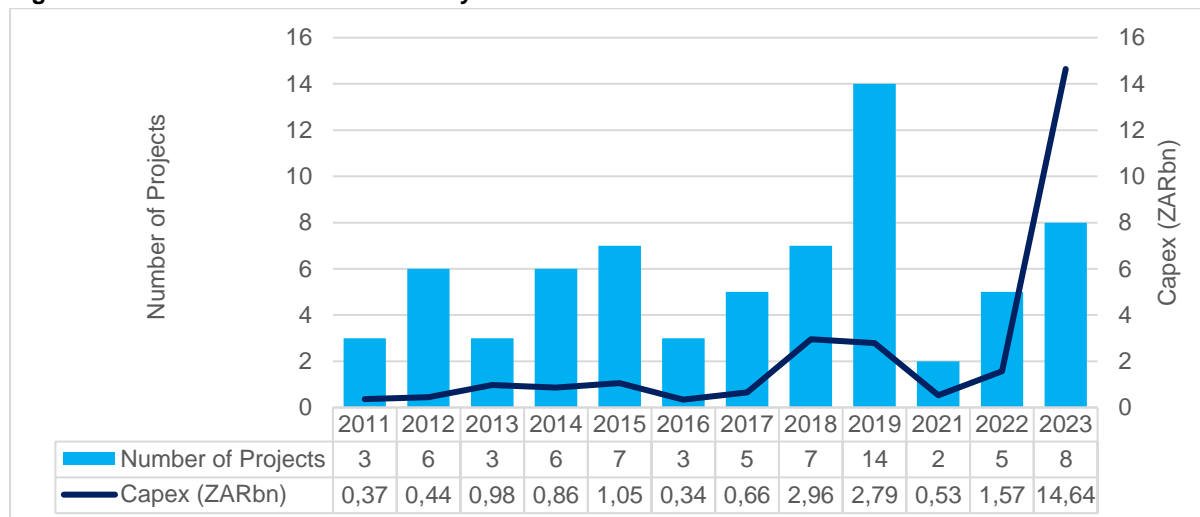
| DATE                 | COMPANY                        | COUNTRY | STATE         | SECTOR                       | NUMBER OF PROJECTS | CAPEX (ZARm)    |
|----------------------|--------------------------------|---------|---------------|------------------------------|--------------------|-----------------|
| 2011                 | ARM Cement (Athi River Mining) | Kenya   | Not specified | Building materials           | 1                  | 2 451.33        |
| 2019                 | Solarise Africa                | Kenya   | Gauteng       | Renewable energy             | 1                  | 339.01          |
| 2023                 | M-KOPA                         | Kenya   | Not specified | Financial services           | 1                  | 145.73          |
| 2016                 | Astral Aviation                | Kenya   | Gauteng       | Transportation & Warehousing | 1                  | 134.99          |
| 2022                 | Cellulant                      | Kenya   | Not specified | Software & IT services       | 1                  | 79.77           |
| 2022                 | AZA Group (BitPesa)            | Kenya   | Gauteng       | Software & IT services       | 1                  | 79.77           |
| 2022                 | Finplus                        | Kenya   | Not specified | Software & IT services       | 1                  | 79.77           |
| 2022                 | Churpy                         | Kenya   | Not specified | Software & IT services       | 1                  | 79.77           |
| 2022                 | Ponea Health                   | Kenya   | Not specified | Software & IT services       | 1                  | 79.77           |
| <b>TOTAL EXPORTS</b> |                                |         |               |                              | <b>9</b>           | <b>3 469.91</b> |

Source: FDI: FDI Markets, 2023

### 2.3 Bilateral FDI: South Africa's FDI in Kenya, 2011–September 2023

In turn, South African companies invested in 69 projects in Kenya between January 2011 and September 2023, with a cumulative capex value of ZAR27.19bn. This equated to an average investment of ZAR394.20m per project. An estimated 6,221 jobs were created as a result. South African investments (measured by capex) in Kenya peaked in 2023 at a capex value of ZAR14,643.60bn, invested across eight projects. These figures can be observed in Figure 16.

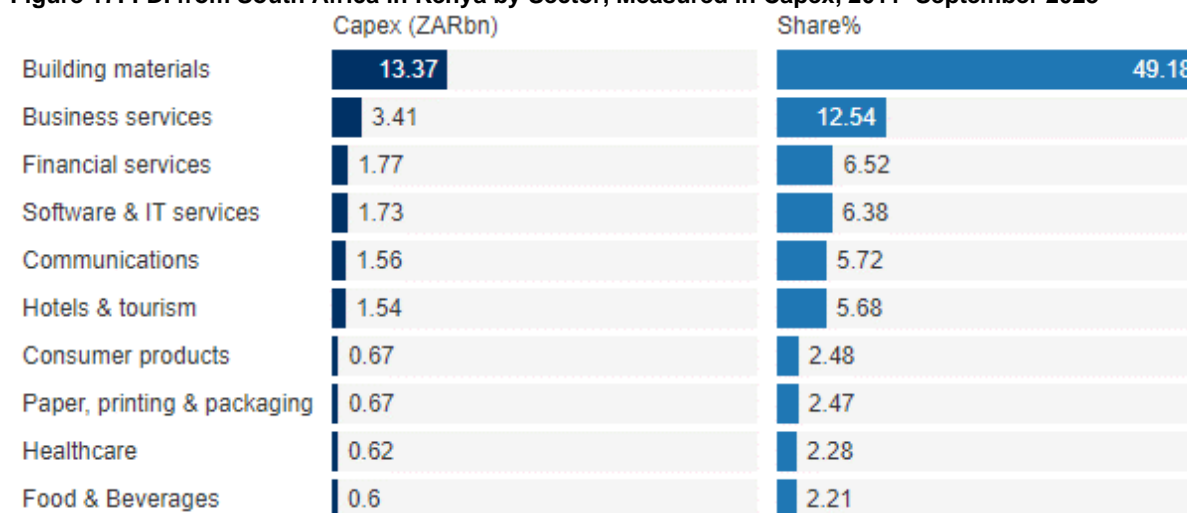
**Figure 16: FDI from South Africa in Kenya**



Source: fDI Markets, 2023

Between 2011 and September 2023, South African investments in Kenya were mainly focused on the building materials sector, as seen in Figure 17. This sector attracted investments valued at ZAR13.37bn in capex, accounting for a 49.18% share of the overall capex invested by South African companies during this period. The business services and the financial services sectors followed in second and third place, each benefiting from South African investments worth ZAR3.41bn (12.54%) and ZAR1.77bn (6.52%) respectively.

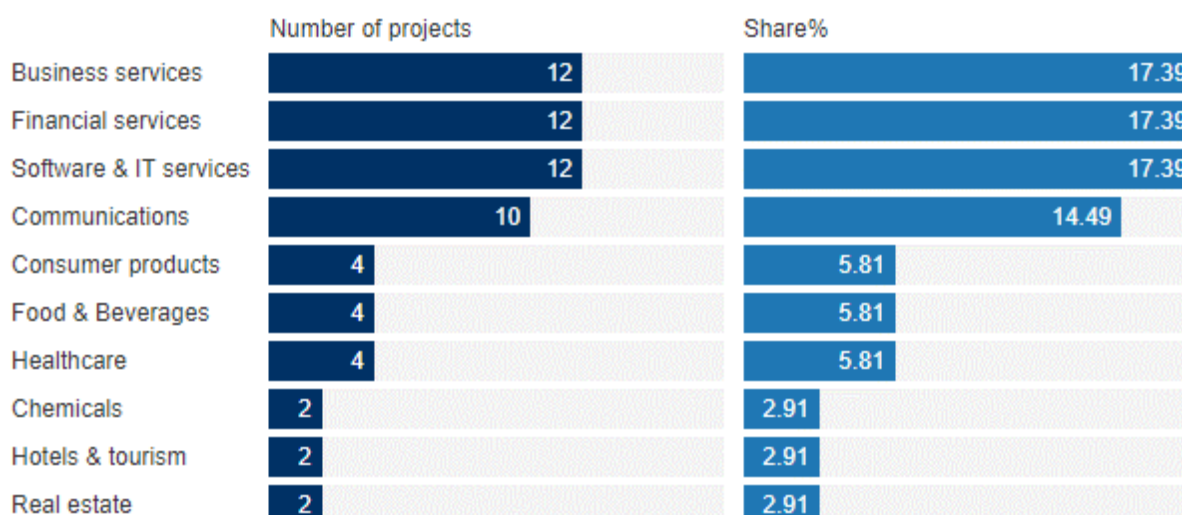
**Figure 17: FDI from South Africa in Kenya by Sector, Measured in Capex, 2011–September 2023**



Source: fDI Markets, 2023

Figure 18 highlights project numbers, showing that South African investments in Kenyan business services, financial services, and software and IT services sectors dominated from 2011 to September 2023. These sectors each benefited from 12 projects, which represented a 17.39% share in the total number of projects which attracted investments from South African companies. The communications sector followed in second place, having attracted investments in 10 projects (14.49%).

**Figure 18: FDI from South Africa in Kenya by Sector, Measured in Projects, 2011–September 2023**



Source: FDI Markets, 2023

The top 10 South African companies that invested in Kenya (as measured by capex) from January 2011 to September 2023 are listed in Table 10. Tanga cement was the largest South African investor in Kenya, with the company having invested ZAR13,371.88m in one project. City Lodge was the second largest investor, having invested in a single project with a value of ZAR1,538.60m. Faulu Microfinance Bank, the third largest investor, invested in eight projects with an accumulated capex value of ZAR1,165.84m.

**Table 10: South African Companies Investing in Kenya, 2011–September 2023**

| DATE                 | COMPANY                           | COUNTRY      | STATE        | SECTOR                      | NUMBER OF PROJECTS | CAPEX (ZARm)    |
|----------------------|-----------------------------------|--------------|--------------|-----------------------------|--------------------|-----------------|
| 2023                 | Tanga Cement                      | South Africa | Gauteng      | Building materials          | 1                  | 13 371.88       |
| 2018                 | City Lodge                        | South Africa | Gauteng      | Hotels & tourism            | 1                  | 1 538.60        |
| 2019                 | Faulu Microfinance Bank           | South Africa | Western Cape | Financial services          | 8                  | 1 165.84        |
| 2022                 | Dynamic Visual Technologies (DVT) | South Africa | Gauteng      | Software & IT services      | 1                  | 765.47          |
| 2018                 | Polyflex                          | South Africa | KZN          | Paper, printing & packaging | 1                  | 671.89          |
| 2013                 | Business Connexion                | South Africa | Gauteng      | Communications              | 1                  | 635.08          |
| 2023                 | Lancet Laboratories               | South Africa | Gauteng      | Healthcare                  | 4                  | 619.74          |
| 2019                 | Shoprite                          | South Africa | Western Cape | Food & Beverages            | 4                  | 601.33          |
| 2019                 | Ad Dynamo                         | South Africa | Western Cape | Business services           | 2                  | 530.76          |
| 2022                 | MultiChoice Kenya                 | South Africa | Western Cape | Communications              | 5                  | 506.22          |
| <b>TOTAL EXPORTS</b> |                                   |              |              |                             | <b>69</b>          | <b>3 469.91</b> |

Source: fDI Markets, 2023

#### 2.4 Bilateral FDI: Kenya's FDI in the Western Cape, 2011–September 2023

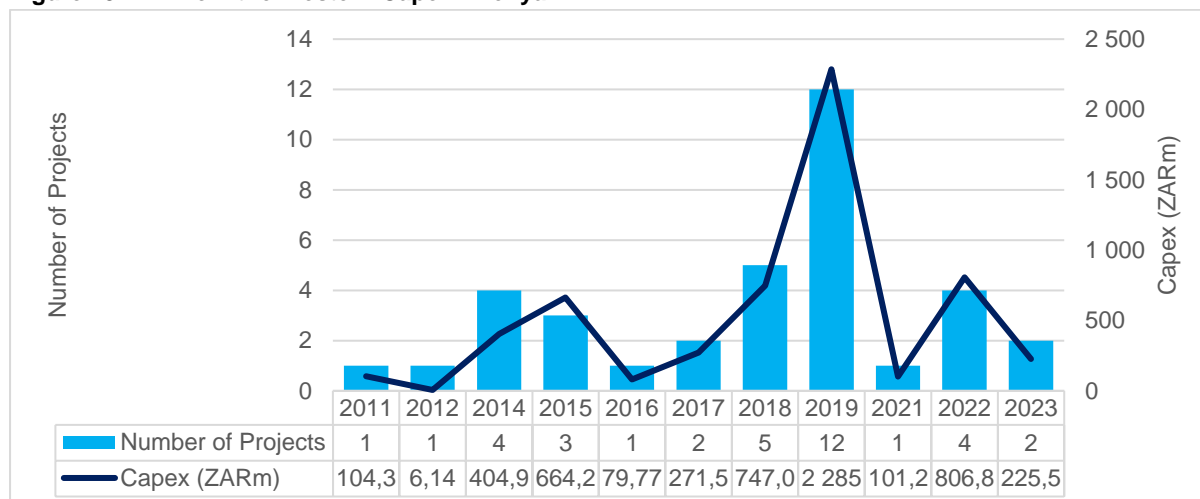
During the period 2011 to September 2023, there was no FDI recorded from Kenya in the Western Cape.



## 2.5 Bilateral FDI: Western Cape’s FDI in Kenya, 2011–September 2023

Western Cape companies invested in 36 projects in Kenya at a cumulative capex value of ZAR5,697.28m between January 2011 and September 2023, as illustrated in Figure 19. These investments were made by 20 companies and generated 2,623 jobs. Investments by Western Cape companies in Kenya (measured by capex) peaked in 2019 when ZAR2,285.66m was invested in 12 projects.

**Figure 19: FDI from the Western Cape in Kenya**



Source: fDI Markets, 2023

The business services sector, having attracted investments worth ZAR1,810.10m (representing a 31.77% share of capex) was the top recipient of FDI from the Western Cape. This can be observed in Figure 20. The financial services sector followed, having benefited from FDI worth ZAR1,457.31m and the consumer products sector was in third place with investments valued at ZAR675.01m.

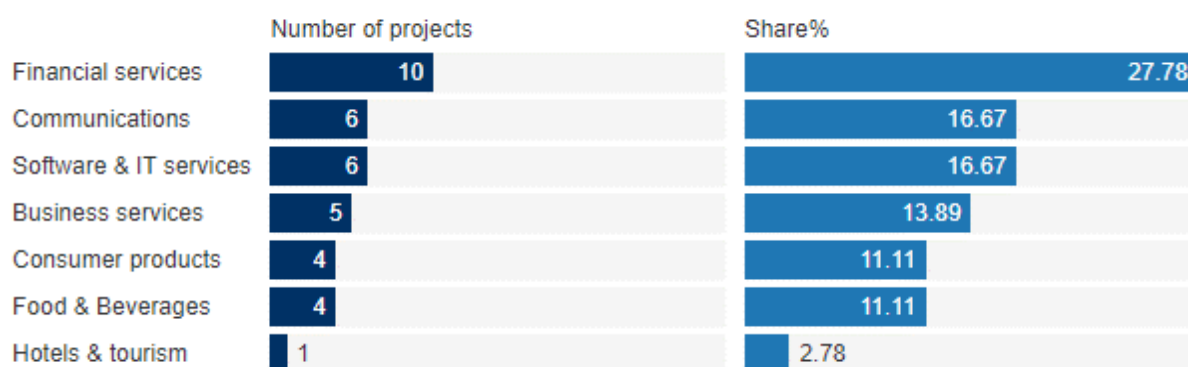
**Figure 20: FDI from the Western Cape in Kenya by Sector, Measured in Capex, 2011–September 2023**

| Sector                 | Capex (ZARm) | Share% |
|------------------------|--------------|--------|
| Business services      | 1,810.11     | 31.77  |
| Financial services     | 1,457.31     | 25.58  |
| Consumer products      | 675.01       | 11.85  |
| Food & Beverages       | 601.31       | 10.55  |
| Communications         | 578.31       | 10.15  |
| Software & IT services | 569.11       | 9.99   |
| Hotels & tourism       | 6.11         | 0.11   |

Source: fDI Markets, 2023

Looking at project numbers in Figure 24, most of the FDI stemming from the Western Cape was channelled into 10 projects in Kenya’s financial services sector, which accounted for 27.78% of the total number of FDI projects undertaken from January 2011 to September 2023. The communications sector and the software and IT services sector placed second, attracting six projects each that represented 16.57% of total FDI projects.

**Figure 21: FDI from the Western Cape in Kenya, measured in Projects, 2011–September 2023**



Source: fDI Markets, 2023

Faulu Microfinance Bank was the top Western Cape investor in Kenya in terms of capex from January 2011 to September 2023. The company invested in eight projects, with an associated capex value of ZAR1,165.84m. Shoprite and Ad Dynamo followed with each company investing in four and two projects worth ZAR601.33m and ZAR530.76m respectively. These details are listed in Table 11.

**Table 11: Western Cape Companies Investing in Kenya, 2011–September 2023**

| DATE                 | COMPANY                   | COUNTRY      | STATE        | SECTOR                 | NUMBER OF PROJECTS | CAPEX (ZARm)    |
|----------------------|---------------------------|--------------|--------------|------------------------|--------------------|-----------------|
| 2023                 | Faulu Microfinance Bank   | South Africa | Western Cape | Financial services     | 8                  | 1 165.84        |
| 2018                 | Shoprite                  | South Africa | Western Cape | Food & Beverages       | 4                  | 601.33          |
| 2019                 | Ad Dynamo                 | South Africa | Western Cape | Business services      | 2                  | 530.76          |
| 2022                 | MultiChoice Kenya         | South Africa | Western Cape | Communications         | 5                  | 506.22          |
| 2018                 | African News Agency       | South Africa | Western Cape | Business services      | 1                  | 426.45          |
| 2013                 | SweepSouth                | South Africa | Western Cape | Business services      | 1                  | 426.45          |
| 2023                 | The Valuator Group        | South Africa | Western Cape | Business services      | 1                  | 426.45          |
| 2019                 | Woolworths (South Africa) | South Africa | Western Cape | Consumer products      | 2                  | 331.34          |
| 2019                 | KAP Industrial Holdings   | South Africa | Western Cape | Consumer products      | 1                  | 177.94          |
| 2022                 | ShowMax                   | South Africa | Western Cape | Software & IT services | 1                  | 170.27          |
| <b>TOTAL EXPORTS</b> |                           |              |              |                        | <b>36</b>          | <b>5 697.28</b> |

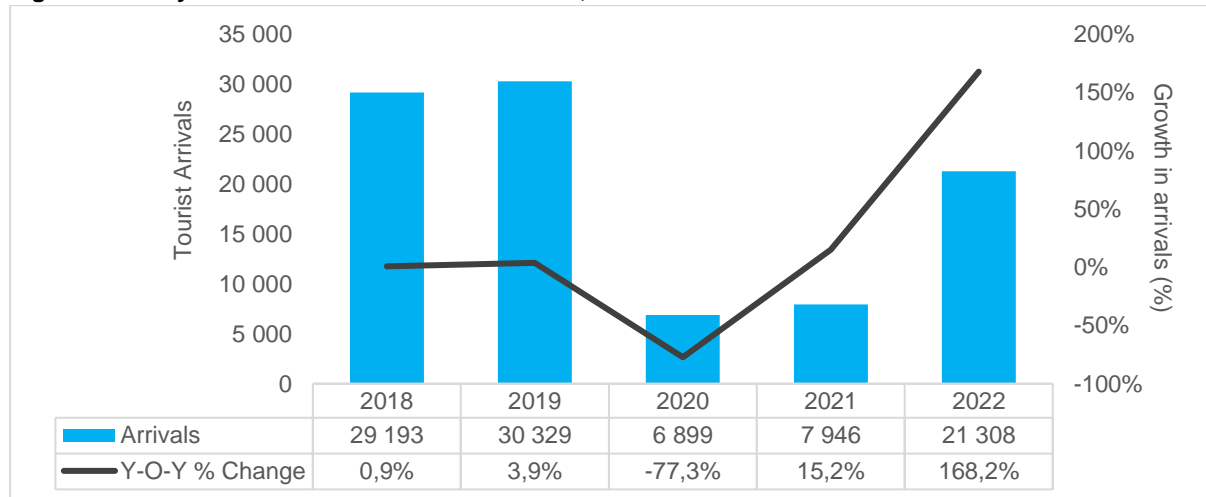
Source: fDI Markets, 2023

### 3. Tourism

#### 3.1 Kenyan Tourist Arrivals in South Africa

In 2022, South Africa welcomed over 21,300 tourists from Kenya, reflecting a growth of 168.2% y-o-y when compared to 2021 and a recovery of 70.3% in relation to 2019. This can be seen in Figure 22. Tourists from Kenya stayed on average for 12.8 nights in the country and spent of average R17,900 in 2022.

**Figure 22: Kenyan Tourist Arrivals in South Africa, 2018–2022**

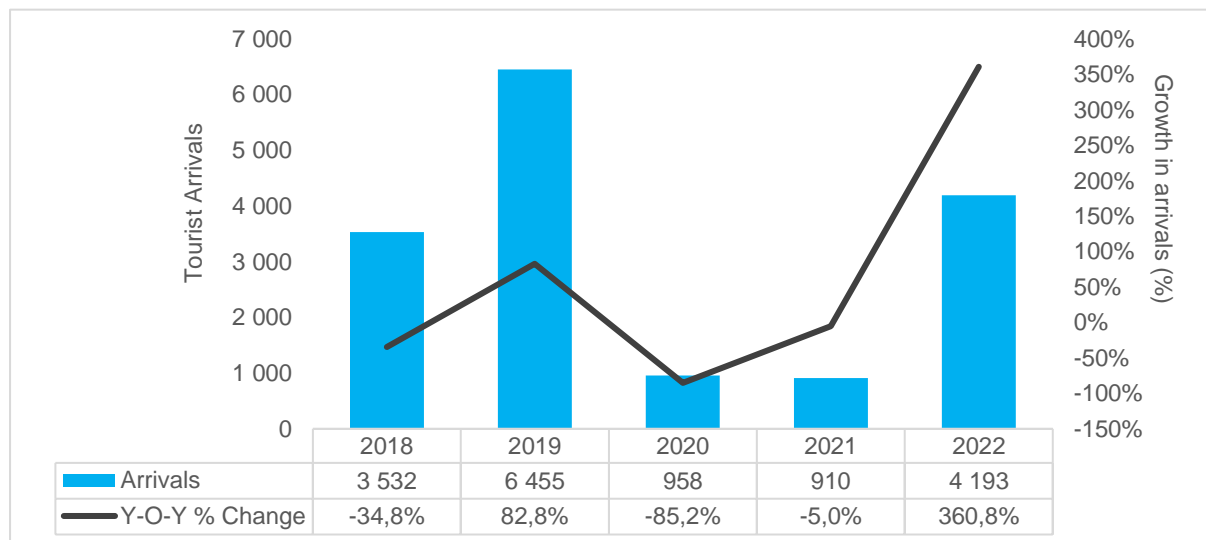


Source: SA Tourism, 2023

#### 3.2 Kenyan Tourist Arrivals in the Western Cape

Figure 23 shows that in 2022 a total of 4,193 tourists from Kenya visited the Western Cape, reflecting a year-on-year increase of 360.8% when compared to 2021 and a recovery of 65.0% when compared to 2019 (6,455).

**Figure 23: Kenyan Tourist Arrivals in the Western Cape, 2018–2022**

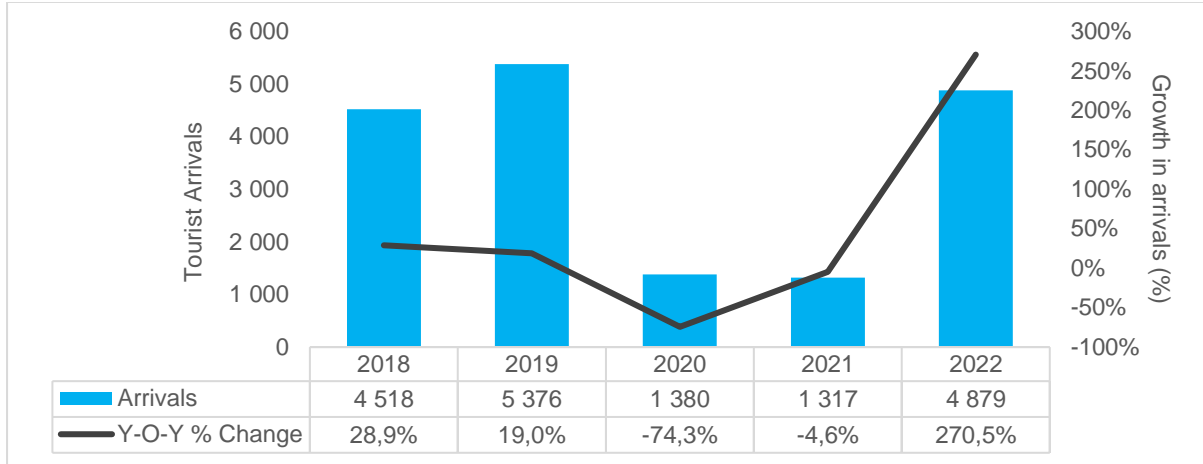


Source: SA Tourism, 2023

### 3.3 Kenyan Tourist Arrivals in Cape Town (via air)

A positive increase in air arrivals from Kenya was seen in 2022 with 4,879 arrivals recorded for the year (Figure 24). This marks a year-on-year growth of 270.5% compared to 2021 and a recovery of 91.8% in comparison to 2019.

**Figure 24: Kenyan Tourist Arrivals in Cape Town (via air), 2018–2022**



Source: Stats SA, 2023

Note: No data regarding air arrivals in Cape Town from different countries was collected between April and September 2020, owing to the Covid-19 pandemic

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