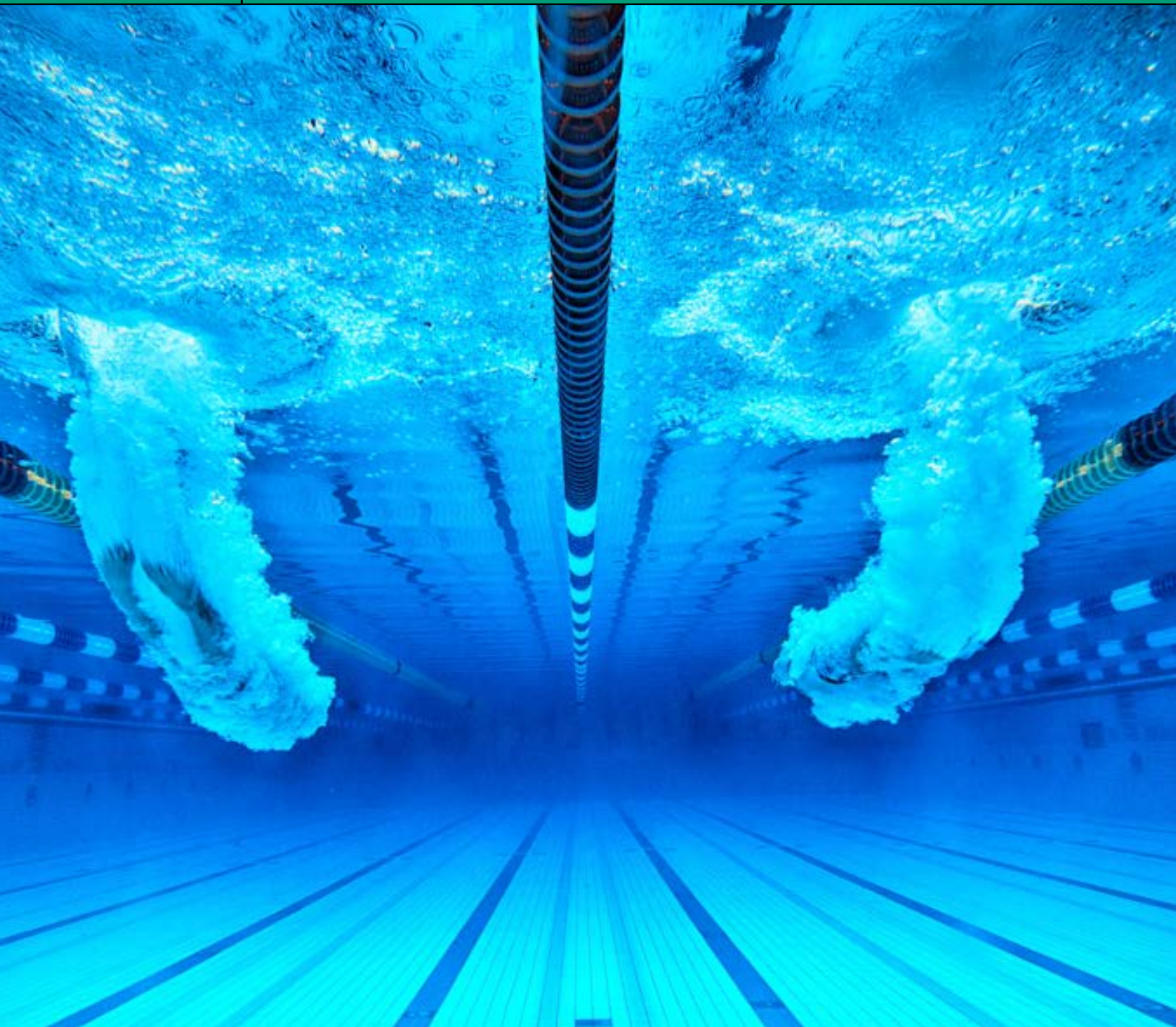


Rödl & Partner

# TAKING OFF

ELEVATOR PITCH – KENYA



# Elevator Pitch

## Kenya

Kenya is one of the leading economic states of the African continent. The country, consisting of a large variety of cultures and languages, ranks among the biggest economic area within the East African region. Apart from that, it also offers a highly developed economy as an investment location by East African standards.

Owing to its outstanding geographical position, Kenya is suitable as a hub for the surrounding East African markets. A significant amount of economic progress has been achieved since the past decade. One of the objectives of the government is to shift the country into a newly industrialized country with middle income by 2030.

The most recent accomplishment concerning the mobile phone technology, the so-called Mobile Banking (M-Pesa-Model), was invented in Kenya.



Region	Sub-Saharan Africa
Form of government	Independent from the UK since 12 December 1963. Presidential Republic since then – Day of Republic “Jamhuri Day”
Capital	Nairobi
Climate	Mostly tropical (at the coast); subtropical (in the highlands and centre)
Surface (km <sup>2</sup> )	580.367 (comparison Germany: 357.386)
Population	48.5 million
Proportion of the population below 30 years	About 70 %
Official languages	Kiswahili, English
President	Uhuru Kenyatta
Currency	Kenyan shilling (K.Sh.)
Gross Domestic Product	USD 79.5 billion (comparison Germany: EUR 3.28 trillion)

Economic growth	4-6 %
Inflation rate	8 %
Unemployment rate	11.5 %
Illiteracy rate	22 %

#### PRIVATE PUBLIC PARTNERSHIPS (PPPS)

Investment-friendly regulations for investors (the PPPs) play an increasingly significant role for the country.

#### DOUBLE TAXATION TREATY WITH GERMANY

Effective since 1980.

Ease of Doing Business	Rank 80 of 190 countries
Corruption Perception Index	Rank 143 of 180 countries
Hermes country category	Risk category 6
Important sectors	<ul style="list-style-type: none"> <li>- Agriculture</li> <li>- Consumable goods</li> <li>- Infrastructure</li> <li>- Energy</li> <li>- Financial services</li> <li>- ICT</li> <li>- Construction</li> <li>- Tourism</li> </ul>
Main export products	<ul style="list-style-type: none"> <li>- Food products</li> <li>- Basic materials</li> <li>- Textile fabrics and clothing</li> <li>- Beverages</li> <li>- Tobacco</li> <li>- Petrochemistry</li> </ul>
Main supplying countries	<ul style="list-style-type: none"> <li>- India</li> <li>- China</li> <li>- UAE</li> <li>- Japan</li> <li>- South Africa</li> </ul>
Main buyer countries	<ul style="list-style-type: none"> <li>- Uganda</li> <li>- United Kingdom</li> <li>- Tanzania</li> <li>- Netherlands</li> <li>- USA</li> <li>- Pakistan</li> <li>- UAE</li> </ul>
German export products	<ul style="list-style-type: none"> <li>- Machinery</li> <li>- Food products</li> <li>- Motor vehicles and parts</li> <li>- Electrical engineering</li> </ul>

German import products	<ul style="list-style-type: none"> <li>- Food products</li> <li>- Basic materials</li> <li>- Textile fabrics and clothing</li> </ul>
Trading volume Germany to Kenya	EUR 0.465 billion (Germany and USA: approx. EUR 172 billion)
German local companies	About 110 (according to Chamber of Commerce)

#### ADVANTAGES / MARKET CHANCES

- Infrastructure and development of industry
- Due to the energy deficit, private electricity producers are fostered in particular, especially in the sector of renewable energy. Fundamental framework conditions have already been established.
- Further strengthening of the capital city as a hub
- Well-educated population
- Diversification (Private sector of the economy)
- Industry capable of improvement
- Available natural resources, e.g. oil, gas, titanium, coal
- A well-developed banking system
- Increasing demand for consumable goods

#### WEAKNESSES OF THE GOVERNMENT

- Bureaucracy
- Corruption
- Criminality
- Insufficient security of the country
- Delicate power supply (blackouts)
- Bad harvest and drought

There are many projects for innovations in these areas.

#### OBJECTIVES OF THE GOVERNMENT

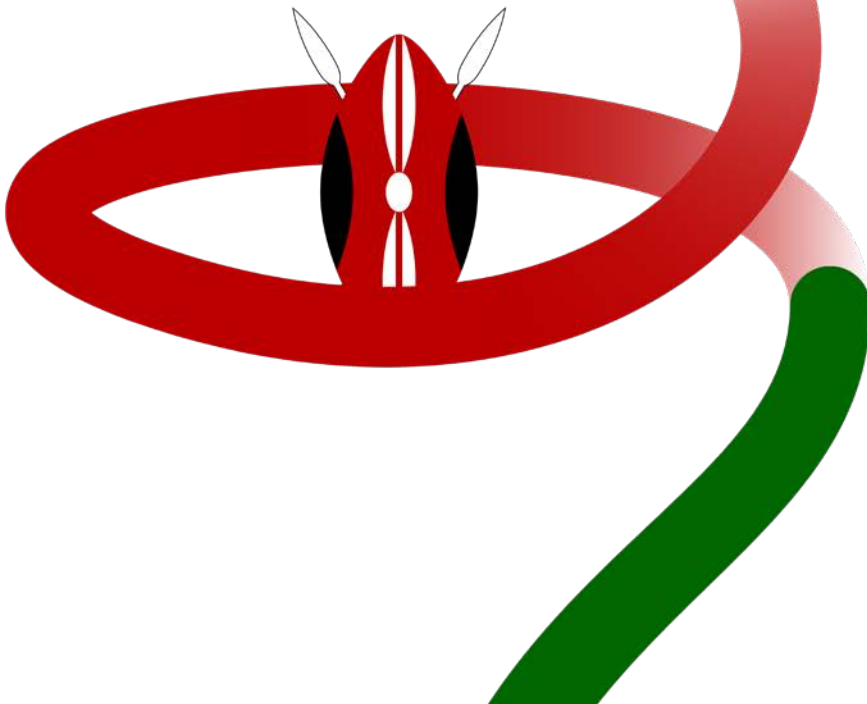
- Fostering of the sector of renewable energy, real estate, infrastructure and IT. This attracts additional investors.
- Combatting the high unemployment rate, especially the extremely high youth unemployment rate
- Improvement and modernization of the infrastructure within the agricultural sector , e.g. in order to increase resilience against dry seasons
- Improvement and modernization of the infrastructure e.g. within the logistics sector. The road and rail links to the neighboring countries are still limited and the ports suffer from a capacity bottleneck. Corresponding investments are already in planning.
- Necessary reforms for the combatting of corruption and criminality
- Establishment of an improved education system
- Access to clean drinking water as well as health services, specifically for the indigent population.
- The inefficient bureaucracy as well as the power supply deficits pose issues that are necessary to be solved.
- According to the official statement of Kenyan government, the country is highly dedicated concerning pollution control and has set numerous objectives in this regard (refer to Development Plan Program: "Kenya Vision 2030") e.g. mix of electricity production by fostering renewable energies..
- In addition, there is a strong emphasis of the environmental policy on the improvement of the waste industry and water supply. In these sectors, it is intended to create incentives for investments that are highly interesting for German companies, e.g. within the sectors environmental technology, bio energy and bio gas. The modernization of the present infrastructure, including the improvement of the water supply, is the top priority for investors.

## MEMBERSHIP IN ECONOMIC AND INTERNATIONAL ALLIANCES

- African Union (AU)
- East African Community (EAC)
- Non-Aligned Movement
- Commonwealth of Nations
- Common Market for Eastern and Southern Africa (COMESA)
- Group of the 33 developing countries (G33)
- Interim Economic Partnership Agreement between the states of the East African community and the EU (IEPA)
- UNESCO
- UNCTAD
- United Nations (UN)
- World Trade Organization (WTO)

## MEDIA:

- The Standard
- The Star
- Business Daily
- Daily Nation
- The Guardian
- The EastAfrican





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