



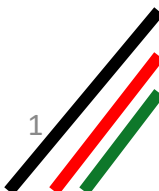
THE NATIONAL TREASURY AND PLANNING

State Department for Planning

A Summary of Key Investment Opportunities in Kenya

Presentation by

State Department for Planning





Introduction



- Kenya Vision 2030 is the country's long term development blueprint.
- It aims to transform Kenya into a newly industrializing, globally competitive, and prosperous upper middle income country with a high quality of life for all citizens by 2030.
- Kenya Vision 2030 is being implemented through a series of successive five year Medium Term Plans (MTPs).
- The First MTP was implemented during 2008-2012 and the Second MTP between 2013-2017
- The Government is implementing the Third Medium Term Plan (MTP 2018-2022) of Kenya Vision 2030 whose theme is *Transforming Lives: Advancing socio-economic development through the "Big Four"*.





Introduction



- Successful implementation of programmes and projects in MTPs require sizeable financial resources to be met through annual budgetary allocations, engagement of development partners and through Public Private Partnerships (PPP).
- In September ,2008 the Government prepared its first Summary of Key Investment Opportunities in Kenya Booklet based on the First Medium Term Plan 2008-2012.
- The State Department for Planning has been updating the investment opportunities based on the subsequent MTPs.





Introduction



- The Summary of Key Investment Opportunities in Kenya Booklet presented today has been prepared based on the Third Medium Term Plan (MTP 2018-2022) of Kenya Vision 2030 and the “Big Four” Agenda.
- The Booklet highlights viable investment opportunities for uptake by local and foreign investors through Public Private Partnerships (PPPs) and through Private sector engagement.





key legislations to support investment

- The Public Private Partnership Act, 2013 provides for an institutional framework for implementation of public-private agreements.
- The Special Economic Zones Act, 2015 provides framework for promoting industrial development in the country
- The 47 county governments have put in place legislations to promote investment in all sectors at county level. The counties are implementing County Integrated Development Plans which provide several investment opportunities to potential investors.
- The Government has implemented several reforms to improve the country's ease of doing business and targets to improve its ranking to at least position 45 out of 189 by 2022





Why invest in Kenya



- Kenya is the largest and the most advanced economy in East and Central Africa. It is ranked the 3rd largest economy in Sub-Saharan Africa with a GDP of USD 88 billion;
- The Country is among the 10 most improved economies in the World Bank Ease of Doing Business Report, 2019 from position 80 in 2017 to position 56 in 2019;
- The Country is also a member of several trade arrangements that include the World Trade Organization, EAC-EU Trade Agreement, Africa Continental Free Trade Area (AfCFTA) and Africa Growth and Opportunity Act (AGOA).
- Also, Kenya has a well-developed private sector and presents many opportunities for investment in sole and joint ventures, and PPP.
- In addition, Kenya has a large, highly educated, skilled and trainable work force with population aged 15-64 accounting for 57% of total population;





Why invest in Kenya Cont'



- Kenya is firmly interconnected through a network of roads, railways, ports, airports, water ways and telecommunications. Kenya's Jomo Kenyatta International Airport and Mombasa Port are among the busiest in Africa;
- It has the potential to improve its power generation capacity from 2,711 MW in 2018 to 5,000+ MW in the medium term, through focus on geothermal and other green and cost effective energy sources. This will ensure adequate power supply and significantly reduce cost of doing business; and
- Kenya has one of the highest rates of internet access in the continent, with 89.4% (approximately 42.6 Million) of its population having internet access making it ideal for investment in internet driven and knowledge economy.





INVESTMENT OPPORTUNITIES



Key business and investment opportunities exist in the “Big Four” initiatives i.e. manufacturing, Health, affordable housing and Food Security and Nutrition as well as other sectors of the economy.

- **Infrastructure Sector**

Geothermal Steam Development: The projects aim to add 640 MWe geothermal energy for power generation to the national grid from Olkaria VIII, Olkaria IX, Menengai Phase II, Korosi Phase I, Paka Phase I, and Suswa Phase I.

Solar PVs Energy projects: The Northern Kenya and other arid lands have strong reliable sunshine throughout the year thus providing high potential for investment in solar energy for sale to the national grid.





INVESTMENT OPPORTUNITIES Cont'



Small Hydropower Development: The estimated potential of small hydro power is about 3,000 MW. Numerous sites have been identified for hydropower development with high potential in Kirinyaga, Embu, Nyeri, Muranga and Meru counties.

- ✓ private investment in small hydropower has been facilitated by the establishment of the Feed-in Tariffs (FITs) policy.





INVESTMENT OPPORTUNITIES Cont'



Bio fuel production: Kenya requires 77 million litres of ethanol per year for a national 10% (E10) blend at current consumption levels. The demand is projected to grow to 148 million litres by 2030. Opportunities in production and processing of *Jatropha* and sweet sorghum into bio-fuel exist in Arid and Semi-Arid Lands (ASAL) areas of the country.

Lamu- Kitui – Nairobi East 400kV TransmissionL: The project comprises of construction of 540km of 400kV double circuit transmission line and associated substation.





INVESTMENT OPPORTUNITIES Cont'



Development of Lamu Port: Construction of 29 out of 32 berths to accommodate larger ships equivalent to 200,000 tons. The first three berths are under construction through government funding.

Development of Highway along the LAPSSET Corridor: It will run from the Port of Lamu to Isiolo, Isiolo to Nakodok (Kenya/South Sudan border). The road network will provide reliable transport corridor to Ethiopia and Southern Sudan, ease market access, open up Northern Kenya and expand other economic activities.

Nairobi Metropolitan Rapid Transit System (NMRTS): This is a transit plan aimed at reducing traffic by integrating a number of transport systems to include a heavy rail, light rail and a bus rapid transit linking the Nairobi Railway Station (NRS) with: Ruiru and Thika; Juja Road to Kangundo; JKIA to Athi River; Langata Road to Karen and Upper Hill to Ngong.





INVESTMENT OPPORTUNITIES Cont'



- **Manufacturing Sector**

Kisumu Special Economic Zone (SEZ): This aims to spur industrial growth in the lake-side region. Investment opportunities exist in establishment of light industries, components and accessories processing plants as well as artisanal and craft units.

Lamu Special Economic Zone: It will include establishment of a free trade zone; free port; logistics hub and an industrial zone. It will also entail light industrial development or services focused on low environmental impact/green industries.

Kenya Leather Park: The leather industry generates USD 100 million annually and is projected to earn 10 times more by exporting processed products compared to the current semi-processed products. Opportunities existing in construction of 36 tanneries, a common tannery effluent treatment plant; and construction and equipping of eight (8) leather value facilities.





INVESTMENT OPPORTUNITIES Cont'



Agro-food Processing Programme: Includes establishment of agro-processing plants for produce such as tea, nuts, legumes, cereals, fruits, vegetables, roots and tubers; construction of animal product processing and packaging factories; manufacture of animal feeds and establishment of facilities for training agro-processing entrepreneurs.

Integrated Iron and Steel Milling: The availability of raw materials (Iron ore and limestone) coupled with high demand for steel in building, construction and fabrication provides an investment opportunity in establishment of an iron and steel mill in Lamu County.

Establishment of Two Regional Industrial Training Centres: The Centres are expected to contribute to occupational proficiency through the transfer of appropriate skills, competencies and training in development and application of indigenous technology.





INVESTMENT OPPORTUNITIES Cont'



- **Financial Services Sector**

Nairobi International Financial Centre (NIFC): The NIFC will mobilise domestic, regional and international savings and investments to spur sustained economic growth. Opportunities exist in setting up of subsidiary regional and international financial service firms.

- **Trade Sector**

Construction of a Model Tier 1 Retail Market: Establishment of a multi-lane outlet offering a variety of high quality goods and services. Investment opportunities exist in design and construction of a fully equipped-integrated mega retail market.

World Trade Centre and International Exhibition and Convention Centre: establishment of a World Trade Centre (Kenyan Chapter) by developing the physical exhibition and Convention Centre.





INVESTMENT OPPORTUNITIES Cont'



Kenya National Multi-Commodities Exchange (KOMEX): This is a platform where various agricultural and non-agricultural products will be traded. It involves establishing a physical warehouse with commodities under a warehouse receipt system.

Construction of Shared Jumuiya Border Markets: It involves construction of three (3) shared border markets with an integrated model to cater for both retailers and wholesalers. The aim is not only to increase trade flows between Kenya-Uganda-Tanzania, but also integrate small scale traders to international trade and offer a one-stop shop for merchandise and bulk order.

- **Sports, Culture and the Arts Sector**

Regional Sports Academies: establishment of 10 regional sports academies aimed at searching, nurturing and development of sports talents at the grassroots.





INVESTMENT OPPORTUNITIES Cont'



International Arts and Culture Centre: establishment of an international centre for nurturing talent among the youth in music, arts and theatre. The Centre will house the International Hall of Fame and provide showrooms, exhibition and performance halls for marketing and showcasing Kenya's cultural goods and services.

Natural Product Industry (NPI) Initiative: The initiative seeks to add value to our indigenous knowledge to generate locally derived products. Opportunities exist in production of nutritional products, personal care, pharmaceuticals/medicinal, organic fertilizers and ethno-veterinary.

- **Information and Communication Technology Sector**

National Optic Fibre Backbone Infrastructure: It involves laying of optic fibre infrastructure in public institutions such as schools, hospitals and Huduma Centres to provide connectivity to national systems which enables access to Government services through online platforms such as e-Citizen, IFMIS, and IPPD.





INVESTMENT OPPORTUNITIES Cont'



e-Waste Management Centres: It involves establishment of e-waste centres to collect, dispose or recycle e-waste. The growth in the Sector has resulted in a lot of e-waste from obsolete equipment such as mobile phones, computers, chargers, batteries and many others.

- **Business Process Outsourcing Sector**

Konza Technology City: Konza Technology City has been given Special Economic Zone status under the Special Economic Zones Act 2015 to provide incentives for the BPO/ITES sector. opportunities exist in establishing Commercial office space and hotels; large scale commercial shopping malls; Film and Media City; and world class ICT infrastructure.

ICT Incubation Hubs: It involves establishment of incubation centres across all the 47 counties to equip innovators with appropriate skills to run competitive businesses, patenting and copywriting their ideas, and capacity building innovators with financial skills.





INVESTMENT OPPORTUNITIES Cont'



- **Tourism Sector**

Development of Tourists Resort Cities: The Resort Cities aims at diversification of tourism products as well as spread the benefit of tourism to the unexploited regions of the country. Investment opportunities include: accommodation facilities, shopping malls, sports facilities, amusement parks among others.

Mombasa International Convention Centre: The convention centre will be built at the current site of Mombasa Beach Hotel and will comprise several meeting rooms with capacity of 5,000 delegates. Opportunity exist in establishing office space, casino, parking lots, conference rooms and restaurants.

Paga Beach Amusement and Heritage Park: entails development of a world class amusement and heritage beach park approximately 21 kilometres from Kisumu city. The project will involve development of Theme Parks, Water Park, adventure (action) park, Heritage Park and African Heritage Park





INVESTMENT OPPORTUNITIES Cont'



• **Agriculture and Livestock Sector**

Establishment of Agro and Food Processing Hubs: Kenya grows a variety of agricultural crops out of which 16% of agricultural produce is processed leaving a huge percentage (84%) unprocessed. Opportunity exist in establishing Six (6) large-scale agro and food processing hubs across the country through a rapid Public-Private-Partnership (PPP) process targeting both domestic and export markets.

Establishment of Warehouses and Cold Chain Storage: Agricultural produce suffers from large post-harvest and cold chain storage losses and waste of up to 25% of the produce. Opportunity exist in establishing Warehouses and Cold chain storage facilities from farm to markets (Domestic & Exports).

Promotion of Sorghum Value Chain: The project aims at promoting large scale production of sorghum including through irrigation to meet rising demand for food, feed, fuel, export and industrial beer production.



INVESTMENT OPPORTUNITIES Cont'



Establishment of Meat Processing Facilities/Abattoirs: The project aims at enhancing value addition of livestock products. Investment opportunities exist in establishment of meat processing facilities, transport cold chain, commercial ranching and feedlots.

Livestock Certified Breeds Production Facilities: The project aims at improving livestock production through distribution of certified livestock breeds. Opportunities exist in establishment of facilities for production of germplasm; livestock breeding centres, liquid nitrogen production plants and distribution cold chains, livestock multiplication units, and hatcheries among others

Development of Marine Fisheries Infrastructure and Post-Harvest Operations: The country does not have the necessary facilities to harness the fishery potential in the marine waters, which is exploited by Distant Water Fishing (DWF) fleet. Opportunities include construction and development of fisheries infrastructure such as fish ports, harbours, jetties, landing sites e.t.c





INVESTMENT OPPORTUNITIES Cont'



Cotton Ginneries: The aim of the project is to modernize cotton ginneries, and promote the cotton/textile value chain to increase productivity, competitiveness and efficiency.

- **Environment, Water, Sanitation and Regional Development Sector**

Maragua 4 Dam: The current water supply in Nairobi is $546,700\text{m}^3$ / day against demand of $671,018\text{m}^3$ /day. Opportunity exist in construction of 30 million cubic metres dam to augment water supply by producing $132,192\text{m}^3$ /day additional water for Nairobi Metro Area.





INVESTMENT OPPORTUNITIES Cont'



Integrated Sanitation Management for Nairobi and Satellite Towns: Opportunities include development of East Nairobi 684km sewerage network; construction of two (2) sewerage treatment plants with a combined capacity 90,000m³/day; and development of modern waste water treatment technologies (Omni-processor).

Mosongo Water Project: The project entails construction of raw water mains and distribution networks to produce 10,000m³ per day of water to serve additional 110,000 people in the three counties.





INVESTMENT OPPORTUNITIES Cont'



Lake Jipe Irrigation Scheme: Investment opportunities exist in refurbishment and expansion of irrigation infrastructure as well as management of the irrigation scheme. A total of 128,000 acres of land is available for this project.

Plastic Waste Management and Pollution Control: Used plastics constitute the biggest challenge to solid waste management in Kenya. Opportunity exist in establishment of plastic recycling plants as well as technology transfer in the construction of sanitary landfills and waste treatment plants.

Forest Plantation Development (Commercial Tree Growing): The project entails re-establishment of 30,000 Ha of forest plantations and maintenance of 112,000 Ha of softwood plantations in public forest. This will include establishment of five (5) model tree nurseries with an annual production of 10 million seedlings.





INVESTMENT OPPORTUNITIES Cont'



- **Health Sector**

Pharmaceutical Manufacturing: It involves manufacture of modern low-cost vaccines and medical devices through a stepwise approach of identifying areas of technological transfer, capacity building of human resource and establishment of manufacturing plants.

Scaling up of Chlorhexidine (CHX) production: Kenya is currently the only manufacturer of 7.1% Chlorhexidine (CHX) in Africa which is an essential medicine for Children, for umbilical cord care. Investment opportunities exist in expansion of local capacity to produce Chlorhexidine for export to the rest of Africa.

Development of e-Health Care: Opportunities exist in strengthening e-Health systems within public and private hospitals. This will promote use of electronic health records, computerized physician order entry, e-prescribing, clinical decision support, telemedicine, and consumer health informatics.





INVESTMENT OPPORTUNITIES Cont'



National Cancer Management Centres: Involves establishment and equipping of 4 fully-fledged cancer diagnostic and treatment centres as well as capacity building of domestic human resources.

- **Education Sector**

National Science and Technology Parks: Konza Techno City and Dedan Kimathi University of Technology have been earmarked for implementation of National Science and Technology Parks. The project aims to support technology transfer to encourage start-up and incubation of innovation/knowledge-based businesses.

The National Physical Science Research Laboratory: Opportunity exist in establishing a Physical Science Research Laboratory houses specialized advanced High-Tech laboratories for all physical sciences and engineering where research, technology development and innovations are undertaken.





INVESTMENT OPPORTUNITIES Cont'



- **Oil, Gas and Mineral Resources**

Crude Oil Pipeline: Opportunities for investment exist in construction of 840 km-20 inch crude oil pipeline and its heating system, pumping stations, and marine terminal storage and export facilities.

Mombasa Petroleum Trading Hub: The Trading Hub will be a modern petroleum terminal comprising of two off-shore petroleum jetties. Investment opportunities exist in construction of offshore jetty, 740,000 MT of storage tank and a modern Greenfield petroleum tanks farm with a capacity of 300,000MT.





INVESTMENT OPPORTUNITIES Cont'



Gypsum Processing Plant: The investment opportunities include construction and equipping of the processing plant to manufacture gypsum boards.

Fluorspar Processing Factory: It involves processing calcium and fluorine (CF_2) that is essential for chemical, metallurgical and ceramic processes. The government will lease the existing processing plant to potential investors to undertake mining and processing of fluorspar.





INVESTMENT OPPORTUNITIES Cont'



- **Security, Peace Building and Conflict Resolution Sector**

Construction of National Police Service Hospital: The project entails the construction and equipping of the National Police Service hospital for the benefit of police service staff and their families.

Modernization of Ammunition Production at Kenya Ordnance Factories Corporation (KOFC): The project will involve establishment of 2 new ammunition production lines of NATO and WARSAW including infrastructure.





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