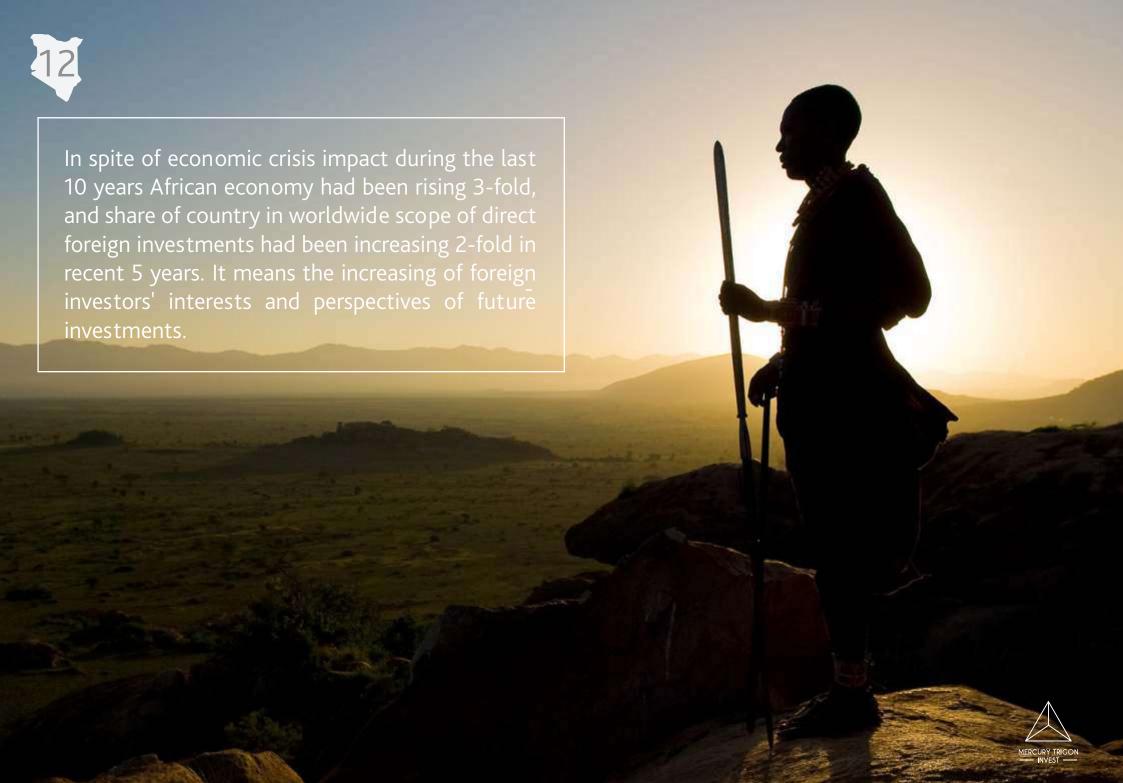


Total turnover of marine cargo transportation in Mombasa Port is about 5.0 million of tons. For loading and unloading of marine cargo the coast cranes with tonnage of 10 tons and floating crane with tonnage of 60 tons are used. There are 30 warehouses, open cargo platforms, 2 oil storages (65 tanks). The berths of Mombasa port are equipped with railways, water-supply and pipe-line for fuel. Ship-repair enterprises, which control graving dock, repair shops and 4 slipways, provide the repair of ships and vessels of 2000 tons displacement. In distance of 7 km to north-eastern direction from Mombasa port there is the first-class airdrome, with runway is 3300\*40 m, group standing of aircrafts, hangars, oil storage and signal office centre.











Recently the urbanization process is occurring in Africa and south-eastern Asia. Looking through the articles and conclusions of consulting agencies, I selected 12 factors which determine the development of cities on the continent. Nowadays Africa is not associated with backwardness, sluggishness and lack of development. Continent has the position of perspective and dynamic market with great abilities in the world economical and financial sence. The cities are just a "visiting card" of Africa. They are economical, scientific and political engine of the continent.

# THE MOST ATTRACTIVE AFRICAN COUNTRIES FOR INVESTMENT



31,8%



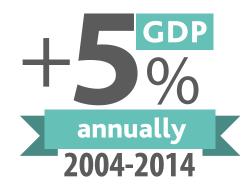
15,9%



9,1%

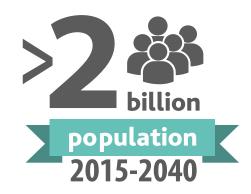
### STEADY ECONOMIC GROWTH

Preceding decade was critical period for economy of African countries. The economic growth in countries to the south of Sahara has reached or exceeded 5% of GDP (gross domestic product) during the 9 of last 10 years. In connection with expansion of home market it's forecasting that in the next five years the economic growth will exceed 5% per year as before. By the evaluations, in next five years the 8 countries from 12 developing ones will be the African states.



### FAVORABLE DEMOGRAPHIC SITUATION

Africa is becoming the market of global scale. Currently the population is about 1 billion people and is expected to increase twice over the next 25 years. It's the quickest temp of population grown of all continents in the world. Especially fast growing of population is noticed in working age – 70% from all population in age less then 30 years old. By the end of 2040 the African population would be more then in China or in India.



### FAST URBANIZATION

Africa urbanizes faster then other continents. Annually the urban population rises by 4%. Some cities are increasing exceptionally fast. For instance, the population of Abudja grows by 9% per year, and Luanda by 6% annually. 60 Africa's cities have the population more then 1 million people for everyone. In sum it gives about 170 million of citizens, whose incomes are twice as high, then average income in all country. (pic. +4% per year)





### DEVELOPING MIDDLE CLASS

Steady economic growth facilitates fast development of urban middle class and the increasing of their incomes. It's measured that the average number of middle class citizens of Africa is about 350 million people. But with following more conservative measuring procedure this number is approximately 150 millions people.

# 4150 million MIDDLE CLASS

# RAW MATERIALS AND ENERGETIC SOURCES

Africa has rich natural sources. The last important researching shows that the direct incomes of African countries are connected with mineral extraction. Nigeria, Angola and Algiers are one of the biggest exporters of these goods. Recent discoveries of gas resources on Tanzania coats and in Mozambique, as well as developments of oil field in Uganda and Kenya, make Western Africa to be the most important world exporter of these raw materials.



Innovations and technologies: Some cities position themselves as the centers of technologies and investigations on the continent. Development of mobile connection and mobile banking gave the opportunity to create such places as "African Silicon Savannah" in Nairobi, which is regional leader in mobile technological industry. Increasing of IT developments is observing in Accra. By the way Lagos is the center of startup companies on the Internet.







### INCREASING OF DIRECT INTERNATIONAL INVESTMENTS

The opinion of international investors about potential abilities in Africa is getting better gradually. Global researching of raw materials, growing home market and positive macro economical indexes helped in increasing of Foreign Direct Investments (FDI). The amount of these investments (FDI) in African countries to the south of Sahara increased by 41% since 2007.

# DEVELOPMENT OF SERVICES SECTOR

The needs of introduction of private banking service and financing of firms and micro financing were appeared with improvement of home market. Currently just 1% of population has open bank account, which means great abilities in development of banking service field. It's expected to the end of this decade that the retail banking services will rise by 15% per year.

### OUTSOURCING

Recently the activity of this field has significantly risen. It's determined by low prices, performers' talent, prevalence of English and French and beneficial to Europe time zones. Johannesburg, Capetown, Cairo and Casablanca are working as leaders by rendering of offshore services.









### IMPROVEMENT OF ECONOMIC MANAGEMENT

### NEW INFRASTRUCTURE, NEW CITIES

FAST CHANGING ON THE REAL ESTATE MARKET

According to Transparency
International Rating for real
estate investment and business
fields Africa occupied the 21st
place among 97 countries, and
it's higher then the places of
BRICS countries as well as Italy,
Austria, Malaysia and Poland.
This fact emphasizes good
reputation of country among the
international investors and
corporations.

Bad infrastructure (in meaning of transport, public utilities and telecommunication) is staying one the biggest problems in Africa. In spite of it the investments are rising. Particularly, China has become the financial source for hydroenergetic projects in Nigeria, for project of car and railway transport development in Democratic Republic of Congo, Mozambique, Tanzania, Kenya and Angola, and communication development in Ethiopia.

Commercial real estate market in African countries to the south of Sahara is on initial stage of its development. The sector reacts to the fast urbanization and to the great demand for modern structure of real estate, which has appeared among firms and consumers. Besides, continent suffers because of significant lack of commercial high-grade places. And it gives new perspective of development.











### Почему выгодно инвестировать в экономику Кении?



POLITICAL AND ECONOMIC STABILITY IN COUNTRY



WELL-DEVELOPED SOCIAL AND FINANCIAL INFRASTRUCTURE.
HELP OF KENYAN INVESTMENT PROMOTING CENTER



GREAT AMOUNT
OF QUALIFIED MANPOWER



**PROFITABLE CONDITIONS** 



STRATEGICALLY PROFITABLE
PLACEMENT BECAUSE OF
COUNTRY HAS UNHAMPERED
ACCESS TO THE REGIONAL AND
WORLD MARKETS



BIG INVESTMENT AND CAPITAL PRIVILEGES



# CINVESTMENT

Development of investments programs is the main task of Kenyan Investment Committee (KIC). Kenyan Investment Committee was created in 2004 after signing of certificate of investments politics and mandate of private investment attracting in Kenyan economy by the local and foreign investors.

- **Exemption from customs duty and VAT**
- Production exempted from customs duty
- Status of duty free zone for raw material processing for export
- Agreement of double taxing liquidation
- Protection and promoting of investing agreements
- Bilateral investing agreements
- Trade agreements

# CADDITIONAL

- Investing privileges
- Tax abatement

Tax abatements of 100% for investments are the incentives for investing to production or hotel business and is available on whole country territory. For enterprises with duty free processing of raw material for export this tax abatement is also 100%. Moreover, basic expenses conclude definite infrastructure and equipment for environment protection.

### **GUARANTEES FOR INVESTORS**

Kenya provides the following guarantees for domestic of foreign investors:



### **Guarantee against confiscation**

Kenyan constitution provides with guarantees against confiscation of private property, which is possible just when defense or national safety. In last case the compensation is guaranteed



### Repatriation of capital and profits

Repatriation of capital, remittance of dividends and loan charges are guaranteed for foreign investors with Foreign Investment Protection Act, FIPA № Cap-518. Investors can repatriate:

- Clear profit, including non-capitalize profit;
- Profits from investment after payment of corresponding taxes;
- -nominal loan and interest on all kinds of loan.



### Other guarantees

- Kenya is the member of Multilateral Investment Guarantee Agency, MIGA, which is acting under the aegis of The World Bank and insures clients against non-commercial risk during investment in states-members of agency. Besides, Kenya is the member of International Centre for Settlement of Investment Disputes ICSID and African Trade Insurance Agency (ATIA). Governmental politics of republic is targeted to the increasing of arrangements by the investments promoting into the private business.
- World Trade Organization (WTO) is one of international organization which deals with global rules of trade between countries. The main task of WTO is the providing of trade with easy and simple conditions. Kenya is the member of WTO since its creation in 1995.





#### **Exemption from customs duty**

Under the exemption customs duty mode there are the next stages: materials which are imported for producing of goods for export; producing of materials for export or producing free of tax product for selling inland. The applications about it should be submitted to Tax remission for export office (TREO) in Ministry of Finance.

### Duty free processing of raw materials for export

With a view to export promoting Kenyan governments started a program of duty free processing of raw materials for export, which is concerning both local and foreign investors. There are the next conditions for the enterprises which are working by this program:

- exemption of custom duty and VAT on imported raw materials and other imported goods. And also 100% tax privilege on capital investment for equipment, production facilities and storage

facilities. These kinds of enterprises get the license for working in 30 km from any custom office. This program is introduced in life by managing of (Investment Promotion Centre).

- Kenya has the right to duty free access to USA market within African economic growth and scopes. The access was accepted by USA. The main Kenyan products for export are textiles, clothes, arts and others.
- According to the common preference system the wide range of goods in Kenya has the right on preferential duties in USA, Japan, Canada, New Zeeland, Austria, Switzerland, Norway, Scotland, Finland, Australia and other European states. Moreover, there are no any quantitative limitations to all 3000 types of goods and cervices of Kenyan export according to common preference system.



# OF PRODUCTION ZONE FOR EXPORT GOODS

The Export Processing Zones Authority (EPZA) coordinates the operations and actions in them. Government stimulates the interest in developing of private zones, so a few such zones are exist there. Enterprises, which are working in those zones in Kenya territory, have the next advantages:

Exemption from all taxes in term of 10 years. And after expiration of term the 25 percent scale of tax is guaranteed for next 10 years.

- Exemption from dividend tax and other payments for term of 10 years;
- Exemption from taxes on imported raw materials and other products;
- Absence of limitation of management and technical activity;
- Exemption from stamp duty and VAT;
- Realization of activity categories with one license.



# ABILITIES IN MAIN SECTORS.



### Agriculture:

- Chemical fertilizers
- Seeds
- Irrigation systems
- Water pumps, channels, hoses
- Pesticides
- Warehousing including refrigerating storehouses
- Agricultural instruments and equipment
- Air transportation
- Assemblage of tractors
- Generators and engines
- Educational service field
- Pollution-free foodstuff production
- Spare parts for techniques



#### **Human service**

- Agriculture
- Veterinary services
- Farmers' education
- Managing and producing methods
- Transport services
- Working on farms, ploughing, harrowing, sowing
- Keeping and processing of agricultural products





#### **Tourism**

Kenya is the country with great tourist abilities. Currently tourist industry is concentrated mainly in littoral region of country and in the national parks and preserves. Tourism is one of the main priorities for Kenyan Government.

The potential of home market is undiscovered fully. Everybody knows national parks, preserves of wild nature and beaches, but there are other sights, which deserve tourists' attention. To prolong the vacation in Kenya of arrived tourists, the inland resorts development is planning which would be situated not far from national parks.

Main obstacle on the way of developing of such resorts always was the investing capital lack. Because of it the investing projects will be stimulated as much as possible by the Kenyan Government for developing of inland tourist potential.



# ABILITIES IN KEY SECTORS

### **(+)**

### Potential tourist projects:

- Cruises by the Lake Victoria;
- Project of tourist complex "Bomas of Kenya";
- Project of entertainment park "Bomas of Kenya";
- Project of hotel "Mombasa island";
- Project of hotel in the international airport Jomo Kenyatta in Nairobi;
- Project of Spa.



#### **Extraction of useful minerals**

Currently discovering and exploitation of bowels are regulated by Subsoil Law Nº CAP-306 (Code of laws of Kenya) and is legislated by geology and Mines Departments attached to Ministry of Natural Resources and Environment Protection.

There are rich of minerals regions in Kenya, for instance, gold-bearing nephritis zone in Western Kenya, and Mozambique zone in Central and South Kenya. Some discovering companies have already received the licenses for exploring of gold and other metals in these places.

And the areas are already reserved by national and foreign companies. Investors also have the opportunity to connect with present enterprises, which are owners of concessions on bowls investigations.



### Habitation

Plenty of demand for real estate;
Developed infrastructure;
Low cost;
One of the best resort in the world;
Comfortable climate for inhabitancy;
Needs in cheap technologies and materials;
Financing of building.







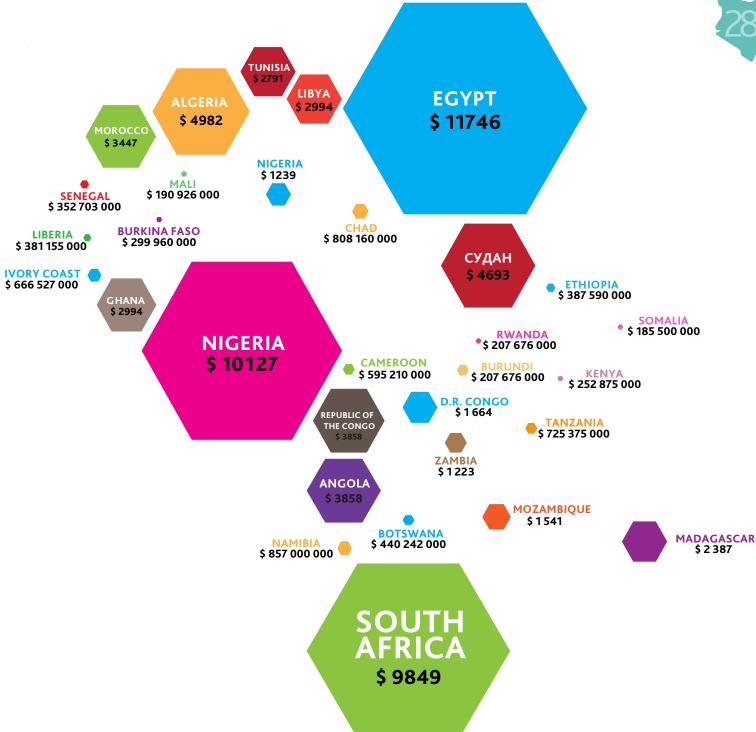
### **FOREIGN INVESTMENT IN AFRICA**

Facts of 2014

Since 2000 to 2014 the direct foreign investment in Africa had increased sevenfold. About the half of it (and bigger part of portfolio investment) completed capital inflow from developed countries. These values are not so big how it could be seemed. However, the investment growing temps surely are the biggest in Africa in comparison to other continents.

#### **INVESTMENT**

MEASURED IN \$ BILLIONS 1000000000





# COUNTIES WHICH

Kenya has signed bilateral trade agreements with many countries all over the world. Some of these countries are the members of existing schemes which offer the access to market and preferences under duty decreasing.

### Signed agreements:















Egypt

Hungary

India

\_\_\_\_Iraq

Lesotho

\* Liberia









Russia

Rwanda

\* Somali

South Korea

**Swaziland** 

Tanzania

Thailand

Zambia

Zimbabwe

### Agreements which are within negotiations:











Kazakhstan

Mauritius

Mozambique

South Africa



### Agriculture and native fields

Alltech Biotechnology E.A. Ltd (Alltech Biotechnology) USA feed and second helping for animals

Aquarius Systems (Aquarius Systems) USA collection of water hyacinth

BAT Industries (British American Tobacco plc) Great Britain tobacco goods

Delmonte Kenya Limited (Del Monte Foods) USA foodstuff George Williamson Kenya Ltd (Williamson Tea Holdings plc) Great Britain tea and foodstuff

Goldsmith Seeds (Goldsmith Seeds) USA

floriculture

James Finlay (Kenya) Ltd (James Finlay Ltd) Great Britain tea

Unilever Tea Kenya Ltd (Unilever plc) Great Britain tea growing and processing

Vitacress Kenya Ltd Great Britain and Nethelands gardening

### Mining, oil and gas

BOC Kenya (Linde Group) Germany industrial gas

Caltex Oil (Kenya) Ltd (Chevron Corporation) USA oil

Kenya Shell (The Royal Dutch/Shell Group) Nethelands oil

#### **Production**

Abbot Laboratories (Abbot Laboratories) USA pharmaceutics



Atlas Copco Eastern Africa Ltd (Atlas Copco AB) Sweden industrial equipment

Bamburi Cement (Lafarge) France earthenware

Bata Shoe Company (Kenya) Ltd (Bata Shoe Company) Canada footwear

Bayer East Africa Ltd (Bayer AG) Germany pharmaceutics

Beiersdorf East Africa Ltd (Beiersdorf AG) Germany cosmetics

### **Foodstuff production**

Bestfoods Kenya Limited (Unilever plc) Great Britain tea growing and processing

CarTrack Kenya Ltd (Lojak Corporation) USA equipments for car safety

Coca-Cola East and Central Africa Ltd (The Coca-Cola Company) USA production and delivery of non-alcoholic drinks

Colgate Palmolive(EA) Ltd (Colgate-Palmolive Company) USA hygiene facilities Corn Products Kenya Ltd (Corn Products International Inc.) USA foodstuff production

De la Rue Currency & Security Print (K) Ltd (De la Rue plc) Great Britain currency print

Ecolab East Africa (Ecolab Inc.) USA industrial detergents

Eli Lilly (Suisse) SA (Eli Lilly and Company) USA pharmaceutics

Eveready East Africa Ltd (Eveready Battery Company Inc.) USA accumulators for total using

General Motors EA Ltd (General Motors Company) USA automobile production

Glaxosmithkline (Glaxosmithkline plc) Great Britain pharmaceutics, medicine

Henkel Kenya Ltd (Henkel AG & Co. KGaA) Germany chemicals Jos. Hansen & Soehne EA Ltd (Jos. Hansen & Soehne GmbH) Germany pharmaceutics

Mitsubishi Corporation Nrb Liaison Office (Mitsubishi Corporation) Japan car production

Nestlé Foods Kenya Ltd (Nestlé SA) Switzerland foodstuff

Procter and Gamble EA Ltd (The Procter and Gamble Company) USA cosmetics Siemens Limited
(Siemens AG)
Germany
telecommunication equipment

Tetra Pak (Tetra Pak Beteilingungs GmbH) Sweden packing materials

Wrigley Company (EA) Ltd (Wm. Wrigley Jr. Company) USA chewing gum



### **SERVICES**

**Financial services** 

Acacia Financial Services Ltd (Acacia Life Insurance Company) USA legal and investment

Chartis Kenya Insurance Company Ltd (American International GroupInc.) USA insurance

AON Minet Kenya Insurance Brokers Ltd (AON Corporation) USA insurance Barclays Bank (Barclays plc) Great Britain banking services

British American Insurance Co (K) Ltd (British American Insurance Company Ltd) Great Britain insurance

Citibank N.A. (Citigoup Inc) USA banking services

Alexander Forbes Risk & Insurance Brokers Kenya Ltd (Alexander Forbes)
South Africa financial services

Old Mutual Life Insurance (Old Mutual plc) South Africa insurance

CFC Stanbic Bank (Standard Bank Group Ltd) Great Britain banking services

Standard Chartered Bank (Standard Chartered plc) Great Britain banking services



# Information and Communication technologies

AirTel Kenya (Bharti Airtel) India telecommunication

Safaricom Ltd (Partly Vodafone Group plc) Great Britain telecommunication

### **Tourism and Transport**

Abercrombie & Kent Ltd Great Britain tour operator

KLM Royal Dutch Airlines (Air France- KLM) France air transportation Lonrho Hotels Kenya Ltd (Norfolk Hotel, et al.- John Holt Group Ltd) Great Britain hotel management

Pollman's Tours and Safaris Ltd (Partly TUI Group) Germany and Маврикий tour operator

Somak Tours and Travel (Somak Travel Ltd) Great Britain tour operator

Tourism Promotion Services
Management Ltd
(Serena Hotels-Aga Khan
Group)
Switzerland
hotels and bungalows

#### **Business support**

AGS Frasers International Removals (AGS Frasers International Removals Ltd) South Africa trucking industry

Ayton Young & Rubicam Ltd (Young & Rubicam (Y&R)) USA advertisement

Cargill Kenya Ltd (Cargill Inc.) USA tea warehousing, processing, keeping, mixing and so on

Deloitte & Touche (Kenya) (Deloitte Touche Tohmatsu) Switzerland audit and consulting



DHL Worldwide Express Kenya Ltd (Deutsche Post AG) Germany international aerial express sending and logistics

KPMG East Africa (KPMG International) Switzerland audit and consulting

Maersk Sealand K Ltd (A.P. Moller-Maersk Group) Denmark maritime cargo transportation

United Parcel Service (UPS) (United Parcel Service Inc.) USA express delivery

#### **Others**

Actis (Actis Capital plc) Great Britain Investment company

Oxford University Press EA Ltd (Oxford University Press) Great Britain publishing

Sera Software (EA) Ltd (Sera Europe B.V.) Nethelands software

Sumitomo Corporation (Sumitomo Corporation) Japan trade









Development of Bahati ridge with great choice of townhouses, villas, bungalows and cottage





The first harbor for pleasure boats in Western Africa. There are the resources of sweet water, electricity. Internet, satellite TV, fuel on the complex territory. And also there is the opportunity for slipway. Complex has 88 berths from 6 m to 30 m, which have full set of hotel services.

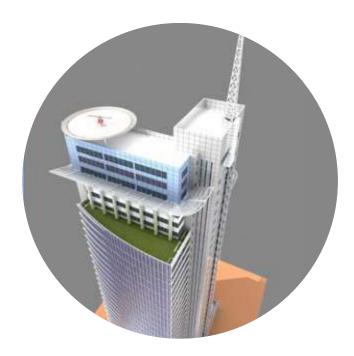




32 acres of land which will be place for the greatest retail trade centers in Eastern Africa, 500 new buildings and 4 acres of Central Park.



### HAZINA TRADE CENTRE EXTENSION PROJECT



Proposed expansion of works will include the building of 31-storey office tall house in addition to current 8 floors.

### HIGH GRAND FALLS DAM



High Grand Falls Dam is the part of Lamu Port and transportation corridor South-Lamu Sudan-Ethiopia, and it was started up in March of last year.

# INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA COMPLEX



Complex ICPAK is the project of many millions, which is in stage of building in Ruaraka centre down up the highway Nairobi-Tika.



### INTERNATIONAL SPORTS ACADEMY



Construction of International Sport Academy in Kasarani, which will include the 5 stars sport hotel, apartments for average and long staying, and also many sport buildings.

### JACARANDA GARDENS



Project was built on 20 acres of pictorial land and combines the functionality and aesthetics. It includes more the 40% of expansive well-groomed grass-plots, gardens, zones for resting and pedestrian routes.

# JOMO KENYATTA INTERNATIONAL AIRPORT EXPANSION AND UPGRADING



Construction of additional landing strip and fourth internal passenger terminal in Nairobi International Airport

### KENYA COMMERCIAL BANK HEADQUARTERS



"This building is the crystallization of coordinated efforts of great force. These efforts gave the opportunity to grow and to be the largest bank in Western Africa with assets base of 331 billion." – The leader of group said.

### KONZA TECHNO CITY



Konza Techno-City project OBP (Outsourcing Busyness Processes), which currently is in progress of Kenyan Government by Informational and Communicational Technologies Association in Kenya. The second name is "Where African flinty savannah is beginning"

### LAKE TURKANA WIND POWER PROJECT



Lake Turkana Wind Power Project is for supplying of 300 Watt reliable, not expensive wind energy to the National Kenyan energy system. It supplies approximately 20% of electric power.



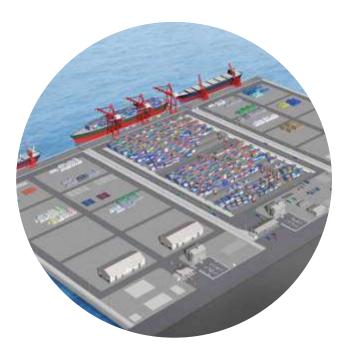
### LAMU PORT SOUTHERN SUDAN **ETHIOPIA TRANSPORT CORRIDOR**



### MENEGAI GEOTHERMAL PROJECT



### **MOMBASA - NAIROBI STANDARD GAUGE RAILWAY PROJECT**



The main aids of projects are the construction of 3 additional berths and 18 m lock for situating of big ships with tonnage of 100 000 t and more.



The wells will be drilled to the expedient depths about 3000 m for access of geothermal emanations (steam and water). Two operative geothermal drilling rigs need 1200 000 m3 on every 60 days of drilling.



It's expected that the construction will be during 5 years beginning in July of this year to June, 2018.

The railway will pass Mombasa, Kilifi, Kwale, Taivat, Taveta, Makueni, Kajiado, Machakos and Nairobi, and also other open distant regions.

### MOMBASA-NAIROBI TRANSMISSION LINE PROJECT



Construction 400 kW double circuit power line between Rabi (Mombasa) and Yixing with length of 450 km; construction of new power transmission lines from Yixing in Embakasi, substations in Nairobi; developing of substations in Rabi and Embakasi.

## MOMBASA PORT AREA ROAD DEVELOPMENT PROJECT



Offered alternative road will begin near by Miritini westward from Moi International Airport, in the central continental part of country and will connect with south of continent on the Likoni-Diani Road.

### MOMBASA PORT DEVELOPMENT PROJECT



For enhancement of container processing the construction of new container terminal is carrying out and the new opportunities for processing in Mombasa Port are introducing.





Nairobi Bypass Project is the road project which means the construction of 3 circular roads (Northern, Southern, Western) around the city to help in facilitating of road traffic in Nairobi.





The aim is modernization of railway system in Kenya and construction of additional ultra-modern stations, which are situated near existing infrastructure. Sekima Station is already in operational state.

### NAIROBI OUTER RING ROAD IMPROVEMENT PROJECT



Kenyan Government plans to conduct the modernization of outer ring with help of Urban Roads Administration.



### NAIROBI-THIKA HIGHWAY IMPROVEMENT PROJECT



Construction of 8-strips high-speed road from Nairobi to Tika with overpasses and foot-bridges

## NATIONAL URBAN TRANSPORT IMPROVEMENT PROJECT



The reconstruction project was beginning in January of this year and will be finished at the end of 2015.

### NGONG WIND POWER PROJECT



Ngong Wind Power Project, which was put in operation in august of 2009, is the biggest WPP of Kenya



### OLKARIA GEOTHERMAL EXPANSION PROJECT



Project for expansion of geothermal energy in Kenya is in Olkaria. The area has potential of 2000MW, which is not full used.





Tatu City is situated in coffee plantations of Riuru and in a distance of few km from Nairobi. So it's placed in one of the most beautiful places in Kenya.





Adjusted Bowman & Associates is the trade mall which is planned to be open in September of 2015, Nairobi, Kenya.



# RESUME

The next "big boom" of developing world investment can happen in Africa. African Continent has the same characteristics as other developing nations. It means that Africa could be a winner in long-term outlook. Investors, who are looking for long-term outlook, can begin to purchase of African companies shares right now.

