



TOURISM RESEARCH  
INSTITUTE



United Nations  
Economic Commission  
for Africa

# KENYA TOURISM SATELLITE ACCOUNT

POPULAR VERSION

# 2019

[www.tri.go.ke](http://www.tri.go.ke)



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**6.5 Million**  
Number of overnight domestic tourists. (This refers to Kenyans who engaged in local tourism)



**Ksh  
343.3 Billion**  
Value of domestic tourism expenditure in 2019.



**Ksh  
296.2 Billion**  
Expenditure from inbound tourism in 2019.



**900,000**  
Total number of the persons in employment in tourism related industries in 2019. This represents 5.5 percent of all persons in employment.





## EXECUTIVE SUMMARY

**T**ourism Satellite Accounts (TSA) provide an internationally recognized and standardized method of assessing the scale of tourism-related production and its links across different sectors. Tourism's economic contribution to Kenya's economy was measured through the construction of appropriate Tourism Satellite Accounts (TSAs). Overall, the derived accounts analysed all aspects of demand of goods and services associated with tourism within the economy, monitored the operational interface of the supply of such goods and services within Kenya's economy, and evaluated how the supply interacts with other economic activities.

This study's general objective was to establish the direct economic contribution of tourism to Kenya's economy. The specific goals were to estimate tourism demand and tourism supply, assess the value added by tourism activities in the economy, establish the level of employment generated by tourism activities, measure the gross fixed capital formation by the sector, and measure the collective consumption of tourism services by the Government. Tourism Satellite Account for Kenya was constructed to achieve these objectives by establishing macroeconomic aggregates that describe the size and economic contribution of different forms of tourism. This required gathering data on tourism consumption, domestic supply and imports, and constructing detailed production accounts of the tourism industries, including linkages with other productive economic activities.

Balance of Payments (BOP) travel statistics (2019), Inbound and Outbound expenditure surveys (2016 2017, 2018), macroeconomic aggregates from National Accounts (NA) and Tourism Research Institute (TRI) 2019 surveys provided data for analysis. The TSA for the year 2019 was constructed based on various classifications schemes and recommended approaches. Tourism Satellite Account: Recommended Methodological Framework (TSA: RMFF 2008) and International Recommendations for Tourism Statistics (2008) guided the study.

The 2019 TSA estimates internal tourism consumption to be Ksh 688 billion (at market prices) covering inbound (Ksh 296.2 billion) and domestic (Ksh 343.3 billion) tourism expenditure

plus other components of tourism consumption amounting to Ksh 48.1 billion (TSA Table 4). At basic prices, this translates to Ksh 474 billion before recording reservation services separately. The Gross Value Added of the Tourism Industries (GVATI) is estimated at Ksh 379 billion (TSA Table 5). Tourism Direct Gross Value Added (TDGVA), arising from all resident industries in the provision of goods and services to visitors is estimated at Ksh 363.0 billion (equivalent to approximately 4.1% of National Gross Value Added) (TSA Table 6).

Direct Tourism GDP (TDGDP) is estimated at Ksh 432 billion. TDGDP is measured at market prices and involves adding back product taxes less subsidies (equivalent to sh 70 billion) to TDGVA and amounts to almost 4.4% of National Gross Domestic Product (2019). In 2019, domestic tourism generated ksh 343.3 billion (TSA Table 2). Outbound visitors spent an estimated ksh 126 billion in 2019. The domestic component of outbound trips was not captured. An estimated 990,000 persons (or 5.5% of the total persons in employment) were employed in the tourism-related industries.

Gross Fixed Capital Formation (GFCF) of tourism-related industries was estimated as kshs.133 billion for the year 2019. This is almost 8.2% of national gross fixed capital formation. Most of the GFCF was in air passenger transport (kshs.48.4 billion), accommodation for visitors (kshs.36.6 billion), food and beverage serving industry (kshs.25.5 billion) and road passenger transport (kshs.18.0 billion).



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# 1. GENERAL BACKGROUND

### 1.1.1 Kenya's Need for TSA

The Tourism Satellite Account (TSA) is a standard statistical framework for the economic measurement of tourism. It is the main tool developed by the United Nations World Tourism Organization (UNWTO) for determining the impact of tourism on the economic well-being of the destination countries. Kenya has prioritized the implementation of (TSA) to enable the country acquire accurate and timely comprehensive information on the value and contribution of tourism to the county's economy.

The Tourism Research Institute (TRI) was established by the Tourism Act of 2011 and mandate to undertake, coordinate and disseminate tourism research for sustainable tourism development. The National Tourism Blueprint 2030 understanding various impacts of tourism (economic, social-cultural and environmental) and facilitating the establishment of monitoring and evaluation indicators. TRI is therefore the lead agency in the development of the Tourism Satellite Account and as expected in the TSA framework, this work has entailed collaborative effort involving all relevant stakeholders.

### 1.1.2 Purpose and Objectives of TSA

TSA provides the framework from which a country can determine the activities that are most dependent on tourism and activities that visitors consume or spent most on.

Understanding these relationships allows for stronger linkages to be developed within economies and helps position the tourism industry to contribute more significantly to national development.

The development of TSA framework has been driven by recognition that its implementation will serve to:

- i. Increase and improve knowledge of tourism's importance concerning overall economic activity in a given country;
- ii. Provide a coherent and credible set of tourism accounts that can also be compared internationally across countries;
- iii. Develop quantitative estimates of tourism value added and, thus, analyse the importance of tourism to an economy;
- iv. Provide an instrument for designing more efficient policies on tourism and its employment aspects;
- v. Identify employment generation in tourism industries and the role tourism plays in job creation for different types of workers;
- vi. Create awareness among players directly and indirectly involved in tourism of the economic importance of this activity; and
- vii. Overall, TSA provides the basis for applying tourism multipliers and other models to measure the secondary and tertiary impacts of tourism expenditure across the whole economy.

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This study's general objective was to establish the direct economic contribution of tourism to Kenya's economy. The specific objectives of the study are to:

1. Estimate tourism demand
2. Estimate tourism supply
3. Assess the value added by tourism activities in the economy
4. Establish the level of employment generated by tourism activities
5. Measure gross fixed capital formation in the sector, and
6. Measure collective consumption on tourism by the local, regional and national governments.

### 1.1.3 Practical Uses of TSA

TSA generates information to provide for various uses including:

- i. More accurate data and filling of existing data gaps;
- ii. Proper assessment of the economic impact of tourism at all levels including earnings, contribution to GDP, contribution to employment investments;
- iii. Assessment of the impact of investments in the sector to the economy given numerous multiplier effects of tourism;
- iv. Proper justification for government budgetary allocation for tourism since there will be clear linkage between resource allocations, tourism strategies and plans and the resultant performance of the sector and its contribution to the overall economy;
- v. Justification for government investment in the necessary supporting infrastructure and services that tourism depends on;
- vi. Support for the policy formulation and legislation;
- vii. More focused tourism markets analysis and evaluation to determine the best yielding markets and the optimum investment required in each market; and
- viii. Better information for the seeking invest in the sector, whether local or foreign investments.

The Government - both at national and county

level - expects to acquire proper research information and accurate data to inform policy and planning for tourism development. The private sector also needs the same information for proper business decisions and to ensure they improve on the experience of tourists for Kenya to remain competitive.

The TSA project was first launched in Kenya in November 2002 and a Technical Committee comprising representatives of organizations that produce and use tourism statistics in Kenya constituted for the purpose of carrying out day-to-day technical operations of the project.

A feasibility and viability study of the project was successfully implemented between November 2002 and February 2003. It focused on identifying existing data gaps in tourism statistics in the country. The study recommended improvement of the system of tourism statistics in Kenya through collection of credible tourism statistics. Among the indicators that were deemed critical for eventual TSA development included tourism expenditure of inbound, outbound and domestic visitors.

Inbound and outbound expenditure survey were undertaken at the main entry points in Kenya, namely Jomo Kenyatta International Airport, Moi International Airport, Lunga Lungu, Namanga, Busia, Malaba, Taita Taveta and Isebania border points. These surveys were conducted by the Kenya National Bureau of Statistics (KNBS) and the Ministry of Tourism with the last one being in June 2018.

The Tourism Research Institute further conducted a tourist exit survey in 2019 that also generated data on tourist expenditures among other parameters. A business including hotels and restaurants, tour operators, attraction centers, curio dealers, among others, was also undertaken.

## 1.2 TSA COMPILATION METHOD

A domestic tourism survey was conducted by Kenya National Bureau of Statistics in 2015/2016. Other sets of data like international tourist arrivals and airlines activities are continuously being collected from the relevant capture points. Additional data was sought from all other

The flowchart illustrates the calculation of TOURISM GDP through the following steps:

- Statistical survey of domestic tourism expenditure** (Pink circle) leads to **Aggregation of domestic and inbound tourism consumption by product** (Pink arrow).
- Statistical survey of domestic tourism expenditure** (Pink circle) leads to **Statistical survey of tourism expenditure** (Pink arrow).
- Statistical survey of tourism expenditure** (Pink arrow) leads to **Proportional division of tourism consumption by product into industries based on the supply table.** (Pink arrow).
- Proportional division of tourism consumption by product into industries based on the supply table.** (Pink arrow) leads to **TSA Tables 1,2,3 and 4** (Orange circle).
- TSA Tables 1,2,3 and 4** (Orange circle) leads to **Multiply the input coefficient (or value added coefficient) with the Total Output by industry** (Orange arrow).
- Multiply the input coefficient (or value added coefficient) with the Total Output by industry** (Orange arrow) leads to **TSA Tables 1,2,3 and 4** (Orange circle).
- TSA Tables 1,2,3 and 4** (Orange circle) leads to **TSA Tables 5: SNA Supply Table** (Teal circle).
- TSA Tables 5: SNA Supply Table** (Teal circle) leads to **TSA Tables 5: SNA Use Table** (Teal circle).
- TSA Tables 5: SNA Use Table** (Teal circle) leads to **Intermediate consumption**, **Consumption of fixed capital**, **compensation of employees**, **Other taxes less subsidies for production and imports**, **Gross operating surplus and gross mixed income**, and **GVA from tourism in TSA Table 6** (Orange box).
- Intermediate consumption**, **Consumption of fixed capital**, **compensation of employees**, **Other taxes less subsidies for production and imports**, **Gross operating surplus and gross mixed income**, and **GVA from tourism in TSA Table 6** (Orange box) leads to **TOURISM GDP** (Blue circle).

**Legend:**

- Statistical survey of tourism expenditure
- Tourism Satellite Account
- System of National Accounts

tourism connected activities including public road and railway passenger transport, hospitality facilities, tourist attractions and activities, tourism employment records among multiple other data sources. Therefore, tourism expenditure surveys and the SNA Supply and Use Tables are the key factors for compiling the TSA.

One of the main methodological challenges encountered in building TSAs has to do with the availability, quantity and quality of data from existing sources. Statistics originating from existing data sources possess varying degrees of accuracy and levels of detail. The underlying concepts and definitions in these data sources do not, in some cases, correspond to the intended uses of TSA.

As a result, an estimate has to be derived using related indicators, ad hoc studies or administrative data.

The System of National Account (SNA) is the internationally agreed standard set of recommendations on how to compile measures of economic activity. The SNA describes a coherent, consistent, and integrated set of macroeconomic accounts in the context of a set of internationally agreed concepts, definitions, classifications, and accounting rules.

The SNA is intended for use by all countries, having been designed to accommodate the needs of countries at different stages of economic development. It also provides an overarching framework for standards in other domains of economic statistics, facilitating integration of these statistical system to achieve consistency with the national accounts.

A key framework in national economic accounting is the supply and use table (SUTs). A



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complete supply and use table is the nucleus of TSA. SUT presents a comprehensive picture of the structure of a country's economy for a given year in terms of the supply and use of (demand for) all goods and services (products). It has two primary purposes:

- i. It is fundamental to establishing the level of GDP.
- ii. It plays a key role in economic analysis in which the effects of policy changes and external shocks can be predicted.

Thus, the SUT framework incorporates all three approaches to measuring GDP:

1. Production approach,
2. Expenditure approach, and
3. Income approach.

Balancing SUTs provides a framework for estimating otherwise unavailable data (filling the gaps) and ensuring consistency between different sources by eliminating discrepancies.

### 1.6 SYSTEM OF TOURISM STATISTICS

Before a TSA can be constructed, there must be an adequate system of tourism statistics.

This is a prerequisite for the preparation of TSA tables. In most countries, there are challenges in the collection, compilation, and publication of tourism statistics. Challenges relate to the availability, quantity, and quality of data from existing sources. Statistics from existing data sources possess varying degrees of accuracy and levels of detail. In some cases, the underlying concepts and definitions in the data do not correspond to the TSA's intended uses.

As a result, manipulations, and adjustments are required before they can be incorporated into TSA.

### 1.7 CLASSIFICATIONS AND SOURCES OF DATA

#### 1.7.1 Classifications

The United Nations international classifications, namely the Central Product Classification (CPC Ver.2), which are used to identify tourism products, and International Standard Industrial Classification of Economic Activities (ISIC Rev4) used for tourism activities, were applied in this study.

#### 1.7.2 Sources of data

Sources of data used are as follows:

1. Inbound and outbound expenditure survey 2016, 2017, 2018 data
2. Tourist Exit Survey 2019
3. Kenya Integrated Household Budget Survey (KIHBS) 2015/2016 (<https://www.knbs.or.ke/?wpdm-pro=basic-report>).
4. Integrated Survey of Services (ISS) 2018 (<https://knbs.or.ke/?wpdm-pro=the-2018-integrated-survey-of-services-iss-report>).
5. National Accounts Statistics estimates.
6. Economic Survey report 2020 (<https://www.knbs.or.ke/?wpdm-pro=economic-survey-2020>).
7. Statistical Abstract 2020 estimates.
8. Micro Small and Medium Enterprises Survey (MSME) 2016 (<https://www.knbs.or.ke/?wpdm-pro=2016-msme-basic-report>).
9. Census of Establishments (COE) 2017, (<https://www.knbs.or.ke/?wpdm-pro=report-2017-kenya-census-establishments-coe>).
10. Kenya Population and Housing Census (KPHC) 2019, (<https://knbs.or.ke/?wpdm-pro=2019-kenya-population-and-housing-census-volume-i-population-by-county-and-sub-county>).
11. Other sources such as Kenya Tourism Board, Kenya Authority, Kenya Wildlife Service, Immigration Department, the Central Bank of Kenya and other government agencies.

#### 1.7.3 Reference Compilation Manuals

12. Tourism Satellite Account: Recommended Methodological Framework 2008 (United Nations) ([https://unstats.un.org/unsd/publication/seriesf/series-f\\_80rev1e.pdf](https://unstats.un.org/unsd/publication/seriesf/series-f_80rev1e.pdf)).
13. International Recommendations for Tourism Statistics 2008 (United Nations) <https://unstats.un.org/unsd/tourism/publications/E-IRTS-Comp-Guide%202008%20for%Web.pdf>.
14. System of National Accounts 2008 (United Nations) (<https://unstats.un.org/unsd/nationalaccount/docs/sna2008.pdf>).





# CHAPTER TWO





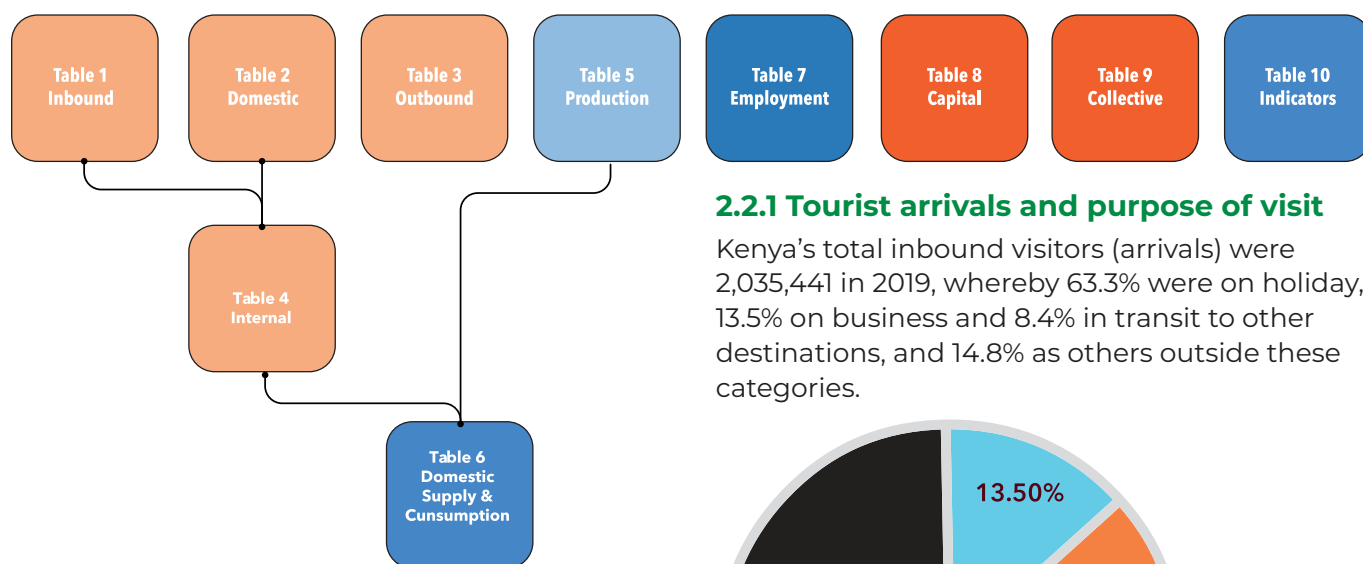
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# 2. TOURISM FRAMEWORK OVERVIEW

## 2.1 INTRODUCTION

This framework measures tourist arrivals into the country and how much they spend on various aspects of the economy, from transport to accommodation. It also measures spending by local tourists as well as estimating expenditure by Kenya tourists who travel outside the

country for leisure and business. However, this does not include those who travel for medical reasons. These measurements are in line with international standards set by the United Nations World Tourism Organisation (UNWTO).



### 2.2.1 Tourist arrivals and purpose of visit

Kenya's total inbound visitors (arrivals) were 2,035,441 in 2019, whereby 63.3% were on holiday, 13.5% on business and 8.4% in transit to other destinations, and 14.8% as others outside these categories.

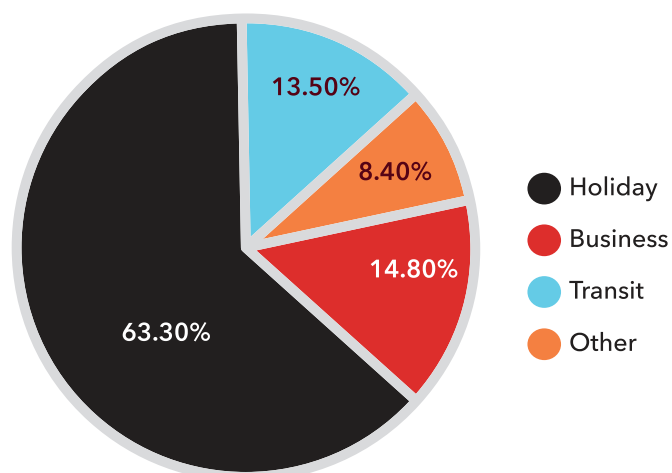


Figure 3: Purpose of visit, 2019

**Kenya's total inbound visitors (arrivals) were 2,035,441 in 2019**

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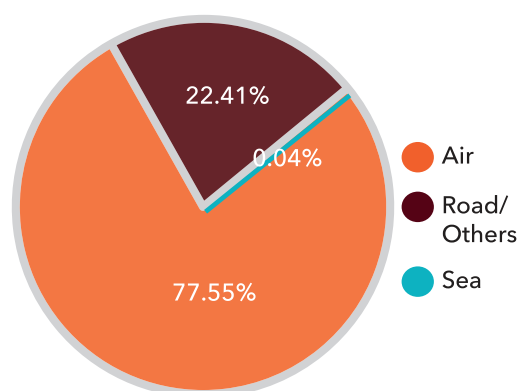
### 2.2.2 Purpose of visit by country of residence (2019)

The population figures of interest from the economic survey were Departing Visitors by Country of Residence and Purpose of Visit since departing visitors give actual expenditure estimates during their stay. However, this category excluded “Others” (comprising of medical, religious mission/volunteer, Sports, Health, Study, Visiting Friends and Relatives and

non-stated purposes).

Adjustments were made by factor of 1.155274 [i.e. Total Departing Visitors (1,898) divided by Departing Visitors by Country of Residence and Purpose of Visit (1,642.9)] to reflect the total departure for 2019. This helped include ‘Others’ in the population of study.

#### A) MODE OF TRAVEL



#### B) VISITORS BY CONTINENT

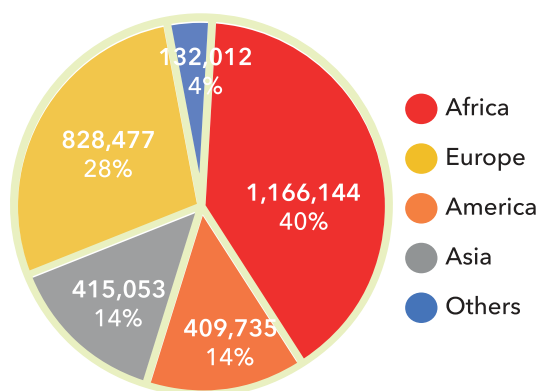
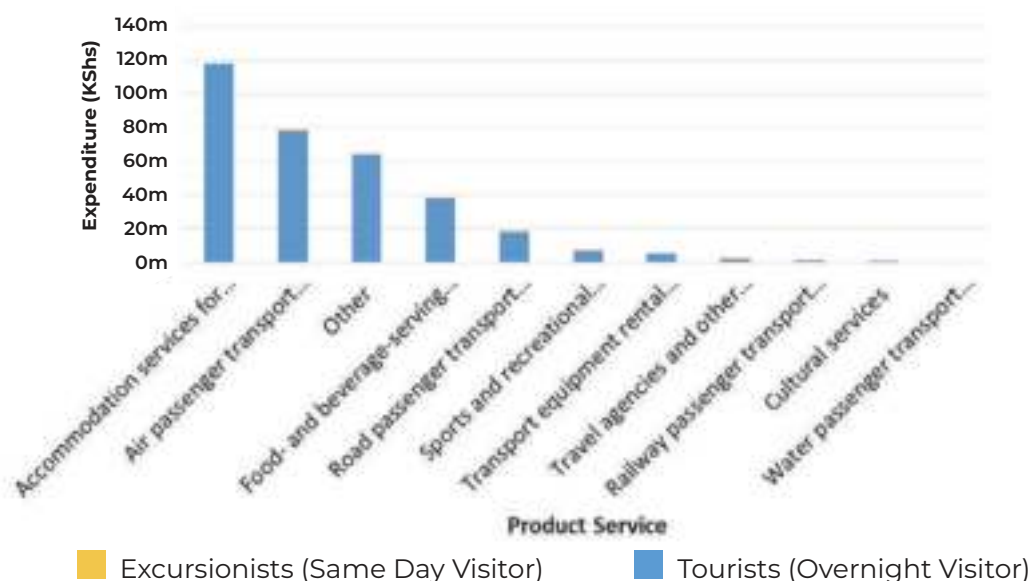


Figure 3.1: Mode of travel (a) and Visitors by continent (b)

### 2.2.3. Visitor expenditure

Over 139,020 tourists on business spent Ksh 22.1 billion over 2,481,670 nights in the first half of 2019. Around 169,920 business tourists spent 4,987,000 nights and Ksh 39.8 billion during the second half of the year. Holiday tourists were 779,000 and stayed for 10,743,410 nights incurring

a total expenditure of Ksh 88.9 billion in the first half of the reference period. During the second half of 2019, a total of 774,040 same category of tourists were recorded to have spent 13,856,000 nights with incurred expenditure of Ksh 13.4 billion.



Almost 77,600 tourists on other purposes of travel stayed for almost 1,312,270 nights and generated revenue amounting to Ksh 7.17 billion in the first half of 2019. The same cohort of tourists numbering 86,480 stayed for 2,356,200 nights and spent over Ksh 22.2 billion during the second half of the year.

Figure 4: Inbound tourism expenditure by products and classes of visitors

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The figure below represent the respective mean daily expenditure figures for different tourist categories based on country of residence. Generally, mean daily expenditure is more

consistent with less variability across holiday makers compared to the other categories of tourist.

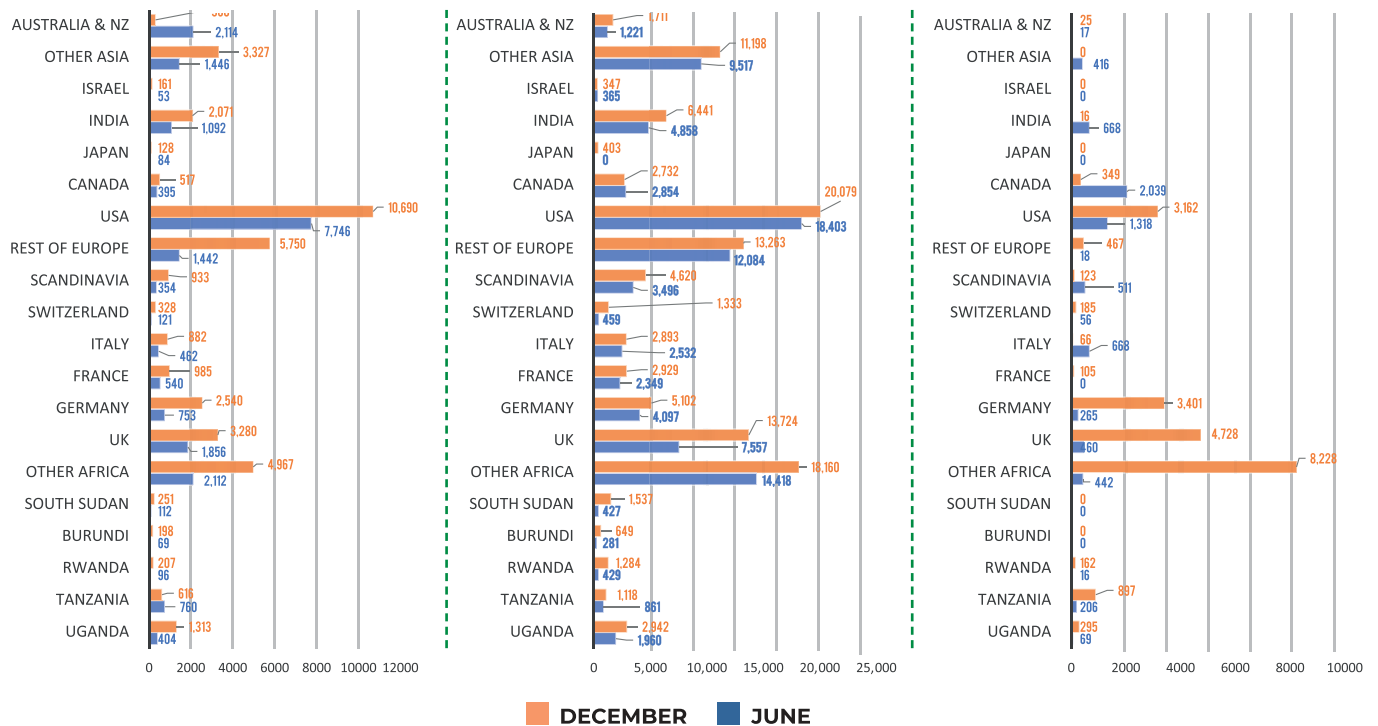


Figure 2.5: Mean daily expenditure

### Type of Tourism

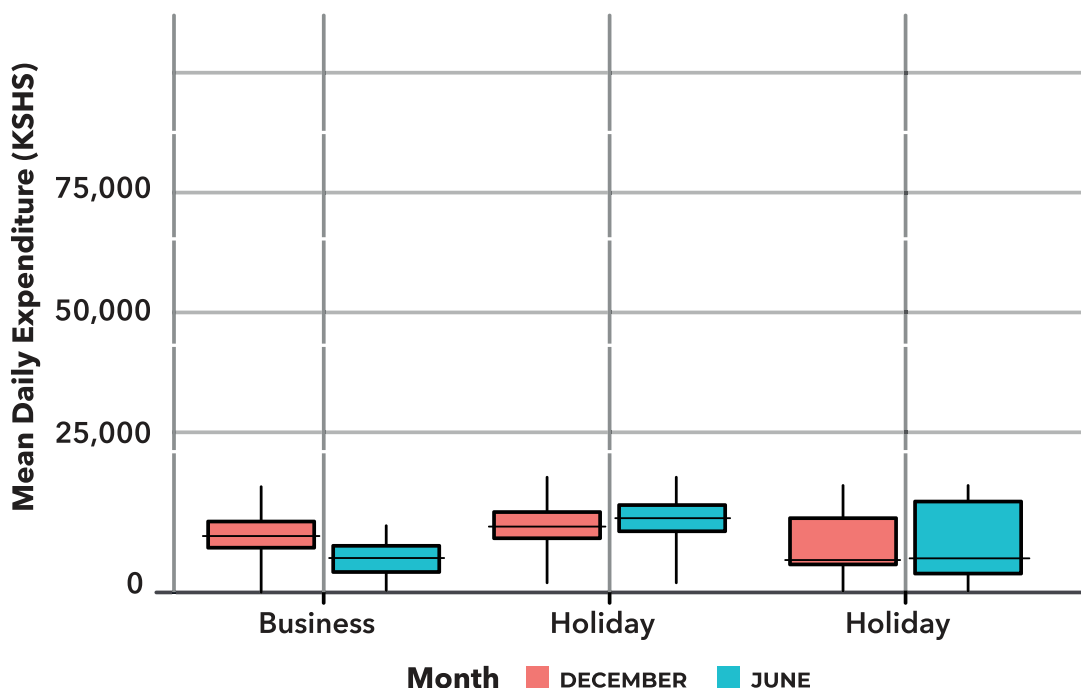


Figure 2.6: Variance in mean daily expenditure



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**TSA Table 1 - Inbound tourism expenditure by products and classes of visitors (Ksh '000), 2019**

PRODUCTS	Tourists (over-night visitors) -1.1	Excursionists (same-day visitors) -1.2	Visitors (1.3)=(1.1) + (1.2)
A. Consumption products (*)			
A.1. Tourism character products			
1. Accommodation services for visitors	117,880,170		117,880,170
1.a. Accommodation services for visitors other than 1.b			
1.b. Accommodation services associated with all types of vacation home ownership			
2. Food - and beverage - serving services	38,258,595	306,896	38,565,491
3. Railway passenger transport services	1,872,051		1,872,051
4. Road passenger transport services	17,819,906	464,702	18,284,607
5. Water passenger transport services	217,863		217,863
6. Air passenger transport services	68,115,761	709,803	68,825,565
7. Transport equipment rental services	4,833,372		4,833,372
8. Travel agencies and other reservation services	2,317,906	3,640	2,321,547
9. Cultural services	827,811		827,811
10. Sports and recreational services	7,165,150	785	7,165,935
11. Country-specific tourism characteristic goods			
12. Country-specific tourism characteristic services			
A.2. Other consumption products (a)			
B.1. Valuables	694,994	-	694,994
B.2. Other	33,758,962	990,732	34,749,693
<b>TOTAL</b>	<b>293,762,539</b>	<b>2,476,558</b>	<b>296,239,097</b>

**SOURCE:** Kenya TSA Technical Committee Estimates based on KNBS Inbound and Outbound Expenditure Surveys (2016, 2017, 2018) and TRI Inbound Survey (2019).

The study also examined the contribution of domestic tourism to the economy.

To determine the number of domestic tourists in 2019, 206 figures were used as the baseline. Considering 13.6% of Kenyans took part in

domestic travel, the same was applied for the 2109 population of 47,564,300. Therefore, it was concluded that over 6,468,745 visitors took one or more trips as domestic visitors over the first quarter of 2019. Price adjusted mean expenditure for 2019 was Ksh 13,268. Domestic tourists spent Ksh 343.3 billion for 12 months of 2019.

**Over 6,468,745 visitors took one or more trips as domestic visitors over the first quarter of 2019.**

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**TSA Table 2 - Domestic tourism expenditure by products, classes of visitors and types of trips, 2019 (Ksh 000)**

<b>DOMESTIC TOURISM EXPENDITURE</b>									
	<b>DOMESTIC TRIPS (**)</b>			<b>OUTBOUND TRIPS (**)</b>			<b>ALL TYPES OF TRIPS</b>		
<b>PRODUCTS</b>	<b>Tourists (Overnight visitors) -2.1</b>	<b>Excursionists (same day visitors) - 2.2</b>	<b>Visitors (2.3) = (2.1) + (2.2)</b>	<b>Tourists (Overnight visitors) -2.4</b>	<b>Excursionists (same day visitors) - 2.5</b>	<b>Visitors (2.6) = (2.4) + (2.5)</b>	<b>Tourists (Overnight visitors) (2.7) = (2.1) + (2.4)</b>	<b>Excursionists (same day visitors) (2.8) = (2.2) + (2.5)</b>	<b>Visitors (2.9) = (2.3) + (2.6)</b>
A. Consumption products (*)									
A.1. Tourism character products									
1. Accommodation services for visitors	20,324,719		20,324,719			-	20,324,719	-	20,324,719
1.a. Accommodation services for visitors other than 1.b	-		-			-	-	-	0
1.b. Accommodation services associated with all types of vacation home ownership	-		-			-		-	0
2. Food - and beverage - serving services	34,395,679		34,395,679			-	34,395,679	-	34,395,679
3. Railway passenger transport services	593,134		593,134			-	593,134	-	593,134
4. Road passenger transport services	146,963,355		146,963,355			-	146,963,355	-	146,963,355
5. Water passenger transport services	-		-			-		-	0
6. Air passenger transport services	9,832,224		9,832,224			-	9,832,224	-	9,832,224
7. Transport equipment rental services	690,482		690,482			-	690,482	-	690,482
8. Travel agencies and other reservation services	31,268,799		31,268,799			-	31,268,799	-	31,268,799
9. Cultural services	4,690,320		4,690,320			-	4,690,320	-	4,690,320
10. Sports and recreational services	6,253,760		6,253,760			-	6,253,760	-	6,253,760
11. Country-specific tourism characteristic goods			-			-		-	0
12. Country-specific tourism characteristic services			-			-		-	0
A.2. Other consumption products (a)			-			-		-	0
B.1. Valuables	65,254,125		65,254,125			-	65,254,125	-	65,254,125
B.2. Other	23,023,428		23,023,428			-	23,023,428	-	23,023,428
<b>TOTAL</b>									

**SOURCE:** Kenya TSA Technical Committee Estimates

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### 2.4.1 Travel by Country of destination

The UNWTO outbound tourism data for 2018 was used for analysis. During this period, there were 883,278 outbound visitors. Most of these visited the East African countries of Uganda and Tanzania, possibly due to long historical and linguistic ties Table I below. Overall, 79% (700,515) of all Kenyan outbound visitors travelled within the African region. Outside of the African region, India, UK, and the USA were the popular destinations for Kenyans in that order.

**Table I – Outbound travel by selected country of destination (2018)**

Destination Country	Outbound visitor
Uganda	334,788
Tanzania	238,642
Rwanda	59,987
Ethiopia	23,380
Congo	394
Nigeria	12,930
South Africa	30,394
China	25,760
India	48,845
Saudi Arabia	12,656
Italy	4,828
United Kingdom	41,052
USA	33,485
Australia	5,340
UAE	10,797
<b>TOTAL</b>	<b>883,278</b>

**SOURCE:** UNWTO (2018), Data on Outbound Tourism

### 2.4.2 Visitor expenditure

Data from the KNBS International Outbound Visitor Surveys (2016, 2017, 2018) was used as baseline data to estimate population mean expenditures for outbound visitors. Based on the UNWTO outbound data for 2018, overall, outbound visitors spent Ksh 125.4 billion over 2018 Table ii. The highest expenditure was in the USA (Ksh 26.9 billion), United Kingdom (Ksh 20.5 billion), and Uganda (Ksh 16.4 billion).

**Table ii – Outbound visitor spending by destination (2018)**

COUNTRY	2018 GRAND TOTAL EXPENDITURE
Uganda	16,375,959,303
Tanzania	12,118,406,229
Rwanda	8,017,221,865
Ethiopia	2,558,512,266
Congo	37,035,006
Nigeria	1,955,049,747
South Africa	4,457,001,508
China	5,514,245,321
India	9,497,374,595
Saudi Arabia	7,416,787,167
Italy	3,651,905,965
United Kingdom	20,490,136,408
USA	26,971,452,544
Australia	2,465,407,978
UAE	3,905,880,340
<b>Total</b>	<b>125,432,376,239</b>

**SOURCE:** Kenya TSA Technical Committee Estimates

***During this period, there were 883,278 outbound visitors. Most of these visited the East African countries of Uganda and Tanzania, possibly due to long historical and linguistic ties***

## CHAPTER TWO

### 2.4.3 Outbound Tourism Demand

The top three products on which outbound visitors spent were accommodation (sh 46.97 billion, equivalent to 37.4%), air transportation (Ksh 29.0 billion equivalent to 23.1%), food and beverages (Ksh 19.4 billion equivalent to 15.5%), and other non-tourism products (Ksh 20.0 billion equivalent to 16.0%). This level of expenditure is indicative of the significance of such establishments/sectors to outbound tourism.

### 2.4.4 Outbound tourism expenditure by products and classes of visitors

The summary of all the expenses incurred by same-day and overnight outbound visitors by country of destination and item of expenditure is provided in the TSA Table 3 below. A total of Ksh 126.1 billion was spent outside the country over the year 2018. Out of this amount, 99.5% was spent by overnight outbound visitors.

**TSA Table 3 – Outbound tourism expenditure by products and classes of visitors, 2018 (selected countries)**

<b>OUTBOUND TOURISM EXPENDITURE</b>			
<b>PRODUCTS</b>	<b>Tourists (over-night visitors) -1.1</b>	<b>Excursionists (same-day visitors) -1.2</b>	<b>Visitors (1.3) = (1.1) + (1.2)</b>
A. Consumption products (*)			
A.1. Tourism character products			
1. Accommodation services for visitors	46,966,137,417	X	46,966,137,417
1.a. Accommodation services for visitors other than 1.b		X	
1.b. Accommodation services associated with all types of vacation home ownership		X	
2. Food - and beverage - serving services	19,437,466,149	3,689,546	19,441,155,695
3. Railway passenger transport services	268,253,380		268,253,380
4. Road passenger transport services	7,651,410,654	45,044,575	7,696,455,229
5. Water passenger transport services	31,350,417		31,350,417
6. Air passenger transport services	29,000,820,797	337,497,427	29,338,318,225
7. Transport equipment rental services			
8. Travel agencies and other reservation services	397,734,340		397,734,340
9. Cultural services	47,077,418		47,077,418
10. Sports and recreational services	1,541,173,436	437,513	1,541,610,949
11. Country-specific tourism characteristic goods			
12. Country-specific tourism characteristic services			
A.2. Other consumption products (a)			
B.1. Valuables			
B.2. Other	20,090,952,232	236,991,971	20,327,944,203
<b>TOTAL</b>	<b>125,432,376,239</b>	<b>623,661,032</b>	<b>126,056,037,271</b>

x - Does not apply

SOURCE: Kenya TSA Technical Committee Estimates



## CHAPTER TWO

### 2.5 Internal consumption by product and form of tourism

Internal tourism expenditure arising from inbound tourism and domestic tourism was Ksh 687.7 billion in 2019, composed of inbound tourism (Ksh 296.2 billion) and domestic tourism (Ksh 343.3 billion)

**TSA Table 4 – Internal tourism consumption by products (000,000's), 2019**

<b>INTERNAL TOURISM EXPENDITURE (2019)</b>					
<b>PRODUCTS</b>	<b>Inbound tourism expenditure -1.3</b>	<b>Domestic tourism expenditure -2.9</b>	<b>Internal tourism expenditure (4.1) = (1.3) + (2.9)</b>	<b>Other components of tourism consumption -4.2</b>	<b>Internal tourism consumption (4.3) = (4.1) + (4.2)</b>
A. Consumption products (*)					
A.1. Tourism character products					
1. Accommodation services for visitors	117,880	20,325	138,205		138,205
1.a. Accommodation services for visitors other than 1.b					
1.b. Accommodation services associated with all types of vacation home ownership					
2. Food - and beverage - serving services	38,565	34,396	72,961		72,961
3. Railway passenger transport services	1,872	593	2,465		2,465
4. Road passenger transport services	18,285	146,963	165,248		165,248
5. Water passenger transport services	218		218		218
6. Air passenger transport services	68,826	9,832	78,658		78,658
7. Transport equipment rental services	4,833	690	5,524		5,524
8. Travel agencies and other reservation services	2,322	31,269	33,590		33,590
9. Cultural services	828	4,690	5,518		5,518
10. Sports and recreational services	7,166	6,254	13,420		13,420
11. Country-specific tourism characteristic goods					
12. Country-specific tourism characteristic services					
A.2. Other consumption products (a)					
B.1. Valuables	695	65,264	65,956		65,956
B.2. Other	34,750	23,023	57,773	48,137	105,910
<b>TOTAL</b>	<b>296,239</b>	<b>343,300</b>	<b>639,539</b>	<b>48,137</b>	<b>687,676</b>

x - Does not apply

(\*) The value of A. Consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

**SOURCE:** Kenya TSA Technical Committee Estimates

Kenya



# CHAPTER THREE





## CHAPTER THREE

# 3. TOURISM SUPPLY

## 3.1 INTRODUCTION

Tourism supply shows industries that produce tourism consumption products available for internal demand. It encompasses the supply-side of the Tourism Satellite Account (TSA). The information on the supply-side is obtained from national accounts' supply and use tables.

## 3.2 TOURISM CHARACTERISTIC INDUSTRIES

Supply is reported for the following main industries:

- Accommodation services for visitors
- Food and beverage serving industries
- Road passenger transport
- Travel agencies
- Air passenger transport, etc.

Other activities were classified as 'other industries' and outside the tourism industries.'

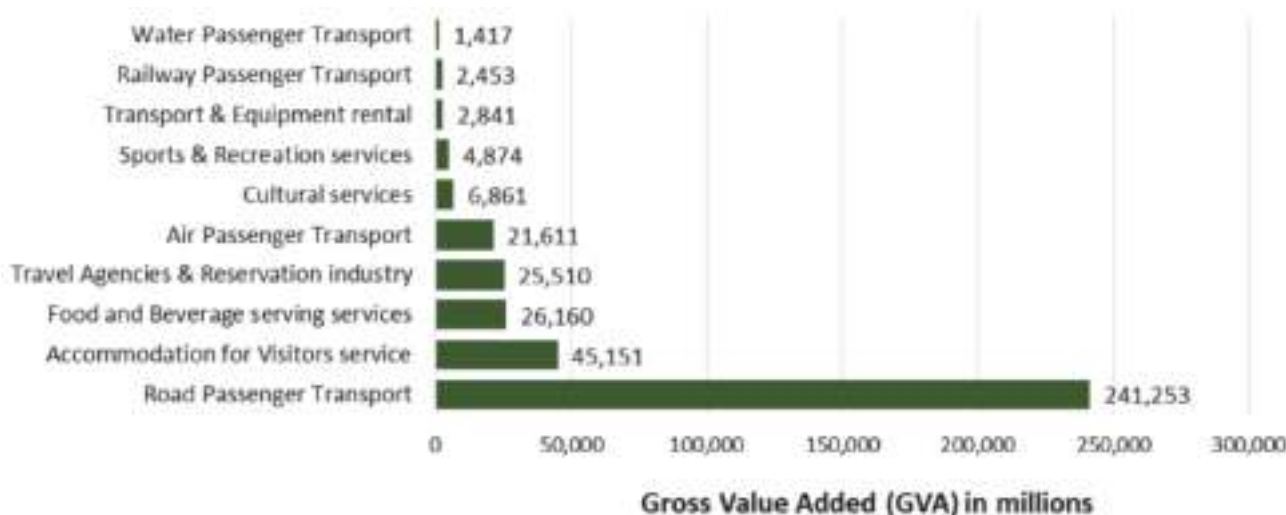
## 3.3 PRODUCTION ACCOUNTS

TSA Table 5 captures production of products by tourism characteristic industries and the inputs (intermediate consumption) that go into this process.

National accounts give information on output, intermediate consumption and gross value added. The output is broken down by product and is valued at basic prices, and the intermediate consumption (inputs) valued at purchases' prices.

The difference between these two values is the Gross Value Added (GVA) at basic prices (see figure below)

**Figure 7: Gross Value Added (GVA), 2019**





## CHAPTER THREE

**TSA Table 5-Production accounts of tourism industries and other industries (at basic price), 2019 (ksh millions)**

PRODUCTS	1. Accommodation for visitors (5.1)	Accommodation Services for visitors except in 1. B (5.1a)	1.b Accommodation Services associated with all types of vacation homeownership (5.1b)	2. Food- and beverage- serving industry (5.2)	3. Railway passenger transport (5.3)	4. Road passenger transport (5.4)	5. Water passenger transport (5.5)	
A. Consumption products (*)								
A.1. Tourism character products								
1. Accommodation services for visitors	130,245							
1.a. Accommodation services for visitors other than 1.b	130,245							
1.b. Accommodation services associated with all types of vacation home ownership								
2. Food - and beverage - serving services				76,904				
3. Railway passenger transport services					2,966			
4. Road passenger transport services						436,320		
5. Water passenger transport services							2,140	
6. Air passenger transport services								
7. Transport equipment rental services								
8. Travel agencies and other reservation services								
9. Cultural services								
10. Sports and recreational services								
11. Country-specific tourism characteristic goods								
12. Country-specific tourism characteristic services								
A.2. Other consumption products (a)								
B.1. Valuables								
B.2 Other non-consumption products (**) (b)								
I. Total output (at basic prices)	130,245			76,904	2,966	436,320	2,140	
II. Intermediate Consumption (at purchaser's prices)	85,094			50,244	513	195,066	723	
(I-II) Total gross value added (at basic prices)	45,151			26,660	2,453	241,253	1,417	

(\*)The value of A. Consumption products is net of the gross service charges paid to travel agencies, tour operators, and other reservation services.

(\*\*) Includes all other goods and services that circulate in the economy of reference.

(a) If relevant and feasible, countries should separately identify both components ("tourism connected products" and "non-tourism related consumption products"). In both cases, goods and services should be individually identified, if possible.

(b) Goods and services should be separately identified, if possible.

(c) Breakdown by-products should be provided, if possible.

**SOURCE:** Kenya TSA Technical Committee Estimates

## CHAPTER THREE

6. Air passenger Transport (5.6)	7. Transport Equipment rental (5.7)	8. Travel agencies Etc. (5.8)	9. Cultural Industry (5.9)	10. Sport and recreational Industry (5.10)	11. Retail Trade of Country-specific tourism characteristic goods (5.11)	12. country specific tourism industries (5.12)	Total (5.13)	Other industries (5.14)	Output of producers (at basic prices) (5.15) = (5.13) + (5.14)
									130,245
									130,245
									76,904
									2,966
									436,320
									2,140
141,182									141,182
	5,590								5,590
		30,059							30,059
			15,918						15,918
				11,310					11,310
141,182	5,590	30,059	15,918	11,310					868,551
119,571	2,748	4,548	9,058	6,435					474,001
21,611	2,841	25,510	6,861	4,873					378,632



CHAPTER FOUR

# CHAPTER FOUR



## CHAPTER FOUR

# 4. RECONCILIATION OF DEMAND AND SUPPLY

## 4.1 INTRODUCTION

**T**he TSA table 6 (overleaf) is the core of the Tourism Satellite Account System; it is where the reconciliation between domestic supply and internal tourism consumption takes place. The reconciliation of supply and demand is facilitated through 'Internal Tourism Consumption' (TSA Table 4) and domestic supply (TSA Table 5): Total domestic supply of goods and services in the economy by tourism was valued at basic prices. This supply-side includes domestic production (production by resident producers, and imports, which are compared to internal tourism consumption valued at basic prices. Conclusions are derived regarding the gross value added attributable to tourism for each of the industries that serve visitors. The main

aggregates derived from TSA Table 6 are **Tourism Direct Gross Value Added (TDGVA)** and **Tourism Direct Gross Domestic Product (TDGDP)**.

For each consumption product supplied, a fraction of what is consumed internally is derived through the internal tourism consumption expenditure. This forms the basis for analysis of supply and demand for tourism goods and services. In addition, Gross Value Added (at basic prices) corresponding to tourism is derived for all industries to obtain Tourism Direct Gross Value Added. Further to this, Tourism Direct GDP (TDGDP) is generated by adding taxes less subsidies on product imports related to tourism using the corresponding share for each product (except goods for which the share only relates to retail trade margins).





## CHAPTER FOUR

**TSA Table 6 - Domestic supply and internal tourism consumption by products (at basic prices) 2019 ksh millions**

### TOURISM INDUSTRIES

PRODUCTS	1. Accommodation for visitors (5.1)		1.a. Accommodation services for visitors other than 1. b		1.b. Accommodation services associated with all types of vacation home ownership		2. Food - and beverage - serving services (5.2)		
	Output 5.1	Tourism share (in value)	Output (5.1a)	Tourism share (in value)	Output (5.1b)	Tourism share (in value)	Output 5.2	Tourism share (in value)	
A. Consumption products (*)									
A.1. Tourism character products									
1. Accommodation services for visitors	130,245	116,092							
1.a. Accommodation services for visitors other than 1.b									
1.b. Accommodation services associated with all types of vacation home ownership									
2. Food and beverage - serving services							76,904	61,287	
3. Railway passenger transport services									
4. Road passenger transport services									
5. Water passenger transport services									
6. Air passenger transport services									
7. Transport equipment rental services									
8. Travel agencies and other reservation services									
9. Cultural services									
10. Sports and recreational services									
11. Country-specific tourism characteristic goods		X		X					
12. Country-specific tourism characteristic services									
A.2. Other consumption products (a) (b)									
B. Non-consumption products		X		X					
B.1. Valuables									
B.2. Other non-consumption products (***) (a) (c)									
I. Total output (at basic prices)							76,904	61,287	
II. Total intermediate consumption (at purchasers' price) (d)	130,245	116,092							
(I-II). Total gross value added (at basic Prices)	45,151	40,245					26,660	21,246	

## CHAPTER FOUR

	3.Railway passenger transport (5.3)		4.Road passenger transport (5.4)		5. Water passenger transport (5.5)		6. Air passenger transport (5.6)		7. Transport equipment rental (5.7)		8.Travel agencies and other reservation services industry (5.8)	
	Output (5.3)	Tourism share (in value)	Output (5.4)	Tourism share (in value)	Output (5.5)	Tourism share (in value)	Output (5.6)	Tourism share (in value)	Output (5.7)	Tourism share (in value)	Output (5.8)	Tourism share (in value)
	2,966	2,465										
			436,320	165,248								
					2,140	218						
							141,182	78,658				
									5,590	5,524		
											30,059	28,216
	2,966	2,465	436,320	165,248	2,140	218	141,182	78,658	5,590	5,524	30,059	28,216
	513	426	195,066	73,878	723	74	119,571	66,618	2,748	2,716	4,548	4,269
	2,453	2,039	241,253	91,370	1,417	144	21,611	12,040	2,841	2,808	25,510	23,947

## CHAPTER FOUR

*Continued... TSA Table 6 - Domestic supply and internal tourism consumption by products (at basic prices) 2019 ksh millions*

### TOURISM INDUSTRIES - CONTINUED

PRODUCTS	9.Cultural industry		10.Sport and recreational Industry (5.10)		11.Retail Trade of Country-specific tourism characteristic goods (5.11)		12.country specific tourism industries (5.12)		
	Output (5.9)	Tourism share (in value)	Output (5.4)	Tourism share (in value)	Output (5.5)	Tourism share (in value)	Output (5.6)	Tourism share (in value)	
A. Consumption products (*)									
A.1. Tourism character products									
1. Accommodation services for visitors									
1.a. Accommodation services for visitors other than 1.b									
1.b. Accommodation services associated with all types of vacation home ownership									
2. Food and beverage - serving services									
3. Railway passenger transport services									
4. Road passenger transport services									
5. Water passenger transport services									
6. Air passenger transport services									
7. Transport equipment rental services									
8. Travel agencies and other reservation services									
9. Cultural services	15,918	4,635							
10. Sports and recreational services			11,310	11,273					
11. Country-specific tourism characteristic goods									
12. Country-specific tourism characteristic services									
A.2. Other consumption products (a) (b)									
B. Non-consumption products									
B.1. Valuables									
B.2. Other non-consumption products (***) (a) (c)									
I. Total output (at basic prices)	15,918	4,635	11,310	11,273					
II. Total intermediate consumption (at purchasers' price) (d)	15,918	2,638	6,435	6,414					
(I-II). Total gross value added (at basic Prices)	6,861	1,998	4,874	4,858					



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	Total		Other industries		Out of domestic producers (at basic prices)		Domestic supply (at basic prices)	Internal tourism consumption	Tourism ratios (%)
	Output (5.13)	Tourism share (in value)	Output (5.4)	Tourism share (in value)	Output (5.5)	Tourism share (in value)	Output (5.15) = (5.13) + (5.14)	-4.3	(6.5) = 4.3/6.4*100
	130,245	116,092	0	0	130,245	116,092	130,245	116,092	89.1
	76,904	61,287	0	0	76,904	61,287	81,232	61,287	75.4
	2,966	2,465	0	0	2,966	2,465	2,966	2,465	83.1
	436,320	165,248	0	0	436,320	165,248	436,320	165,248	37.9
	2,140	218	0	0	2,140	218	2,140	218	10.2
	141,182	78,658	0	0	141,182	78,658	141,182	78,658	55.7
	5,590	5,524	0	0	5,590	5,524	5,590	5,524	98.8
	30,059	28,216	0	0	30,059	28,216	30,059	28,216	93.9
	15,918	4,635	0	0	15,918	4,635	15,918	4,635	29.1
	11,310	11,273	0	0	11,310	11,273	11,310	11,273	99.2
				52,029		52,029			
				83,542		83,542			
	868,551	473,616	14,497,113	135,571	14,970,728	609,187			
	474,001	272,921	5,786,355	54,111	6,059,276	327,032			
	378,632	200,695	8,710,758	81,459	8,911,453	362,623		4.1	

TER FIVE

# CHAPTER FIVE



## CHAPTER FIVE

# 5. EMPLOYMENT IN TOURISM INDUSTRIES

## 5.1 INTRODUCTION

Given general policy concerns about inclusive growth and the need to create sufficient job opportunities, employment is an important variable in the economic analysis of productive activities, including tourism. Tourism sub-sectors such as accommodation, food and beverage, and recreation are relatively labour intensive and often employ a significant number of semi-skilled persons. This is because tourism activities are sometimes located in areas with little, if any, industrial development and concentration of productive activities.

Besides their frequent high labour intensity, tourism industries present additional peculiarities that have to be taken into consideration where employment is concerned. In many instances, the flow of visitors, particularly in the case of inbound tourism, is not evenly spread over the year. Consequently, employment in these industries will fluctuate seasonally and often with a higher intensity than other industries. These characteristics underline the importance of measuring employment through a set of complementary indicators, including the number of jobs, total hours worked, and full-time equivalent jobs related to a predefined reference period (often a week) within the period of analysis.



## CHAPTER FIVE

### 5.2 EMPLOYMENT BY TOURISM - RELATED INDUSTRIES

In order to estimate levels of direct tourism employment, demand and supply-side

approaches are adopted and reconciled through tourism ratios. Total number employed by tourism related industries is the sum of employee and self-employed jobs across all the respective industries (Table 3).

(ISIC CODE)	KIND OF ECONOMIC ACTIVITY	MALE	FEMALE	TOTAL
4911	Passenger rail transport			5,036
4921	Urban and suburban passenger	521,098	144,491	665,589
4922	Other passenger land transport	235,079	38,834	273,913
5011	Sea and coastal passenger water	1,863		1,863
5110	Passenger air transport	4,864	6,317	11,181
5510	Short term accommodation activities	72,827	46,751	119,577
5590	Other accommodation	1,093	1,211	2,304
5610	Restaurants and mobile food	171,805	335,829	507,634
5621	Event catering	5,862	10,404	16,266
5629	Other food services activities	11,597	12,822	24,418
5630	Beverage serving activities	32,164	36,931	69,095
7710	Renting and leasing of motor	1,190		1,190
7729	Renting and leasing of other	570		570
7911	Travel agency activities	3,722	3,432	7,154
7912	Tour operator activities	13,386	1,672	15,059
7990	Other reservation service	143	349	492
9000	Creative, arts and entertainment	11,495	7,555	19,050
9102	Museums activities	478		478
9103	Botanical and zoological gardens	1,016		1,016
9200	Gambling and betting activities	4,711	813	5,524
9311	Operation of sports facilities	5,235		5,235
9312	Activities of sports clubs	1,837		1,837
9319	Other sports activities	3,832	1,631	5,462
9329	Other amusement and recreation	2,590	484	3,074
		1,108,454	649,526	1,767,158

Source: Kenya TSA Technical Committee Estimates



## CHAPTER FIVE

Direct tourism employment is calculated by applying the tourism ratios from TSA Table 6 to the total tourism employment figures for each tourism industry. The number of female workers is higher in the food and beverage serving industry and air passenger transport.

The number of jobs in tourism-related activities is 990,000 which is about 5.5% of national

employment in 2019. This encompasses employees (those in salaried or wage jobs) and the self-employed; that is, those who work for themselves rather than an employer. The food and beverage serving industry has the highest number of jobs at 466,000 followed by road passenger transport (356,000), accommodation services for visitors (109,000).

**TSA Table 7 - Employment in the tourism industries, 2019**

<b>EMPLOYEES AND SELF-EMPLOYMENT</b>						
(ISIC CODE)	NUMBER OF ESTABLISHMENT (FORMAL ONLY)	MALE	FEMALE	TOTAL	TOURISM PRODUCT RATIOS	TOURISM DIRECT EMPLOYMENT
1. Accommodation services for visitors						
1.a. Accommodation services for visitors other than 1.b	5,0595	72,827			0.891	106,543
1.b. Accommodation services associated with all types of vacation home ownership		1,093	1,211	2,304	0.891	2,053
2. Food - and beverage - serving services	5,580	221,428	395,989	617,414	0.754	465,530
3. Railway passenger transport services	1			5,039	0.831	4,185
4. Road passenger transport services	429	756,177	183,324	939,502	0.379	356,071
5. Water passenger transport services	13	1,863		1,863	0.102	190
6. Air passenger transport services	58	4,864	6,317	11,181	0.557	6,228
7. Transport equipment rental services	66	1,759		1,759	0.988	1,738
8. Travel agencies and other reservation services	1,436	17,250	5,454	22,705	0.939	21,320
9. Cultural services	-	12,989	7,555	20,544	0.291	5,978
10. Sports and recreational services	1,002	18,205	2,927	21,132	0.922	19,484
Total	13,680	1,108,454	649,526	1,767,158		989,320

***The food and beverage serving industry has the highest number of jobs at 466,000 followed by road passenger transport (356,000), accommodation services for visitors (109,000).***



CHAPTER SIX

# CHAPTER SIX



## CHAPTER SIX

# 6. GROSS FIXED CAPITAL FORMATION

## 6.1 INTRODUCTION

**T**he System of National Accounts 2008 defines Gross Fixed Capital Formation (GFCF) as the acquisition, less disposables, of fixed assets plus major improvements to land and other non-produced assets. Fixed assets are tangible or intangible assets. Valuation of GFCF also includes transfer costs on land and other non-produced assets. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for than one year. The analysis of stocks and flows of physical investment is particularly important for tourism because, in most circumstances, tourism is not possible on relevant scale if there is lack of basic infrastructure for transportation, accommodation, recreation, health services and other facilities that determine, to a large extent, the nature and intensity of visitor flows.

## 6.2 INVESTMENT BY TOURISM RELATED INDUSTRIES

Tourism driven investment can generally be classified in three main categories, as follows:

### *i. Tourism-specific fixed assets*

Because of their specific nature and design, tourism-specific fixed assets are used exclusively or almost exclusively in the production of tourism characteristic goods and services. If tourism did not exist, such assets would be of little value as they could not easily be converted to non-tourism applications. Such assets include railway passenger coaches, cruise ships, sightseeing

buses, hotel facilities, convention centers, Marianas and ski lifts. Vacation homes are also included in this category although, in this case, they might easily be modified from a secondary to principal dwelling of a household.

### *ii. Non-tourism-specific fixed assets*

Investments by tourism industries in non-tourism-specific fixed assets are considered as tourism-related not because of the use made of them by the tourism industry. This category includes, for example, hotel or travel agency computer systems, and hotel laundry facilities.

---

***Investments by tourism industries in non-tourism-specific fixed assets are considered as tourism-related***

---

## CHAPTER SIX

**TSA Table 8 - Gross Fixed Capital Formation (Ksh. Million, 2019)**

### TOURISM GROSS FIXED CAPITAL FORMATION OF TOURISM INDUSTRIES AND OTHER INDUSTRIES

#### TOURISM INDUSTRIES

PRODUCTS	1. Accommodation for visitors (8.1)	1.a. Accommodation services for visitors except in 1.b (8.1a)	1.b. Accommodation Services associated with all types of vacation home ownership (8.1b)	2. Food- and beverage-serving industry (8.2)	3. Railway passenger transport (8.3)	4. Road passenger transport (8.4)	5. Water passenger transport (8.5)	6. Air passenger transport (8.6)	7. Transport equipment rental (8.7)	8. Travel agencies and other reservation services industry (8.8)
Tourism-specific fixed assets	36,614			25,487	3,448	14,516	106	48,356	997	1,897

Source: Kenya TSA Technical Committee Estimates

#### iii. Tourism-related infrastructure

This includes infrastructure that is put in place principally by the public authorities to facilitate tourism; it might have been developed in a specific moment in time for this specific purpose, or it might facilitate tourism even though this was not necessarily the primary or the unique objective of the investment.

#### iv. Capital formation

Gross fixed capital formation grew by 31.8% from Ksh 1,238,163.9 million (2016) to Ksh 1,631,870.7 million (2019) (Economic Survey, 2020: P.34). This Growth rate was applied to GFCF for tourism characteristic industries to estimate 2019 levels. Tourism industry ratios for 2019 were used to establish direct tourism gross fixed capital formation.

### 6.3 TOURISM COLLECTIVE CONSUMPTION

Although collective non-market services have been excluded from tourism consumption, this does not mean that measurement of the expenditure by public administration in the tourism-related fields of market promotion, information, planning, etc. is not relevant and that it does not have its place in the aggregate measurement concerning the economic importance of tourism. The public sector plays an important role in the development of tourism activities in many countries. The Government establishes the legal framework for the tourism activity and establishes certain controls on the production of services and in some cases guarantees the quality of the service that is provided through provision of licenses and the development of codes of conduct. It sets the legal

**Gross fixed capital formation grew by 31.8% from Ksh 1,238,163.9 million (2016) to Ksh 1,631,870.7 million (2019)**



## CHAPTER SIX

	9. Cultural industry (8.9)	10. Sports and Recreational industry (8.10)	11. Retail trade of country-specific tourism characteristic goods (8.11)	12. Country-specific tourism industries (8.12)	TOTAL (8.13)	14. Other industries (8.14)	15. Tourism gross fixed capital formation (8.15) = (8.13) + (8.14)
	155	1,537			133,111		133,111

framework for private investment and sets norm for the preservation of the environment and the cultural and historical heritage. It studies the flows of visitors and might develop or promote public initiatives to attract visitors to specific locations at certain moments of the year. The Government organizes important events and coordinates private initiatives that are involved in serving visitors. In certain cases, it organizes and controls the financing of the required investments for tourism. These functions can be developed at different levels of Government: at the national level, at the country (sub-national) level, and even at the level of local entities. The value of these different activities developed by the public administration can be established along the same parameters of measurement as any other collective non-market services; that is through their cost of production. The value of consumption is, by convention, equal to the value of production.

**The value of different activities developed by the public administration can be established along the same parameters of measurement as any other collective non-market services; that is through their cost of production.**

**The value of consumption is, by convention, equal to the value of production.**

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**TSA Table 9 - Tourism collective consumption by products and levels of government (million), 2019**

PRODUCTS (*)	LEVELS OF GOVERNMENT			TOURISM COLLECTIVE CONSUMPTION (99.4) = (9.1) + (9.2) + (9.3)	MEMORANDUM ITEM (**) INTERMEDIATE CONSUMPTION BY THE TOURISM INDUSTRIES
	NATIONAL (9.1)	REGIONAL (9.2)	LOCAL (9.3)		
85561 Tourism promotion services	753.20				
85562 Visitor information services					X
91135 Public administrative services related to the distributive and catering trades, hotels and restaurants	2,986	3,779			
91136 Public administrative services related to tourism affairs	4,051				X
Part of:					
83700 Market research and public opinion polling services	127				X
91260 police and fire protection services	25	X			X
92919 other education and training services, n.e.c	845				
92920 Educational support serviced	300				
<b>Total</b>	<b>9,088</b>	<b>3,779</b>		<b>12,867</b>	

X Does not apply.

(\*) CPC, Ver. 2 subclass.

(\*\*) This column reflects the expenditure by the tourism industries in tourism promotion or other services related to the products describes, when relevant.

Source: Various Kenya Government Institutions.

### 6.4 NON-MONETARY INDICATORS

This section presents a few quantitative indicators that are related to the previous sections and are important to the monetary information presented. The indicators include the number of trips by forms of tourism, classes of visitors, and duration of the stay; overnights physical indicators regarding types of accommodation; modes of transport used by non-resident visitors travelling to a country of reference; and number and size of the establishments and associated capacities and number of establishments classified according to an average number of jobs in the tourism industries.

The number of overnight inbound tourists was 1,879,400 in 2019. Domestic tourism numbers of overnight visitors were 6,473,600. Almost 867,291 outbound tourists travelled to other countries over the same year.

***The number of overnight inbound tourists was 1,879,400 in 2019. Domestic tourism numbers of overnight visitors were 6,473,600. Almost 867,291 outbound tourists travelled to other countries over the same year.***

## CHAPTER SIX

**TSA Table 10A-Number of trips and overnights by forms of tourism and classes of visitors, 2019**

	INBOUND TOURISM			DOMESTIC TOURISM			OUTBOUND TOURISM		
PRODUCTS (*)	Tourists (overnight visitors)	Excursionists (same-day visitors)	Total	Tourists (overnight visitors)	Excursionists (same-day visitors)	Total	Tourists (overnight visitors)	Excursionists (same-day visitors)	Total
Number of trips	1,879,400	18,590	1,879,990	8,952,900	-	8,952,900	867,291	14,171	881,462
Number of overnights	35,907,000	0	35,907,000	37,198,302	0	37,198,302	21,365,000	0	21,365,000

Source: Kenya TSA Technical Committee Estimates

**TSA Table 10B-Inbound tourism: Number of arrivals and overnights by modes of transport, 2019**

	Number of Arrivals	Number of Overnights
1. Air	1,578,419	27,827,925
1.1. Scheduled flights		
1.2. Unscheduled flights		
1.3. Private aircraft		
1.4. Other modes of air transport		
2. Waterway	841	14,836
2.1. Passenger line and ferry		
2.2. Cruise ship		
2.3. Yacht		
2.4. Other modes of water transport		
3. Land	456,181	8,043,168
3.1. Railway		
3.2. Motor coach or bus and other public road transportation		
(i) Taxis, limousines and rental private motor vehicle with driver		
(ii) Rental of man or animal drawn vehicle		
3.3. Owned private vehicle (with capacity up to 8 persons)		
3.4. Vehicle rental without operator up to 8 persons)		
3.5. Other modes of land transport (horseback, bicycle, motorcycles, etc.		
<b>TOTAL</b>	<b>2,035,441</b>	<b>35,907,000</b>

Source: Kenya TSA Technical Committee Estimates

***The available number of hotel beds in the country was 81,000 beds, of which 25,095 were occupied. This translated to 31% bed occupancy in 2018.***

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**TSA Table 10C - Number of establishments and capacity by types of accommodation, 2019**

	ACCOMMODATION FOR VISITORS IN ISIC 55			REAL ESTATE ACTIVITIES IN ISIC	
	Short-term accommodation activities	Camping grounds, recreational vehicle parks and trailer parks	Other Accommodation	Real estate activities with owned or leased property	Real estate activities on a fee or contract basis
Number of establishments	5,095	179	965	X	91
Capacity (rooms)					
Capacity (beds)	81,000	803,666	1,588,083		
Capacity utilization (rooms)	X				
Capacity utilization (beds)	25,095				
Occupancy Rate (Room) %	X				
Occupancy Rate (beds) %	30.8				

Most tourism establishments fall under food and beverage serving category while 0-3 employees category carries most of these establishments.

**TSA Table 10D-Number of establishments in tourism industries classified according to average number of jobs (2019)**

	0-3	4-6	7-9	10-14	50-149	150+	Total
1. Accommodation services for visitors	598	432	167	363	83	12	1,655
1.a. Accommodation services for visitors other than 1.b							
1.b. Accommodation services associated with all types of vacation home ownership							
2. Food - and beverage - serving services	2,024	1,923	606	918	84	25	5,580
3. Railway passenger transport services							
4. Road passenger transport services	109	185	45	69	16	5	429
5. Water passenger transport services	1	7	2	1	0	2	13
6. Air passenger transport services	5	28	3	18	2	2	58
7. Transport equipment rental services	16	34	8	5	2	1	66
8. Travel agencies and other reservation services	47	121	22	40	4	1	235
9. Cultural services	55	183	3	20	5	2	268
10. Sports and recreational services	60	42	6	20	1	0	129
11. Country-specific tourism characteristic goods							
12. Country-specific tourism characteristic services							
Total	2,317	2,523	695	1,091	114	38	8,433

Source: Kenya TSA Technical Committee Estimates







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# 7. CONCLUSION

## 7.1 OVERVIEW

Whereas there is still room for growth, Kenya's tourism sector earned a total of ksh 639.5 billion in 2019- which is a significant amount given the size of the country's economy, it is important to note that there is still much room for it to grow.

This is especially evident from the fact that domestic tourism generated higher revenues- ksh 343.3 billion- compared to inbound tourism which earned Kenya ksh 296.2 billion. This is an indication of the need to raise higher revenues from inbound tourism, which calls for more innovative products and marketing strategies.

It is also significant that during the same period, Kenyans spent an estimated amount of 126 billion during their travels abroad- what is known in the industry as outbound tourism. This amount excludes those who travelled for medical reasons.

Another significant contribution was that almost 5.5% of the total persons in tourism-

related industries. We note, however, that this is a number that can still grow further once the country and the industry overcome the ravages of covid-19, which adversely affected both travel and tourism. The total gross capital formation in the tourism formal sector is estimated at ksh 133 billion (8.2% of the national total) over the year 2019. Collective consumption on tourism by county and national governments is estimated at ksh 14.5 billion (including ksh 6.5 billion at the county level) during the 2018/2019 financial year. Total tourism internal demand (TTID) consists of the sum of internal tourism consumption, tourism gross fixed capital formation and tourism collective consumption. TTID was estimated at ksh 771.5 billion.

There are significant contributions that the sector has made to the economy and we will continue to seek ways in which these can be further improved despite the severe setbacks that the industry has suffered in 2020 due to the coronavirus pandemic.

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***The total gross capital formation in the tourism formal sector is estimated at ksh 133 billion (8.2% of the national total) over the year 2019.***

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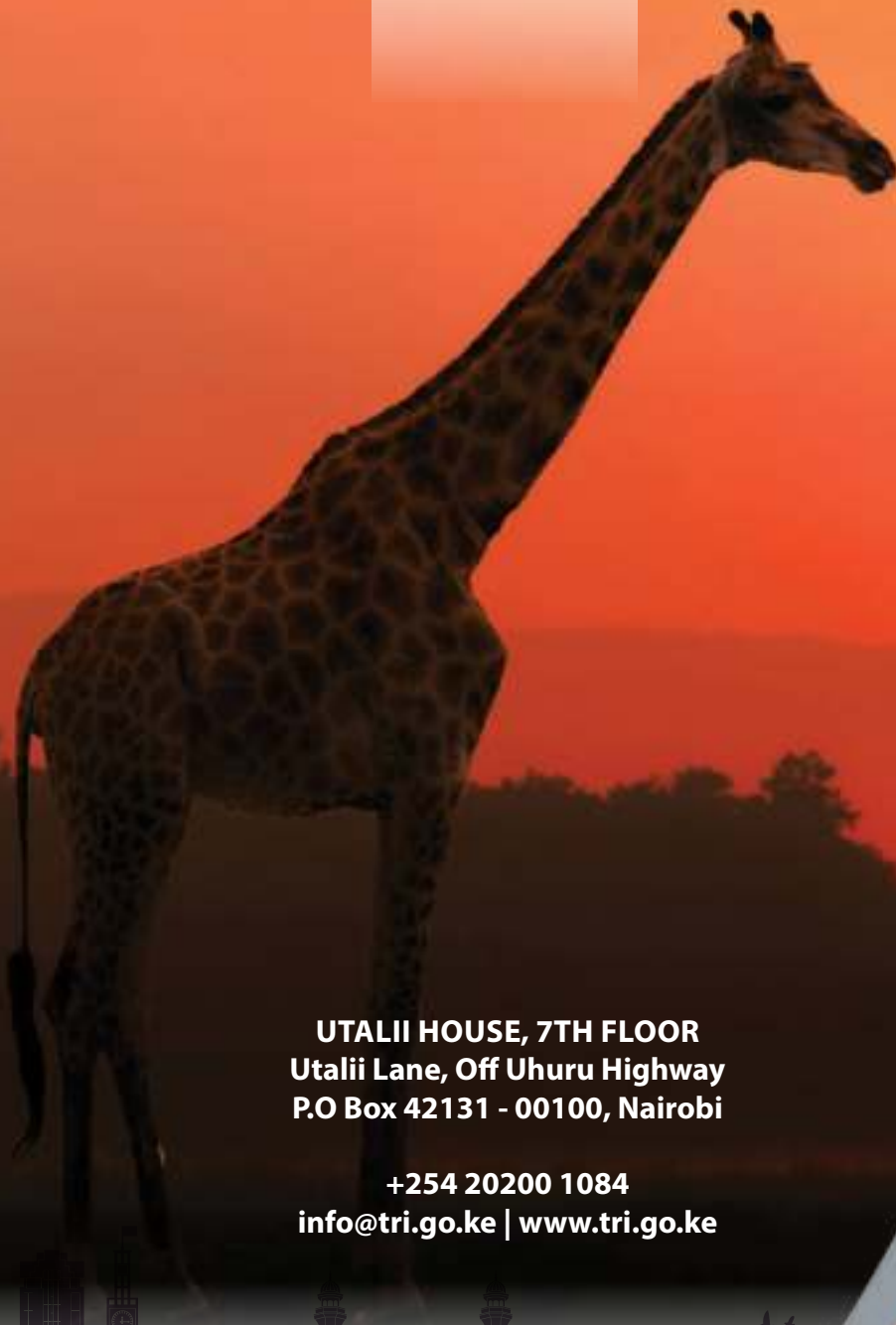




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