

FOREIGN INVESTMENT SURVEY 2023

Background

The Kenya National Bureau of Statistics (KNBS) in collaboration with the Central Bank of Kenya (CBK) and the Kenya Investment Authority (KenInvest) is conducting Foreign Investment Survey (FIS) 2023 during the period November 2023 to February 2024. This is the seventh survey after FIS 2010, FIS 2013, FIS 2015, FIS 2016, FIS 2018 and FIS 2020.

Purpose of FIS 2023

The purpose of FIS 2023 is to collect information from resident enterprises on their foreign assets and liabilities. The data collected will be used to improve the quality of data for compilation of Balance of Payments (BOP) and International Investment Position (IIP) statistics. In addition, data collected will be used for Investment Promotion and policy formulation.

Objectives of FIS 2023

The specific objectives of the survey are:

- To collect comprehensive information, with geographic detail, on the stocks and flows of inward and outward foreign capital.
- The FIS 2023 information will be useful for improvement of BOP and IIP Statistics;
- To collect data on private sector external debt;
- To collect data and information on foreign investment relationships for compiling Foreign Affiliates Statistics (FATS).
- To improve the quality of foreign direct Investment (FDI) Statistics, a component of foreign investment statistics.
- To generate investment data needed for monitoring economic development and planning appropriate national policies;
- To provide additional information useful for investment promotion and trade negotiations;

Target Institutions

The survey will be administered to selected resident enterprises based on their cross-border transactions and positions. This include equity (shareholding), debt instruments, financial derivatives and international trade in goods and services.

Authority

The Statistics Act, 2006 empowers KNBS to collect Balance of Payments Statistics and other related external sector statistics. Enterprises are legally bound to provide the information sought.

Confidentiality

Confidentiality of data collected is guaranteed under the Statistics Act, 2006. The Act may be accessed on the KNBS Website (www.knbs.or.ke). The survey personnel are under oath not to divulge any information provided by enterprises to a third party. In addition, the data collected will strictly be used for statistical purposes and any reports disseminated as statistical aggregates to preserve confidentiality.

FIS 2023 Questionnaire

The FIS 2023 Questionnaire will be used to collect the required data and information.

How often is this information collected?

Foreign investment surveys are conducted on an annual basis and will be carried out on quarterly basis in future.

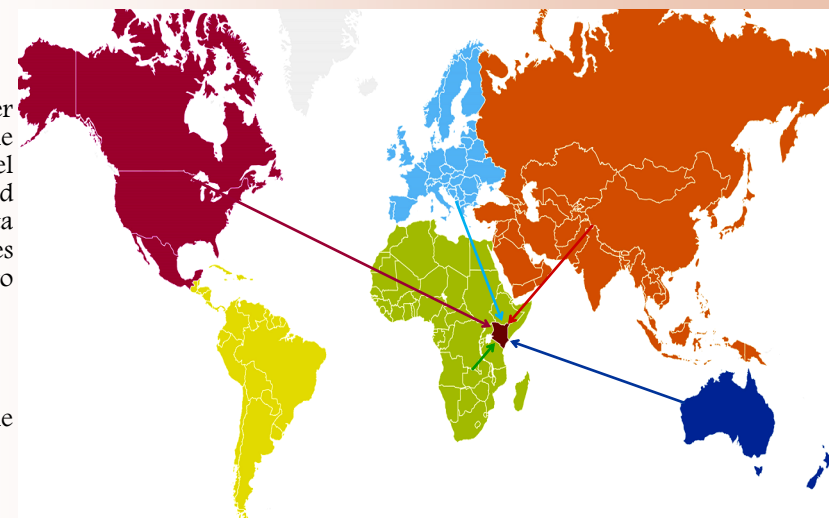
FIS 2023 Findings

The findings of this survey will be disseminated by June, 2024 and will be available on the KNBS website.

Useful links relating to:

Survey instruments for FIS 2023 and previous FIS survey reports

- KNBS: <http://www.knbs.or.ke>
- IMF Balance of Payments and International Investment Position Manual (BPM6): <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>



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Foreign Investment Survey 2020 Results

Cross-border private capital is an important source of development finance, facilitating investment, growth, and sustainable development. National policies and the international investment architecture matter for attracting cross-border investment to developing countries and for reaping the full benefits of FDI for development.

KNBS in collaboration with the CBK and KenInvest collected data on cross border private capital from resident enterprises for the calendar years 2018 and 2019 from September to November 2020.

Highlights of the FIS 2020 Survey

Foreign Liabilities

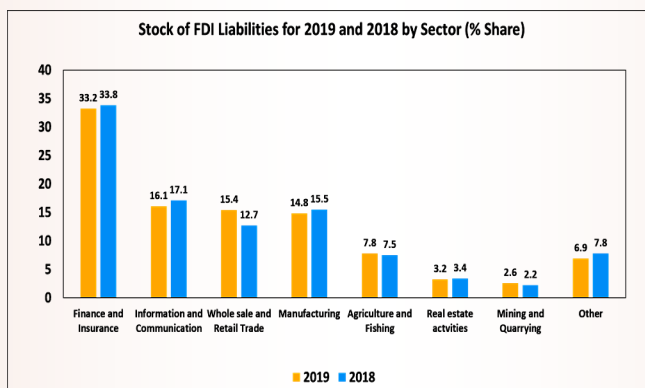
The level of foreign liabilities rose from KSh 1,647.4 billion in 2018 to KSh 1,777.5 billion in 2019 of which 52.9% was Foreign Direct Investment (FDI). Net inflows of foreign liabilities increased from KSh 93.5 billion in 2018 to KSh 104.4 billion in 2019 on account of increases in net inflows of Other Investment liabilities and Portfolio Investment.

European Union remained the leading source of the stock of inward investment accounting 23.7% of the total stock of foreign liabilities in 2019. Africa was the second source of foreign liability stocks with stock valued at KSh 483.6 billion in 2019, having risen by 7.4%.

The United Kingdom (13.5%), Mauritius (11.0%), United States of America (10.3%) and South Africa (9.8%) were the major sources of the stock of foreign liabilities in 2019.

The bulk of the stock of FDI was held in the Financial and Insurance Services Sector accounting for an average of 33.5% of the total stock of FDI in 2018 and 2019.

The Information and Communication; Wholesale and retail trade; and Manufacturing Sectors were sectors that remained attractive to investors.



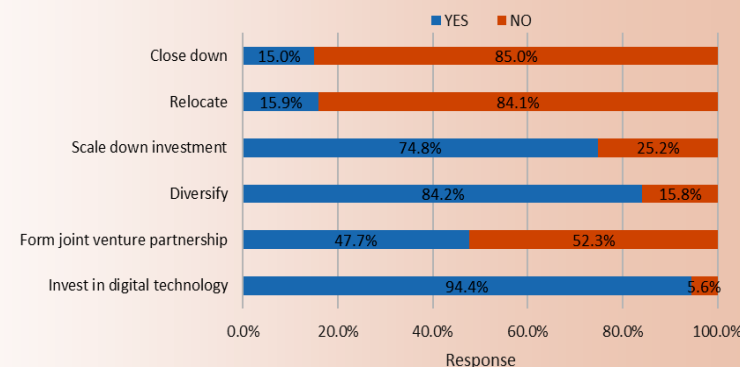
Foreign Assets

Kenya's stock of foreign assets increased by 6.7% to KSh 234.3 billion in 2019 majorly in form of Foreign Direct Investment.

Uganda was the leading destination of the stock of assets abroad in 2019 with stocks valued at KSh 41.5 billion in 2019. Outside the EAC, Mauritius and South Africa were key destinations of Kenya's assets abroad in 2019. The stock of foreign assets in the United Kingdom increased from KSh 18.8 billion in 2018 to KSh 24.3 billion in 2019.

Investor Perception

Foreign Investment Survey 2020 was undertaken during the Covid-19 pandemic. This had adversely affected the business environment with 97.0% of respondents indicating that the Pandemic had impacted businesses in several ways including disruptions on access to markets (50.5 %), supply chain (48.8 %) and levels of employment (37.5 %).



However, Kenya remained an attractive investment destination in spite of the disruptions to business operations, more than 80.0% of the respondents indicated that they would neither relocate nor close down.

Engage Us

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Comparison of share of stock of foreign liabilities 2018 and 2019

