

Business Management: Industry Analysis: Transport Sector

E-Mobility in Kenya: Impact of EV transition on key transport sector players

Kenya's EV transition is reshaping the transport sector, disrupting traditional business models and creating new opportunities. Stakeholders who adapt proactively stand to capture these opportunities, while those who delay may face gradual but structural decline.

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Kenya's transport sector is at a turning point. As electric vehicles gain traction globally, the local effects are beginning to be felt across the entire transport value chain — from fuel retailers to mechanics, from vehicle assemblers to car dealerships. This report examines how the electric vehicle (EV) transition is reshaping the competitive landscape for key players in Kenya's transport sector, identifying who faces disruption, who stands to benefit, and what strategic responses are available.

The analysis covers seven stakeholder categories: oil marketers and petrol stations, spare parts manufacturers and vendors, garages, vehicle assemblers, car dealerships, electricity utilities, and government.

1. Oil marketers/petrol stations

We expect these businesses to be most affected. As of June 2025, there were 146¹ oil marketing companies (OMCs) involved in the marketing, sale, and distribution of oil. Although the effects will not be felt very soon due to the slow adoption in Kenya, in 10 to 20 years, the difference will be visible. As the use of petrol/ diesel vehicles dwindles, so will the need for fuel.

The 5,353² petroleum and gas stations are also going to be affected. This will necessitate the installation of charging stations on their premises. For example, in 2024, TotalEnergies Kenya installed about 13 electric vehicle charging stations in Kenya. In 2026, it has gone further and collaborated with Ampersand, Arc Ride and Roam to set up 28 electric mobility sites that offer battery charging and swapping

services for electric motorcycles and 2 charging stations for electric vehicles.

However, considering the size of charging stations, which can be installed anywhere (malls, parking lots, and homes), petrol stations face stiff competition from other players. Charging duration ranges from 20 minutes to 4 hours³, which means petrol stations may need to install fast DC charging systems to serve more people.

2. Spare part manufacturers and vendors

Currently, there are over 23 automotive part manufacturers in Kenya that sell parts to vehicle assemblers and the secondary market. These spare part manufacturers and vendors may be forced to gradually change their business model and shift to manufacturing and selling EV parts. Aside from their product offerings, manufacturers and vendors will be impacted in other aspects. The high-turnover, high-margin parts like filters, belts, gaskets, spark plugs, clutch plates, etc., that sustain spare parts manufacturing have no equivalent in an EV. Manufacturers who have built their production lines and supplier relationships around these ICE components are bound to face shrinking order books. Secondly, most EV components, particularly batteries, power electronics, and motor assemblies, are manufactured by Original Equipment Manufacturers (OEMs) or specialist suppliers, leaving little room for the aftermarket manufacturers.

For vendors, the increased adoption of EVs will result in reduced inventory and sales volumes as combustion vehicles normally consist of many parts compared to EVs (close to 20 parts only⁴).

¹ Energy and Petroleum Regulatory Authority. (2025). Energy & petroleum statistics report for the financial year ended 30th June 2025. EPRA. <https://www.epra.go.ke/sites/default/files/2025-09/Statistics-Report-June-2025-Web.pdf>

² Energy and Petroleum Regulatory Authority. (2025). Energy & petroleum statistics report for the financial year ended 30th June 2025. EPRA. <https://www.epra.go.ke/sites/default/files/2025-09/Statistics-Report-June-2025-Web.pdf>

³ Surrey County Council. (n.d.). Item 11: EV charging bays – Annex C. <https://mycouncil.surreycc.gov.uk/documents/s68143/Item%2011%20EV%20Charging%20Bays%20Annex%20C.pdf>

⁴ Korolov, O. (2026). How reliable are electric cars? The Electric Car Scheme. <https://www.electriccarscheme.com/blog/how-reliable-are-electric-cars>

There is also the fact that most EV parts do not require frequent replacement. The major parts that require replacement would be external parts such as the windscreen, mirrors, lights, etc.

To adapt, motorcycle spare part vendors can tap into the battery swapping business to offer motorcycle riders the ability to swap a depleted battery for a charged one. This will increase the revenue streams while directly addressing the range anxiety and downtime concerns that have slowed EV adoption in other segments.

However, Kenya's vehicle fleet largely consists of second-hand imports, and the transition to EVs will take years to meaningfully shift fleet composition. As a result, spare parts manufacturers and vendors serving ICE vehicles will remain relevant for the medium term. But these businesses will need to start planning now in order to properly position themselves as these changes take place.

3. Garage business

The Kenya Motor Repairers Association (KEMRA) has over 168⁵ members. Although they may not end up shutting down entirely, they may experience a hit on revenue. Additionally, the maintenance jobs done on the EVs are not as lucrative because EVs have fewer moving parts, which experience less wear compared to combustion vehicles.

To adapt to these changes, mechanics will have to be trained on how EVs operate to remain relevant in the market. Mechanics will need proficiency in advanced diagnostic tools that are used to evaluate battery health and efficiency. They'll also need to understand how to carry out routine checks on cooling systems, voltage balancing, and the battery management system software.

4. Vehicle assemblers

E-mobility adoption may disrupt ICE vehicle production businesses. This is because electric vehicles have very few components compared to ICEs, such as systems related to liquid fuel and exhaust. This will affect jobs, and businesses will need to restructure their systems, which may include re-skilling their employees to be able to master electric vehicle operations. A 2015 study⁶ in Germany suggested that a potential ban on new conventional vehicles would affect an estimated 7.5% of overall manufacturing employment in Germany and approximately 426,000 workers in the domestic automotive industry. On the positive side, a study⁷ by the European Association of Electrical Contractors estimated that about 200,000 new jobs would be created due to electromobility by 2030, 24% coming from the car manufacturing sector.

Most assemblers in Kenya have focused on light commercial vehicles, medium-heavy vehicles, and heavy commercial vehicles and therefore may not be affected soon due to the slow adoption of the electric versions of these types of vehicles.

In order to adapt, car assemblers can begin with the conversion of ICEs to EVs, like Opibus did. Opibus was charging a minimum of about USD 40,000 for Toyota Land Cruiser and Land Rover. However, this is costly due to the price of the battery and other parts and may discourage buyers. Alternatively, local manufacturers and assemblers can also aim for 2 and 3-wheelers

⁵ Kenya Motor Repairers Association. (n.d.). Kenya Motor Repairers Association. <https://kemra.co.ke/>

⁶ World Bank. (2018). Electric mobility and development: An engagement paper from the World Bank and the International Association of Public Transport. World Bank Group.

<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/193791543856434540>

⁷ AIE – European Association of Electrical Contractors. (2020). Powering a new value chain in the automotive sector: The job potential of transport electrification. <https://europe-on.org/wp-content/uploads/2020/02/EuropeOn-Powering-a-new-value-chain-in-the-automotive-sector-the-job-potential-of-transport-electrification.pdf>

as a start in the manufacturing of electric vehicles, as they require less investment compared to electric vehicles.

In September 2025, a UAE company, Aquilastar Corporate Investment, broke ground on an EV assembly facility in Nakuru, inside the Olkaria Green Energy Park, which is expected to produce about 50,000 units per year. Additionally, TAD Motors, which is focused on assembling affordable passenger EVs from Chinese-sourced components, was also launched in November 2025. It currently has 5 car models: Dhahabu, Azizi, Amani, Fahari, and Makena.

5. Car dealerships

Car dealerships are likely to have normal operations as they can opt for any vehicles to stock based on demand. However, a major challenge may be staff who lack a complete understanding of the vehicles due to their novelty and limited knowledge of e-mobility products. In addition, according to a study⁸, factors such as lack of training and a disadvantageous commission structure for selling EVs negatively influence the interest among vehicle salespeople to sell EVs.

In Kenya, there are several car dealers selling EVs, such as Caetano Kenya, which is the official Hyundai car dealer in the country. In September 2021, it announced the arrival of its first new electric vehicle, known as the Hyundai KONA Electric. Since then, different car models have been introduced into the Kenyan market, such as Nissan Leaf (most popular), BYD Dolphin, and Neta-V, among others.

6. Electricity utility companies

The increase in electric vehicles will shift consumption from fuel to electricity and will be beneficial to the industry players, such as Kenya Power and Lighting Company (KPLC), KenGen, and other power producers. KPLC and KenGen have both taken significant steps to position themselves in the growing electric mobility space.

KPLC is actively investing in electric vehicle infrastructure to support the country's transition to cleaner transport. In 2023, it launched an e-mobility tariff. This tariff offers electricity at a discounted rate of KES 8 per kWh during off-peak hours and KES 16 per kWh during peak hours. In 2024–2025, the company rolled out its first public EV charging station at Stima Plaza, Nairobi, equipped with both DC and AC chargers. By mid-2025, KPLC had installed an additional nine stations at its regional offices and unveiled plans to deploy 45 EV chargers across six counties, including key locations such as Jomo Kenyatta International Airport.

Meanwhile, KenGen launched its own e-mobility pilot in 2022. Starting with four electric vehicles—two SUVs and two pickup trucks—the utility is collecting usage and performance data to inform a long-term electrification strategy. In parallel, KenGen began setting up more than 30 EV charging stations, initially for internal use, at locations including Nairobi, Naivasha, Murang'a, Embu, and Kisumu.

These initiatives reflect a broader strategy by both utilities to diversify their revenue streams, reduce transport emissions, and play a central role in the development of Kenya's e-mobility ecosystem. Despite the great prospects, the low reliability of power may limit KPLC's ability to fully supply the sector with power. It may lead to further encouragement of independent power generation, where businesses with charging stations will have their solar power

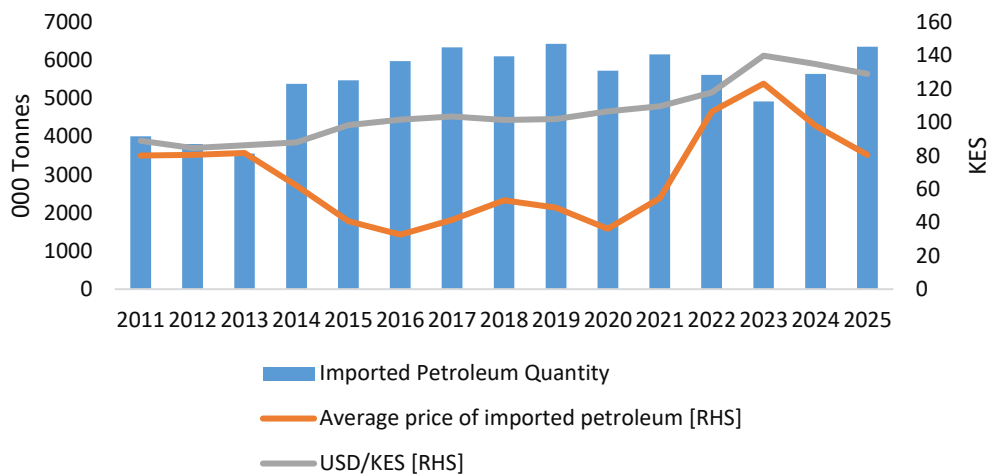
⁸ Jonas Hagman & Johan J. Stier. (2022). Selling electric vehicles: Experiences from vehicle salespeople in Sweden. *Research in Transportation Business & Management*, 45, Article 100882. <https://doi.org/10.1016/j.rtbm.2022.100882>

systems installed on their premises, such as what Nopea Ride and Drivelectric are currently doing.

7. Government

The Kenyan government suffered, especially between 2022 and 2023, from the effects of the rise in fuel prices caused by the escalating international oil prices, high demand for oil, and the fluctuating Kenyan currency against the major international currencies, which led to a high import bill. In 2022, petroleum products accounted for 24% of the total import bill (the highest level in the past 10 years). There was a recovery in 2025 as the total petroleum import bill dropped by 15.6% from KES 606 bn in 2023 to KES 511 bn as a result of lower global petroleum prices and a strengthening of the Kenyan Shilling against the US Dollar.

Figure 1: Imported petroleum quantity and prices and USD/KES



Source: KNBS economic survey

By shifting to EVs, the country can gradually move away from heavy reliance on fuel imports that in 2025 accounted for about 18% of the total import bill and shift to dependence on the locally generated resources (electricity). Kenya has made progress on the electricity front, with total electricity generation growing at a CAGR of 2.4% from 12,127 GWh in 2021 to 13,347 GWh in 2025⁹ (89%¹⁰ of it from local renewable sources).

Though the shift to EVs will reduce the fuel import bill, there are downsides to it. Kenya's road sector is substantially funded through fuel levies collected at the pump. These include the Road Maintenance Levy, the Petroleum Development Levy, and excise duties on petroleum products. As EV adoption grows and petrol and diesel consumption falls, these revenue streams will erode. The government will therefore need to develop alternative road funding mechanisms

Recommendations

Oil marketers and petrol stations: Oil marketers should begin strategic planning for a gradual revenue shift away from fuel sales. In the near term, petrol stations should pilot EV

⁹ Kenya National Bureau of Statistics. (2026). Economic survey 2026.

¹⁰ Kenya National Bureau of Statistics. (2026). Economic survey 2026.

charging infrastructure and diversify ancillary revenue through food, retail, and entertainment offerings that benefit from customers waiting to charge.

Spare parts manufacturers and vendors: Manufacturers should begin auditing their product portfolios to identify which components face outright obsolescence versus reduced demand cycles, and redirect research and development investment accordingly. Vendors should monitor ICE-specific fast-moving stock and be ready to switch when they sense sharp drops in demand, as well as begin building familiarity with EV-compatible product lines that will persist. Motorcycle spare parts vendors in particular should explore battery swapping as a complementary revenue stream given the rapid growth of the e-motorcycle segment.

Garages: Garage owners should begin to invest in mechanic retraining, while ICE revenues are still sufficient to fund it. Diagnostic tool upgrades and EV-specific certifications will become competitive differentiators as EV volumes grow. KEMRA, as the sector's representative body, should engage with technical and vocational training institutions to develop standardised EV maintenance curricula for Kenyan mechanics.

Vehicle assemblers: Assemblers should use the current ICE-dominant period to develop EV assembly capabilities, starting with the commercially lower-risk two- and three-wheeler segment where demand is already demonstrable. ICE-to-EV conversion services offer a viable near-term revenue opportunity. Assemblers should also explore partnerships with Chinese EV component suppliers to reduce the capital investment required for localised EV production.

Car dealerships: Dealerships should invest in structured EV product training for their sales teams and review commission structures to remove any disincentive to selling EVs. Dealerships that develop a reputation for EV expertise early will be best positioned as the buyer pool widens.

Electricity utilities: KPLC and KenGen should accelerate the rollout of public charging infrastructure, prioritising high-traffic corridors and matatu termini to support commercial fleet electrification. KPLC's off-peak e-mobility tariff is a sound policy tool and should be more actively marketed to fleet operators and logistics companies.

Government: The government should begin to explore a road maintenance funding model that does not depend solely on fuel levy revenues. An example would be an EV-specific road use levy, which would be an annual fee or levy added to EV registrations or at the point of sale to ensure drivers contribute to road maintenance. Another would be an electricity consumption fee, which could involve adding a road maintenance levy to the electricity consumed at public charging stations. These two have been implemented by Kentucky in the US, a registration fee for EV and hybrid vehicles is levied, alongside a per-kilowatt-hour excise fee on charging stations. The fees collected are used to support the Road Fund.

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Contacts

Please visit www.algumafriacapital.com to learn more about us.

For general enquiries, write to info@algumafriacapital.com

For research and insights, write to insights@algumafriacapital.com

For training and capacity building, write to training@algumafriacapital.com

For consulting and advisory, write to advisory@algumafriacapital.com

If a business looking for funding, or a private equity investor looking for pipeline, write to dealpipeline@algumafriacapital.com