THE WAVERLEY SERIES

KENYA

An Insight of Investment, Trade and Economy

September 2026

For Advisory & Partnership

LORD WAVERLEY

office@lordwaverley.com • www.lordwaverley.com

KENYA — AT A GLANCE

Capital	Nairobi
Population	≈ 51.5 million
Real GDP growth	4.8–5.0% (2025), up from 4.7% in 2024, driven by rebounds in industry and services
GDP per capita	≈ USD 2,714 (nominal, 2026)
Inflation	4.1–4.3% (2025/26), down from 4.5% in 2024, though a spike to 6.7% occurred in May 2026
Fiscal deficit	On a targeted path from 4.9% toward 3.5% of GDP by 2026/27
Current account deficit	2.4% of GDP (2025); projected between 2.2% and 2.8% for 2026 depending on the source
Currency	Kenyan shilling (KES), trading around 129–130 per US dollar in September 2026 under what analysts describe as managed rather than freely floating stability
Foreign exchange reserves	≈ USD 13.2 billion as of June 2026, equivalent to 5.6 months of import cover
Key sectors	Agriculture (tea, horticulture, coffee), services, a rapidly growing technology and startup sector
Principal partners	United States (deepening commercial ties), China, East African Community and COMESA regional markets
Governing framework	'Broad-based government' coalition arrangement since 2024; IMF programme lapsed in 2025 without a successor agreement; new Investment and Export Promotion Bill, 2026 and Finance Act, 2026 both recently advanced

Kenya remains East Africa's most dynamic and diversified economy, headlined this month by a direct presidential pitch to US investors built explicitly around regulatory predictability, a newly proposed investment-protection bill, and a startup ecosystem that attracted close to a third of all African venture capital in 2025. This genuine economic momentum unfolds against the backdrop of a sustained, multi-year youth-led protest movement that began over the 2024 Finance Bill and has recurred on each anniversary since, with human rights organisations documenting a substantial human cost across the various waves of demonstrations. A new Finance Act, 2026 has already tested whether the government's fiscal approach can raise needed revenue without triggering renewed unrest, and Kenya's relationship with the IMF has lacked a successor programme since its last arrangement lapsed in 2025.

1. INVESTMENT & FDI

Kenya is explicitly marketing policy predictability to investors through a new Investment and Export Promotion Bill, even as the fiscal pressures partly

necessitating new revenue measures have themselves been a recurring source of unrest.

President William Ruto told the 2026 AmCham Business Summit in Nairobi on 10 September that 'predictability is the product Kenya is selling,' citing more than 50 business-enabling reforms carried out over three years. The centrepiece of this pitch is the proposed Investment and Export Promotion Bill, 2026, which would protect against unlawful expropriation, guarantee repatriation of capital, profits and dividends, and create both an Investment Tribunal and a Presidential Dialogue Forum to give investors formal channels for resolving disputes and raising concerns directly with the presidency.

- **A deliberate shift from tax breaks to regulatory reliability:** Kenya's pitch to investors now centres explicitly on the enforceability and stability of its investment regime rather than competing primarily on fiscal incentives, a strategic repositioning investors should weigh against the bill's actual passage and implementation timeline.
- **New formal investor-dispute mechanisms:** the proposed Investment Tribunal and Presidential Dialogue Forum would represent genuinely new institutional channels for resolving investor grievances, though their practical effectiveness will only become clear once the bill passes and the bodies begin operating.
- **A world-class startup ecosystem:** Kenyan startups attracted $984 million in 2025, close to one-third of all African startup capital that year, with Kenya ranked first in Eastern Africa and 61st globally in StartupBlink's 2026 ecosystem rankings across 659 tracked companies.
- **An unresolved IMF relationship:** Kenya's previous IMF programme lapsed in 2025 without a successor staff-level agreement, and whether a new programme is reached remains one of the clearest signals for investors tracking the credibility of Kenya's broader fiscal reform path.

2. TRADE & BUSINESS

A managed currency and elevated dollar-denominated debt exposure define Kenya's external financial position even as reserves remain broadly adequate.

The Kenyan shilling traded around 129.47 to the US dollar in early September 2026, a level the Central Bank of Kenya has repeatedly described as stable against major international and regional currencies; independent analysts characterise this as managed stability rather than a freely floating market outcome. Foreign exchange reserves stood at approximately $13.2 billion as of June 2026, equivalent to 5.6 months of import cover, having risen from $12.4 billion at the end of 2025 before easing slightly from an April 2026 peak of $13.66 billion.

- **Significant dollar-denominated debt exposure:** with approximately 59.7% of external debt denominated in US dollars as of mid-2025, Kenya's hard-currency demand remains structurally elevated regardless of near-term reserve adequacy.
- **Adequate but not abundant reserve coverage:** 5.6 months of import cover as of June 2026 provides a reasonable buffer, though the modest decline from April's peak is a trend worth monitoring alongside the shilling's trading band.
- **A maturing, diversifying startup sector:** clean energy, fintech, agritech, merchant tools and logistics have emerged as Kenya's strongest startup verticals, with founder activity increasingly spreading beyond Nairobi to Mombasa and Kisumu.

3. MAJOR ECONOMIC DEVELOPMENTS

Strong headline growth and an ambitious investor-outreach agenda coexist with a sustained protest movement now in its third year and a fiscal position still without IMF backing.

Kenya's economy grew an estimated 4.8-5.0% in 2025, up from 4.7% in 2024, with inflation easing to 4.1-4.3% despite a temporary spike to 6.7% in May 2026. This economic performance has unfolded alongside a sustained youth-led protest movement that began in June 2024 over that year's Finance Bill, evolved into a broader movement addressing corruption, the cost of living and unemployment, and has recurred on each anniversary since; human rights organisations, including Amnesty International and Kenya's own National Commission on Human Rights, have documented deaths across the various waves of protest, with cited figures generally ranging from roughly 60 to over 120 depending on the period counted, alongside reports of arbitrary arrests and enforced disappearances. President Ruto withdrew the original 2024 Finance Bill following the protests and subsequently formed a 'broad-based government,' bringing members of the opposition Orange Democratic Movement into his cabinet in a power-sharing arrangement.

- **A protest movement now spanning three years:** the recurrence of significant demonstrations on the anniversary of the original 2024 protests, most recently in June 2026, indicates the underlying grievances around cost of living, corruption and unemployment remain genuinely unresolved rather than a single, contained episode.
- **A documented human rights toll:** multiple human rights organisations have documented a substantial number of deaths and injuries across the protest waves since 2024, alongside reports of arbitrary arrests and enforced disappearances, findings investors should weigh directly when assessing Kenya's political-risk profile.
- **A new Finance Act passed under a different framing:** Parliament passed the Finance Act, 2026 in June 2026 by a wide margin, targeting approximately KSh 100 billion (about $770 million) in additional tax revenue; the government has explicitly framed this law as pro-growth and investment-friendly rather than primarily revenue-focused, a deliberate contrast with the 2024 bill that triggered the original protests.
- **A power-sharing arrangement reshaping domestic politics:** the 'broad-based government' bringing opposition ODM figures into Ruto's cabinet has altered Kenya's parliamentary dynamics, evident in the Finance Act 2026's passage by a wide 122-40 margin, though it has not resolved the underlying public grievances that drove the original protest movement.

4. MAJOR PROJECTS & INFRASTRUCTURE

Continued fiscal spending on infrastructure underpins broader economic demand, with investment promotion now targeting a specific set of priority sectors.

- **Infrastructure spending supporting demand:** continued government capital expenditure on infrastructure and social programmes has directly supported private consumption and investment, according to African Development Bank analysis of 2025 growth drivers.
- **Priority sectors for new capital:** the 2026 AmCham summit's agenda specifically targeted manufacturing, digital technology, health, critical minerals, agriculture, energy and infrastructure, and the creative economy as the sectors where Kenya is actively seeking new investment.

5. CONFERENCES, FORUMS & EXHIBITIONS

Kenya hosted or featured in back-to-back major investment gatherings this month, from Nairobi to New York.

- **AmCham Business Summit 2026:** held 9-10 September at Nairobi's Windsor Golf Hotel & Country Club, the summit targeted at least $500 million in new US investment commitments, with organisers noting the previous four editions generated more than $2 billion in tracked commitments, and a deliberate new emphasis on converting pledges into operating businesses.
- **Bullish Africa summit, New York:** held 22 September, the half-day summit brought together 350 of the world's most influential capital allocators and African business leaders specifically to move dialogue toward bankable deals.
- **Unstoppable Africa Summit, New York:** a parallel gathering of African business leaders and global investors focused on forging deals, partnerships and investment across the continent's growth opportunities, with Kenya prominently represented.

6. BUSINESS & INVESTMENT EVENTS

President Ruto's direct pitch to US investors this month centred explicitly on regulatory predictability rather than tax incentives.

- **Presidential address to AmCham:** Ruto's 10 September remarks positioning predictability as Kenya's core investment offering, backed by the more than 50 cited business-enabling reforms, represented the clearest and most direct articulation yet of the government's investment-promotion strategy.
- **Kenya positioned as a regional gateway:** the summit's framing emphasised Kenya's role as an entry point to the wider East African market rather than solely as a standalone investment destination, reflecting a deliberate regional-hub positioning strategy.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A pending IMF programme renewal and deepening US commercial ties define Kenya's most consequential external relationships.

- **IMF:** the absence of a successor programme since Kenya's previous arrangement lapsed in 2025 remains an open and closely watched question, with a new staff-level agreement representing one of the clearest signals of restored external confidence in Kenya's fiscal trajectory.
- **United States:** the AmCham summit's $500 million target and Kenya's explicit gateway-market positioning reflect a deliberately deepening commercial relationship, building on more than $2 billion in tracked commitments from previous summit editions.
- **Domestic power-sharing arrangement:** the 'broad-based government' coalition between Ruto's administration and the opposition ODM continues to shape the government's ability to pass legislation, as demonstrated by the Finance Act 2026's decisive parliamentary passage.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A thriving, internationally recognised startup ecosystem continues attracting significant capital even as investors face growing pressure to demonstrate real unit economics.

Kenya's startup sector enters late 2026 in a genuinely more selective capital environment than in prior years: while $984 million was raised across 2025, industry commentary increasingly distinguishes between companies able to demonstrate proven revenue, customer trust and clear unit economics, and those relying primarily on funding narratives. Nairobi remains the clear centre of activity, though Mombasa and Kisumu are showing genuine signs of founder activity spreading beyond the capital.

- **A maturing investment climate for founders:** the shift toward rewarding demonstrated revenue and unit economics over pure growth narratives reflects a broader global venture-capital trend now clearly visible in the Kenyan market specifically.
- **Geographic diversification beginning:** early signs of founder activity in Mombasa and Kisumu, while still modest relative to Nairobi's dominance, suggest Kenya's startup ecosystem may be beginning to broaden beyond its traditional single-city concentration.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Manufacturing, critical minerals, digital technology and the creative economy define the priority sectors Kenya is actively pitching to new investors.

- **AmCham-identified priority sectors:** manufacturing, digital technology, health, critical minerals, agriculture, energy and infrastructure, and the creative economy together represent the specific sectors Kenya highlighted for new US investment at this year's summit.
- **New investor-protection infrastructure:** the proposed Investment Tribunal and Presidential Dialogue Forum under the Investment and Export Promotion Bill would, if passed, represent genuinely new formal channels for investors to resolve disputes and escalate concerns.
- **Broadly open capital markets with specific restrictions:** shares and government bonds remain broadly open to foreign capital, with land ownership, a handful of regulated sectors, and taxation of income repatriated abroad representing the main areas where specific restrictions apply, according to current investor guidance.

SUMMARY ASSESSMENT

Kenya remains East Africa's most dynamic and diversified economy, and this month's direct presidential pitch to US investors, built around a new investment-protection bill and explicit promises of regulatory predictability, reflects a genuine, coherent strategy to convert that dynamism into sustained foreign capital. The country's startup ecosystem, having attracted close to a third of all African venture capital in 2025, remains a genuine structural strength independent of near-term political developments.

Set against this: a youth-led protest movement that began over the 2024 Finance Bill has now recurred for three consecutive years, with human rights organisations documenting a substantial human cost across the various waves of demonstration. The new Finance Act 2026, despite the government's explicit effort to frame it differently from its 2024 predecessor, has already tested whether renewed revenue-raising can proceed without triggering fresh unrest, and Kenya's relationship with the IMF has lacked a successor programme since 2025. Investors should weigh Kenya's genuine structural strengths against a political environment in which annual protest anniversaries have become a recurring, and thus far unresolved, feature of the national calendar.

For investors, the coming months offer concrete signals to watch: whether the Investment and Export Promotion Bill passes and its new institutions become operational, whether Kenya and the IMF reach a new staff-level agreement, and whether the Finance Act 2026's implementation proceeds without triggering the kind of unrest that derailed its 2024 predecessor.