

# Kenya Economic SWOT

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Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Kenya's relatively diversified economy reduces its vulnerability to commodity price shocks.</li> <li>A rapidly growing technology sector supports an internationally competitive services sector.</li> <li>Robust economic growth encourages investment.</li> <li>Kenya has a strategically advantageous location in the East African Community (EAC).</li> </ul>	<ul style="list-style-type: none"> <li>Entrenched perceptions of corruption undermine the business environment.</li> <li>Large flows of portfolio and other volatile forms of investment leave the economy exposed to swings in investor sentiment - especially pertinent given global trade tensions.</li> <li>A large proportion of Kenya's exports are agricultural, many of which have been severely impacted by poor harvest conditions over recent years.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>As a relatively advanced emerging market, Kenya could serve as a springboard for international firms looking to enter Sub-Saharan Africa.</li> <li>Kenya can benefit from the increasing integration of the EAC, primarily through growing intra-regional trade.</li> <li>The country could also substitute Mainland Chinese exports to the US, namely textiles.</li> </ul>	<ul style="list-style-type: none"> <li>If risk-off sentiment arising from US trade policy becomes more protracted, the wider Kenyan economy could be vulnerable given a reliance on portfolio investment.</li> <li>A failure to address large fiscal deficits and a growing debt burden could see investor sentiment begin to decline over the coming years.</li> <li>Drought associated with climate change poses risks to growth, inflation, the currency and the balance-of-payments position.</li> </ul>

