AMERICANA QUALITY

Isiolo Meat Airport and City

REPUBLIC OF KENYA

MITI
MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

KenInvest
PROMOTING INVESTMENTS IN KENYA

EPZA KENYA

KDC KENYA DEVELOPMENT CORPORATION

Contents

Why Kenya

3rd largest
economy in sub-Saharan Africa.

US$ 110.35 Bn
7.5% growth
Dominant economy in EAC
≈46% of EAC's GDP.

US$ 2,081.8
+75% growth since 2010
Growing middle-class with an increasing appetite for high-value goods and services.

- Regional economic hub
- Host to over 200 Multinational Corporations with regional & continent-wide HQs in Nairobi
- Robust financial system
    - 43 banking institutions
    - 9 representative offices of foreign banks,
    - 13 Microfinance Banks,
    - 3 credit reference bureaus
    - 19 Money Remittance Providers
    - 73 forex bureaus

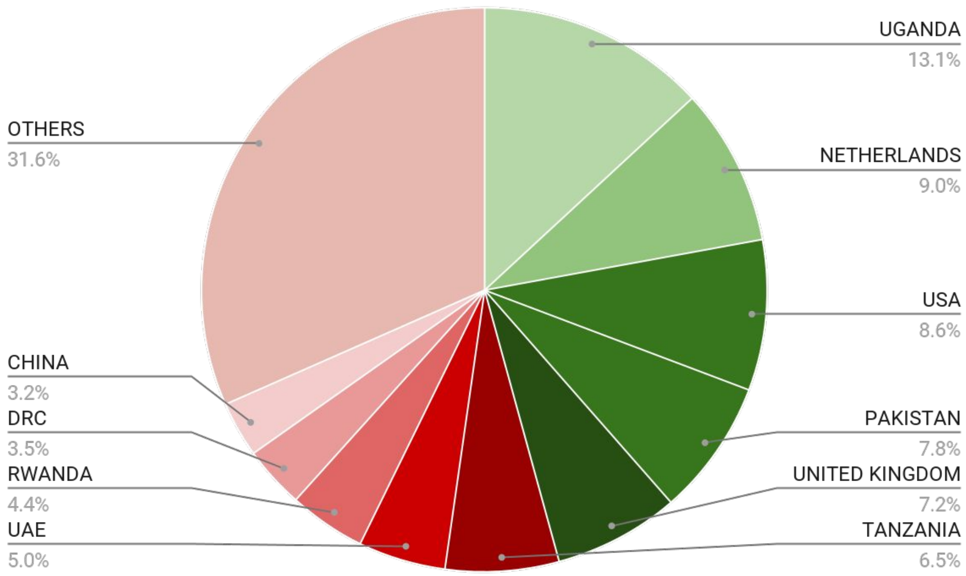
- Africa's UN HQs (UNON) which is one of four main UN secretariat duty stations globally.
- Global headquarters of UNEP and UN-Habitat, together with a joint presence of 23 other UN Agencies.

- Communications & Logistics hub of the region
- Access to regional transport corridors.
    - 4 international airports
    - 2 sea ports and 2 ICDs
    - 30-freight and 2-passenger rail services daily between Nairobi and Mombasa.

Wide Market Access & Good Trade Relations

US$ 17.43 Bn
Total Imports

US$ 6.09 Bn
Total Exports



Preferential Trade Agreements

1.7Bn ~ US$ 40Tn

Population / Market value

AGOA · EPA Economic Partnership Agreements · COMESA · EAC · AfCFTA

Kenya's untapped export potential ~ US$ 4.1 Bn (ITC)

Existing Bilateral Trade Treaties with Kingdom of Saudi Arabia

1. Double taxation agreement

2. Bilateral Labour Agreement on 25th May 2017

The Investment Environment is Conducive

1

- Guaranteed repatriation of capital and profits
- Constitutional protection against expropriation
- Investment guarantee against non-commercial risks: ICSID, MIGA and ATIA

2

- One stop shop facilitation
- Periodic Presidential roundtables with private sector
- Digitization of government services
- Facilitative Industrial zone programs - EPZs & SEZs

3

- Political and macroeconomic stability.
- High labour productivity: a large pool of youthful, trainable and literate workforce
- Globally competitive:
    - 56th in the Ease of Doing Business
    - 1st for five years in a row in financial inclusion
    - 1st globally in protection of minority investors
    - Nairobi – Africa's leading business travel destination and hub for impact investors.
    - 2nd in Africa in the logistics performance index

Source: World Bank, UNCTAD, CBK, KNBS

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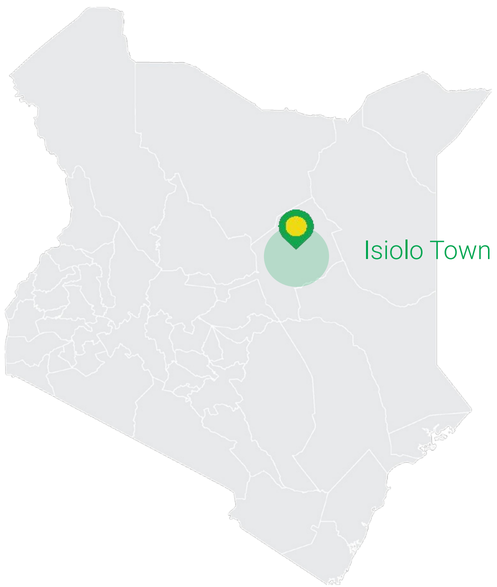
Executive Summary

Project Name: ISIOLO MEAT AIRPORT AND CITY IN KENYA



IMPLEMENTING AGENCY : **KENYA AIRPORTS AUTHORITY / COUNTY GOVERNMENT OF ISIOLO**

INVESTMENT FACILITATOR : **KENYA INVESTMENT AUTHORITY**

ANCHOR INVESTOR : **KENYA DEVELOPMENT CORPORATION**

ESTIMATED INVESTMENT COST: **USD 47 Million**

INVESTMENT ENGAGEMENT: **PUBLIC PRIVATE PARTNERSHIP (PPP)**

Preamble

There are several gaps in the livestock that Kenya Government has been trying to addressed

Kenya Airports Authority (KAA):

- **Role:** KAA an autonomous body charged with the responsibility of providing and managing all airports in the Kenya
- **Ownership:** Owned 100% by Government of Kenya (GOK)
- **Management:** Board of directors
- **Stock Exchange:** Not listed in the Nairobi Stock Exchange (NSE)

County Government of Isiolo:

- **Role:** Devolved government charged with governance and delivery of services to Isiolo county such public infrastructure as roads, water, health, waste management systems, street lighting, and others
- **Ownership:** Democratically elected by residents of Isiolo county
- **Management: C**ounty Executive Committee led by County Governor

KAA Business at a glance:

8.8 million	**380 million**	**259,212**	**5.1%**
Passengers in FY 21/22	KGs of cargo in FY 21/22	Aircraft movements in FY 21/22	Contribution to Kenyan GDP

Proposed Project

1. Development of Hub for Halal Meat

- A Plan that promotes to develop Isiolo Town as Meat hub for export of Halal Meat to the Middle East, Indonesia, Malaysia, etc by supporting urban development in a sustainable and inclusive way through prioritised integrated projects.
- Upgrade and Extension of the Isiolo International Airport to global export standards as "anchor" investors.
- Kenya has established a world class abattoir next to Isiolo Airport.

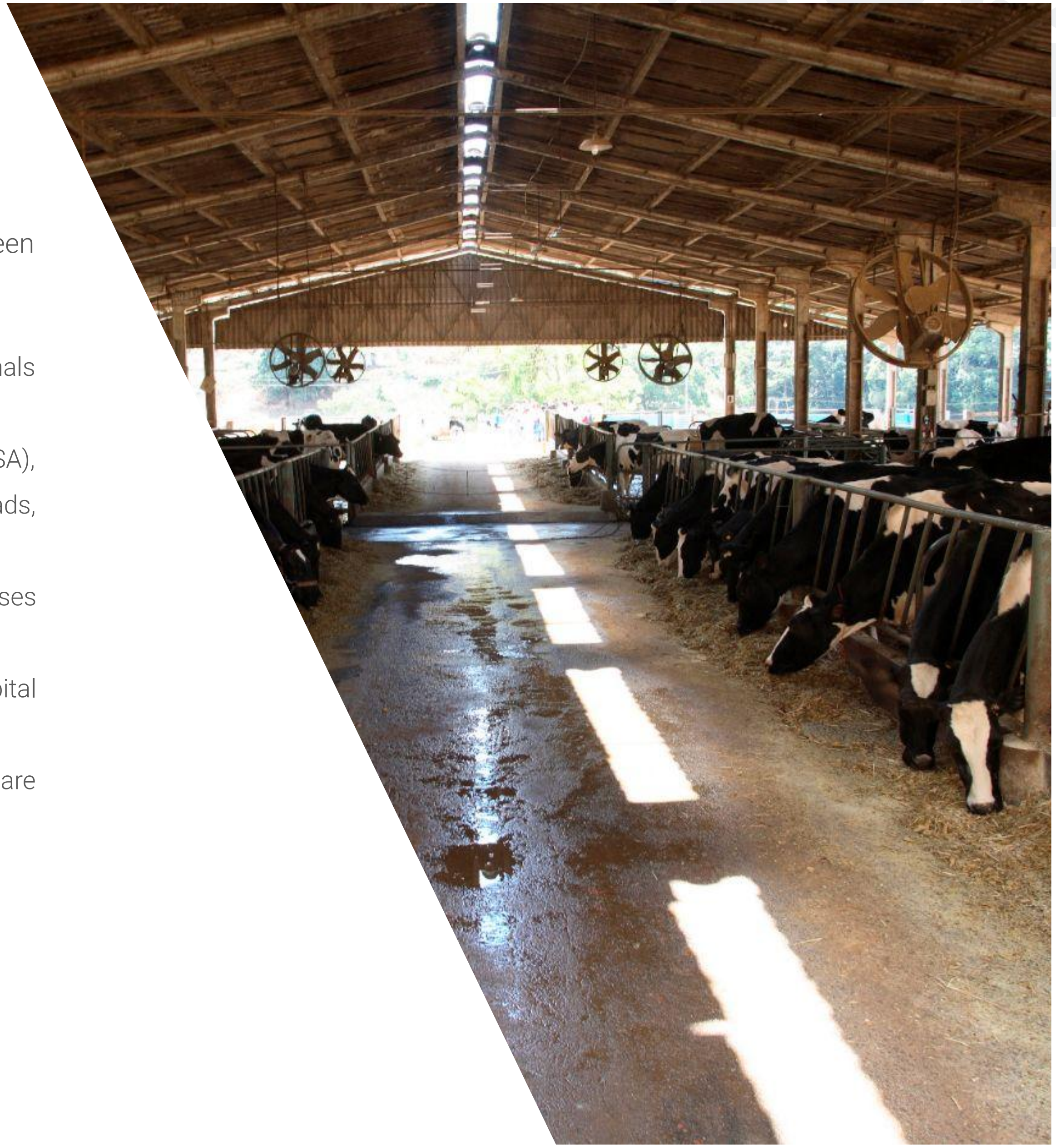
2. Catchment Areas for the Livestock

- **Kenya:** Isiolo, Marsabit, Samburu, Mandera, Wajir, Garissa, Turkana -approximately 80 per cent of the inhabitants in these counties derive their livelihoods from livestock enterprise, and close to 70 per cent of the rural labour force is employed in the livestock.
- **Others**: Other sources of meat will be Southern Sudan, Southern Ethiopia and Somalia

Problem Statement

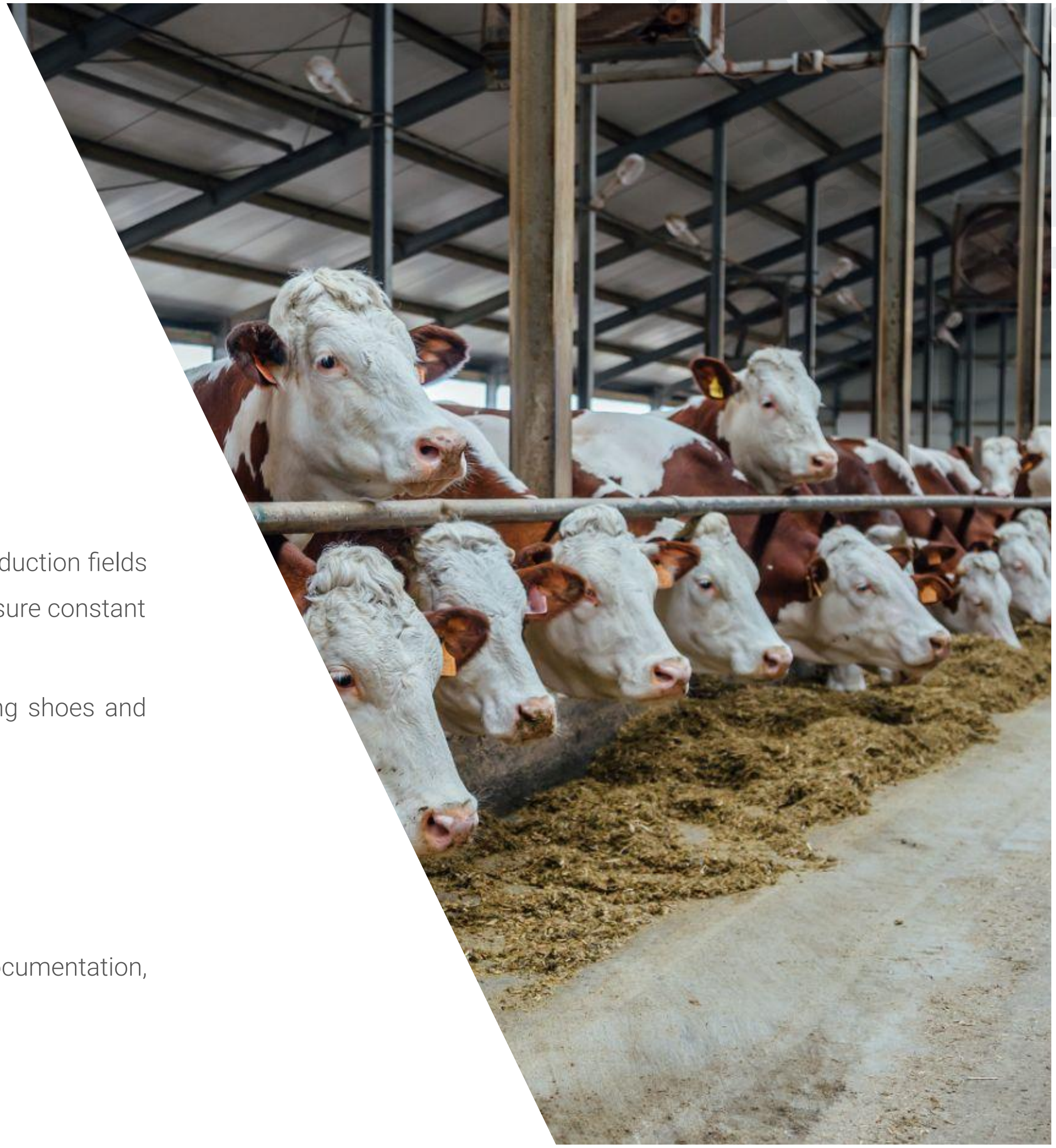
There are several gaps in the livestock that Kenya Government has been trying to addressed:

- Fragmented market approach with no aggregation model of live animals for export from Kenya;
- Non-value added exports to Qatar, UAE, Kingdom of Saudi Arabia (KSA), Indonesia, Malaysia etc. due to infrastructure in-efficiencies eg. roads, water facilities, CETP
- Increasing demand out-stripping supply for mutton & beef; heavy losses during drought
- Lack of SPS/ standards adherence capability locally leading to capital flight in the establishment of processors off-shore
- Weak downstream leather industry as raw materials (hides and skins) are exported "on" live animals



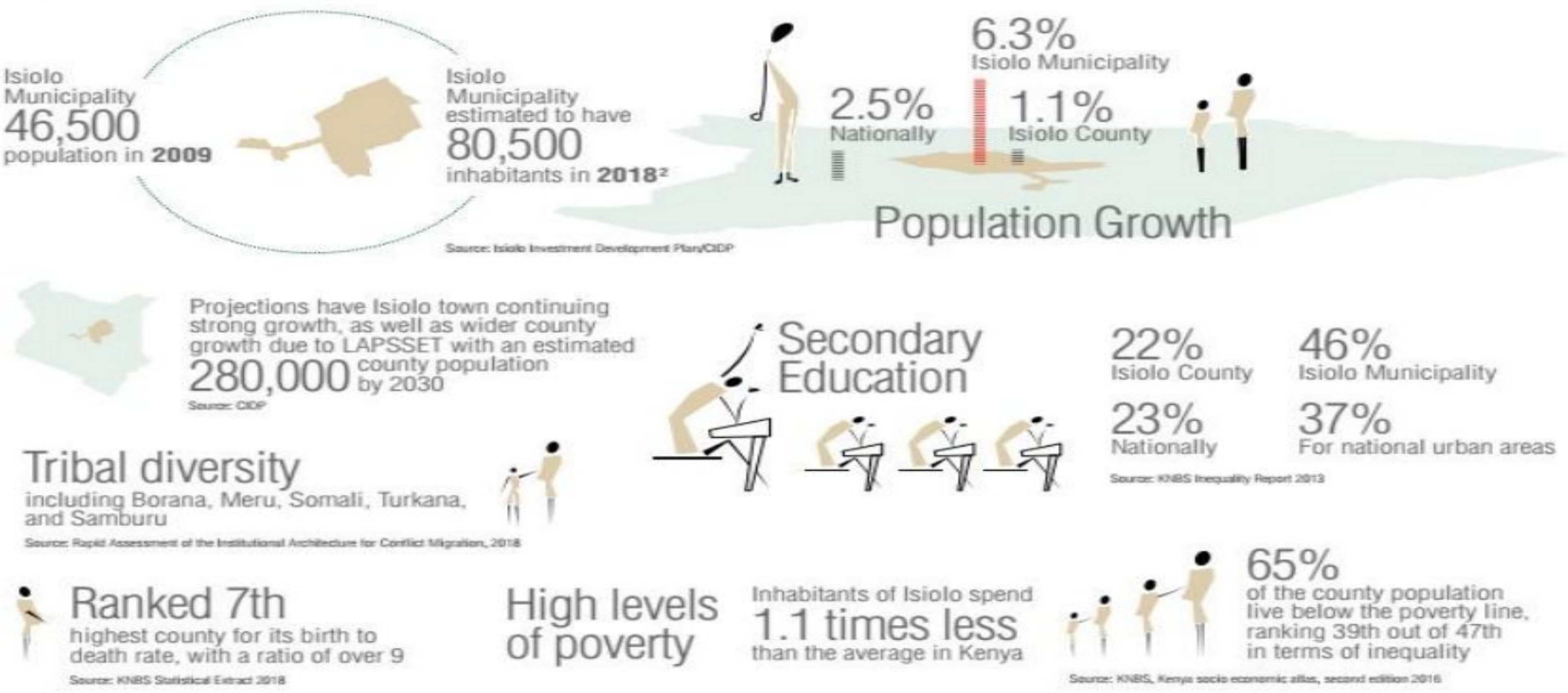
Investment Opportunities

- Develop Isiolo as Meat hub for the Middle East Sourcing
- Supply the regional demand
- Build a Meat Industry that attracts other industry
- Establish a One-Stop Shop in Isiolo to facilitate halal meat exports
- Roll out industrial skill training in key sectors
- Set up specialised training facilities
- Support facilities e.g. feedlots, animal screening areas and pasture production fields within the holding ground to be developed alongside the abattoir to ensure constant supply of livestock to the facility.
- Establish an integrated industrial parks across the City manufacturing shoes and leather products around Isiolo Airport
- Upgrade Isiolo Airport to global export standards as “anchor” investors
- Develop the enabling infrastructure through a PPP model
- Extend Brand Kenya marketing activities for Kenya meat in GCC
- Shared services including Abattoirs; effluent treatment, export documentation, vocational training facilities



Opportunity and Value Proposition

Isiolo Statistics

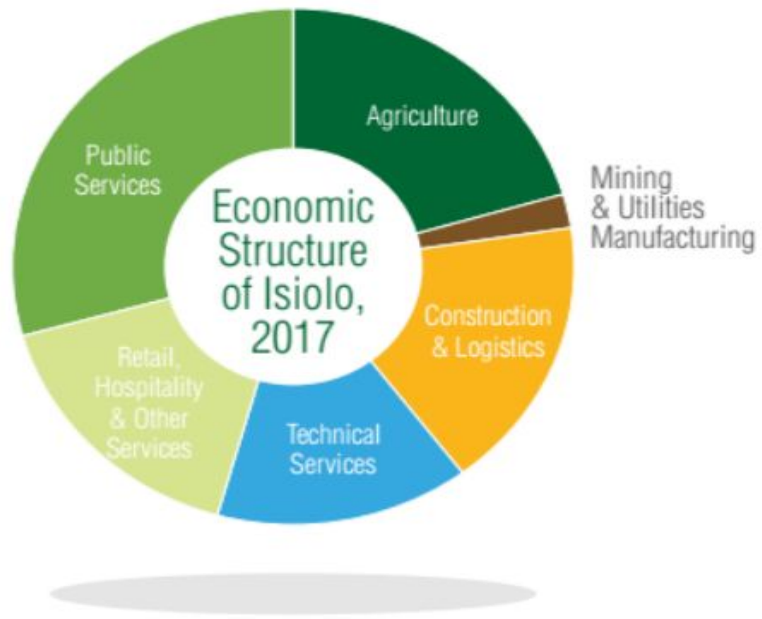


Brief on Isiolo Export Abattoir by CGI

Isiolo's UEP presentation by CGI

Opportunity and Value Proposition

Isiolo Statistics



Source: KNBS Gross County Product 2019

State of Businesses in Isiolo

As part of the diagnostic process, businesses based in Isiolo Town were consulted with. This covered 33 respondents including business and community groups that represented over 350 workers.

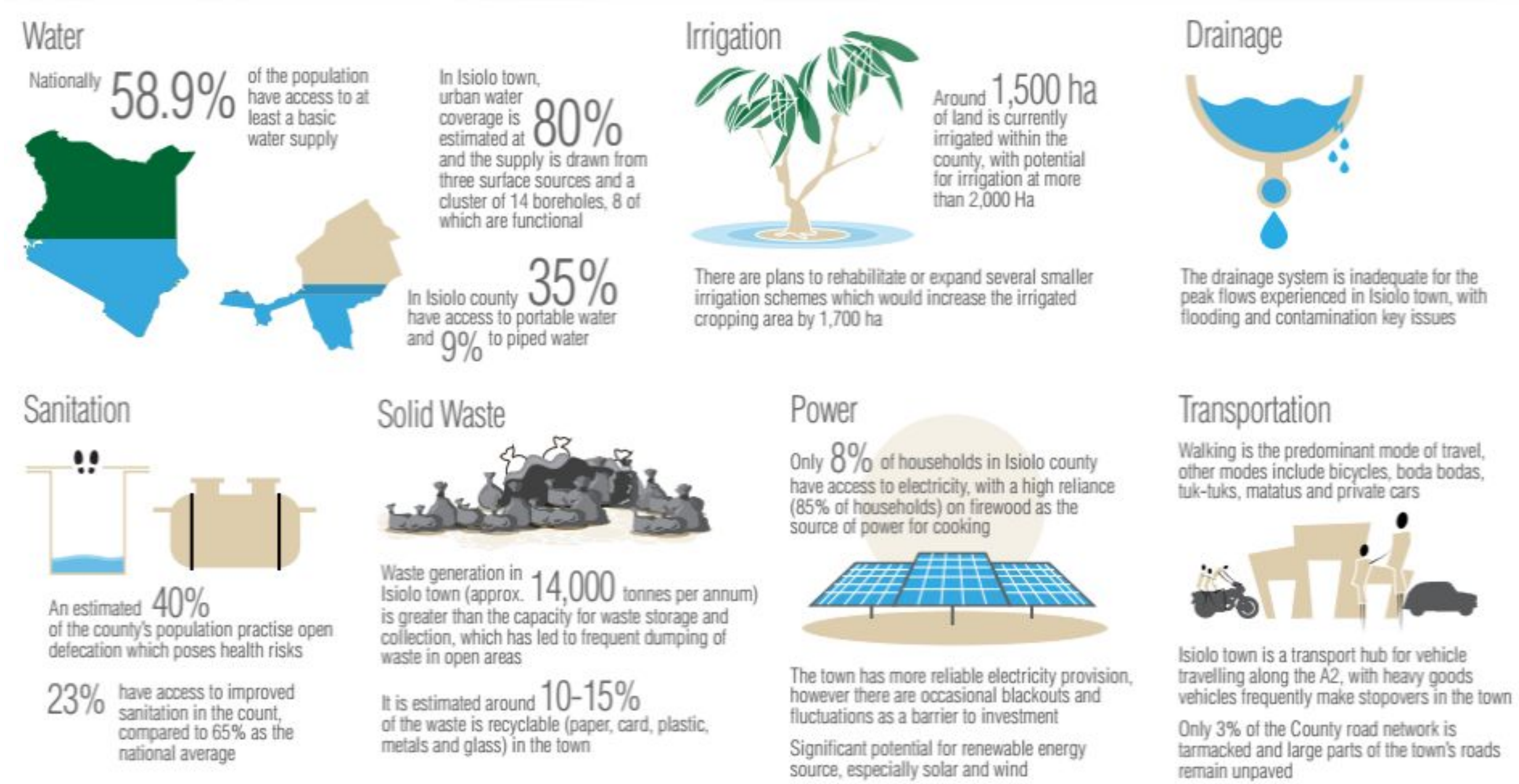
One of the key questions was around constraints to growth - whilst most reported an aspiration to expand.

The following were seen as the barriers:

- Supply Chain problems
- Lack of finance
- Poor economic conditions
- Insecurity

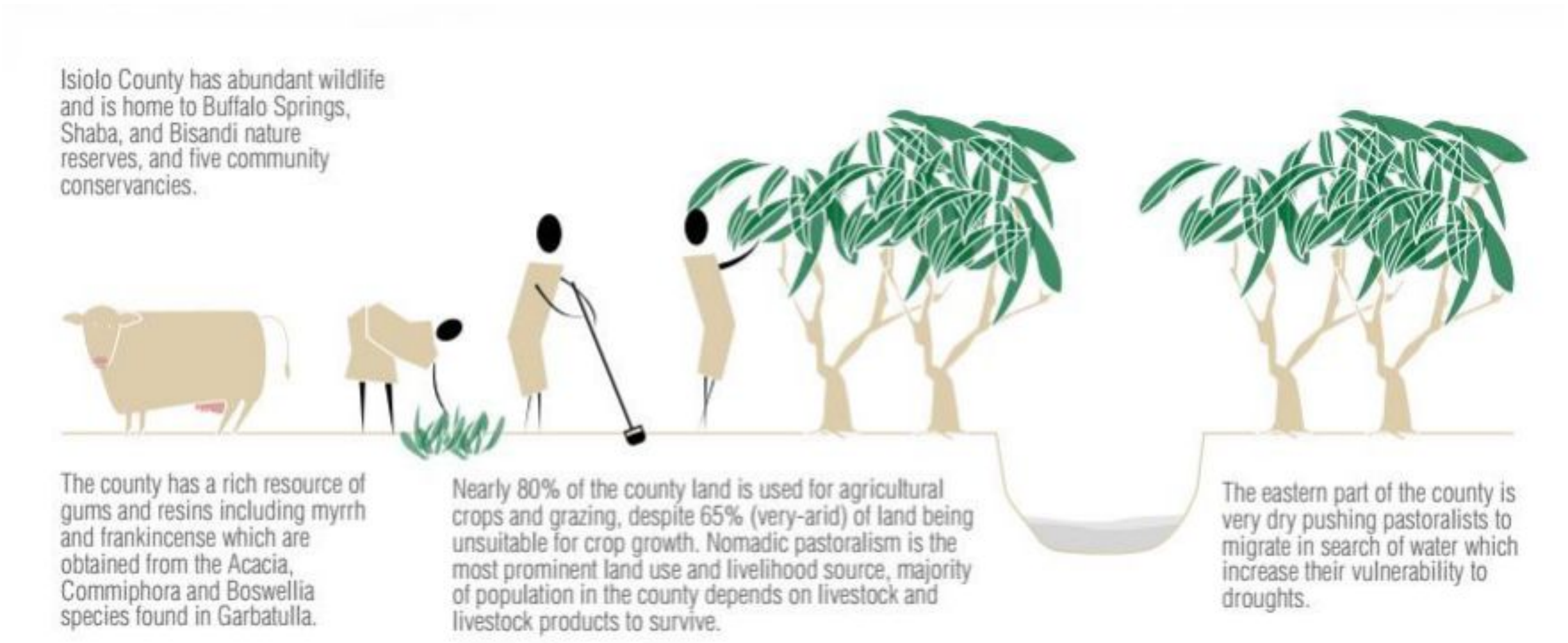
Opportunity and Value Proposition

Isiolo Infrastructure Statistics



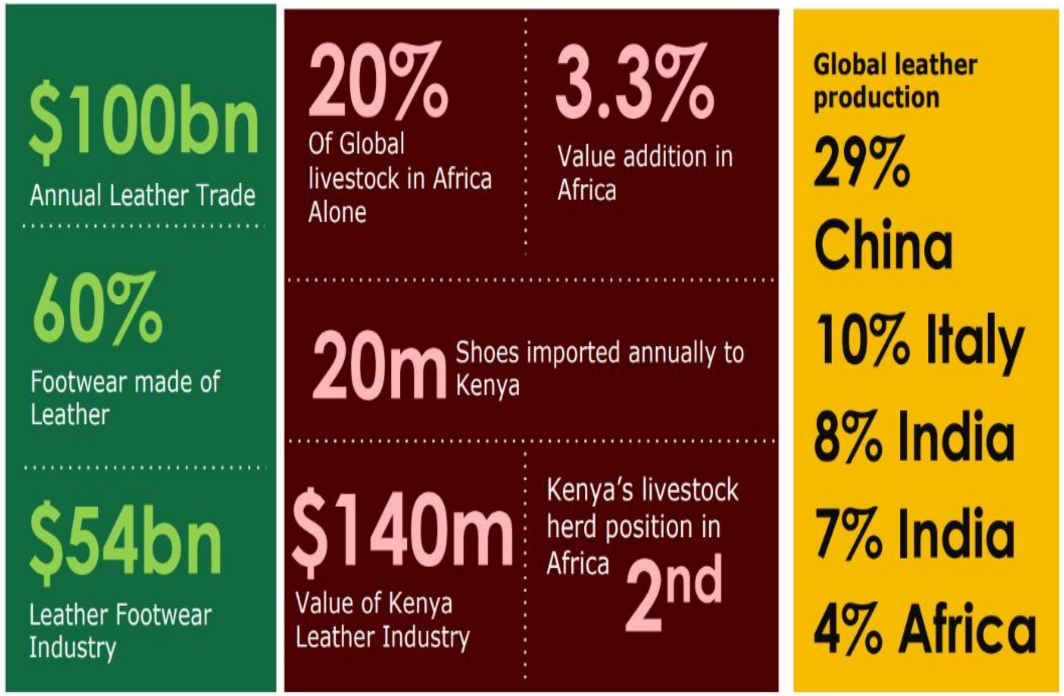
Opportunity and Value Proposition

Isiolo Environmental Statistics



Opportunity and Value Proposition

Annex 1: Meat and Leather Industry Numbers



Capacity of Modern Abattoir Facility

Initial estimated capacity of livestock slaughter per day

- Sheep and goats - 1,000
- Cattle: 200 heads Kenya-Qatar partnership by MITI
- Camel: 50 - 100,

However, operation was envisaged to start lower and gradually progress to full capacity.

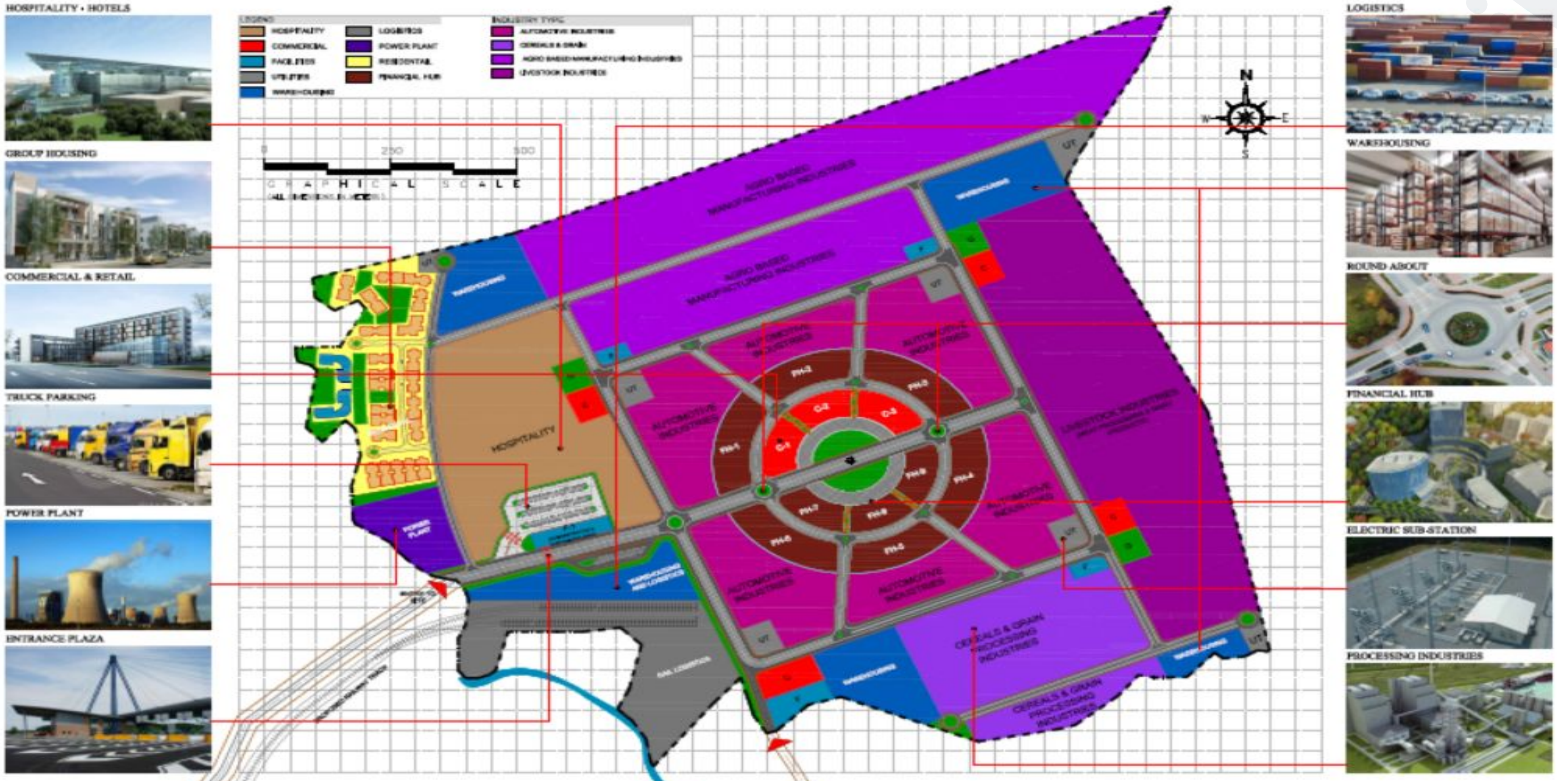
<u>Experts' Opinion</u>

With installation of modern equipment (Automation) the facility can slaughter a lot more.

Based on the recent world bank Isiolo infrastructure evaluation report, the facility is estimated to have capacity to slaughter the following: -

- Cattle: 30 - 40/hour
- Shoats: 150 - 200/hour
- Camels: 30/hour

Solution


HOSPITALITY • HOTELS
GROUP HOUSING
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TRUCK PARKING
POWER PLANT
ENTRANCE PLAZA
LOGISTICS
WAREHOUSING
ROUND ABOUT
FINANCIAL HUB
ELECTRIC SUB-STATION
PROCESSING INDUSTRIES
GRAPHICAL SCALE
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HOSPITALITY
AGRO BASED MANUFACTURING INDUSTRIES
AUTOMOTIVE INDUSTRIES
LIVESTOCK INDUSTRIES
CEREALS & GRAIN PROCESSING INDUSTRIES
POWER PLANT

Government Support & General Requirements for Project Execution

Kenya has invested in a world class Meat & Leather processing plant (Abattoir) in Isiolo The designs of the airport are in place in readiness for upgrade Airport in operations

GoK is seeking Prospective Investors to

- Establish Camel Milk processing plant,
- Develop packaging and distribution centre for Meat processing
- Establish an integrated industrial parks across the City manufacturing shoes and leather products around Isiolo Airport
- Co-invest in the Municipal waste recycling and processing
- Co-invest in the Upgrade and Extension of Isiolo International Airport

Specific Meat Airport Components

The upgrade of Isiolo International airport will involve:

- Rehabilitation of the deteriorated 250m runway
- Expansion of the runway from 1.4km to 2.5km
- Construction of a fire station
- Installation of Airfield Ground Lighting
- Construction of Air Traffic Control Tower

Proposed Implementation and Funding

Asset Type	Asset Name	CAPEX Components	Delivery Unit
Industrial Cluster (Phase 1)	Roads, Paving, Stormwater, Water Supply & Treatment, Green Space, Reed Beds, feeding lots and Industrial units Type 1	**US$9,611,692**	PPP Initiative
Industrial Cluster (Phase 2)	Roads, Paving, Stormwater, Water Supply & Treatment, Green Space, Reed Beds, feeding lots and Industrial units Type 1-5	**US$22,652,256**	PPP Initiative
Value Chain Projects	Carmel Milk Processing	**US$2,556,391**	PPP Initiative
	Meat Processing Facility	**US$2,255,639**	PPP Initiative
Upgrade and Extension of Airport	Isiolo International Airport	**US$12,000,000**	PPP Initiative
	Total	**US$49,075,978**	

**Industrial Units
Type 1 – 1,000 sqm per unit
Type 2 – 600 sqm per unit
Type 3 – 1,500 sqm per unit
Type 4 – 2,500 sqm per unit
Type 5 – 3,000 sqm per unit,

Contents

Get started with KenInvest and KDC

Kenya Investment Authority

Tel: +254730104200
Email: info@invest.go.ke
Website: www.invest.go.ke

Kenya Development Corporation

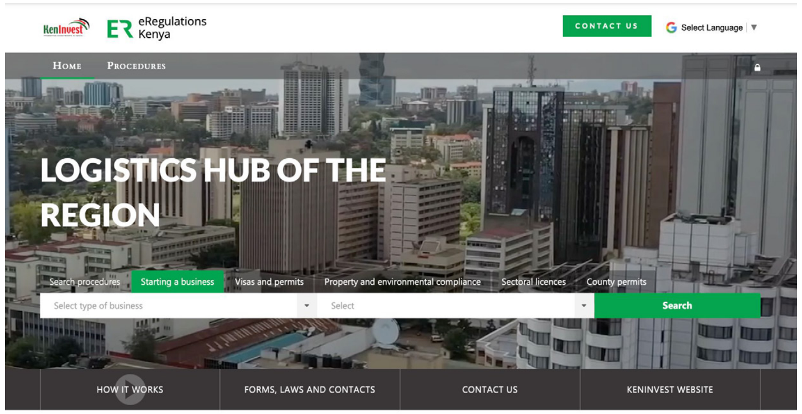
Tel: +254727534572
Email: info@kdc.go.ke
Website: www.kdc.go.ke

KenInvest's Facilitative Online Platforms

E-Regulations Portal

https://eregulations.invest.go.ke/

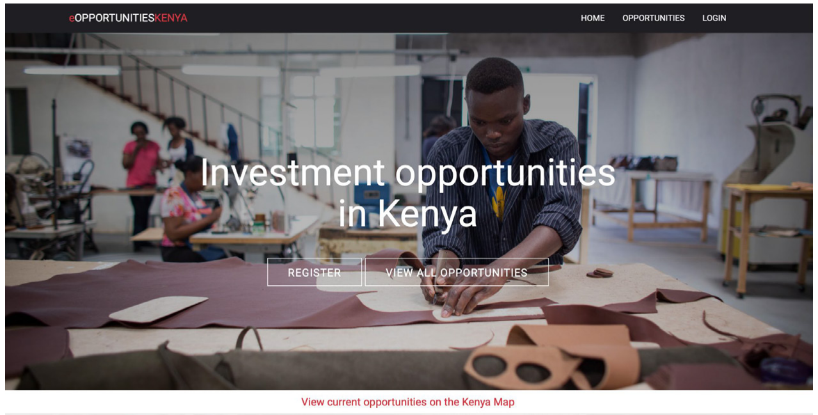
- Step by step procedure of investing in Kenya. Creates transparency
- >275 investment procedures published in the portal



E-opportunities portal

https://opportunities.invest.go.ke/

- KenInvest profiles and packages mapped out investment opportunities and uploads them on this portal



Thank you!

MAKE IT KENYA

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