

EPZA Industrial Sheds Athi River



MITI
MINISTRY OF INVESTMENTS,
TRADE & INDUSTRY





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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

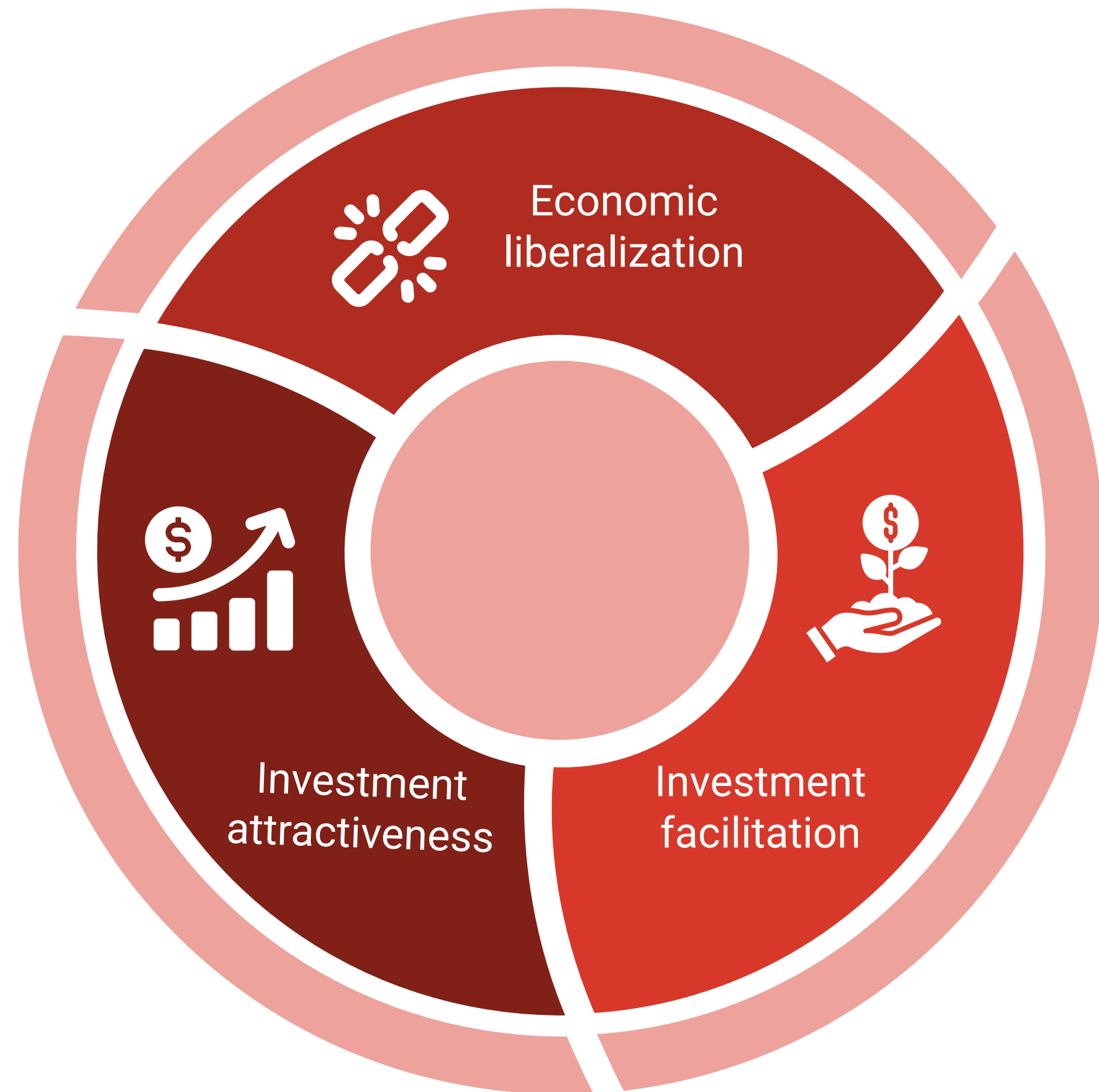


- Africa's UN HQs (UNON) which is one of four main UN secretariat duty stations globally.
- Global headquarters of UNEP and UN-Habitat, together with a joint presence of 23 other UN Agencies.



- 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.

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

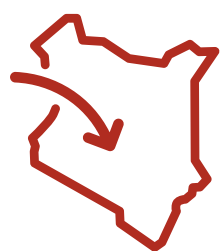
2

- 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

Wide Market Access & Good Trade Relations



US\$ 17.43 Bn
Total Imports



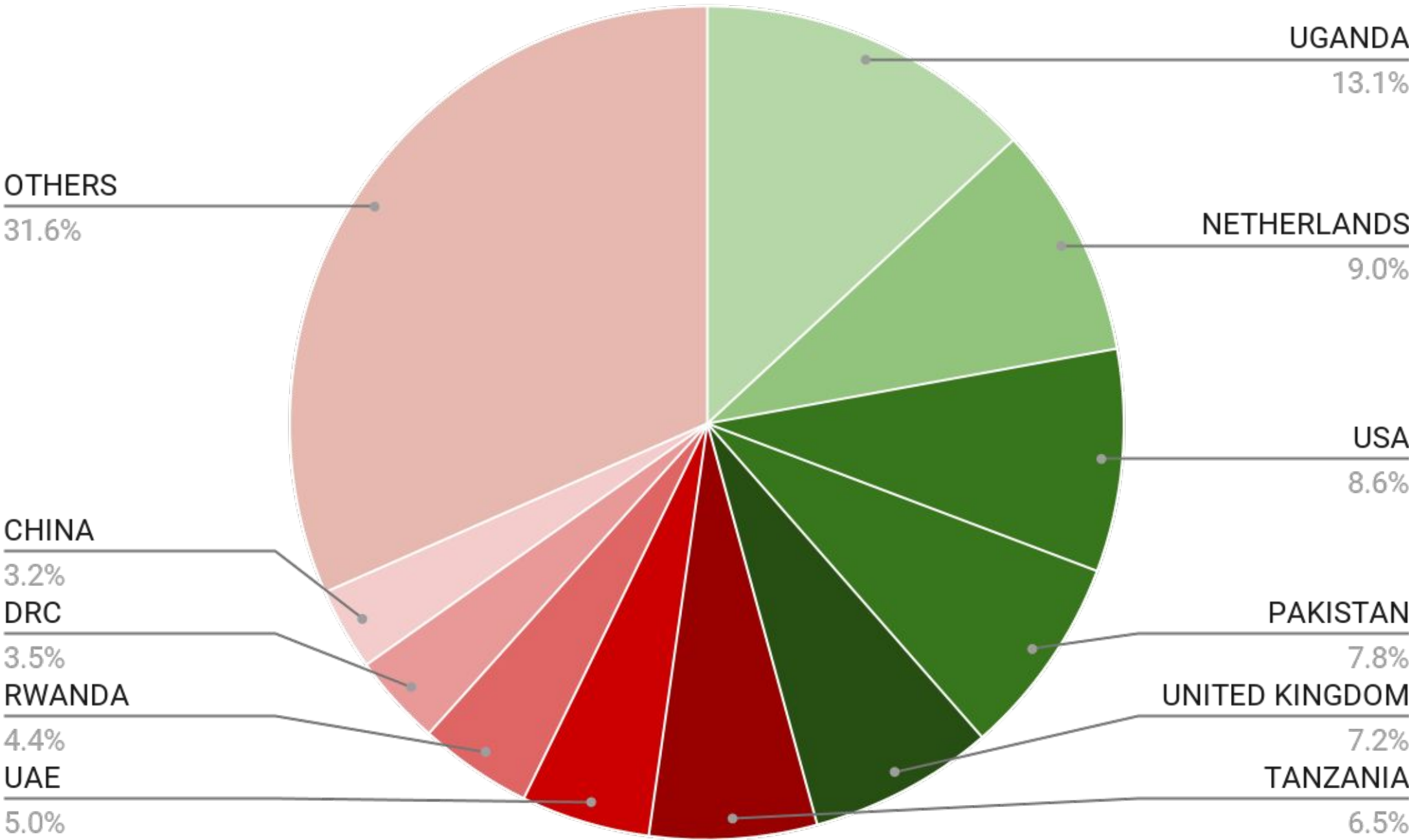
US\$ 6.09 Bn
Total Exports

Preferential Trade Agreements

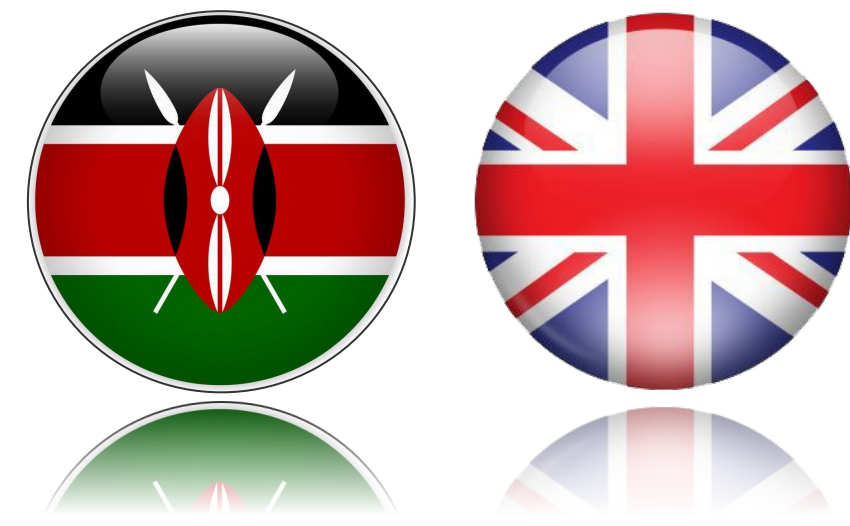
1.7Bn ~ US\$ 40Tn
Population Market value



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



Existing Bilateral Trade Treaties with United Kingdom



Economic Partnership Agreement: In 2021, Kenya and the UK signed a trade agreement that seeks to deepen trade and investment ties between the two countries by providing a framework for the elimination of tariffs and non-tariff barriers.

Development Cooperation Agreement: In 2018, Kenya and the UK signed a development cooperation agreement, which aims to strengthen cooperation in areas such as health, education, governance, and security.

Double Taxation Agreement: In 1976, Kenya and the UK signed a double taxation agreement, which seeks to prevent double taxation of income earned by residents of the two countries.

Air Services Agreement: In 1967, Kenya and the UK signed an air services agreement, which allows airlines from the two countries to operate scheduled services between them.



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Executive Summary



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The EPZ Programme offers incentives that address constraints to export production such as subsidized tax rate, high pricing of goods, lack of industrial infrastructure and need for operational facilitation.

ii

The Programme's incentives and benefits have led to a high demand for industrial space which is currently unavailable as all industrial space within Athi River EPZ is fully let.

iii

There is an existing unmet demand of a total industrial shed requirement of 3,083,812 square feet as at 31st Dec. 2022

iv

An Investor is sought to develop 8,400,000 square feet of industrial sheds at an approximate cost of USD 31 million.

v

The project is anticipated to translate to 840,000 direct jobs (1 employee requires 10 square feet).

Preamble

i

Ownership:

State Corporation under the Ministry of Investments, Trade & Industry (MITI)

ii

Management Structure:

A Board of Directors appointed by Government directs while day to day running is headed by a Chief Executive Officer

iii

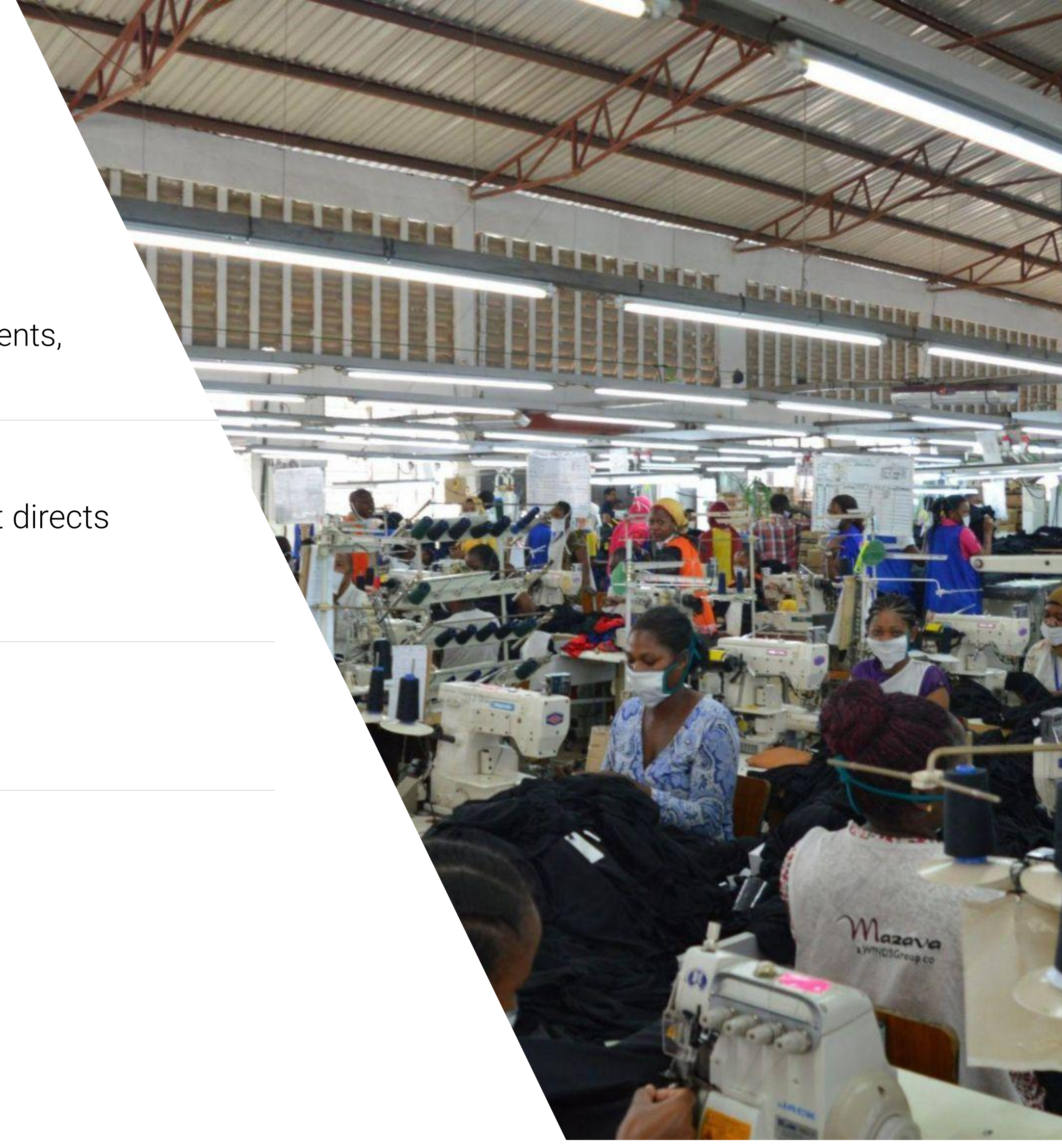
Capital Base:

USD. 105.899 million

iv

Turnover 2022:

USD. 4.442 million



Problem Statement

Unmet demand of industrial shed requirement of **3,083,812 square feet as at 31st Dec. 2022** as all the lettable industrial space within Athi River EPZ is fully let.

Urgent need to develop additional infrastructure to serve current unmet gap plus future demand.

The Authority has had to license some companies under the EPZ program to construct industrial sheds which still does not address the gaps.



Opportunity and Value Proposition

01

Investors **prefer ready constructed** industrial sheds

02

Already there are **41 investors** requiring with 3,083,812 square feet as at 31st Dec. 2022

03

Already 939,109 square feet of industrial space **constructed and 100% occupied.**

04

Necessary and **crucial infrastructure already in place** meaning plug & play for on-boarders

Solution

Country deliberately working towards growing the manufacturing sector through incentives

EPZA supports this agenda by continuing to develop industrial space for investors

Critical Need for an additional 8,400,000 square feet of industrial space

Approximate cost of USD. 305 million less cost of land



Financial Ask

An Investor to provide construction capital

Benefits to the investor



Fiscal incentives such as tax breaks



Physical incentives in the form of serviced land



Return on the property investment



Timelines

Commencement of project implementation is **immediate upon approval** to investor.

Immediate
commencement

The project is expected to take **6 years to construct** and will be implemented in three phases with each phase taking two years.

6 years
construction period

Expected Earnings



Expected warehouse lettable area

8.4 Million
square feet



Estimated cost of construction

USD 305
Million



Current letting price per sq ft

USD 3.0 p.a
Net of service charge



Estimated annual rental income

USD 25.2
Million.



Estimated rental increase

10 %
every two years based
on actual trends



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Get started with KenInvest and KDC



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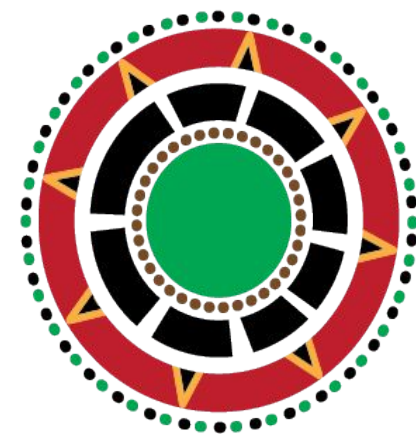


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**MAKE IT
KENYA**



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