



# EXPORT PROCESING ZONE AUTHORITY KENYA

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Your investment and trade partner

# KENYA AT A GLANCE



Kenya is the gateway to Eastern and Central Africa. Its strategic location accords it preferential access to regional and international markets.

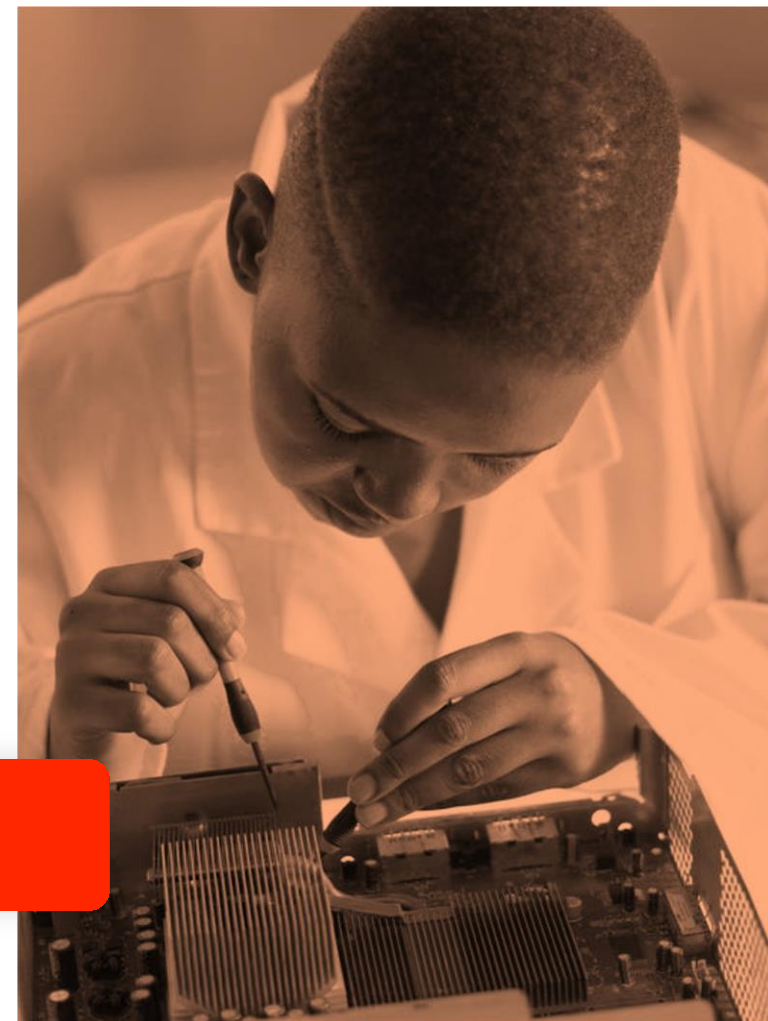


It is ranked **3RD MOST ATTRACTIVE FINANCIAL MARKET IN AFRICA**: characterised by wide range of available products; market transparency; predictive tax and regulatory environment, and enforceability of standard financial markets master agreements.



# THE EPZ PROGRAM

- Enacted in 1990 through the Export Processing Zones Act (CAP 517 of the Laws of Kenya).
- The Export Processing Zones (EPZ) Program is an incentivized program for export-oriented trade created to promote export oriented industrial investment within designated zones.
- The Export Processing Zones Authority (EPZA) is a state corporation under the Ministry of Trade, Investment and Industry





## **OPERATIONAL FUNCTIONS**

- Maintaining a favorable Investment Climate.
- Ensuring efficient operations of zones countrywide.
- Addressing Investor Constraints.
- Promotion of Kenya and the EPZ Program.



## **REGULATORY FUNCTIONS**

- Ensuring adherence to the EPZ Act regulations.
- Ensuring adherence to all Laws in Kenya.
- Reporting to the Government.

# OBJECTIVES OF THE EPZ PROGRAM

- **Promotion and diversification of Exports:** to move from the traditional exports into value added products.
- **Attracting New Productive Investments:** to stimulate domestic and foreign investment in export-oriented manufacturing, commercial and service activities.



- **Promotion and diversification of Exports:** to move from the traditional exports into value-added products.
- **Generation of Employment:** to generate employment opportunities, directly in EPZs and indirectly through subcontracting and sourcing of local raw materials and services.
- **Development of backward and forward linkages:** with the domestic market through development of supply chains in local resource utilization.
- **Skills and Technology Transfer:** in management, marketing and production of technology to locals.

# WHY INVEST IN EXPORT PROCESSING ZONES (EPZ)

Land or warehouses under the EPZ program are either public-owned by the EPZ Authority or private-owned by individuals or corporates. Private Zones can be set up anywhere in the country. There is no restriction on the size of land. The land will only need to be gazetted as an EPZ by application to the EPZ Authority.

## INCENTIVES IN THE EXPORT PROCESSING ZONES

**10-year Corporate Tax Holiday, 25% for next 10 years and 30% thereafter.**

**10-year Withholding Tax Holiday** on remittances to non-residents.

**100% investment deduction allowance** on building and machinery.

**Perpetual exemption** from payment of **stamp duty** on legal instruments.

**Perpetual exemption** from **VAT and customs import duty** on raw materials and machinery.

## OTHER BENEFITS IN THE ZONES

- Full operation under **one single license**.
  - **Project approval and licensing** within **30 days**.
  - Foreign currency accounts and offshore borrowing allowed – **no exchange controls**.
  - **Unrestricted investment** by foreigners.
  - **On-site** customs documentation, investor facilitation and after-care.
- Facilitation for **factory building and office premises**.
  - **Readily available services** – water, sewerage, electricity, landscaping etc.
  - **High security standards** – 24 hours security, illuminated perimeter fences.
  - **Green channel** port clearance.
  - **Superior sewer reticulation** system and world-class common **Effluent Treatment Plant**.

# INVESTMENT OPPORTUNITIES IN THE EPZ PROGRAM

- Agro- processing
  - Cotton. Textile & Apparel Value Chain.
  - Business Process Outsourcing and IT Enabled Services (ITES).
  - Cold chain (Horticulture, Floriculture, Fisheries, Meat Processing).
  - Supply chain (Primary and Intermediate Goods).
- Transport & warehousing & distribution logistics.
  - Buying house (Sourcing and Supply).
  - Building Warehouses - Plug and Play Sheds.



# THE EPZ LICENCES



- **Enterprise License**  
Manufacturing or Service activities.
- **Developer/Operator License**  
Construction and leasing out warehouses in new private zones to be occupied by the EPZ Enterprises.
- **Commercial License**  
Breaking bulk, repackaging, re-labelling and trading.
- + **Business Service Permits (BSPs)**  
Permit to serve the EPZ community and environs.



# THE KENYAN WORKFORCE

Population  
54 million

Median Age  
20 years

81.5% literacy  
43 universities

Investors in the **Special Economic Zones** may employ up to **20%** of their total workforce from **foreign sources**

- English Speaking
- Large pool of youthful, productive and skilled workforce of over 20 million people.
- Labour productivity in Kenya is highest in the region.



- > Moi University and NITA's (National Industrial Training Authority) Textile Training Institute offer a wide range of manufacturing courses geared towards the textile value chain in Spinning, Weaving, Processing and Garment Making.
- > Labor cost is competitive: minimum wage rates range from \$125 to \$168 per month for a typical sewing machine operator; 45 working hours per week.
- > Kenya welcomes expatriates to operate and manage critical aspects of their businesses.

# CONNECT TO YOUR MARKETS VIA ESTABLISHED INFRASTRUCTURE



## Jomo Kenyatta International Airport (JKIA)

JKIA(Nairobi) projected to handle 25 million passengers by 2025.

- Air Transport hub: 4 international airports in Nairobi, Mombasa, Kisumu & Eldoret, connecting directly to Europe, Asia and the USA.
- Kenya serves as the Communications & Logistics hub of the region with access to regional transport corridors.
- With extensive Indian Ocean coastline, Kenya is well suited as a production and distribution base to service Africa, Europe, the Middle East, and South Asia.



## Standard Gauge Railway (SGR)

US\$ 3.6 billion invested in Kenya's standard gauge railway. It connects many economic zones with the port.



## The Port of Mombasa

Mombasa Port's 19 deep water berths on track to handle 2,000,000 containers per annum.

- Two strategic ports: **Mombasa port** (15m depth) connected to over 80 ports worldwide; **Lamu port** (17.5m depth) launched in 2021 to increase Kenya's cargo handling capacity.
- Standard Gauge Railway runs 30-freight and 2-passenger services daily between Nairobi and Mombasa.

# PREFERENTIAL ACCESS TO KEY GLOBAL MARKETS

## African Growth and Opportunity Act (AGOA)

- Kenya qualifies for duty free access until 2025 to the U.S. Kenya currently negotiating a post-AGOA FTA deal with the USA.

## ACP / Cotonou Partnership Agreement

- Exports from Kenya entering the European Union are entitled to duty reductions and freedom from all quota restrictions.

## Economic Partnership Agreement (EPA)

- Provides Kenyan businesses duty-free access to the UK market.

## Generalized System of Preferences (GSP)

- A wide range of Kenya's manufactured products are entitled to preferential duty treatment in the United States, Japan, Canada, New Zealand, Australia, Switzerland, Norway, Sweden, Finland, Austria, and other European countries.

## Regional Markets

- **EAC:** population ~145 million. Member States have signed a protocol for a common Customs Union.
- **COMESA:** population ~400 million. Exports and imports within member countries enjoy preferential tariff rates.

## Bilateral Trade Agreements

- Kenya has signed bilateral trade agreements with many other countries. Additional agreements with other countries still under negotiations.

# THE PUBLIC EXPORT PROCESSING ZONES

There are Seven public zones owned by the Government, They include;

1. Athi-River EPZ, - EPZA Headquarters, Viwanda Road – Total Size 454 Hectares
  - Site 1 - 303 Hectares of serviced land for lease to export-oriented businesses
  - Site 2 - 121 Hectares development of factories permissible under the EPZ programme
  - Site 3 - 29 Hectares, Development of housing for EPZ workers
2. Kipevu Export Processing Zone - 38.9 Hectares located in Kipevu, Mombasa County.
3. Kenanie Leather Park - 200 Hectares located in Kenanie, Machakos County.
4. Proposed Samburu Industrial Park - 80 Hectares located in Samburu, Kwale County.
5. Proposed Riwa Industrial Park – 44 Hectares located in Karachuonyo, Homa Bay County.
6. Busia Export Processing Zone – 843 acres located in Nasewa, Busia County
7. Eldoret Export Processing Zone – 135 acres located in Cherunya, Uasin Gishu County

Other Proposed sites currently under requisition : Voi Industrial Park, Makueni EPZ, Tranzoia and 5 Flagship projects (Muranga, Kirinyaga, Egerton-Nakuru)

# ACCOMPLISHMENTS OF THE EPZ PROGRAM



- Over **82,528** people directly employed

↓  
**KS. 14.8 bn (USD 122.8 M)**  
spent  
on salaries.



- **96** gazetted zones and **154** enterprises across Kenya

↓  
**KS. 40.1 bn (USD 331 M)** spent  
on total domestic expenditure.



- **KS. 124.3 bn (USD 1.03 bn)** worth of investment.

- **KS. 15 bn (USD 124.4 M)** spent on local purchases.



- **KS. 98.1 bn (USD 814.2 M)** in exports and **KS. 53.6 bn (USD 444.9 M)** in imports.

- Skills & Technology transfer.



- Development of backward & forward linkages.

- Attractive new investments.



- Growth of local towns e.g., Kitengela, & Mazaras.

- Employment.

# CASE STUDIES



## Nodor (Athi-River)

- Investment from UK.
- World leader in Dartboard Manufacture.
- 400 Employees.
- Processing about 80% of Kenya's sisal.



## MAS Intimates EPZ (Athi River)

- Largest Garment factory in Sri Lanka.
- Set up in 2019 and goal is to employ 5,000 by 2023.



## Ivee Aqua (Athi-River)

- Investment from India,
- 80 employees.
- Infusions, water for injections.



## Thomas De La Rue (Nairobi)

- Investment from UK.
- Currency & Security Print.
- 300 Employees.
- Exporting currency.

# CASE STUDIES



## Gold Crown Foods (Mombasa)

- Investment from UK (Global Teas).
- 300 employees.
- Value added tea exports.



## Forest Gate EPZ (Laikipia)

- Investment from Kenya.
- 3,000 employees.
- Fresh produce.



## Jungle Macs (Thika)

- Investment from Kenya.
- Processing macadamia nuts, 540 employees, 50,000 farmers.
- Winner of top 100 mid-sized companies in 2011 –KPMG.



## Revital Healthcare EPZ (Kilifi)

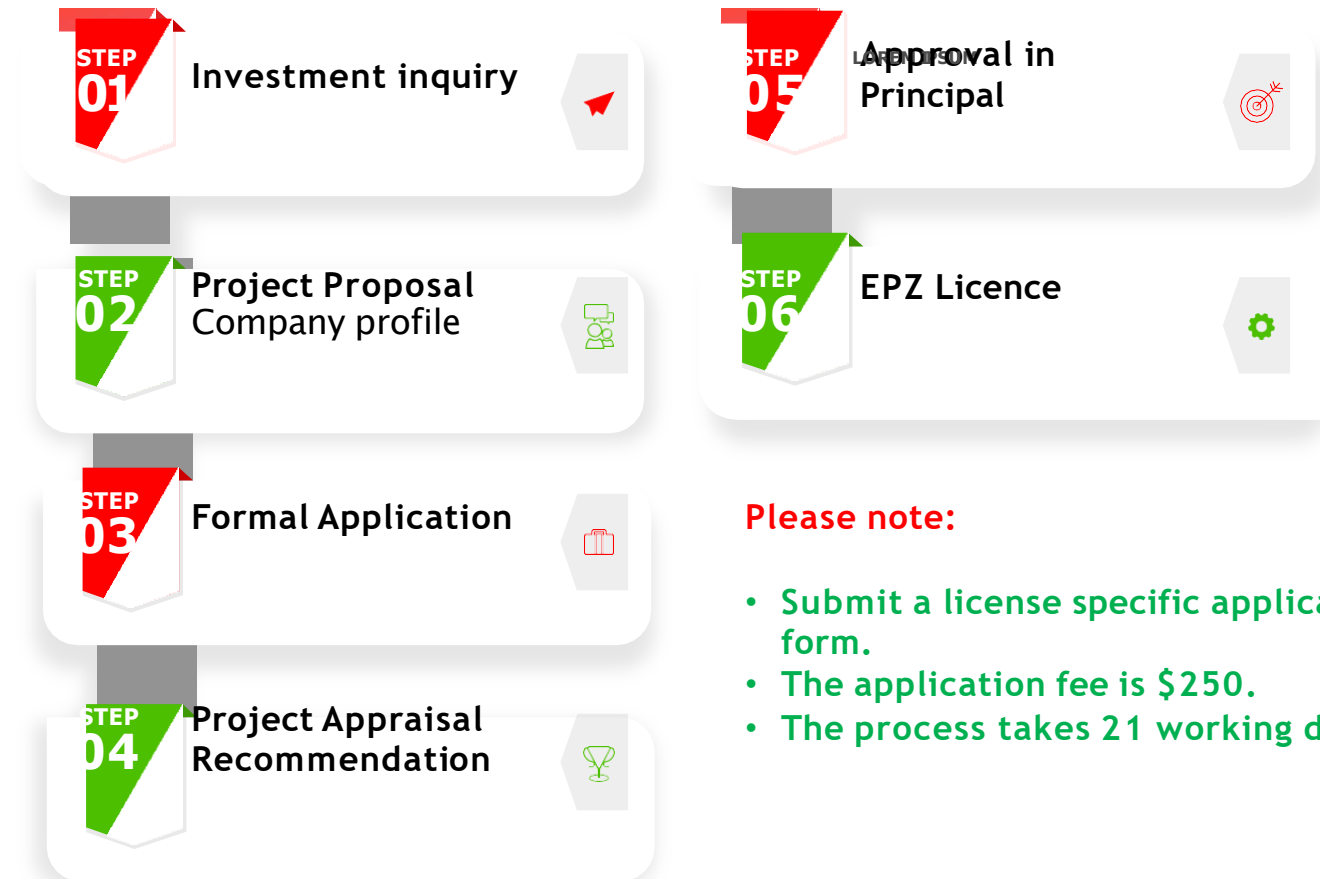
- Pharmaceutical and medical supplies.
- First in Africa licensed to produce Covid -19 syringes; 1 out of 6 in the world.
- Leading manufacturer of medical devices including COVID - 19 testing kits.
- 500 employees.

# EPZ KENYA TO THE WORLD





# THE EPZ LICENSE APPLICATION PROCEDURE



**Please note:**

- Submit a license specific application form.
- The application fee is \$250.
- The process takes 21 working days.



# Your investment and trade partner



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