THE GLOBAL COMPETITIVENESS STUDY: Kenya in Context

Although the country is the most successful producer and exporter of fresh produce and flowers in sub-Saharan Africa, it has been losing market share in the global horticulture market due to rising production costs, long transport times, and poor regulatory compliance.

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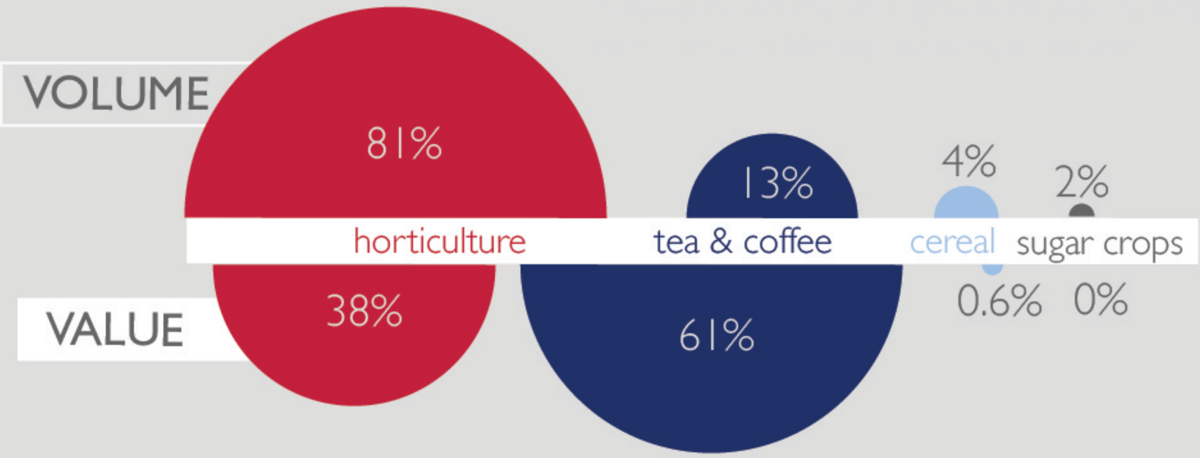
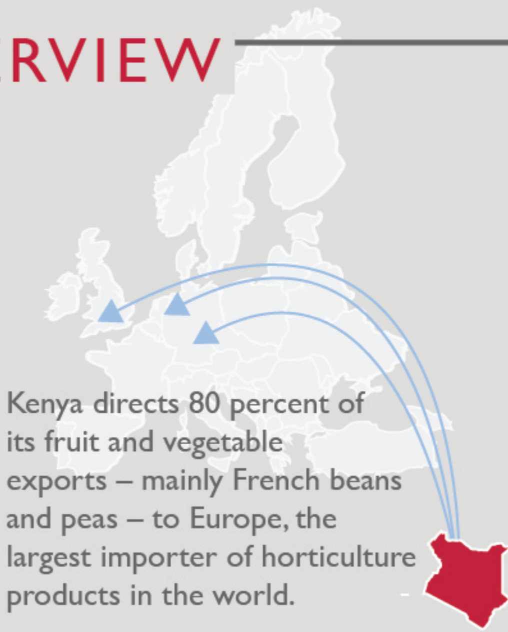
USAID Kenya Horticulture Competitiveness Project (KHCP)

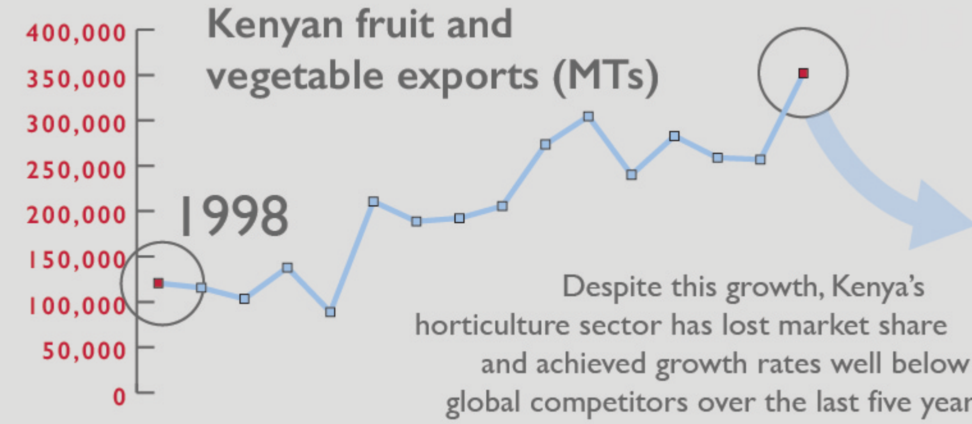
1. OVERVIEW





Kenya directs 80 percent of its fruit and vegetable exports – mainly French beans and peas – to Europe, the largest importer of horticulture products in the world.

Fruit and vegetable exports have grown at a consistent pace for the last 15 years, but Kenya's export performance remains well below its potential.



Despite this growth, Kenya's horticulture sector has lost market share and achieved growth rates well below global competitors over the last five years.

GLOBAL HORTICULTURE EXPORTS
KENYA
0.23%
market share

2. CONSTRAINTS

Kenya's exporters pay more at the production stage than global competitors but remain competitive due to low labor, selling, general and administrative, and packaging costs.

Kenyan sea freight rates to the UK market are on par with global benchmarks, but Kenyan produce takes nearly twice as long to market than global competitors.

Kenya's transportation infrastructure remains weak compared to regional and global benchmarks, ranking 3rd or 4th to last across road, air, and port categories.

Due to a lack of robust control, Kenyan exports often fail to comply with international standards, damaging the country's reputation on the global market.

Information taken from USAID-KHCP Global Competitiveness Study (2014). The global competitor countries used as benchmarks in this study are Peru, Morocco, Guatemala, Chile, Egypt, Ethiopia, Tanzania, and Zimbabwe.

3. OUTLOOK

Avocado: Global avocado demand offers Kenya substantial opportunity with France and the Netherlands being the key EU importers.

French bean: Increasing competition from African and Central American countries is forcing Kenya to reign in production and logistics costs.

Peas: Kenya remains the 4th largest exporter of peas in the world; however export growth to the EU is decreasing.

Mango: The UAE remains Kenya's primary market where it can take advantage of the October to March period when competition from India and Pakistan is low.

Onion: Kenya's continued expertise in niche crops like spring onions provides the value to justify the market investment and differentiation.