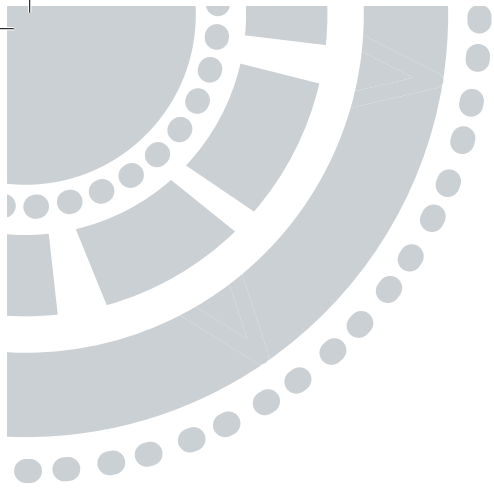




Lamu Special Economic Zone

LAPPSET CORRIDOR PROJECT



MITI
MINISTRY OF INVESTMENTS,
TRADE & INDUSTRY

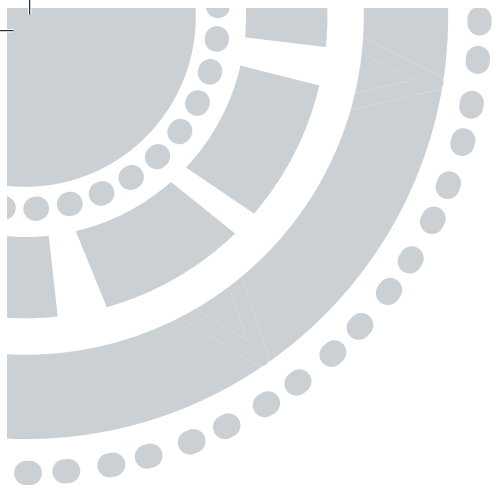


KENYA
DEVELOPMENT
CORPORATION



DEPARTMENT OF BUSINESS
REFORMS & TRANSFORMATION





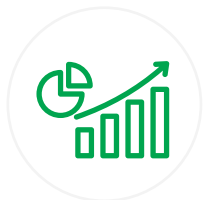
Contents

01	Why Kenya
02	Investment Opportunity
03	Get Started

Why Kenya



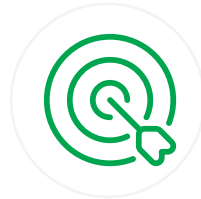
3rd largest
economy in sub-Saharan Africa.



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

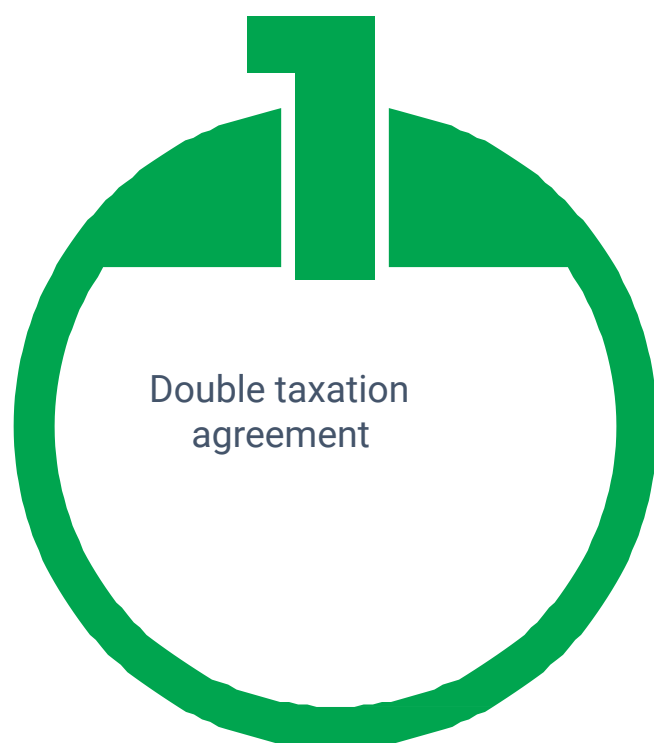


- Africa's UN HQs (UNON) which is one of four main UN secretariat duty stations globally.
- Global headquarters of UNEP and UN-Habitat, together with a joint presence of 23 other UN Agencies.

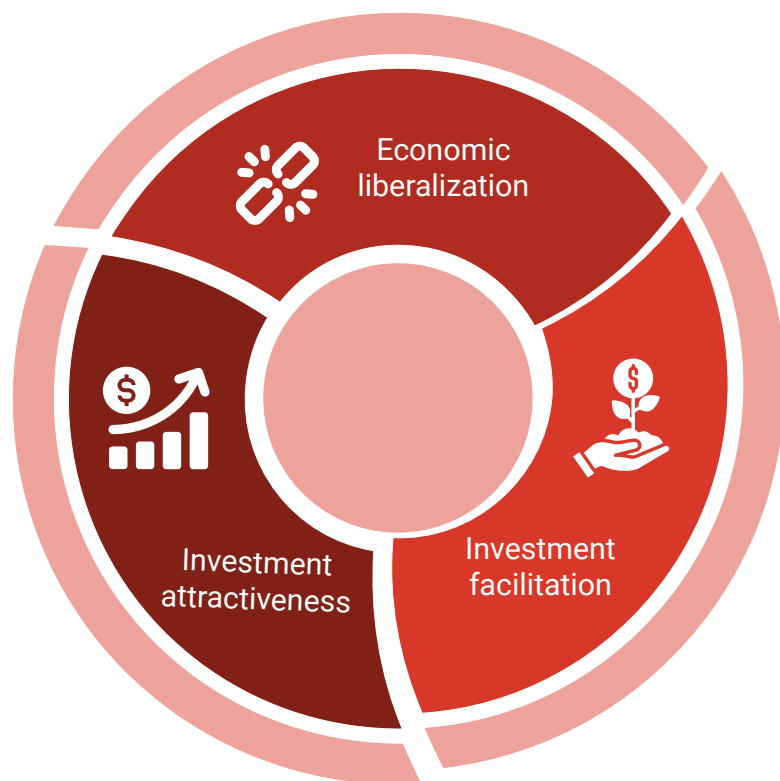


- Communications & Logistics hub of the region
- Access to regional transport corridors.
 - 4 international airports
 - 2 sea ports and 2 ICDs
 - 30-freight and 2-passenger rail services daily between Nairobi and Mombasa.

Existing Bilateral Trade Treaties with Kingdom of Saudi Arabia



The Investment Environment is Conducive



Source: World Bank, UNCTAD, CBK, KNBS

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

Wide Market Access & Good Trade Relations



US\$ 17.43 Bn
Total Imports



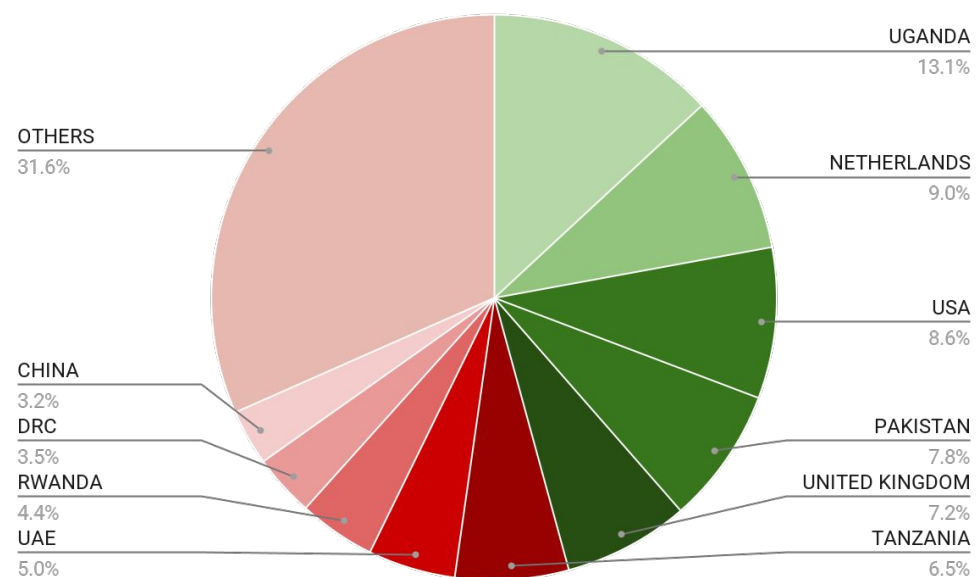
US\$ 6.09 Bn
Total Exports

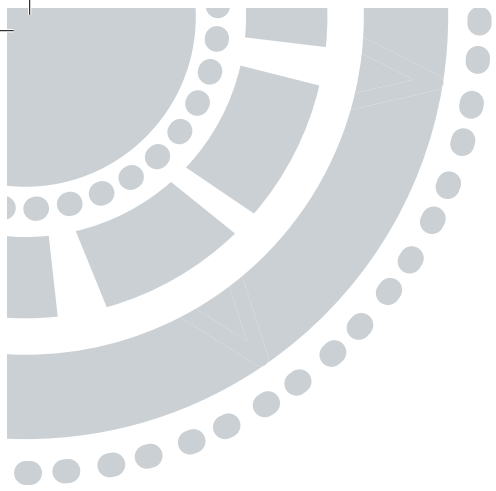
Preferential Trade Agreements

1.7Bn ~ US\$ 40Tn
Population Market value



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



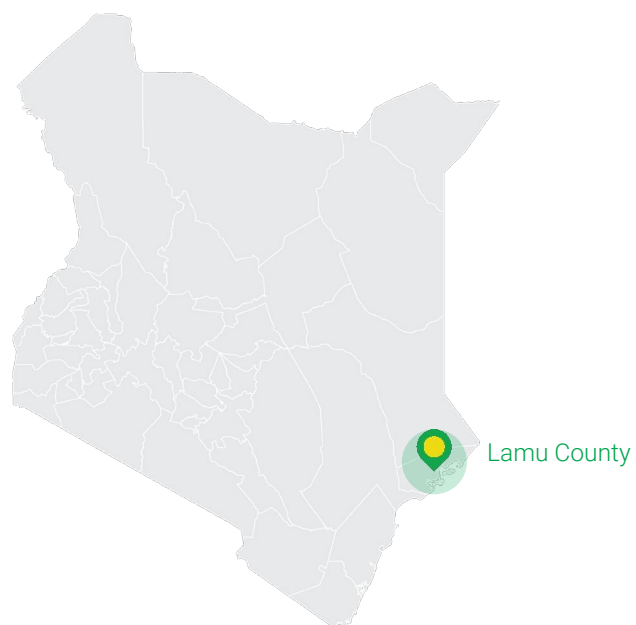


Contents

01	Why Kenya
02	Investment Opportunity
03	Get Started

Executive Summary

Project Name: **LAMU SPECIAL ECONOMIC ZONE PHASE 1**



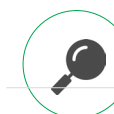
IMPLEMENTING AGENCY: **LAPSSET CORRIDOR
DEVELOPMENT AUTHORITY (LCDA)**

INVESTMENT FACILITATOR: **KENYA INVESTMENT
AUTHORITY**

INVESTMENT ANCHOR: **KENYA DEVELOPMENT AGENCY**

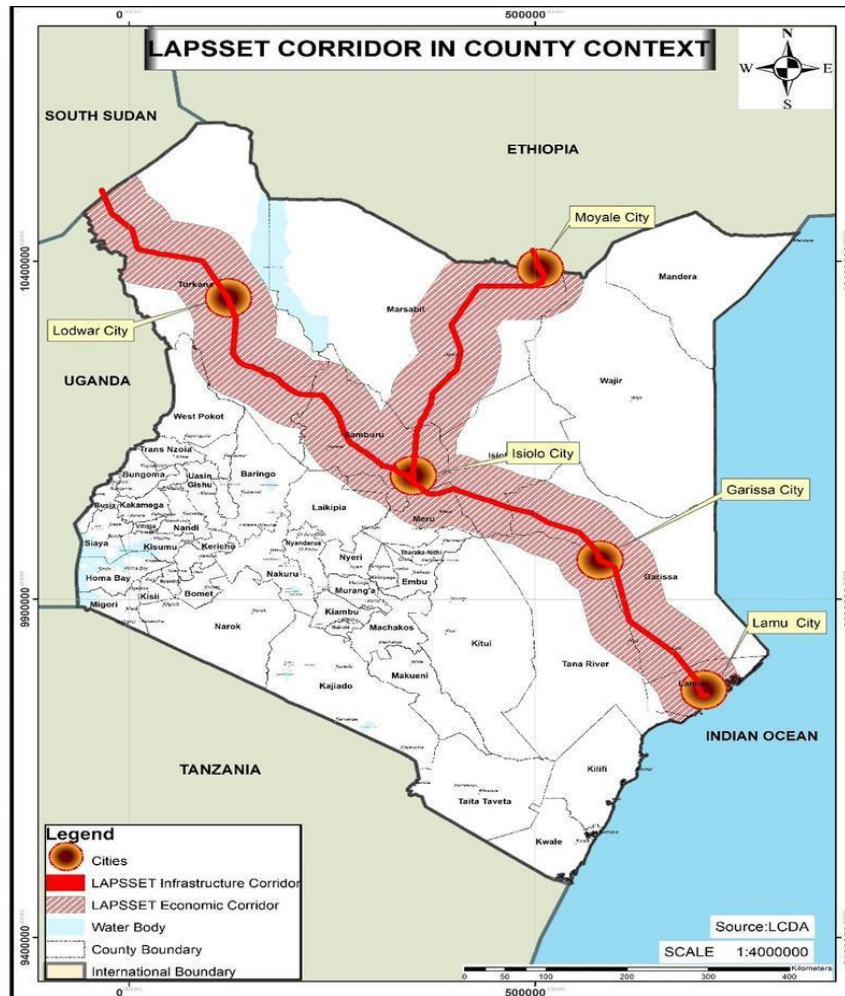


ESTIMATED INVESTMENT COST: **USD 491 Million**



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

LAPSSET



The Lamu Port, South Sudan, Ethiopia Transport Corridor (LAPSSET Corridor) is a regional multi-modal infrastructure program under Kenya's Vision 2030 Strategy Framework intended to enhance trade, facilitate regional connectivity and promote regional economic integration.

The Project consists of Roads, Railways, and Oil Pipelines along a 500-meter corridor connecting the landlocked countries of Ethiopia and South Sudan to the Port of Lamu at Kenya's coast.

The Government of Kenya has completed construction of 3 Container/General Cargo Terminals at the Port of Lamu with a Quay length of 400 meters each and a draft of 17.5 meters.

The main Port access Channel is 500 meters wide and the Sub Channel is 310 meters wide.

Problem Statement

Currently, the first Three Berths of Lamu Port have been constructed and operationalized. However, there is need to promote establishment of industries within the Port area to bolster economic development.

The development of Lamu Special Economic Zone adjacent to the port will create business and sustain the Port.

Lamu SEZ will provide significant employment opportunities and support value addition for export.



Opportunity and Value Proposition

Iron and Steel Industries	High demand for steel in the region with lower production. Kenya's steel demand is currently at 2.5 million tons, and is projected to double to 5 million tons by 2030.
Cement Industry	With major infrastructure and real estate developments ongoing, there is increased demand for cement in the region. Kenya alone consumed 5.7 M tons of cement in 2015
Petrochemical Industry	There are massive Oil and Gas reserves in the region that have been largely underutilized.
Apparel Industry	Apparel production lags far behind its demand. The LAPSSET partner states offer a significant cost advantage over other major producing countries such as China.
Food and Beverages	Drivers include: population and economic growth; disposable income; shifts in consumer choices (e.g. increasing meat and soft drinks consumption, demand for packaged or processed foods)



The Proposed Project

The Lamu SEZ is being implemented in 3 phases over a Total Area of 820 ha



820 ha
Total Area

608 ha
For light
Industries

59 ha
For
warehousing

2
Gates

13 ha
Internal
Roads

2 ha
Plot size

Lamu Special economic Zone is planned to be located adjacent to the Port of Lamu giving it a competitive advantage by **reducing cost of transportation** and **creating market access through exportation**.

Development of **greenfield economic zone** in Lamu provides investors **flexibility** in developing structures of their preferences.

Due to the infrastructural development being realized in Lamu, there is an increase in population and private sector interest and the development of Lamu SEZ will serve the demand of the increased population.

Investment, Model and Timelines

Investment



Total Capital needed

USD 491
Million

Phase 1 Investment

USD 41.2
Million



Estimated Internal Rate
of Return (IRR)

14.65%

Timelines



Construction Period

3
YEARS

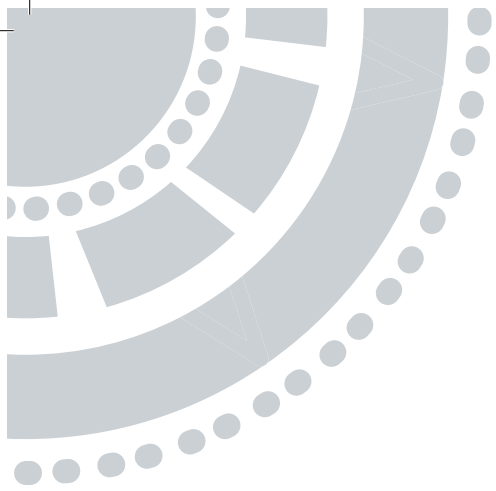
Model

PPP

BOT

Concession Period

3
YEARS



Contents

01	Why Kenya
02	Investment Opportunity
03	Get Started

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

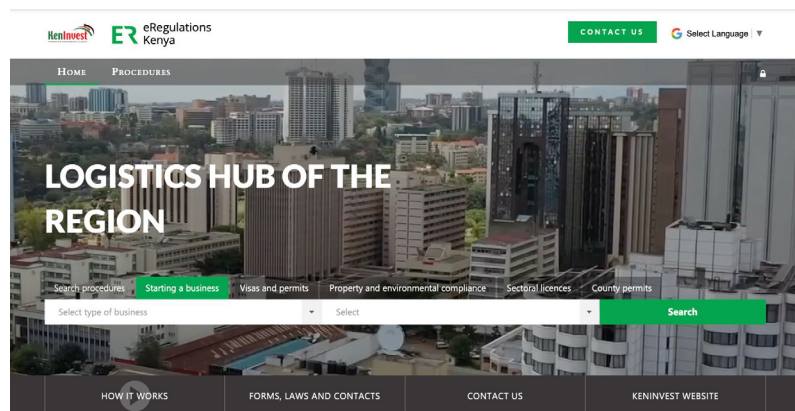
Website: www.kdc.go.ke

KenInvest's Facilitative Online Platforms

E-Regulations Portal

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

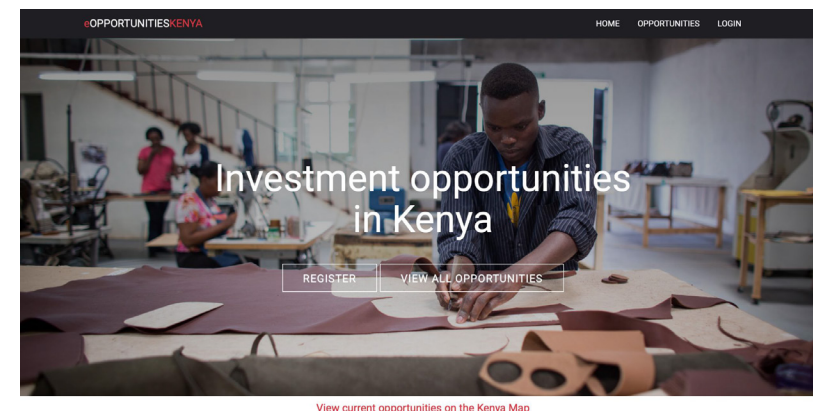
- Step by step procedure of investing in Kenya. Creates transparency
- >275 investment procedures published in the portal



E-opportunities portal

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

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





Thank you!

