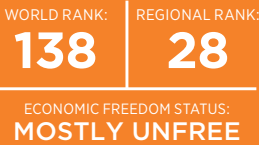


# KENYA

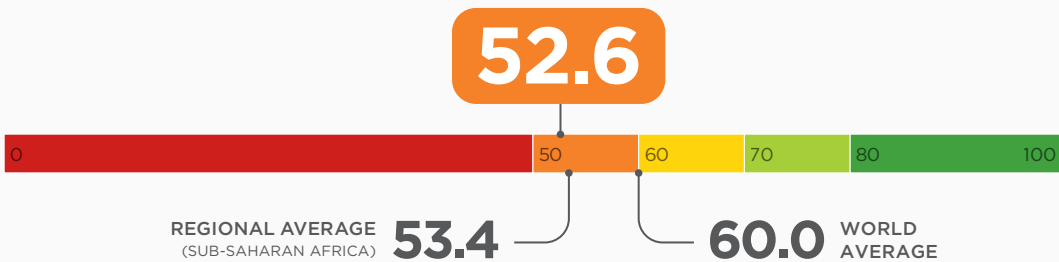
Kenya's economic freedom score is 52.6, making its economy the 138th freest in the 2022 *Index*. Kenya is ranked 28th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Kenya's economy slowed in 2019, slipped into negative territory in 2020, and recovered in 2021. Over the past five years, economic freedom has continued to stagnate. With score decreases in **fiscal health** and **trade freedom** edging out improvements in **government integrity** and **business freedom**, Kenya has recorded a 0.9-point overall loss of economic freedom since 2017 and is now lower in the "Mostly Unfree" category. Monetary freedom shows some strength, but the rule of law is generally weak.

**IMPACT OF COVID-19:** As of December 1, 2021, 5,335 deaths had been attributed to the pandemic in Kenya, and the government's response to the crisis ranked 133rd among the countries included in this *Index* in terms of its stringency. The economy contracted by 0.1 percent in 2020.

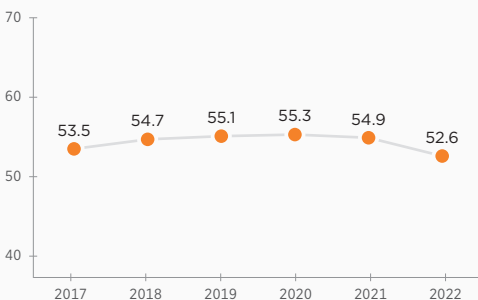


## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -1.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
53.8 million

**GDP (PPP):**  
\$239.8 billion  
-0.1% growth in 2020  
5-year compound annual growth 4.4%  
\$4,926 per capita

**UNEMPLOYMENT:**  
3.0%

**INFLATION (CPI):**  
5.3%

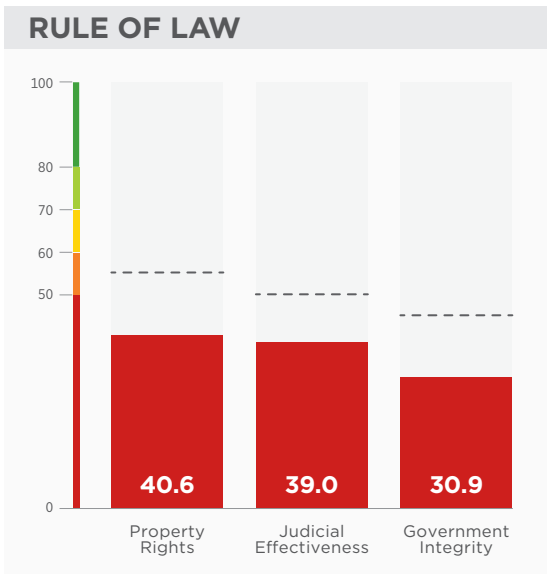
**FDI INFLOW:**  
\$717.0 million

**PUBLIC DEBT:**  
68.7% of GDP

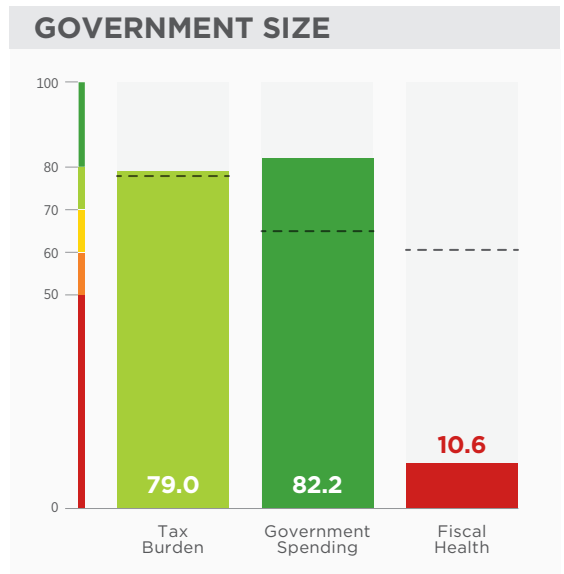
2020 data unless otherwise noted. Data compiled as of September 2021

**BACKGROUND:** Kenya achieved independence from Britain in 1963, but true political liberalization did not begin until the early 1990s. In 2013, Uhuru Kenyatta, the son of Kenya's inaugural president, won the first presidential election conducted under a new 2010 constitution. After the Supreme Court annulled his victory in the initial vote, Kenyatta won reelection in October 2017. In 2018, Kenyatta reconciled with Raila Odinga, his opponent in the contested election. Tensions within the ruling Jubilee Party have increased because of a growing rift between Kenyatta and William Ruto, his deputy and former heir apparent. Kenya is East Africa's economic, financial, and transport hub.

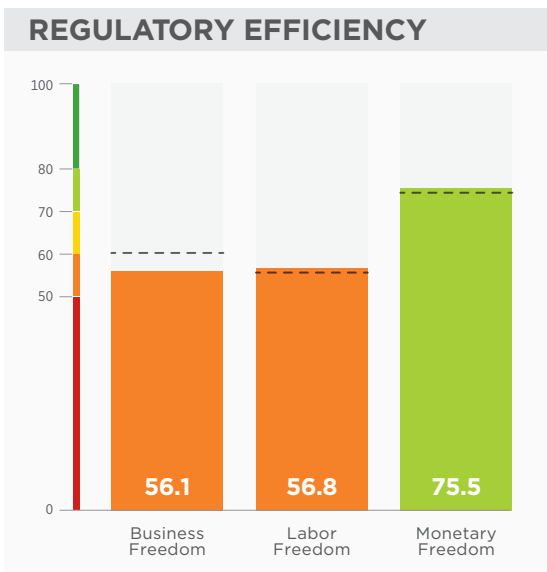
# 12 ECONOMIC FREEDOMS | KENYA



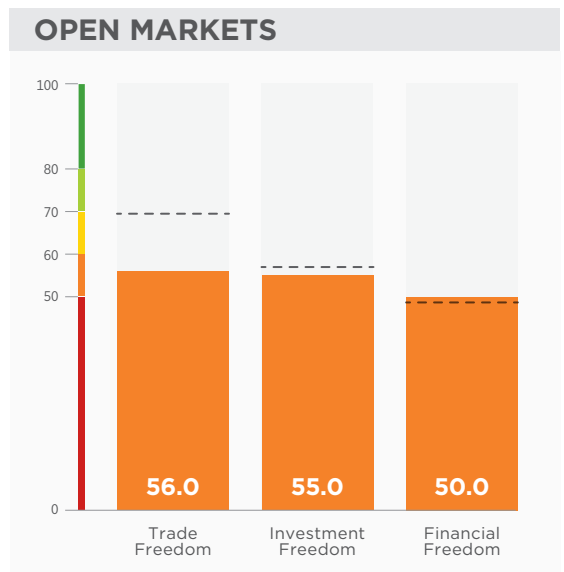
Protection of property rights is not adequately enforced. The land titling process remains difficult. Titles are not secure, and 70 percent of land is untitled. The judiciary, although generally independent, impartial, and free from corruption, is undermined by weak institutional capacity. Corruption is pervasive and entrenched, especially in the government's land administration. Anticorruption reforms have met with only limited success.



The top individual income and corporate tax rates are 30 percent. Other taxes include a value-added tax. The overall tax burden equals 17.4 percent of total domestic income. Government spending has amounted to 24.4 percent of total output (GDP) over the past three years, and budget deficits have averaged 7.8 percent of GDP. Public debt is equivalent to 68.7 percent of GDP.



Aggressive bureaucratic behavior toward businesses and delays in obtaining business licenses persist. The government is the largest formal-sector employer. Approximately 80 percent of the workforce is employed informally. The government continues to regulate prices through subsidies (for example, for electricity and maize) and through agricultural marketing boards and state-owned enterprises.



Kenya has three preferential trade agreements in force. The trade-weighted average tariff rate is 12.0 percent, and 53 nontariff measures are in effect. Foreign ownership in some sectors is restricted, and state-owned enterprises undermine more dynamic private-sector development. The growing financial sector has become more open to competition, and its overall stability is relatively well maintained.