

Exports and imports of kenya's government for the last decade

[Business](#)



Economies of developing countries are often characterised by huge productivity margins between different sections of the economy. À la W. Arthur Lewis dual economy models critically discusses about the emphasized the variations in productivity between wide sectors of the state economy. Primarily, such differences occur between the rural or traditional and urban or modern sections of the economy. Kenya, builds its economy while entirely depending on a single entity. The strongest entity in Kenya is domestic consumption. Domestic consumption in Kenya accounts for nearly seventy-five percent of the GDP (Gross Domestic Product). The major regional trade blocs for Kenya include EAC (East African Community) and COMESA (Common Market for Eastern and Southern Africa) (États-Unis. 2006, 45). Although Kenya makes large and diverse exports, the economy barely feels the impacts of exports. Between 2000 and 2010, Kenya registered a sharp decrease in its exports and subsequently the relative importance of the same. Due to the economic imbalances during the past decade in the country, Kenya may not easily attain economy growth. Research conducted by World Bank necessitated that Kenya should increase its export competitiveness. In the decade, Kenya's exports appeared to be below its potential (Aswathappa 2010, 56).

Between 2000 and 2010, Kenya registered an average annual growth rate of its export merchandise at only ten percent. Kenya, compared to other developing countries like Vietnam appeared to be underperforming. Vietnam registered higher rates of growth in export merchandise. Kenya is widely identified as a trade deficit nation. This remains to be the case since the major exports from Kenya tend to be vulnerable to weather conditions and

international prices. These factors may greatly affect the economy (Greenaway 2010, 78)

Kenya Trade: Exports

Agricultural products occur as the main focus on Kenya's export industry. About seventy-five percent of the population relies on agriculture and its related activities as their main source of income. Additionally, agriculture contributes significantly towards national production at twenty-five percent. Mainly horticultural products as well as tea contribute majorly on exports merchandise for Kenya. In 2006, the collective share of these two products was ten times higher than the share of the other export items. Additionally, Kenya exports petroleum by products to its regional neighbours besides providing internal petroleum consumption.

The fact that Kenya is an Agricultural State make it an Agricultural export countries. This follows the fact the over 75% of the 9. 2 million people in labour force engaged in farming. It argued that the Agricultural sector is the mainstay of the Kenyan economy contributing an estimated 26% of the GDP and over 60% of the total foreign exchange earnings. The major agricultural exports for the country include coffee, tea, dairy products, horticulture, wheat, beef, pork, poultry, sugarcane, corn and eggs. It is worth noting that Tea is the leading single export earner for Kenya with coffee and horticulture also contributing significantly to foreign earning. In 2001, Kenyan tea export was valued at \$404. 1 million contributing to over 18% of the total exports. On the other part, coffee contributed a total of \$91. 8 million from exports during the same period.

However, the horticultural sector country has witnessed a tremendous

growth and is now the 1st leading agricultural export for Kenya. Fresh produce such as beans, flowers, cabbages, passion fruits, snow peas, avocados, and onions contributed to over 30% of the total agricultural products. In 2005, horticulture contributed to 23% of the total foreign earning while tea contributed 22% during the same period. Due to uncertainties in the world prices, coffee's contribution to the export earning has reduced to just 5% during the same period.

In the recent years, Kenya and China signed an MoU (Memorandum of Understanding). China was indebted to find oil in Kenya. Kenya found oil in 2014 and would be exporting it as well. Other than tea and horticultural products, Kenya majorly exports fish, coffee and cement. In 2009, Kenya registered a gross income on exports worth over four-point-nine US Dollars. Kenya's exports include the United Kingdom, Netherlands, Uganda, the United States, Tanzania and Pakistan. The UK accounts for over ten percent of Kenya's exports (Aswathappa 2010, 90).

Kenya Trade: Imports

Kenya majorly imported transport equipment, machinery, automobiles, plastics, metals and electrical appliances and equipment. Largely, a huge portion of imports in Kenya came from the United Arab Emirates and India. In 2009, the two countries made a cumulative eleven percent on the total imports. Other major import partner countries are Saudi Arabia, Japan, China, South Africa and the US (Aswathappa 2010, 90s).

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