

# Manufacturing Africa: Pasta manufacturing in Kenya

Sector overview

March 2021



 *for* **GROWTH**  
BRITAIN & NORTHERN IRELAND



This programme is funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK government's official policies

# Pasta manufacturing in Kenya



## 1. Manufacturing Africa supports investments into Kenya's manufacturing sectors

FCDO's MA programme addresses **Africa's challenges** of a growing labour force and an underdeveloped manufacturing sector by supporting job creation through Foreign Direct Investment into expanding manufacturing

MA provides neutral investment advisory services to **reduce the risk, cost and deal time of transactions** for prospective investors and manufacturers in order to catalyse high-potential scaleup opportunities

Support also includes technical assistance to governments and investment promotion agencies to **improve the business environment**



## 2. Kenya's pasta sector shows significant growth with high dependence on imports

**Pasta is the fastest growing CPG product** (13% CAGR, 2012-2020) **and has high retail margins** (typically 25-30%, with manufacturer margins estimated around 30%)

**Kenya's pasta market is expected to be worth USD 98Mn by 2030 with the regional market at USD 400Mn**, driven by an annual population growth of 3% and income growth of 7% in East Africa

Distributors, markets and supermarkets jointly distribute ~75% of all pasta in Kenya

**About two thirds of all pasta consumed is standard pasta** (at USD ~0.4/400g) and only one third is premium pasta (at USD ~0.8/400g)

**Kenya currently imports all of its pasta**, ~60% from Egypt, ~30% from Turkey and ~10% from Iran and other countries



## 3. Kenya could consider pasta production to serve Kenya and the East African market

Cost competitiveness against imported finished goods is a key consideration:

**Kenya depends on imports of wheat<sup>1</sup> to manufacture standard pasta.** Comparatively, Egypt benefits from government incentives and trade agreements to manufacture and export pasta at scale

**There is no import duty on semolina<sup>2</sup> used to manufacture premium pasta.** Comparatively, imports of finished goods from Turkey attract 20% import duty into Kenya

High level business cases for importing wheat or semolina to manufacture pasta locally indicate attractive return potential

Implementation of enabling initiatives could further improve the attractiveness of scaling up pasta manufacturing in Kenya



## 4. Kenya is a prime destination for manufacturing investments

**Kenya is a leading economy in East Africa, with a GDP of USD 96Bn, growing ~6% over the last decade**

With **GDP per capita in PPP terms of USD 4,500**, **Kenya's consumers** have a **higher purchasing power than regional peers**

In addition, due to **trade agreements and membership of key trading blocs** including the EAC and COMESA, **Kenya has preferential access to 1.3Bn customers globally**

**Kenya's stable political environment** is a major point of **attraction for investors**, with >35 multinationals choosing to set up their regional and continent-wide HQs in the country

**Kenya has a strong enabling environment for business.** It features as #3 in the World Bank's Ease of Doing Business rankings in Sub-Saharan Africa, has the highest quality education in Africa and a robust digital, road, rail, air and port infrastructure

1. Wheat flour is the key ingredient used in standard pasta

2. Semolina, a higher quality flour milled from durum wheat, is the key ingredient in premium pasta.

# Pasta manufacturing in Kenya



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## Manufacturing Africa addresses two of Africa's key challenges

### A growing labour force...



**100%**

increase in  
population by 2050



**2x**

increase in **urban**  
population by 2050



**18 million**

new jobs needed a  
year until 2035

### ...and an underdeveloped manufacturing sector



low manufacturing  
productivity



struggle to move into  
high-value services

# Manufacturing Africa programme overview



# Transaction facilitation support – overview

NON-EXHAUSTIVE

## What we do

### Transaction facilitation (TF)



Offer **neutral investment advisory** services to reduce the risk, cost and deal time of manufacturing transactions



Introduce potential strategic partners and **provide market linkage support** to current investment plans



**Conduct technical, commercial and financial due diligence** and strengthen existing business cases

## Who we work with



### Manufacturers

To secure funding for expansion and working capital



### Investors

To de-risk investments in the manufacturing sector



### Industrial parks

To attract investment

## What support we provide

### Feasibility



Assess markets



Technical due diligence



Review business cases

### Permits



Clarify regulation

### Financing



Develop investment memos



Commercial due diligence



Identify investors



Capital structuring



Develop strategies to attract tenants

### Operations



Create market linkages, e.g., identify suppliers and off-takers

# Transaction facilitation impact across Africa


AS OF 22 JANUARY 2021

 **50+**  
deals supported/ in progress

 **USD 1Bn+**  
total FDI value to date (supported and in progress)

 **15,000+**  
Estimated jobs to be created or protected

## Deals that have reached financial close

 **8**  
**Steel company** looking to expand its operations

- Financed by IFC

 **5.5**  
**Cleaning chemicals company** looking to expand production line to produce hand sanitizers


 **5.5**  
**Chocolate manufacturer** looking to expand and diversify business into yoghurt and cold chain logistics

In addition, a waste management company we supported is in final stage discussions with an investor


NON-EXHAUSTIVE


● Deal value, USD M

## Selected recent examples of transactions supported


 **75**  
**Steel company** looking to set up a green steel semi-finished product plant

 **70**  
**Eco-industrial park** looking to attract apparel and agroprocessing tenants

 **15**  
**Local pharmaceutical company** looking to upgrade and expand domestic operations

 **86**  
**Local conglomerate** looking to setup an investment platform in pharmaceuticals

 **5**  
**Local fruit pulp producer** looking to set up a new facility to serve the regional market

 **38**  
**Local pharmaceutical distributor** looking to backward integrate and set up a new manufacturing facility



# Technical assistance support – overview

NON-EXHAUSTIVE

## What we do



Provide **COVID-19 response and recovery support** to the manufacturing sector



Provide **assistance and training to investment promotion agencies**, strengthening governments' capacity to profile investment opportunities and facilitate deals



Support **policy changes at the sector level** to remove obstacles to investment and attract investors



Run **sector-wide strategic initiatives to help groups of manufacturers** improve project feasibility

## Who we work with



**Governments**



**Investment promotion agencies**



**Donors**

## What support we provide

### Capacity building

Build HR and skill capabilities at investment promotion agencies (IPAs)

Enhance investment processes at IPAs (e.g. design digital marketing tools)

Improve relationships between government stakeholders in investment ecosystem

### Policy reform

Support policy changes sector-level to remove recurrent barriers to investment and attract investors

Engage IPAs, EPZs, customs and tax authorities, and industrial parks to co-develop policy reform frameworks

### Strategic investment promotion

Undertake sector-wide strategic initiatives to help groups of manufacturers improve project feasibility

Design RFP processes to grow existing sectors or stimulate new ones

Support value chain development



# Pasta manufacturing in Kenya



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Kenya's manufacturing sectors



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**3. Kenya could consider pasta**  
production to serve Kenya and  
the East African market



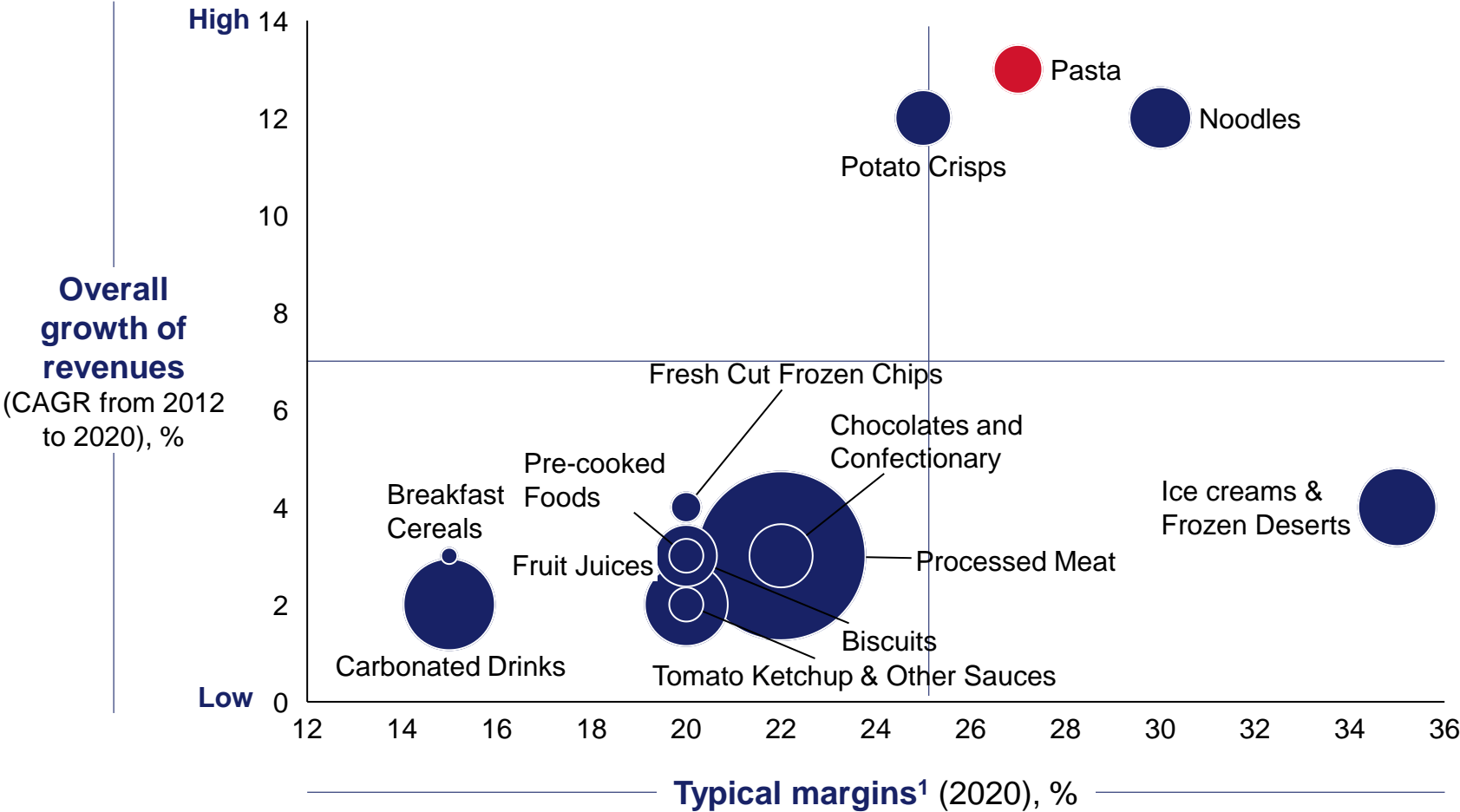
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**4. Kenya is a prime destination**  
for manufacturing investments

# Pasta is the CPG with highest potential for manufacturing scaleup in Kenya

Assessment of scaleup potential in consumer packaged goods

- Details follow
- Bubble size = Market size USD Mn



## Key insights

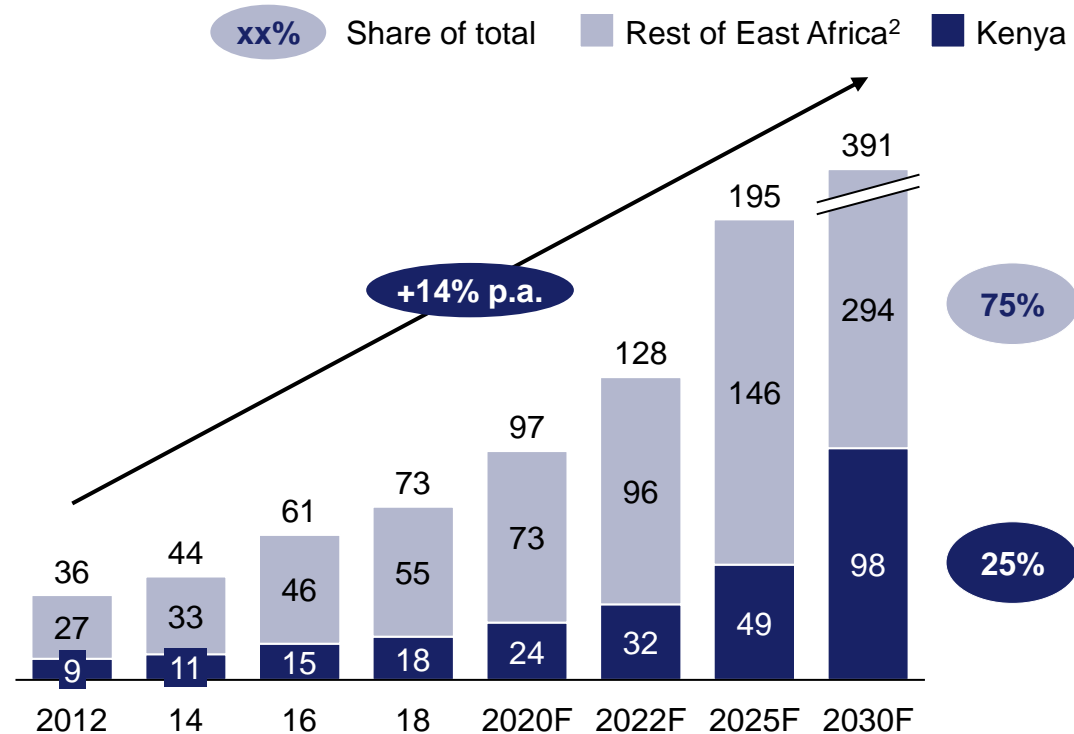
**Pasta is the consumer packaged good with highest potential for manufacturing scaleup:** pasta has the fastest growing revenues (13% CAGR from '12- '20) and high retail and manufacturing margins<sup>2</sup> (~25-30%)

1. Retailer margin | 2. Manufacturing margins are highly correlated with retail margins  
Source: UN Comtrade data, expert interviews

# Strong growth in pasta spend in Kenya and the region is expected to continue

The East Africa market is expected to be worth USD ~400Mn by 2030, with Kenya's market at USD 98Mn

## Pasta market size<sup>1</sup> growth in Kenya, Mn USD



1. Represents final sales value based on pasta import data (as the market is dominated by imports)
2. Rest of East Africa includes Ethiopia, Uganda, Rwanda, Burundi and Tanzania
3. Qualitative factors of pasta include the origin of the durum wheat from which the flour is produced, the characteristics of the flour, the manufacturing processes of kneading, drawing & drying, possible added ingredients and the hygiene of preservation

Source: ITC trade data, World Bank; Kenya National Bureau of Statistics, IMF GDP projections, UN population projections, Source: Euromonitor, World Bank, Oxfam

## Growing incomes and increasingly urbanised, middle-class lifestyles are driving preferences for pasta



**Kenya's population is growing...**

- **Fast-growing population at ~ 3% p.a.**
- **Middle and upper classes are widening as** East Africa has doubled its income per capita in the past decade, and GDP per capita is rising by 7% CAGR since 2010
- **Kenyans will become increasingly urbanised** as half of Africa's population expected to reside in urban areas by 2030



**Driving preference for convenience and taste...**

- **Busy people and families tend to prefer easy-to-prepare foods.** As pasta is quick to prepare, it is appealing to parents and other urban groups with time-poor, busy lifestyles
- **Willingness to buy premium pasta is increasing:** people with higher household income are aware of better quality<sup>3</sup> options and can afford them



**...and better access to pasta**

- 45%** Of households incomes are spent on average on food & beverages in Kenya
- 40%** Of pasta is distributed through modern formats, i.e. markets and supermarkets

# Pasta distribution in Kenya mostly relies on distributor and supermarket segments

Channels, market share, %

40%

Sales through intermediary

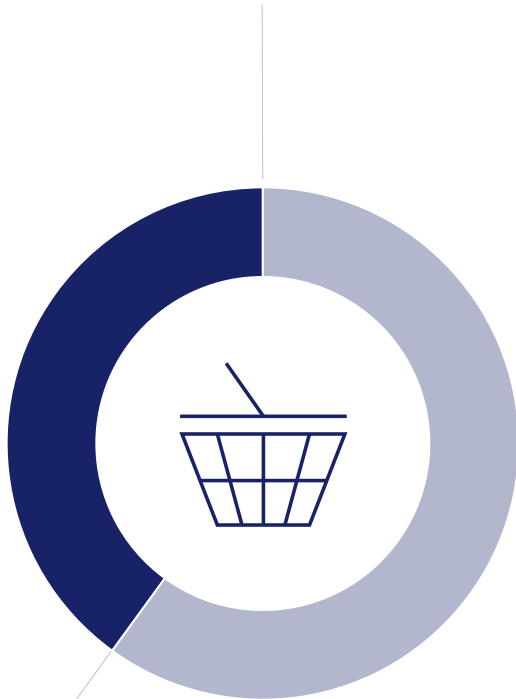
~35

Distributors further distributed to wholesalers



~5

Hotel, restaurant and catering segments



60%

Sales to B2C segments

~40

Modern formats, i.e. markets, supermarkets



~18

General trade, kiosks and satellite towns



~2

Online sales



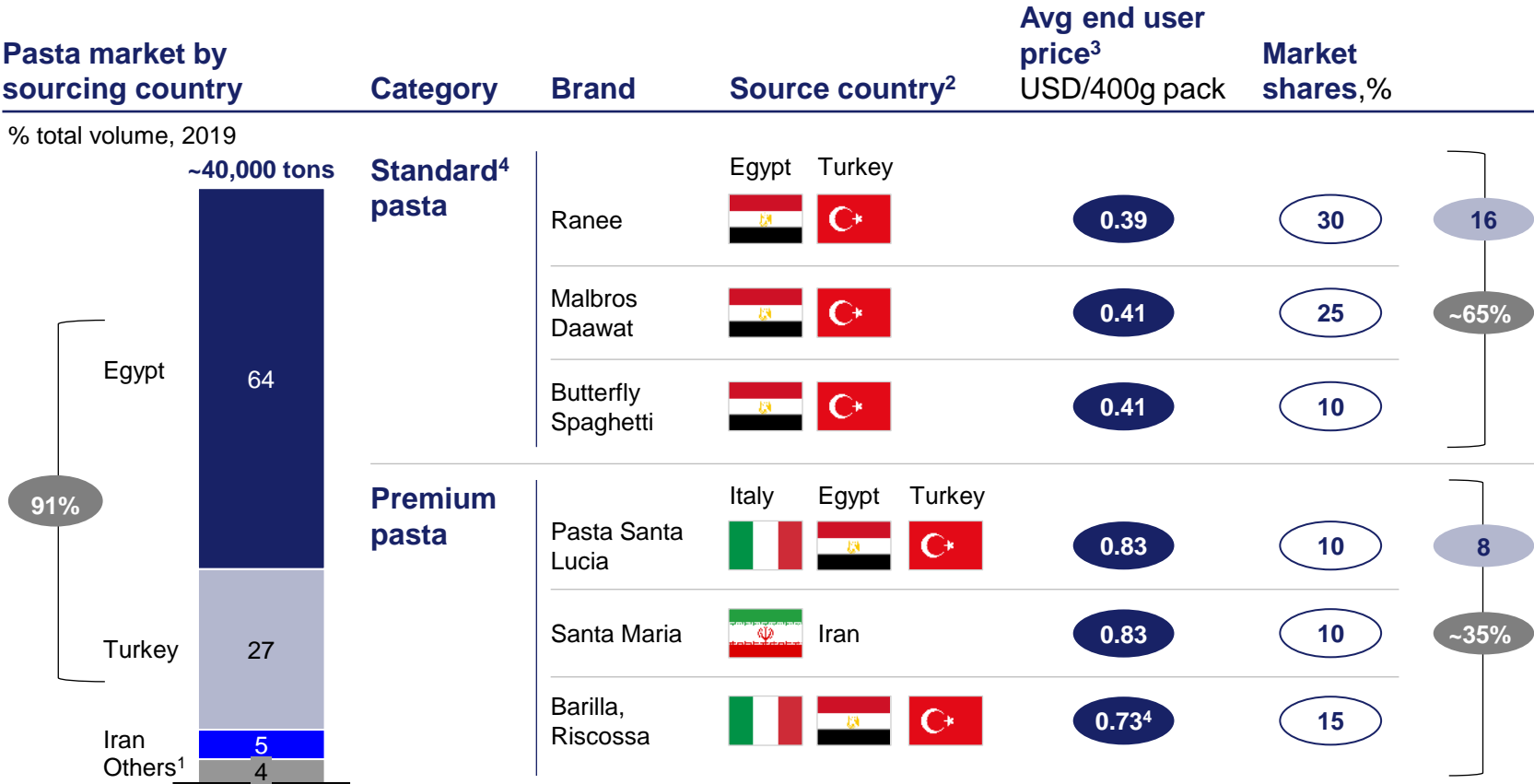
## Key insights

B2C segments are a key channel for pasta distribution (60% of sales), with markets and supermarkets distributing 40% of sales

Distributors to wholesalers also represent a significant channel driving 35% of sales

# >90% of pasta is imported from Egypt and Turkey, indicating significant potential to substitute imports

XX Size, Mn USD    X% Share of total market



## Key insights

Nearly all of Kenya's pasta is currently imported, indicating significant potential to substitute imports

~2/3 of the total market is standard pasta which is mostly imported from Egypt

~1/3 of the market is premium pasta primarily imported from Turkey

1. Includes Oman, Italy, United Arab Emirates and 20 other countries with <1% share of imports  
2. Some brands manufacture pasta in multiple countries  
3. End user price in the supermarket, fluctuate based on exchange rate and import quantities  
4. Includes "mixed" products, which contain whole wheat and some durum wheat. Some brands only use whole wheat to produce their pasta

# Pasta manufacturing in Kenya



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**2. Kenya's pasta sector shows significant growth with high dependence on imports**



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**3. Kenya could consider pasta production to serve Kenya and the East African market**









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**4. Kenya is a prime destination for manufacturing investments**

# Standard pasta: high-level cost driver comparison between main exporter Egypt and Kenya

x Market share

	<b>Sourcing of raw material (wheat)</b> 	<b>Processing (into flour and pasta)</b> 	<b>International shipping</b> 
<b>Egypt</b>  	<p>Wheat is 30% cheaper<sup>1</sup> than in Kenya</p> <ul style="list-style-type: none"> <li><b>Import exemptions and economies of scale:</b> Egypt is world's largest importer of durum wheat (~30% of global trade) mainly from Ukraine and Russia with duty exemptions</li> <li><b>Backward integration enabled by high-yield clusters of wheat farming:</b> Egypt grows wheat domestically in government designated irrigated clusters to increase yield</li> <li><b>Fiscal incentives to grow wheat:</b> Government subsidizes seeds for local wheat farmers</li> </ul>	<p><b>Integrated processing capacity and scale</b></p> <ul style="list-style-type: none"> <li><b>Egypt has 700 wheat processing units:</b> labour and technical skills are readily available at more efficient costs than in Kenya</li> <li><b>Pasta manufacturers are usually integrated with wheat processors:</b> wheat processing and pasta production are usually done together (i.e., integrated) implying a cost advantage compared to having them separate (no intermediary)</li> </ul>	<p>Egyptian exporters to Kenya (and East Africa) are <b>not charged any customs taxes as a result of COMESA free trade agreement</b></p> <p><b>Government gives fiscal incentives to manufacturers to export pasta</b></p>
<b>Kenya</b> 	<p><b>It is difficult to grow durum wheat locally, and import costs are high</b></p> <ul style="list-style-type: none"> <li><b>Agri-conditions not favorable in Kenya:</b> Climatic conditions required for growing wheat are not favorable in Kenya, as long cold season is required. Crop yield would be much higher with rainfed conditions or irrigation</li> <li><b>High import dependency:</b> Only 10% of wheat consumed in Kenya is locally farmed and the rest is imported, mainly from Russia (&gt;60%), Ukraine (25-30%) and Canada (5%)</li> <li><b>Import duty:</b> Wheat imports attract 10% duty</li> </ul>	<p><b>Integrated processing capacity and scale:</b></p> <ul style="list-style-type: none"> <li><b>Pasta manufacturing is limited,</b> i.e., there is only one manufacturer</li> <li>40% of existing milling capacity (e.g., to process cereals such as wheat into flour) is not currently utilized</li> </ul>	<p>Kenyan exporters are not charged any customs taxes to East Africa as a result of <b>COMESA free trade agreement</b></p>

- Split into a 20% cost differential and 10% import duty
- Share of standard pasta imported from Egypt

Source: International Trade Centre (ITC), expert interviews

## Key insights

**Egypt benefits from lower costs of raw material** (i.e., wheat), has significant capacity and resourcing to manufacture pasta and benefits from COMESA duty waivers and added incentives from the Egyptian government




**Kenya depends on wheat imports** and has **underutilized milling capacity**, but benefits from **lower shipping costs**

Kenyan standard pasta manufacturers could be profitable, but **margins would be higher selling imported finished goods**



# Premium pasta: high-level cost driver comparison between main importer Turkey and Kenya

x Market share

	Sourcing of raw material (durum wheat or semolina)	Processing (into semolina and pasta)	International shipping
<b>Turkey</b>   <b>&gt;70%<sup>1</sup></b>	<b>Durum wheat is 30% cheaper than Kenya:</b> <ul style="list-style-type: none"> <li><b>Backward integration enabled by high-yield clusters of wheat farming:</b> Turkey grows durum wheat domestically in Government designated irrigated clusters to increase yield</li> <li><b>Fiscal incentives to grow wheat:</b> Government subsidizes seeds for local wheat farmers</li> <li><b>Fiscal incentives to import wheat:</b> Import duty on wheat is waived if the processor exports proportional quantity of pasta to other countries</li> </ul>	<b>Integrated processing capacity and scale:</b> <ul style="list-style-type: none"> <li><b>Turkey has 540 wheat processing units:</b> labour and technical skills are readily available at more efficient costs</li> <li><b>Pasta manufacturers are usually integrated with wheat processors:</b> wheat processing and pasta production are usually done together implying a cost advantage</li> <li><b>Machinery manufactured locally:</b> All spares are produced in ancillary industries making the parts 50% cheaper than Kenya</li> </ul>	<b>Import duties:</b> Turkish exporters pay 20% duties on pasta imported into Kenya
<b>Kenya</b> 	<ul style="list-style-type: none"> <li><b>No durum wheat is grown locally and imports attract very high duty</b></li> <li><b>No import duty on semolina:</b> Kenya imports semolina from Canada, EU, Turkey</li> </ul>	<b>Integrated processing capacity and scale:</b> <ul style="list-style-type: none"> <li><b>Wheat processing:</b> Not applicable for semolina</li> <li><b>Pasta manufacturing:</b> Very limited, i.e., only one manufacture</li> </ul>	Kenyan exporters are not charged any customs taxes to East Africa as a result of <b>COMESA free trade agreement</b>

## Key insights

Turkey benefits from lower cost of durum wheat and manufacturing at scale, but its exports to Kenya are subject to 20% import duty




Kenya can import semolina without import duty, benefits from the COMESA free trade agreement and lower shipping costs to serve the domestic market

**Margins could be higher from selling locally produced premium pasta compared to imported finished goods**

1. Share of premium pasta imported from Turkey

# Potential options for scaling up pasta manufacturing in Kenya

 Detailed further

	Option 1 Import wheat to manufacture standard pasta	Option 2 Import wheat to manufacture premium pasta	Option 3 Use locally grown wheat to manufacture standard or premium pasta
<b>Approach</b> 	Import wheat Millers or distributors invest in new pasta production line to process flour into pasta Millers use their 40% unused capacity to mill wheat into flour	Import already processed semolina Millers or distributors invest in new pasta production line to process semolina into premium pasta Millers use their 40% unused capacity to mill wheat into flour	Source whole and/or durum wheat from local growers Millers or distributors invest in new pasta production line to process flour into pasta Millers use their 40% unused capacity to mill wheat into flour
<b>Prerequisites for success</b> 	Government support to either achieve lower local production cost than importing finished goods (e.g., reduced financing costs, wheat import duty, etc.) Position locally produced good as better quality to justify a higher price, and drive targeted marketing campaign (e.g., quality from Kenya)	Favourable market size to justify investment	Wheat growers increase yield (e.g., with increased irrigation) Government support provided to make local wheat as cost competitive as imports (e.g., development of wheat clusters, subsidised seeds, etc.)
<b>Limitations</b> 	Local pasta players cite the 10% wheat duty import as a deterrent to investment	Local pasta players cite consumers' price sensitivity may limit growth in premium segment	Local wheat production limited (i.e., only 10% of wheat currently used in Kenya is locally grown) Interventions to improve yield and offtake are cost intensive which could impact local farmer's profitability, with possibly limited impact given Kenya's agricultural conditions










# Option 1: high level economics for manufacture of standard pasta in Kenya under current conditions

xx

EBITDA p.a.<sup>3</sup>

xx

IRR, calculated over 7 years

Description	Opportunity assessment	Market coverage	Investment size	Revenue p.a.
<b>1 Kenya miller using integrated process serving local market</b> <b>Short term: 1-5 years</b> Import raw material (wheat) and manufacture pasta locally, 1 production line	 Local wheat millers have 30-40% excess capacity	<b>Kenya</b> 	<b>USD 1,2Mn</b> <ul style="list-style-type: none"> <li>Land and development: USD 0,2Mn</li> <li>Construction: USD 0,36Mn</li> <li>1 production line: USD 0,3Mn</li> <li>Packaging equipment: USD 0,1Mn</li> <li>Other: USD 0,2Mn</li> </ul>	<b>USD 2Mn</b> Processed quantity per year: 1,800T, i.e. ~0,7% of Kenya market share for standard pasta in 2030 Selling price: USD 1,175/T <div>   </div>
<b>2 Scale up to serve regional market</b> <b>Long term: 5-10 years</b> Import raw material (wheat) and manufacture pasta locally, 12 production lines	 Local wheat millers have 30-40% excess capacity   Potential to become a regional pasta manufacturing leader	<b>East Africa</b> 	<b>USD 5,4Mn</b> <ul style="list-style-type: none"> <li>Land and development: USD 0,5Mn</li> <li>Construction: USD 0,7Mn</li> <li>12 production lines: USD 3,6Mn</li> <li>Packaging equipment: USD 0,25Mn</li> <li>Other: USD 0,35Mn</li> </ul>	<b>USD 26Mn</b> Processed quantity per year: 22,600T, i.e. ~9% of East Africa market shares for standard pasta in 2030 Selling price: USD 1,175/T <div>   </div>

1. Cost include raw materials: USD 0,8Mn, industrial variable cost: USD 0,3Mn (wheat price: USD 400/T), direct labour: USD 0,2Mn



2. Cost include raw materials: USD 10Mn, industrial variable cost: USD 3,8Mn (wheat price: USD 400/T), direct labour: USD 1,1Mn

3. Assuming a percentage of milling capacity used and 1% of a USD 60Mn mill capex for case 1 and 10% of a USD 120Mn mill capex for case 2 (mills cost from USD 60 to USD 300 Mn depending on the size), as the existing machinery has available capacity (40% of capacity is still available in Kenya)

4. From 4<sup>th</sup> year

# Option 2: high level economics for manufacture of premium pasta in Kenya under current conditions

xx EBITDA p.a.<sup>3</sup> xx IRR, calculated over 7 years

Description	Opportunity assessment	Market coverage	Investment size	Revenue p.a.	
<b>1 Serve local market</b> <b>Short term: 1-5 years</b> Import raw material (semolina) and manufacture premium pasta locally, 1 production line <sup>1</sup>	<div>+</div> No import duty on semolina <div>+</div> Import duty on pasta from current main supplier country	<b>Kenya</b> 	<b>USD 1,2Mn</b> <ul style="list-style-type: none"> <li>Land and development: USD 0,2Mn</li> <li>Construction: USD 0,36Mn</li> <li>1 production line: USD 0,3Mn</li> <li>Packaging equipment: USD 0,1Mn</li> <li>Other: USD 0,2Mn</li> </ul>	<b>USD 3Mn</b> Processed quantity per year: 1,800T, i.e. ~1,4% of Kenya market share for premium pasta in 2030 Selling price: USD 1,700/T	<div>USD 780k<sup>1</sup></div> <div>~24%</div>
<b>2 Scale up to serve regional market</b> <b>Long term: 5-10 years</b> Import raw material (semolina) and manufacture premium pasta locally, 12 production lines <sup>2</sup>	<div>+</div> No import duty on semolina <div>+</div> Import duty on pasta from current main supplier country <div>+</div> Potential to become a regional pasta manufacturing leader	<b>East Africa</b> 	<b>USD 5,4Mn</b> <ul style="list-style-type: none"> <li>Land and development: USD 0,5Mn</li> <li>Construction: USD 0,7Mn</li> <li>12 production lines: USD 3,6Mn</li> <li>Packaging equipment: USD 0,25Mn</li> <li>Other: USD 0,35Mn</li> </ul>	<b>USD 38Mn</b> Processed quantity per year: 22,600T, i.e. ~18% of East Africa market shares for premium pasta in 2030 Selling price: USD 1,700/T	<div>USD 11,5Mn<sup>2</sup></div> <div>~30%</div>






- Cost include raw materials: USD 0,8Mn, industrial variable cost: USD 0,3Mn (semolina price: USD 450/T), direct labour: USD 0,2Mn, 70% of capacity used the first year ; 80% from the second year ; 2% processing losses every year
- Cost include raw materials: USD 10Mn, industrial variable cost: USD 3,8Mn (semolina price: USD 450/T), direct labour: USD 1,1Mn, 40% of pasta production line capacity used the 1st year ; 50% the 2nd year ; 60% the 3rd year ; 70% the 4th year ; 80% from the 5th year ; with 2% processing losses every year
- From 4<sup>th</sup> year

Source: Triangulation of data between different sources from millers, pasta manufactures and agro-processing experts

# Implementation of enabling initiatives could further improve the attractiveness of scaling up pasta manufacturing in Kenya

NOT EXHAUSTIVE

● Low ● High

Cost driver	Enabling initiatives	Description	Impact <sup>1</sup>	Ease of implementation
 Sourcing of raw material	Import duty	Review currently 10% wheat import duty for local manufacturers, e.g. in Turkey it is waived if the processor exports proportional quantity of pasta	●	●
	Port building	Position Mombasa Port as a destination for durum wheat commodities (better storage facilities, additional berths for wheat, waiver in port charges for wheat imports)	●	●
 Processing	Processing hubs	Encourage hubs of processing units to be set up close to the port to reduce cost of transportation and create hub effect	●	●
	Tax holidays	Evaluate tax holidays for setting up processing facilities	●	●
 International shipping	Encourage exports	Strengthen EPZ concept and encourage pasta processing for exports to East Africa, e.g. reduce shipping costs for pasta exports	●	●
 Finance	Financing options	Offer cheaper financing options for millers willing to manufacture pasta to improve their IRR	●	●
 Labour	Labour upskilling	Train workers to meet skills gap in manufacturing industry and ensure a pipeline of talent	●	●

**The Ministry of Industrialization, Trade and Enterprise Development has set up a Business Situation Room to unlock investments and evaluate enabling initiatives in priority sectors including pasta manufacturing**

1. Impact on attracting further investment into the space



# Pasta manufacturing in Kenya



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1. Manufacturing Africa supports investments into Kenya's manufacturing sectors



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2. Kenya's pasta sector shows significant growth with high dependence on imports



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3. Kenya could consider pasta production to serve Kenya and the East African market



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4. Kenya is a prime destination for manufacturing investments



# Why invest in Kenya?

## A go-to market for foreign investment, and a gateway to Africa



### Fast growing economy with access to large global market

USD 96Bn economy growing at ~6% per annum over the last 5 years

Highest consumer purchasing power in the region, USD 4.5k GDP per capita (PPP)

Preferential access to 1.3Bn customers and USD 29Tn in GDP through trade agreements



### Stable political and macro-economic environment

Rated #1 in East Africa in the Economist Intelligence Unit's Global Democracy Index

Track record of democratic transitions and policy continuity



### Conducive ease of doing business environment

#3 in Sub-Saharan Africa in World Bank's Ease of Doing Business rankings

# 6 in Sub-Saharan Africa in the Global Competitiveness Index



### Robust infrastructure

Strong digital infrastructure with 100% Mobile penetration

Strong port infrastructure: largest port in East Africa, with greater efficiency compared to peer ports in the region

Robust road, rail and air transport links with >USD 11Bn in recent road & rail projects



### Young, educated, and competitive workforce

#1 in quality education in Africa according to World Economic Forum ranking with 100% primary completion rate

~USD 400/monthly net wage, 25% lower than South Africa's



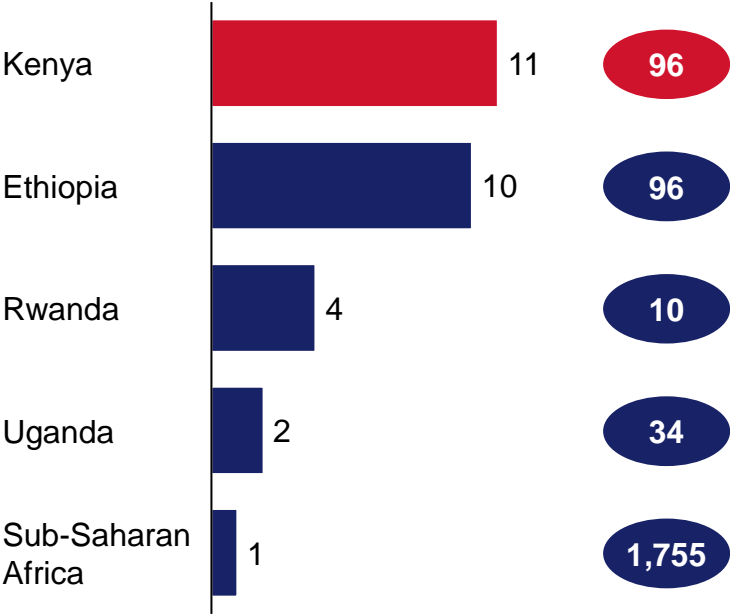
# Kenya provides a ready market for investors, with access to a large global market and a domestic market with high purchasing power

xx GDP, USD Bn



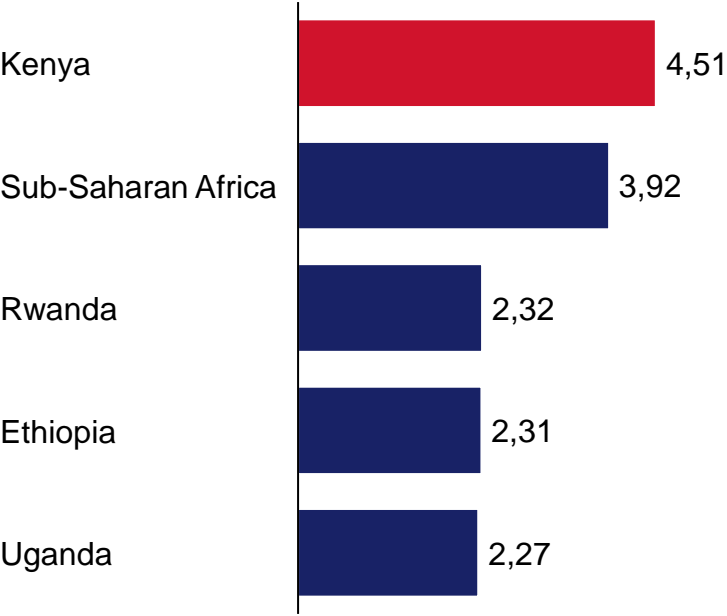
## Fast growing economy in East Africa

CAGR GDP, 2015-19 (%)



## High purchasing power compared to regional peers

GDP per capita, PPP<sup>1</sup> ('000 USD )



## Preferential access to USD 29 Tn and 1.3 Bn customers in global market agreements



### Common Market for Eastern and Southern Africa (COMESA)

Customs Union agreement spanning 19 African countries



### East African Community (EAC)

Customs Union & Economic Integration Agreement



### The African Growth and Opportunity Act (AGOA)

Gives select African countries enhanced market access to the U.S

1. Purchasing power parity (PPP)

# Kenya has robust infrastructure, making it an ideal hub for business in the region



## Digital infrastructure

### 100% Mobile penetration

With >85% internet penetration

### #4 in the world in the Mobile Payments Readiness Index

M-PESA, Mula, PesaLink are world leaders in financial inclusion



## Road, Rail, and Air

### Highest road density in the region

>USD 11bn dedicated recently to rail and road infrastructure projects

### 4 International airports

JKIA 2<sup>nd</sup> fastest-growing airport for cargo handling globally



## Port Infrastructure

### Efficient export process

Mombasa, largest port in East Africa and is a hub in the region

### Efficient export process

30% higher gross port productivity than Dar-es-Salam



## Industrial Parks

### 40 export processing zones

Active and in development EPZs Nairobi, Mombasa, Voi, etc.

### Fast developing SEZs

World-class SEZs in Naivasha, Mombasa, Lamu and Kisumu at different stages of development

# Contact us

**Dr. Christoph Zipfel**

**Team Leader, Manufacturing Africa**

**[Christoph\\_Zipfel@mckinsey.com](mailto:Christoph_Zipfel@mckinsey.com)**

**Kannan Lakmeeharan**

**Programme Director/Transaction Facilitation Lead,  
Manufacturing Africa**

**[Kannan\\_Lakmeeharan@mckinsey.com](mailto:Kannan_Lakmeeharan@mckinsey.com)**