

KENYA



Intra-Africa trade and tariff profile



1 Regional Economic Communities

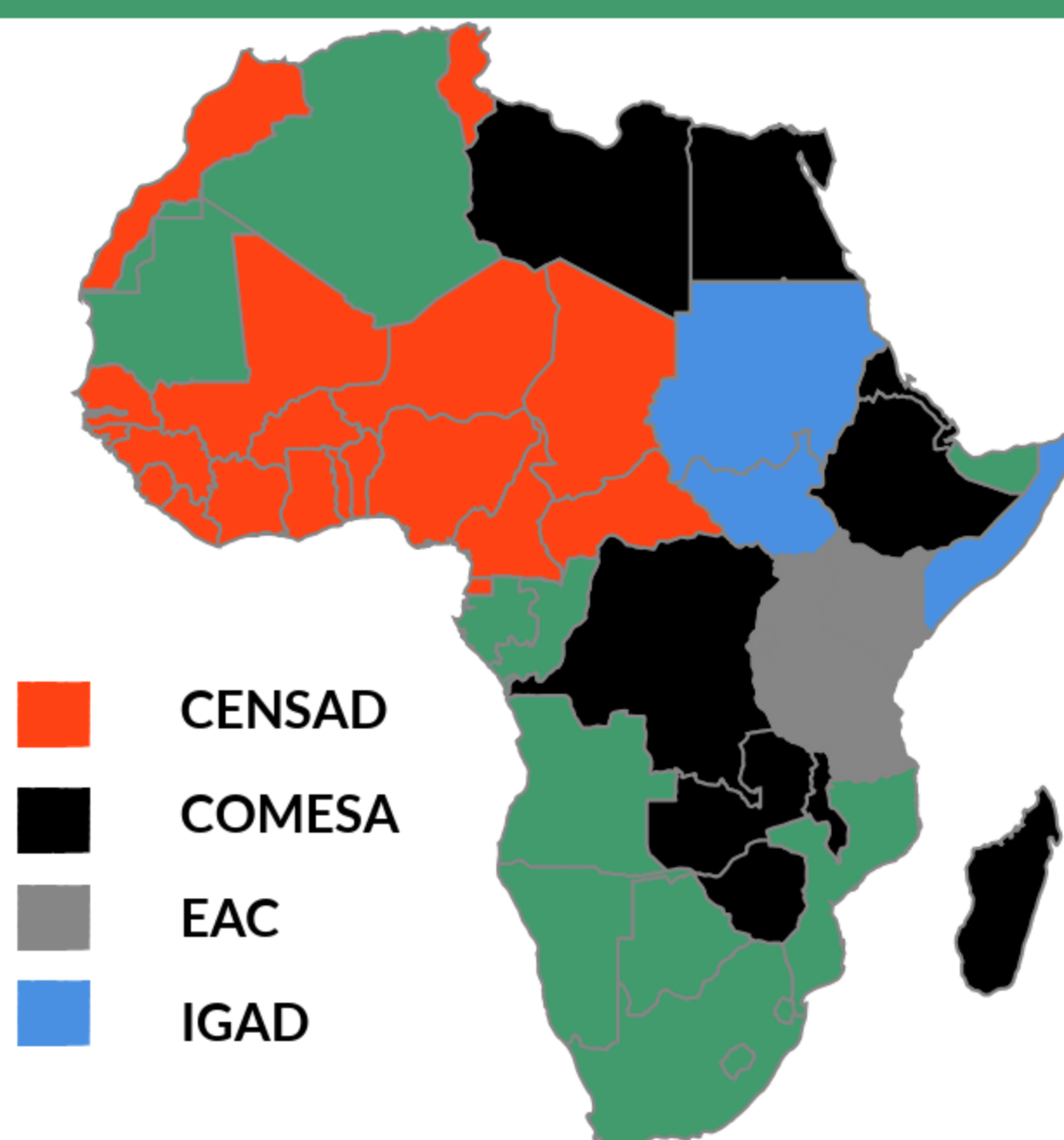
Kenya belongs to several regional economic communities in Africa. It is a member of CEN-SAD; COMESA; EAC and IGAD. It is currently negotiating the Tripartite Free Trade Area and recently signed the AfCFTA

CEN-SAD currently has 24 member states. The ambition is to establish an Economic Union (which includes the free movement of goods and services). CEN-SAD was revived in 2013 with a revision of the CEN-SAD Treaty has not yet entered into force, there is still no free trade agreement in place.

COMESA has 19 member states (including Eritrea, Ethiopia, Egypt, Eswatini, Malawi and Djibouti) of which 16 are part of the COMESA FTA - Eswatini has preferential access under a derogation but is exempt from reciprocating preferences due to its membership of SACU. The DRC, Eritrea and Ethiopia are in the process of joining the FTA.

The EAC is a customs union (Burundi, Rwanda, South Sudan, Kenya, Uganda and Tanzania) with duty-free intra-EAC trade and a common external tariff (CET). The member states also adopted a Common Market Protocol in 2009, which came into effect in 2010. However, the Protocol has not yet been fully implemented.

Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda are the IGAD member states. No intra-IGAD tariff liberalisation has taken place.



EXPORTS

34%

of Kenya's total exports (US\$1.9 bn) are intra-Africa



Tea (10%)



Petroleum Oil (5%)



Medicaments (5%)



Manufactured Tobacco (4%)

IMPORTS

11%

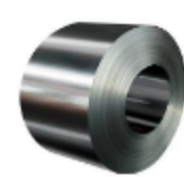
of Kenya's total imports (US\$1.9 bn) are intra-Africa



Sugar (13%)



Maize/ Corn (9%)

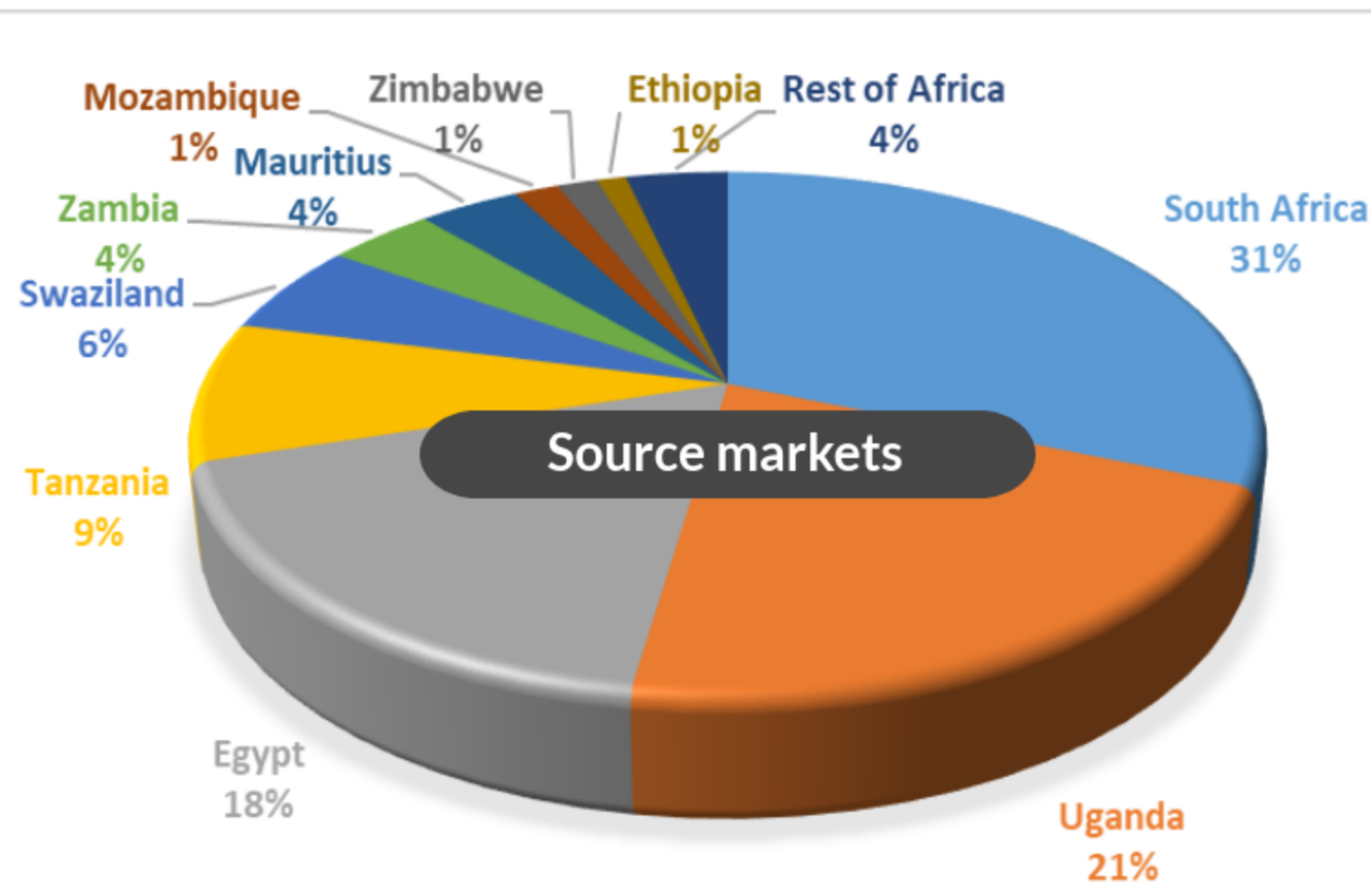
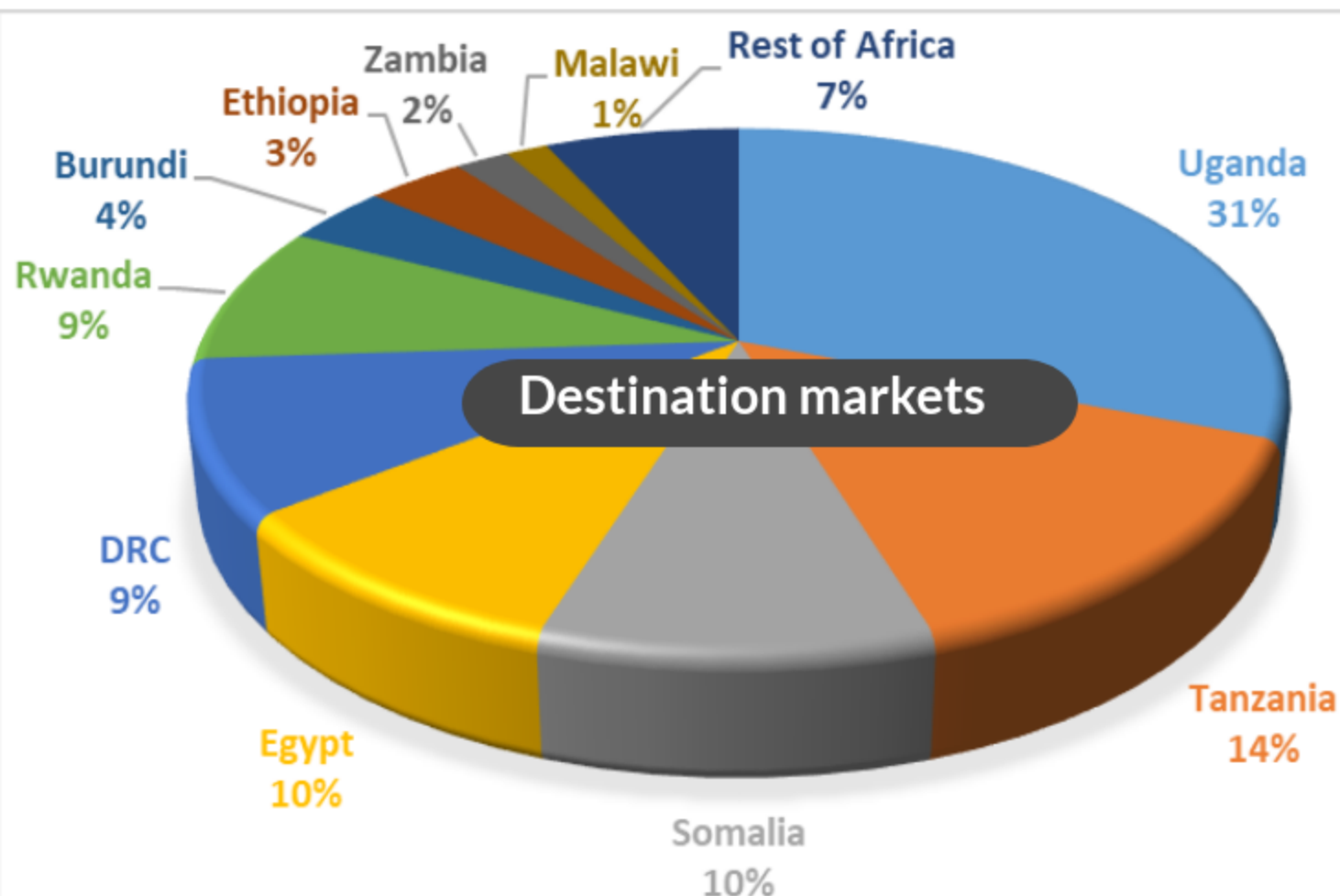


Flat rolled steel (5%)



Dried Legumes (4%)

2 Intra-Africa trade



3 Intra-Africa tariffs

The majority of Kenya's intra-Africa trade is with members of the EAC and COMESA. South Africa is the only non-REC member that accounts for a large chunk of Kenya's intra-Africa imports

Non-REC imports account for 33% (US\$ 632 million) of Kenya's total intra-Africa imports

Kenya belongs to a customs union with a common external tariff and a common list of sensitive products.	MFN applied duties	Duty free imports
	Highest applied tariff band range is between 50% - 60% for goods entering Kenya without preferences. Tariffs for sugar can sometimes go as high as 100%	32% (US\$ 205 million) of imports originating from non-REC Africa enter Kenya duty free

High ad valorem duties



Dairy products (60%)



Clothing & Textiles (50%)



Maize; Wheat (50%)



Manufactured tobacco (35%)

Duty free imports



Medicaments



semi-finished iron or steel



Coal or Briquettes



Polymers of propylene

Kenya's top intra-Africa imports (excluding CENSAD; COMESA; EAC; IGAD) 2017– US\$ millions

	2017	%share	Average tariff	Max tariff
All products	632		8%	60%
Flat-rolled products of iron or non-alloy steel,	105	17%	2%	10%
Maize or corn	76	12%	19%	50%
Coal; briquettes,	41	6%	0%	0%
Passenger vehicles	35	6%	10%	25%
Semi-finished products of iron or non-alloy steel	27	4%	0%	0%
Polymers of propylene or of other olefins	20	3%	0%	0%
Motor vehicles for the transport of goods,	17	3%	7%	25%
Cane or beet sugar	15	2%	0%	0%
Bars and rods of iron or non-alloy steel	15	2%	0%	0%
Petroleum gas	13	2%	6%	25%
Apples, pears and quinces, fresh	11	2%	13%	25%
Other	258	41%		

Africa provides huge trade and investment opportunities for Kenya.

Opportunities exist for both goods and services (financial services)

Accordingly the country is currently negotiating the TFTA and recently ratified the AfCFTA

Source: UN ITC TradeMap; WTO Tariff Database