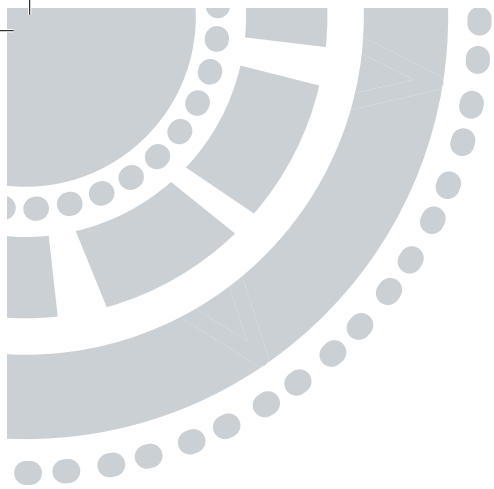


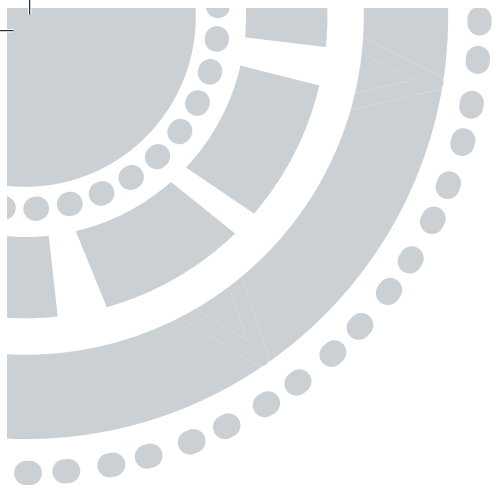


# Port of Lamu AgriBulk Terminal



**MITI**  
MINISTRY OF INVESTMENTS,  
TRADE & INDUSTRY





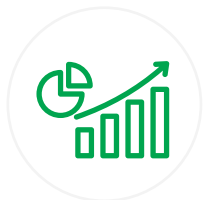
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# Why Kenya



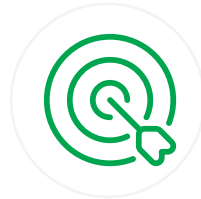
**3<sup>rd</sup> largest**  
economy in sub-Saharan Africa.



**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

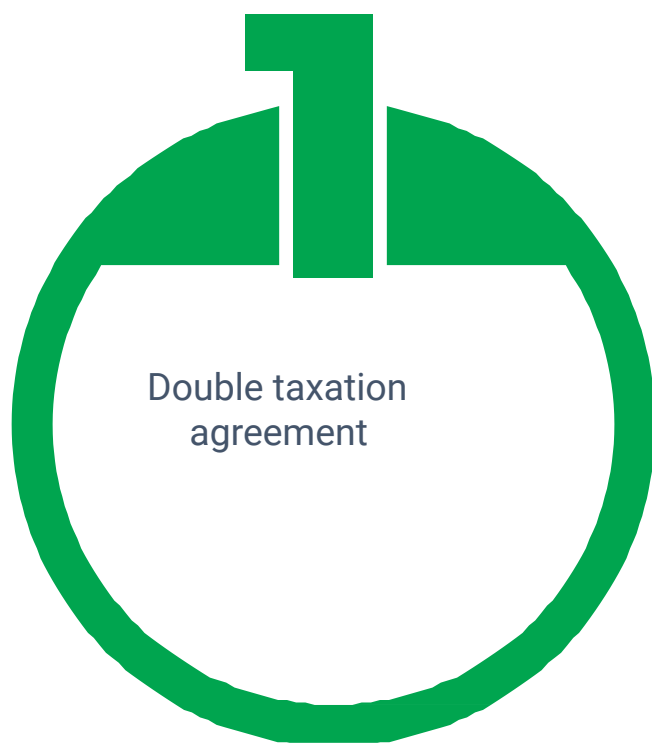


- Africa's UN HQs (UNON) which is one of four main UN secretariat duty stations globally.
- Global headquarters of UNEP and UN-Habitat, together with a joint presence of 23 other UN Agencies.

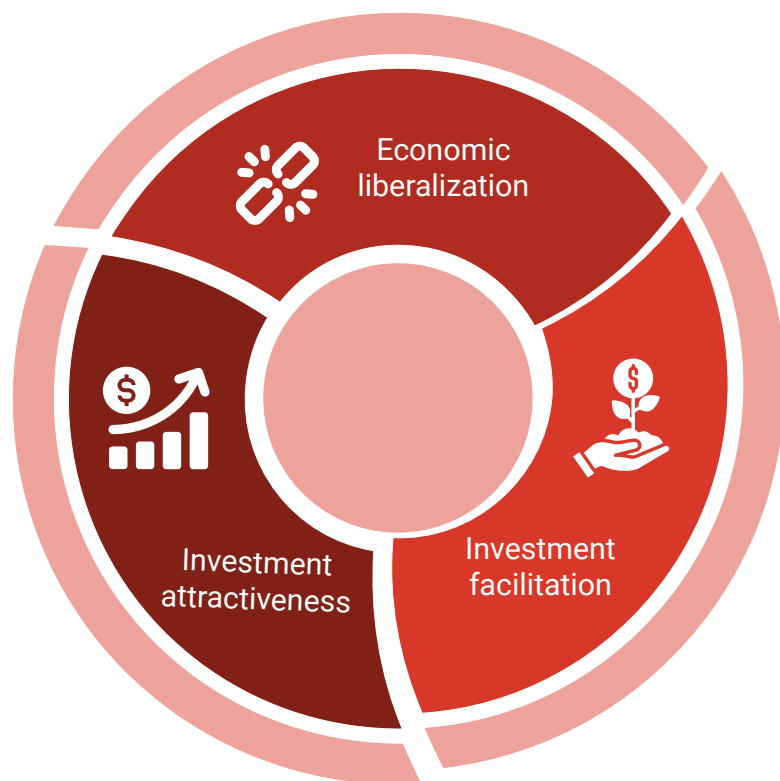


- Communications & Logistics hub of the region
- Access to regional transport corridors.
  - 4 international airports
  - 2 sea ports and 2 ICDs
  - 30-freight and 2-passenger rail services daily between Nairobi and Mombasa.

## 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



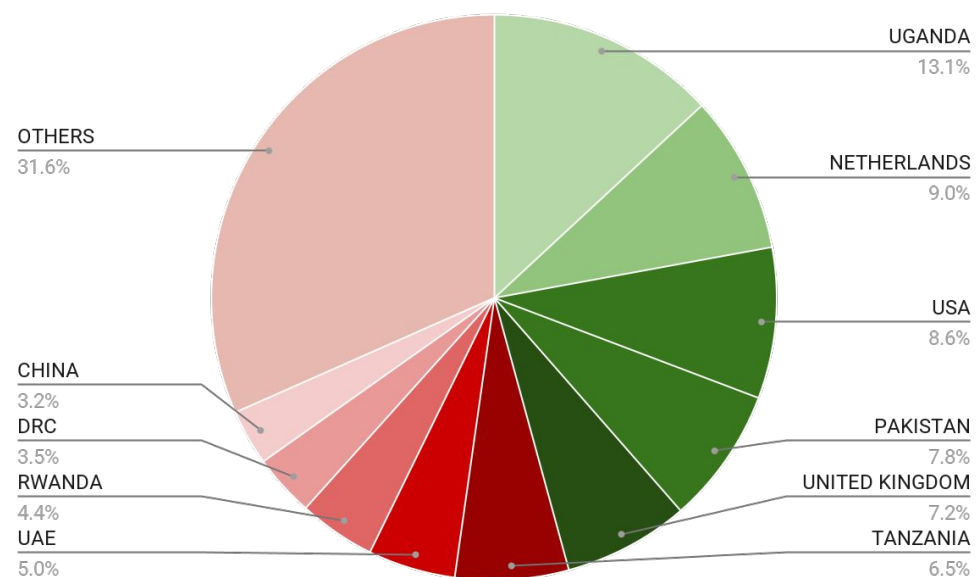
US\$ 6.09 Bn  
Total Exports

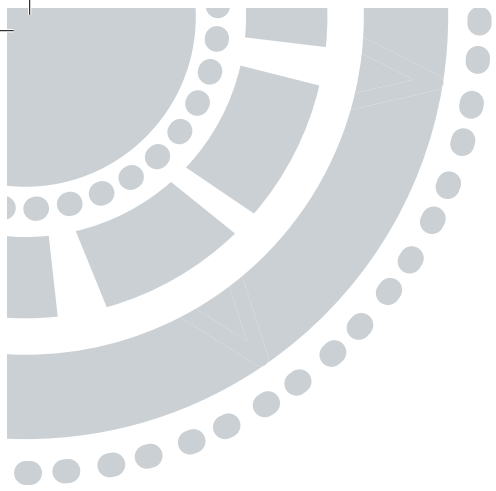
## Preferential Trade Agreements

1.7Bn ~ US\$ 40Tn  
Population Market value



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





# Contents

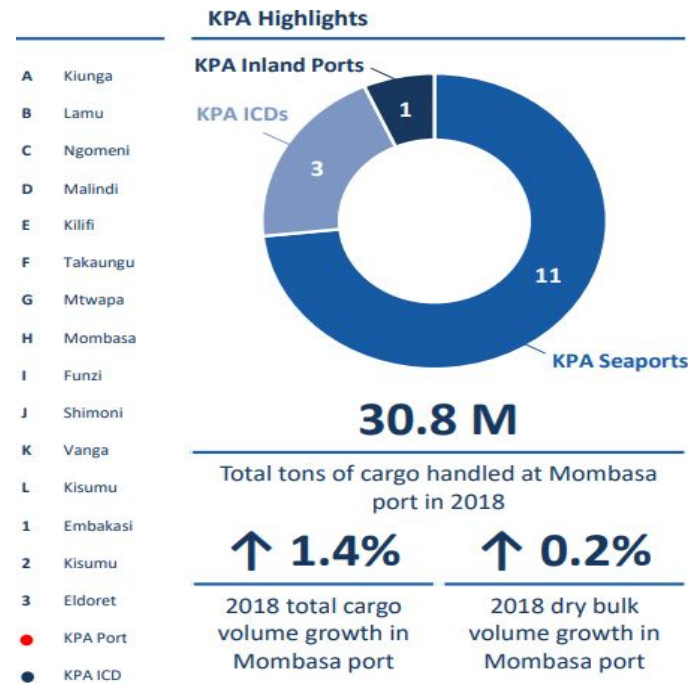
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# Preamble: KPA and LCDA

## Kenya Airports Authority (KAA):

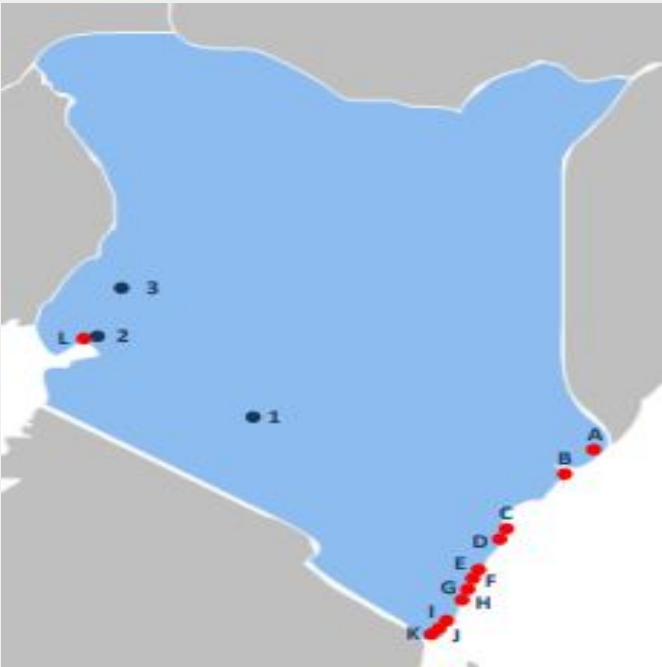
Pursuant to article 12 of the KPA Act (2014), the Kenya Ports Authority (KPA) has the power maintain, operate, improve, and regulate the ports set forth in the second schedule of the KPA Act.

Pursuant to subsection n of the same Act, the KPA has the power to enter into agreements with third parties for the provision of any of the facilities or services that are mandated to the KPA through the KPA Act. This includes the development and operations of ports and terminals under the jurisdiction of the KPA. The KPA manages 11 ports along the Kenyan coast, as well as an inland port at Kisumu. Additionally, the KPA manages 3 inland container depots.



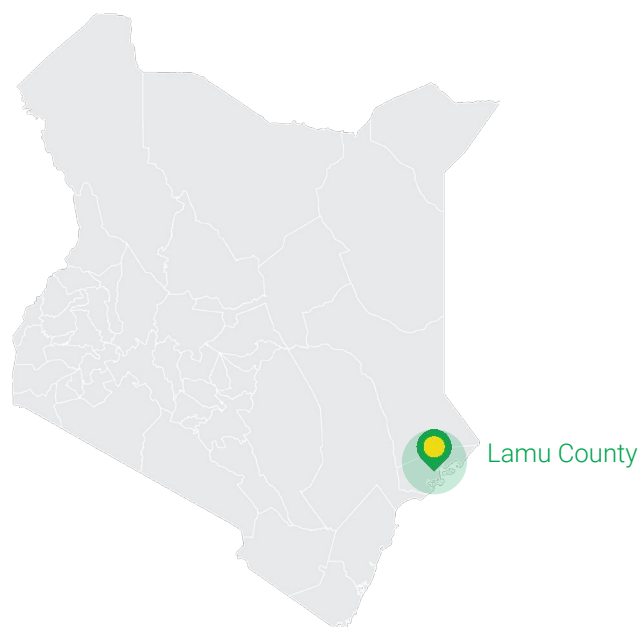
## LAPSSET Corridor Development Authority (LCDA)

The LAPSSET Corridor Development Authority (LCDA) was established in March 2013. As an overarching development agency for the full LAPSSET corridor, LCDA mandate is to plan, coordinate and sequence LAPSSET corridor projects in collaboration with implementing ministries and agencies.



# Executive Summary

Project Name: **PORT OF LAMU AGRIBULK TERMINAL**

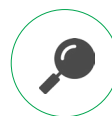


IMPLEMENTING AGENCY: **LAPSSET CORRIDOR DEVELOPMENT AUTHORITY (LCDA)**



ESTIMATED INVESTMENT COST: **USD 210 Million**

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

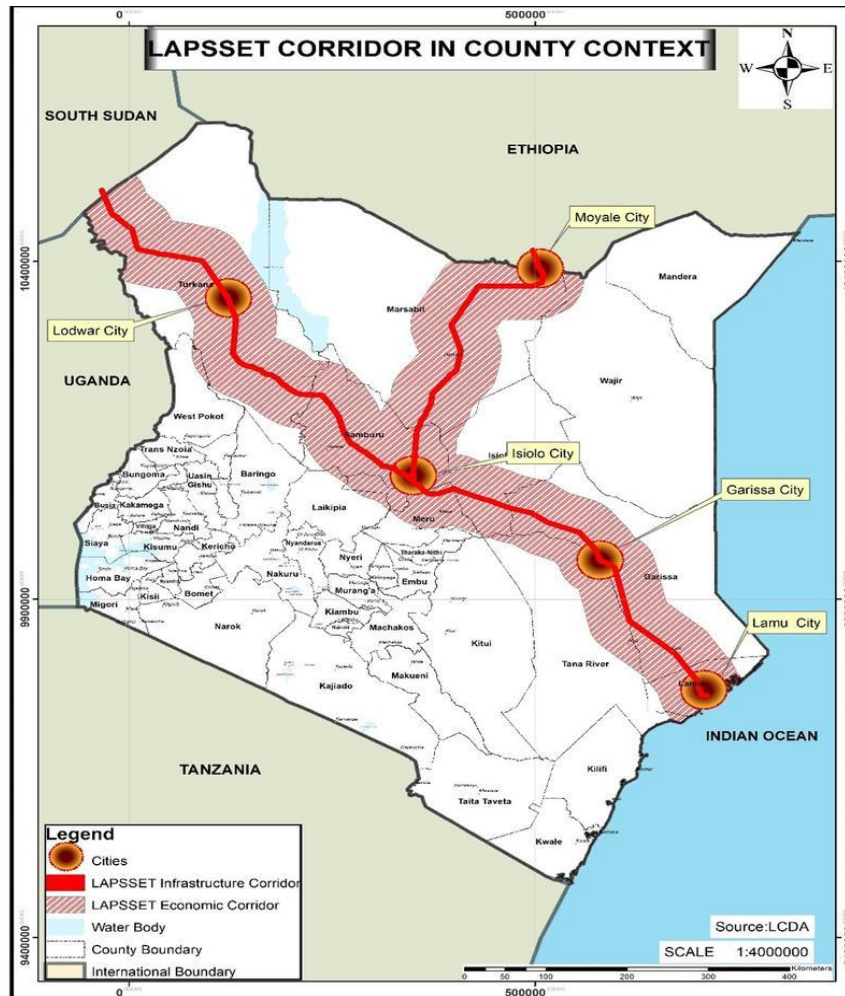


SUMMARY OF THE PROBLEM: **THE GROWTH OF DEMAND FOR REGIONAL GRAIN CONSUMPTION FAST OUTPACING IMPORTS INTO THE REGION.**



REASON FOR INVESTMENT: **FACILITATION OF IMPORT AND EXPORT TO MEET DEMAND OF GRAIN REQUIREMENTS, CREATION OF JOB OPPORTUNITIES**

# 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

Only one grain terminal serving the entire region.

Given the growth in population, this will not be sufficient to meet demand.

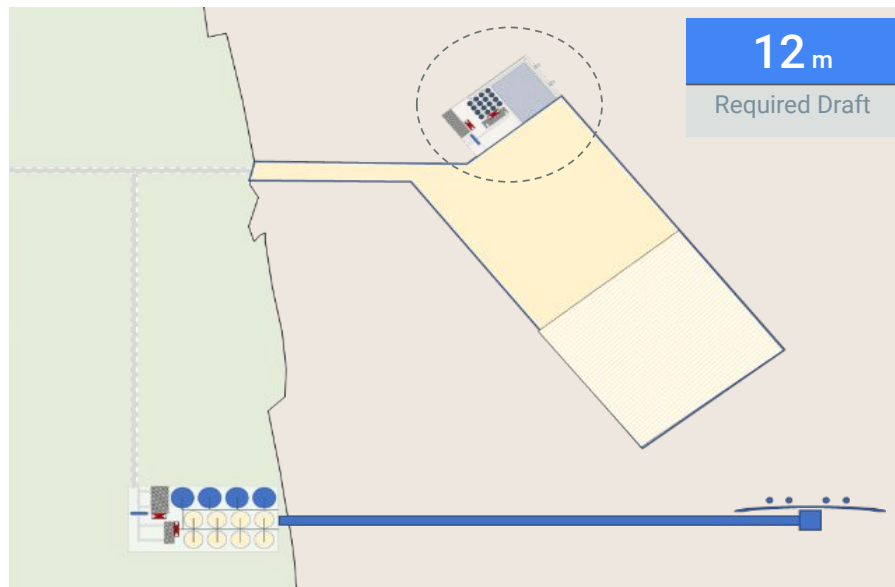
Strategic need to have an alternate inlet for grains should any interruptions occur



# The Proposed Project

The Agribulk terminal is foreseen to comprise a single 240m length berth

Terminal Positioning and Highlights



10.8 ha  
Terminal  
Area

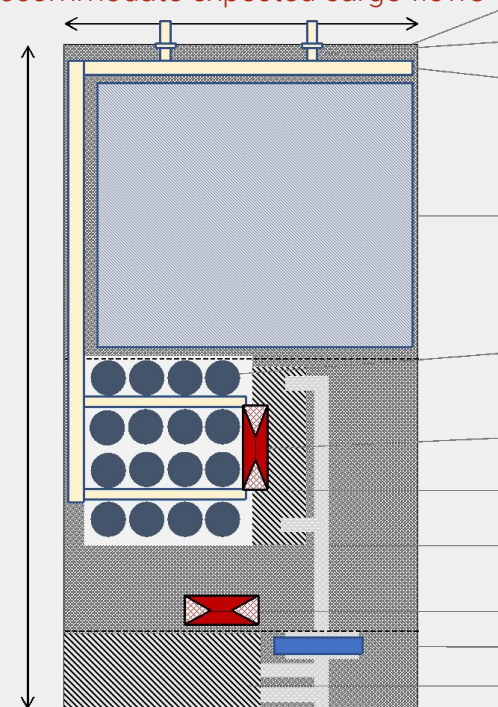
240 m  
Quay Wall

16  
Silos

10  
Truck Loading  
Stations

2  
Dry Bulk  
Unloaders

The terminal size and layout are optimized to accommodate expected cargo flows



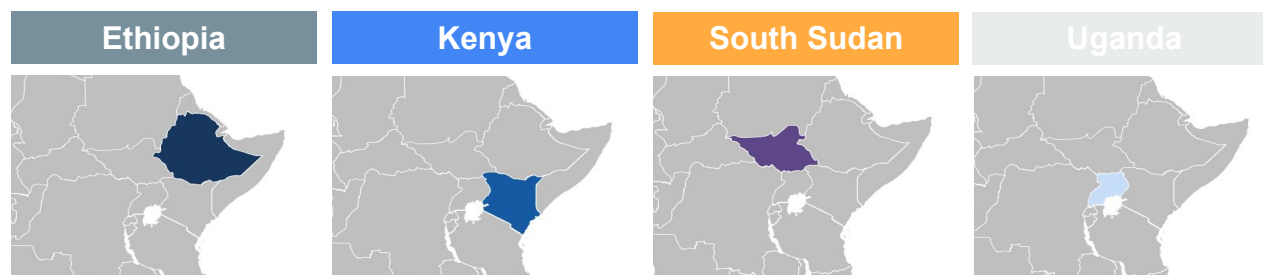
\*Specifications can be further catered to investors' preferences and further developments can be implemented in line with growing demand

# Opportunity and Value Proposition

Kenya is the largest demand driver for agribulk volumes at the Port of Lamu, generating approximately 70% of the port's total demand in 2045.

Regional demand for agribulk is expected to increase substantially over the coming decades. Agribulk import demand at the port of Lamu is projected to increase from 547,000 tons in 2023 to 3.3 M tons in 2045 (CAGR: 8.5%).

As regional production growth is lagging, regional ports are expected to absorb a substantial share of growing demand.



## Trends driving substantial growth in the port volumes

- **Consumption growth exceeds production growth:** On a regional level, consumption growth (+4.0% y-o-y) of agribulk products exceeded production growth (+2.1% y-o-y) by a factor of nearly 2.0.
- **Significant growth in imports:** Regional imports of agribulk products have increased significantly (+11.9% y-o-y), mainly due to economic growth and population growth.
- **Considerable growth in exports:** Regional agribulk exports have grown at an average rate of 9.7% between 2010 and 2018

# Financial Ask

Agribulk terminal investments is estimated at **USD 210 M**

| CAPEX Item       | Total            | Development Cost<br>(Phase 1) | Development Cost<br>(Phase 2) |
|------------------|------------------|-------------------------------|-------------------------------|
| Infrastructure   | USD 127 M        | USD 127 M                     | --                            |
| Superstructure   | USD 44 M         | USD 24 M                      | USD 19 M                      |
| Equipment and IT | USD 40 M         | USD 12 M                      | USD 28 M                      |
| <b>TOTAL</b>     | <b>USD 210 M</b> | <b>USD 163 M</b>              | <b>USD 47 M</b>               |

*Note: CAPEX items include escalation and 25% contingency*

**163 \$M**

Total estimated upfront investments

**210 \$M**

Total estimated full-period investments

**22%**

Share of investments that can be postponed to improve financial performance

**80 \$M**

Investment costs of the causeway, the largest CAPEX component

# Project Structure

The Lamu port Agribulk terminal will be implemented through a Build Operate Transfer (BOT) structure.

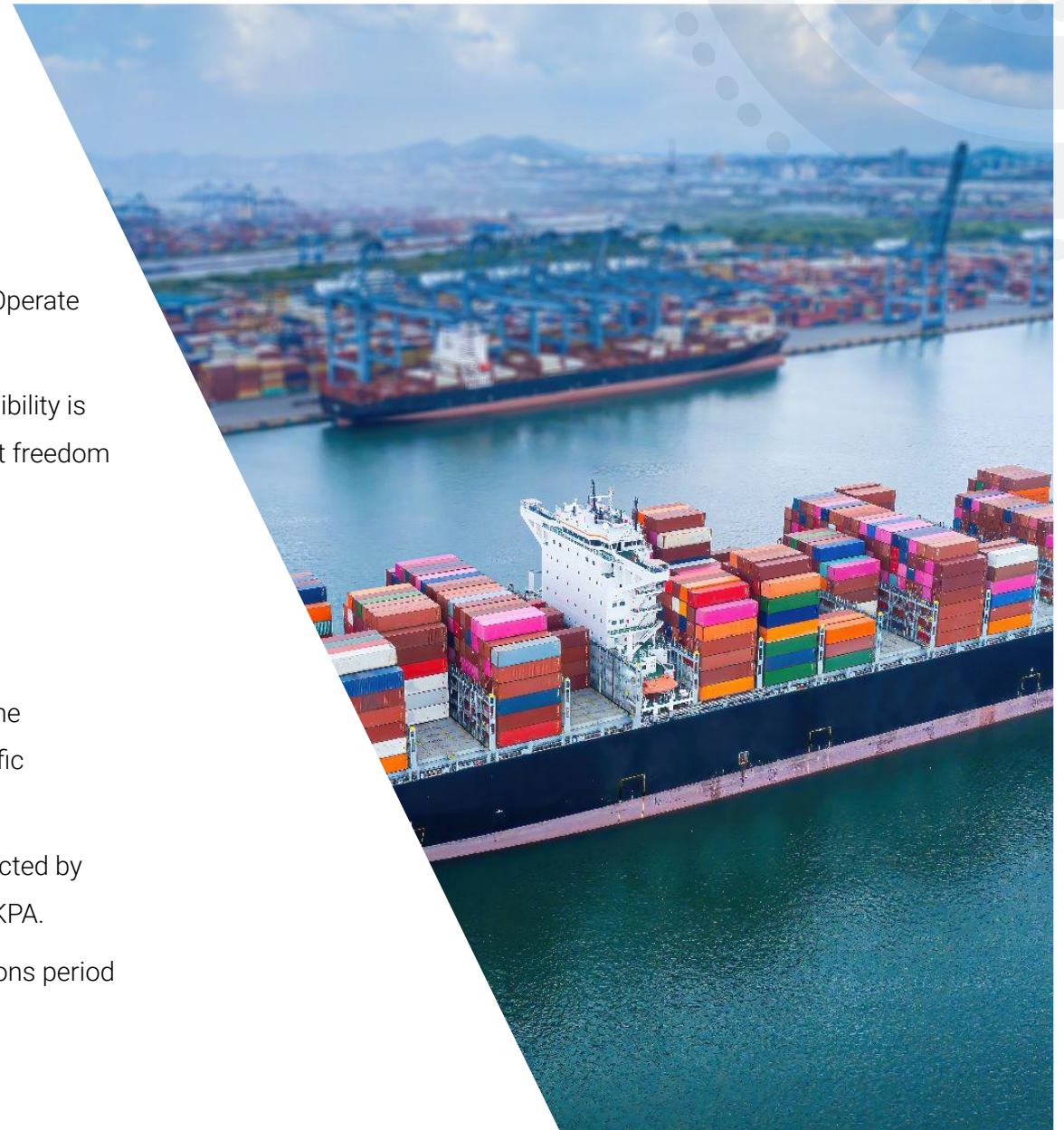
Under a BOT structure, a substantial share of the development responsibility is allocated to the private sector. In return, the private investors significant freedom in terms of:

- Final design decisions;
- Operational setup; and
- Development pace.

General port nautical infrastructure (access channel dredging) will be the responsibility of the conceding authority (KPA), whereas terminal specific investments are allocated to the private operator.

Under the envisaged BOT structure, revenues from operations are collected by the private operator; port dues and wharfage fees are collected by the KPA.

For the Lamu port Agribulk terminal PPP agreement, a 25- year operations period is foreseen.



# Project Implementation Timelines

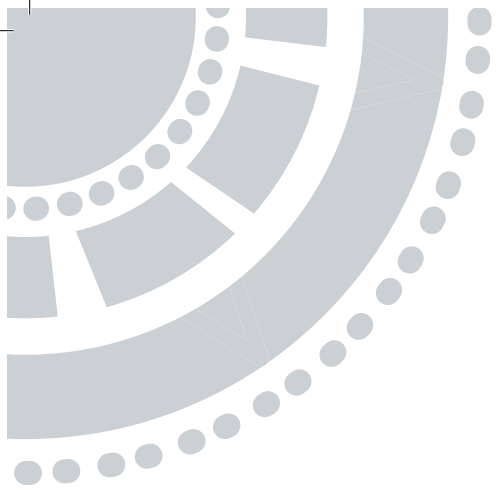
|                                                                                                |
|------------------------------------------------------------------------------------------------|
| PPP framework arrangements (Tender preparation, Award, Negotiations and Concession Agreements) |
| Project construction period                                                                    |
| Concession period (starts after signing of concession agreements)                              |

1  
YEAR

3  
YEARS

25  
YEARS





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## Get started with KenInvest and KDC



### Kenya Investment Authority

Tel: +254730104200

Email: [info@invest.go.ke](mailto:info@invest.go.ke)

Website: [www.invest.go.ke](http://www.invest.go.ke)



### Kenya Development Corporation

Tel: +254727534572

Email: [info@kdc.go.ke](mailto:info@kdc.go.ke)

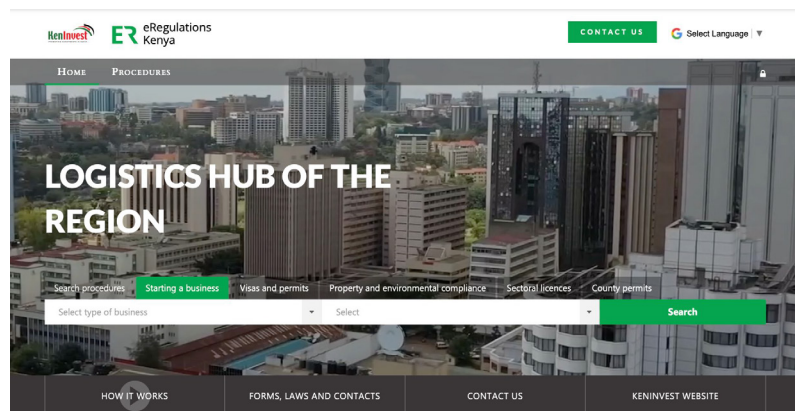
Website: [www.kdc.go.ke](http://www.kdc.go.ke)

# KenInvest's Facilitative Online Platforms

## E-Regulations Portal

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

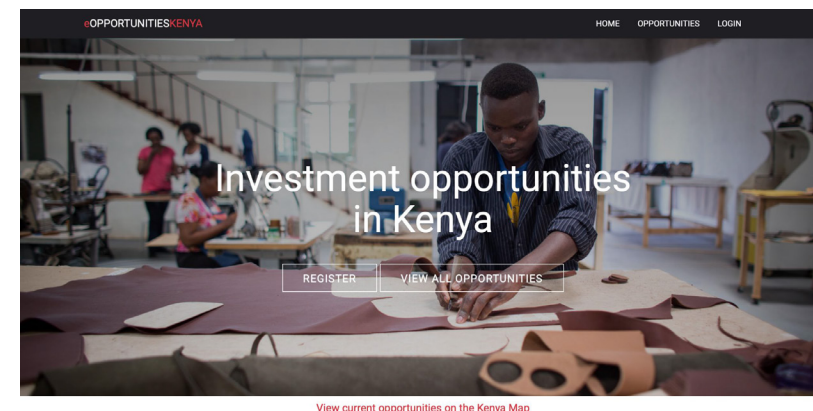
- Step by step procedure of investing in Kenya. Creates transparency
- >275 investment procedures published in the portal

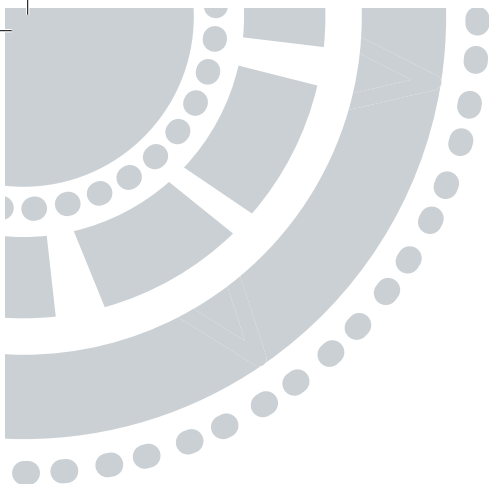


## E-opportunities portal

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

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





# Thank you!

