



Friends of Africa | 2013

AN ECONOMIC DEVELOPMENT ROUNDTABLE

"Transforming Africa - The Future is Now"
INVESTMENT OPPORTUNITIES

OPPORTUNITIES FOR INVESTMENTS IN EAST AFRICA – KENYA

**Business & Investment
Opportunities in
East Africa**



Opportunities For Investment In East Africa
– Kenya.



FRIENDS OF AFRICA

The goal of this program is to facilitate collaboration between African leaders (in the Public/Private sectors) and Canadian infrastructure providers.

Through Roundtable discussions, planned debates and informal meetings the relevant authorities in these sectors are brought together to discuss and proffer solutions to challenges in the real sector of the economy. The target audience are Professionals in the organised private sector, CEOs of Corporate Canada and Leaders that have responsibility to execute at various levels in Africa.

Objectives of Annual Round-table:

Facilitate discussions on Economic/ Infrastructure Development
Promote strong networks and opportunities for Entrepreneurs and Business mentoring
Discuss proper systems and maintenance culture for Sustainability.

OPPORTUNITIES FOR INVESTMENTS IN EAST AFTRICA – KENYA

CONTENTS

- Introduction
- Appealing Opportunities For Investors.
- Recent Development
- FOA Strategies

IFC in Africa



“Africa’s low facility density across all basic amenities continues to relegate the continent amidst opportunities for relevancy in a globally depreciating economy”

Introduction

- Kenya welcomes investors and entrepreneurs and offers very competitive investment opportunities and a highly enabling environment.
- The Government guarantees investors' security for their investment and provides all necessary support towards the success of business communities.
- Kenya remains one of the ideal destinations for doing business due to its variety of opportunities and infrastructural benefit to investors.
- The country is strategically located, making it a gateway to eastern and central Africa region.
- The modern sea port of Mombasa serves the landlocked countries and boasts of super links to major sea ports in Europe, and other parts of the world.

Appealing Opportunities For Businesses– In Kenya

Why invest in Kenya

- Kenya presents unique opportunities and cuts a competitive edge in the region as a special location for investments including East and central Africa regional hub in finance, communication and transportation sectors
- Large pool of educated, skilled, enterprising and English speaking labor force
- Well established and mature private sector
- Fully liberalized economy (no exchange controls)
- A wide range of suitable tax, trade and investment agreements
- As a member of the multilateral investment Guarantee Agency (MIGA), International center for settlement of disputes (ICSID) and Africa Trade Insurance Agency (ATIA), investors are insured against non-commercial risk.
- Business friendly regulatory reforms for improving the regulatory framework.
- Relatively established social and physical infrastructure
- Cordial hospitality and warmth of the people

Building & construction

- Kenya has a well-developed building and construction industry with quality engineering, building and architectural design services being readily available. This industry is currently on an upward trend following rehabilitation and reconstruction of roads and bridges under the Kenya Urban Transport Infrastructure Program.

Manufacturing

- This sector is mainly agro based at the moment and plays an important role in adding value to agricultural output by providing forward and backward linkages with agricultural sector. However, there is a shift to export oriented manufacturing as the main thrust of Kenya's industrial policy since the country aims to raise the share of products in the regional market from 7% to 15 %.

Tourism

- Tourism is one of Kenya's leading foreign exchange earner and third largest contributor to the GDP after agriculture and manufacturing.

Natural resources

- Kenya as a country is endowed with conducive environment and a wide range of priority investment areas.
- The Environment sector ranges from climate change prediction and adaptation, catchment protection, sustainable exploitation of economically viable mineral resources to enforcement of environmental legislations.

Investment Opportunities.

- Agriculture and agro processing ((Agro processing, Livestock and fisheries, Leather and leather products, Horticulture, poultry products)
- Horticulture
- Infrastructure development
- Finance, Banking and capital markets
- Tourism (Film production, conference, cultural, cruise ship tourism, Eco-tourism construction of tourist hotels and game lodges, resort cities)
- Manufacturing (textiles & apparels, electrical equipment...)
- Mining- exploration, and value addition through joint ventures
- Livestock and fisheries
- Information and technology
- Business outsourcing
- Energy sector -Geothermal & Alternatives sources-wind, solar, Bio fuel.
- Building & construction

Incentives For Business owners

- 100% investment allowance
- Attractive depreciation allowances
- Duty and VAT exemption on machinery, equipments and raw materials
- 10 year tax holiday
- Single license
- Exemption from stamp duty
- Exemption for withholding tax
- 25% corporate tax for 10 years after the first 10 years expire

Incentives

- **Export Processing Zones**
- There are two Government EPZ's in Kenya, one in Athi River and another in Mombasa, however there are other private EPZ's around the country.
- **Guarantees to Investors**
- Kenya Constitution guarantees against expropriation of private property except for purposes of public use or security
- Removal of exchange controls guarantees repatriation of capital, profits and interests.
- Member of the Multi-lateral Investment Guarantee Agency (MIGA)- that insures foreign investments against non-commercial risks
- Kenya is a member of the International Centre for Settlement of Investment Disputes (ICSID) which arbitrates cases between foreign investors and host governments.



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