

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-KENYA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. Kenya is a country in East Africa, spanning 582,646 km and bisected by the Equator. It is bordered by Tanzania, Uganda, South Sudan, Ethiopia, Somalia, and the Indian Ocean. Known for its diverse geography—ranging from coastal plains to the Great Rift Valley and Mount Kenya—it has a population of over 53 million and Nairobi is the capital city.

2. Kenya is the economic, financial, and transport hub of East Africa. Kenya's real GDP growth has averaged over 5% for the last eight years. Since 2014, Kenya has been ranked as a lower middle income country because its per capita GDP crossed a World Bank threshold. While Kenya has a growing entrepreneurial middle class and steady growth, its economic and development trajectory could be impaired by weak governance and corruption. Although reliable numbers are hard to find, unemployment and under-employment are extremely high, and could be near 40% of the population. Agriculture remains the backbone of the Kenyan economy, contributing one-third of GDP. About 75% of Kenya's population of roughly 44.2 million work at least part-time in the agricultural sector, including livestock and pastoral activities. Over 75% of agricultural output is from small-scale, rain-fed farming or livestock production. Inadequate infrastructure continues to hamper Kenya's efforts to improve its annual growth to the 8%-10% range so that it can meaningfully address poverty and unemployment. The KENYATTA administration has been successful in courting external investment for infrastructure development.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Kenya are Uganda, Pakistan, Netherlands, Tanzania, United States. On the other hand five major import partners of Kenya are China, United Arab Emirates, India, Saudi Arabia, Malaysia. Major five exported goods of Kenya are (i) Black tea (fermented) and partly fermented tea,, (ii) Fresh cut flowers and buds (iii) Petroleum oils, etc, (excl. crude); preparation, (iv) Coffee, not roasted or decaffeinated and (v) Titanium ores and concentrates. On the other hand major five imported goods of Kenya are (i) Petroleum oils, etc, (excl. crude); preparation (ii) Crude palm oil, (iii) Spelt, common wheat and meslin (iv) Flat rlld prod and (v) Other medicaments of mixed or unmixed products.

4. Kenya's total exports globally in 2020 were of the order of USD 6022 million. It was USD 8256 million in 2024. Exports from Kenya increased by 12.11 % in the year 2021 followed by another 9.18% increase in 2022. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 8.21%.

5. Kenya's total imports from the world in 2020 were of the order of USD 15407 million and it was USD 20203 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 7.01%.

6. Kenya faced an overall Balance of Trade deficit from 2020 to 2024. Kenya had a trade deficit of USD 11947 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 7.35%.

TABLE - 1
KENYA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	6022		15407		21,429		-9385
2021	6751	12.11	19594	27.17	26,345	22.94	-12843
2022	7371	9.18	21101	7.69	28,472	8.07	-13730
2023	7158	-2.89	18604	-11.83	25,763	-9.52	-11446
2024	8256	15.33	20203	8.59	28,459	10.47	-11947

Annual Compound Growth Rate :

8.21

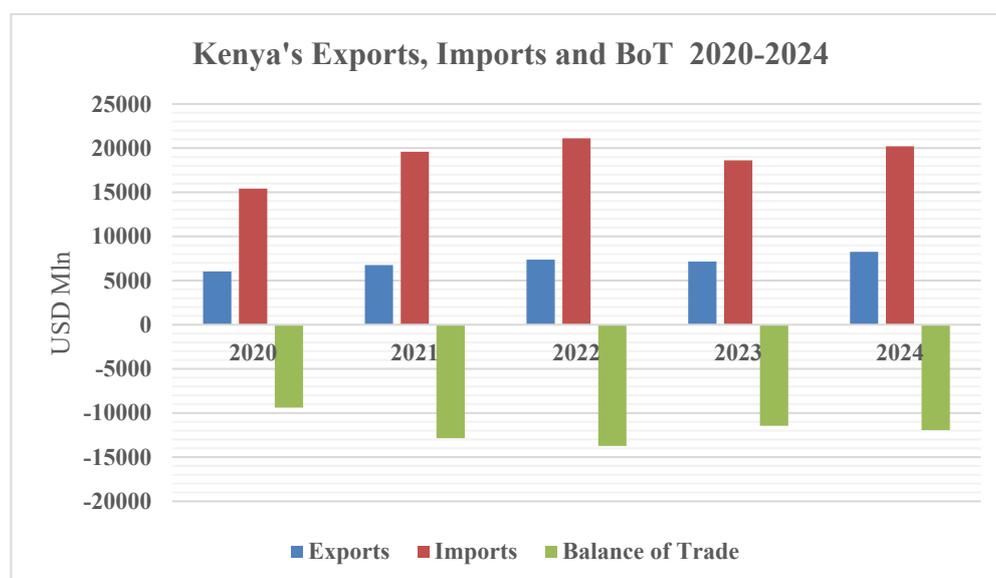
7.01

7.35

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India is one of the largest trading partners of Kenya and India-Kenya trade relations encompasses various sectors of economy. Main Indian exports to Kenya include petroleum products, pharmaceuticals, steel products, machinery, yarn, vehicles and power transmission equipment. Main Kenyan exports to India include soda ash, vegetables, tea, leather and metal scrap. Kenya ranked 50th as an export destination of India in FY 2024-25. India exported to Kenya almost 0.72% of its total export value in FY 2024-25. In the same financial year imports from Kenya was 0.04% of India's total import value. Almost 0.26% of India's total international trade value of goods was between India and Kenya as has been recorded in DGCI&S database for FY 2024-25.

8. Indo-Kenya total volume of bilateral trade in FY 2020-21 was of the order of USD 2026.11 million. It was USD 3456.90 million in FY 2024-25. The annual compound growth rate of total volume comprising both exports and imports during the period from 2020-21 to 2024-25 had been of the order of 14.29 %.

9. It is seen from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with Kenya. It has been observed that exports from India to Kenya increased by 38.83 % in FY 2021-22 over FY 2020-21. The annual average compound rate of growth of Exports was 13.39% during the period under review. On the other hand, imports from Kenya to India increased by 11.58% in FY 2021-22 over FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 25.50%.

A snapshot of India's merchandise trade statistics with respect to Kenya is presented in Table 2 & Figure 2

TABLE - 2
INDIA'S MERCHANDISE EXPORTS & IMPORTS WITH RESPECT TO KENYA
FY 2020-21 to 2024-25

(Value in USD Million)

Year	Exports from India to Kenya	Percentage Growth in Exports	Imports from Kenya to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	1895.84		130.27		2026.11		1765.57
2021-22	2631.90	38.83	145.35	11.58	2777.25	37.07	2486.55
2022-23	3273.66	24.38	116.68	-19.72	3390.34	22.08	3156.98
2023-24	3174.84	-3.02	176.34	51.13	3351.18	-1.16	2998.50
2024-25	3133.69	-1.30	323.21	83.29	3456.90	3.15	2810.48

**Annual
Compound
Growth
Rate :**

13.39

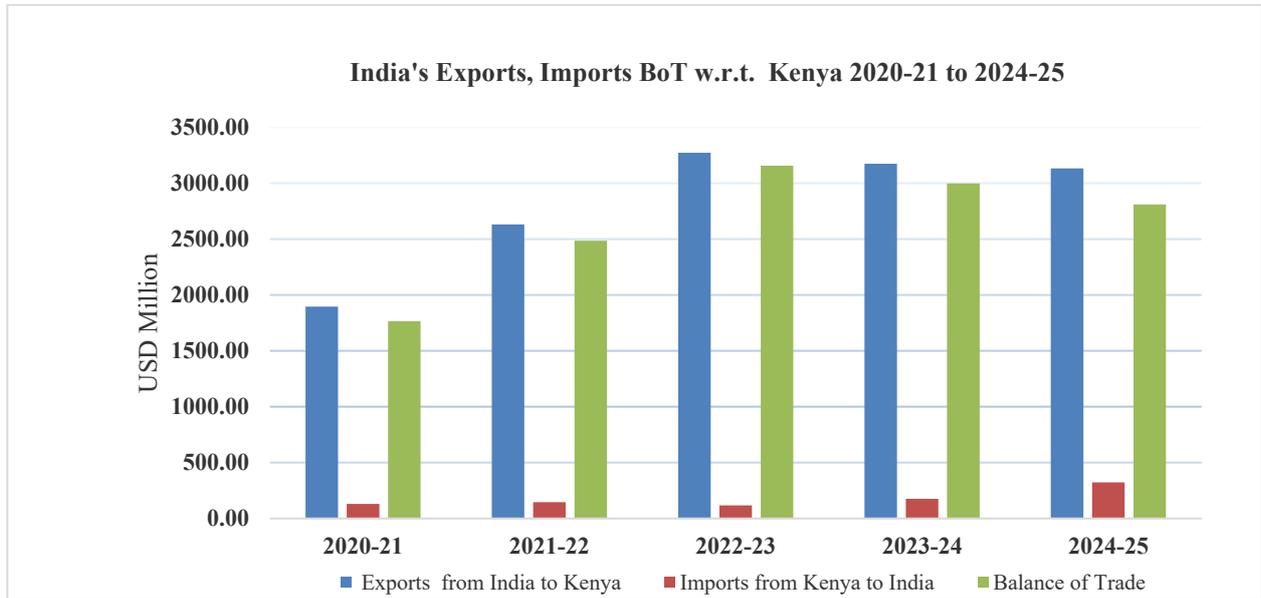
25.50

14.29

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. (i) **PETROLEUM PRODUCTS** (ii) **DRUG FORMULATIONS, BIOLOGICALS** and (iii) **INDL. MACHNRY FOR DAIRY ETC** occupied the top three slots in India’s exports to Kenya in FY 2024-25. **PETROLEUM PRODUCTS** occupied 25.57% share of India’s total exports to Kenya in FY 2024-25.

b. (i) **COFFEE** (ii) **PULSES** and (iii) **COPPER AND PRDCTS MADE OF COPR** were the three major commodities in India’s imports list from Kenya in the year 2024-25, India imported a significant amount of **COFFEE** from Kenya with a share of 25.43% of total imports from Kenya recorded in 2024-25.

TABLE - 3

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO KENYA
2020-21 TO 2024-25 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	PETROLEUM PRODUCTS	354.31	557.67	985.03	853.65	801.39	57.40	76.63	-13.34	-6.12
	Share in total export	18.69	21.19	30.09	26.89	25.57				
2	DRUG FORMULATIONS, BIOLOGICALS	236.29	283.26	300.98	363.54	379.42	19.88	6.26	20.79	4.37
	Share in total export	12.46	10.76	9.19	11.45	12.11				
3	INDL. MACHNRY FOR DAIRY ETC	105.41	147.61	158.84	172.85	194.09	40.03	7.61	8.82	12.29
	Share in total export	5.56	5.61	4.85	5.44	6.19				
4	RICE(OTHER THAN BASMOTI)	60.18	56.99	195.48	205.88	105.30	-5.30	243.01	5.32	-48.85
	Share in total export	3.17	2.17	5.97	6.48	3.36				
5	PAPER, PAPER BOARD AND PRODUCT	41.26	104.03	81.31	74.91	89.56	152.13	-21.84	-7.87	19.55
	Share in total export	2.18	3.95	2.48	2.36	2.86				
6	SUGAR	32.10	23.35	109.57	188.14	68.62	-27.26	369.25	71.71	-63.53
	Share in total export	1.69	0.89	3.35	5.93	2.19				
7	PLASTIC RAW MATERIALS	61.87	76.11	47.27	51.02	65.37	23.02	-37.89	7.93	28.13
	Share in total export	3.26	2.89	1.44	1.61	2.09				
8	COTTON FABRICS, MADEUPS ETC.	19.26	53.04	44.65	42.83	60.95	175.39	-15.82	-4.08	42.32
	Share in total export	1.02	2.02	1.36	1.35	1.95				
9	MANMADE YARN,FABRICS,MADEUPS	34.72	57.04	56.31	54.75	59.74	64.29	-1.28	-2.77	9.12
	Share in total export	1.83	2.17	1.72	1.72	1.91				
10	RICE -BASMOTI	7.53	9.57	19.57	46.71	56.53	27.09	104.49	138.68	21.02
	Share in total export	0.40	0.36	0.60	1.47	1.80				
	Total Export to Kenya	1895.84	2631.90	3273.66	3174.84	3133.69	38.83	24.38	-3.02	-1.30

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE - 4
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM KENYA
2020-21 TO 2024-25 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	COFFEE	21.14	31.89	29.15	51.57	82.19	50.85	-8.59	76.91	59.38
	Share in total imports	16.23	21.94	24.98	29.24	25.43				
2	PULSES	28.95	22.76	3.13	21.02	68.43	-21.38	-86.25	571.57	225.55
	Share in total imports	22.22	15.66	2.68	11.92	21.17				
3	COPPER AND PRDCTS MADE OF COPR	9.65	17.45	6.53	15.14	64.05	80.83	-62.58	131.85	323.06
	Share in total imports	7.41	12.01	5.60	8.59	19.82				
4	TEA	25.62	14.92	13.54	13.09	35.08	-41.76	-9.25	-3.32	168.01
	Share in total import	19.67	10.26	11.60	7.42	10.85				
5	INORGANIC CHEMICALS	17.34	24.62	32.41	28.39	14.43	41.98	31.64	-12.40	-49.17
	Share in total import	13.31	16.94	27.78	16.10	4.47				
6	ALUMINIUM, PRODUCTS OF ALUMINM	2.78	5.36	3.67	8.01	9.11	92.81	-31.53	118.26	13.68
	Share in total import	2.13	3.69	3.15	4.54	2.82				
7	PLYWOOD AND ALLIED PRODUCTS	1.72	0.73	1.14	0.48	3.91	-57.56	56.16	-57.89	713.99
	Share in total import	1.32	0.50	0.98	0.27	1.21				
8	RESIDUL CHEMICL AND ALLED PROD	0.00	0.01	1.02	2.55	3.70		10100.00	150.00	45.03
	Share in total import	0.00	0.01	0.87	1.45	1.14				
9	OTHER MISC. ENGINEERING ITEMS	0.01	0.00	0.04	0.00	3.48	-100.00		-100.00	
	Share in total import	0.01	0.00	0.03	0.00	1.08				
10	IRON AND STEEL	1.98	3.71	2.86	3.98	3.32	87.37	-22.91	39.16	-16.59
	Share in total import	1.52	2.55	2.45	2.26	1.03				
	Total Import from Kenya	130.27	145.35	116.68	176.34	323.21	11.58	-19.72	51.13	83.29

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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