Kenya's economy grew by 5.8 per cent in 2016 — the highest in five years — supported by a significant increase in tourism earnings and the ever-growing construction sector.

Data from the Economic Survey 2017 — the primary source of official statistics, released on Wednesday — showed a turnaround in the tourism sector, which grew 13.3 per cent after contracting 1.3 per cent the previous year. The growth is attributed to the removal of travel advisories against Kenya issued by major tourist source countries triggered by fears of insecurity.

The construction sector grew by 6.9 per cent, a drop from 13.9 per cent recorded in 2015.

Growth in all the other critical sectors of the economy tanked, with the mining industry's output falling to 6.9 per cent from 9.4 per cent the previous year.

On the question of how the economy grew courtesy of the smaller sectors, Cabinet Secretary Henry Rotich during the reading of the national budget last month, said that while agriculture had forecast growth of 6 per cent last year, the statistics mean a contraction, "as growth does not necessarily paint a picture of the economy's size."

Kenya is the world's biggest black tea exporter and black tea exporter and thus a major tourist source country is among those thatKenya has received a lot of investment from.

The growth in the construction sector is attributed to the government's investment in key infrastructure projects, which are aimed at boosting economic growth and creating jobs.

On the other hand, agriculture, which accounts for about 25 per cent of GDP, rose 4 per cent from a revised 5.5 per cent a year earlier, mostly due to the El Niño effect. The country had forecast growth of 6 per cent last year. The statistics agency revised 2015's expansion upward from 5.6 per cent.

Kenya's foreign direct investment (FDI) has been increasing in recent years, driven by the government's efforts to create a conducive business environment for investors. The government has implemented various policies and initiatives to attract foreign investors, including the simplification of bureaucracy, the lowering of tax rates, and the provision of incentives.

The EastAfrican

By ALLAN OLINGO

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The budget statement, however, put the figure higher at 5.6 per cent, alluding to improvements in the ease of doing business in Kenya. On the other hand, data from the Economic Survey 2017 paints a different picture, showing that Kenya received $5.2 billion in FDI last year.

But the Economic Survey 2017 shines the spotlight on government statistics, as some of the figures in the report are at variance from those on the government's online portal, launched only two weeks ago, those released by Treasury Cabinet Secretary Henry Rotich at the reading of the national budget last month; and those contained in President Uhuru Kenyatta's State of the Nation Address last month.

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