Impact of energy price liberalization on economic growth in Kenya

by

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Abstract

Energy is an important component of the economy and its price affects its demand, supply and use. The use of energy is enclosed in the production function that leads to economic growth. Kenya has placed some reforms to stabilize and promote fair price and efficiency of energy in the economy. The findings of this study will elaborate on how the energy and economic growth of Kenya relate and the effect of energy price liberalization.

Application and significance of the study

This study explores the impact of energy price liberalization on economic growth in Kenya. By doing this, it will provide more empirical evidence on the energy and economic growth literature especially in relation to Kenya. By checking this effect, it will also provide more information on the magnitude of such relationships i.e. between energy and economy growth. The findings that will be got from this study will be useful to stakeholders in the energy sector and interested investors. Policy makers would also find this study important to them in formulating and reviewing existing energy and economic policies. The estimates from this study will also be important in identifying constraints that affect different components of the economy on the energy side and on the growth side. Given that energy is a fundamental component of Kenya’s Vision 2030, the findings of this study will be important in assessing the effectiveness of energy policies that have been implemented by stakeholders in the energy sector.