NTA

National Taxpayers Association
pesa zetu, haki yetu

OXFAM

STUDY TO ESTABLISH THE SIZE OF ILLICIT FINANCIAL FLOWS IN KENYA

ABOUT THE NATIONAL TAXPAYERS ASSOCIATION

The National Taxpayers Association (NTA) is an independent, non-partisan organization that promotes good governance in Kenya through citizen empowerment, enhancing public service delivery, and partnership building.

Since 2006, NTA has implemented programs aimed at strengthening government service delivery performance and enhancing accountability through monitoring the quality of public services and management of public funds.

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ABBREVIATIONS AND ACRONYMS

ACA	The Anti-Counterfeit Authority
AFROSAI	African Organisation of Supreme Audit Institutions
AEOI	Automatic Exchange of Information
AML/ CFT	Anti-Money Laundering/ Counter Financing Terrorism
ARA	Asset Recovery Authority
ATAF	African Tax Administration Forum
AU	Africa Union
AUCPCC	African Union Convention on Preventing and Combating Corruption
BRS	Business Registry Service
CAJ	Commission on Administration of Justice
CIF	Cost Insurance Freight
CIFAR	Civil Forum on Asset Recovery
CPI	Corruption Perception Index
CRC	Citizen Report Cards
CRS	Common Reporting Standard
DRM	Domestic Resource Mobilisation
EAC	East African Community
EOI	Exchange of Information
EOIR	Exchange of Information Review
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FI	Financial Institution
GDP	Gross Domestic Product
GFI	Global Financial Integrity
ICC	International Chamber of Commerce
ICIJ	International Consortium of Investigative Journalists
ICPAK	Institute for Certified Public Accountants Kenya
IFFs	Illicit Financial Flows
KRA	Kenya Revenue Authority
Mbeki Panel Report	African Union/ UN Economic Commission for Africa (AU/ UNECA) High-Level Panel Report on Illicit Financial Flows from Africa
MNE	Multinational Enterprises
NTA	National Taxpayers Association
ODA	Official/ Overseas Development Assistance
ODPP	Office of the Director of Public Prosecutions
OECD	Organisation of Economic Cooperation and Development
PCM	Partner Country Method
POCAMLA	Proceeds of Crime and Anti-Money Laundering Act
RBA	Risk Based Approach
TIWB	Tax Inspectors Without Borders
UNCAC	UN Convention Against Corruption
UNCTAD	UN Trade and Development
UNDP	UN Development Programme
UNECA	UN Economic Commission for Africa

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EXECUTIVE SUMMARY

Illicit Financial Flows (IFFs) pose a major obstacle to Africa's economic development by draining essential resources needed for development. According to various reports including by UN Trade and Development (UNCTAD) and the African Union/ UN Economic Commission for Africa (AU/ UNECA) High-Level Panel Report on Illicit Financial Flows from Africa (Mbeki Panel Report), IFFs have significantly weakened domestic resource mobilisation (DRM), financial stability, and economic performance across African countries. Africa is estimated to lose up to US $88.6 billion annually through IFFs, exceeding the total foreign direct investment (FDI) and official development assistance (ODA) it receives.

These outflows stem from transnational commercial activities, criminal enterprises, and corruption. The Addis Ababa Action Agenda (2015) and the Mbeki Panel Report both recommend stronger national regulations, international cooperation, and institutional reforms to combat IFFs. However, implementation has been weak, and reliable data on the actual scale of IFFs remains insufficient.

This study seeks to assess the legal, policy and institutional frameworks related to addressing IFFs and to estimate the amounts lost through commercial, criminal and corruption means. It finds that Kenya's legal, policy and institutional frameworks are continuously improving with particular advancements in the use of exchange of information requests, in the regular assessments of vulnerabilities related to money laundering, and with the public reporting of corruption related cases, among others. Corporate as well as financial secrecy and perceptions of corruption, however, remain wanting. Some identified challenges include challenges in beneficial ownership of importers and trading corporates, regulations on seizure and overlapping roles between some agencies handling IFF matters.

With regard to estimating the size and trends of IFFs from Kenya, this study finds that:

1. While the estimation of the size and trend of corruption related IFFs could not provide regular trends over the analysis period, the number of reported corruption related cases shows a marginal increase.
2. One out of every five products sold in the Kenyan market is counterfeit, and that Kenya loses over KES 100 billion annually due to counterfeit goods, which directly translates into job losses and reduced government revenue from taxes.
3. Kenya losses an estimated KES 253 billion annually through commercial and criminal activities such as bribery and corruption.
4. IFFs arising from corruption over the last six years as investigated by the Ethics and Anti-Corruption Commission (EACC) was estimated at KES 66.9 billion; out of which a total of KES 32.1 billion was recovered.
5. The size and trend of commercially-driven IFFs arising from mis-invoicing and illicit products on the other hand indicate annual upward trend. Trade in illicit goods as reported by the Anti-Corruption Authority (ACA) and Kenya Association of Manufacturers (KAM) indicate that the value of illicit goods in the market grew from an estimated KES 100 billion in 2021 according to ACA to KES 153 billion in 2024 as estimated by KAM clustered into various sectors.
6. The variance between import and export flows to and from Kenya and its trade partners was US$144,183,489,450 over the last 12 years.
7. The size of value mismatch on international trade, established through the Partner Country Method (PCM) similarly shows an increasing disparity, hence value of mis-invoicing from a net value of KES 1 billion in 2016 (0.24%) to a value of KES 180 billion in 2024 (19.81%).
8. Kenya relies on imports of goods to meet the domestic demand. Annually, Kenya imports 67% of goods from ten countries and 33% from the rest of the world. This indicates a

delicate risk position for Kenya, in the sense that loopholes created by any of the top 10 countries has a significant impact on collections of duties and levies.

9. PCM analysis on gross value of imports declared by Kenya and consolidated exports into Kenya by other countries shows that Kenya's values significantly varies downwards. In the case of China and India, for instance, Kenya reported only between 3-5% of the gross exports reported from China and India destined to Kenya. This could however be influenced by factors such as transit, transshipment, re-shipment and cancellation of exports from China and India. Kenya on the other hand declared 5.8% imports from USA on top of the actual declared exports by USA into Kenya. Similarly, Kenya declared between 53-69% of goods imported from Russia and Germany. This finding somehow validates the variation of values from other major trading partners as Kenya imports mostly tax-exempt machinery from the above three countries.

Improved data collection, including determining the amounts of revenues lost through IFFs, evidence-based policymaking, and public awareness are necessary to effectively tackle IFFs. Strengthening administrative capacity, enhancing legal frameworks, and increasing transparency will support DRM and help finance the Sustainable Development Goals (SDGs).

This study recommends:

1. Review of the tax exemption regime for imported goods and alignment of import incentives with those provided for by the exporting partners,
2. Enhancing capacity and skills of those responsible for investigations and revenue collections and enforcing beneficial ownership and transparency rules for companies,
3. Adapting the legislative, regulatory and institutional frameworks to include stricter sanctions against price manipulation and non-compliance with tax obligations,
4. Ensuring a high level of integrity among those responsible for mobilising tax revenue,
5. Promoting the visibility of information/transactions, particularly from large trading partners. This can be done through data integration,
6. Enhancing internation cooperations through mutual legal assistance for information exchange.
7. An effective measure of estimating the size of IFFs should adopt a wider data integration of all possible IFFs sources.
8. Investigative agencies should exhaustively investigate all cases reported in order to recover as much illegally acquired wealth as possible.
9. The Government, through extensive bilateral and multilateral agreements, should establish data exchange protocols to validate declaration values between trade partners.
10. For the criminal cases, all cases reported should be fully investigated and all assets acquired should be seized and reported. Efficient co-ordination between the independent institutions such as the Office of the Director of Public Prosecutions (ODPP), EACC, judiciary and other investigative agencies to ensure appropriate measures are implemented to quicken the process before perpetrators dispose or transfer assets acquired through corruption.
11. Kenya should secure data exchange protocols to allow full disclosure of all imports from major trade partners.
12. Kenya should establish appropriate valuation methodology for imported goods for purposes of minimising outward IFFs from commercial transactions.

1. BACKGROUND TO THE STUDY

According to the United Nations Trade and Development (UNCTAD), Illicit Financial Flows (IFFs) pose a great economic and development challenge to African states due to the severe negative implications they pose to the development needs due to their erosion of critical resources that these development programmes require.[1]

IFFs have grossly impacted domestic resource mobilisation (DRM), development expenditure, and other economic development plans of African states and equally contributed greatly to the poor state of economic performance by African states. As a result, financial outflows continue to raise serious concerns due to their attribution to increased inequality, poverty levels, and growing economic imbalance.[2]

Evidence has shown that IFFs undermine Africa's foreign exchange reserves, financial stability, and economic capacities. The High-Level Panel Report on Illicit Financial Flows from Africa (Mbeki Panel Report) identified that Africa was losing over US $50 – US $60 billion annually as of 2011 and that the magnitude of IFFs from Africa is rising. [3]

UNCTAD's 2022 report on Tackling Illicit Financial Flows in Africa Arising from Taxation and Illegal Commercial Practices shows a worrying trend in efforts on recovery from IFFs control as Africa continues to be overburdened. The report estimated Africa to lose an annual average of US $88.6 billion through IFFs.

The ratio of IFFs to GDP at the time was estimated at approximately 3.7%. The Mbeki Panel report found that the size of IFFs outweighs the annual amount of external financial flows to Africa such as Foreign Direct Investment (FDI), portfolio investment and remittances, and Official Development Assistance (ODA). Specifically, cumulative FDI and ODA to Africa were estimated at US$ 54 billion and US$ 48 billion respectively in 2022 against an average IFFs outflow of US$ 88.6 billion.[4]

Therefore, the role of IFFs and their adverse effect on economies cannot be ignored. To this end, the Mbeki Panel report recommended several policy interventions that African states need to adopt to address IFFs and their consequences. In addition, the Addis Ababa Action Agenda of 2015 calls for states to redouble their efforts to substantially reduce IFFs by 2030 including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation. [5]

Based on the documented trend analysis of capital outflows, this increasing magnitude of IFFs from Africa signals a huge disparity in the implementation of the efforts, initiatives, and steps which have been recommended to eliminate IFFs from Africa. It is also established that the inadequacy of DRM strategies is a leading policy challenge that African states experience in their efforts to pool resources that can adequately finance their economic demand lists. This necessitates the need for deployment of sustained efforts and necessary legal, policy and institutional transformation to ensure that governments address IFFs and maintain sustainable domestic resource streams to adequately finance the Sustainable Development Goals.

Whereas IFFs emanate from transnational commercial activities, criminal activities and corruption related practices, there is a lack of inadequate evidence of the real size of capital outflows from most African states. Therefore, information on the totality of IFFs from Africa is not established or accessed. This denies the critical stakeholders in taxation and domestic resource mobilisation such as lawmakers, researchers, civil society organisations, and the taxpayers this critical information for their periodic utility and action. Access to this kind of information will contribute to IFFs control as an enabler of policy influence to control and strengthen domestic

resource mobilisation.

In understanding the complexity of IFFs outflows, the Mbeki Panel report recommends the enhancement of the capacities of governments to establish adequate administrative and structural measures to prevent tax evasion. It also emphasizes the importance of an evidence-based approach/research and advocacy to aid in conceptualising the nature of IFFs from Africa and the dissemination of information for utility by policymakers and to sensitize the public on the negative effects of IFFs from Africa. It therefore implies the need to document as accurately as possible, the size of IFFs at country level to influence intervention measures.

2. OBJECTIVES OF THE STUDY

2.1 General Objective

This study sought to monitor the trend in IFFs outflows from Kenya and their corresponding potential on DRM; to identify the existing policy and regulatory gaps in IFFs control; and to develop recommendations for intervention.

2.2 Specific Objectives

1. Review and analyse studies and reports, legal, policy, and institutional frameworks related to the IFFs control to contextualise the magnitude of IFFs in Kenya,
2. Determine the amount of revenue lost through IFFs in Kenya.

3. CONCEPTUAL FRAMEWORK AND RATIONALE

3.1 Conceptual Framework for the Study

The conceptual framework for this study is grounded in understanding the causes, effects, responses and outcomes of IFFs from Kenya. The study will focus on the effects of IFFs from Kenya by attempting to estimate their size and the responses to control them. In doing so, the study is intended to emphasise the role of IFFs and their adverse effect on Kenya's efforts towards enhancing domestic resource mobilisation and to inform interventions on the same.

Figure 1: Conceptual Framework for the Study

CAUSES
DRIVERS OF IFFS

RESPONSES
CONTROL MEASURES

EFFECTS
MAGNITUDE & IMPACTS OF IFFs

OUTCOMES
DESIRED RESULTS
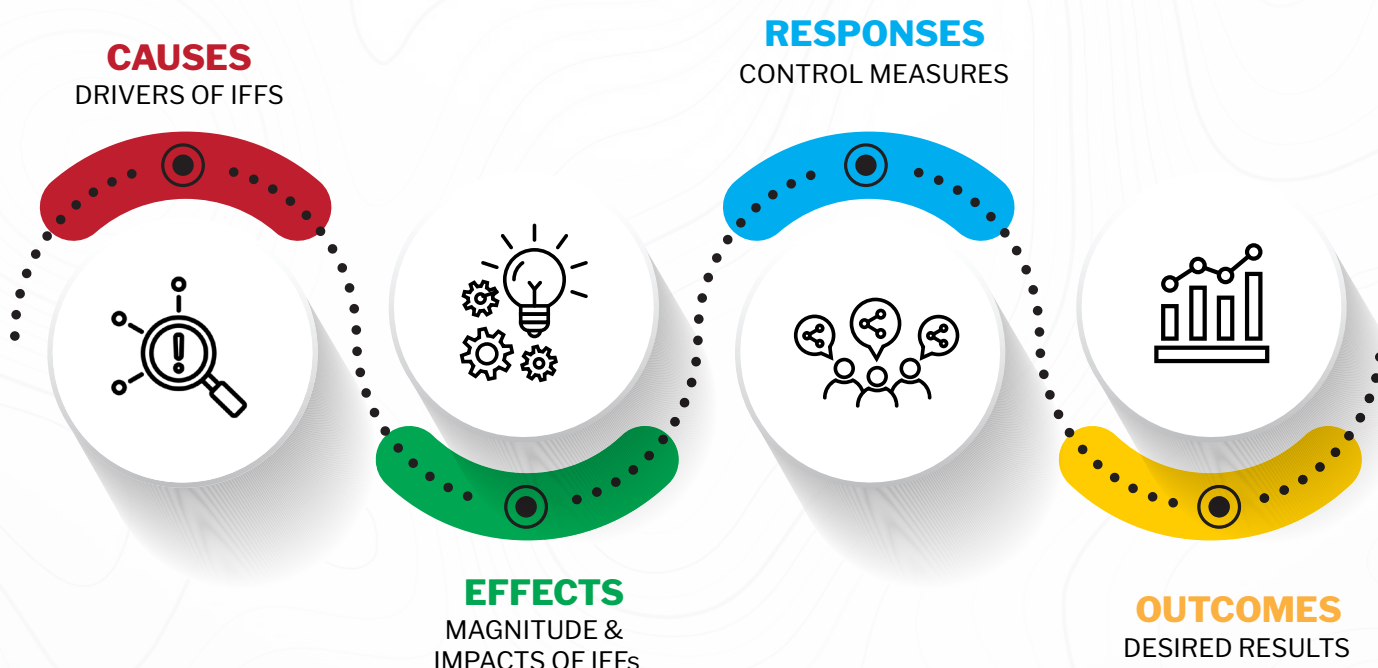
3.2 Rationale for the Study

The National Taxpayers Association (NTA) is an independent, non-partisan organisation focused on promoting good governance in Kenya. Since 2006, NTA has been implementing programmes focused on enhancing public accountability through monitoring the quality of public service delivery and the management of both the national government and devolved funds. It has achieved this through the development of social accountability tools, Citizen Report Cards (CRCs), civic awareness, citizen capacity-building, and partnerships with government agencies, service providers, the private sector, civil society, and community action groups.

NTA, in partnership with Oxfam Kenya, is currently implementing a project titled "Strengthening Progressive Domestic Revenue Mobilisation (DRM) and Accountability Stakeholders to Improve the Social Contract in Africa". The objective of the project is to enhance progressive DRM by building the capacity of accountability stakeholders and fostering more transparent and inclusive fiscal systems.

The rationale for this study lies in the understanding that to address the problem of IFFs, there is need to assess the size of IFFs from Kenya, the trend in IFFs outflows from Kenya and their corresponding potential on DRM; and in so doing, identify the existing policy and regulatory gaps in IFFs control; to develop recommendations for intervention including assessing the ongoing challenges in DRM, shrinking revenue, revenue leakages, missed revenue collection targets etc and the impact on the society, with an inequality lens.

4. SCOPE OF THE STUDY

This study uses the UNDP and UNODC definition of IFFs for statistical purposes which defines IFFs as "financial flows that are illicit in origin, transfer, or use, that reflect an exchange of value and cross country borders". [6] This allows the study to assess the size of IFFs from Kenya using the three sources of IFFs as identified by the Mbeki Panel report which include IFFs as a result of corruption, criminal activities and commercial activities. While the objectives of the study are two-fold; to review and analyse studies and reports, legal, policy, and institutional frameworks related to IFFs control in Kenya; and to determine the amount of revenue lost through IFFs in Kenya, the focus is primarily to determine the size of IFFs from Kenya as the predominant literature related to IFFs focuses on the former. In so doing, the report seeks to put present new knowledge and analysis to inform policy making on the same.

Figure 2: Activities that may generate illicit financial flows
Source: Illicit Financial Flows | UN Trade and Development (UNCTAD)
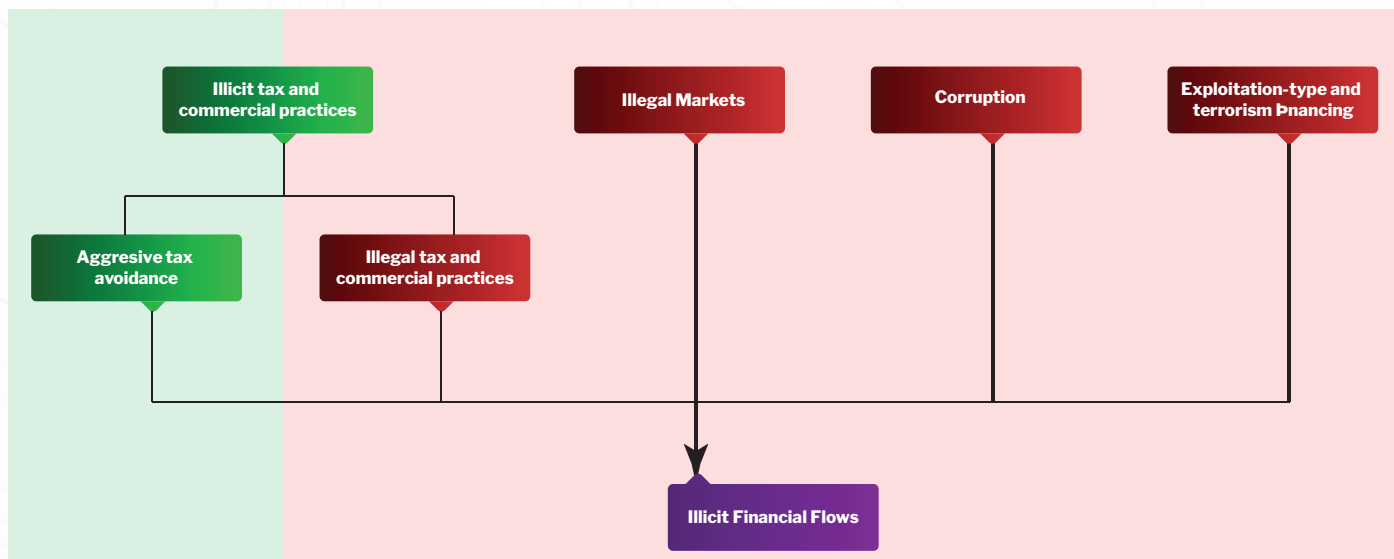
Figure 3 depicts another approach in relation to the interplay between the different forms of IFFs and highlights the large grey zone relating to the absence of clear defining lines between tax avoidance and tax evasion.
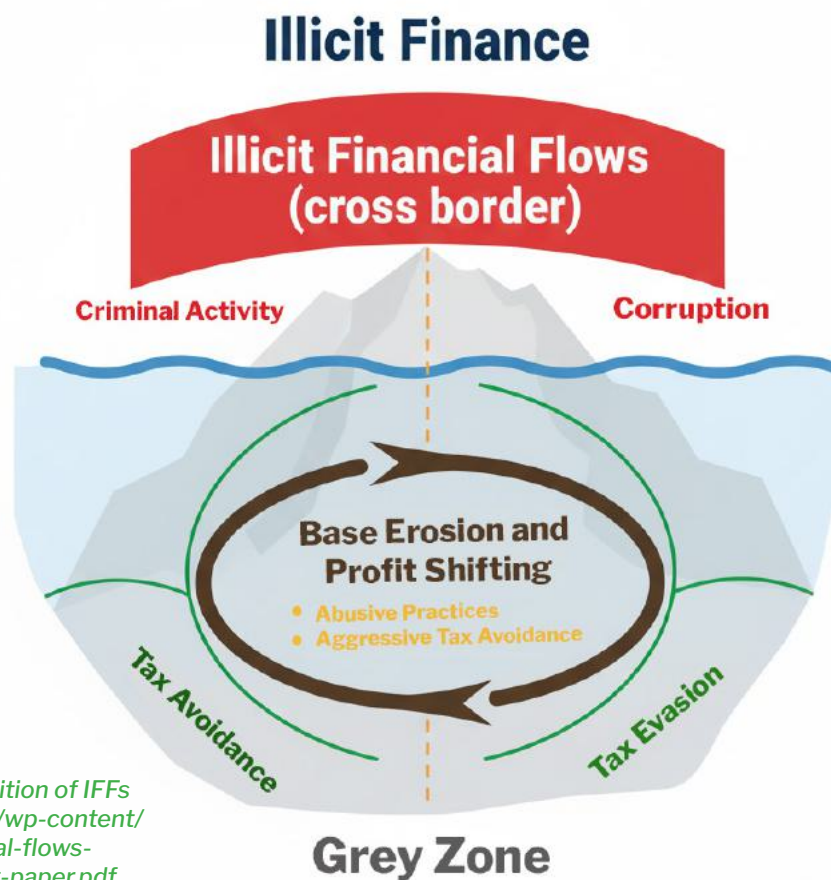
Figure 3: A common working definition of IFFs
Source: https://www.un.org/esa/ffd/wp-content/
uploads/2017/02/Illicit-financial-flows-
conceptual-paper_FfDO-working-paper.pdf

5. LITERATURE REVIEW

IFFs can be analysed by various means. The conceptual framework below presents a categorisation of approaches for analysing IFFs including through their characteristics, categories, drivers, regulations through accounting theory, impacts, benefits, processes, the role of financial reporting and controls through agency theory.

The predominant literature on IFFs from Kenya focuses more on the causes, responses and outcomes related to IFFs than on estimating their size. It includes assessing the drivers and determinants and methods by which IFFs happen[7] and how they manifest in different sectors including oil and mining[8], the different forms they take including tax avoidance,[9] trade and debt-related IFFs among others and the policy frameworks governing them,[10] the role of political institutions,[11] and the impact of IFFs on specific groups and sectors such as gender and the environment respectively. [12]

Reports relating to the size of IFFs from Kenya are incidental and focus on corruption related IFFs as reported by the Ethics and Anti-Corruption Commission (EACC), trade-related IFFs, and criminal forms of IFFs (See Section 5.3) hence justifying the need for a study to estimate their size.

Characteristics of IFFs
- Illicit in orign, transfer or use
- Exchange of value, comprising more than purely financial transfers
- IFFs measure a flow of value over a given time
- Flows that cross a border

Regulations through the lens of normative accounting theory.
- FATF
  - International Cooperation (PC1)
  - World Bank and EU (PC2)
- Accounting principles and standards (PC16)
- King IV (PC17)
  - APA (PC18)
- GFI
- SDG 16.4 (PG2)

Categories of IFFs
- Criminal
  - shell companies
  - Criminal enterprice earnings
- Corruption
  - Bribery
  - Abuse of power
- Commercial

Drivers of IFFs
- Higher taxes (PC8)
  - Tax evasion (PC3)
  - Trade-based money laundering (PC4)
  - Earning management (Income smoothing)
  - Tax avoidance (PC5)
- Financial irregularities (PC6)
- Natural Resources (PC9)
- Low institutional capabilities (PC10)
- Political instability (PC11)
- Regulatory quality (PC12)
  - Disclosure opacity (PC12, PC13, PC14 & PC15)
  - Earnings management (PC7)

Impact of IFFs
- IFFs hinder state resources, revenue and weaken governance (PG1)

Benefits, processes and role of financial reporting through Decision Usefulness Theory - PC13 and PC14
- Good financial performance
- Informed decisions
- Investment opportunities
- Honesty and communication
- Country-to-country reporting maybe a significant tool to curb irregularities
- Improving financial reporting transparency
- Trust has a greater impact in opaque information environments
- Financial reporting transparency, curb information asymmetry
- Financial reporting is linked to investment efficiency
- Transparency achieves some desired results in certain situations
- Financial reporting information allows capital providers to monitor the use of their capital.

Controls through Agency Theory - pc19
- stakeholders to be part of financial management
- Strong governance system and effective anti-IFFs
- Stronger AML assessment framework
- Policy consistency
- Prudent macroeconomics policies
- Inspection and validation of import &export invoices
- All ICTT should be recorded & shared with commercial data institutions
- Global regulatory bodies should be established
- Promote transparency through strengthened legal & policy framework
- Tax system reform & revenue transparency
- Improving tax compliance
- Build investigative capabilities to address economic growth

Figure 4: Conceptual Framework for Analysing IFFs
Source: Netshisaulu, N.N.; Van der Poll, H.M.; Van der Poll, J.A. A Conceptual Framework to Analyse Illicit Financial Flows (IFFs). Risks 2022, 10, 172. https://doi.org/10.3390/risks10090172
Notes: Content propositions indicate the guiding principles defining the entities (round blocks) in the framework. Content propositions are indicated by PC1, PC2, ... PCn, with n representing a natural number. General propositions indicate aspects of a more general nature and are indicated by PG1, PG2, ... PGm, with m representing a natural number.

5.1   IFFs from Kenya

In situating the extent of IFFs from Kenya, several indices show Kenya's vulnerability to IFFs. The Corporate Tax Haven Index ranks Kenya as #58 out of a total of 70 in terms of its functioning as a tax haven where first is the worst and the Financial Secrecy Index ranks Kenya as #41 out of a total of 141 in terms of its financial secrecy where first is the worst.[13] These indices indicate that commercial forms of IFFs and financial secrecy are significant enablers of IFFs from Kenya.

The Global Forum on Transparency and Exchange of Information (EOI) for Tax Purposes Peer Review Report on EOI on Request for Kenya 2024 found Kenya to be largely compliant, a position it has maintained since its first report in 2016.[14] For some indicators, it has become less compliant than in 2016 such as in relation to the availability of ownership and identity information, whereas for other indicators it has increased its compliance such as with availability of banking information, network of EOIR mechanisms and with the quality and timeliness of responses.

Kenya was grey listed by the Financial Action Task Force (FATF) in February 2024 for inadequacies in its money laundering/ countering financing of terrorism (AML/CFT) regulations, listing it under jurisdictions under increased monitoring.[15]

The Anti-money laundering and counter-terrorist financing measures Kenya 3rd Enhanced Follow-up Report & 2nd Technical Compliance Re-Rating[16] found several criteria Kenya had not met including: Criterion 16.4 which found that there is no requirement for the reporting institution to verify the information relating to its customers where there is a suspicion of ML/TF; Criterion 26.5(a-c) which requires that the frequency and intensity of the on-site and off-site AML/CFT supervision of the financial institutions (FIs) or the group are determined based on the ML/TF risks and policies, internal controls and procedures associated with the institution or group as identified by the supervisor's assessment of the FI's or group risk profile; the ML/TF risks present in the country and the characteristics of the FIs or groups allowed to them under the risk-based approach (RBA); and Criterion 26.6 which requires risk assessments of FIs to be shared and to be done periodically and when there are major events or developments in the management and operations of the FI or group.

In Transparency International's 2024 Corruption Perceptions Index, Kenya scored 32 out of 100 (where 0 is highly corrupt and 100 is very clean) and ranked 121 out of 180 countries (where 1 is the least corrupt). This score indicates a perceived level of corruption in the Kenyan public sector. Kenya averaged 24.50 points from 1996 until 2024, reaching an all-time high of 32.00 points in 2022 and a record low of 19.00 points in 2002[17] indicating that Kenya's corruption perception score is currently at its highest.

The National Risk Assessment Reports on Anti-Money Laundering also regularly assess risks related to money laundering, specifically analysing 22 national vulnerability variables.[18]

The above assessments show that there has been regular surveillance around the weaknesses of Kenya's legal and policy regimes relating to IFFs, Kenya's vulnerability to IFFs and the effectiveness of actions taken to address the same.

5.2 The Legal, Policy and Institutional Frameworks Governing IFFs from Kenya

Legal and Policy Frameworks

The legal frameworks governing IFFs comprise national, regional and global frameworks across the different forms of IFFs are categorised generally under criminal, commercial and corruption thematic areas (though some, of course, are cross-cutting) as follows:

CRIMINAL – ILLEGAL MARKETS, EXPLOITATION TYPE AND TERRORISM FINANCING	COMMERCIAL – ILLICIT TAX AND COMMERCIAL PRACTICES	CORRUPTION
UN Convention against Transnational Organized Crime (2000)[19]	UN Model Double Taxation Convention between Developed and Developing Countries, (2021)[20], OECD Model Tax Convention on Income and on Capital, (2017)[21], ATAF Model Tax Agreement[22]	UN Convention Against Corruption (UNCAC), (2003)[23]
Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), Act, (2013)[24]	Multilateral Convention on Mutual Administrative Assistance in Tax Matters, 1988[25]	African Union Convention on Preventing and Combating Corruption (AUCPC), 2003[26]
Anti-Corruption and Economic Crimes Act, (2003)[27]	Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting[28]	International Code of Conduct for Public Officials – resolution 51/59[29]
National Counter Financing of Terrorism Strategy and Action Plan 2022	Tax Information Exchange Agreements	Constitution of Kenya, 2010 – Articles 10, 73, 74, 75 and 232 set out the Principles of Governance and National Values which bind all state organs, state and public officers[30] and Chapters 6 and 12 provide for Leadership and Public Finance respectively
National Anti-Money Laundering Strategy and Action Plan	OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (2022)[31]	Ethics and Anti-Corruption Commission Act[32] and the National Ethics and Anti-Corruption Policy, 2018[33]
Bribery Act, 2016[34]	Companies Act, 2015[35] and its Beneficial Ownership Regulations[36]	Public Officer Ethics Act 2003,[37] and Public Officer Ethics (Management, Verification and Access to Financial Declarations) Regulations, 2011[38]
Banking Act, (1989)[39] and Central Bank of Kenya Guideline on Money Laundering/ Terrorism Financing Assessment (2018)[40]	Treaty Making and Ratification Act, 2012[41]	Leadership and Integrity Act, 2012[42]

Prevention of Terrorism Act, 2012[43] **and Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on Prevention, Suppression and Disruption of Proliferation Financing) Regulations**[44]	Income Tax Act (revised), 2021[45], and Transfer Pricing Rules, 2023[46]	Conflict of Interest Act, 2025[47]
Counter-Trafficking in Persons Act, 2010[48]	East Africa Community (EAC) Customs Management Act, 2019[49]	Lifestyle Audit Bill, 2019[50]
Narcotic Drugs and Psychotropic Substances (Control), Act, 1994[51]	Capital Markets (Amendment) Act, 2012[52]	Public Finance Management Act, 2012[53]
	Tax Procedures Act[54]	

Table 1: The Legal and Policy Frameworks governing IFFs in Kenya

THE INSTITUTIONAL STAKEHOLDERS

CRIMINAL	COMMERCIAL	CORRUPTION
Office of the Director of Public Prosecutions (ODPP)	Kenya Revenue Authority (KRA): Transfer Pricing Unit	Ethics and Anti-Corruption Commission (EACC)
Asset Recovery Authority (ARA)	Business Registry Service (BRS)	Commission on Administrative Justice (CAJ)/ Ombudsman
The Judiciary: Tax Appeals Tribunal (TAT), Court of Appeal	Global Forum on Transparency and Exchange of Information for Taxation Purposes	
Director of Criminal Investigations (DCI)		
The Anti-Counterfeit Authority (ACA)		
Kenya Wildlife Service (KWS)		

Table 2: Institutional Stakeholder involved in addressing IFFs in Kenya

Cross-cutting oversight bodies include the Office of the Auditor General (OAG), the Parliamentary Accounts Committee (PAC), the Central Bank of Kenya, among others.

The above legal and policy frameworks and institutions demonstrate that Kenya has a robust statutory framework and institutions for addressing IFFs. The extent of their implementation and practical capacity for enforcement is discussed below.

The African Organisation of Supreme Audit Institutions (AFROSAI) Regional Coordinated Audit on Illicit Financial Flows (April 2025) focused on the following sectors: real estate agencies, money remittance providers, money network operators, savings and credit cooperatives, casinos, the legal sector and car dealerships, as well as non-profi¬t organisations. The audit highlighted the following key points:

1. African administrations lack transparency in the implementation of preventive measures to combat IFFs, particularly in the extractive industries.
2. Legal frameworks are not always consistent or harmonised, allowing multinational companies to exploit legal loopholes to avoid tax. Inconsistencies and shortcomings in tax laws and regulations and transfer pricing practices have been identi¬fied in several countries, posing a major challenge in the fi¬ght against IFFs.
3. At the institutional level, the ¬financial administrations or government agencies responsible for mobilising tax revenues often lack the technical skills and human resources to detect suspicious transactions and correctly apply the law to protect the interests of public treasuries. In addition, tax, customs and judicial institutions do not always work together effectively, and investigations or audits are frequently delayed, weakening the fi¬ght against IFFs. The granting of unfettered discretionary powers to tax or customs authorities also creates an environment conducive to corruption and impunity.
4. The lack of international cooperation, combined with the poor application of information exchange and administrative assistance mechanisms, complicates the ¬fight against IFFs on a global scale, thus limiting the mobilisation of tax revenues. Furthermore, the lack of cooperation between government agencies and jurisdictions compromises the effectiveness of the fi¬ght against IFFs. Efforts to exchange information are insuffi¬cient, which exacerbates the lack of tax transparency.
5. Many countries struggle to carry out thorough investigations into deductible expenditure, resulting in a signi¬ficant loss of tax revenue. Tax collection remains ineffi¬cient due to manual systems and the lack of integrated data.
6. Tax incentives, particularly in the extractive industries, are often misused and encourage tax evasion. Stability clauses limit the flexibility of governments to adapt legislation and recover missing tax revenues.

Its recommendations to African governments to mitigate illicit ¬financial flows, included the following:

1. Improve their legal frameworks to enhance transparency and policy coherence.
2. Implement policies and mechanisms to ensure a high level of integrity among those responsible for mobilising tax revenues.
3. Subscribe to regional and global initiatives for cooperation in fi¬nancial intelligence and mutual legal assistance.
4. Map IFF risks at the national level, and design appropriate strategies and action plans to address them.
5. Adapt the legislative, regulatory and institutional frameworks to include stricter sanctions against price manipulation and non-compliance with tax obligations.
6. Promote the visibility of information/transactions, particularly for tax authorities.
7. Ensure the integration of systems to resolve the problem of data fragmentation and the

"silo effect" resulting from different competent authorities.

8. Move towards technology by modernising control systems to ensure real-time management and monitoring of transactions by tax authorities.
9. Monitor the activities of companies while keeping track of their bene¬ficial owners and commercial operations, including international operations.
10. Balance the opening up of countries to business with the possibility of exploitation: countries should review the appropriateness of tax incentives/exemptions granted to multinational companies, both in terms of timing and quantity, to manage the risk of exploitation.
11. Strengthen organisational and professional capacities, for example, by enhancing the technical expertise of staff within competent authorities. This will ensure that government of¬ficials are well equipped with the technical and legal knowledge required for negotiating contracts and conducting audits in complex industries.
12. Governments should strengthen inter-administrative collaboration to eliminate compartmentalised administrations. They can do this by setting up information platforms spanning tax administrations and the various government departments whose information is invaluable in determining the taxes owed to the government.
13. Governments should intensify international cooperation and adopt measures to combat IFFs by benchmarking and adopting best practices in areas such as information exchange and providing mutual legal assistance for investigations and to prosecute cross-border illicit -financial activities. In addition, technical assistance programmes and initiatives such as the Tax Inspectors Without Borders (TIWB) programme and the Addis Tax Initiative should be optimised.

The Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) Report, 2025 finds that:

- EUR 4.2 billion in additional revenue has been identified by EOI in African countries from 2009 – 2024 and EUR 400 million identified by EOIR and CRS in African countries in 2024 alone.
- Kenya has 142 EOI relationships.
- 80% of African countries use CRS data for risk assessments.
- 60% of African countries use CRS data for tax collection.
- 100% of African countries use CRS data for tax audits.
- Tunisia, Kenya and Cameroon have submitted the most number of total requests for information since 2009 at 40%, 31% and 21% respectively.
- In 2024 alone, Kenya made a total of 968 or 55% of all EOI requests.

5.3 Estimating the Size of IFFs

The Tax Justice Network estimates that Kenya loses US $ 189,845,603 (or the equivalent of about KES 25 billion) annually to tax abuse – US $ 134 million of which is lost as a result of tax abuse by multinational corporations and US $ 56 million as a result of tax evasion by private individuals. It estimates this tax loss to be equivalent to 9.46% of Kenya's health budget and 4.03% of its education spending [55] demonstrating the scale of the social impact of tax abuse for Kenya. Other studies estimate that Kenya has lost more than KES 10.6 billion to money laundering since 1970.[56]

A Global Financial Integrity (GFI) report covering Kenya's IFFs for the period 2002-2010 finds: [57]

- US $ 9.64 billion flowed illegally out of the country due to trade mis-invoicing
- US $ 3.94 billion flowed illegally into the country due to trade mis-invoicing
- US $ 13.58 billion in illicit capital flowed either into or out of the country due to trade mis-

invoicing
- Gross illicit flows were pegged at 7.8% of the country's GDP
- Gross illicit flows were twice the ODA provided to the nation
- The under-invoicing of exports amounted to US $ 9.26 billion
- The under-invoicing of exports was the primary method for shifting money illicitly out of the country
- The under-invoicing of imports amounted to US $ 3.94 billion
- The under-invoicing of imports was the only method for illegally smuggling capital into the country
- Tax revenue loss from trade mis-invoicing potentially totalled US $ 3.92 billion, averaged US $ 435 million per year
- Tax revenue loss from trade mis-invoicing roughly equalled 8.3% of total government revenue.

A 2021 report by GFI and Transparency International Kenya found the following estimations[58]:

- That Kenya loses KES 30 billion (US $ 272 million) in tax revenues due to ethanol smuggling
- Every month, charcoal worth KES 140 million (US $ 1.3 million) is smuggled out of Kenya
- Every year, the bad governance and corruption of public funds rob Kenya of KES 270 billion (US $ 2.5 billion)
- Human trafficking generates around KES 16 trillion (US $ 150 billion) annually as elicit revenue
- Wildlife trafficking is estimated to generate between US $ 5 billion and US $ 23 billion in illicit financial flows globally
- The Kenya Marine and Fisheries Research Institute estimates that Kenya loses KES 10 billion (US $ 90 million) every year from illegal, unreported and unregulated fishing by international criminal organisations.

6. METHODOLOGICAL APPROACH

6.1 Mixed-Methods Design

This study employed a mixed-methods approach to ensure as comprehensive as possible assessment of the size of IFFs from Kenya. Primary data was sourced through Key Informant Interviews (KIIs), while secondary data was sourced from official reports, legal documents, and peer-reviewed literature. The triangulation of sources ensured the reliability and validity of the findings.

The study also explored the legal provisions, economic impacts, institutional practices, and stakeholder perspectives by building on the existing assessment frameworks including by the UNODC/UNCTAD, Global Forum for Transparency and Exchange of Information for Tax Purposes, and FATF.

Key sources of information included corruption cases reported by EACC, reports on asset recovery, reports by the Ombudsman, audit reports from the Office of the Auditor-General, UNCTAD and UNODC documents and data including UN Comtrade and Exim Trade Data and OECD documents.

6.2 Statistical Methodology

UNCTAD and UNODC, as custodians of SDG indicator 16.4.1 assigned by the General Assembly, have led the global methodological work to develop statistical definitions and methods to

measure IFFs to support member States in monitoring progress towards target 16.4.

The methodological proposal reclassified indicator 16.4.1 from tier 3, indicating that no internationally established methodology or standards are available for the indicator, but methodology/standards are being (or will be) developed or tested to tier 2, meaning that the indicator is conceptually clear and based on internationally established standards, while data are not yet available from countries.

There is now a globally agreed definition of IFFs, which are defined as "financial flows that are illicit in origin, transfer or use, that reflect an exchange of value and that cross country borders" (UNCTAD and UNODC, 2020).

The measurement challenges also differ across countries, depending on main types of IFFs affecting the country, data availability, mandates of national institutions, statistical capacity and national policy priorities.

UNCTAD proposed various methods of measuring IFFs categorised into two broad approaches. These are:

    a. Top-down methods which attempt to investigate and measure IFFs through the inconsistencies of aggregated data.
    b. Bottom-up approaches which estimates IFFs through analysis of illicit activities processes.

The UNCTAD guidelines provide two methods for each of the three main types of tax and commercial IFFs:

Trade mis-invoicing by entities
o   **Method #1 -** Partner Country Method Plus (Import-Export Balance),
o   **Method #2 -** Price Filter Method Plus (Specific valuation data),

Aggressive tax avoidance or profit shifting by multinational enterprise groups (MNEs)
o   **Method #3 -** Global distribution of MNEs' profits and corporate taxes,
o   **Method #4 -** MNE vs comparable non-MNE profit shifting

Transfer of wealth to evade taxes by individuals,
o   **Method #5 -** Flows of undeclared offshore assets indicator,
o   **Method #6 -** Flows of offshore financial wealth by country

In recent years, major international exposés by investigative journalists such as the Panama Papers (2016),[59] Paradise Papers (2017), [60] FinCEN Files (2020) and Pandora Papers (2021) [61]have highlighted the global scale of these practices, including networks of tax evasion, money laundering, abuse of offshore structures including by politically exposed persons (PEPs). Documentaries such as "The Profiteers" have also profiled IFFs from South Sudan into Kenya.[62]

Measuring IFFs (UNCTAD)

According to UNCTAD, there are six steps that a country wishing to assess the size and trend of IFFs should adopt. These steps start with an initial baseline assessment survey, mapping institutional and data requirements, adoption of suitable methods of estimating IFFs and actual production of statistics. The figure below shows the flow of the steps as proposed by UNCTAD.

STEP 1:
Self-assessment questionnaire to prepare for the measurement of IFFs,

Figure 5: Steps for assessing the size and trends of IFFs
Source: UNCTAD

STEP 6:
Compile and disseminate IFF statistics

STEP 2:
Mapping of national agencies and their roles,

STEP 5:
Pilot testing plan and operational definition

STEP 3:
Data availability and quality review by method,

STEP 4:
Method selection

Reliance of either of the methods listed above requires detailed and accurate data collected at the granular level. This study adopts a mix of methods where incidental reports are consolidated from the various entities tasked with some roles of dealing with IFFs.

The incidence data was complimented by the qualitative responses seeking to answer the questions on whether IFFs have grown in size and frequency and whether the existing legal and administrative tools are effective enough.

Assumptions included that the assessment of the size and trend of IFFs in Kenya are influenced by the effectiveness of the institutions to uncover more incidences.

Key limitations included data availability, the unavailability of some key respondents/informants and incidence overlaps which may result in double counting of information.

6.3 Sampling Procedure

The study adopted different sampling approaches to ensure the representativeness and depth of findings. Specifically, stratified sampling approach was be adopted where key sectors are clustered around key subjects and respondents identified based on representation. The qualitative component utilised purposive and judgmental sampling approach.

The study benefitted from interviews, advice and guidance from the following:

i.   Transparency International – Kenya
ii. Civil Forum on Asset Recovery (CIFAR)
iii. Kenya Revenue Authority (KRA)
iv. Kenya Investment Authority (KenInvest)
v.   Law Society of Kenya (LSK)
vi. Global Financial Integrity (GIFI)
vii. German Development Cooperation (GIZ)

7. KEY FINDINGS

Interviewees shared their perspectives on the size, trends and forms of IFFs as follows:

Estimation of Size and Trends in the Forms of IFFs

1. They corroborated that the Mbeki Panel Report findings which categorised and ordered in size the forms of IFFs still stands – that commercial forms of IFFs dominate IFFs flows followed by IFFs as a result of corruption, followed by criminal forms of IFFs.
2. In terms of methodology for assessing IFFs, they proposed that trade-based IFFs would provide the most accurate form of assessing the size of IFFs as existing trade data is not aligned with reality and that criminal and commercial forms could be derived from incidental reports but that they would encounter the challenge of estimating trends because they would not necessarily relate to specific years as discovery can happen years later.
3. Indicators of larger size IFFs which go undetected, and which may not be able to be included in the scope of this report but for potential research later include real estate (and the role of lawyers as both real estate agents and conveyancing actors), cryptocurrency, and international wildlife trade (IWT) among others.
4. IFF areas that stakeholders have not explored which could also form further research include:

MINING SECTOR:
KENYA IS EXPORTING
GOLD FOR EXAMPLE

UNREGULATED
ILLEGAL FISHING:
AGENCIES WITH MANDATES
DO NOT HAVE A FOCUS
ON THIS AS THERE ARE
NO PHYSICAL BOUNDARIES

UNEXPLORED
ILLICIT FINANCIAL
FLOWS (IFF)
RESEARCH AREAS

PROTECTED FAUNA:
Sandalwood

SPECIAL INDIGENOUS
SPECIES

Regulatory Improvements

5. Section 4A of the LSK Act provides for the role of lawyers in anti-money laundering (AML) but the regulations to operationalise this remains pending. While lawyers are being trained, there needs to be a focus on lawyers specifically interacting with IFFs to be able to forward suspicious transaction reports (STRs) to law enforcement. The Institute of Certified Public Accountants Kenya (ICPAK) and financial institutions have been playing their role but lawyers have yet to be fully onboarded. They hold monies for their clients and they can claim client confidentiality.

6. We need more use of beneficial ownership (BO) provisions including in real estate and land ownership.

7. The use of e-tims has significantly reduced IFFs in the form of tax evasion.

8. We should enhance deterrence strategy. When people see assets being recovered, and when IFFs become unprofitable as a result, this would deter it. Instead, people involved in money-laundering are awarded high positions which erodes trust in the criminal justice system and promotes impunity.

9. Tax incentive IFFs are big in manufacturing including through capital allowances and exemptions under value added tax (VAT). The value of goods imported are inflated. Investments of about KES five billion should be sufficient, however, we see figures between KES 13 – 18 billion indicating that the stated value of imported goods may be fraudulent for tax abuse purposes.

10. In terms of estimating the size of tax-related IFFs should be about 2-3% GDP. We are losing through invoices without goods. From Business to Consumer (B2C) reporting, there is purporting to purchase to claim inputs. We lose about KES 4.5 billion every month in VAT.

11. STRs are reported but not actioned.

12. The Financial Reporting Centre (FRC) is highly dependent on getting information from banks whereas they should develop a system of integrating with FIs. The FRC should be able to see transactions.

13. The Ministry of Lands should also report as there are significant amounts of untitled land being developed.

14. The Central Bank of Kenya (CBK) has a role to play as money is moving in foreign currency which means we are not adequately monitoring foreign currency. Similarly, forexes are being able to transact like banks and these should be better regulated.

15. There should be high penalties for not reporting.

Other Recommendations

16. IFFs are a moral, leadership and culture issue. The biggest beneficiaries of IFFs and ML are politically exposed persons (PEPs) and that has been a stumbling block for fighting IFFs. It is not easy for a person without means – political and economic – to carry out AML crimes. It is at the highest and elite level that it happens, through established channels. Even with all these laws, implementation will remain a challenge because of the political economy of IFFs. The report on Kenya being a transit hub for the transport of gold demonstrates the role of PEPs. [63]

(a) IFFs relating to Corruption

A review of the EACC reports over the last six years, from FY 2018/2019 to FY 2023/ 2024 finds the following:

1. That the conviction rate of cases on corruption and unethical conduct rose from 51.5% in 2018 to 53.7% in 2023,
2. The value of corruptly acquired assets recovered by the Commission increased from KES 3.565 billion in 2018 to KES 28.0 billion in 2023,
3. The value of loss of public funds averted through proactive investigations rose from KES 19.7 billion in 2018 to KES 39.2 billion in 2023.
4. In the same period, illegally acquired and unexplained assets with an estimated value of KES 6.63 billion were traced, while assets with an approximated value of KES 3.8 billion were recovered. The Commission also conducted proactive investigations which averted a possible loss of public funds estimated at KES 4.7 billion.

Financial Year	Reports	Accepted Reports	No. of Active Investigation	Corruption Disruption (KES Bn)	No. of Cases finalized in court convictions	Asset Tracing (No-KES Bn)	Asset Recovery Suits (No-KES Bn)	Actual Assets Recovered (KES Bn)	Conviction Rate (%)
2023/24	5,151	2,207	534	2.9	45-12	26-16	47-9.2	2.994	26
2022/23	5,252	1,916	512	4.74	62-27	40-6.63	62-8.73	4.212	36
2021/22	5,054	1,916	457	4.0	60-30	33-11.2	24-7.78	1.776	50
2020/21	4,894	2,029	529	8.0	26-21	23-5.07	74-2.31	6.5	74
2019/20	6,021	2,225	620	10.0	87-39	88-25.3	23-5.0	12.12	41
2018/19	9,308	3,482	1,593	14.5	78-51	12-2.7	22-4.0	4.5	65
Totals	**35,680**	**13,775**	**4,245**	**44.14**	**358-180**	**222-66.9**	**252-37.02**	**32.10**	

Table 3: Analysis of corruption related IFFs
Source: Authors, compiled from EACC reports from FYs 2018/2019 – 2023/2024

Corruption related IFFs are reported through various means by the general public to EACC for investigation. There is relatively high awareness by the public as to what generally is unethical conduct as the result indicates that out of the total reports received over the last six years (35,680), 39% of these cases (13,775) were accepted by EACC as relevant to their mandate. Other than the financial year 2018/19 where the commission had 1,593 active cases under investigation, the other five years had an average of 530 active investigation cases annually.
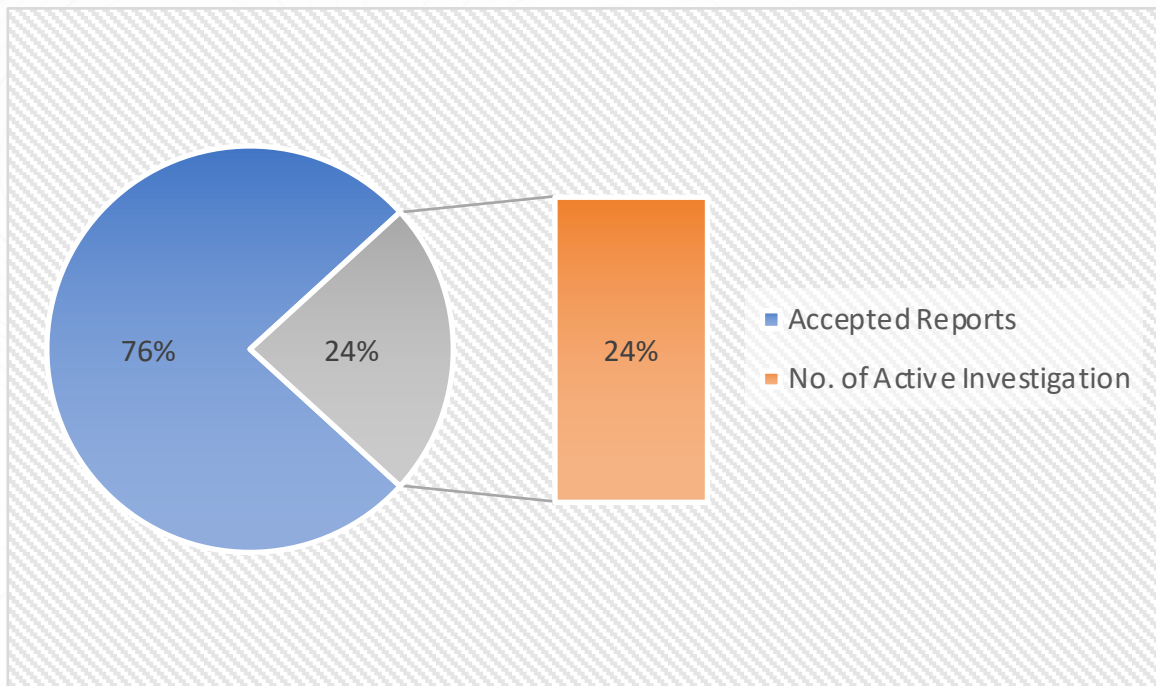
Figure 6: Accepted Corruption Reports Vs Cases Under Investigation
Source: EACC Annual Reports

There is a huge variance between total ethics reports accepted as meeting the mandate and threshold and the actual cases under investigation for the same period. Only 24% of the total cases accepted are under investigation hence the outcome of the total IFFs is affected by the rate at which the cases are investigated and illicit wealth identified and seized. Further, the results infer the fact that the ultimate outcome of actually established and seized assets, could be at best a representation of only 24% of possible illicit wealth reported.

Beyond investigating cases of bribery, corruption and other unethical conduct mandated by EACC, the EACC conducts education and employ strategies to disrupt corruption by public officials. During this period under review, the commission disrupted corruption related activities through proactive investigation averting possible loss of public funds approximated at KES 44.14 billion.

While the size of the averted has remained relatively high over the period, the trend over the review period however shows that there is a reducing value of possible losses annually. This could indicate either increased awareness by the would-be perpetrators arising from enhanced efficiency of the investigators or reduced practice of corruption.

The value of suspected wealth acquired through corrupt means during the review period remained higher than the actual assets recovered through the court process, arising from concluded judgements. This is an indication that a lot more than what has been established is out there undetected and remains unrecovered. This study established that as at the end of the 2023/24 financial year, a total of 252 cases are at various levels of judicial processes for asset recovery suits worth KES 37.02 billion, compared with actual recovered assets worth KES 32.1 billion in the same period of 2018/19 to 2023/24 financial years.
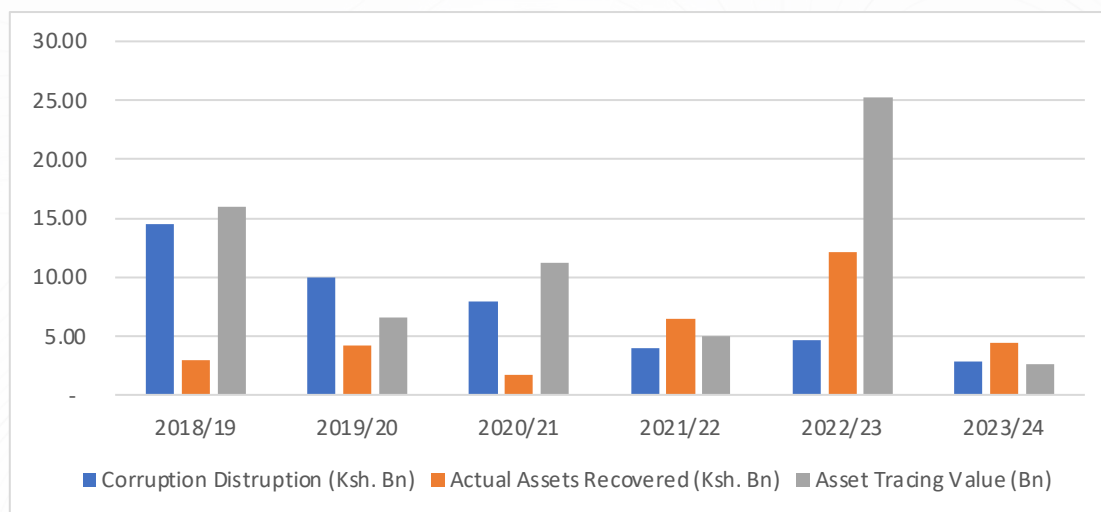
Figure 7: Corruption Disruption & Assets Tracing Values (KES, billions)
Source: EACC reports 2018/2019 – 2023/2024

The value of assets acquired through illicit means that were identified, traced and recovered over the period does not indicate a significant trend. The illicit financial flows arising from corruption over the last six years as investigated by EACC was estimated at KES 66.9 billion; out of which a total of KES 32.1 billion was recovered. The data shows a significantly high value of assets traced and actual recovery during the 2019/2020 financial year; each representing 38% of the respective values for the total period under review.

YEAR	VALUE OF ASSETS (KES. BN)	
	ASSETS TRACED	ACTUAL RECOVERY
2018/19	2.70	4.50
2019/20	25.30	12.12
2020/21	5.07	6.50
2021/22	11.20	1.78
2022/23	6.63	4.21
2023/24	16.00	2.99
Totals	**66.9**	**321.1**

Table 4: The Value of Assets (KES Billions)
Source: EACC reports 2018/ 2019 – 2023/ 2024

During the period, the trend indicates a marginal increase in the value of illicitly acquired assets traced. The trend of actual assets recovered on the other hand indicate a marginal decrease in the value over the same period.
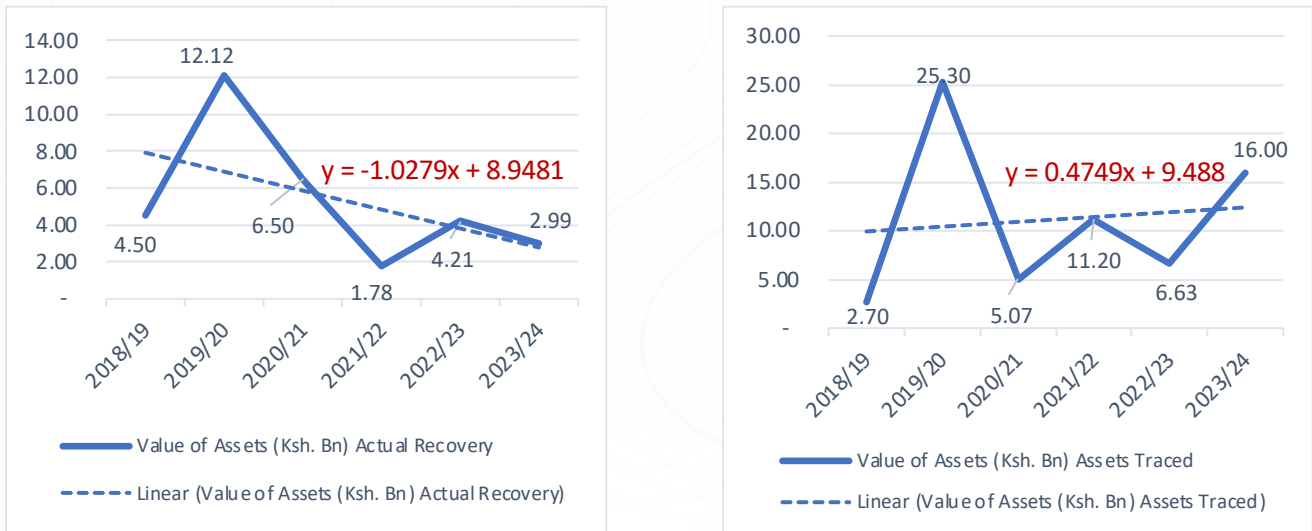
Figures 8A (left) showing the value of assets illicitly acquired (KES billions) and actually recovered and 8B (right) the value of assets illicitly acquired traced (KES billions) and actually traced
Source: EACC reports 2018/ 2019 – 2023/ 2024

Limitations for these estimations include the following:

1. That the hit rate for the reports stands at four cases (39%) out of the reported 10 cases led to the asset tracing of KES 66.9 billion (averaging KES 11.15 billion annually) over the last six years with a significant value of KES 32.1 billion worth of illicitly acquired assets being recovered. This presents a limitation of the extent of coverage and conclusiveness on the size and trend of illicit financial flows arising from corruption.
2. That the value of assets recovery depends on public awareness to report corruption, effectiveness of the investigative agencies, judicial processes and complexity of the corruption web being investigated. The value established over the period under review is however the lower end of the size and trend of illicit financial flows arising from corruption in Kenya.
3. The conviction rate for court cases related to corruption stood at 49% which resulted into 48% value of assets actually recovered from the total established corruption related assets. This could indicate a far much higher actual value of corruption related value of assets, hence IFFs.
4. The recent years' data shows a huge number of reports received from informers and other sources, but fewer active number of cases investigated, and corruption linked wealth is therefore understated.

(b) IFFs focusing on Illicit Trade in Counterfeit products

The Sustainable Development Goal (SDG) target 16.4. calls for countries to significantly reduce illicit financial flows and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime.

Forms of Illicit Trade and their effects

Illicit trade networks are compounded by smuggling, counterfeits, infringement of intellectual property rights and tax evasion which undermines brand integrity, erodes consumer trust, and causes significant economic losses.

STUDY TO ESTABLISH THE SIZE OF KENYA'S IFFs

Counterfeits undermine brand integrity, erodes consumer trust, and causes significant economic losses. According to Antonopoulos et al., "counterfeit products deprive governments of vital public service revenues, burden taxpayers more, shift hundreds of thousands of legitimate jobs, and expose consumers to dangerous and ineffective products." According to Antonopoulos et al., "counterfeit products deprive governments of vital public service revenues, burden taxpayers more, shift hundreds of thousands of legitimate jobs, and expose consumers to dangerous and ineffective products." [64]

The Organisation for Economic Co-operation and Development (OECD) survey showed that international trade in counterfeit goods in 2019 was estimated at USD 464 billion, the equivalent of 2.5% of world trade, most of which originated in China.[65] The OECD estimates that EAC loses over US $500 million in tax revenue annually due to counterfeiting[66] while the Kenya Association of Manufacturers (KAM) estimates that Kenya loses 40% of market share to counterfeiters. [67]

According to the International Chamber of Commerce (ICC) (2020) Counterfeit goods comprise nearly 3.3% of global trade and account for a staggering $509 billion annually. [68]

The Anti-Counterfeit Authority (ACA) estimates that one out of every five products sold in the Kenyan market is counterfeit, resulting in an annual loss of KES 800 billion (ACA, 2021). It also estimates that Kenya loses over KES 100 billion annually due to counterfeit goods, which directly translates into job losses and reduced government revenue from taxes (ACA, 2021).

The ACA report 2025 estimates that, on average, 18% of products are counterfeited, with automotive spare parts (21%) and alcoholic beverages (19%) experiencing the highest prevalence. The ACA survey in 2020 estimated that 30% of the manufacturers indicated awareness that their products were being counterfeited (ACA, 2020) and that the country loses over KES 100 billion annually due to counterfeit goods, which directly translates into job losses and reduced government revenue from taxes (ACA, 2021).

Incidental illicit trade

SECTOR	SOURCE OF REPORT	DESCRIPTION OF THE ILLICIT GOODS	ESTIMATED VALUE
Manufacturers – cigarettes	**BAT – Kenya** [69]	Illicit trade in cigarettes account for 25% of cigarettes sales in Kenya by end of 2022.	KES 6 billion in excise revenue
General imports	**KRA**	The smuggled and counterfeited goods seized by KRA in 2024 rose from KES 200 million in 2023 to KES 243 million	KRA seizers estimated at KES 243 million
Manufacturers – alcoholic beverages	**KAM Report**	Estimates that 21% of alcohol sold in Kenya is illicit leading to revenue losses. Illicit trade in alcohol also grew by 63% between 2021 and 2022	KES 67 billion loss of taxes

Manufacturers – textile industry	**KAM annual report 2025**	Textile industry with huge demand is faced by counterfeit yarn, other products include motor vehicle parts, cigarettes and pharmaceuticals	KES 80 billion loss of market share and government revenue

Table 5: Compilation of reports on incidental illicit trade
Sources: BAT Kenya, KRA, KAM Annual Reports

### *Observations on Illicit and counterfeit goods*

Research from manufacturers and other sectors players established that there is an existing huge presence of illicit and counterfeit goods which contribute towards illicit financial flows in Kenya. These illicit goods deny government revenues estimated at KES 153 billion annually, according to the 2025 KAM report on illicit goods representing 6% of the total government taxes for the same year. [70]

The Anti-Counterfeits Authority (ACA) reported in 2021 that Kenya loses an estimated KES 100 billion annually through counterfeits and other illicit products. The dominant illicit products include alcoholic drinks, cigarettes, textile, pharmaceuticals and motor spare parts.

While KRA's seizures of smuggled illicit goods for the period 2023 and 2024 were insignificant compared to the volume of illicit trade, the indicative growth in the volume provides the trend of this class of IFFs. KRA reported in 2025 that there was a growth on the value of goods seized from KES 200 million in 2023 to KES 243 million in 2024 indicating a growth of illicit trade of 21.%[71] for the period under review.

(c) Commercial Illicit Financial Flows through Trade Mis-invoicing

UNCTAD developed a guideline on the measurement of IFFs and proposes six methods of estimation. The methods are three types:
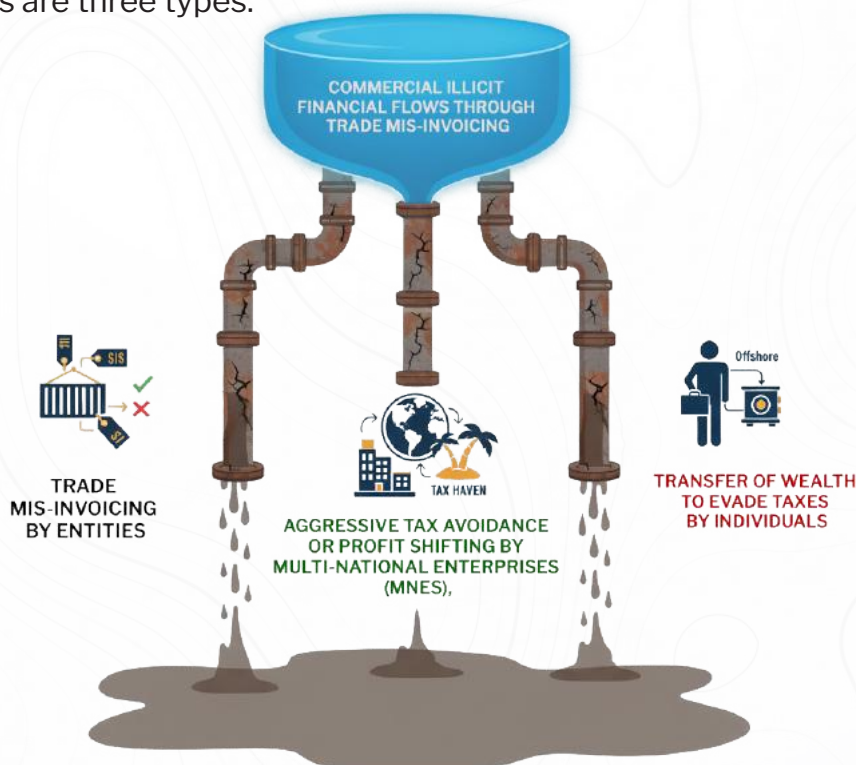
These methods are dependent on the availability and accuracy of data and Kenya, just like many countries lacks comprehensive and accurate data integration. This study attempted to estimate the size and trend of IFFs in Kenya using method one (partner country method), which compares inter-country trade statistics. In some studies, this method has been referred to as mirror image of exporting and importing partner states and derives conclusions based on the variation of trade values. Several adjustments are made to reflect changes made to consignments while on transit such as transhipments, transit and goods returned to exporting partners.

Partner Country Method (PCM) reviews bilateral discrepancies in reported trade flows, i.e. what country A reports as its imports from country B is cross-checked against country B's exports into country A. The discrepancies, which could be attributed to issues such as undervaluation, misdeclarations, misclassification and other possible means are identified to establish the estimated value likely to be classified as commercial IFFs.

Observations from Import Data for Kenya

Import data indicate a growing trend in value with declarations value in 2024 recorded at KES 2.5 trillion up from KES 1.3 trillion in 2016.

IMPORTS: COST, INSURANCE & FREIGHT (CIF KSH. MILLIONS)

Year	Value
2016	1,302,837
2015	1,457,155
2020	1,548,119
2017	1,579,069
2018	1,623,657
2019	1,702,322
2021	2,033,074
2025	2,264,714
2022	2,321,250
2023	2,357,752
2024	2,504,339
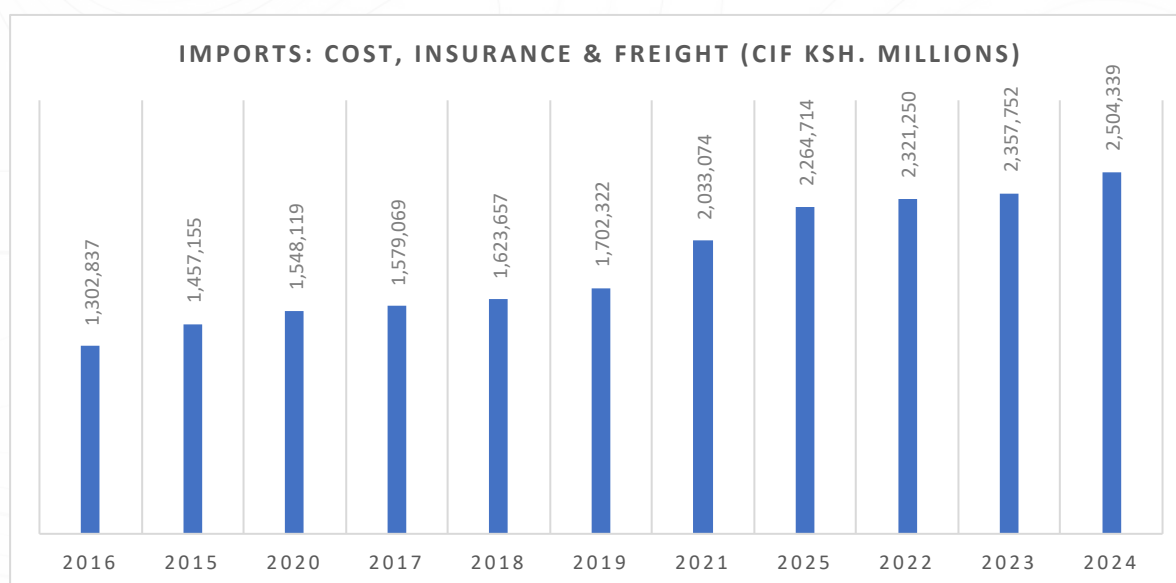
Figure 9: Imports: Costs, Insurance and Freight (KES millions) from 2016 – 2024
Source: KRA Customs Data (2025)

In order to identify the major trading partners for the Kenyan international trade, the import data by origin established the following as the major exporting partners into Kenya. The top ten exporters account for 66.46% of the total import value for the period under review, with the rest of the partners contributing 33.54% of the import value. The three major exporting partners include China (20.14%), India (10.75%) and UAE (10.36%).

NO.	COUNTRY NAME	CIF (KES MILLIONS)	PERCENTAGE (%)
1	China	4,167,166.35	20.14%
2	India	2,224,663.08	10.75%
3	United Arab Emirates	2,144,288.26	10.36%
4	Japan	1,061,566.41	5.13%
5	Saudi Arabia	962,079.45	4.65%
6	United States Of America	940,047.76	4.54%
7	Malaysia	682,723.14	3.30%
8	South Africa	653,326.86	3.16%
9	Russian Federation	468,805.78	2.27%
10	Germany	449,442.27	2.17%
11	Other Partners	6,940,177.61	33.54%
	TOTALS	**20,694,286.96**	**100.00%**

Table 6: Kenya's CIF (KES millions) and percentage of total
Source: KRA Customs data (2025)

The data from KRA customs systems indicate similar trends as reported by other reliable databases such as the Exim Trade Data showing China, India, UAE, Saudi Arabia and Japan as top five exporters into Kenya with similar percentage contribution of import values.[72]
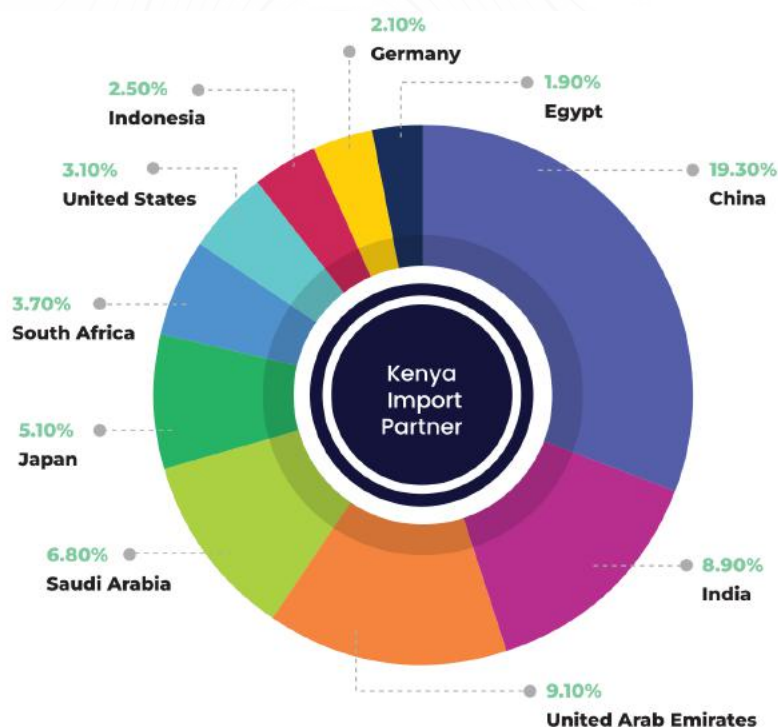

Figure 10: Kenya's imports by country (% of import contribution)
Source: Exim Trade Data

Import Data Analysis from Comtrade

The global trade data was extracted and compared between the reporting partners and values declared by the government of Kenya. Further computation was done using Cost, Insurance and Freight (CIF) by estimation where the values were converted at KES 120 per US $.[73]

The total value shows a consistent lower mirror values reported by Kenya as CIF – an indication that there is existence of undervaluation or misreporting of imports and lower values. This facilitates transfer of funds from Kenya to the Partner States that export goods and a higher value. In addition, Kenya also loses import taxes associated with the undervalued imports. [74]

For the period of nine years of review,[75] there was an estimated total import value of KES 711 billion which could not be matched against the statistics of exporting partner states to Kenya, representing 7.9% of the nine-year average. It is only in the year 2016 that mirror values presented a minimal variation with only about KES 1.5 billion difference.

Years	Trade Value (US$)	Mirror Trade Value (US$)	Variance US$)	%age Change	Estimated Undervaluation (KES.)
2015	5,657,403,265	5,432,035,618	(225,367,647)	-3.98%	(27,044,117,637)
2016	5,241,471,756	5,228,744,579	(12,727,177)	-0.24%	(1,527,261,187)
2017	5,546,433,884	5,278,947,641	(267,486,243)	-4.82%	(32,098,349,197
2018	6,107,497,864	5,683,872,884	(423,624,980)	-6.94%	(50,834,997,593)
2019	6,164,013,010	5,443,629,632	(720,383,378)	-11.69%	(86,446,005,343)
2020	6,164,316,190	5,396,329,213	(767,986,977)	-12.46%	(92,158,437,288)
2021	7,109,119,737	6,291,226,401	(817,893,336)	-11.50%	(98,147,200,355)
2022	7,951,148,894	6,760,776,374	(1,190,372,519)	-14.97%	(142,844,702,291)
2023	7,574,645,282	6,073,949,017	(1,500,696,265)	-19.81%	(180,083,551,787)
Total	**74,692,858,267**	**56,505,787,160**	**(5,926,538,522)**	**-7.93%**	**(711,184,622,681)**

Table 7: Import values (US $), mirror trade values (US $), variance in values (US $) and percentages and estimated undervaluation (KES billions) over the years 2015 – 2023
Source: Comtrade data and KRA data

From the mirror data comparison, the size of mismatch can be estimated, albeit the assumptions of minimal transshipments and transit amendments for imports destined to Kenya. Using the Partner Country Method (PCM), the absolute figures show a widening variance between declared imports by Kenya and the values reported by the trading partners. The annual average import value understatement is estimated at KES 79 billion for the period under review.[76]
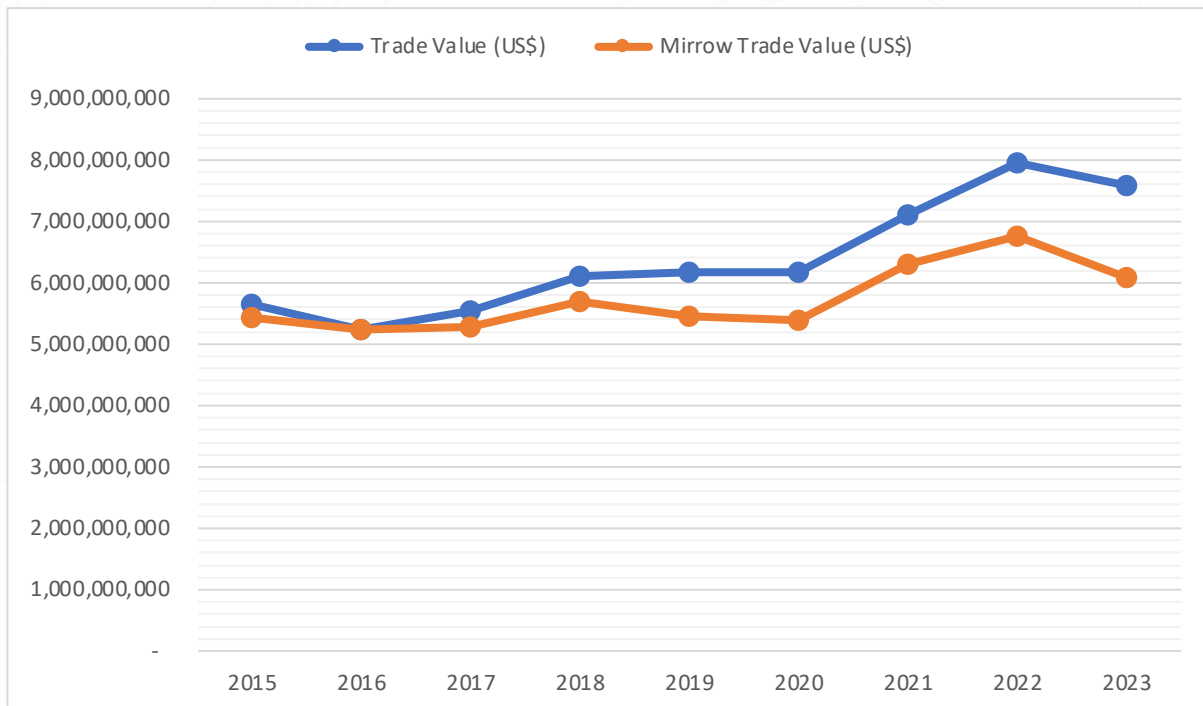

Figure 11: Trade Values (US $) relative to Mirror Trade Values (US $)
Source: Exim Trade Data

Further analysis on the trend of the PCM data indicate a widening variance and an increasingly lower values declared in Kenya than is being reported by the exporting countries. The years 2022 and 2023 presents the highest growth in variances 15% and 20% respectively and as a result could deny the Government the relevant import duties and distort trade statistics. Even with the assumption that some of the variances are contributed by the value of re-export arising from transshipment and transits, the widening gap could indicate an underlying problem related to commercial IFFs.
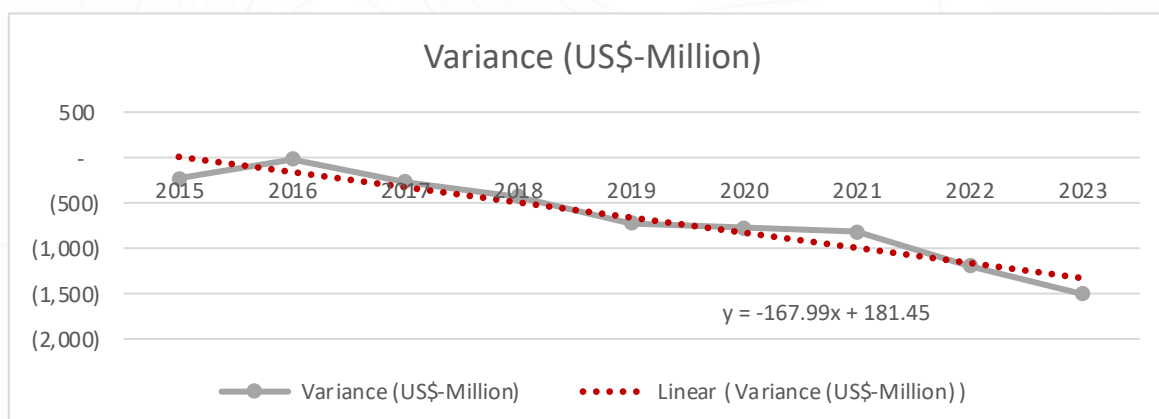
Figure 12: Variance in US $ (millions)
Source: UN Comtrade Data and KRA data

The UN Comtrade data as compared with domestic customs data shows variation in total value of imports.[77] The domestic customs value which include the Free on Board (FOB), Insurance and Freight charges reported from the KRA systems is consistently lower than the FOB values reported by the exporting countries. The year 2024 however had minimal variation of import values which could be as a result of the continuous update of data on the Comtrade database. [78]
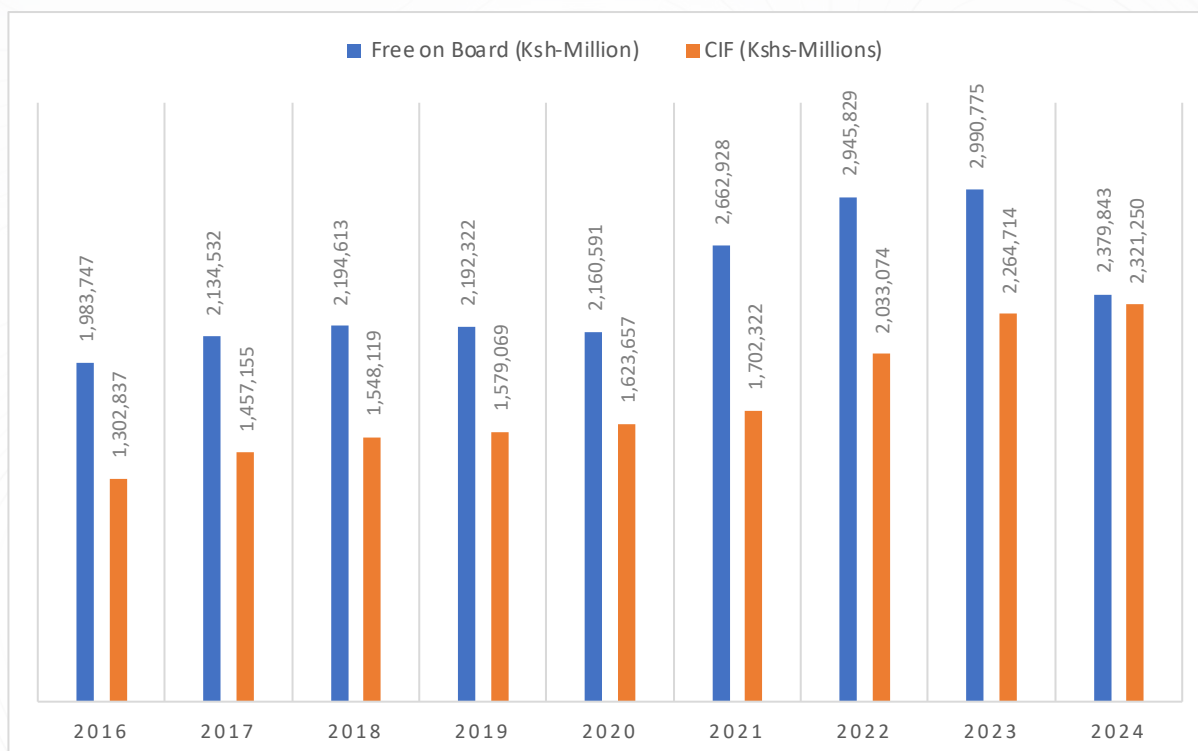
Figure 13: Free on Board (KES millions) and CIF (KES millions)
Source: Exim Trade Data

UN Comtrade County-By-Country Customs Data Analysis

The data of raw export and import data, as reported by the top trading partners with Kenya, was extracted for the last 12 years. The purpose of this analysis was to identify the size and trend of absolute variation in import values indicating potential size and trend of commercial related IFFs.

| No.	Country	Export (US$)	Imports (US$)	Variance (US$)	Percentage (%)
1.	**China**	71,608,305,200	1,956,054,808	69,652,250,392	**97.27%**
2.	**India**	33,641,918,403	1,467,586,455	32,174,331,949	**95.64%**
3.	**United Arab Emirates**	15,630,043,960	3,796,441,738	11,833,602,222	**75.71%**
4.	**Japan**	10,723,190,346	818,352,100	9,904,838,246	**92.37%**
5.	**USA**	7,625,767,743	8,070,573,773	(444,806,030)	**-5.83%**
6.	**Malaysia**	7,604,944,344	261,164,734	7,343,779,610	**96.57%**
7.	**South Africa**	7,581,623,726	282,021,367	7,299,602,359	**96.28%**
8.	**Saudi Arabia**	4,771,568,235	963,654,644	3,807,913,591	**79.80%**
9.	**Germany**	4,283,490,785	2,232,209,831	2,051,280,954	**47.89%**
10.	**Russian Federation**	1,752,832,797	1,192,136,640	560,696,157	**31.99%**
	Grand Total	**165,223,685,540**	**21,040,196,090**	**144,183,489,450**	**87.27%**

Table 8: Exports to (US $), Imports from (US $) and Variances in US $ and percentages with Kenya's top trading partners
Source: UN Comtrade

Table 8 above shows the absolute values of exports and imports and their variances in (US $) and percentages to and from Kenya's top trading partners.

The highest import-export value discrepancy for the 12 years under review are China, India and UAE. The three countries are also the top three export partners to Kenya. China leads the pack in value discrepancy with an estimated average of 97% for the 12 years. Germany and Russia show relatively lower discrepancies of reported exports from the country of origin as compared with values declared as imports from the same destination by Kenya with 48% and 32% respectively. The USA presented a rather a different trend where the value declared as exports to Kenya is actually overstated on the Kenyan side. This could arise where importers of exempt goods declare higher values to claim it as relief such as investment deduction or machinery and installation wear and tear relief.

The overall picture of the Partner Country Method approach for the top importers to Kenya indicate a situation of possible IFF facilitation by mis-valuation and misdeclaration of imported goods.

Interpretation of the Data Analysis

From the observed data analysis outcome, it is appropriate to conclude that there is a price valuation gap and potential illicit trade facilitated by the exporters from the country of origin and the importers from the destination country like Kenya.

The mirror UN Comtrade data between trading partner states for the nine years (2015-2023), where data is complete, shows that the net effect of export-import data mismatch resulted into a total of US$5.9 Billion (KES 711 billion). This translates into an annual net loss of KES 79 billion for the period.

A further analysis of the top ten export partner states for Kenya for the period 2013-2024 was conducted to establish the gross variances that exists between exports and the corresponding imports reported by Kenya. The gross values showed a total variance of US $ 144 billion as reported by the 10 countries. This value represents over 87% of the gross value declared as export to Kenya by the 10 trading partners.

These scenarios establish not only the existence of IFFs through commercial activities but also shows the highly likely partner states that facilitate such activities. Under the analysis, China, India, Malaysia and South Africa are the biggest exporting partners for Kenya where corresponding imports are estimated at below 4%.

This calls for further work to establish the following:

a. The type of products being imported from these top ten trading partners,
b. The duty regime and other tariffs applicable to those partners that could encourage mis-valuation,
c. The existence of any preferential trade blocks or incentives that would make a trading partner like USA to have export values lower than the value declared in Kenya as imports.

8. CONCLUSIONS AND RECOMMENDATIONS

This study sought to establish the size and trend of IFFs in Kenya. The study employed both qualitative and quantitative methods to collect, analyse and make inferences as to the size and trend of IFFs in Kenya. Qualitatively, the study utilised perspectives collected from the interviews of selected senior officials from critical institutions dealing with IFFs in Kenya to assess the efficiency of legal, administrative and policy measures in place. Further, incidental data from reports on corruption, illicit trade in counterfeit products and the available trade data was used to estimate the size and trend of IFFs. This was measured using one of the UNCTAD recommended method (method 1) of assessing the size and trend of IFFs; Partner-Country Method (PCM).

The following are the main findings and related recommendations for this study organized in a tabular format:

No.	Theme	Findings	Conclusion & Recommendations	Relevant Institution(s)
1	Legal & Administrative framework	There are existing legal and administrative measures. There exist challenges in the investigation of corruption-related cases because of the number and expertise of the investigators. Qualitative review from the informants pointed a finger on the tax collection, investigative and prosecution agencies on the level of corruption.	The existing legal, regulatory and administrative frameworks in some cases are not sufficient. Some identified challenges include challenges in Beneficial Ownership of importers and trading corporates, regulations on seizure and overlapping roles between some agencies handling IFF matters. It is recommended for: • Review of the tax exemptions regime for imported goods and alignment of import incentives with those provided for by the exporting partners. • Enhancing capacity and skills of those responsible for investigations and revenue collections and enforcing beneficial ownership and transparency rules for companies, • Adapting the legislative, regulatory and institutional frameworks to include stricter sanctions against price manipulation and non-compliance with tax obligations • Ensuring a high level of integrity among those responsible for mobilising tax revenue, • Promoting the visibility of information/transactions, particularly from large trading partners. This can be done through data integration, • Enhancing internation cooperation through mutual legal assistance for information exchange.	ARA, EACC, KRA, FRC, KenInvest

2	Size of IFFs in Kenya	Annually, Kenya losses an estimated KES. 243.15 Bn arising from corruption (KES 11.15 Bn), Illicit goods (KES 153 Bn) and international trade mis-invoicing (KES 79 Bn)	From the findings of this study, Kenya loses an estimated KES 253 billion annually through commercial and criminal activities such as bribery and corruption. The study approach could only establish the size by way of consolidating available statistical figures. It is recommended that an effective measure of size of IFF should adopt a wider data integration of all possible IFFs sources. It also calls for investigative agencies to exhaustively investigate all cases reported in order to recover as many illegally wealth as possible.	EACC, ACA, KRA, KEBS
3	Trend of IFFs in Kenya	The evaluation of the size of IFFs in Kenya shows an increasing trend. The cases of criminal investigations, leading to realisation of illicit wealth, continue to increase. The value of commercial assets not matching with domestic import declarations are also increasing in size and trend.	While the estimation of the size and trend of corruption related IFFs could not provide regular trends over the analysis period, the number of reported corruption related cases shows a marginal increase. The size and trend of commercially-driven IFFs arising from mis-invoicing and illicit products on the other hand indicate an annual upward trend. Trade in illicit goods as reported by ACA and KAM indicate that the value of illicit goods in the market grew from an estimated KES 100 billion in 2021 according to ACA to KES 153 billion in 2024 as estimated by KAM clustered into various sectors. The size of value mismatch on international trade, established through PCM similarly shows an increasing disparity, hence value of mis-invoicing from a net value of KES 1 billion in 2016 (0.24%) to a value of KES 180 billion in 2024 (19.81%). It is recommended that the Government, through extensive bilateral and multilateral agreements, establishes data exchange protocols to validate declaration values between trade partners. For the criminal cases, it is recommended that all cases reported are fully investigated and all assets acquired are seized and reported. Efficient co-ordination between the independent institutions such as ODPP, EACC, judiciary and other investigative agencies to ensure appropriate measures are implemented to quicken the process before perpetrators dispose or transfer assets acquired through corruption.	KAM, ACA, KRA, DCI, Judiciary

| 4 | Trend of commercial IFFs based on Trading Partners | Kenya buys 67% of its total imports from ten (10) trading partners, with China, India and UAE leading with 20%, 10.75% and 10.36% respectively. | Kenya relies on imports of goods to meet the domestic demand. Annually, Kenya imports 67% of goods from 10 countries and 33% from the rest of the world. This indicates a delicate risk position for Kenya, in the sense that loopholes created by any of the top ten countries has a significant impact on collections of duties and levies.

PCM analysis on gross value of imports declared by Kenya and consolidated exports into Kenya by other countries shows that Kenya's values significantly varies downwards. In the case of China and India, for instance, Kenya reported only between 3-5% of the gross exports reported from China and India destined to Kenya. This could however be influenced by factors such as transit, transshipment, re-shipment and cancellation of exports from China and India.

Kenya on the other hand declared 5.8% imports from USA on top of the actual declared exports by USA into Kenya. Similarly, Kenya declared between 53-69% of goods imported from Russia and Germany. This finding somehow validates the variation of values from other major trading partners as Kenya imports mostly tax-exempt machinery from the above three countries.

It is therefore recommended that Kenya secures data exchange protocols to allow full disclosure of all imports from major trade partners. It is also critical that Kenya establishes appropriate valuation methodology for imported goods for purposes of minimising outward IFFs from commercial transactions. | KRA, Communication Authority of Kenya, National Treasury |

APPENDIX 1: TOP TEN TRADING PARTNERS

Country/Year	Export (US$)	Import (US$)	Export-Import Variance (US$)	%age
China	**71,608,305,200**	**1,956,054,808**	**69,652,250,392**	**97%**
2013	3,217,480,883	52,782,890	3,164,697,993	98%
2014	4,930,627,241	77,039,062	4,853,588,179	98%
2015	5,914,315,875	98,743,024	5,815,572,851	98%
2016	5,587,646,821	97,135,495	5,490,511,326	98%
2017	5,034,650,207	166,820,240	4,867,829,967	97%
2018	5,197,200,781	173,757,616	5,023,443,165	97%
2019	5,009,266,265	178,906,799	4,830,359,466	96%
2020	5,409,543,026	150,594,884	5,258,948,142	97%
2021	6,596,708,504	225,763,207	6,370,945,297	97%
2022	8,249,078,657	269,339,985	7,979,738,672	97%
2023	7,879,355,154	227,690,721	7,651,664,433	97%
2024	8,582,431,786	237,480,885	8,344,950,901	97%
Germany	**4,283,490,785**	**2,232,209,831**	**2,051,280,954**	**48%**
2013	404,798,601	152,961,585	251,837,016	62%
2014	426,582,550	185,359,577	241,222,973	57%
2015	417,451,294	175,638,841	241,812,453	58%
2016	374,653,887	181,140,526	193,513,361	52%
2017	353,009,122	170,228,611	182,780,511	52%
2018	445,987,889	155,030,011	290,957,878	65%
2019	398,746,628	154,133,384	244,613,245	61%
2020	308,269,024	176,812,036	131,456,989	43%
2021	300,981,072	202,916,534	98,064,538	33%
2022	277,151,217	215,323,406	61,827,811	22%
2023	294,905,741	225,607,617	69,298,124	23%
2024	280,953,760	237,057,704	43,896,056	16%
India	**33,641,918,403**	**1,467,586,455**	**32,174,331,949**	**96%**
2013	3,938,382,444	120,823,954	3,817,558,490	97%
2014	4,405,448,063	127,669,971	4,277,778,092	97%
2015	3,183,932,245	111,847,423	3,072,084,822	96%
2016	2,457,901,506	126,408,923	2,331,492,583	95%
2017	1,817,806,768	72,115,308	1,745,691,460	96%
2018	2,124,150,760	132,421,929	1,991,728,832	94%
2019	1,931,188,973	95,741,784	1,835,447,189	95%
2020	1,985,803,415	96,266,464	1,889,536,950	95%
2021	2,496,293,925	167,099,016	2,329,194,910	93%
2022	2,940,261,014	122,808,804	2,817,452,210	96%
2023	3,291,835,289	115,455,961	3,176,379,328	96%
2024	3,068,914,001	178,926,918	2,889,987,083	94%
Japan	**10,723,190,346**	**818,352,100**	**9,904,838,246**	**92%**

2013	914,187,942	46,108,429	868,079,513	95%
2014	953,460,465	60,967,976	892,492,489	94%
2015	926,263,176	70,026,177	856,236,999	92%
2016	743,505,368	58,367,155	685,138,213	92%
2017	763,305,208	60,715,515	702,589,693	92%
2018	897,739,906	68,743,172	828,996,734	92%
2019	854,447,315	71,747,695	782,699,620	92%
2020	720,182,404	68,247,054	651,935,350	91%
2021	1,027,660,111	77,333,803	950,326,308	92%
2022	964,148,922	67,909,399	896,239,523	93%
2023	946,846,691	85,516,225	861,330,466	91%
2024	1,011,442,837	82,669,500	928,773,337	92%
Malaysia	**7,604,944,344**	**261,164,734**	**7,343,779,610**	**97%**
2013	279,077,588	5,255,290	273,822,298	98%
2014	739,659,808	5,546,495	734,113,313	99%
2015	367,351,475	7,190,646	360,160,829	98%
2016	172,279,605	12,564,289	159,715,316	93%
2017	242,551,649	7,538,429	235,013,219	97%
2018	234,824,662	6,047,093	228,777,569	97%
2019	363,406,719	43,111,081	320,295,638	88%
2020	536,374,137	85,580,743	450,793,394	84%
2021	1,126,436,782	29,055,305	1,097,381,476	97%
2022	1,153,365,275	23,372,348	1,129,992,927	98%
2023	1,184,250,394	22,902,036	1,161,348,358	98%
2024	1,205,366,250	13,000,979	1,192,365,271	99%
Russian Federation	**1,752,832,797**	**1,192,136,640**	**560,696,157**	**32%**
2013	199,160,911	134,567,771	333,728,682	168%
2014	219,246,097	150,192,045	333,728,682	152%
2015	165,926,990	173,146,717	333,728,682	201%
2016	130,736,225	144,692,309	333,728,682	255%
2017	204,189,114	142,078,778	333,728,682	163%
2018	217,573,728	124,918,749	333,728,682	153%
2019	159,960,063	94,038,942	333,728,682	209%
2020	234,928,068	87,774,408	333,728,682	142%
2021	221,111,601	140,726,922	333,728,682	151%
Saudi Arabia	**4,771,568,235**	**963,654,644**	**3,807,913,591**	**80%**
2013	296,612,104	45,630,457	250,981,647	85%
2014	398,722,838	53,310,781	345,412,057	87%
2015	277,131,184	67,716,788	209,414,396	76%
2016	252,449,550	71,900,090	180,549,460	72%
2017	244,361,981	75,843,625	168,518,356	69%
2018	371,666,089	87,886,433	283,779,656	76%
2019	355,187,895	96,514,776	258,673,119	73%

2020	348,449,832	99,977,937	248,471,896	71%
2021	428,822,189	88,158,385	340,663,804	79%
2022	342,689,836	134,955,385	207,734,451	61%
2023	1,455,474,736	141,759,987	1,313,714,749	90%
South Africa	**7,581,623,726**	**282,021,367**	**7,299,602,359**	**96%**
2013	803,931,211	25,186,817	778,744,394	97%
2014	719,877,375	33,732,232	686,145,143	95%
2015	650,418,486	18,883,410	631,535,076	97%
2016	557,994,756	19,886,216	538,108,539	96%
2017	714,039,199	17,664,222	696,374,977	98%
2018	753,915,383	21,064,842	732,850,541	97%
2019	786,417,511	21,098,024	765,319,488	97%
2020	456,873,995	20,195,864	436,678,131	96%
2021	424,340,363	36,232,944	388,107,419	91%
2022	535,124,109	27,000,343	508,123,766	95%
2023	611,092,523	20,098,315	590,994,208	97%
2024	567,598,817	20,978,139	546,620,678	96%
United Arab Emirates	**15,630,043,960**	**3,796,441,738**	**11,833,602,222**	**76%**
2013	515,888,984	256,004,730	259,884,254	50%
2014	621,811,646	119,699,114	502,112,532	81%
2015	713,610,062	109,297,785	604,312,277	85%
2016	637,579,426	131,062,412	506,517,014	79%
2017	1,807,884,960	299,501,335	1,508,383,625	83%
2018	1,576,555,840	348,911,754	1,227,644,086	78%
2019	2,300,268,781	360,685,737	1,939,583,044	84%
2020	1,568,390,311	299,472,197	1,268,918,115	81%
2021	1,833,774,911	391,614,427	1,442,160,483	79%
2022	1,782,162,521	639,145,102	1,143,017,420	64%
2023	2,272,116,518	841,047,145	1,431,069,373	63%
USA	**7,625,767,743**	**8,070,573,773**	**(444,806,030)**	**-6%**
2013	635,688,855	466,429,653	169,259,202	27%
2014	1,640,898,833	609,179,303	1,031,719,530	63%
2015	943,436,657	594,306,153	349,130,504	37%
2016	397,473,456	570,507,408	(173,033,952)	-44%
2017	453,959,361	587,918,626	(133,959,265)	-30%
2018	365,543,647	660,064,621	(294,520,974)	-81%
2019	391,025,030	685,571,833	(294,546,803)	-75%
2020	370,786,703	584,534,213	(213,747,510)	-58%
2021	551,025,529	709,964,986	(158,939,457)	-29%
2022	599,743,497	924,677,831	(324,934,334)	-54%
2023	493,662,096	918,514,732	(424,852,636)	-86%
2024	782,524,079	758,904,414	23,619,665	3%
Grand Total	**165,223,685,540**	**21,040,196,090**	**144,183,489,450**	**87%**

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75   This period presented a comprehensive comparative data of imports and mirror values.

76   Estimated as KES 711 billion divided by nine years whose data was complete.

77   This is the data extracted showing the values declared by exporting partner states for the respective years.

78   Comtrade database is continuously being updated and some partner states may still be updating the databases.

NOTES

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