



The National Treasury

# THE MWANANCHI GUIDE

## Financial Year 2026/27 Budget

**THEME:** *Sustaining the Bottom-Up Economic Transformation Agenda for Resilient and Inclusive Growth amid Global Uncertainty*

**MAUDHUI:** *Kudumisha Ajenda ya Mabadiliko ya Kiuchumi ya Chini Kwenda Juu kwa Ukuaji Thabiti na Shirikishi Wakati Huu wa Misukosuko Duniani*



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# CONTENTS

**Page 2**  
Expenditures for FY 2026/27 Budget

**Page 3**  
Sector Spending Priorities

**Page 4**  
State of the Economy

**Page 5**  
The Bottom-up Economic Transformation Agenda

**Page 9**  
Other Key Allocations to Thematic Areas

**Page 15**  
Public Expenditure

**Page 16**  
Summary of Proposed Tax Measures

The PFM Act, CAP 412A requires the Government's Budget to be publicized. This Mwananchi Guide therefore, seeks to disseminate information on the Budget for the FY 2026/27 to all segments of the society.



**Total Government Expenditure and Net Lending**  
**Ksh. 4,820.4 billion**

Ministerial Recurrent Expenditure  
**Ksh. 2,081.1 billion**

Interest payments and pensions  
**Ksh. 1,501.3 billion**

Ministerial Development Expenditure  
**Ksh. 809.0 billion**

Contingency Fund  
**Ksh 1.0 billion**

Equitable share to Counties  
**Ksh. 428.0 billion**

*NB: Expenditure of Ksh 4,820.4 billion excludes Securitized portion of Road Maintenance Levy of Ksh 32.7 billion*

## SECTOR SPENDING PRIORITIES

### National Government Ministerial Allocations

Ksh 784.5 billion (26.8% of Allocations)  
Education.

Ksh 531.3 billion (18.2% of Allocations)  
Energy, Infrastructure and ICT.

Ksh 373.7 billion (12.8% of Allocations)  
Public Administration and Internal Relations

Ksh 363.9 billion (12.4% of Allocations)  
Governance, Justice, Law and Order

Ksh 316.2 billion (10.8% of Allocations)  
National Security

Ksh 177.2 billion (6.1% of Allocations)  
Health

Ksh 121.2 billion (4.1% of Allocations)  
Environment Protection, Water and Natural Resources

Ksh 111.7 billion (3.8% of Allocations)  
Agriculture, Rural and Urban Development

Ksh 94.3 billion (3.2% of Allocations)  
Social Protection, Culture and Recreation

Ksh 49.8 billion (1.7% of Allocations)  
General Economics and Commercial Affairs



### Overall Budget and Financing

**Total Revenue**  
Ksh 3,630.5 billion  
(17.4% of GDP)

**Grants**  
Ksh 43.6 billion  
(0.2% of GDP)



**Ksh 4,820.4 billion**  
(23.2% of GDP)

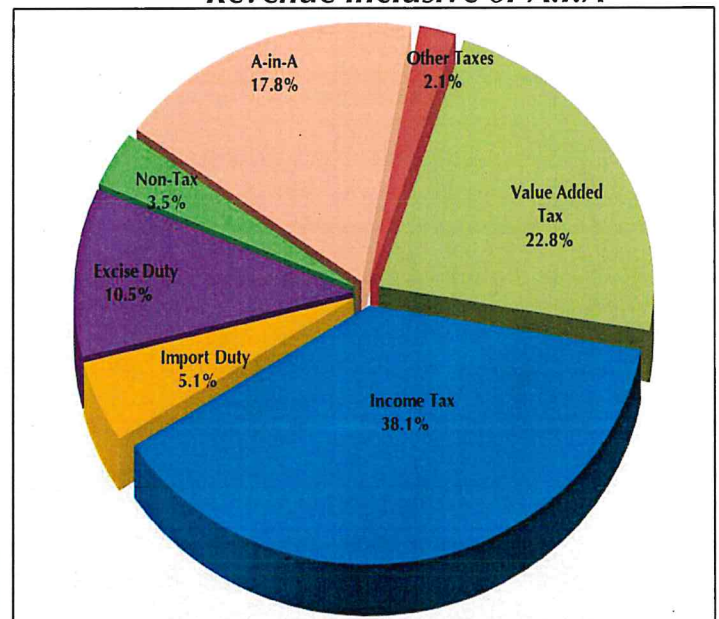
**Deficit: Ksh 1,146.2 billion**  
(5.5% of GDP)

#### Deficit Financing

Net Foreign Financing Ksh 116.2 billion (0.6% of GDP)

Net Domestic Financing Ksh 1,030 billion (4.9% of GDP)

### Composition of Ksh 3,630.5 billion Total Revenue inclusive of A.I.A



## STATE OF THE ECONOMY

- The FY 2026/27 budget has been prepared amid heightened global uncertainties. Rising geopolitical tensions have continued to exert pressure on energy and food price, increasing inflationary risk and volatility in global market.
- Against this backdrop, the Kenyan economy has remained resilient. Between 2022 and 2025, the economy grew at an average of 5.0 percent, outpacing both the global average of 3.4 percent and sub-Saharan African average of 4.1 percent over the same period.
  - This performance reflects sound macroeconomic management, prudent fiscal and monetary policies, sustained structural reforms, and the increasing diversification of the economy, which has enhanced its capacity to withstand both domestic and external shocks.
- The economy grew by 4.6 percent in 2025 compared to 4.7 percent in 2024, with all sectors registering positive growth. However, the 2026 growth outlook faces downside risks from emerging external shocks, particularly the conflict in the Middle East, leading to a downward revision of the growth projection to 5.0 percent from the earlier forecast of 5.3 percent. Growth is nevertheless expected to strengthen to 5.2 percent in 2027 as external pressures ease and global supply chains normalize.
- Macroeconomic fundamentals remain broadly stable. Inflation stood at 6.7 percent in May 2026, up from 3.8 percent in May 2025, largely reflecting higher fuel prices. Lower lending rates have supported a recovery in private sector credit growth, while the Kenya Shilling exchange rate has remained broadly stable and activity at the Nairobi Securities Exchange has remained strong.
- The external sector remains resilient, supported by strong remittance inflows, robust earnings from goods exports and services, and strong foreign exchange reserves, which have helped cushion the economy against external shocks.
- The fiscal policy stance for FY 2026/27 and the medium term is anchored on a growth-friendly fiscal consolidation strategy that supports the priorities of the Bottom-Up Economic Transformation Agenda while safeguarding debt sustainability and protecting critical public services.
  - The strategy will be supported by enhanced domestic revenue mobilization and expenditure rationalization. As a result, the fiscal deficit is projected to decline gradually from 5.5 percent of GDP in FY 2026/27 to 3.3 percent of GDP by FY 2028/29.

## Government Investment in Climate Change Mitigation and Adaptation

- The Government is advancing climate resilience through ecosystem restoration, afforestation, and protection of forests and water towers, supported by policy reforms to strengthen sustainability and food security.



Dr. Chris Kiptoo, PS, National Treasury, joined President William Ruto during the launch of the Mau Forest Complex Integrated Conservation and Livelihood Improvement Programme (MFC-ICLIP) and tree planting exercise in Nakuru County, on 27 October 2025.

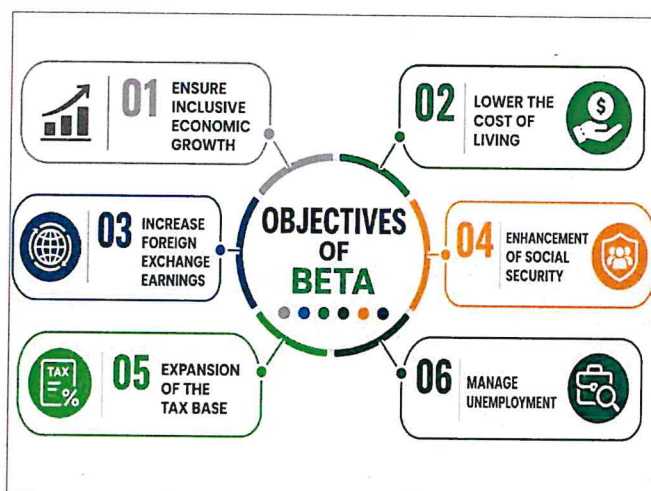
## THE BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA

The Government's FY 2026/27 and medium-term priorities remain anchored on the Bottom-Up Economic Transformation Agenda (BETA), aimed at driving economic turnaround and inclusive growth through increased investments in key sectors with the greatest impact on the economy and household welfare. These sectors include:

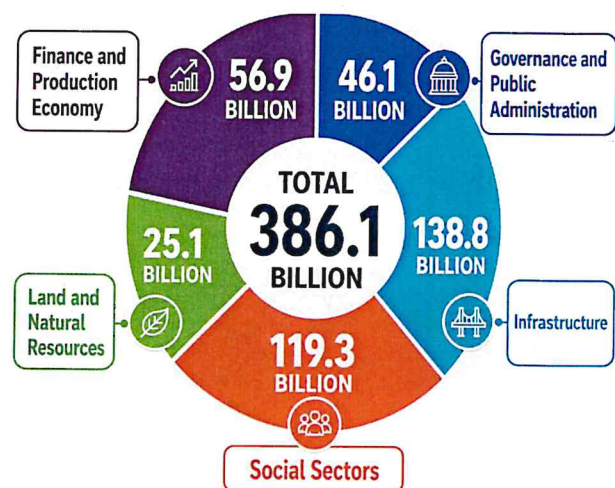
- 1) Agricultural Transformation and Inclusive Growth;
- 2) Micro, Small and Medium Enterprise (MSME);
- 3) Housing and Settlement;
- 4) Healthcare; and
- 5) Digital Superhighway and Creative Industry

The implementation of the BETA Priorities will be implemented through a value chain approach under five clusters with an allocation of **Ksh 386.1 billion** in the FY 2026/27 Budget.

*Through the priority strategy, the following objectives will be achieved:*



*BETA allocations to the five clusters*



### 1. Agricultural Transformation and Inclusive Growth

The Government will continue to support farmers through input financing, subsidies and extension services. This will move the country from food deficit to food surplus, reduce reliance on food imports and revamp export crops

Key allocations in FY 2026/27 budget include:

<b>Ksh 18.0 billion</b>	Fertilizer Subsidy Programme;
<b>Ksh 9.4 billion</b>	Settlement of the Landless;
<b>Ksh 5.4 billion</b>	Food Systems Resilience Project;
<b>Ksh 4.7 billion</b>	National Agricultural Value Chain Development Project (NAVCDP);
<b>Ksh 4.6 billion</b>	Blue Economy Priority Projects;
<b>Ksh 3.3 billion</b>	De-risking, Inclusion & Value Enhancement of Pastoral Economies Programme;
<b>Ksh 2.7 billion</b>	Sugar Reforms;

**Ksh 2.5 billion**  
**Ksh 2.0 billion**  
**Ksh 1.6 billion**  
**Ksh 1.6 billion**  
**Ksh 1.3 billion**  
**Ksh 1.3 billion**

Integrated Natural Resources Management Programme;  
 Seed Subsidy Programme;  
 Registration of Title deeds, and Digitization and Construction of Land Registries;  
 Resilience for Food & Nutrition Security Program;  
 Kenya Livestock Commercialization Programme;; and  
 Enable Youth Programme.



CS Mutahi Kage launches the Sunflower-Soybean drive during the opening of the Kilimo Biashara Expo 2026 in Thika on 12 March 2026



Government launched E-voucher-based PPR livestock vaccination campaign in Mander County on 28 February 2026

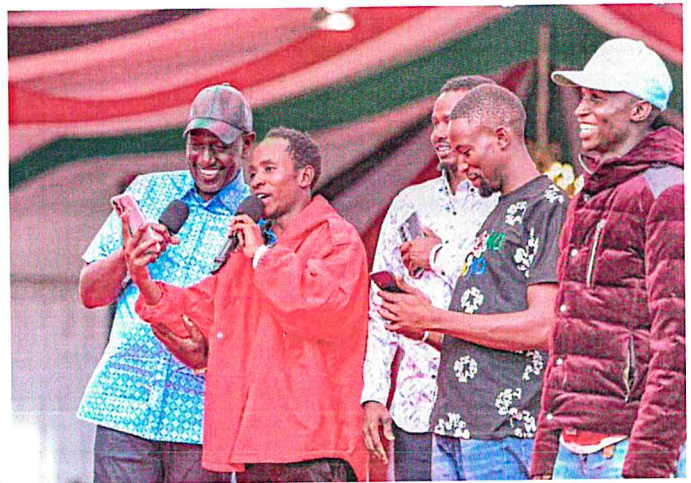


## 2. Transforming the Micro, Small and Medium Enterprise (MSME) Economy

The Government recognizes MSMEs as key drivers of economic growth and jobs, but the sector continues to face challenges such as limited affordable credit, high interest rates, restrictive regulations, inadequate infrastructure, weak market access, and low technical capacity. To address these challenges, **Ksh 5.4 billion** has been allocated to supporting access to Finance and Enterprise Recovery-SAFER; **Ksh 4.9 billion** to the National Youth Opportunity Towards Achievement -NYOTA; **Ksh 1.1 billion** for Rural Kenya Financial Inclusion Facility; **Ksh 550 million** for the Centre for Entrepreneurship Project; and **Ksh 761.0 million** for the Youth Enterprise Development Fund.



President William Ruto tours exhibition stands during the 25th EAC MSMEs Trade Fair at Uhuru Gardens, Nairobi, on 7 November 2025,



The launch of the NYOTA Project at the Moi Sports Centre, Kasarani on 19 January 2026



### 3. Housing and Settlement

The Government is committed to expanding access to decent and affordable housing for low- and middle-income households, with the aim of reducing the national housing deficit while stimulating broad-based economic growth through construction-led employment and industrial development.

Some key allocations in FY 2026/27 budget include:

<b>Ksh 50.6 billion</b>	Construction of Affordable Units;
<b>Ksh 20.9 billion</b>	Construction of Social Housing Units;
<b>Ksh 18.6 billion</b>	Kenya Urban Programme;
<b>Ksh 18.2 billion</b>	Social and Physical Infrastructure;
<b>Ksh 2.7 billion</b>	Kenya Informal Settlement Improvement Project – Phase II;
<b>Ksh 2.4 billion</b>	Regulation and Development of the Construction Industry; and
<b>Ksh 535 million</b>	Construction of County Headquarters.



955-unit Starehe Affordable Housing Project in Nyahururu Town, Laikipia West Constituency



President William Ruto hands over completed Affordable Housing units in Mukuru, on 16 September 2025



### 4. Affordable Healthcare to All

To advance Universal Health Coverage (UHC), the Government has allocated resources to the health sector in FY 2026/27 to enhance access to quality and affordable healthcare services. Key allocations include:

<b>Ksh 19.1 billion</b>	Primary Healthcare Fund;
<b>Ksh 18.5 billion</b>	Global Fund (HIV, Malaria, TB);
<b>Ksh 9.3 billion</b>	Provision for Health Interns;
<b>Ksh 8.6 billion</b>	Universal Health Coverage;
<b>Ksh 6.4 billion</b>	Vaccines Programme;
<b>Ksh 4.8 billion</b>	Building Resilience and Responsive Health System Project;

**Ksh 3.8 billion** Reproductive, Maternal, Neonatal Child & Adolescent Health Communities;  
**Ksh 3.6 billion** Community Health Promoters;  
**Ksh.3.0 billion** Emergency, Chronic and Critical Illness Fund;  
**Ksh 2.0 billion** Construction of New 2000 Bed Multi-Specialty MTRH;  
**Ksh 1.5 billion** Construction and Strengthening of Cancer Centers; and  
**Ksh 430.4 million** Health Insurance Subsidy Program for Orphans Vulnerable Children.



Jaramogi Oginga Odinga Teaching and Referral Hospital dental and theatre team



CS Aden Duale, alongside Vihiga Governor presided over the signing of the SHA Public Officers Medical Scheme in Vihiga County on 15 September 2025



## 5. Digital Superhighway and Creative Economy

The Government continues to prioritize the Digital Superhighway and Creative Economy to enhance productivity and competitiveness. Investments in ICT infrastructure and internet connectivity will drive digital inclusion, while the creative sector will create jobs, empower youth, and support economic growth.

This thematic area has an allocation of **Ksh 8.6 billion** in the FY 2026/27. Allocations include:

**Ksh 4.3 billion** Kenya Digital Economy Acceleration Project;  
**Ksh 1.1 billion** Digital Superhighway and Government shared services;  
**Ksh 1.3 billion** Maintenance & Rehabilitation of NOFBI II Cables & Expansion Cable;  
**Ksh 528 million** Maintenance & Rehabilitation of Last Mile County Connectivity Network;  
**Ksh 280 million** Electronic Government Procurement (e-GP) system; and  
**Ksh 210 million** Konza data Center & Smart City Facilities.



Completed infrastructure and facilities within Konza Technopolis

## OTHER KEY ALLOCATIONS TO THEMATIC AREAS

### A. Improving National Security

The Government recognizes that a stable and secure environment is essential for attracting investment, promoting trade, and sustaining economic growth. Recognizing this critical role, **Ksh 557.0 billion** has been allocated in the FY 2026/27 to support operations of the National Police Service, Defence, the National Intelligence Service, Prison Services and Internal Security. Other proposed allocations include:

<b>Ksh 13.0 billion</b>	Lease Financing of Police Motor Vehicles;
<b>Ksh 7.0 billion</b>	Police Modernization Programme; and
<b>Ksh 1.3 billion</b>	Construction and Modernization of National Forensic facilities.



Kenya Defence Forces soldiers from the School of Infantry graduation ceremony in Isiolo County on 19 April 2026.



The Commander, Kenya Army, presided over the official flag-off of converted operational technical vehicles at Kahawa Garrison on 3 March 2026.

### B. Supporting Manufacturing Sector for Productivity and Job Creation

To support industrial growth and enhance local manufacturing, **Ksh 16.7 billion** has been allocated through various Ministries, Departments, and Agencies in FY 2026/27.

Key proposed allocation to the sector include:

<b>Ksh 4.2 billion</b>	Dongo Kundu Special Economic Zone;
<b>Ksh 2.6 billion</b>	Establishment of County Integrated Agro-Industrial Parks;
<b>Ksh 2.5 billion</b>	Coffee debt wavier and Coffee Cherry Revolving Fund;
<b>Ksh 1.1 billion</b>	Coffee Seedlings Programme and Coffee Industry Revitalization;
<b>Ksh 902 million</b>	Flagship EPZ Hubs and Development of Athi River Textile Hub; and
<b>Ksh 604 million</b>	Development of SEZ Textile Park Naivasha.



Ongoing construction works at Kabati Export Processing Zone (EPZ) in Murang'a County, in 2026



Ewaso Ng'iro Tannery in Narok

## C. Infrastructure Development for Inclusive Growth

### Road Construction

The Government will continue to invest in transportation networks in roads to reduce travel time and logistics costs, making markets more accessible and facilitating the movement of goods and people.

Towards this end, **Ksh 220.4 billion** has been allocated in the FY 2026/27 to maintain, rehabilitate and construct roads and bridges. This includes:

<b>Ksh 118.1 billion</b>	Maintenance of Roads;
<b>Ksh 58.0 billion</b>	Rehabilitation of Roads; and
<b>Ksh 44.3 billion</b>	Construction of Roads and Bridges.



Ongoing upgrading of the Ainapsetan–Chepterwai Road in Nandi County



President William Ruto officially launching the Rironi–Mau Summit Road on 28 November 2025

### Rail, Sea and Air Transport

The Government is strengthening national connectivity through strategic investments in rail and port infrastructure to support transport, trade and drive economic growth. To improve rail transport and construction of ports, the following allocations have been proposed in the FY 2026/27:

<b>Ksh 38.1 billion</b>	Railway transport and Infrastructure;
<b>Ksh 3.8 billion</b>	Flood Mitigation Works;
<b>Ksh 1.4 billion</b>	Revitalization & Construction of Voi-Taveta of Transshipment facility; and
<b>Ksh 1.0 billion</b>	Landing Ramp at Mbita & Sena.



Presidents William Ruto and Yoweri Museveni jointly presided over the launch of the Standard Gauge Railway expansion to Uganda on 28 November 2025,



MV Uhuru I at the Port of Kisumu during the inaugural coal shipment from Tanzania in April 2026,

## Reliable Energy Supply

The Government will continue to expand access to electricity and increase power generation through investments in grid connectivity, off-grid solutions, and renewable energy projects. To support these efforts, **Ksh 30.9 billion** has been allocated to the sector in FY 2026/27 as follows:

<b>Ksh 20.2 billion</b>	Rural Electrification;
<b>Ksh 7.5 billion</b>	National Grid System; and
<b>Ksh 3.2 billion</b>	Alternative Energy Technologies.



35MW Orpower 22 Geothermal Power Plant at Menengai, Nakuru County.



Olkaria Wellhead Generation Plants

## D. Environmental Protection, Water and Natural Resources

To promote environmental sustainability, enhance the management of natural resources, and strengthen climate change resilience, the following allocations have been set aside in the FY 2026/27 budget:

<b>Ksh 70.4 billion</b>	Expand Access to Clean and Adequate Water for Domestic and Agricultural Use;
<b>Ksh 15.1 billion</b>	Wildlife Security, Conservation and Management;
<b>Ksh 13.4 billion</b>	Forests Resources Conservation and Management;
<b>Ksh 8.9 billion</b>	Kenya Financing Locally Led Climate Action Project;
<b>Ksh 4.6 billion</b>	Environment Management and Protection;
<b>Ksh 3.2 billion</b>	Tree Growing Campaign and Rangeland Restoration;
<b>Ksh 2.5 billion</b>	National Solid Waste Management;
<b>Ksh 1.8 billion</b>	Meteorological Service;
<b>Ksh 1.7 billion</b>	Forests Research and Development; and
<b>Ksh 1.2 billion</b>	Wildlife Research and Development.

## E. Sustained Investment in Social Services for the Welfare of Kenyans

### Quality and Relevant Education

The education sector is critical to economic development, enhancing human capital, innovation, and productivity. Continued investment in skills development, scientific training, and innovation has improved access, quality, and learning outcomes.

Key allocations in FY 2026/27 include:

**Ksh 408.5 billion**  
**Ksh 96.4 billion**  
**Ksh 61.6 billion**  
**Ksh 30.9 billion**  
**Ksh 8.2 billion**  
**Ksh 7.3 billion**  
**Ksh 7.1 billion**  
**Ksh 5.9 billion**  
**Ksh 4.9 billion**  
**Ksh 4.7 billion**  
**Ksh 4.1 billion**  
**Ksh 4.0 billion**  
**Ksh 3.0 billion**

Teachers Service Commission;  
 Higher Education Loans Board (HELB) and Other Scholarships;  
 Free primary and Day Secondary Education;  
 Junior Secondary School Capitation;  
 Provision for Intern Teachers;  
 Technical Vocational Education Training;  
 Kenya Primary Education Equity in Learning;  
 University Education- Ongoing Projects;  
 Conversion of 20,000 Intern Teachers to P&P w.e.f 1st January, 2027;  
 Kenya Secondary Education Quality Improvement Project;  
 Infrastructure Development in Primary and Secondary Schools;  
 Higher Education Science, Technology and Research; and  
 School Feeding Programme.



The commissioning of a newly build multi-storey academic block at the Kenya Coast National Polytechnic in Mombasa, 24 February 2026



The 64th Kenya National Drama and Film Festival State Concert held at State House, Nairobi on 17 April 2026

### ***Protection for Vulnerable Groups***

The Government remains committed to implementing programmes that support and safeguard vulnerable groups in society. In FY 2026/27, **Ksh 41.8 billion** has been allocated towards social protection and affirmative action initiatives. Key allocations include:

<b>Ksh 24.6 billion</b>	Cash Transfers to Elderly Persons;
<b>Ksh 8.9 billion</b>	Cash Transfers to Orphans and Vulnerable Children;
<b>Ksh 4.3 billion</b>	Kenya Hunger Safety Net Programme;
<b>Ksh 1.5 billion</b>	Cash Transfer to Persons with Severe Disability;
<b>Ksh 1.1 billion</b>	Child Welfare Society of Kenya;
<b>Ksh 685 million</b>	National fund for the Disabled and Persons with Disabilities;
<b>Ksh 229.9 million</b>	Street Families Rehabilitation Trust Fund;
<b>Ksh 200 million</b>	Support for Albinism and Autism;
<b>Ksh 165.6 million</b>	National Drought Emergency Fund; and
<b>Ksh 100 million</b>	Presidential Bursary for the Orphans.

## Equity, Poverty Reduction, Women and Youth Empowerment:

To empower the youth and support businesses owned by youth and women, **Ksh 110.2 billion** has been allocated in FY 2026/27 for these initiatives:

<b>Ksh 12.5 billion</b>	National Youth Service;
<b>Ksh 4.9 billion</b>	National Youth Opportunity Towards Achievement (NYOTA);
<b>Ksh 2.4 billion</b>	Kenya Jobs Economic Transformation (KJET);
<b>Ksh 1.6 billion</b>	Youth Employment Support Programme;
<b>Ksh 401.7 million</b>	Women Enterprise Fund;
<b>Ksh 106.7 million</b>	Eradicate FGM by 2030;
<b>Ksh 100 million</b>	Youth Employment and Enterprise (Uwezo Fund); and
<b>Ksh 80 million</b>	Youth Empowerment Centers.



NYOTA Project conducts Awareness and Screening Exercise in Athi River. The exercise, held from 27-31 January 2026



MSEA Empowers Youth Enterprise Groups in Meru with Business Toolkits on 1 May, 2026

To promote regional equity, reduce poverty and enhance social development, the FY 2026/27 budget has set aside:

<b>Ksh 61.8 billion</b>	National Government Constituency Development Fund (NG-CDF);
<b>Ksh 10.3 billion</b>	Equalization Fund; and
<b>Ksh 4.9 billion</b>	National Government Affirmative Action Fund (NG-AAF).



Projects Financed by the National Government Constituency Development Fund in FY 2025/26

## F. Continued Support to Counties for Enhanced Service Delivery

The National Government remains committed to supporting County Governments to ensure the success of devolution.

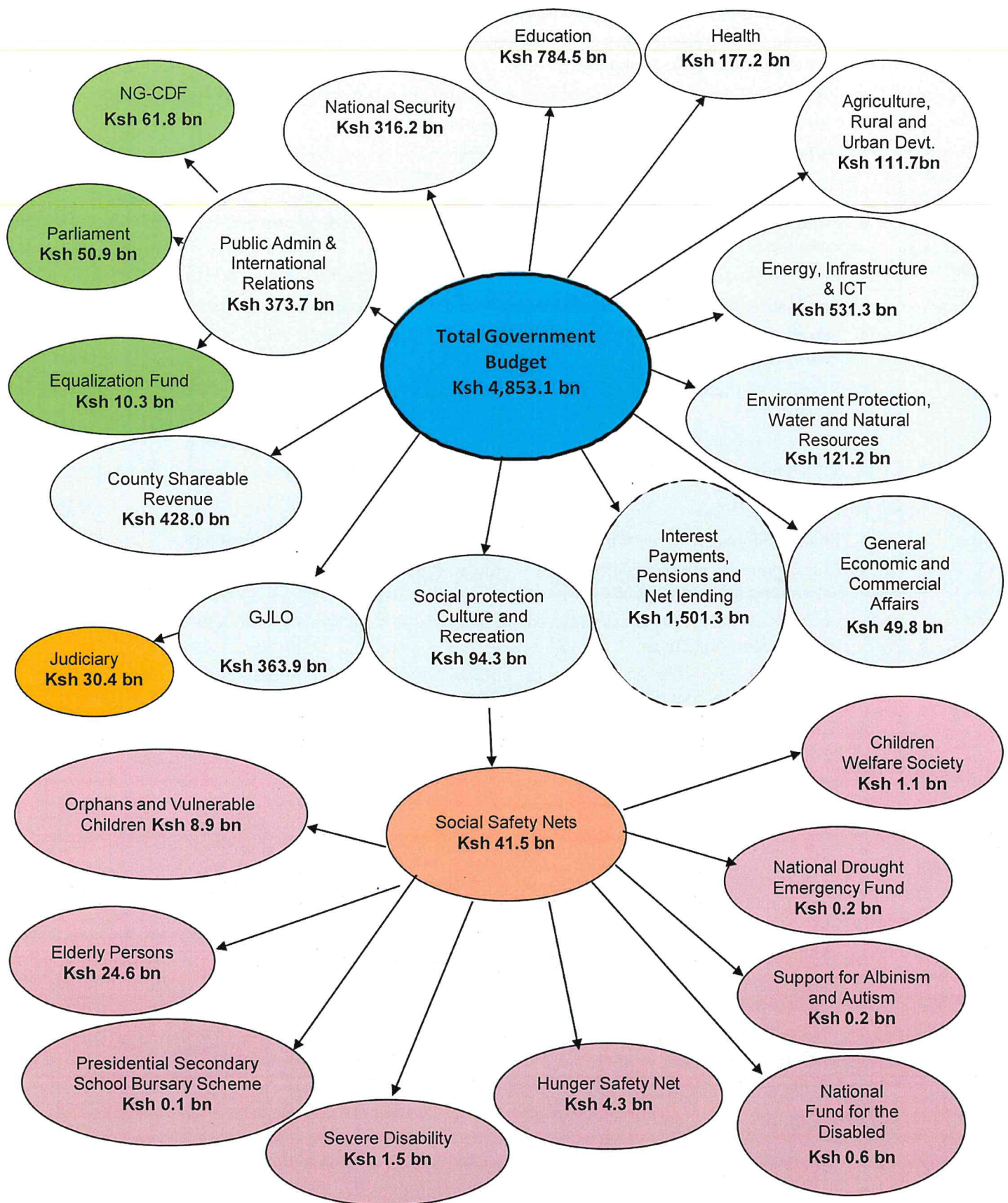
In the FY 2026/27, County Governments have been allocated **Ksh 502.0 billion**, which comprises of:

- **Ksh 428.0 billion** from the equitable share of revenue raised nationally. This is equivalent to **21.0% percent** of the actual revenues raised nationally for FY 2022/23.
- **Ksh 16.6 billion** as additional conditional allocations from the National Government share of revenue.
- **Ksh 57.4 billion** as conditional allocation from the Development Partners.

### *Allocation of the Ksh 428.0 billion Equitable share for each County Government*

County	Equitable Share (Ksh billion)	County	Equitable Share (Ksh billion)	County	Equitable Share (Ksh billion)
Baringo	7.3	Kisumu	9.2	Narok	10.1
Bomet	7.7	Kitui	11.9	Nyamira	6.3
Bungoma	12.2	Kwale	9.3	Nyandarua	6.9
Busia	8.2	Laikipia	6.3	Nyeri	7.1
Elgeyo-Marakwet	5.7	Lamu	4.0	Samburu	6.5
Embu	6.3	Machakos	10.5	Siaya	8.0
Garissa	9.2	Makueni	9.2	Taita-Taveta	5.9
Homa-Bay	8.9	Mandera	12.6	Tana-River	7.4
Isiolo	5.8	Marsabit	8.4	Tharaka-Nithi	5.2
Kajiado	9.2	Meru	10.9	Trans-Nzoia	8.2
Kakamega	14.1	Migori	9.2	Turkana	14.3
Kericho	7.4	Mombasa	8.7	Uasin-Gishu	9.3
Kiambu	13.5	Murang'a	8.2	Vihiga	6.2
Kilifi	13.2	Nairobi City	22.1	Wajir	10.8
Kirinyaga	6.3	Nakuru	14.9	West Pokot	7.2
Kisii	10.1	Nandi	8.0		

# PUBLIC EXPENDITURE TRACKING



# SUMMARY OF PROPOSED TAX MEASURES

## Value Added Tax Measures

- ◆ VAT on mitumba to be charged only at importation, with local sales exempt from VAT.
- ◆ Increase of the passenger baggage duty free threshold from USD 300 to USD 2,000 to enhance relief for travelers and reflect inflation.
- ◆ VAT exemption for large commercial aircraft and aircraft spare parts to support the aviation sector.
- ◆ Dialyzers exempt from VAT to lower cost of renal treatment.
- ◆ VAT exemption for PPP projects and scrap metal.

## Income Tax Measures

- ◆ Exemption from Capital Gains Tax and Stamp Duty on transfers of property into approved Real Estate Investment Trusts to boost investment.
- ◆ Corporate tax rate applicable to non-resident petroleum contractors reduced from 37.5% to 30%.
- ◆ Application of 15% tax on repatriated income for the petroleum contractors clarified.
- ◆ Introduction of a simplified framework for taxation of rental income earned by non-resident landlords.
- ◆ Revision of timelines for filing individual income tax returns to improve validation and administration of returns.
- ◆ 20% withholding tax on winnings arising from lotteries and prize competition.
- ◆ 1.5% withholding tax on payments to scrap metal dealers/sale of scrap metal.

## Excise Duty Measures

- ◆ Removal of excise duty on bottled water to improve affordability for consumers.
- ◆ Change mobile phone taxation to have only a single excise duty rate of 25% charged at the point of activation and no other taxation.
- ◆ Increase in excise duty on sugar sweetened beverages from KSh 14.14 to KSh 20 per litre to support public health objectives.
- ◆ Application of a 10% excise duty on both imported and locally manufactured plastic articles to promote environmental sustainability and ensure equitable tax treatment across the sector.
- ◆ Excise duty on Extra Neutral Alcohol reduced from KSh 500 per litre to KSh 80 per litre.
- ◆ Preferential Excise duty rate of KSh 10 per centilitre of pure alcohol for small independent brewers removed for fairness in taxation.

## Custom Duty

- ◆ Duty free importation of inputs for assembly of smart telecommunication devices;
- ◆ Duty free importation of raw materials for manufacture of motorcycle parts, with motorcycle CKD kits attracting a 10% duty remission rate.
- ◆ Importation of finished textile products at 35%, or 25% plus a corresponding specific duty rate where applicable, to protect local textile manufacturers.
- ◆ Importation of selected processed agricultural products at 35% to support local industry and employment.
- ◆ Wheat to be imported at 10% under Duty remission instead of 35%, and rice will be imported at 35% instead of 75%.
- ◆ Import duty exemption for PPP projects.

## Miscellaneous Fees and Levies

- ◆ IDF and RDL Exemption for mobile phones to improve affordability and access to digital services.
- ◆ Exemption of large commercial aircraft and aircraft parts from IDF and RDL to support aviation.

# Public Participation and Engagement



CS Mbadi engaging students across the country on FY 2026/27 Budget and Finance Bill, 2026 in Kajiado on 14th May 2026



CS Mbadi addressing the private sector players at the 9th East Africa Venture Capital Association Annual Conference on 4th Sept 2026



CS Mbadi holding a Town Hall Meeting at the University of Nairobi, on 20th May 2026



CS Mbadi leading public participation on Privatization and FY 2026/27 Budget in Uasin Gishu County on 18th January 2026



CS Mbadi leading public participation on Privatization and FY 2026/27 Budget in Migori County on 16th January 2026



CS Mbadi engaging with members of Bunge la Wananchi at Jeevanjee Gardens on the Finance Bill 2026 on 26th May 2026

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*Matumizi Bora ya Fedha Wajibu Wetu*

