

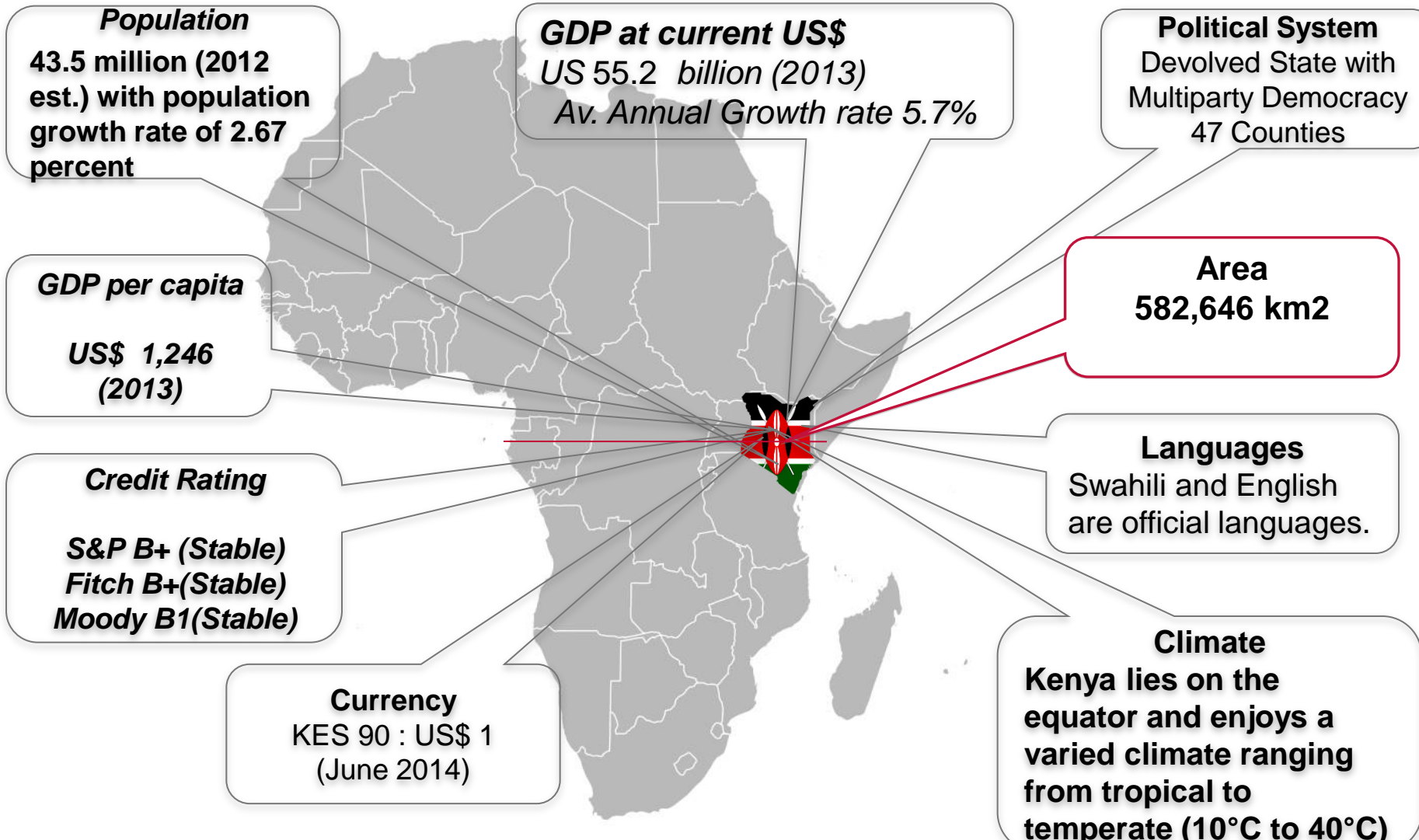
TALKING BUSINESS – AFRICA SESSION

Venue: Room XXI, V E-building, Geneva.

Date: Thursday, 16th October 2014

Moses M. Ikiara, PhD, MBS
Managing Director
Kenya Investment Authority

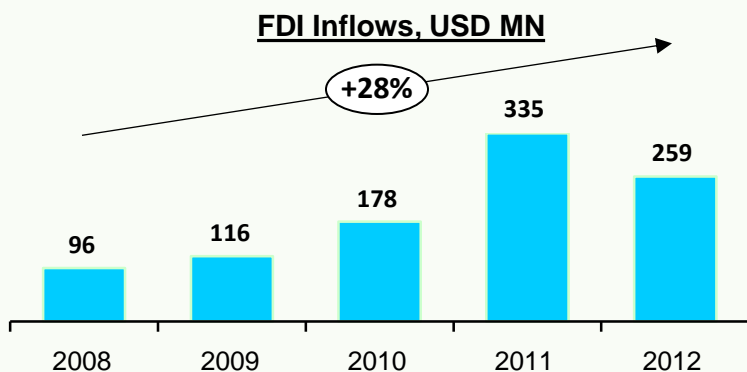
Kenya at a Glance



Gateway into East Africa and Great Lakes Region

Kenya's investment climate is one of the strongest in Africa, with FDI growing strongly and a high volume of multinationals with regional and continent-wide headquarters in Nairobi.

Positive Investor Sentiment



FDI in 2013: 514MN Source: WIR, UNCTAD

Strategically Positioned for Trade



- Population:** 41.8M (2013)
- GDP:** USD 55.2B (2013)
- Per Capita:** USD 1,246 (2013)
- Official Language:** English / Swahili
- Ratings:** B+(stable) S&P
- Human development Index:** 0.519
- Middle class:** 36.1 % of population

Developed Human Resource

Best quality human resource in the continent. High literacy rate and many people, including taxi drivers, can communicate well in English. Excellent ICT skills and innovative spirit.

Market Access



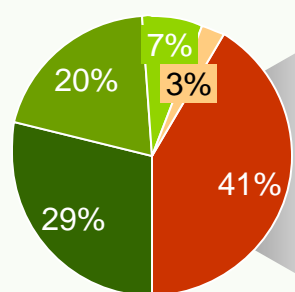
- Member Countries:** 20
- Population:** 444 Million
- Total GDP:** USD 360 Billion
- Member Countries:** 5
- Population:** 135.4 Million
- Total GDP:** USD 84.7 Billion

East Africa's Growing Economic Giant

Kenya is the largest economy in the East African Community (EAC) with strong growth prospects supported by an emerging, urban middle class with an increasing appetite for high-value goods and services

Macroeconomic stability

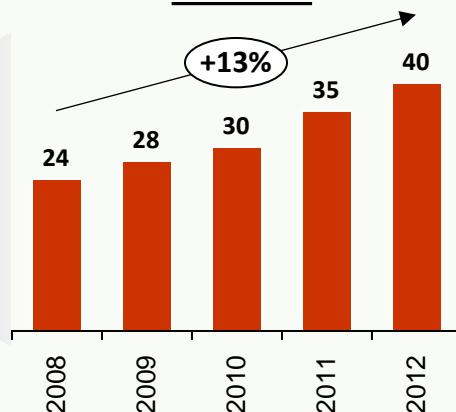
Comparative GDP, Current USD BN, 2012



■ Kenya
■ Tanzania
■ Uganda
■ Rwanda
■ Burundi

- Kenya is the dominant economy in Eastern Africa, contributing to more than 40% to the region's GDP. **GDP in 2013 after rebasing: USD 55.2 BN**

Kenya GDP USD BN, 2008-2012



Falling Annual Inflation

2011-14.0%
 2012- 9.4%
 2013 - 5.7%

Growing Consumer Market

- Kenya has the **second largest population** within the EAC at ~43 MN and is growing at a rate of over 2% p.a.
- There is a rising trend towards urbanisation which is contributing to an **increase in consumer demand for high value goods**
 - This trend is forecasted to continue, with 50% of the population expected to live in urban areas by 2050
- The size of Kenya's **middle class is growing** as evidenced by the growth in its GNI per capita, which has increased at a CAGR of 2% over the past 10 years

Kenya Vision 2030 political pillar: “A democratic political system that is issue based people centered, result oriented and accountable to the public”. Our achievements are recognized by important stakeholders.

Judicial Reforms

“Kenya leads its East African neighbors in the race to reform national judicial systems and make them friendlier to business community...courts are essential...because they interpret the rules of the market and protect economic rights”

World Bank and International Finance Corporation, Doing Business in EAC (East Africa Community) 2012

Kenya’s Constitution

A first in Africa: Kenyans now have a new constitution, which not only creates lower level county governments but also...establishes many independent institutions that are not subject to manipulation by the executive. “I am pleased that they have taken this step, which represents a major milestone”

Hilary Clinton

Peaceful national elections

Peaceful national elections in March 2013 and a smooth transition of power renewed business confidence, strengthening prospects for the economy to achieve a growth rate of 5.7% in 2013, compared to 4.3% in 2012.

The World Bank, Kenya economic Update



Great Place to Live and Work

- **Warm and Hospitable People**
 - **Excellent Climate**
- **Excellent, Unique & Varied Tourist Products and Services**
 - **Global Headquarters for UNEP and HABITAT**
- **Reasonable Cost of Living**
- **Great and Affordable Food**

Investment Opportunities - 1

Many, across all sectors, from small to large, national projects and county ones



Agriculture

**1 Million Acre Galana
Kulalu irrigation Scheme**

Privatization of 5 sugar
companies

**Development of
Multipurpose dams for
irrigation**

**Deep Sea/ Lake Fisheries
development, management
& processing (Lamu Fish
Port; Counties like Busia)**

**Agricultural development
along LAPSSET corridor**

Energy

Target: 5,000 MW in 3 Years

2 x 70MW Olkaria V

Isiolo 50MW Wind Power
by 2016

**Implementation of 800MW
Menengai Phase 2
Geothermal Development
Project**

**Land use planning and
development**

**GDC 300MW Geothermal
Plant**

Infrastructure

**Various roads across the
country; some County
Governments considering
PPP model for them.**

Commuter Rail; Parking
systems to sort out
congestion in large cities

**Standard Gauge Railway
Nairobi- Malaba**

**Special Economic Zone &
Airport City at Nairobi;
Dry Port at Voi**

Investment Opportunities - 2

There are more opportunities in sectors like oil and mining, ICT, and various counties. Visit www.investmentkenya.com for more details



Tourism

Ronald Ngala Utalii College Hotel – 20 Acres available

Development of 3 high end resort cities in Isiolo, Turkana and Lamu

Modern Convention Centre in Nairobi CBD

Development of International Hotel Brands to meet the growing demand for bed capacity

Convention Centre in Mombasa - North Coast

Conference facilities in major cities of Nairobi, Mombasa and Kisumu

Cable Cars in Kerio Valley

Development of Golf Resorts

Amusement Parks

Development of Tourism Training Institutions

Lamu Port South Sudan & Ethiopia Transport corridor (LAPSSET)

Railway

Roads + Oil Pipeline

3 Airports + 5 Resort Cities

Lamu Port: construction of 3 additional berths and a draft of 18 meters to accommodate bigger ships of 100,000 tons and more.

Construction and Real Estate

Konza Technopolis: 5,000 Acres of land set aside for this, just 60 KM from Nairobi

25,000 units Police and Prisons housing

10,000 units in Nairobi for Civil servants

Deficit of 200,000 units annually

Incentives

Various incentive schemes have been implemented to promote investment. Moreover, more are expected as country develops National Investment Strategy.

Promoting Local Business Activity

Investment Allowance

Allowances on plant, machinery, buildings and equipment for hotel and manufacturing sectors is **100% in Nairobi, Mombasa, and Kisumu and 150% in non-urban locales**

Guarantees to Local and Foreign Investors

Repatriation of Capital and Profits

Guarantee Against Expropriation: since independence in 1963, private property has been consistently protected.

Stimulation Local Manufacturing for Export

Tax Remission for Exports

- **Remittance duty and VAT (duty drawback) on raw materials used in the manufacturing of goods of export**

Manufacture Under Bond

- Exemption for duty and VAT on imported inputs
- **100% investment allowance of plant, machinery, equipment and buildings**

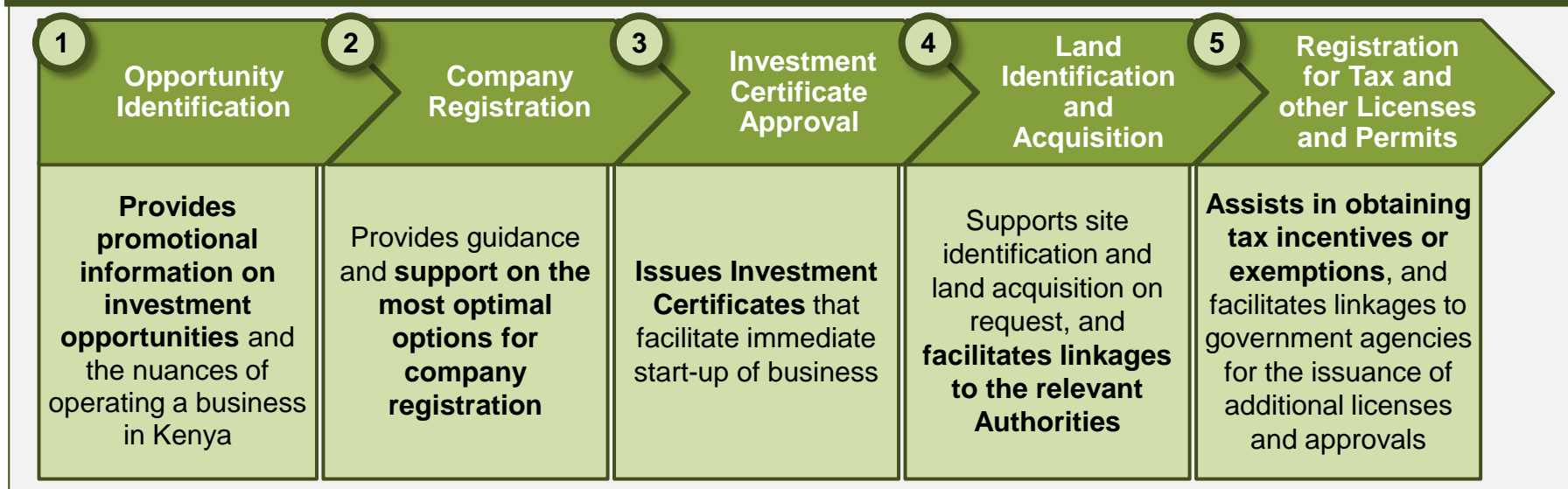
Export Processing Zones

- **10 year tax holiday** after which a flat 25% tax rate is implemented for the next 10 years
- **Special Economic Zones & Free Trade Zone coming shortly!**

Assisting and Facilitating Investors

KenInvest has a dedicated team to assist investors throughout the investment process by providing support at each of the five stages. Business Environment Delivery Unit launched for continuous improvement.

Overview of Investment Process and Key Support from KenInvest



Contact us at Kenya Investment Authority (KenInvest) for more details about investing in Kenya:

Website: www.investmentkenya.com

Email: info@investmentkenya.com