Doing Business in Kenya

Energy, Technology/ICT, Agri-Business, Smart Cities and Blue Economy

naba | Norwegian-African Business Association

Republic of **Kenya**

Capital city	Nairobi
President	Uhuru Kenyatta (Re-elected for a second term in the August 2017 general elections)
Languages	English, Swahili, more than 40 local ethnic languages.
Literacy (in English)	59%.
Currency	Kenyan Shilling (KES)
Agriculture Products	Tea, coffee, sugarcane, horticultural products.
Industries	Small-scale consumer goods (plastic, furniture, batteries, textiles, soap, cigarettes, flour), agricultural products processing; oil refining, cement; tourism.
Exports - commodities	Tea, horticultural products, coffee, petroleum products, fish, cement.
Exports - partners	Uganda 11.2%, USA 8.3%, Tanzania 8.1%, Netherlands 7.4%, UK 6%, Pakistan 4.2% (2015).
Imports - commodities	Machinery and transportation equipment, petroleum products, motor vehicles, iron and steel, resins and plastics.
Imports - partners	China 30%, India 15.5%, UAE 5.7%, USA 4.8%, Japan 4.7% (2015)

See last page for reference.

Country Overview

Kenya is a key player in East Africa and is a vital communications and logistics hub. It borders the Indian Ocean in south east, neighbouring Ethiopia, Somalia, South Sudan, Tanzania, and Uganda. With an area of 580,000 km², Kenya has a population of 49.7 million people (2017). Spoken languages are Swahili and English (both official), and numerous indigenous languages mainly Kikuyu and Luhya. The largest and most populous city and the national capital of Kenya is Nairobi and the second largest city and the country's main port is Mombasa.

Kenya's population of (nearly 50 million people) is particularly young with an average age of 19 years. The population is regarded as being particularly innovative, especially with respect to developing and adapting technological solutions to combat specific regional problems. The success of mobile transfer service, M-Pesa, in the region is testament to this. Kenya's population is growing at 1.69% annually, suggesting a fast-growing consumer and enterprise market.

Economic Outlook

The Kenyan economy has remained resilient in the midst of shocks on weather conditions, a prolonged electioneering period as well as subdued credit growth over the past few years. The economic forecast remains positive despite the IMF predicting a growth rate of 5.6% this year and 6.0% in 2020, slightly lower than expected. However, the overall inflation is projected to remain within single digits in the medium term; and the government has a growth momentum fuelled by massive investments in infrastructure and jobs, steps to improve the business climate and a boost in exports. There is also a significant focus on key sectors including: Energy, Technology/ICT, Agri-Business and Smart Cities. The government´s expansive fiscal policy has allowed them to finance infrastructure projects without exerting unnecessary pressure on domestic financial markets, and consequently keeping public debt just above the 50 percent threshold.

Kenya's economy is dominated by the services sector; it makes up about 45% of GDP. This is unusual amongst developing countries as the agricultural sector often dominates. This is a positive indication that the economy is diversifying and modernising. Agriculture makes up the second-largest segment of the economy at 36%. Industry makes up the remaining 19%, with 10% of this consisting of manufacturing. Although the dominance of services is promising, the contribution of agriculture has increased over the past few years.

Kenya's combination of relatively stable governance, strategic location and young and innovative population has made it an attractive destination for multinational companies. Several notable firms such as Oracle, IBM, Microsoft, Cisco, HP and SAP have offices in Nairobi, and some have based their entire African operations from these offices.

Risks and Challenges

Kenya´s positive economic outlook and the government´s effort to maintain a growth momentum has recently been overshadowed by risks of terror and violence. The threat of terrorist attacks from Al-Shabaab cause security concerns, and negatively affect the business environment across the country. Growth in key sectors such as tourism and manufacturing have stagnated in recent years, which has contributed to this year´s low growth forecast by the IMF. Furthermore, Kenya's ethnic diversity has produced rich and vibrant cultures, but it has also been a source of conflict, especially during elections. Other pressing challenges include high unemployment, crime and poverty and droughts which frequently put millions of people at risk.

See last page for reference.

ICT/Technology

Kenya has fully embraced the opportunities afforded by technology. The bubbly start-up scene is something to be admired. This has been buoyed by favourable government policies with the local ICT sector worth an estimated $5.48 billion (2017), constituting 31.7% growth from the previous year. The telecommunications segment makes up the vast majority of this at around $3.2 billion. Other important contributors are broadcasting, data centre services, cloud, IT and Business Process Outsourcing (BPO).

Kenya´s recently expired National ICT Masterplan, which aimed at enhancing the country´s competitiveness through utilisation of its resources in Business Process Outsourcing (BPO) and strengthening its capacities to meet future technological challenges, is under review. The National ICT Master Plan was a five-year vision developed in 2013 by the Ministry of information, communication and Technology. This is illustrated in the government´s 2030 vision for Kenya to become the top BPO destination in Africa.

Kenya currently boasts the highest share of population with access to financial services in Sub-Saharan Africa (more than 70 percent). This is largely thanks to the popular mobile money transfer service M-Pesa. There consequently other initiatives/projects taken up by the government to boost growth in the ICT/Technology Sector. One such initiative is Konza City, a modern Technopolis and smart city planned by the government, which is expected to drive even more growth in the ICT sector.

ICT Market Forecast

TELECOMMUNICATIONS

Kenya's telecommunications market is expected to grow from $2.74 billion to $3.49 billion in 2022. Growth is predicted to be driven by rapidly increasing demand for mobile data as businesses and consumers increasingly rely on these devices.

DIGITAL SERVICES

Kenya´s digital services market is expected to grow from $2.34 billion to $5.15 billion in 2022. FinTech services are predicted to become increasingly important. The cloud computing market also contributes significantly led by PaaS offerings.

CYBER SECURITY

Kenya´s cyber security market expected to grow from $380 million to $516 million in 2022. Business will focus on more advanced services such as intruder detection and business and consumers will look to improve mobile end-point security.

Key focus areas for digital opportunities in Kenya

TELECOMMUNICATIONS

- *Mobile Services and data*
- *Application based services*

DIGITAL SERVICES

- *Pay-TV*
- *Fintech*
- *Niche BPO Services*
- *PaaS*

CYBER SECURITY

- *Managed network Security*
- *Endpoint Security*
- *Managed application security*

Summary of ICT market

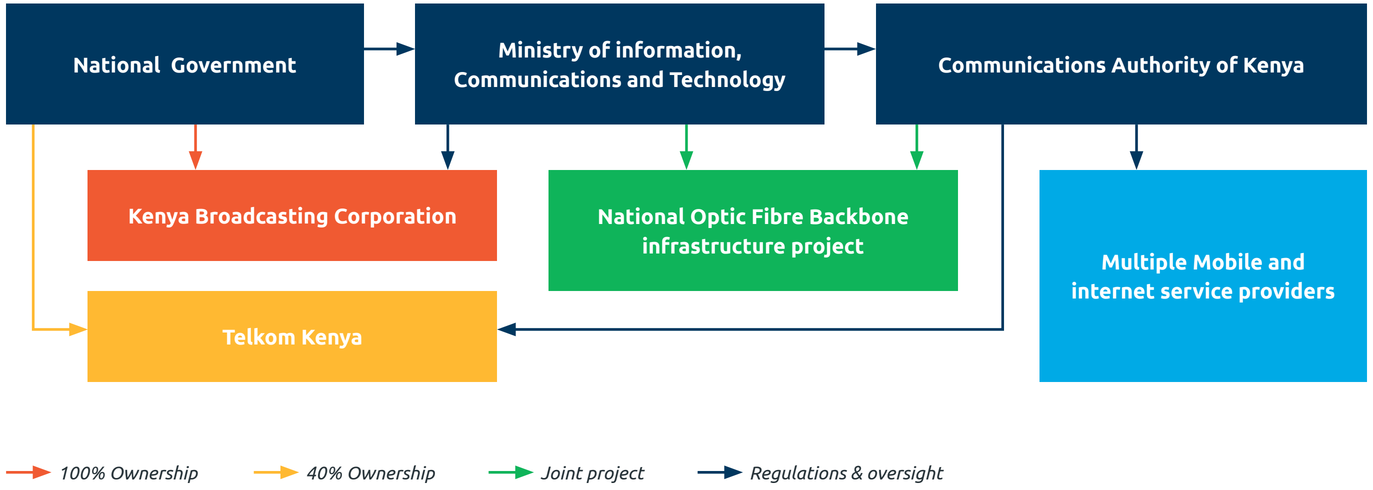
- *The Kenyan government has a strong focus on ICT suggesting an openness to international ICT providers.*
- *Mobile payment services such as M-Pesa are popular in Kenya indicating comfort in using mobile for financial services.*
- *The mobile network market in Kenya is well developed but there is an opportunity to provide coverage in rural areas.*
- *Opportunities in digital services include mobile cloud and PaaS, FinTech services and pay online, collect in store ecommerce models.*
- *Cybersecurity will become more important as Kenya digitalises. Mobile cloud offerings are expected to be popular in the consumer market.*

See last page for reference.

Structure of Kenya´s ICT sector

Kenya's telecommunications industry is governed by the Ministry of Information, Communications and Technology. The two state-owned firms most relevant to the ICT sector are the Kenyan Broadcasting Corporation (the national broadcaster) and Telkom Kenya, which is 40% government-owned.

AGENCY	FUNCTION
Ministry of Information, Communications and Technology	The Ministry of Information, Communications and Technology is responsible for formulating, administering, managing and developing Kenya's information, broadcasting and communications policy. The ministry is divided into the State Department of Broadcasting and Telecommunications and the State Department of ICT and Innovation.
Telkom Kenya	Telkom Kenya is a partially state-owned (40% holding) telecommunications provider. It is the only provider of fixed-line services in the country. Telkom Kenya used to provide mobile services via its former brand Orange Kenya. Following its sale to private equity firm Helios Investment Partners in June 2016, Telkom Kenya now uses its own brand—Telkom Kenya
Communications Authority of Kenya	The Communications Authority of Kenya is responsible for the regulation of the greater telecommunications sector. The Authority was established by the Kenya Information and Communications Act of 1998 and is tasked with facilitating the development of the ICT sector.
National Optic Fibre Backbone Infrastructure Project (NOFBI)	NOFBI is a project undertaken by government, the Ministry of ICT, the ICT Authority and Telkom Kenya that seeks to ensure adequate fibre connectivity to all 47 of Kenya's counties. Phase 1 was completed in 2009 and provided a national fibre backbone, whilst phase 2 began in 2014 and seeks to link all significant regional hubs to the network.
Mobile and Internet Service Providers	Kenya has three primary mobile service providers: market leader Safaricom, Equitel and Telkom Kenya.
Kenya Broadcasting Corporation	The Broadcasting Corporation of Kenya is the state-owned radio and television broadcaster. It is entirely government-owned and regulated by the Ministry of Information, Communications and Technology.



Energy

The Kenyan power sector is a true success story in sub-Saharan Africa, with strong leadership at the highest levels of Government, long-standing participation of the private sector in generation, impressive growth in access, and a strong enabling environment for innovation in off-grid solutions. The story of Kenya's power sector is one of solid performance. For its population and per-capita GDP, Kenya is performing well in terms of power generated. Kenya's per-capita power consumption is 166 kWh (2014) compared to 126 kWh in Nigeria, which has a per-capita GDP nearly 3x higher.

The energy sector in Kenya as a whole is well-governed and has a long history of encouraging participation by private actors. Moreover, Kenya has remarkable renewable resources, as evidenced by its track record as one of the lowest cost developers of geothermal power in the world. The government has also aggressively pursued connections, having nearly doubled electricity access from 25% to 46% of households in 4 years.

However, as energy demand and consumption grow (following the trend of urbanisation and population growth) the government has developed a plan to increase generation capacity to meet demand by:

- *Delivering 2,700 MW of new generation capacity by 2020 through new financing and partnership models*
- *Developing and executing a connection strategy incorporating on- and off-grid solutions to deliver universal electricity access by 2020*
- *Resolving wayleave issues and optimising construction to triple the kilometres of transmission lines in the country*
- *Seeking innovative solutions to meet the 14-18 billion USD in financing required for the sector as a whole to meet its goals*

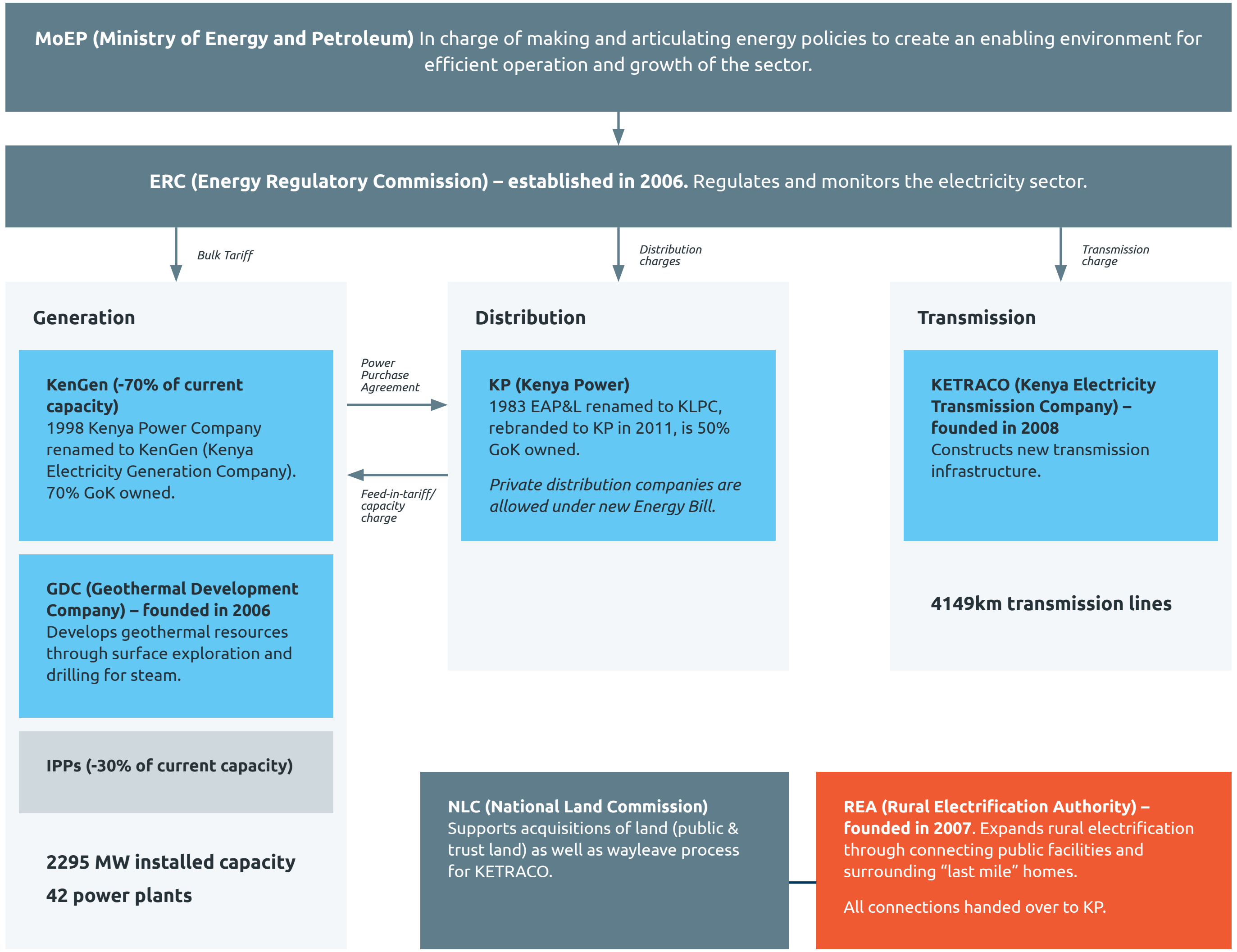
Consequently, this plan – along with many others – presents investment opportunities in the energy in Kenya.

Trend of Energy Use & Efficiency

The prevalent energy use practices in Kenya are not necessarily energy efficient, according to local environmental agencies. The key determinant for energy use practices appears to be primarily the socioeconomic class (i.e. linked to wealth/poverty) and education levels of the household decision-makers. These attributes also seem to influence the choice of energy and information sources. In effect, some Kenyans adhere to energy efficiency practices while others do not, but the exact numbers are unclear. Other factors that play a role in this include the cost of energy and appliances, user attitudes and access to adequate information on energy conservation and efficiency.

Structure of Kenya´s Energy Sector

The policy and regulatory environment in Kenya is fairly advanced, with significant and growing Independent Power Producer (IPP) presence, unbundling and partial privatisation of national utilities, and cost-reflective tariffs. The diagram on the opposite page highlights the structure of Kenya's power sector.



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Agribusiness

Kenya's GDP is still highly dependent on agriculture, with the sector making up a significant 26% of the country's GDP annually, and another 25% indirectly. The Agri-business sector accounts for 65% of Kenya's total exports and provides more than 70% of informal employment in rural areas. Available opportunities in the sector include food processing, irrigation, technology infrastructure and transport.

Agriculture and Food Processing

Agriculture is the mainstay of the economy, providing livelihood to approximately 75% of the population. There is considerable scope for diversification and expansion of the agricultural sector through accelerated food crop production, processing and marketing. There are also opportunities for improvement in technological infrastructure such as packaging, storage, and transportation. Intensified irrigation and additional value-added processing are areas for investments.

Smart Cities

Smart cities are predicted to be a key trend for government and investors in the coming decades. This is partly because technology will enable them to collect data and use it to manage resources for public good, with the ultimate aim of increasing the life quality of citizens. In Africa, there are ambitious plans to establish smart cities from the Konza City in Kenya to Vision City in Rwanda and Hope City Ghana.

Kenzo Technology City, also known as "the Silicon Savannah", is a smart city and technology hub planned by the Kenyan government to be built approx. 60 km southeast of Nairobi. It is marketed as a key driver of Kenya´s national development plan, commonly referred to as Kenya Vision 2030.

The government claims that Konza will be a sustainable, world-class technology hub, major economic driver for the nation and home to a vibrant mix of businesses, workers, residents, and urban amenities. The plan envisions urban densities, walkable neighbourhoods, access to parks and recreation, transit-oriented development, varied retail and restaurants options, and a full spectrum of housing choices. Konza will also host data centres, technology and life science facilities, commercial office space, hotels, convention centres, educational institutions, and community support service.

Konza seeks to attract information and communication technology businesses, bioscience companies, commercial and residential developers, and research universities, as well as residents and families to create a diverse community that will enhance economic development and vitality.

As a smart city, Konza will gather data from smart devices and sensors that are embedded around the city scape (e.g. roadways and buildings).

Government Expectations

Konza is expected to help Kenya achieve middle-income status by 2030, growing into a community of more than 200,000, attracting 17,000 direct jobs, and generating $1.3 billion in gross regional product.

The Kenyan government have recently signed an agreement with Chinese technology giant, Huawei, totalling almost $665.4m (Ksh 67.5bn) through concessional financing and Public Private Partnership to develop the Konza Data Centre and core ICT infrastructure for the Smart City project. The Konza Data Centre and Smart Cities project that will be carried out by Huawei will cost $172.5m (KES 17.5bn), according to the government.

Key details of Kenzo Technology City

LOCATION	Makueni County
ESTIMATED COST OF CONSTRUCTION	Kshs 1.2 trillion
ARCHITECT	SHoP Architects
SIZE	2000 ha (5000 acres)
WEBSITE	www.konza.go.ke

Business registration

The Registrar of Companies is responsible for business registrations in Kenya. They issue certificates of compliance for foreign companies, certificates of incorporation for local companies and certificates of registration for sole proprietorship and partnerships.

Firms must then obtain registration with National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) and the Kenya Revenue Authority (KRA) . A business permit should also be obtained from the County Government depending on the business type.

All company and business registrations (sole proprietorship and partnerships) are being done through the e-citizen online platform but for limited liability partnerships (LLPs) registrations which are still manual and are being done at the company registry.

Corporate Tax

The corporate tax year is based on the calendar year. However, companies may under Section 27 of the Income Tax Act and with prior approval of the Commissioner, vary their accounting year. The rate differs between resident and non-residents (A resident company is one incorporated in Kenya.) Companies listed at the Nairobi Stock Exchange are taxed at slightly lower rates than other companies.

Expenses allowable as deductibles include: legal cost expenses, incidental expenses relating to authorisation and issue of shares, debentures or similar securities offered for purchase by the public and expenses incurred for the purposes of listing on any securities exchange operating in Kenya (without raising additional capital.)

See last page for reference.

Double Taxation Agreement

Norway and Kenya have long standing treaty/agreement to avoid double taxation and prevent fiscal evasion with respect to taxes on income and capital. Consequently, this treaty applies to residents or companies registered in on or both countries.

Work Permits/Visas

Foreign enterprises can obtain entry permits for expatriate employees who are key personnel such as managing directors, senior finance and marketing executives and highly specialised technical positions. In addition, entry permits are available for any category of skilled labour if Kenyans are not available demonstrated by showing that following the job being advertised, no suitable candidates applied.

Expatriate employees who plan to work for a duration of less than 3 months, such as to install equipment, train or do an internship, can obtain a special pass.

Foreign investors can also obtain entry permits for themselves if they have met the condition of the Investment Promotion Act 2004 which is to have registered the company in Kenya and to have invested a minimum of US$ 100,000.

East African investors still have to register for work permits but they do not incur any fee.

The Kenya Investment Authority works with the Immigration Department to facilitate the acquisition of entry permits, which can be obtained on arrival in Kenya if applied for beforehand.

Labour and Local Content Policy

Hiring Expatriate employees

Expatriates are allowed to work in Kenya provided they have an entry permit (work permit) issued under the Kenya Citizenship and Immigration Act. An applicant for an entry permit needs to describe the work he or she intends to engage in and will be allowed to engage only in that specific activity. Entry permits are usually granted to foreign enterprises approved to operate in Kenya as long as the applicants are key personnel. Any enterprise, whether local or foreign, may recruit expatriates for any category of skilled labour if Kenyans are not available. KenInvest facilitates the acquisition of entry permits for investors

Hiring Local employees

The labour laws of Kenya are embodied in several legislation. The provisions of these legislation include those regarding wages, non-discrimination, harassment, leave, housing, health and welfare, local and foreign contracts of service, the employment of women and youth, termination of contract, and other administrative matters.

Blue Economy/Maritime Sector

Kenya is one of the countries at the forefront of building global consensus around best approaches to promote sustainable blue economy development. The blue economy has a great potential to contribute to higher and faster GDP growth in Kenya, according to the United Nations Development Programme (UNDP). Innovation and growth in the coastal, marine and maritime sector could deliver food, energy, transport, among other products and services and serve as a foundation for sustainable development across the country.

Diversifying the country's economy beyond land-based activities and along its coastal, marine and maritime sector is critical to achieving the Sustainable Development Goals (SDGs) and delivering smart, sustainable and inclusive growth. SDG 14 calls on all stakeholders to "conserve and sustainably use the oceans, seas and marine resources for sustainable development". This is especially important in the context of the accelerated growth that the country is experiencing without any concomitant reduction in poverty.

Kenya´s Commitment to the Blue Economy

Kenya is well known for its resource-rich coastal and marine environment, which encompasses significant socio-economic and cultural values for the country. To explore this economic potential, the Kenyan government created a Presidential Blue Economy Task Force in 2017. Its objectives, as identified by the Task Force through stakeholder participation, is to prioritise the sustainable use of ocean resources for economic growth, enhance livelihoods security, create jobs and maintain ocean ecosystem health. The Task Force oversees interventions to achieve these objectives in sectors such as fisheries and aquaculture, maritime transport, culture and tourism, environmental conservation and oil and mining. The eight-member committee reports monthly to the President, with the key focus on:

- *Creating an operational plan that identifies key economic sectors that should be prioritised including constraining factors*
- *Establishing priority programmes and projects required to unlock growth of the Blue Economy – enabling policy and infrastructure*
- *Developing fishing ports in strategic areas such as Shimoni, Kilifi and Lamu*
- *Building capacity in human resources in the following areas: fishing, energy, mining, seafaring, logistics and marine science*
- *Developing framework for beach management*
- *Organisational structure for execution of the Blue Economy strategy*
- *Reporting of resourced delivery work plans for each Blue Economy project*

See last page for reference.

Aquaculture

Kenya has great potentials for aquaculture growth because it is endowed with climatic diversity, natural features and other resources that favour the culture of a wide variety of marine species. However, though not yet quantified, only a small portion of these resources are utilised and it does not appear to be a key focus for the government. Despite multiple announcements of growth plans for Aquaculture in Kenya over the past few years, no significant investment, focus, or attention has been paid to the growth of the sector by the government. Aquaculture in Kenya can be categorised into three broad divisions:

1. *Warm fresh water aquaculture dominated by the production of various species of tilapia and the African catfish (Clarias gariepinus) mainly under semi intensive systems using earthen ponds*

1. *Cold fresh water aquaculture involving the production of rainbow trout (Oncorynchus mykiss) under intensive systems using raceways and tanks*

1. *Marine water aquaculture (mariculture) which is underdeveloped*

Aquaculture Production

Aquaculture contributes about 1% of the total national fish production. Approximately 1,000 m. tons are harvested from 7,477 small ponds owned by about 4,742 fish farmers. The current mean yield from fish farming is approximately 5.84Mt/ha/year. It is important to note here that this figure could be much higher if fish produced and consumed by farmers, bait and ornamental fish produced are accounted for.

However, there are a host of challenges facing the growth of Kenya's aquaculture industry including a lack of comprehensive policy and promotion on Aquaculture, lack of certified quality seeds and commercial feeds, Research, poor record keeping lack of skills and capacity among farmers and lack of funding. Nevertheless, these challenges are surmountable if deliberate efforts are directed to addressing specific areas of problems.

What´s next for Aquaculture in Kenya?

The Kenyan government – through the Ministry of Fisheries Development – seeks to implement various programmes that shall contribute to the achievement of the Economic and Social pillars of the National Vision 2030. These are well articulated in the Fisheries Strategic Plan. In this regard, effort will be made to promote sustainable utilisation of fishery resources in order to increase fish production.

The current low farmed fish production and inadequate aquaculture information notwithstanding, it is apparent that fish farming in Kenya could be developed into a viable enterprise, capable of supporting enormous economic activities in Kenya and increasing the fisheries resource base.

See last page for reference.

Port of Mombasa

The Port of Mombasa is Kenya's busiest and largest seaport, serving the hinterland by exporting important agricultural products and supporting the foundation of the Kenyan economy. It comprises of Kilindini Harbour and Port Reitz on the Eastern side of the Mombasa Island and the Old Port and Port Tudor north of the Mombasa Island. Kilindini is naturally deep and well sheltered and is the main harbour where most of the shipping activities take place. It has 16 deep water berths, two oil terminals and safe anchorages and mooring buoys for sea-going ships.

In addition to serving Kenya, the port also serves neighbouring and landlocked countries such as Uganda, Burundi, the Democratic Republic of the Congo, South Sudan, Rwanda, Sudan and Ethiopia. Inland transportation is provided by trucks and trains, and special rail-tainer services operate from the port to inland container depots.

The Port of Mombasa has a wide variety of shipping services that travel to important destinations worldwide, including Western Europe, Asia, the Americas, the Far East, and of course the rest of Africa. Regular feeder services operate between the Port of Mombasa and Dar-re-salaam, Mogadishu, Durban, Salalah, Djibouti, and Dubai.

The Port of Mombasa is fully equipped to service a variety of cargoes from dry bulks (like fertilisers, grains, soda ash, and cement) to liquid bulks (like crude oil and petroleum products) to bagged products (like coffee, sugar, tea). The port is also equipped to handle breakbulk (timber and iron and steel), motor vehicles, machinery, and containerised cargo. As in many ports around the world, containerised cargo is the fastest growing category, and the Port of Mombasa has a dedicated terminal equipped with ship-to-shore gantry cranes and a complete line of support machinery.

Why Invest in Kenya?

- *Diversified and established economy with strong business sector*
- *Opportunities in agriculture and horticulture, tourism, mining, power generation, ICTs, manufacturing and acquisition of state-owned enterprises*
- *Economic centre of the East Africa Community comprising 138 million people and a GDP of US$ 138 million*
- *Market access*
- *International air and sea gateway to the region*
- *Strong reform gains to encourage investment: coherent vision for economic development, regular meetings between government leaders and investors, new framework for public private partnerships, reinforced investment authority.*
- *Highly skilled human resources*
- *Political and microeconomic stability*
- *Vibrant capital market*
- *Strong entrepreneurial innovation market*
- *Unique tourism products*

See last page for reference.

Investment Opportunities

According to Kenya´s Investment Authority (KenInvest)

There are a number of opportunities available for investment in the different sectors of the Kenyan economy. Here is a list of a few “viable” investment areas:

Opportunities in ICT/Technology

The ICT sector in Kenya is private sector driven, though the government has played a major role through investment in infrastructure and provision of incentives for the private sector to invest in the economy.

- *Capacity Development: Investments to upgrade ICT networks, increase internet affordability and improve infrastructure in institutions of learning to create qualified ICT professionals*
- *Retail: Kenya's Middle class represents almost a fifth of the population. The pervasive mobile and internet networks have created a big market for e-commerce services*
- *Education: New digital tools have the potential to deliver rapid gains in access to education. Opportunities exist in the development and deployment of such tools, training and capacity development*
- *Agriculture: Technology will connect farmers with expertise, Market information and intelligence. There is growing demand for agri-tech tools that can support this sector. A growing pool of young innovators are already tapping into this market*
- *Infrastructure: The Government has invested heavily on ICT infrastructure spanning the entire nation. The objective is to spur investment and growth in the sector. Opportunities exist in provision of last mile infrastructure services*
- *Regional Business: Kenya has a decentralized government with 47 regional (county government) major public services are provided by these governments. opportunities exist in provisioning of technology enabled services*

Energy

Kenya's Energy sector is among the most active in Africa. Opportunities exist in further diversification of Kenya's Energy mix with focus on renewable energy sources.

- *Wind: proven potential of as high as 346 W/m2, Wind speeds of over 6m/s F-I-T of USS 0.011 per kWhr*
- *Solar: Relatively stable off-grid PV market, Insolation estimated at 4-6 kWh/m'/day, Duty and tax exemptions for PV products • fixed F-I-T of USS 0.12 per kWhr for 10MW*
- *Biomass: Co generation using sugarcane bagasse and other agricultural residues, fixed F-I-T of US$ 0.10 per kWhr*
- *Geothermal: Proven potential of as high as 10,000MW along Rift Valley— mennengai, Olkaria & Baringo • multi-purpose—green house, industry, Fixed F-I-T of USS 0.088 per kWhr*
- *Hydro: Potential of 1,000 MIN exists for small hydro power, High potential in tea factories sites, fixed F-I-T of between USS 0.06 and USS 0.12 per kWhr*
- *Biogas: Potential to produce over 130 MW of power, Home to the first grid-connect biogas plant in Africa, Availability of municipal, coffee and sisal waste, Potential to generate slaughter wastes, fixed F-I-T of USS 0.10 per kWhr*

Agribusiness

Agri processing presents great growth prospects. The sector enjoys a combination of active government support, favorable agro-climatic conditions, availability of low-cost farm workers and the know-how, year-round demand for certain agricultural products in international markets, and direct air connections to Europe and Middle East.

- *Edible and non-edible oils processing: value addition opportunities for manufacturing and production*
- *Poultry: Opportunities in greenfield and brownfield set up of poultry processing facilities*
- *Dairy Processing: Opportunities for direct investment in processing facilities including cold chain solutions (for value chains as well as flowers) and processing facilities for dairy*
- *Regional Business: Kenya has a decentralized government with 47 regional (county government) major public services are provided by these governments. opportunities exist in provisioning of technology enabled services*

Financial Services

Kenya's financial sector is the third-largest in sub-Saharan Africa and it makes a significant contribution to economic growth and job creation. Through Vision 2030, the Government aims to create a "vibrant" and globally competitive financial sector.

- *ICT Enabled Financial Services: The adoption of technology at a high rate creates room for development of compatible ICT enabled services. The expansion of the service channels in the sector provides opportunities in the client management solutions realm*
- *Risk Management: The current state of information sharing opens up opportunities for investment both in terms of databases and reliable financial records. The growth of the sector across various channels increases the need for solutions like cyber security, monitoring and record keeping*
- *Financing: More than 70% of SMEs lack access to medium and long term finance, which creates a need for innovative debt and equity instruments for SMEs Partnerships with local financial institutions provide opportunities for consultancy in product development*
- *Regional Integration: Kenya seeks to set up the Nairobi International financial center (NIFC) to be the regional hub for regional financial operations. The local business environment is relatively stable and as such Kenya's capital market is a stimulant for investments in the region*

Tourism

Tourism is one of Kenya's most important industries, and has strong linkages with transport, food production, retail and entertainment.

- *Development of Resort Cities: The government invested in a new transport corridor (LAPSSET) The project has targeted the development of new resort cities as part of the project. Other opportunities are within new tourist circuits*
- *Construction of International Hotel Chains: Major international hotel Brands have set up in Kenya to tap into the growing business tourism market. The sector present further growth opportunity*
- *Film Industry: Kenya present the most diversified and most scenic sites for the film industry. Several World-renowned movies have set in Kenya*
- *Investment in Conference Facilities: Kenya is increasingly becoming a major attraction for conference tourism. Major National and International Events are held in Kenya*
- *Investment in Entertainment Facilities: Amusement Parks, Clubs, Casinos, Theaters and Specialty Restaurants*
- *Construction of Golf Cities: Kenya's fine weather provides perfect opportunities for development of premium golf facilities*

Kenya is endowed with unique combination of tourist attractions such as beautiful coastal beaches, coral reefs, caves and river deltas, abundant wildlife including the 'big five' in their natural habitats, national parks and game reserves, good climate, beautiful geographical landscapes, Savannah grasslands, forests, salt and fresh water lakes.

See last page for reference.

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