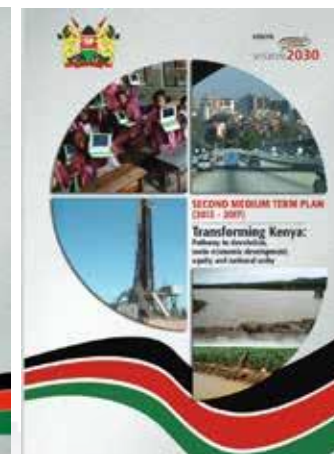
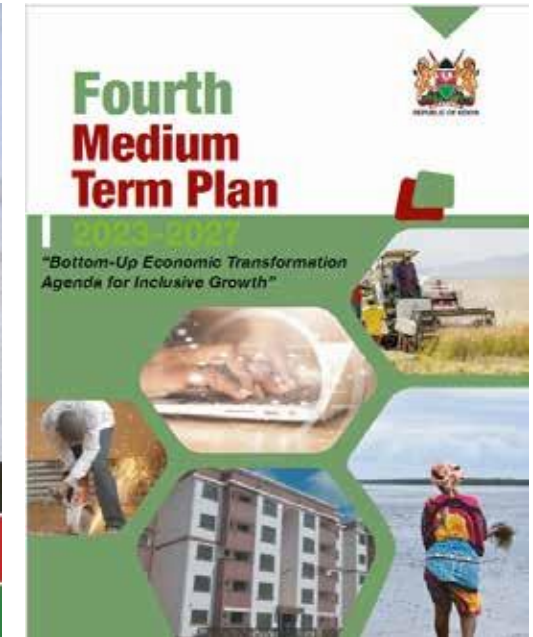
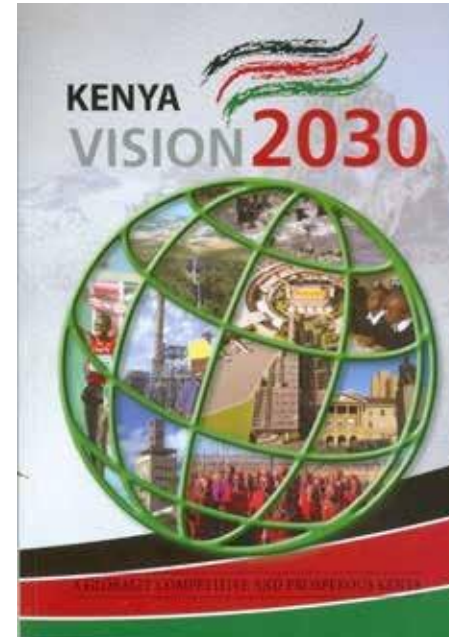


KENYA'S ECONOMIC MODEL

- The Kenya Vision 2030 (KV2030) is the long-term development blueprint aiming to transform Kenya into a newly-industrialized middle income country by year 2030.
- The Kenya Vision 2030 Blueprint is anchored on three key pillars: economic; social; and political.
- Since its adoption in 2008, the Kenya Vision 2030 has been implemented through successive Five-Year Medium Term Plans (MTPs).
- The Fourth Medium Term Plan (MTP IV) covering 2023-2027, under the theme ***"Bottom-Up Economic Transformation Agenda for Inclusive Growth"***, is the last five-year plan which will transition the Country to the next long-term development blueprint.
- The MTP IV has identified & prioritized 51 projects as key Investment opportunities earmarked for Private Sector.

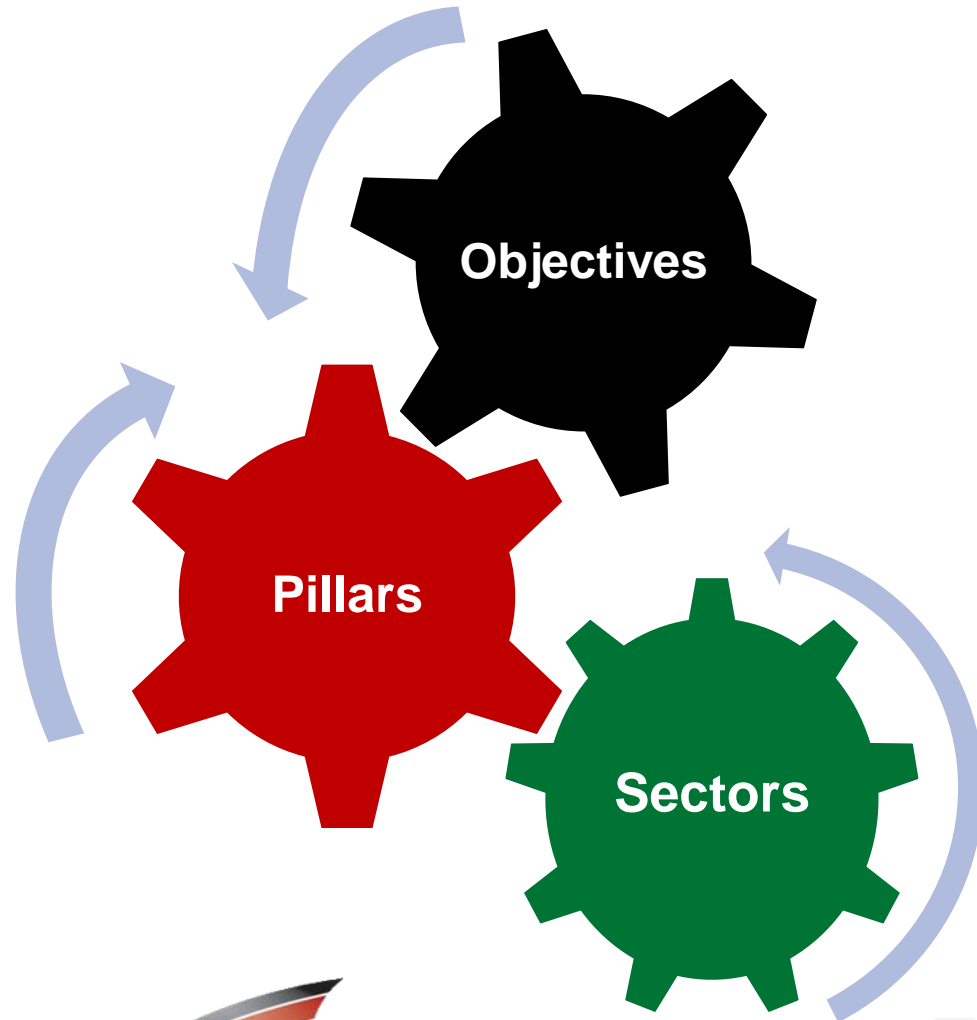
(See attached list of projects)



Bottom-Up Economic Transformation Agenda (BETA)

BETA Core Pillars

1. Agriculture
2. Micro, Small and Medium Enterprise (MSME) economy
3. Housing and Settlement
4. Healthcare
5. Digital Superhighway and Creative Economy



Objectives of BETA

1. Bringing down the cost of living by lowering the annual inflation rate to 5%
2. Eradicating hunger
3. Creating 1,200,000 jobs annually
4. Expanding the tax base by increasing revenue collection to 19.7% of GDP by 2027/2028
5. Improving foreign exchange balance through promotion of exports in order to improve reserves to 6.1 months of import cover
6. Achieve Inclusive growth – leaving no one behind

Sectors

1. Finance and Production
2. Infrastructure
3. Social
4. Environment and Natural Resources
5. Governance and Public Administration





Why Kenya?

GLOBAL RANKINGS

World Bank Report

Kenya rated **29th** fastest growing economy in the world

29TH

Africa: The Big Deal Report

Kenya ranked **top** in Africa in startup funding 2023 (Approx. USD 800M)

01ST

FDI intelligence Report

Kenya ranked **No. 1** in Africa with greatest investment momentum in 2024

01ST

UNCTAD 2024 Preliminary Report

Kenya ranked among top **three** in Africa in Green field projects

03RD

World Economic Forum Report

Kenya rated **No.1** in Africa on quality of Human Capital and availability of research and innovation

01ST

Ease of Doing Business Report of the World Bank

Kenya rated **No.3** in Africa on Ease of Doing Business

03RD



WHY KENYA STANDS OUT IN THE GLOBAL FDI LANDSCAPE

Kenya's GDP grew 5.3% in 2023 with a diversified economy in agriculture, ICT, manufacturing, and finance

Strong Economic Growth



Acts as a central trade hub in East Africa, connecting to over 450 million people through EAC and COMESA.

Strategic Location



Major projects like LAPSSET Corridor and Nairobi Expressway, plus 88% internet penetration, enhance connectivity.

Advanced Infrastructure



Ranked 56th in ease of doing business with strong investor protection and contract enforcement.

Favorable Investment Climate



30% of the population is middle-income, and 75% are under 35, offering a skilled labor force.

Expanding Consumer Market



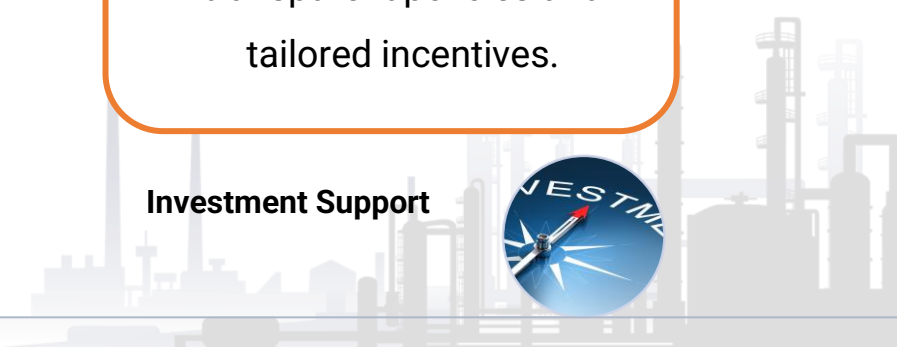
Competitive tax rates and tax holidays in Special Economic Zones.

Government Incentives



Kenya offers comprehensive guidance and support with transparent policies and tailored incentives.

Investment Support



WHY KENYA STANDS OUT IN AFRICA

Macro-economic fundamentals remain among the strongest in Africa:



- **4th largest economy** in sub-Saharan Africa.
- Diversified & Liberal economy

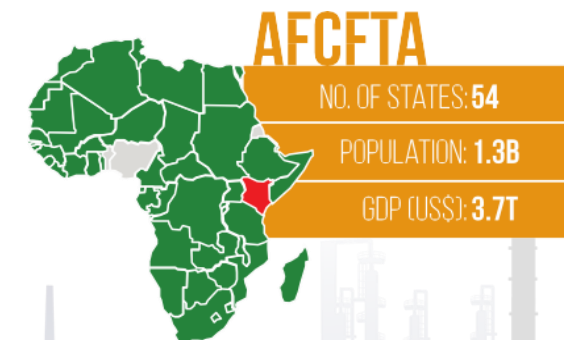
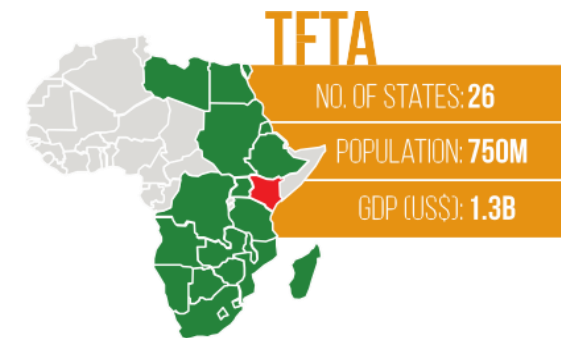
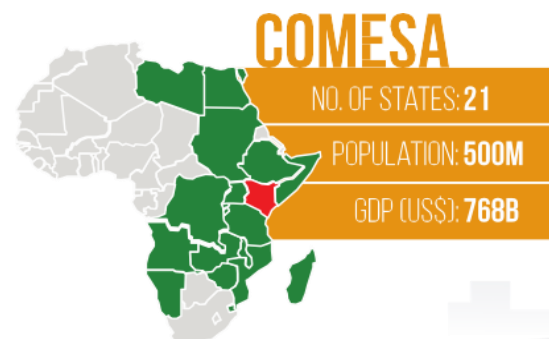
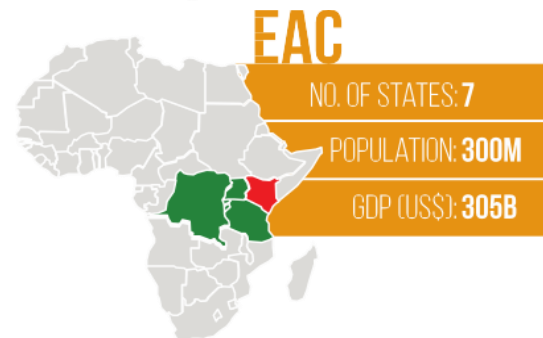
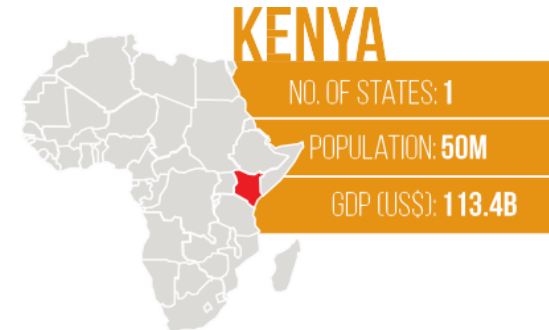


- GDP: **US\$ 107.4 Bn**
- **4.7%** average annual growth
- Dominant economy in EAC
≈40% of EAC's GDP.



- GDP per capita:
US\$ 2,099
- A growing middle-class

Pan-African market access:



WHY KENYA STANDS OUT IN AFRICA.../2

Investment and Trade treaties for investments and market access

- **Africa Growth and Opportunity Act (AGOA):** Duty free and quota free for 16,000 products into the US Market
- **Kenya-U.S. Strategic Trade and Investment Framework Agreement (STIP)**
- **Economic Partnership Agreement (EPA) with the European Union:** 27 member EU market with a population of 449 million and a combined GDP of 15.8 trillion Euros
- **Kenya-United Kingdom Economic Partnership Agreement (EPA)**
- **Kenya-UAE Comprehensive Economic Partnership Agreements**
- **22 International Investment Agreements (IIAs) signed:** Netherlands, Germany, Italy, United Kingdom, China, Switzerland, Libya, France, Finland, Islamic Republic of Iran, Burundi, Slovakia, Mauritius, Kuwait, Turkey, Qatar, Korea, United Arab Emirates, Japan, Singapore, South Africa and OPEC Fund for International Development. **13 IIAs still in force; 7 not signed into force and 4 terminated**

WHY KENYA STANDS OUT IN AFRICA.../3

Stable Economy



- Kenya has political and macroeconomic stability
- Robust financial system
- Global leader in financial inclusion.

Skilled and Dynamic Workforce



- Kenya has a youthful population with 70% under the age of 35 years and an impressive 82% literacy rate.

Renowned Vibrant Democracy



- Kenya plays a significant role in regional and international geopolitics and hosts Africa's UN headquarters.



Logistics & Innovation hub of the region



- Access to regional transport corridors.
- 4 international airports: JKIA being the busiest in East Africa.
- 2 Sea Ports and 2 Inland Container Depots (ICDs).
- Home to green data centers.
- 3rd most established start-up ecosystems in Africa.
- Nairobi: leading tech innovation hub in sub-Saharan Africa.

Your Investment is safe with us



- Constitutional protection of Property
- 100% repatriation of profits or interests
- Dispute Resolution Mechanisms
 - International Centre for Settlement of Investment Disputes
 - Multilateral Investment Guarantee Agency
 - Nairobi Centre for International Arbitration.

Incentivized Economic Zones & Industrial Parks



- More than 100 Export Processing Zones (EPZs)
- More than 35 Special Economic Zones (SEZs)
- County Aggregation and Industrial Parks (CAIPs) across all counties.



Kenya is leading Africa's green transition



93%

of energy is from renewable sources.

2nd

Market in Sub-Saharan Africa to list a private sector green bond

Kenya has prioritized low-carbon resilient investments to reduce its already low greenhouse gas emissions a further

32% by 2030

\$40Mn

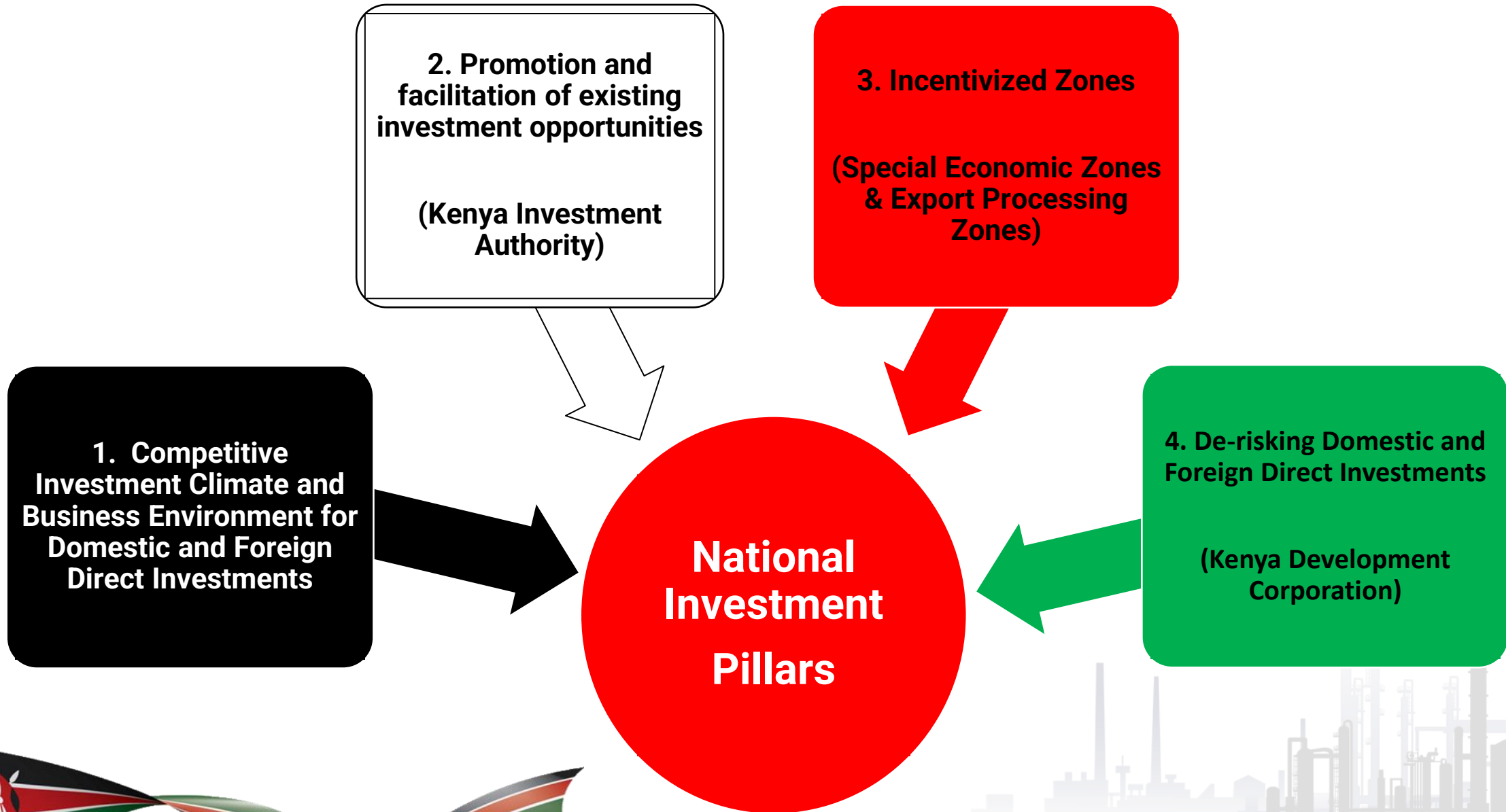
Green Investment Fund by Government



Investment Strategies



NATIONAL INVESTMENT PILLARS



COMPETITIVE INVESTMENT CLIMATE AND BUSINESS ENVIRONMENT

Investment Climate

Economic Environment

- Inflation
- Interest rates
- Economic growth & exchange rates

Political and Legal Environment

- Government policies
- Regulations &
- Legal issues

Socio-Cultural Environment

- Social trends
- Demographics
- Consumer behavior and
- Cultural factors

Environmental (Ecological) Factors

- Sustainability concerns
- Environmental regulations & impact

Competitive Environment

- No. & strength of competitors
- Market trends
- Industry trends

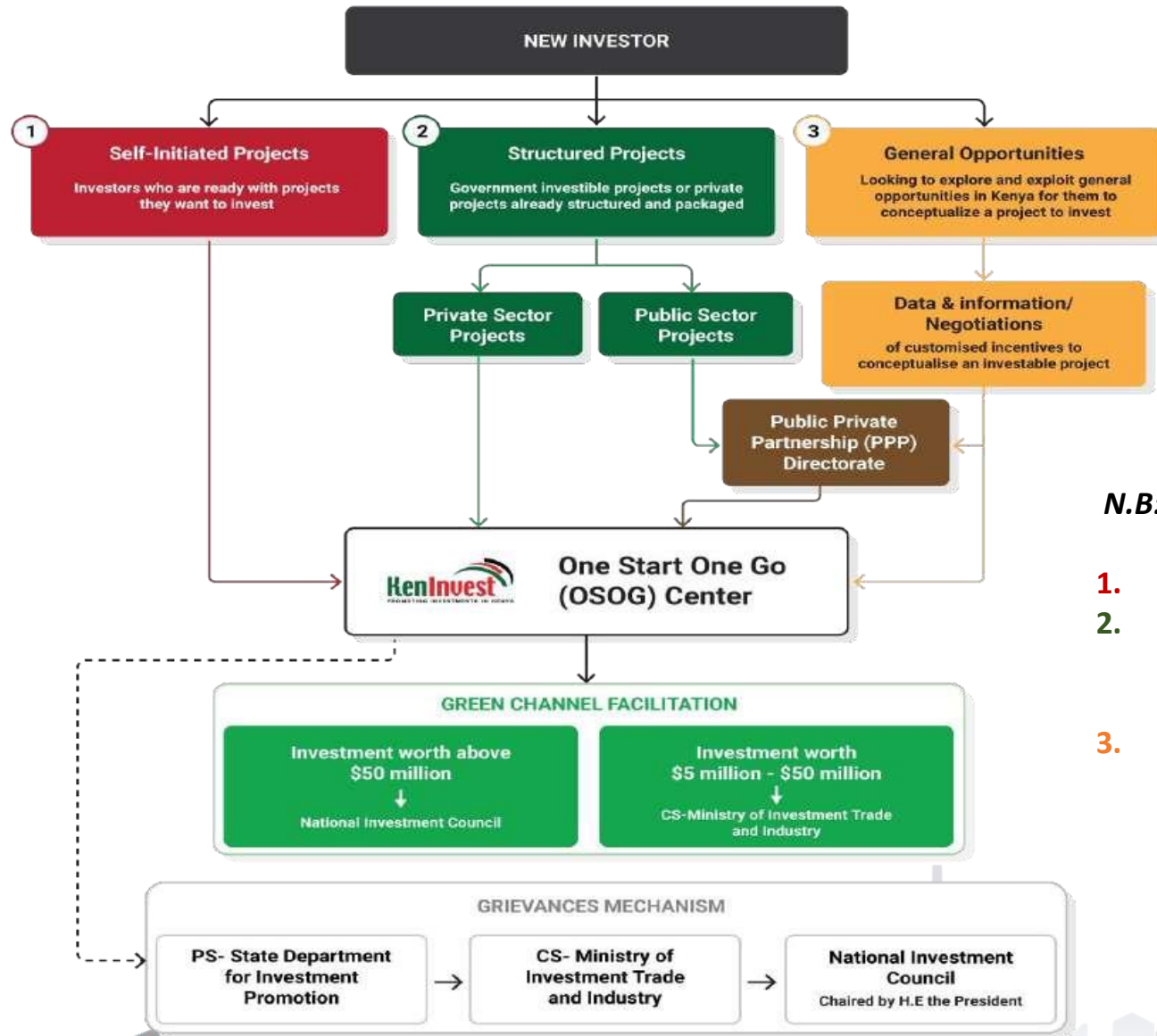
Global Environment

- International Trade Policies
- Global market trends &
- Cross-border economic relationships
- Cultural factors

Business Environment

- i. Business Entry
- ii. Business Location
- iii. Utility Services
- iv. Labour
- v. Financial Services
- vi. International Trade
- vii. Taxation
- viii. Dispute Resolution
- ix. Market Competition
- x. Business Insolvency

DIRECT PRIVATE INVESTMENT INVESTOR JOURNEY



N.B: Investment Project Process flow

1. **Self-Initiated bankable Projects**
2. **Government investible projects/private projects already structured and packaged**
3. **Looking to explore and exploit general opportunities in Kenya for them to conceptualize a project to invest**





Kenya Investment Authority (KenInvest) as a navigator:

In-country coordinated support -One Start One Go facilitation:

Agencies Present at One Stop One Go Center (OSOG)

1. Business Registration Services (BRS)
2. Kenya Revenue Authority (KRA)
3. National Environmental Management Authority (NEMA)
4. Immigration Department
5. Kenya Power
6. Special Economic Zones Authority
7. Export Processing Zones Authority
8. Council of Governors
9. Ministry of Lands

Agencies in the process of being onboarded to OSOG

1. Pharmacy & Poisons Board
2. The Office of the Attorney General
3. Ministry of Agriculture
4. Ministry of Energy
5. Ministry of Water
6. PPP Directorate
7. Tourism Regulatory Authority
8. National Construction Authority
9. Ministry of ICT
10. Ministry of Health

- Expeditious resolution of bottlenecks in investment
- Green channel on impact investment (National Investment Council)
- Government de-risking program; co-investment with KDC

Start your investment at the click of a button

- **E-Citizen portal:** all government services
(<https://accounts.ecitizen.go.ke/en>)
- **E-opportunities:** investment-grade opportunities
(<https://opportunities.invest.go.ke/opportunities>)
- **E-Regulations:** procedures of investing in Kenya
(<https://eregulations.invest.go.ke/>)
- **Incentive packages** to be found on: www.invest.go.ke



INCENTIVES AND INCENTIVIZED ZONES

Incentives to Attract Investment in Kenya

1. Fiscal Incentives:

- **Capital Allowance:** Tax incentives for capital expenditures, including wear and tear allowances, investment deductions, and industrial building deductions.
- **Sector-Specific Incentives:** Special incentives for sectors such as telecommunications, agriculture, and manufacturing, including deductions for capital expenditures and VAT exemptions.

2. Non-Fiscal Incentives:

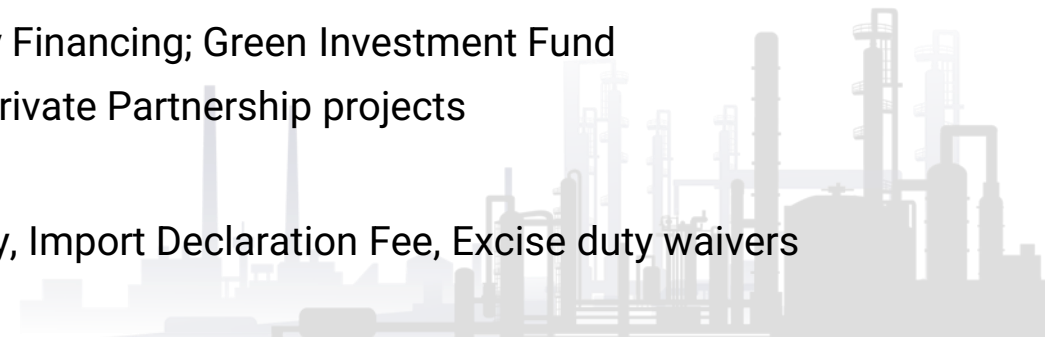
- **One-Stop-Shop Service:** Assistance with labor regulations, work permits, import-export logistics, utility connections, and tax registration.
- **Rapid Project Approval and Licensing:** Swift approval and licensing processes through the one-stop shop for investors.
- **Work Permits:** Provision of work permits for up to 20% of full-time employees in Special Economic Zones, with additional permits available for specialized sectors.
- **No Exchange Controls:** Liberalized foreign exchange regime, allowing easy repatriation of capital and profits.

3. De-Risking Framework:

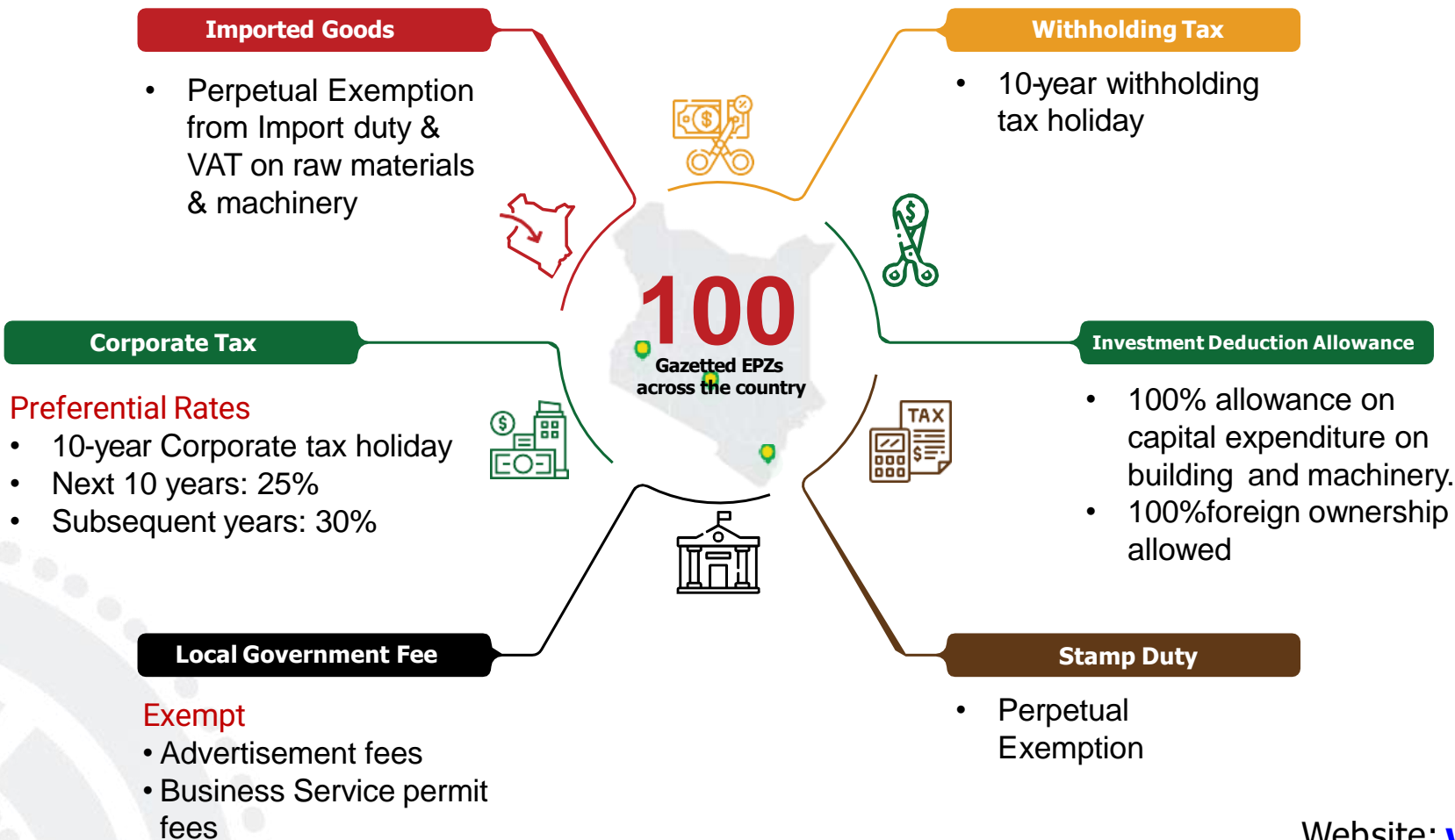
- **Kenya Development Bank:** Concessionary loans; Debt and Equity Financing; Green Investment Fund
- **Public Private Partnership Unit:** Analyzes and approves Public Private Partnership projects

4. Special Operating Framework Agreement (SOFA):

- **Performance Based incentive:** VAT, Railway Development Levy, Import Declaration Fee, Excise duty waivers



Incentives in Export Processing Zones (EPZ)



Available fit-for-purpose industrial sheds

- USD 2.5 per sq. ft. per annum

Available land for lease:

- 2,500 Hectares
- USD 6,000 per Ha per annum

Website: www.epzakenya.com

Contact: info@epzakenya.com

Incentives in the Special Economic Zones (SEZ)

36

gazetted SEZs
across the country

Preferential electricity tariff:

- 5¢ US/kWh – Naivasha SEZ
- 10¢ US/kWh – Other SEZs

Available land for lease:

- 9,042 acres
- USD 3,000 per Ha per annum



IMPORTED GOODS (FULLY EXEMPT)

- Value Added Tax
- Excise Duty
- Import Duty
- Import Declaration fees



LOCAL SUPPLIES (ZERO RATED)

- Value Added Tax



CORPORATE TAX (PREFERENTIAL RATES)

- First 10 years: 10%
- Next 10 years: 15%
- Subsequent years: 30%



STAMP DUTY

- Perpetual Exemption



GREEN CHANNEL PORT CLEARANCE

- Clearance of select goods done without routine examination



LOCAL GOVERNMENT FEE (EXEMPT)

- Advertisement fees
- Business Service Permit fees



INVESTMENT DEDUCTION ALLOWANCE

- 100% allowance on capital expenditure on building and machinery.



WITHHOLDING TAX

- Dividends - Exempt
- Royalties – Exempt for first 10 years
- Gains on transfer of property - Exempt
- Other payments (commissions & rent) – 10%

Sectors with investment potential:



MANUFACTURING

- Automotive & E-mobility
- Textile and Apparel
- Fast Moving Consumer Goods (FMCG)
- Electronics
- Packaging & Labelling



AGRICULTURE

- Agrotechnologies & Machinery
- Agro-processing & Value addition
- Agro-chemicals
- Fisheries
- Leather & Leather products



HEALTH

- Health technologies
- Health Insurance Coverage
- Pharmaceuticals



DIGITAL & CREATIVE ECONOMY

- Digital Infrastructure
- Business Process Outsourcing & IT Enabled Services
- Handicrafts and Artefacts
- Sports and Sportswear
- Skills development



AFFORDABLE HOUSING

- Construction & Property Development
- Housing Finance & Mortgages
- PPP (National & County Governments)



GREEN ECONOMY

- Renewable Energy
- Green technologies
- Green funding



SERVICES

- Health, ICT, Finance, Sports, Logistics, Tourism, Education



TAILOR-MADE STRATEGIES TO ATTRACT FDI IN ASIA AND THE PACIFIC

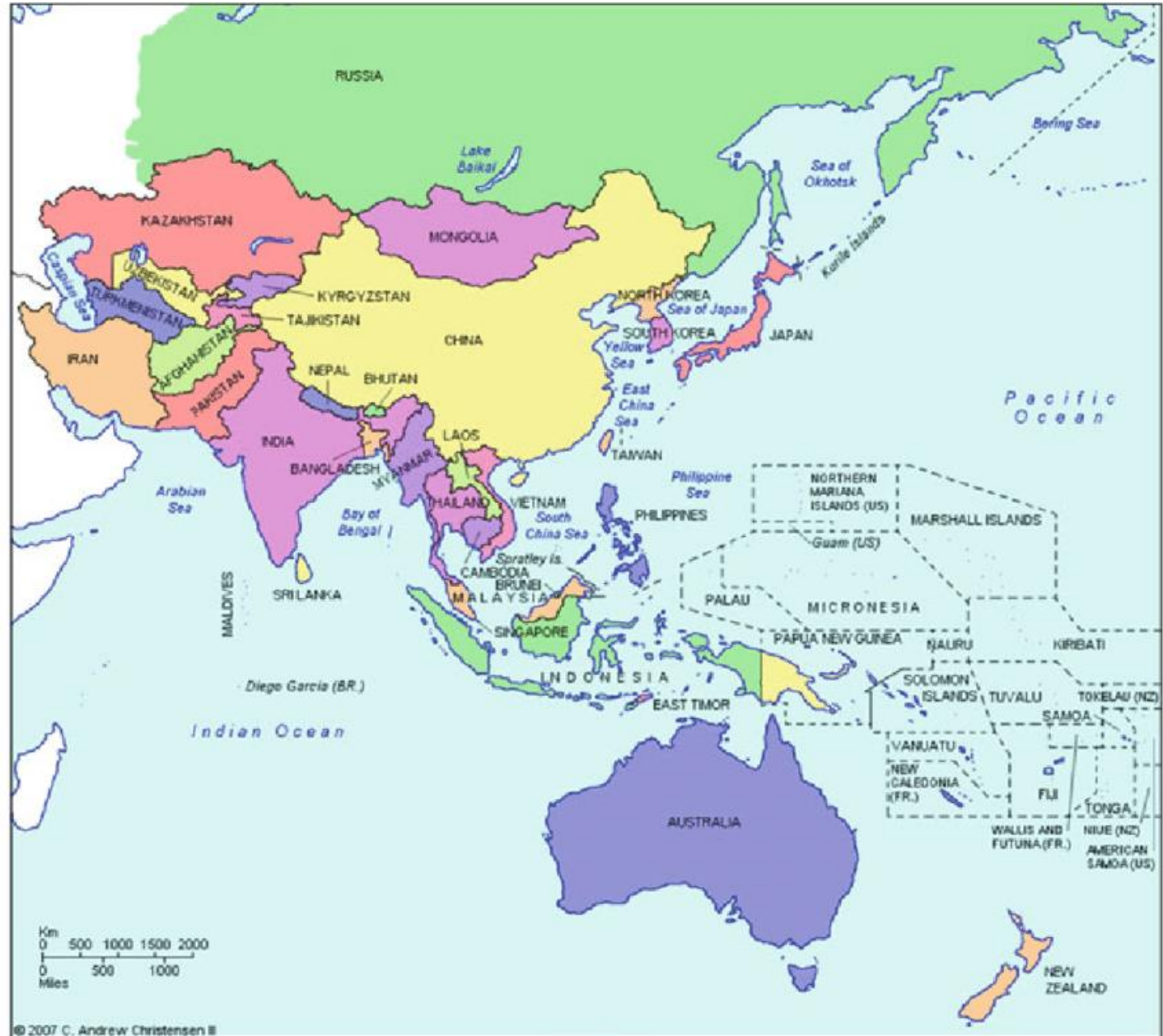
- 1. Identify Chamber of Commerce, business associations and private sector associations in each country:**
 - Stakeholder mapping of the Private Sector.
 - Identify the prevalent value chains such as pharmaceutical, automotive, leather etc.
- 2. Networking and Relationship Building:**
 - Engage with host country governments, chambers of commerce, and business communities to promote Kenyan investment opportunities
 - Develop strong networks with potential investors, local businesses, and key stakeholders in the Asia-Pacific Region.
- 3. Promotion of Kenyan Brand:**
 - Promotion of Kenya as a prime investment destination through events, trade missions, and targeted marketing campaigns
 - Focus on opportunities based on capacity to invest.
- 4. Case Studies and success stories:**
 - Showcase successful investment from the Asia-Pacific region in Kenya
 - Discuss any challenges faced in previous investments and how they were overcome
- 5. Environmental and Social Consideration:**
 - Discuss Kenya's commitment to sustainable development and importance of environment and social governance (ESG) in investment decisions



ASIA AND THE PACIFIC COUNTRIES

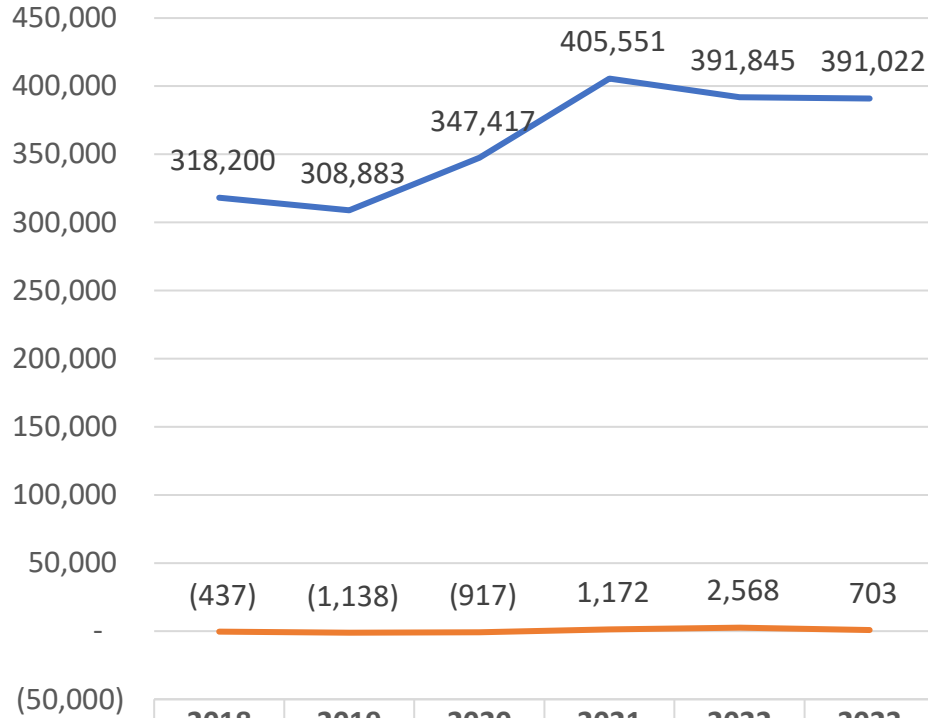
- ❖ The Asia and the Pacific region is home to 60 per cent of the world's population – some 4.8 billion people – and includes the world's most populous countries, China and India.
- ❖ The region also contains some of the smallest populations on the planet, especially among the Small Island Developing States in the Pacific
- ❖ The top eight countries contributed a total of 92% of FDI Outflows from the Region in the year 2023

Source: United Nations Population Fund



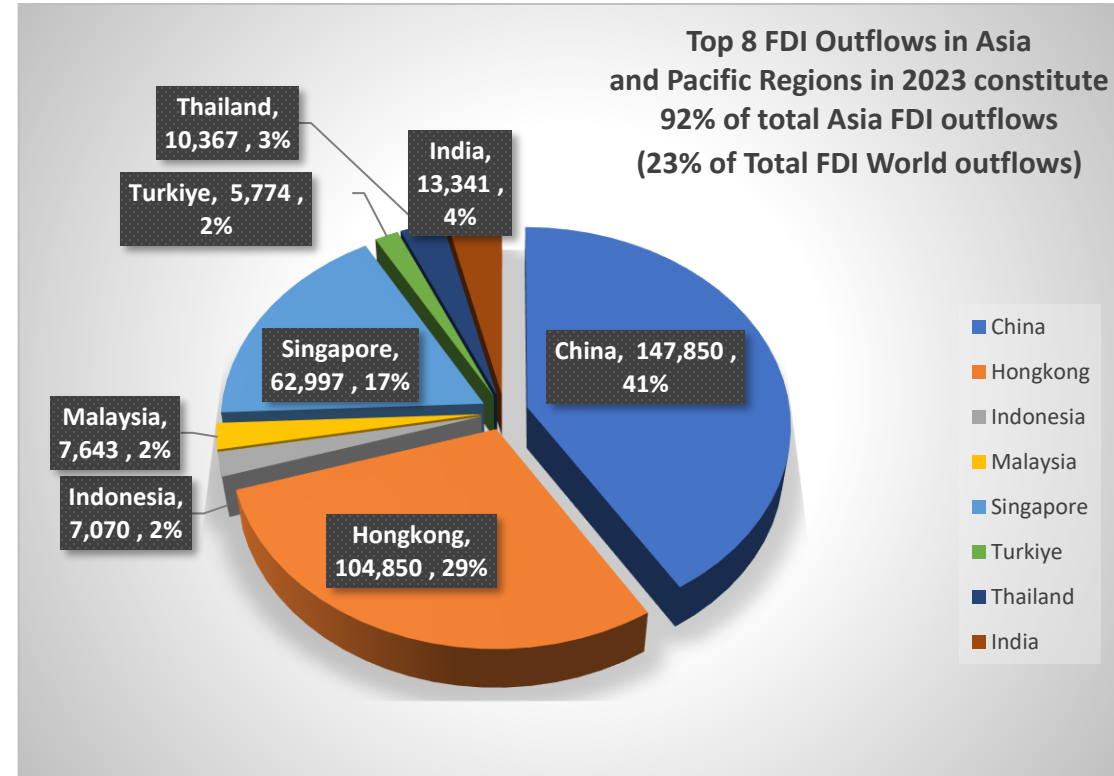
FDI OUTFLOWS FROM ASIA AND THE PACIFIC COUNTRIES

FDI Outflows - Asia & Pacific Regions



	2018	2019	2020	2021	2022	2023
Asia FDI Outflows (US\$ Million)	318,200	308,883	347,417	405,551	391,845	391,022
Pacific (Oceania) FDI Outflows (US\$ Millions)	(437)	(1,138)	(917)	1,172	2,568	703

— Asia FDI Outflows (US\$ Million) — Pacific (Oceania) FDI Outflows (US\$ Millions)



FDI Outflows from Asia were mainly in greenfield projects: Electronics & electrical equipment, Semi-conductors,; Automotive; Machinery and equipment; Textiles, clothing and leather.



STRATEGIES EMPLOYED TO ATTRACT PRIVATE INVESTMENTS

Country	2022 - Exported Products
1. China	Electronics (24%), Mineral Fuels & Oils (16.6%), Machinery (9.2%), Ores, Slag & Ash (7.9%), Optical, Photographic, Medical Equipment (4.7%), Vehicles (3.6%), Plastics (3.4%), Pearls & Precious Stones (2.9%), Organic Chemicals (1.9%) and Copper & Articles (1.9%).
2. Indonesia	The top exports of Indonesia are <u>Coal Briquettes</u> (\$50.8B), <u>Palm Oil</u> (\$28.7B), <u>Ferroalloys</u> (\$13.7B), <u>Petroleum Gas</u> (\$11.8B), and <u>Copper Ore</u> (\$8.89B).
3. Hong Kong	Electrical Machinery & Equipment (53.18%), Machinery (11.47%), Pearls & Precious Stones (9.38%), Optical, Photographic, Medical Equipment (3.05%), Mineral Fuels & Oils (2.49%), Plastics (1.43%), Clocks & Watches (1.39%), Essential Oils & Resinoids (1.11%), Meat (0.93%) and Knitted or Crocheted Apparel & Clothing (0.91%).
4. Malaysia	Mineral Fuels & Oils (25.29%), Electrical Machinery & Equipment (17.82%), Machinery (10.26%), Optical, Photographic, Medical Equipment (3.67%), Vehicles (3.32%), Iron & Steel (3.11%), Ores, Slag & Ash (3%), Organic Chemicals (2.52%), Plastics (2.29%) and Miscellaneous Chemical Products (1.62%).
5. India	Mineral Fuels & Oils (31.98%), Pearls & Precious Stones (12.5%), Electronics (10.5%), Machinery (9.18%), Organic Chemicals (4.28%), Plastics (3.05%), Iron & Steel (2.41%), Animal or Vegetable Fats & Oils (2%), Optical, Photographic, Medical Equipment (1.98%) and Fertilizers (1.53%).
6. Singapore	<u>Integrated Circuits</u> (\$81.9B), <u>Refined Petroleum</u> (\$62.9B), <u>Machinery Having Individual Functions</u> (\$15.4B), <u>Gold</u> (\$13.1B), and <u>Gas Turbines</u> (\$8.48B).
7. Turkiye	<u>Refined Petroleum</u> (\$12.3B), <u>Cars</u> (\$9.67B), <u>Jewelry</u> (\$8.12B), <u>Motor vehicles; parts and accessories (8701 to 8705)</u> (\$6.78B), and <u>Delivery Trucks</u> (\$5.88B),
8. Thailand	<u>Office Machine Parts</u> (\$19.3B), <u>Integrated Circuits</u> (\$14.3B), <u>Cars</u> (\$10.8B), <u>Delivery Trucks</u> (\$9.36B), and <u>Refined Petroleum</u> (\$8.83B).

N.B: Attract anchor investors to diversify manufacturing facilities into Kenya for export

Source: Observatory of Economic Complexity (OEC) data

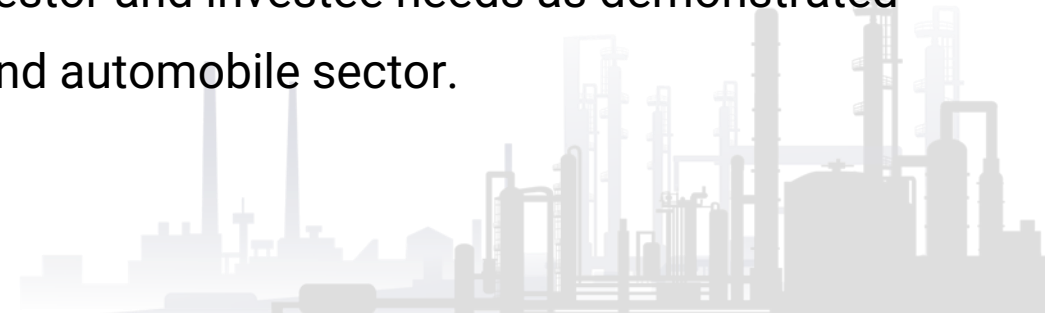
STRATEGIES EMPLOYED TO ATTRACT PRIVATE INVESTMENTS.../2

Country	2023 – Imports to Kenya
1. China	Electrical, electronic equipment; Machinery, nuclear reactor, boilers; Iron and Steel; Plastics; Vehicles, Textiles articles.
2. Indonesia	Animal, vegetable fats and oils, cleavage products; Paper and Paperboard; Iron and Steel; Manmade staple fibers; Miscellaneous Chemical Products; Machinery and boilers; Edible preparations; Pharmaceutical Products; Organic Chemicals; and Rubber
3. Hong Kong	Electrical, electronic equipment; Manmade filaments; Manmade staple fibers; Knitted or crocheted fabric; Machinery, boilers; Special woven or tufted fabric, lace, tapestry
4. Malaysia	Animal, vegetable fats and oils, cleavage products; Mineral fuels, oils, distillation products; Miscellaneous Chemical Products; Electrical, electronic equipment; Furniture, lighting signs, prefabricated buildings.
5. India	Mineral fuels, oils, distillation products; Pharmaceutical products; Cereals; Machinery, boilers; Vehicles; Plastics; Sugars and Confectionery
6. Singapore	Mineral fuels, oils, distillation products; Animal, vegetable fats and oils, cleavage products; Plastics; Manmade staple fibers; Miscellaneous Chemical products; Electrical, electronic equipment; Organic Chemicals; Optical, photo, technical, medical apparatus.
7. Turkiye	Fertilizers; Machinery, boilers; Electrical, electronic equipment; Mineral fuels, oils, distillation products; Vehicles; Plastics; Cereals; Furniture, lighting signs, prefabricated buildings.
8. Thailand	Vehicles; Rubbers; Animal, vegetable fats and oils, cleavage products; Sugar and Sugar Confectionery; Machinery, boilers; plastics; Cereals; Electrical, electronics

N.B: Attract investors exporting to Kenya to set up and do import substitution

CONCLUSION – CALL TO ACTION

- i. Promote and facilitate investors taking into consideration Investor and Investee needs.
- ii. Target between 1% - 2% of the total FDI outflows from Asia and Pacific Regions estimated at US\$ 391,022 million in 2023
- iii. Investors needs may be concentrated along trends in FDI outflows and major imports. FDI from Investors in Asia & Pacific regions can also be driven by outbound manufacturing policies.
- iv. Target brand investors in respective growth sectors that can signal and crowd in similar investors in the same and auxiliary sectors.
- v. Target investors already exporting into Kenya to set up and support in import substitution
- vi. Promote investment opportunities considering the various investor and investee needs as demonstrated in the following BETA Investment opportunities in the health and automobile sector.



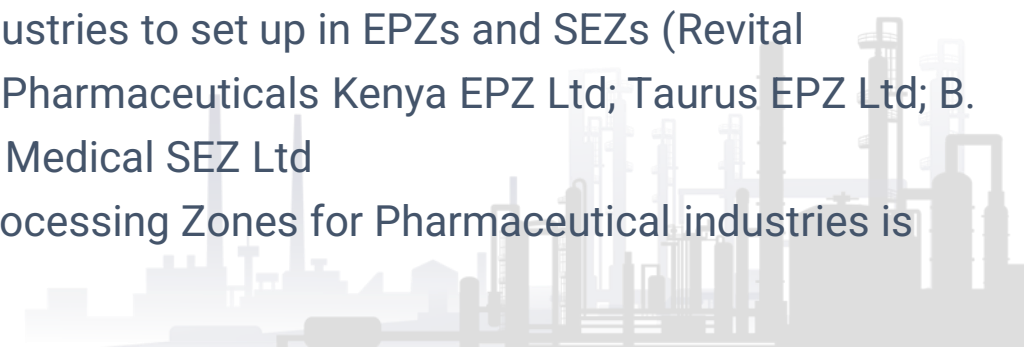
BETA INVESTMENT OPPORTUNITIES - HEALTH SECTOR

Value Proposition

- Kenya uses 1/5th of the budget to import pharmaceuticals and medical equipment (Approx US\$ 550 billion)
- Current manufacturers can only meet 30% of the demand for pharmaceutical products with the rest met by imports
- Specialized hospitals are required to meet emerging medical conditions such as Cancer, Spinal injuries, and dialysis and set up Children Hospitals.
- Leverage on UHC to identify and scale up manufacturing of essential supplies.
- Leverage on human capital to work towards a regional pharmaceutical manufacturing hub.
- Attractive project returns

Opportunities

- Removed taxes on goods and services used for manufacturing pharmaceutical products
- Allowed Pharmaceutical industries to set up in EPZs and SEZs (Revital Healthcare EPZ Ltd; Square Pharmaceuticals Kenya EPZ Ltd; Taurus EPZ Ltd; B. Braun EPZ Ltd; and Fullcare Medical SEZ Ltd)
- A Special focused Export Processing Zones for Pharmaceutical industries is being set up in Murang'a



BETA INVESTMENT OPPORTUNITIES - AUTOMOTIVE SECTOR

Value Proposition

- Kenya has a potential to be the hub of automotive industry in EAC
- 110,418 second hand cars were imported into Kenya in 2023 against 8,787 (7%) brand new and assembled vehicles
- Demand for vehicles at the EAC region is estimated at 202,000 second hand cars annually and 30,500 new car sales. This provides a huge opportunity to manufacture brand new locally assembled vehicles that can serve both the EAC and the AfCFTA

Opportunities

- Automobile Policy in place
- Automobile Bill has been developed to provide incentives for the auto industry
- E-Mobility is also growing in Kenya as the country embraces green manufacturing and climate change mitigation measures



CALL TO ACTION REFERENCE POINTS

Facilitation through SDIP as
1st port of call and through
National Investment Council
as 2nd port of call

State Department of Investment Promotion

Email: info@investmentpromotion.go.ke

Tel: +254207850009

Investment opportunities and
how to invest in Kenya

Kenya Investment Authority

Email: info@invest.go.ke

Tel: +254730104200

Financing partner of Equity or
debt and technical advice

Kenya Development Corporation

Email: info@kdc.go.ke

Tel: +254727534572

To invest in Economic zones

Special Economic Zones Authority

Email: info@sezauthority.go.ke

Tel: +254207863971

Export Processing Zone authority

Email: info@epzkenya.com

Tel: +254709537000



*thank
you*



STATE DEPARTMENT FOR INVESTMENT PROMOTION