

KENYA NATIONAL CHAMBER OF COMMERCE & INDUSTRY

ANNUAL BUSINESS

BAROMETER

SURVEY REPORT 2026

Tracking Business Sentiment, Challenges & Policy Priorities Across Kenya

Published: April 2026

FOREWORD

Messages from Chamber Leadership

Message from the Chamber President

The Kenyan business landscape is currently undergoing a significant transformation. After years of navigating the shocks of COVID-19, global supply chain disruptions, currency volatility and domestic fiscal pressures we are beginning to see signs of recovery and resilience across the business community.

The KNCCI Annual Business Barometer survey 2026 draws on the insights of businesses across the country and all major economic sectors. This report presents a full-year picture of business performance. That longitudinal perspective strengthens our ability to identify trends, track the impact of policy changes and speak on behalf of Kenya's MSMEs.

The results are encouraging. Nearly two-thirds of surveyed businesses report improved performance over the past year and an overwhelming 86% are optimistic about the year ahead. This is a testament to the entrepreneurial spirit that has always defined Kenyan enterprise to have the ability to adapt, innovate and persist even when the operating environment is not conducive.

The data also compels us to be honest about what remains unfinished. High taxation continues to be the single most cited burden on business, identified by nearly half of all businesses. Access to affordable finance ranks second and high energy costs continue to squeeze margins particularly for micro and small enterprises. These are not new concerns. They have been featured in the KNCCI submissions to government for many years. What the Annual Business Barometer does is that it gives voice to these concerns with evidence. When we tell the National Treasury that 534 businesses cite high taxation as their top challenge or that 670 businesses are calling for improved access to affordable finance, we are speaking from the evidence-based data.

I also draw attention to two specific issues this year. First, the rollout of KRA's new validation rules has generated significant anxiety with businesses scoring their readiness at only 3.0 out of 5. KNCCI is committed to ensuring that compliance requirements do not become barriers to doing business. Second, I am encouraged by the interest for internationalisation; 17% of our members are planning to begin exporting and regional market access through the East African Community, AfCFTA and bilateral agreements ranks among the leading growth opportunities identified.

On behalf of the business community, I commend this report to our members, government, development partners and to all stakeholders who share our commitment to a thriving MSMEs. Our voice is strongest when it is unified, evidence-based and solutions – focused.

Dr. Erick Rutto

Chamber President

Message from the Chief Executive Officer

This Annual Business Barometer 2026 Report represents one of KNCCI's most important contributions to Kenya's business development discourse. Grounded in the direct responses of businesses across the country, it transforms member experience into credible, actionable intelligence that informs our advocacy, shapes our services and guides our strategic partnerships.

The survey was conducted across a broad cross-section of Kenya's different sectors from micro-enterprises in rural counties to medium and large corporations in urban centres. This Survey captures voices from all 47 counties ensuring that our analysis reflects the full diversity of Kenya's business ecosystem.

The headline data is encouraging: 65.1% of businesses improved their performance in the past year, and forward sentiment is even stronger at 86.2%. However, positive headlines must not overshadow the real challenges many of our members still face. High taxation affects nearly half of all businesses. Finance access remains deeply inadequate. Energy costs are suppressing investment. These are the issues that will determine whether Kenya's business recovery translates into sustainable growth or remains fragile.

I am particularly focused on the Turnover Tax (ToT) framework. While the policy intent is sound its implementation has created confusion and compliance burden particularly for micro-enterprises operating near the ToT threshold. KNCCI will engage the Kenya Revenue Authority to ensure that the ToT framework is clear, proportionate and supported by adequate taxpayer education. The Prompt Payment Bill which would protect businesses from delayed government payments must also be prioritised by Parliament. We call on both the Legislature and the Executive to act with urgency.

I thank all businesses that participated in this survey. Your voices are the foundation of our advocacy. I also thank KNCCI Secretariat, KNCCI County chapter, Policy, Research & Advocacy whose dedication made this survey possible.

Mr. KK Mutai

Chief Executive Officer

EXECUTIVE SUMMARY

About This Survey

The KNCCI Annual Business Barometer 2025/2026 is a comprehensive survey of Kenyan businesses designed to measure business performance, identify structural challenges and capture policy priorities. A total of 1,150 businesses participated, spanning micro, small, medium and large enterprises across all major sectors and all 47 counties. This is the first edition presented as a full annual barometer, providing a more robust baseline for year-on-year trend analysis.

Performance Metrics

<p>1,150 Total Businesses Surveyed <i>All 47 counties</i></p>	<p>65.1% Improved Annual Performance <i>vs. 10.0% who declined</i></p>	<p>86.2% Optimistic for Year Ahead <i>Strongest forward reading ever</i></p>	<p>3.1/5 KRA Compliance Readiness <i>Moderate-serious concern</i></p>
--	---	---	--

Summary of Key Findings

Business Performance

Annual business performance showed strong recovery momentum with 65.1% of businesses reporting improvement over the survey period — only 10% reported a decline. Forward sentiment is even more positive, with 86.2% of businesses expecting improved performance in the year ahead, the highest reading KNCCI has ever recorded.

Dominant Challenges

1. High taxation remains the single most cited challenge, affecting 46.4% of businesses. The Turnover Tax (ToT) framework has added complexity, particularly for micro-enterprises operating near the KES 5 million threshold.
2. Limited access to affordable finance was cited by 36% of businesses. This reflects a persistent structural gap between the formal banking sector and the credit needs of MSMEs.
3. High energy and fuel costs affect 26.3% of the businesses acting as a systemic drag on competitiveness and investment across all sectors.

Top Policy Priorities

4. Improve access to affordable finance — identified by 58.3 of the businesses, the single clearest advocacy mandate.
5. Reduce the cost of energy — cited by 47.8% of the businesses.
6. Harmonise business taxes and licences — cited by 47.7% businesses.

KRA Compliance Readiness

The rollout of KRA's new validation rules has generated significant concern with average readiness scores of 3.0–3.2 out of 5. Non-compliance penalty risk scores highest at 3.23n while actual preparedness scores lowest at 3.04, signalling a huge gap between awareness of consequences and readiness to comply.

Growth Opportunities

Youth and women enterprise support (25.9%), digital trade and e-commerce (21.6%) and regional market access through EAC and AfCFTA (14.5%) are the leading growth opportunities identified by members.

KEY INSIGHT

Strategic Takeaway: The Annual Barometer delivers KNCCI with an unusually coherent evidence base in which the top challenges, policy priorities, and support needs converge on access to finance, taxation, and energy costs. This provides a clear, evidence-backed data for KNCCI's advocacy ahead of the 2026/27 fiscal year.

1

BUSINESS PROFILE*Who responded — sector, size, county and export status***1.1 Business Size Distribution**

The survey sample is dominated by micro and small enterprises, consistent with Kenya's national enterprise structure where MSMEs account for over 98% of all registered businesses and contribute the majority of employment and economic growth.

Business Size	%
Micro (1–9 employees)	67%
Small (10–49 employees)	20.9%
Medium (50–249 employees)	8.7%
Large (250+ employees)	3.4%

FINDING

The preponderance of micro-enterprises means that KNCCI's advocacy must be calibrated to the realities of businesses with fewer than 10 employees and annual turnover below KES 500,000. Policy solutions designed for large enterprises often miss or burden this important business segment.

1.2 Annual Turnover Profile

Annual Turnover Band	%
Micro: KES 0 – 500,000	66.2%
Small: KES 500,000 – 5 million	22.2%
Medium: KES 5M – 100 million	7.8%
Large: Over KES 100 million	3.8%

1.3 Sector Distribution

Trade, retail, services and agriculture together account for nearly three-quarters of all respondents. This concentration reflects Kenya's economic structure and underscores the importance of sector-specific advocacy, particularly on trade logistics, agricultural input costs and service sector regulation.

Sector	%
Trade (Wholesale/Retail)	38.3%
Services	18.3%
Agriculture	17.9%
Construction	7.6%
Manufacturing	5%
Other	8.3%
ICT	2.5%
Tourism	2.1%

1.4 County Representation

The survey achieved representation across all 47 counties. Kakamega, Makueni and Tharaka-Nithi collectively account for over a third of all responses, reflecting strong KNCCI chapter engagement in these regions.



Top Five Counties

County	% of Total	County	% of Total
Kakamega	14.6%	Vihiga	7.0%
Makueni	12.1%	Busia	5.2%
Tharaka-Nithi	7.8%	Kisumu	4.5%
Nairobi	7.6%	Kwale	3.0%
Trans Nzoia	7.2%	Siaya	2.8%

1.5 Export Status

The high share of non-exporters (70.4%) combined with 17% of businesses planning to begin exporting represents a significant opportunity for KNCCI to provide targeted export facilitation programmes and EAC/AfCFTA market access support.

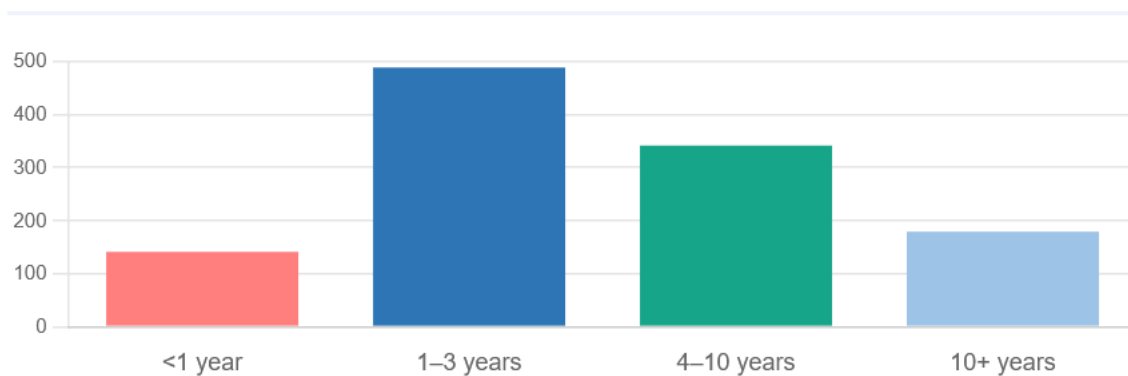
Export Status	%
Non-exporter	70.4%

Planning to start exporting		17%
Active exporter		12.5%

1.6 Years in Operation

A significant 54.7% of businesses have been operating for less than three years including 12.3% that are less than one year old. This high concentration of early-stage businesses underscores the critical need for startup-friendly financing, business development services and mentorship programmes.

YEARS IN OPERATION















Years in Operation	Respondents	% Share
Less than 1 year	141	12.3%
1-3 years	488	42.4%
4-10 years	341	29.7%
More than 10 years	179	15.6%

2

BUSINESS PERFORMANCE*Annual performance analysis — sector, county and export trends***2.1 Annual Performance Overview**

Annual business performance in 2025 showed a clear recovery trajectory, with nearly two-thirds of respondents reporting improved performance. The improvement rate of 65.1% is particularly significant given the challenging macro-economic environment that characterised the first half of the year — including elevated interest rates and currency pressures.

Actual Performance (2025)	Jan 2025	2025/2026
Improved Performance	 65%	 65.1% ▲0.1%
Stayed the Same	 11%	 24.9% ▲13.9%
Declined	 24%	 10% ▼14.0%

Forward Outlook	Jan 2025	2025/2026
Optimistic	 65%	 86.2% ▲21.2%
No change expected	 11%	 8.6% ▼2.4%
Expect decline	 24%	 5.2% ▼18.8%

Performance — 2025 Actual	Respondents	% Share	Outlook 2026	Respondents	% Share
Improved	749	65.1%	Expect improvement	991	86.2%
Stayed the same	286	24.9%	Expect no change	99	8.6%
Declined	115	10.0%	Expect decline	60	5.2%

PROGRESS

The gap between actual annual performance (65.1% improved) and forward outlook (86.2% optimistic) is 21 percentage points — suggesting genuine confidence in the business environment's improvement trajectory.

2.2 Performance by Sector

Trade and retail leads sectoral performance with 71.2% reporting improvement followed closely by services (69.0%) and manufacturing (66.7%). Construction and tourism lagged, with higher rates of decline likely reflecting sector-specific challenges including pending government payments and continued tourism headwinds.

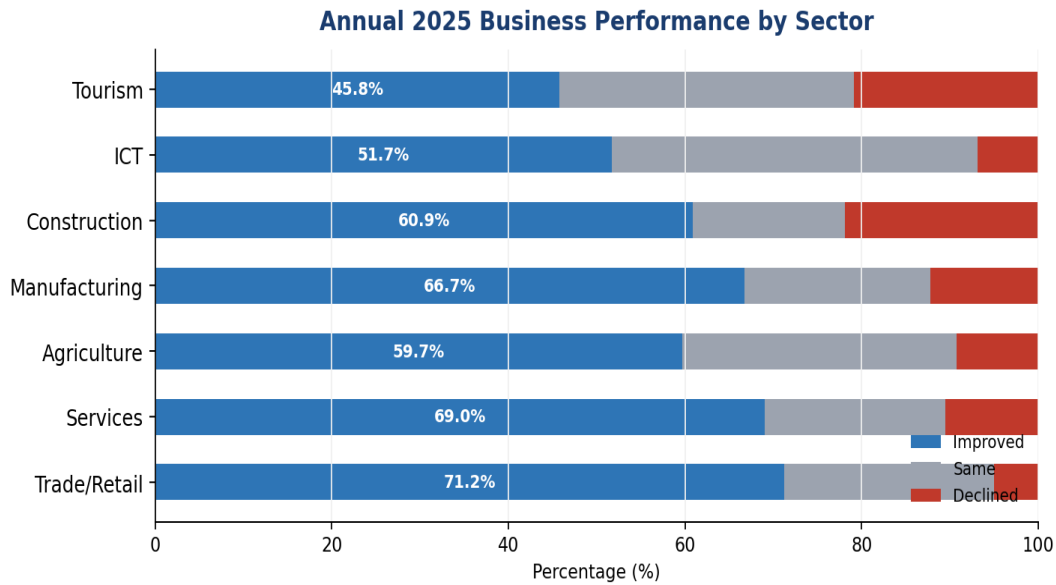


Figure 2.2: Annual performance by sector — percentage improved, same, and declined

Sector	% Improved	% Same	% Declined
Trade (Wholesale/Retail)	71.2%	23.8%	5.0%
Services	69.0%	20.5%	10.5%
Manufacturing	66.7%	21.1%	12.3%
Agriculture	59.7%	31.1%	9.2%
Construction	60.9%	17.2%	21.8%
ICT	51.7%	41.4%	6.9%
Tourism	45.8%	33.3%	20.8%

2.3 Performance by County

There is a striking geographic divergence in business performance. Counties like Vihiga, Makueni and Trans Nzoia show exceptional improvement rates, while Kisumu and Kakamega lag significantly despite high respondent numbers. Drivers of this divergence should be investigated to know whether it is related to county-level policy environments, market access or sector composition and target support programmes accordingly.

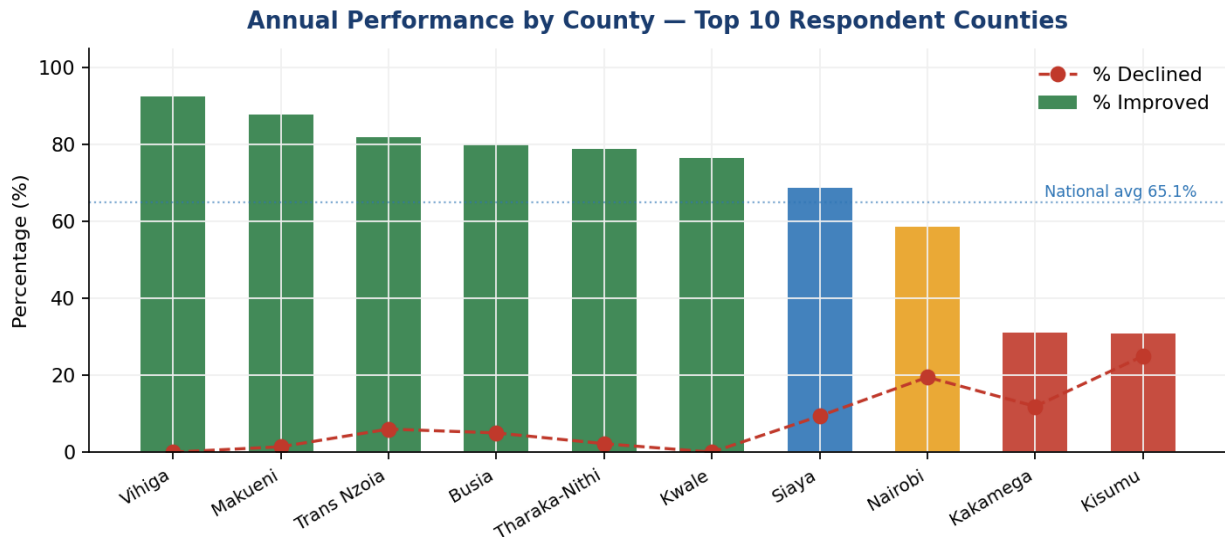


Figure 2.3: Annual performance by county — bars = % improved, line = % declined. Dotted line = national average (65.1%)

County	% Improved	% Same	% Declined	Classification
Vihiga	92.5%	7.5%	0.0%	Excellent
Makueni	87.8%	10.8%	1.4%	Excellent
Trans Nzoia	81.9%	12.0%	6.0%	Strong
Busia	80.0%	15.0%	5.0%	Strong
Tharaka-Nithi	78.9%	18.9%	2.2%	Strong
Kwale	76.5%	23.5%	0.0%	Strong
Siaya	68.8%	21.9%	9.4%	Good
Nairobi	58.6%	21.8%	19.5%	Mixed
Kakamega	31.0%	57.1%	11.9%	Lagging
Kisumu	30.8%	44.2%	25.0%	Concern

ALERT

Kisumu and Kakamega — despite being among the highest respondent counties — show the worst performance outcomes. National average is 65.1% improved; both counties are less than half that rate. Targeted KNCCI county chapter intervention is urgently needed.

2.4 Performance by Export Status

Businesses with export exposure consistently outperform non-exporters. Active exporters report a 74.3% improvement rate compared to 61.6% among non-exporters — a gap of nearly 13

percentage points. This reinforces the investment case for KNCCI's export facilitation and market access programmes.

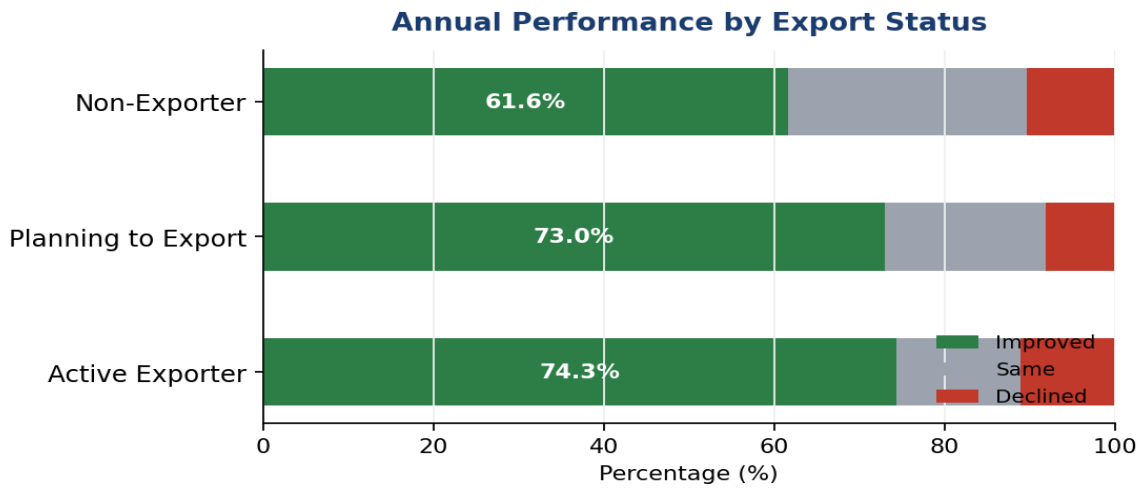


Figure 2.4: Annual performance by export status

Export Status	% Improved	% Same	% Declined
Active exporter	74.3%	17.1%	8.6%
Planning to export	68.4%	22.4%	9.2%
Non-exporter	61.6%	27.5%	10.9%

KEY INSIGHT

Exporters outperform non-exporters by 12.7 percentage points. This is the clearest single evidence point for KNCCI's export facilitation investment — the return on trade promotion is measurable and significant.

3

BUSINESS CHALLENGES*What is holding Kenyan businesses back — 2026 analysis***3.1 Overview of Challenges Reported**

Respondents were asked to select their top three most serious challenges from a structured list. The frequency data reveals a consistent hierarchy of constraints that persists across sectors, business sizes and geographies.

Business Challenge	%
High taxation	46.4%
Limited access to affordable finance	36.0%
High cost of energy and fuel	26.3%
Delayed payments / pending bills	23.4%
High cost of logistics & transport	23.1%
Raw material shortages / high input	19.3%
Market access constraints	18.9%
Competition from cheap imports	16.4%
Insecurity and business safety risks	12.6%
Regulatory and licensing barriers	9.7%
Supply chain disruptions	9.2%
Corruption / informal payments	8.4%

3.2 The Taxation Challenge — ToT Transition

High taxation remains the most widespread strain on business, cited by 46.4% of businesses. The survey period coincided with a major tax policy shift: the abolition of the Presumptive Tax regime and its replacement with the Turnover Tax (ToT) which applies to businesses with annual turnover between KES 500,000 and KES 25 million at a rate of 3% on gross turnover.

While the policy intent — to broaden the tax base and simplify compliance for small businesses — is sound, the transition has created significant confusion. Key issues reported by members include:

- Uncertainty about the applicable turnover threshold and how to calculate gross turnover for tax purposes
- Overlap between ToT and other taxes (VAT, income tax) creating compliance complexity for businesses near the threshold
- Inadequate taxpayer education from the Kenya Revenue Authority on income/expense validation requirements
- Concerns about the cumulative effective tax rate when ToT is combined with county-level levies and licence fees

FINDING

KNCCI Position: KNCCI supports the Turnover Tax as a more equitable and simpler framework. However, we call on the KRA to: (1) conduct a comprehensive member education campaign on ToT compliance; (2) clarify the interaction between ToT and other tax obligations; and (3) review the ToT rate structure to ensure it does not constitute effective over-taxation of micro-enterprises with the specified margins.

3.3 Challenge Clusters — A Strategic Lens

Cluster 1: Cost Burdens

High taxation, energy costs and logistics costs affect between 23–46% of all businesses. These are systemic burdens that operate independently of management quality or sector conditions. For micro-enterprises with limited ability to absorb shocks, this cost layer is the primary determinant of survival versus growth.

Global and Regional Benchmark

Country	Price (USD/kWh)	KES/kWh (≈130)	Competitiveness Assessment
Kenya	0.18 – 0.22	23 – 29	High cost / Uncompetitive
Uganda	0.15 – 0.17	19 – 22	Moderately competitive
Rwanda	0.18 – 0.23	23 – 30	High cost
Ethiopia	0.03 – 0.06	4 – 8	Very low cost / Highly competitive
Egypt	0.03 – 0.08	4 – 10	Very low cost / Highly competitive
Global Average	~0.15 – 0.17	19 – 22	Moderate

Cluster 2: Liquidity Constraints

Limited access to finance (36%) and delayed government payments (23.4%) share the same root cause: inadequate liquidity. For the estimated 17% of businesses in the government supply chain, delayed payments lock up working capital, force expensive bridging finance, and in many cases result in business failure. For the remainder, the finance gap reflects the failure of formal credit markets to serve MSMEs at affordable rates and appropriate terms.

Cluster 3: Market & Competitive Pressures

Market access constraints (18.9%) and competition from cheap imports (16.4%) disproportionately affect manufacturers, artisans and small retailers. The absence of a robust buy-local framework, combined with weak enforcement of import duty obligations on informal imports, creates an uneven competitive playing field that KNCCI must address through advocacy.

4

POLICY PRIORITIES*What Kenyan businesses demand from government in 2026***4.1 Priority Policy Areas**

Respondents selected their top five policy priorities from a structured list. The results below show the total number of businesses selecting each area, providing a clear mandate for KNCCI's advocacy engagement.

Policy Priority	%
Improve access to affordable finance	58.3% (670 businesses) Rank #1
Reduce cost of energy	47.8% (550 businesses) Rank #2
Harmonise business taxes and licences	47.7% (548 businesses) Rank #3
Improve skills development and productivity	37.8% (435 businesses) Rank #4
Clear pending bills and delayed payments	34.9% (401 businesses) Rank #5

4.2 KNCCI Advocacy Positions — 2026/27 Budget Cycle

Based on the survey findings, KNCCI will advance the following specific advocacy positions with the National Treasury, Kenya Revenue Authority, Cabinet Secretaries and relevant Parliamentary Committees.

Finance & Credit Access

- Advocate for a dedicated MSME Credit Guarantee Fund within the National Treasury framework targeting businesses with turnover below KES 25 million
- Engage the CBK to reduce the benchmark lending rate with a view to lowering effective borrowing costs for MSMEs below 12%
- Push for disclosure of MSME loan rates by commercial banks enabling price competition in the SME lending market
- Lobby for expansion of Kenya Industrial Estates and ICDC revolving credit facilities for small manufacturers and agri-processors

Tax Reform — ToT and Rationalisation

- Push for a comprehensive review of the ToT rate for micro-enterprises (turnover below KES 1 million) where a 3% gross turnover tax represents a disproportionate burden given typical net margins
- Advocate for harmonisation of county business permits, levies and fees under a national framework with statutory caps eliminating the double-taxation burden identified by 290 businesses
- Engage the KRA Commissioner General for nationwide sensitisation on income/expense validation and distribution of a simplified, one-page ToT compliance guide and tax filling.
- Lobby for elimination of nuisance taxes and levies that generate minimal revenue but impose significant compliance costs

Energy Cost Reduction

- Advocate for a reduction in electricity tariffs for small commercial consumers (demand below 15kVA), drawing on EPRA's regulatory review process
- Push for accelerated rollout of the Last Mile Connectivity Programme to reduce grid connection costs for businesses in rural and peri-urban areas
- Engage EPRA to conduct a full review of the Fuel Cost Charge (FCC) and other pass-through components of the electricity tariff
- Advocate for dedicated MSME-focused renewable energy financing through the Green Climate Fund and Kenya Climate Finance Facility

Prompt Payment Bill — From Advocacy to Enactment

The Prompt Payment Bill which would legally obligate government to settle supplier invoices within 30 days and impose interest penalties for delayed payment has not yet been enacted. KNCCI's position is to seek operationalisation of an existing framework and actively advocate for the Bill's enactment.

- Call on the National Assembly and Senate to prioritise debate and passage of the Prompt Payment Bill 2024 in the current parliamentary session
- Engage the Treasury Cabinet Secretary to formally support the Bill's enactment as a fiscal discipline and MSME support measure
- Push for mandatory quarterly disclosure of all pending bills to suppliers by Accounting Officers at national and county level
- Advocate for an independent audit of pending bills to establish the full scale of the problem and create political accountability

5

GROWTH OPPORTUNITIES & SUPPORT*What Kenyan businesses need to grow in 2026***5.1 Growth Opportunities**

Despite structural challenges, survey respondents identified significant growth vectors for 2026. The breadth of opportunity from digital commerce to regional trade to agribusiness value addition reflects an entrepreneurial confidence that KNCCI's programmes can help convert into reality.

Growth Opportunity	%
Youth and women enterprise support programmes	25.9%
Digital trade and e-commerce	21.6%
Regional market access (EAC, AfCFTA, EPA, CEPA)	14.5%
Agribusiness value addition	12.6%
Government procurement and tenders	9.7%
Business development services	9.0%
Renewable energy and sustainability solutions	6.1%

5.2 Support Most Needed from KNCCI

Businesses provided a clear map led by finance access facilitation, followed by market linkages and export support in the coming year.

Support Type	%
Affordable financing or credit access	40.5%
Market linkages and export facilitation	20.0%
Networking, mentorship and partnerships	11.7%
Training and capacity building	11.6%
Tax and policy reforms	10.7%

Digital transformation and
e-commerce tools



5.5%

**KEY
INSIGHT**

The demand for financing support (40.5%) significantly exceeds all other support categories. KNCCI's most impactful investment would be in finance access facilitation through direct credit intermediation, guarantee mechanisms or advocacy that reduces the cost of credit for members.

6

KRA COMPLIANCE READINESS*Business readiness and compliance burden assessment***6.1 Overview**

The survey included a dedicated section on the Kenya Revenue Authority's new validation rules, which require businesses to submit detailed expense documentation and comply with new electronic record-keeping standards. Businesses were asked to rate the extent to which five dimensions of the new rules present a challenge, on a scale of 1 (not a challenge) to 5 (very serious challenge).

KRA Readiness Dimension	Mean Score (1–5)	Risk Level
Risk of non-compliance penalties	3.23	High
Overall impact on business operations	3.12	Moderate-High
Ability to provide required documentation	3.09	Moderate
Cost of new accounting/record-keeping	3.05	Moderate
Preparedness for rollout	3.04	Moderate

6.2 Key Findings — KRA Readiness**The Preparedness Gap**

The most concerning finding is the gap between penalty risk awareness (3.23) and actual preparedness (3.04). Businesses know that non-compliance will result in penalties but they do not feel ready to comply. This gap if not addressed will translate into a wave of penalties falling on micro-enterprises that lack the capacity to navigate complex documentation requirements.

Systemic Barriers for Micro-Enterprises

67% of survey respondents are micro-enterprises, many of which do not maintain formal accounting systems. The KRA validation framework designed with larger entities in mind imposes disproportionate compliance costs on the MSMEs. The cost of implementing new accounting systems (3.05/5) is a significant concern for businesses with margins too thin to absorb upfront technology investment.

ALERT

CRITICAL: Non-compliance penalty risk scores highest at 3.23/5, while preparedness scores lowest at 3.04/5. KNCCI must act urgently: launch county-level sensitisation workshops, engage KRA for phased timelines for MSMEs, and negotiate a penalty waiver for businesses demonstrating good-faith compliance efforts in the first 12 months.

6.3 KNCCI Recommendations on KRA Compliance

- Launch a county-level training series across the 47 counties in partnership with KRA's Taxpayer Education Programme
- Negotiate with the KRA Commissioner General for a phased compliance timeline for micro-enterprises (turnover below KES 5 million) with a 12-month grace period for documentation requirements
- Advocate for a simplified documentation standard for micro-enterprises
- Connect MSMEs with KNCCI members with fintech and accounting software providers to offer subsidised or free digital accounting tools that meet KRA validation requirements

7

STRATEGIC RECOMMENDATIONS*KNCCI priorities and action agenda for 2026–2027***7.1 Policy Advocacy Priorities**

Drawing on the Annual Barometer Survey, KNCCI has identified five priority advocacy areas for the 2026/27 fiscal year, presented in order of member urgency and KNCCI's comparative advocacy advantage.

Priority 1 Finance Access: The Paramount Mandate

- Advocate for a dedicated MSME Credit Guarantee Fund at National Treasury
- Push CBK to lower the benchmark rate to reduce effective lending costs below 12% for SMEs
- Engage development finance institutions (AfDB, IFC, KfW) on blended finance products for KNCCI members
- Pursue dual-track approach to protect MSMEs from predatory digital lenders: enforce strong regulations while expanding access to affordable, transparent alternative financing

Priority 2 Tax Reform: ToT, County Levies and Rationalisation

- Engage KRA on a member education campaign specific to income/expense validation & compliance obligations
- Advocate for a simplified ToT rate for micro-enterprises with annual turnover below KES 1 million
- Advocate for a National Business Licensing Framework with statutory caps on aggregate county levies
- Lobby for elimination of identified nuisance taxes and fees in the 2026/27 Budget Policy Statement and Finance Bill 2026.

Priority 3 Energy Costs: Structural Advocacy

- Engage EPRA in the tariff review process with formal submissions on behalf of small commercial consumers
- Advocate for a dedicated small business electricity rate tier
- Push for renewable energy financing access for the MSME sector through Green Climate Fund mechanisms

Priority 4 Prompt Payment Bill: Push for Enactment

- Formally call on Parliament to schedule and pass the Prompt Payment Bill 2024
- Engage the President during the Presidential Roundtable on fast-tracking the Bill

- Push for mandatory quarterly pending bills disclosure as an interim administrative measure

Priority 5 Export Facilitation and Regional Market Access

- Develop a structured KNCCI Export Readiness Programme covering documentation, standards compliance and market intelligence
- Engage the Ministry of Trade and EAC Affairs on preferential procurement provisions for Kenyan businesses in regional markets

8

CONCLUSIONS & KNCCI ADVOCACY IMPLICATIONS

KNCCI priorities and action agenda for 2026–2027

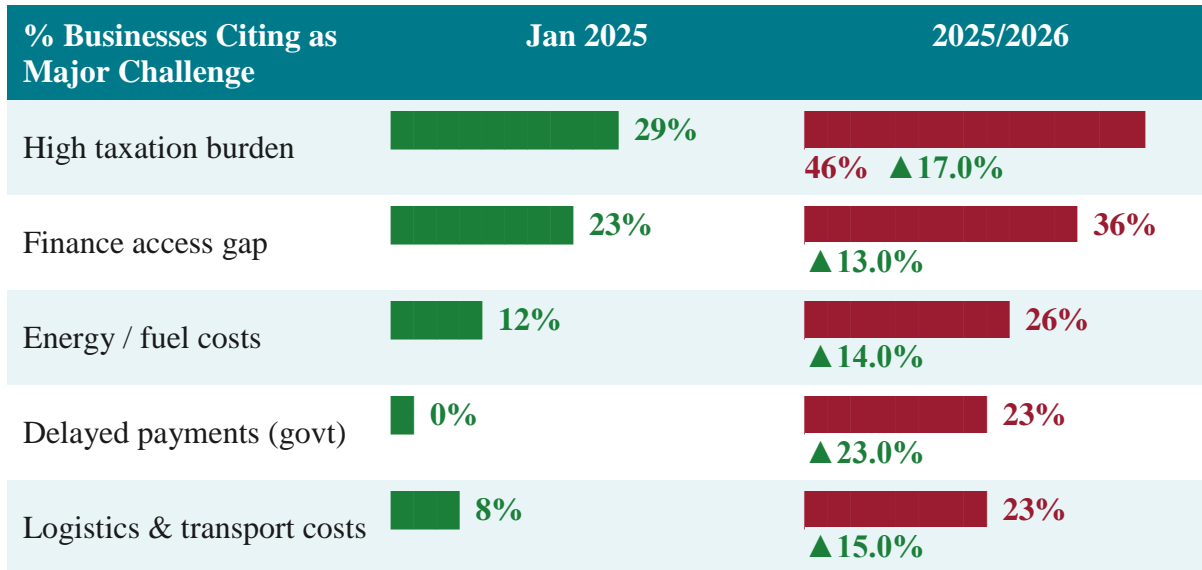
Kenya's business sector has made genuine progress between January 2025 and the January 2026 period. The most powerful indicator is the surge in forward optimism from 65% to 86.2. This has been backed by actual performance improvement, with 65.1% of businesses reporting their business actually improved over the year and only 10% reporting a decline.

The entrepreneurial resilience of Kenyan businesses adapting through currency volatility, elevated interest rates and an uncertain regulatory environment is the defining story of this period. Businesses have not waited for government to act but have expanded customer bases, adopted digital tools and diversified into new markets.

8.2 What Has Genuinely Improved

Improvement Score (higher = better)	Jan 2025	2025/2026
Business optimism (forward)	65%	86% ▲ 21.0%
Actual performance (improved)	65%	65% —0.0%
Revenue decline expectation↓	76%	90% ▲ 14.0%
Climate action adoption	43%	52% ▲ 9.0%
Women in support programmes	34%	40% ▲ 6.0%
Workforce growth intent	37%	45% ▲ 8.0%
Active exporters	8%	12% ▲ 4.0%

8.3 What Requires Urgent Action



KNCCI COMMITMENT

The Annual Barometer 2026 confirms both remarkable resilience and persistent structural barriers. KNCCI will use this evidence as the foundation for our advocacy ahead of the 2026/27 Budget cycle transforming the voices of businesses into policy change.

www.kenyachamber.or.ke | kncci.pra@kenyachamber.or.ke

— END OF REPORT —

Kenya National Chamber of Commerce & Industry (KNCCI) | Nairobi, Kenya | Annual Barometer 2026 | April 2026