

Kenya’s President Kenyatta slides towards landslide re-election defeat

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Swimming against a strong tide of unfavorable new voter demographics, rising public discontent over public corruption, stagnating wages, rising inflation, and a mismanagement of relations with local governors, the Judiciary and Electoral Commission, Kenya’s 55-year old multimillionaire President Uhuru Kenyatta and his often cantankerous deputy, 50-year old William Ruto are very likely headed towards a landslide re-election defeat on August 8. Facing a united opposition which has re-branded itself as a calmer mature alternative, Kenyatta and Ruto are dogged by strong local perceptions of unbridled arrogance, elitist detachment, intemperance, impish immaturity and airs of self-entitlement. Kenya’s 72 year old veteran opposition leader Raila Odinga has successfully marketed himself as a calm, grounded, mature and humble alternative to Kenyatta.

The united opposition alliance led by the 4 key veteran politicians: 72-year old Raila Odinga, 63-year old Kalonzo Musyoka, 56-year old Musalia Mudavadi and 60-year old Moses Wetangula, who together represent many of the key ethnic groups at play in the election are poised to rout the ruling party. Previously the opposition had always splintered along ethnic lines ahead of key national races. This time around it is rather the ruling party that has descended into factional infighting.

Kenya’s New Voters Concentrated in Opposition Strongholds

	2009 Census for 2013 Polls	Elections Register @ Dec 2012	Elections Register @ Dec 2016	Change in Voter Register (2012-2016)	Province as % of New Total Voters
Rift Valley	10,006,805	\$ 3,373,853	3,757,776	\$ 383,923	26%
Eastern	5,668,123	\$ 2,092,883	2,363,156	\$ 270,273	18%
Nyanza	5,442,711	\$ 1,954,756	2,226,671	\$ 271,915	19%
Central	4,383,743	\$ 2,190,477	2,398,815	\$ 208,338	14%
Western	4,334,202	\$ 1,434,987	1,616,518	\$ 181,531	12%
Coast	3,325,307	\$ 1,164,083	1,198,216	\$ 34,133	2%
Nairobi	3,138,369	\$ 1,778,903	1,868,551	\$ 89,648	6%
North Eastern	2,310,757	\$ 347,457	376,818	\$ 29,361	2%
	38,610,017	14,337,399	15,806,521	1,469,122	
				10%	

Source: Independent Electoral and Boundaries Commission/DaMina Advisors

Of the nearly 1.5 million new voters added to the Kenyan electoral rolls since the last elections in 2013, a large majority hail from well-known opposition strongholds, setting up a major demographic

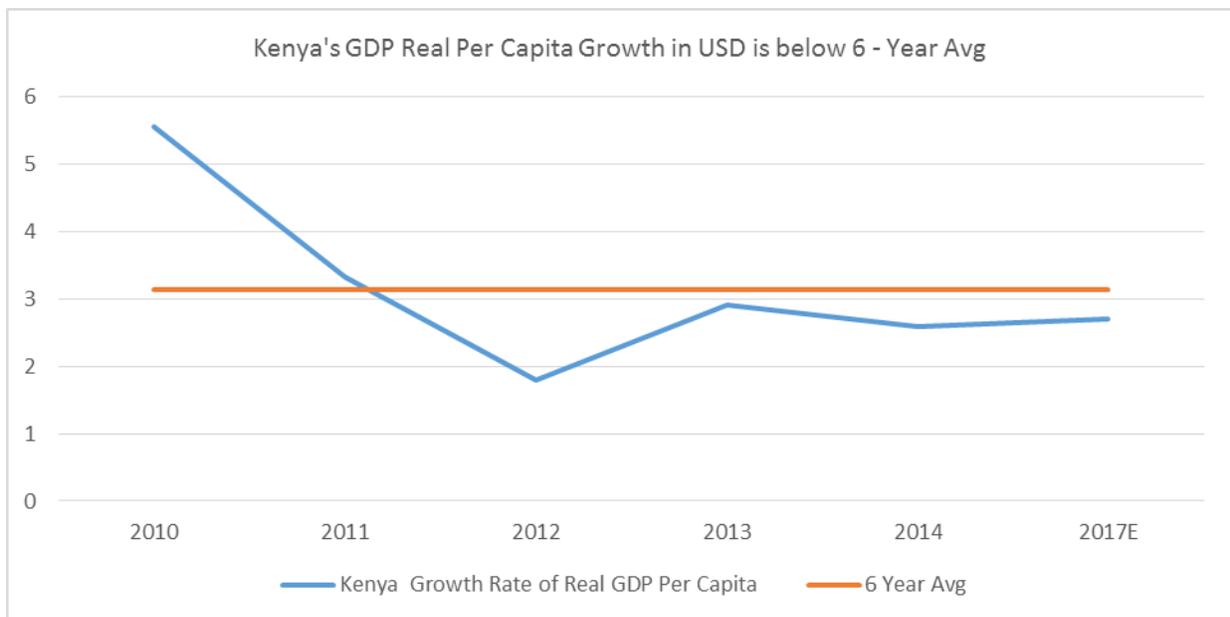
challenge to Kenyatta's reelection bid. Electoral violence in the heavily contested Rift Valley is inevitable.

A Kenyatta defeat will follow a growing pattern of youthful incumbents turned out of office in Ghana (2016) and in Nigeria (2015) for much older opposition leaders.

Kenyatta's woes can be categorized into three distinct challenges: political incompetence, rising wage stagnation and a somewhat intemperate personality.

Firstly, Kenyatta and Ruto after winning a disputed election in 2013 have failed to maintain cohesion within their ranks. Both have feuded endlessly with local governors and key local politician especially in the voter rich Rift Valley. According to the country's national electoral commission since the 2013 polls, the national electoral register has increased by 10% in new voters totaling over 1.4 million. However, a majority of these new voters are registered in provinces where the opposition won, such as Nyanza or the Eastern province, or in the highly contested Rift Valley province where the ruling party alliance support base has weakened considerably as Deputy President Ruto has feuded with the powerful Moi family, and the local governor who control the politics of the area. To exploit this opening, opposition leader, Odinga, earlier this year picked Musyoka, a respected politician from the Rift Valley as his running mate.

Secondly, in Kenyan Shilling terms while Kenya's GDP has grown during the Kenyatta years, in inflation adjusted US Dollar terms, the country's real per capita GDP has actually fallen. The real effects of this dichotomy is that while the government points to GDP numbers to argue that the country's economy has performed well and therefore its electoral mandate ought be renewed, in real per capita terms the average Kenyan has witnessed diminished economic welfare under President Kenyatta. Kenya situation, is not unlike what happened in Ghana in 2016 or in Nigeria in 2015 where government's remain focused on large infrastructure projects that boosted overall aggregate GDP numbers, without necessarily boosting consumer spending components of GDP.



Source: UN Stats/DaMina Advisors

Finally, Kenyatta and Ruto's somewhat intemperate personalities have seen them often over-react to political provocations by the opposition in recent years in ways increasingly seen by many middle class

voters as petulant, thin skinned and lacking in calm maturity. With the four key leaders of the opposition alliance averaging about 63 years of age matched against an incumbent president and his deputy who average 53 years - a whole decade younger, the majority of Kenyans are poised on August 8, 2017 to swap youthfulness in Kenyatta for plodding maturity in Odinga.

A defeat for Kenyatta, and a win for Odinga will not see a radical shift in Kenyan public policy, but a re-orientation of the country towards a more statist economic interventions, away from the general laissez-faire approach of Kenyatta. Odinga also promises to introduce more constitutional amendments to further deepen the country's political devolution. With Tanzania's nationalist president making waves in the region with his very domestically oriented nationalist policies, a President Odinga may be tempted to follow suit.

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