

MARKET ACCESS

- **East African Community (EAC)** – Population of 120 million comprising 5 member states, backed by a Customs Union Protocol.
- **Common Market for Eastern and Southern Africa (COMESA)** comprises 20 member States with a population of over 400 million.
- **African Growth and Opportunity Act (AGOA)** - Duty-free access to the US market under AGOA.
- **Generalized System of Preferences (GSP)** - Access to various markets in the developed world through the Generalized System of Preferences (GSP), which offers preferential treatment to a wide range of products.
- **ACP/COTONOU Agreement** - Membership in the African, Caribbean and Pacific States (ACP) enables Kenyan products to qualify for preferential tariffs on exports to member countries.

INVESTMENT OPPORTUNITIES

Investment opportunities exist virtually in all sectors. These include:

- Agriculture and Agro-processing
- Horticulture
- Infrastructure development
- Finance, Banking and Capital Markets
- Tourism
- Manufacturing
- Mining
- Livestock and Fisheries
- Building and construction
- Knowledge based industries
- Business Process Outsourcing

PRIVATIZATION

Investment opportunities exist in the following sectors under privatization – Ports, Energy, Sugar Production, Tourism, Banking and Insurance.

PROCEDURES AND CRITERIA FOR INVESTMENT APPROVALS

The Kenya Investment Authority Act provides that all new investments comply with established environmental, health and security requirements.

The Authority encourages investments that:

- Are labour intensive
- Are local resource based
- Earn or save foreign exchange, and
- Lead to efficient transfer of technology

Investors are requested to submit their project applications to Kenya Investment Authority on prescribed forms (obtainable at the Authority's office and website) together with copies of the following documents:

- Certificate of Incorporation or Registration
- Memorandum & Articles of Association
- Royalty and Management Agreement (in case of joint ventures)

Through the information provided by the investor in the application form, the Authority is able to identify the types of approvals and licenses required and facilitate their acquisition from various Departments/Ministries. KenInvest endeavours to complete this process within a period of four weeks upon receipt of all the required information.

Please get in touch with us for more information....

Kenya Investment Authority has branch offices at Jomo Kenyatta International Airport (JKIA), Kisumu, Eldoret and Mombasa.

CONTACT ADDRESSES

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PROMOTING INVESTMENTS IN KENYA

Kenya Investment Authority

VISION

To be a world-class agency in marketing Kenya as the first choice investment destination."

MISSION

"To provide exceptional services to attract, facilitate and retain investments in Kenya."

KENYA INVESTMENT AUTHORITY

Kenya Investment Authority (KenInvest) is a statutory established by an Act of Parliament, the Investment Promotion Act, No.6 of 2004. KenInvest is charged with the responsibility of promoting and facilitating investments in Kenya. KenInvest facilitates investors wishing to set up in Kenya by helping with acquisition of requisite Licenses, permits, incentives, and providing other after care services.

ROLE AND FUNCTIONS OF KENINVEST

The Kenya Investment Authority provides a 'one stop office' for investors. Our aim is to provide dedicated services to local and foreign investors wishing to set up shop in Kenya. KenInvest services are free and include:

- Provision of information on investing in Kenya;
- Assistance in the identification of investment opportunities;
- Facilitating visits and meetings with public agencies and economic operators;
- Identification of joint venture partners;
- Assistance with site location.
- Appraisal and approval of investment projects.
- Issue of Investment Certificate that enables investors immediate operations;
- Assistance in timely acquisition of necessary licenses, clearances and permits.
- Facilitating access to investment incentives;
- Assistance in obtaining work and residence permits for foreign investors and expatriate staff;
- Providing other support services aimed at promoting and facilitating investment.

WHY INVEST IN KENYA

Kenya presents unique opportunities and cuts a competitive edge in region as a special location for investments. These include but not limited to:

- Strategic location as a regional financial, communication and transportation hub
- Large pool of educated, skilled, enterprising and English speaking labour force
- Well established and mature private sector
- Fully liberalized economy
- A wide range of suitable Tax, Trade, and Investment Agreements.

- Business friendly regulatory reforms – **2008 World Bank Doing Business ranks Kenya among the Top Ten Reformers in the World** for improving the regulatory framework
- Relatively established social and physical infrastructure
- Cordial hospitality and warmth of the people

VISION 2030

Kenya has just drawn a development blue print towards becoming an industrialized nation. Vision 2030 is the country's latest plan aimed at transforming Kenya into a newly industrialized country by the year 2030. The Vision is anchored on three pillars:

- **Economic** – Sustained economic growth of 10% per annum
- **Social** – A just and cohesive society enjoying equitable social development in a clean and secure environment
- **Political** – Issue based, people centred, results oriented and accountable democratic political system.

The Vision has also clearly identified the investment focus areas and the flagship projects that will propel the country to the new heights. Among the sectors of focus include ICT; Tourism; Manufacturing; Infrastructural development; Agro-industries and special focus on BPO.

INVESTMENT POLICY

The Government has outlined the Nation's Economic Strategy in various Sessional Papers and National Development Plans, which have placed emphasis on the private sector as the engine of economic growth. Kenya has also carried out far reaching liberalization measures and reform programmes so as to enhance the investment environment.

These include:

- Decontrol of prices to let market forces set the prices
- Repeal of the Exchange Control Act
- Removal of discretionary clauses in the tax laws
- Removal of duty rates on capital goods
- Abolishing trade licenses to reduce bureaucracy in venture start-ups

The Government established a Business Regulatory Reform Unit (BRRU) in the Ministry of Finance. In 2007, out of 1,325 licenses, 315 were eliminated and 379 simplified, resulting in Kenya being ranked by the World Bank's Doing Indicators at 8th among top 10 performers, and the 2nd in Africa.

GUARANTEES TO INVESTORS

- Repatriation of capital and profits after payment of taxes
- Kenya constitution guarantees against expropriation of private property

- Membership to Multilateral Investment Guarantee Agency (MIGA), insures investments against non-commercial risk
- Membership to the International Centre for the Settlement of Investment Disputes (ICSID) which arbitrates cases between foreign investors and host governments
- Membership to Africa Trade Insurance Agency (ATIA) which insures investors against non-commercial risk.

INVESTMENT INCENTIVES

MUB Program

- 100% investment allowance
- Duty and VAT exemption on machinery, equipments and raw materials.

Export Processing Zones Programme

- 10 year tax holiday
- Duty and VAT exemption
- Single license
- Exemption from stamp duty
- Exemption for withholding tax
- 25% corporate tax for 10 years after the first 10 years expire
- 100% investment allowance

Duty Remission

Exemption on duties and VAT on raw materials utilized to manufacture exports

Liberal Depreciation Rates

Liberal rates based on book value

Loss-Carry forward

Business must recover previous losses before paying corporate tax.

Capital expenditure

- Duties paid for capital expenditure in excess of US\$ 70,000 can be recovered from corporate tax.
- Capital goods and basic raw materials are zero-rated.

Tourism

- Investments in tourist hotels can apply for waiver of duties and VAT
- Foreign investors are allowed to bring in cars for personal use duty free
- 100% investment allowance for new investments in manufacturing and tourist hotels.
- 25% corporate tax for companies issuing initial public offers in the Nairobi Stock

Exchange.

- Computers are duty free