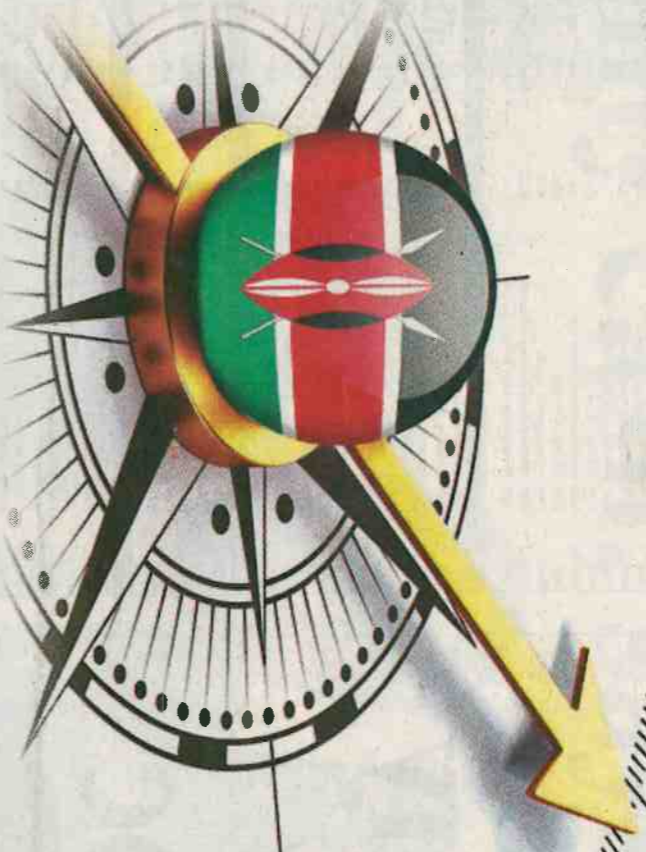


# TELE

Kenya's economy gained steam in the second quarter, expanding 6.2 per cent year-on-year. The uptick was supported by broad-based increases in all sectors. We explore sectors that power growth, according to Kenya National Bureau of Statistics

## Sectors powering Kenya's economy



### 1. Agriculture

The sector contributed 30 per cent to the country's Gross Domestic Product (GDP) last year to take the crown, almost more than contribution of manufacturing, transport, real estate and education sectors combined. About 75 per cent of Kenyans rely on the sector for food and employment. Tea is the backbone of the sector.



### 2. Manufacturing

The sector expanded by 3.5 per cent last year compared to 3.2 per cent in 2014 making it the second contributing sector to the country's GDP. The growth was partly attributed to reduced cost of inputs such as petroleum products and electricity. However, the country has been losing its competitive edge to other countries due to high cost of production. Wages in Kenya are much higher than in peer countries at a similar level of development.

### 3. Transport and Storage

With the matatu and truck and soon rail transport services leading the pack, the sector is viewed as critical in the country's economic growth. It is a vital sector that contributed 7.6 per cent to the GDP last year.

### 4. Real Estate

It contributed 7.6 per cent to the GDP last year. The country's booming property market is said to be responding to demand that has been created by the expanding middle class. Nairobi is one of the largest expatriate communities on the continent due to the significant number of multinationals who have chosen Nairobi as either their African hub or East and Central African hub.



### 5. Education

The sector contributed five per cent to the GDP last year. The total number of educational institutions increased by 4.1 per cent from, 79,641 in 2014 to 82,889 in 2015. The number of pre-primary schools rose by 1.4 per cent from 40,219 in 2014 to 40,775 in 2015 while that of primary schools grew by 6.4 per cent from 29,460 in 2014 to 31,333 in 2015. A higher growth was registered in the number of private primary schools compared to the public.

### 6. Construction

The construction sector maintained the momentum realised in 2014 to post a growth rate of 13.6 per cent in 2015, and it contributed 4.8 per cent to the GDP. This growth was to a great extent buoyed by the development of transport infrastructure such as the continued implementation of the first phase of the Standard Gauge Railway, development of the road network, expansion and rehabilitation of facilities at the airports and improvement of port facilities to enhance operational efficiency.

### 7. Public administration and Defence

The sector contributed four per cent to the country's economy making one of the key pillars of the country's GDP



### 8. Electricity Supply

We all need power and for that reason the total installed electricity capacity increased by 6.3 per cent to 2,333.6 MW in 2015. The sector recorded an accelerated growth of 9.7 per cent last year compared to a growth of 7.3 per cent in 2014. The sector contributes one per cent to the GDP.

### 9. Information and Communication

The size of the local ICT market is estimated at Sh50 billion. Local ICT companies are expected to expand into the region, given Kenya's relative sophistication compared to neighbouring markets, and in order to service clients' expansion plans into the East African Community and beyond. The sector contributed 0.9 per cent to the economy.



### 10. Accommodation and Food service

Performance in the accommodation and food services sector has been greatly constrained in the last three years. During this period, the sector showed some signs of recovery by slowing the rate of contraction to 1.3 per cent compared to a revised contraction of 16.7 per cent in 2014.

