

An Assessment of the Informal Sector Trade in Kenya

Abstract:

This study assesses the nature and practice of cross-border trade in Kenya with a view to filling the information gap on its patterns and key characteristics, a gap that has hitherto acted to hinder effective policy formulation. The study relies on information from a number of cross-border monitoring survey initiatives mounted by various institutions over the years. The study finds that informal cross-border trade accounts for more than 40 percent of the GDP and is therefore almost equivalent to formal trade. Efforts should be made to conceive policy suggestions that would optimize both formal and informal trade from the viewpoint of the national economy.