Investment Climate of Kenya

◆ The Largest and Growing Economy in East Africa
◆ Gateway to Eastern and Central Africa
◆ Liberalized Economy

Source: WDI (2013), Reuters Africa (Sep. 30th, 2014)
**Investment Opportunities in Kenya**

- High Potential EAC Market
- Good Access to Multiple Markets
- Opportunities in Multiple Sectors

- Multi-Mode International Logistic Functions (Airport, Sea Port, Railway, Road)
- Largest GDP in East Africa
- Abandon Skilled Labour
- EAC and COMESA Regional Integration
- Gateway to Land-Locked Countries
- Fully Liberalized Economy
- Regional Integration (Airport, Sea Port, Railway, Road)

**Vision 2030 and Special Economic Zone Development**

- Strong Leadership with the Vision 2030
- Flagship SEZ Development
- Investor-Friendly Environment

**SEZ Tools**

**Fiscal Incentives**
- Tax Exemptions (Corporate, Income, VAT...)
- Duty Free Trade

**Non Fiscal Incentives**
- One Stop Service (Business, License, Customs)
- Foreign Participation
- Labour Flexibility
- Package Infrastructure

**Objectives**

- Attracting Investments
- Expansion and Diversification of Production
- Value Addition
- Local Entrepreneurship
- Technology Development
- Innovation
- Industrialization
- Utilization Local Resources
**Vision 2030 and National Flagship Projects**

- Special Economic Zones (SEZ) Development
- Corridor Development
- Other Development

**Super Goal of Special Economic Zone Development**

- ALL FOR BETTER AND HIGH QUALITY LIFE IN KENYA
- HANDLING SOCIAL AND ECONOMIC CHALLENGES
- ACHIEVING STRONG AND SUSTAINABLE GROWTH

**ECONOMIC ENGINE**

necessary to utilize and maximize the value of natural and human resources of Mombasa and surrounding Counties.

**CENTER for DIVERSIFICATION**

necessary to attract investors with new technology and market access and accumulate various types of industries and business in SEZ.

**REGIONAL HUB**

necessary to create efficient logistics system and to develop information system and a human resources HUB for East African Region.

**GROWTH TRIGGER**

to promote non-traditional industries and businesses in Kenya by inducing FDI and creating new domestic value-chain.
Why Invest in Mombasa

◆ Gateway to East Africa
◆ Logistics and Economic Hub
◆ Many New Development Projects

Southern By-Pass
(will be completed by 2018)

Target Priority Industries

◆ Not Limited to the following
◆ Industries meeting the Super Goal
Welcome
◆ Local and Foreign Investors Welcome
Mombasa SEZ at Dongo Kundu

- The First-Ever and All-New SEZ in Kenya
- Proximity to Mombasa Port
- Industrial Cluster Development

Development Plan of Dongo Kundu

- Port Logistics based SEZ
- Multipurpose Functions
- Urban Function, including residence and MICE
Development Plan of Dongo Kundu

- Total Land Area of 3,277 acres (1,326 ha)
- Future Worker Population Forecast of 27,000
- Equipped with Finest Infrastructure

<table>
<thead>
<tr>
<th>Land Use</th>
<th>(ha)</th>
<th>(acre)</th>
<th>(%)</th>
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<tbody>
<tr>
<td>1 Port *1</td>
<td>66</td>
<td>163</td>
<td>5.0</td>
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<tr>
<td>2 Free port/Free trade zone A/B/C</td>
<td>121</td>
<td>299</td>
<td>9.1</td>
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<tr>
<td>3 Free port/Free trade zone D</td>
<td>33</td>
<td>82</td>
<td>2.5</td>
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<tr>
<td>4 Industrial parks</td>
<td>121</td>
<td>299</td>
<td>9.1</td>
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<tr>
<td>5 Miscellaneous zone</td>
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<td></td>
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<tr>
<td>5.1 Residential area E</td>
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<td>27</td>
<td>0.8</td>
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<tr>
<td>5.2 MICE area</td>
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<td>5</td>
<td>0.2</td>
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<td>5.3 Tourism parks</td>
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<td>121</td>
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<td>5.4 Service area</td>
<td>10</td>
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<td>6 Power plant</td>
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<tr>
<td>6.1 Plant area</td>
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<td>4.8</td>
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<tr>
<td>6.2 Transmission line area</td>
<td>56</td>
<td>139</td>
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<td>7 Enterprise area</td>
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<tr>
<td>7.1 Enterprise area A/B/C</td>
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<td>489</td>
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<tr>
<td>7.2 Enterprise area (D-J)</td>
<td>128</td>
<td>316</td>
<td>9.6</td>
</tr>
<tr>
<td>8 Residential area A/B/C/D</td>
<td>28</td>
<td>69</td>
<td>2.1</td>
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<tr>
<td>9 Infrastructure/utility</td>
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<td></td>
<td></td>
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<tr>
<td>9.1 Mombasa southern bypass road</td>
<td>34</td>
<td>84</td>
<td>2.6</td>
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<tr>
<td>9.2 Internal arterial roads</td>
<td>22</td>
<td>55</td>
<td>1.7</td>
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<tr>
<td>9.3 Utility (SS, DC, utility area)</td>
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<td>44</td>
<td>1.4</td>
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<tr>
<td>9.4 Main drainage network area</td>
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<td>64</td>
<td>2.0</td>
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<tr>
<td>10 Kaya (reserved area)</td>
<td>24</td>
<td>59</td>
<td>1.8</td>
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<tr>
<td>11 Green, river/reserve area</td>
<td>315</td>
<td>779</td>
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<tr>
<td>Total Project Area</td>
<td>1,326</td>
<td>3,277</td>
<td>100</td>
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</tbody>
</table>

*1 Including offshore land fill 40 ha which is outside of original boundary

Development Plan of Infrastructure

- Power Plant Project lead by Ministry of Energy
- Water Supply Project by Mombasa County with support of WB
- Southern Bypass by KENHA with support of JICA

Public Infrastructure
- Port Facilities
- Artery Road and Utilities
- Main Drainage System

Zone Infrastructure
- Land Grading/Preparations
- Internal Road and Utilities
- Industrial Facilities
Investing at Mombasa SEZ

◆ One-Stop Service Center
◆ Efficient Custom Clearance
◆ Clear Legal Framework

Applied Legal Frameworks
- The Constitutions of Kenya (Const 2010)
- EAC SEZ Policy (under discussion)
- The East African Community Customs Management Act, 2014
- Kenya SEZ Bill (under deliberation in Parliament)
- The Companies Act (CAP 486)
- Investment Promotion Act (CAP 485B)
- Foreign Investment Protection Act (CAP 518)

Challenges of the Government

◆ Launching of SEZ Act and Regulation
◆ Establishment of SEZ Authority
◆ Investment Attraction

2016
Implementation of Public Infrastructure

2015
SEZ Act Launch SEZA

2017
Zone Development

2018
Target Year for the Launch of Mombasa SEZ At Dongo Kundu
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