



Division for Africa, Least Developed Countries and
Special Programmes (ALDC)
UNCTAD



Kenya's performance on the UNCTAD Productive Capacities Index (PCI) in comparison to the African and other developing countries: What policy implications?

Mussie Deleegn
Officer-in-Charge, Productive Capacities Branch
Division for Africa, Least Developed Countries and
Special Programmes, UNCTAD
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Outline of the presentation:-

- I. Key messages from the presentation
- II. PCI categories, performance of Kenya and groups of countries
- III. Conclusions with policy implications

Please visit: <http://pci.unctad.org> for all the resources on the index

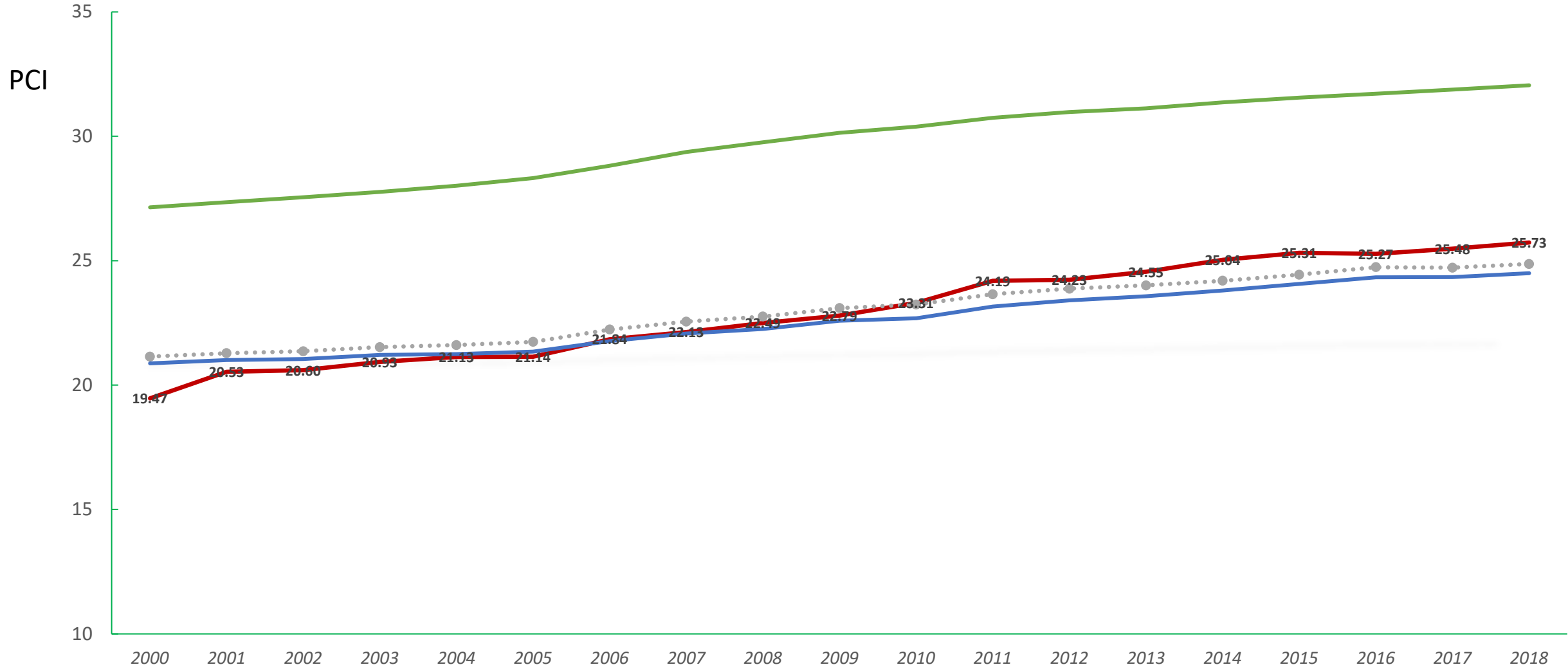
Key messages from the presentation.....

- Between 2000-2010 Kenya's performance on the PCI was lower than Africa's regional average score. This has changed after 2010.
- Kenya scored above the African average on
 - ✓ Human capital, private sector & structural change categories
- Kenya's scores are at par with African average scores on
 - ✓ Institutions and transport categories
 - Kenya scored lower than SSA' average on:
 - ✓ Energy and Transport components
 - ✓ Manufacturing value Added in GDP (Indicator level comparison)
- ❖ ***However, on all the categories Kenya's scores are by far lower than the average score of "Other Developing Countries"***

II. Kenya's Performance on the PCI: Areas of better than African average scores.....

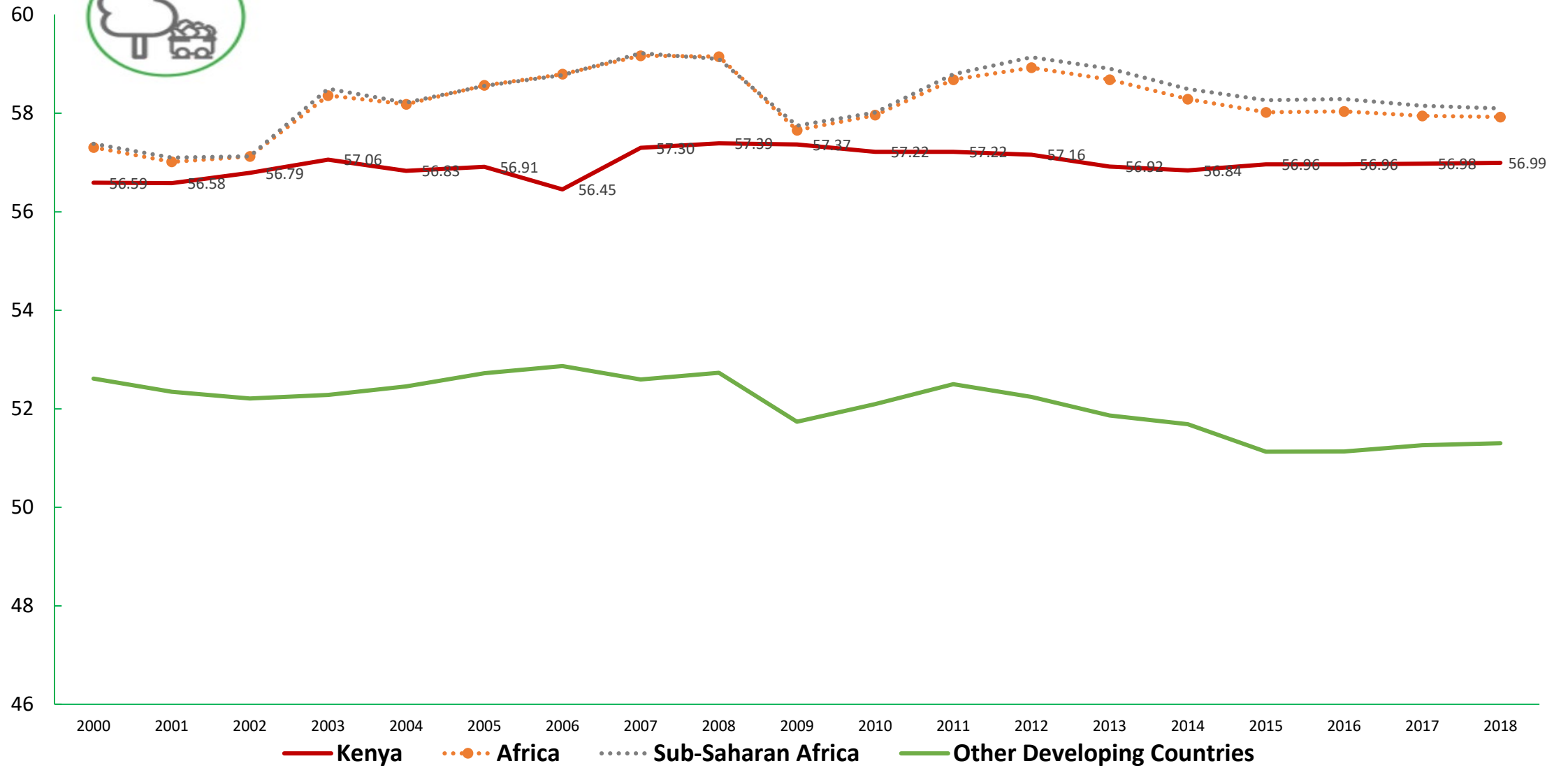


Kenya's PCI evolution compared to Region



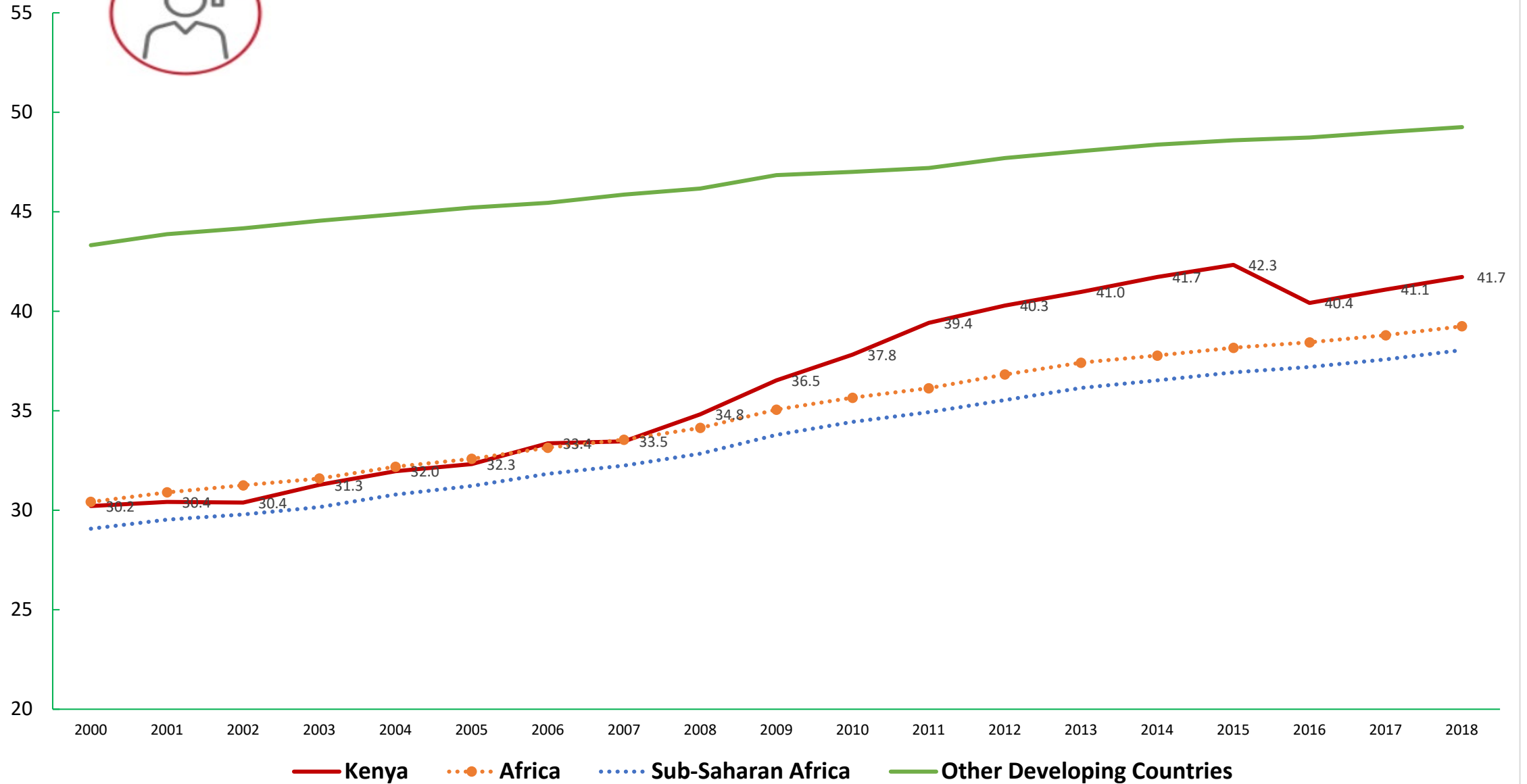


Natural Capital evolution

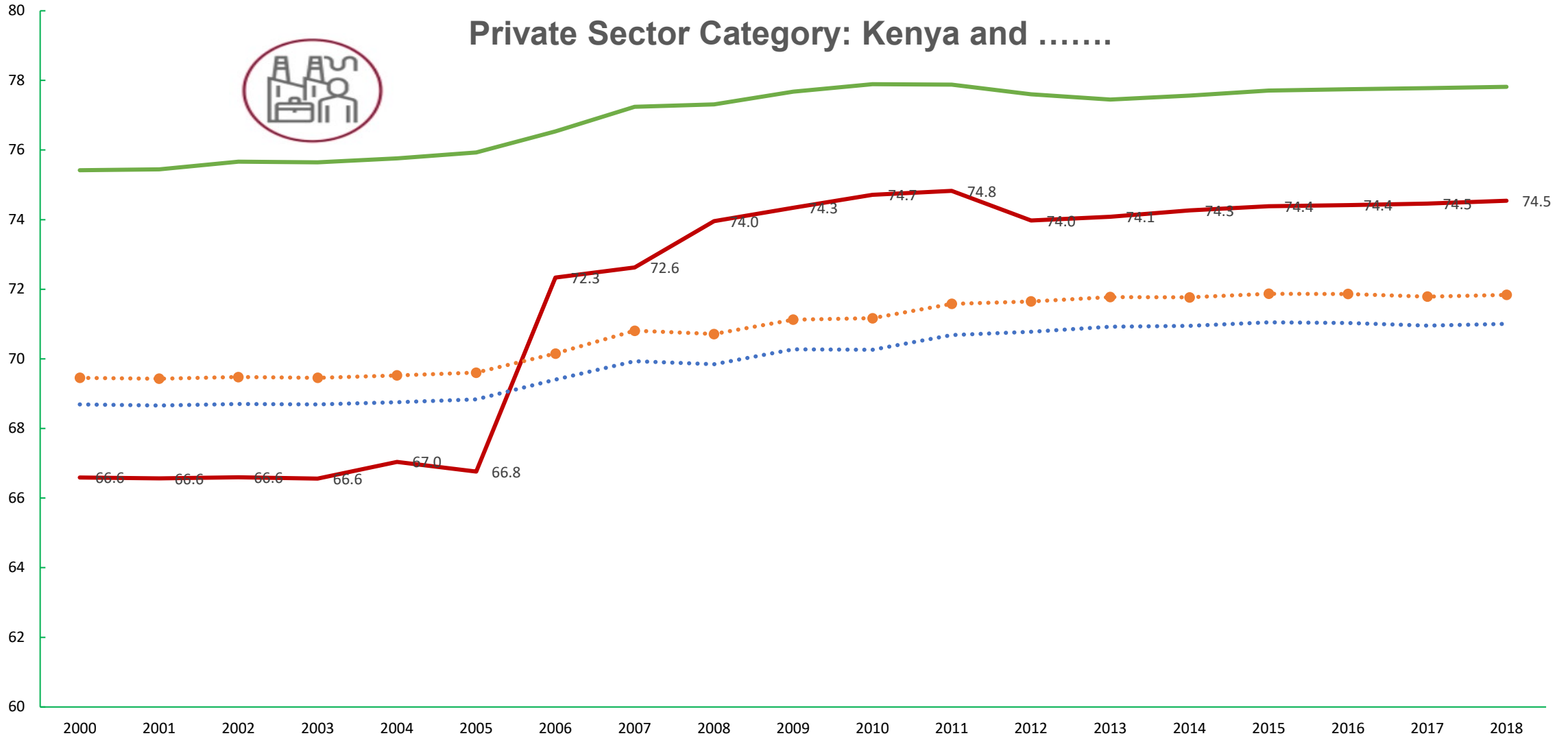




Human Capital evolution: Kenya and.....



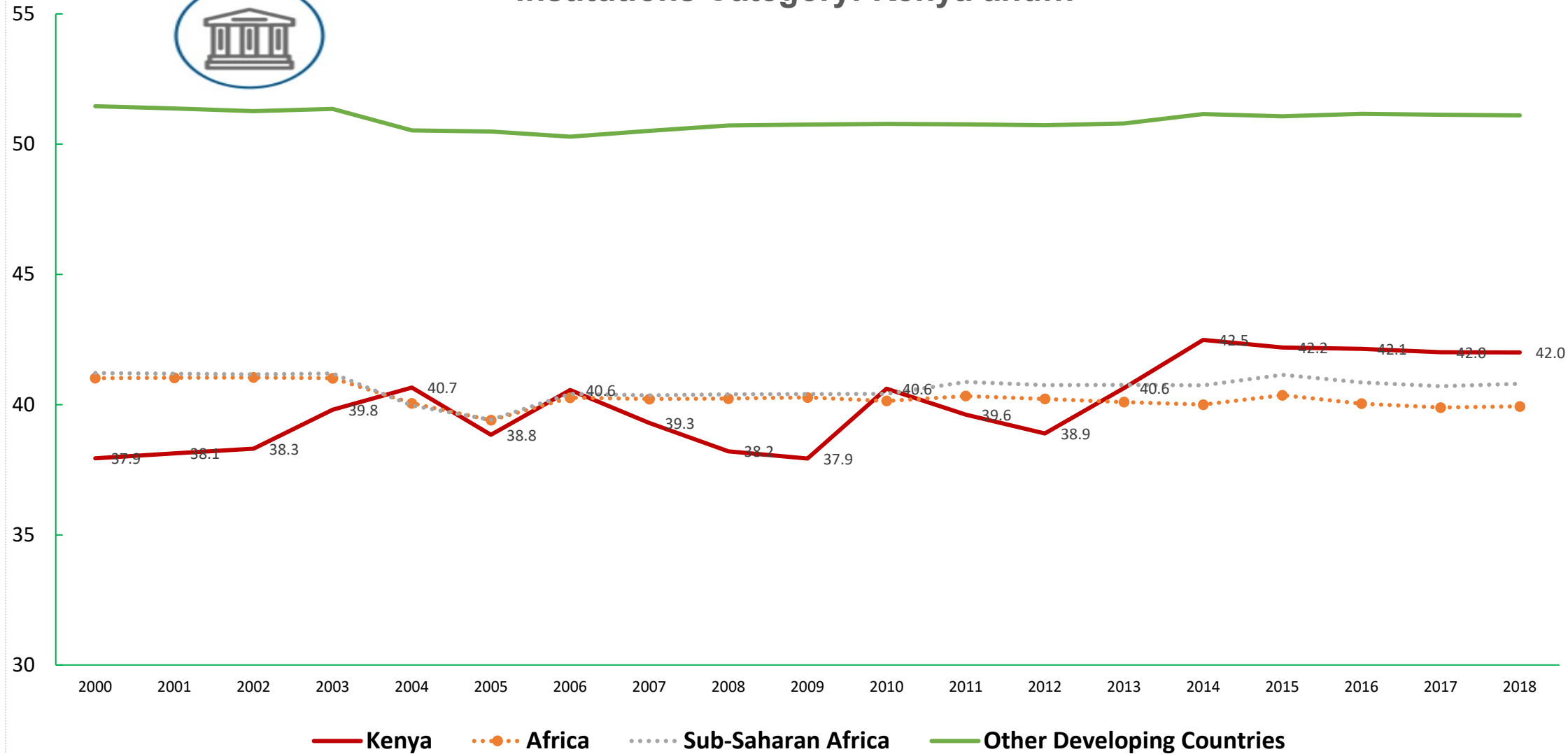
Private Sector Category: Kenya and



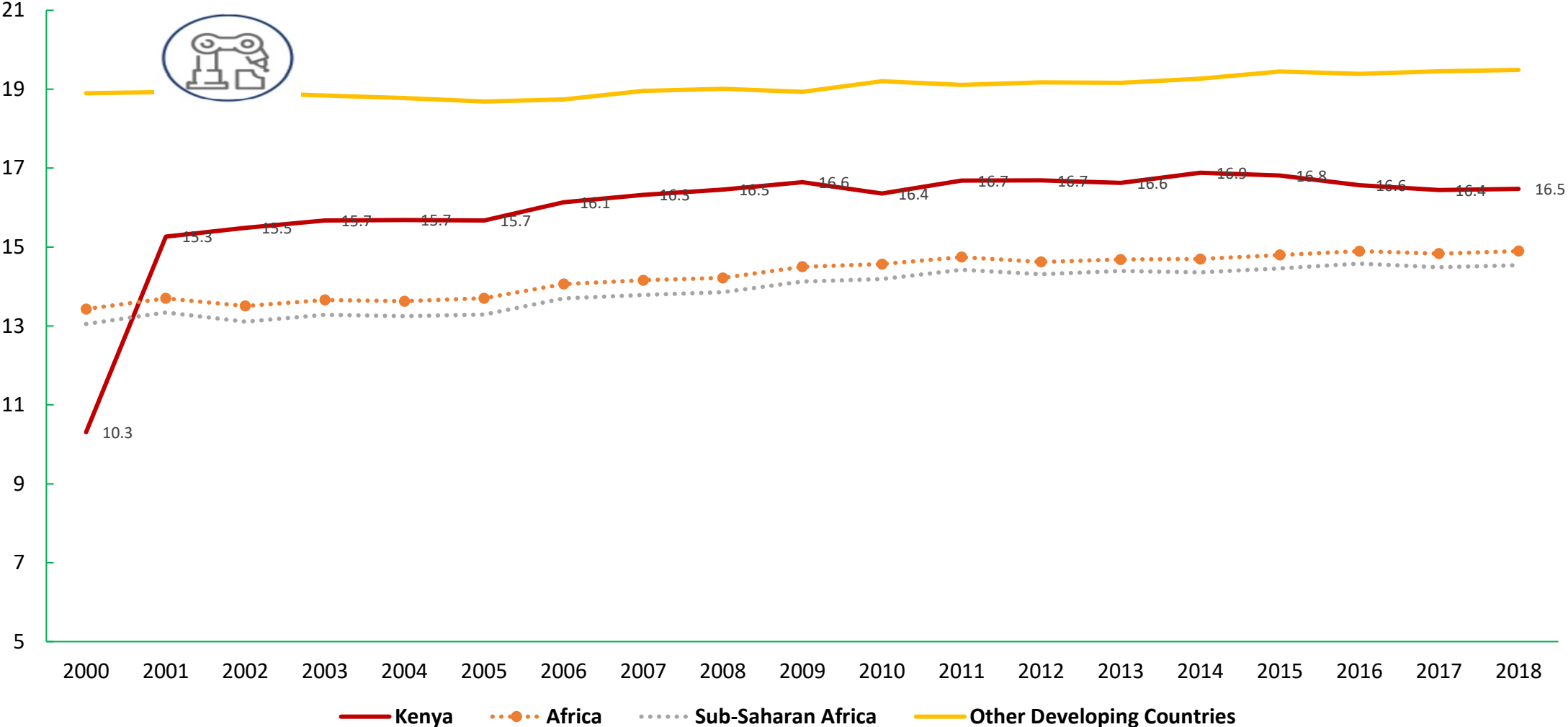
— Kenya ●●● Africa ●●● Sub-Saharan Africa — Other Developing Countries



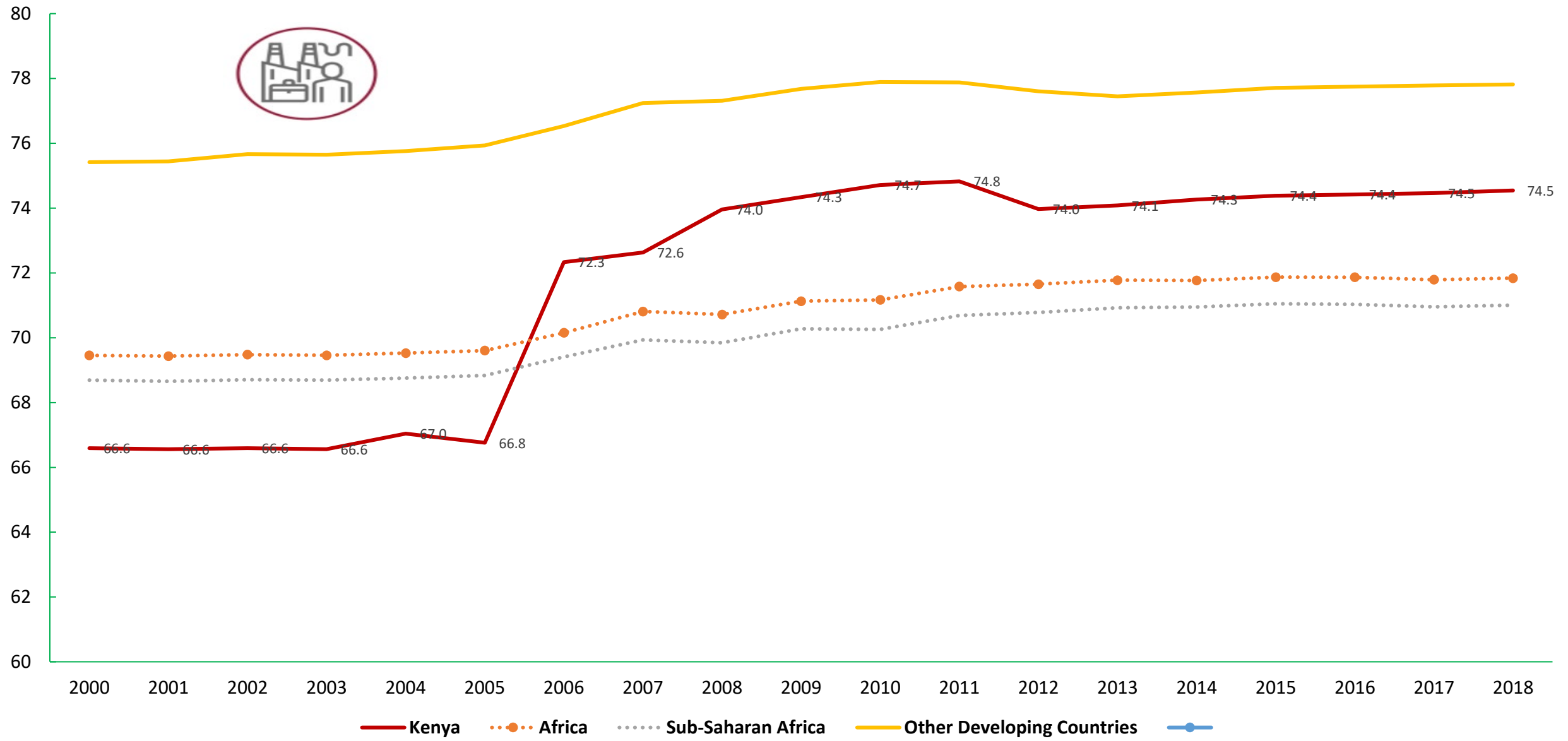
Institutions Category: Kenya and...



Structural Change category.....

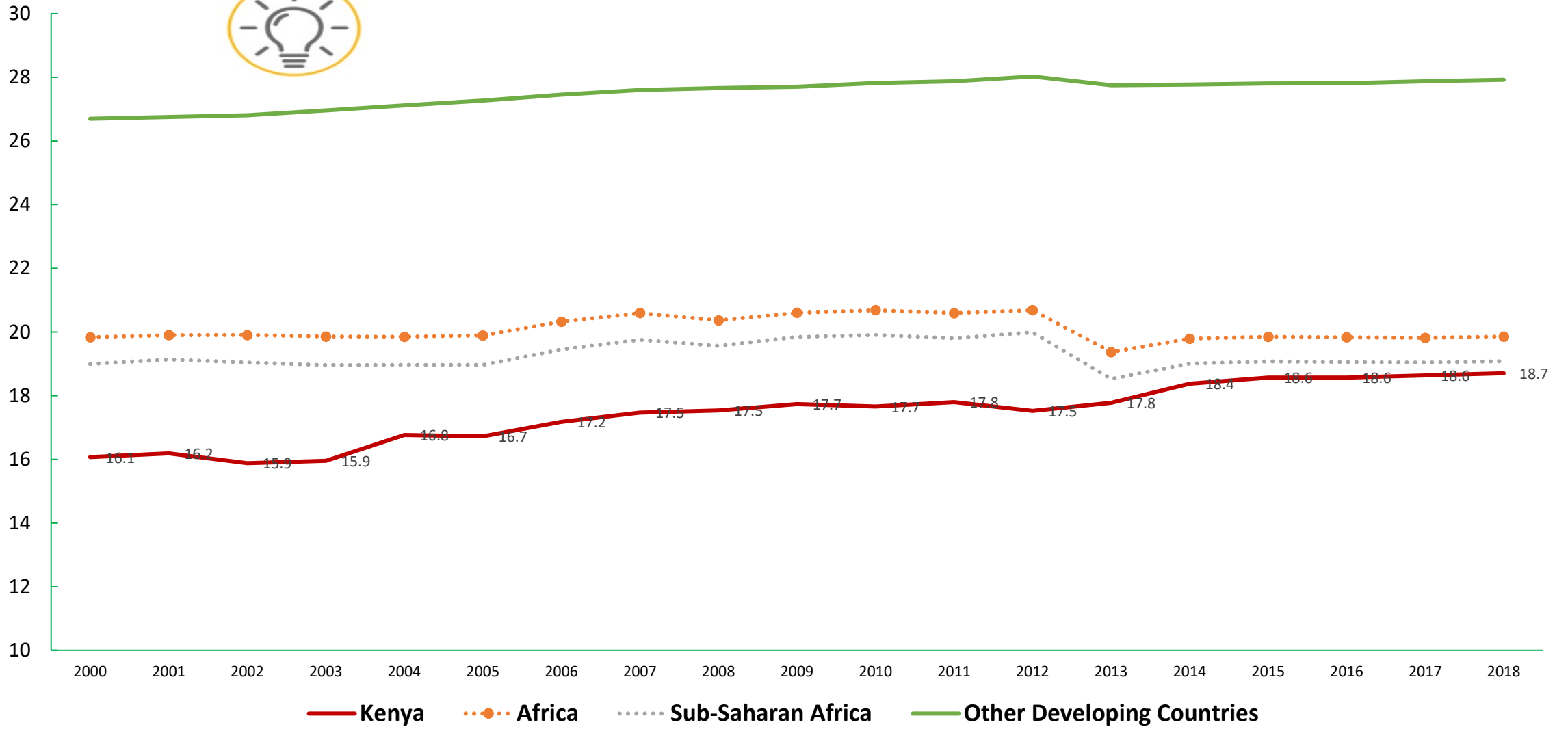


Private Sector Category.....

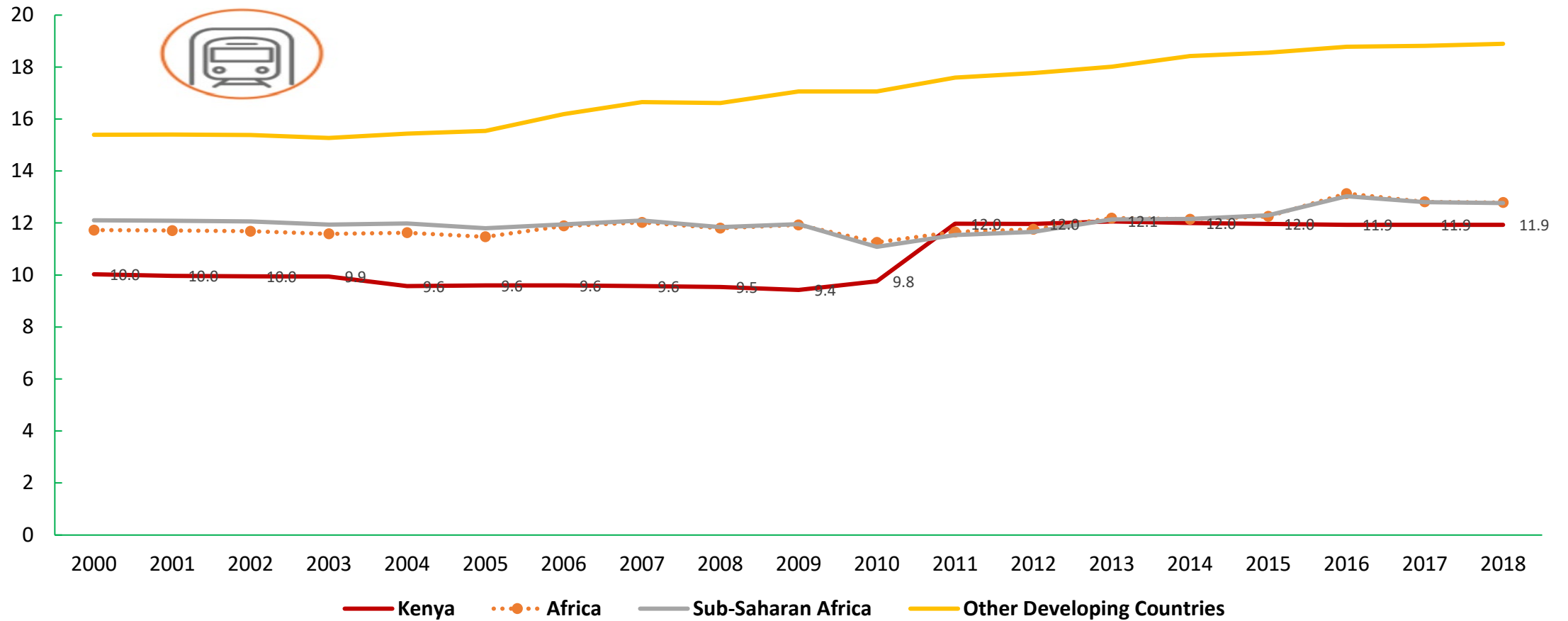


.....Kenya's Performance on the PCI: Areas requiring urgent attention and interventions....

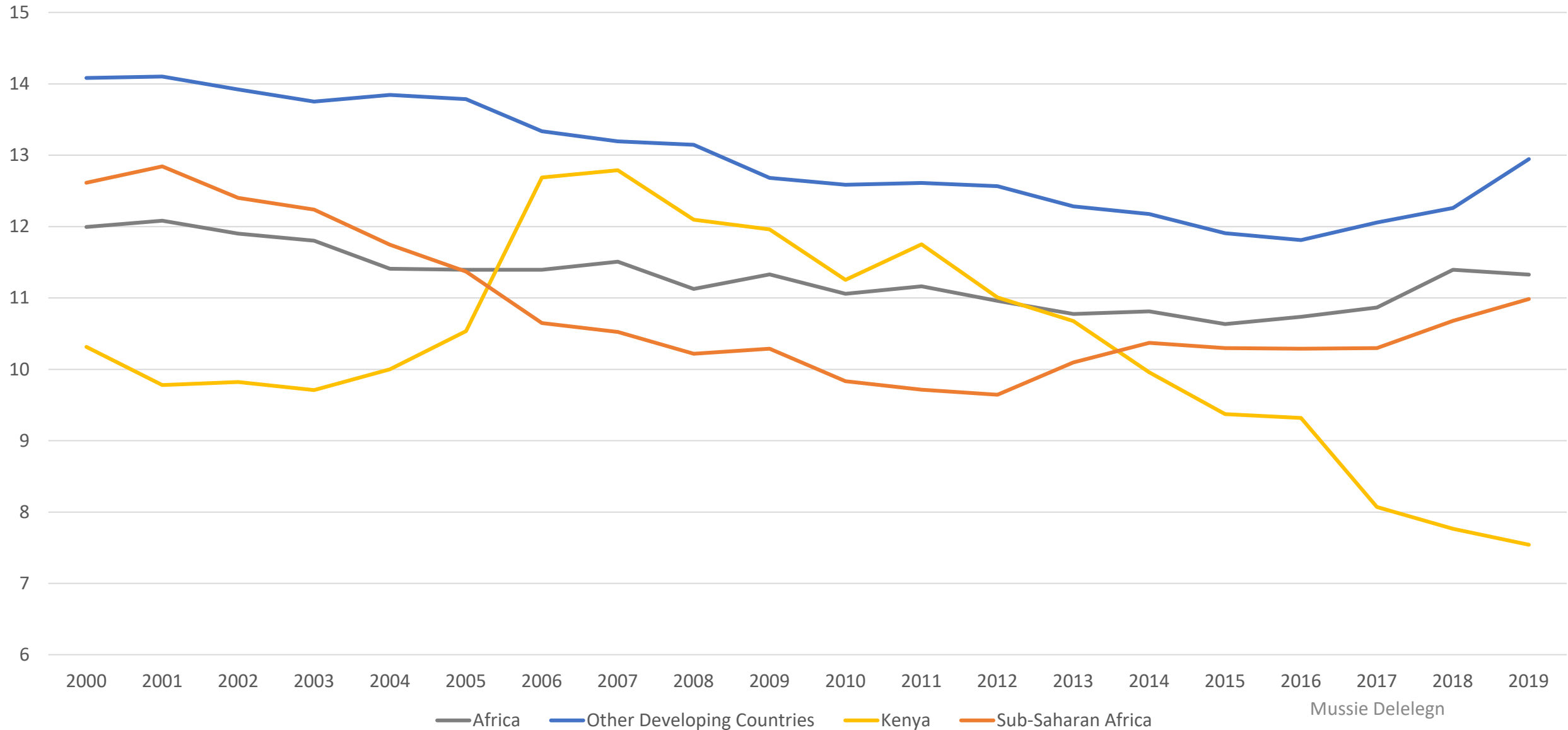
Energy category: Kenya and.....



Transport Category.....

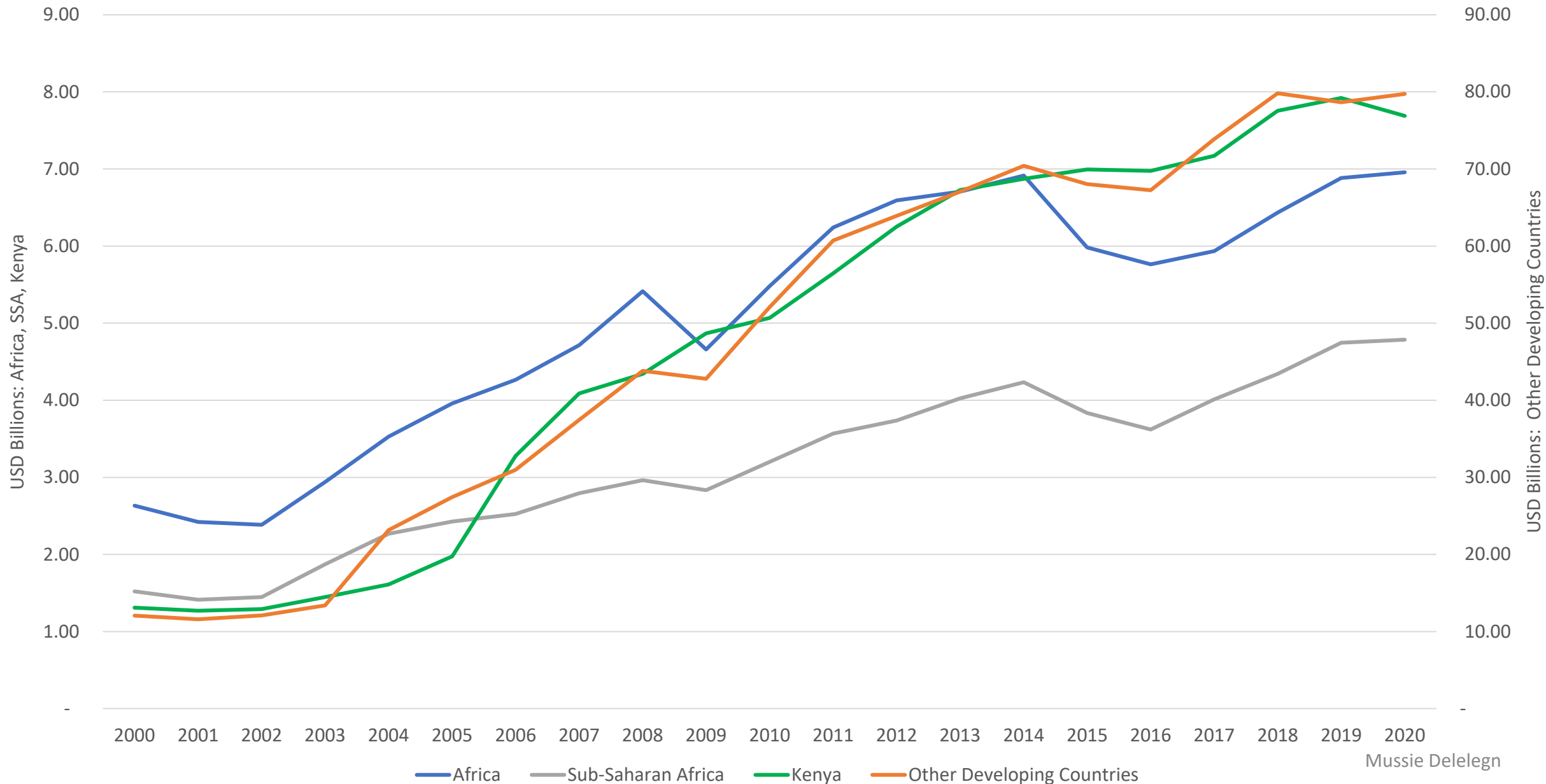


Low PCI score means low share of manufacturing value add in GDP (%)



Mussie Deleegn

Higher PCI scores imply higher manufacturing value added



III....What are the policy implications of Kenya's performance....?

III. Concluding remarks

With the current level of PCI, it will be difficult for Kenya to become:

- ✓ An emerging industrializing economy by 2030;
- ✓ An industrial hub of East Africa/Africa;
- ✓ Upper-middle income country;
- ✓ It cannot generate decent jobs for current and new productive force or become;
- ✓ An exporter of value-added and sophisticated products and services;
- ✓ An economy-driven by competitive and vibrant private sector.
- ***“New generation policies” are urgently needed b/c existing growth model failed to deliver promises of resilient and dynamic economy.***
- ***Productive capacities need to be placed at the center of domestic and global development policies as well as partnerships.***