



# DOING BUSINESS IN KENYA

Population 55 million | GDP Growth 5% | Wine Imports \$25mil

Kenya is seen as the heart of East Africa with many multinational corporations basing their operations here. The port of Mombasa is the largest in the region and is a massive economic role player servicing Kenya, Uganda, Rwanda, Northern Tanzania and Eastern DRC. Kenya has a very trendy dining out scene and is on the brink of formalizing their sommeliers association. The population is young and growing fast, with overall wine consumption expected to increase slightly in 2025 and premium-and-above categories will improve (IWSR).

## Wine in Kenya

### Consumption of Wine

Kenya has relatively low per-capita wine consumption, but interest is growing. Wine education has proven successful in Nairobi and Mombasa and fuels more knowledgeable purchases. Most premium wine is consumed in these two cities with the wealthy and expat communities driving sales in Nairobi and tourism in Mombasa. There is extensive parallel trade due to taxation and ineffective government control, but this is more in the bottom end of the market.

### Consumption Trends

South Africa very much dominates the wine category as they have invested in the market over the past 10 years. The largest portion of wine consumption is at the bottom end, and this also fuels the parallel trade. The market for premium wine is active with much interest and knowledge but limited in size. In 2023, South Africa accounted for 81% of the market, France, Argentina, Spain, Chile and Italy each had about 3% and the USA only 0.3% (IWSR).

## Trading Notes for Wineries

### Importers and Traders

Experience has shown that most of the recognized Importers in Kenya are very knowledgeable about trade and it's fairly easy to do business with them. Market access is therefore quite simple, but it also means that there is much competition.

Kenya has seen the emergence of a few significant Traders recently due to the increased taxes applied to wine. These operators will buy products from any source and fuel much of the parallel trade.

Please see attached FAIRS report as reference with more information to provide insight for future negotiations.

### Brands and Wine Preferences

The Kenyan wine drinker has an affinity to brands and enjoys interacting with them. Due to the number of operators and lack of import control, the market is, however, flooded with many brands. You will have to work with your importer to claim your piece of the market, but this is very much achievable as they know what they are doing. Red wine is the most popular, especially bigger, fruit forward and bolder styles. White wine is much smaller and smoother, more rounded flavours are preferred. Rosé is very small.

## Market Insights

- Most of the premium wine is consumed in Nairobi, Mombasa and some in the other tourist areas like the Masai and Mount Kenya.
- Wide access to wine has caused some clutter in the market.
- South Africa controls the market with Italy also active.
- There are a couple of operators that specialize in providing services for the tourism sector where premium is more sought after.
- Dining out in Kenya is big and you will see cool establishments in every major city.
- Premium wine is sold either through direct sales, exclusive restaurants, bars and clubs or through premium shops where online sales are also becoming popular.

## Notable Importers

- De Vries Premium Wines
- Mia Wines and Spirits
- Dion Wines and Spirits
- Domaine Kenya
- Nene Wines
- Solovino
- Beverex

## Taxes, Shipping and Terms

- Kenya imposes a 25% tax ad valorem plus a specific rate of Kshs208.2 per liter on all wine.
- VAT is 16% and further tariffs include 3.5% IDF, and 2% RDL.
- Shipping from San Francisco to Nairobi is available through all major shipping operators. Cost can range between \$4000-\$6000\* for a full 20ft container.
- Transit time is approximately 4 weeks\* from the West Coast but it is much quicker from the East Coast.
- With all costs included, an ex-cellar price point of \$10 will translate into an estimated \$30 retail in Nairobi. Bars, Clubs, Restaurants and Lounges will charge at least double that, depending on the status of the establishment.
- Most Importers in Kenya expect to pay CUF (cash up front) and quite a few will be covered by international credit insurers like Coface or CGIC. Terms are generally only considered for long-standing business relationships.
- Shipping to Kenya requires a COC and requires a pre-inspection by a company called SGS. Their contact details for the USA are in the attached FAIRS report.
- Also expect to add a health warning sticker to your bottle before shipment. Tax stamps are also applicable, but they are generally applied in-country by the importer.

Kenya Potential Market Size	
Price Segment	Volume per Year
\$1-\$3	Multiple Containers
\$3-\$5	Container
\$5-\$10	10 Pallets to a Container
\$10-\$20	5-10 Pallets
\$20-\$50	1-5 Pallets
\$50+	50-100 cases x6

\*based on ex-cellar pricing

