

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

KENYA

Africa East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Nairobi	Capital, financial and commercial centre; home to the Nairobi Securities Exchange and the Nairobi International Financial Centre Authority	Finance, banking, professional services, capital markets
Nairobi "Silicon Savannah"	One of Africa's foremost technology hubs, attracting substantial venture capital and spawning unicorn-class startups; services now account for over 50% of GDP	Technology, fintech, digital services, financial inclusion
Nairobi-Machakos EV manufacturing corridor	Government tax holidays for electric vehicle manufacturers have already led to the setup of three assembly plants in this corridor	Electric vehicle assembly, green manufacturing
Rift Valley geothermal fields	Kenya remains the regional leader in geothermal energy generation	Geothermal power generation, renewable energy infrastructure
Nairobi International Financial Centre	A dedicated institutional structure supporting financial-sector investment and cross-border capital flows	Financial services, fund management, cross-border finance
Kericho (rare earth elements)	Site of Australia's NGX Limited USD 350 million Buru rare-earth-elements project announced at KIICO 2026, a notable diversification of Kenya's mining sector beyond its traditional base	Rare earth elements, critical-minerals mining

INVESTOR ENTRY ROUTES

- **FOREIGN DIRECT INVESTMENT:** Kenya maintains a generally investment-friendly climate, with an Investment Certificate available to qualifying foreign investors meeting a minimum USD 100,000 threshold, offering benefits including entry permits and a 10-year withholding tax holiday.
- **JOINT VENTURE:** Relevant across financial services, manufacturing and energy, particularly where local market knowledge and regulatory navigation add value.
- **STRATEGIC PARTNERSHIP:** Exemplified by the EV manufacturing tax holiday that has already attracted three assembly plants to the Nairobi-Machakos corridor.
- **PPP / INFRASTRUCTURE:** Relevant to continued infrastructure development, supported by tax-free, government-backed Infrastructure Bonds as a parallel domestic financing channel.
- **ACQUISITION / PRIVATISATION:** Relevant as state-owned enterprise governance reform continues under the broader IMF-linked reform agenda.
- **EXPORT → DISTRIBUTION → LOCALISATION:** Supported by Kenya's role as East Africa's largest, most diversified economy and a regional trade and logistics hub.

MARKET-ENTRY OBSERVATION

A Kenya entry strategy should weigh the country's genuine economic diversification and private-sector dynamism, reflected in a November 2025 Stanbic PMI reading of 55.0, a five-year high, directly against its serious and unresolved fiscal position. Investors should track the outcome of Kenya's new IMF programme negotiations directly, since the previous Extended Credit Facility and Extended Fund Facility arrangements were abandoned in March 2025 after the deadly June 2024 tax protests disrupted reform implementation, and talks on a successor programme continued through 2026 without a finished deal.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Debt at high risk of distress	The IMF classifies Kenya's debt as at high risk of distress, with external debt service consuming nearly 32% of tax revenues in the year ending June 2026; debt-to-GDP figures vary meaningfully across sources, with the IMF projecting a rise toward 71.6-72.4% by 2026-2027 while the Finance Ministry targets a reduction toward 52.8% by 2027/28	Treat any single debt-to-GDP figure with caution; monitor IMF programme negotiations directly as the clearest leading indicator of fiscal credibility
Political constraint on fiscal reform	The deadly June 2024 Gen Z-led protests against tax hikes directly disrupted reform implementation and remain a live political brake on future revenue measures, including the Finance Bill 2026	Monitor the political reception of any new tax or fiscal measures directly; avoid assuming reform announcements will proceed unmodified
Lapsed IMF programme and unresolved successor negotiations	On 25 April 2026 the IMF paused talks on a new funding programme after Kenya had not yet responded to draft governance and corruption diagnostics reports; any new arrangement is contingent on a credible fiscal-consolidation path. IMF repayments are projected at roughly KSh47.9 billion in 2026 (up from KSh17.6 billion in 2025), adding near-term fiscal strain as Kenya leans more on volatile market-access financing	Track the new programme's conclusion directly as a key signal of restored fiscal and reform credibility
Genuinely divergent growth forecasts	The IMF downgraded its own 2026 growth forecast from 4.9% to 4.5% in April 2026, citing inflation, fuel costs, weakening tourism and rising fertiliser costs, while the Finance Ministry projects 5.3% and the Central Bank of Kenya projects 5.5%	Use the more conservative IMF figure as a planning baseline; track which forecast proves closer to outturn over 2026
Fiscal transparency concerns	Kenya's public finances are described as mostly transparent, but the IMF has raised specific concerns about underreporting of fiscal liabilities	Seek independent verification of fiscal data for any government-linked project or counterparty
No US-Kenya bilateral investment treaty	Kenya holds bilateral investment treaties with 11 countries, but the United States is not among them, a specific gap for US-based investors to factor into structuring decisions	Structure US-origin investment through jurisdictions where Kenya does hold a BIT, where appropriate, and seek specialist legal advice

INVESTOR RISK NOTE

Kenya presents a genuinely more diversified and resilient economy than many regional peers, with services now accounting for over 50% of GDP and a technology sector, Nairobi's "Silicon Savannah," that has attracted substantial venture capital and produced unicorn-class startups. The Central Bank of Kenya cut its policy rate in nine consecutive meetings to 9% by October 2025, inflation remains low and well-anchored, and the shilling has held broadly stable near KSh 129.47 to the US dollar through 2026. Against this, Kenya's fiscal position remains genuinely strained: the IMF classifies the country's debt as at high risk of distress, and the June 2024 Gen Z protests, which were deadly, directly disrupted the previous IMF programme and remain a live constraint on future fiscal reform. A USD 1 billion debt-for-food-security swap with the US International Development Finance Corporation provides some relief, alongside prospective new IMF support, though the shape and timing of that support remained unresolved as of late 2026.

MARKET ACCESS

Kenya's Investment Certificate regime offers qualifying foreign investors, at a minimum USD 100,000 investment, benefits including entry permits and a 10-year withholding tax holiday. The government has introduced new digital asset regulation, including a 3% Digital Asset Tax and a requirement for exchanges to maintain robust insurance or protection funds, and has replaced the former digital services tax with a significant economic presence tax. Tax holidays for electric vehicle manufacturers have already attracted three

assembly plants to the Nairobi-Machakos corridor. The Nairobi International Financial Centre Authority provides a dedicated institutional structure for financial-sector investment, and tax-free, government-backed Infrastructure Bonds offer a parallel domestic financing channel for infrastructure-linked projects. The Kenya International Investment Conference (KIICO) 2026, opened by President Ruto on 28 March, showcased 20 deals worth roughly USD 2.9 billion (reported as both KSh377 billion and KSh449.5 billion in official materials, a discrepancy investors should note) and more than 63,000 expected direct jobs, led by agriculture/agro-processing (~USD 890 million), real estate (~USD 630 million), manufacturing (~USD 600 million across 8 deals) and mining (~USD 350 million, including NGX Limited's USD 350 million Buru rare-earth-elements project in Kericho). These are announced agreements rather than confirmed disbursed investment.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
National Treasury	Leads fiscal policy, the Finance Bill process and new IMF programme negotiations	Fiscal-policy dialogue, reform-agenda tracking
Central Bank of Kenya (CBK)	Sets monetary policy; has led a substantial, nine-meeting easing cycle to 9% by October 2025	Monetary-policy dialogue, currency-stability monitoring
Nairobi International Financial Centre Authority	Dedicated institutional structure supporting financial-sector investment and cross-border capital flows	Financial-services licensing and institutional access
IMF	Negotiating a new financing programme following the March 2025 abandonment of the prior Extended Credit Facility and Extended Fund Facility review	Reform-linked monitoring, programme-conclusion tracking
US International Development Finance Corporation (DFC)	Provided a USD 1 billion debt-for-food-security swap, a specific, named debt-relief mechanism	Development-finance co-investment introductions
Kenya Revenue Authority (KRA)	Central to tax-base widening efforts, including integration of the informal sector via digital payment platforms	Tax-policy dialogue, digital-economy compliance context

CURRENT INTERNATIONAL BUSINESS CHANNELS

The IMF and World Bank remain Kenya's most consequential multilateral relationships, directly shaping the fiscal reform agenda investors should track. The US International Development Finance Corporation has established a concrete, recent channel through its debt-for-food-security swap. Kenya's technology sector has independently attracted substantial international venture capital, reflecting Nairobi's standing as a genuine regional technology hub distinct from government-to-government channels. These parallel tracks, multilateral fiscal engagement, US development finance, and independent venture capital interest in technology, offer Waverley multiple established entry points for cross-border investor and institutional introductions.

INVESTOR PROFILE BEST SUITED

Technology and fintech investors engaging with Nairobi's Silicon Savannah ecosystem, geothermal and renewable energy investors, electric vehicle manufacturers and green-manufacturing investors, financial services investors through the Nairobi International Financial Centre, and capital markets investors via the Nairobi Securities Exchange and Infrastructure Bonds are the strongest initial target profiles.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Market Intelligence

Map the sector, project location, applicable investment incentive regime and counterparties.

STEP 2: Investor Fit

Match capital, technology and risk appetite to a defined Kenyan project or investment theme, with explicit regard to fiscal and political-risk monitoring.

STEP 3: Partner Identification

Identify government counterparts, the National Treasury, CBK, multilateral institutions and relevant international companies.

STEP 4: Strategic Introductions

Use Waverley's business-diplomacy and institutional-relations capability to facilitate selected, purposeful introductions.

STEP 5: Market Entry

Support the investor through feasibility, partner negotiations, financing discussions and implementation planning.

WAVERLEY'S ROLE

- Market Entry & Investment
- Business Diplomacy & Strategic Introductions
- Trade Missions & Market Access
- Trade & Geopolitical Risk Advisory
- Government & Institutional Relations
- Research & Investment Intelligence

INVESTOR CALL TO ACTION

International investors, companies, institutions and strategic partners seeking further market intelligence or selected introductions may contact Waverley to discuss their objectives.

Market Intelligence → Investor Assessment → Strategic Introduction → Market Engagement → Potential Investment

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Internal intelligence should track: project sponsor; location/region; sector; project stage; CAPEX; financing need; investor type; government counterpart; local partner; licensing; relevant international company; conference/mission opportunity; introduction status; and next action. Given the genuine fiscal and political sensitivity of this market, IMF programme status should be tracked as a standing field for every Kenya entry. Public Gateway pages should reveal enough to generate investor interest without exposing commercially sensitive intelligence.

POSITIONING

Waverley Investment Gateway - From Market Intelligence to Trusted Market Connections.

Waverley helps international investors understand selected emerging and frontier markets, identify relevant opportunities and navigate the relationships required to explore market entry.

SELECTED SOURCES

- Citizen Digital - KIICO 2026 investment deals, March 2026.
- People Daily - IMF-Kenya negotiations paused, April 2026.
- US Department of State - 2026 Investment Climate Statement: Kenya, published September 2026.
- Ecofin Agency - "Kenya Eyes Mid-2026 Agreement on New IMF Financing Program."
- Capital Business - "IMF cuts Kenya's 2026 growth forecast to 4.5pc from 4.9pc," April 2026.
- bne IntelliNews - "OUTLOOK 2026 Kenya."
- Rio Times Online - "Kenya's IMF Test Comes Due as the Shilling Holds Near KSh 129.47," September 2026.
- Strategic Bureaux - "Kenya's Economy in 2026: Growth, Challenges, and the Road Ahead."
- Streamlinefeed - "Kenya's 2026 Fiscal Strategy: Balancing Debt Repayment and Growth."