

# Urbanization and consumption of petroleum products in Kenya

## **Abstract:**

Kenya's urban population has been growing at 6% per annum in the last 20 years and is expected to account for 25% of the population in the year 2000. This paper analyses the impact of urbanization on the consumption of seven petroleum products sold in the country, and finds positive urbanization elasticities for all the fuels except illuminating kerosene. LPG, heavy diesel oil and jet fuel are especially urbanization elastic. It is evident, therefore, that the transfer of an increasingly larger proportion of Kenya's population to urban centres has significant implications for consumption of petroleum products, and should be taken into consideration in energy planning.