

# PRODUCTION FACTOR COSTS IN KENYA



# KENYA

EXPORT PROCESSING ZONES AUTHORITY  
2004



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## ABBREVIATION

CCK	– Communication Commission of Kenya
CLIR	– Calling Line Identification Restriction
COMESA	– Common Market for Eastern and Southern Africa
EPZA	– Export Processing Zones Authority
KenGen	– Kenya Electricity Generating Company
KPLC	– Kenya Power and Lighting Company Limited
Kwh	– Kilowatt Hour
P.O.	– Post Office
SMS	– Short Message Service
USA	– United States of America
V	– Voltage
VAT	– Value Added Tax

## Annual Average Exchange Rates (KShs to US\$)

Year	Rate
1998	60.4
1999	70.3
2000	76.2
2001	78.6
2002	78.4
2003	75.9
2004	80.0 (As at 31 <sup>st</sup> August 2004)

For latest rates click on <http://www.centralbank.go.ke/cbk/FXrates/archives.html>



## 1 INTRODUCTION

Businesses run on different raw materials; from manufacturing where tangible raw materials like wood or cotton are used to service industry where brains are the “raw materials”, but they all have certain elements commonly known as production factor costs that are incurred in the course of conducting business though they might not always be related directly to the production. These can be described as costs of economic resources or inputs, which are employed in the process of production. The most common are land, labour and capital costs.

In this report, we have broadened these factors to include costs of:

- Utilities such as electricity, telecommunication, water and sewerage
- Transport and logistics
- Labour
- Land & property rents, rates and taxes.

Costs have been provided in US dollars at an exchange rate of US \$1= Kshs. 80.

## 2 UTILITIES

### 2.1 Electricity

The Kenya Power & Lighting Company Limited (KPLC) is responsible for the transmission and distribution of electricity in Kenya. KPLC buys electricity in bulk from Kenya Electricity Generating Company (KenGen) and from other Independent Power Producers (IPP). It then distributes to more than 500,000 customers throughout Kenya. Electricity in Kenya is mainly generated from hydro-power, gas/diesel, geothermal (steam) and wind sources.

KPLC is responsible for ensuring adequate transmission capacity to maintain supply and quality of electricity. KPLC also operates and maintains the distribution network, and ensures satisfactory delivery of service to customers. The combined network of transmission and distribution lines stretch for more than 20,000 kilometres across the country. Electricity is supplied at 240 volts, 50 cycles single phase, and at 415 volts, 50 cycles three phase.

The Electricity Regulatory Board sets electricity tariff rates in Kenya and also licenses private sector applicants in electricity generation.

Detailed electricity tariffs & rates are in **Appendix 1**.

### 2.2 Telecommunications

The country has a well-established communication system. The services of postal, telecommunication and sector regulation have been separated creating the Postal Corporation of Kenya, Telkom Kenya Limited, and Communications Commission of Kenya (CCK). The Government has so far licensed three mobile phone providers with two already in operation namely Celtel International and Safaricom Ltd.

Telkom Kenya Ltd is currently the only provider of fixed line services though a second national operator is expected soon. Most other segments of telecommunications have been liberalised.

The different companies providing telecommunication services set their own tariffs and rates that have to be approved by the Communications Commission of Kenya (CCK).

Detailed telecommunications tariffs & rates are in **Appendix 2**.

### 2.3 Water and sewerage

For industrial and domestic purposes, water is supplied by local authorities and other licensed suppliers. Major towns in Kenya provide sewerage and drainage systems for



residential and business use. In view of increasing demand, the various local authorities are undertaking major additional investment in the supply of water.

The government is in the process of privatising the management of water and sewerage in all urban areas.

Detailed water and sewerage tariffs & rates are in **Appendix 3**.

### **3 TRANSPORT & LOGISTICS SERVICES**

Freight forwarding and clearing services to importers and exporters are provided by various private companies, which set their own rates and fees. Kenya Ports Authority manages the port of Mombasa, which is the gateway to East Africa with the Kenya Revenue Authority's Customs Department collecting any taxes or customs duty due on imports and export consignments. Kenya Railways also provides transport of bulk consignments destined for other parts of the country or to Uganda and other Great lake countries.

Some of the major private companies dealing in transportation and logistics include Maersk, Signon Freight, and SDV Transami.

Transport and logistics services tariffs & rates are in **Appendix 4**.

### **4 LABOUR**

Though the Kenyan labour market is liberalised with wages decided by the different employers, the Government (through the Ministry of Labour & Human Resource Development) regulates and sets minimum wages for different sectors of wage employment. Employers are expected to pay at least the minimum as per the wage guidelines provided by the Ministry.

The wages set are exclusive of housing allowance if the employer is not providing housing. The housing allowance is calculated at 15% of the monthly wage.

Major organisations dealing with labour issues in Kenya are the Ministry of labour, Federation of Kenya Employers, Labour Unions and the Industrial Court which arbitrates on labour disputes.

The minimum labour wages as set by the Ministry for 2005/6 are in **Appendix 5**.

### **5 LAND & PROPERTY RENTS, RATES & TAXES**

Land and property market in Kenya is generally liberalised with rents and rates varying according to location, type of ownership, intended use, infrastructure around the land, land size etc.

Non-residents may invest in Kenyan property directly, or through a joint venture with a resident entity, or ownership of a resident entity. However, no non-resident can own agricultural land, or, in practice, beach property, without obtaining presidential approval. However, under the provisions of the Land Control Act, a public company incorporated in Kenya may own agricultural land, even if its shareholders are non-residents.

#### *Private Land*

This refers to individual / private tenure where individuals or companies own land exclusively. It is either freehold where the holder has absolute ownership or leasehold for a term of years subject to the payment of a land rent or certain conditions on development and usage.



### *Customary Land*

Land under customary tenure is held communally. It is also known as trust land. Under this tenure, absolute rights over land were vested in the family group, while individuals enjoyed the right of occupancy only for subsistence purposes. This type of tenure exists in areas that have not yet been transferred or alienated through registration. It is administered under the Trust Land Act of 1965, which deals with all trust land. It is the most widespread tenure system in Kenya especially in arid and semi-arid lands and is held under trusteeship by various county councils (local authorities) for residents.

### *Public Land*

This refers to land that is owned by the state for its own purposes or that which is unutilised or un-alienated and is supposed to be reserved for public purposes until privatised. It is administered under the Government Lands Act of 1965.

### *Rental income*

Net rental income derived from Kenyan property is taxable in Kenya. For a resident company, this income is taxed at 30%. For a non-resident company with a permanent establishment in Kenya, it is taxed at 37.5%. Income earned by individuals is taxed at rates graduating from 10% to 30% for the years 2000 and later. Rental payments to non-resident persons that do not have a permanent establishment in Kenya are subject to a withholding tax of 30% of the gross amount payable. Interest on loans used to acquire property is deductible from rental income. However, certain restrictions apply to non-residents.

In addition, interest deductions may be restricted during periods of construction. Interest payments by Kenyan residents to non-residents are subject to a withholding tax of 15% of the gross amount payable. Interest payments to a Kenyan resident, other than a financial institution, are also subject to a withholding tax at a rate of 15%.

Other property-related expenses incurred to derive rental income are deductible to the extent that they are incurred, entirely and solely, for the purpose of earning that income and are not capital in nature. Currency exchange differences are deductible, subject to certain restrictions. Costs that are capital in nature, such as stamp duties and legal fees, incurred in connection with the acquisition of a lease for business purposes for a term of 99 years or less, which cannot be expressly extended beyond 99 years, are tax deductible.

### *Depreciation and building allowances*

Land cannot be depreciated, but capital allowances and other types of allowances and deductions may be available in respect of certain real property. A capital investment allowance of 100% can be claimed on certain expenditures on buildings, machinery or hotels in the year. Industrial building allowances are available at a rate of 2.5% per annum, or 4% for hotels, on the construction of qualifying buildings. Wear and tear deductions at rates ranging between 12.5% and 37.5% can also be claimed, depending on the category of the asset, in order to write down the value of plant and machinery.

### *Capital gains on the sale of property*

The legislation on capital gains in Kenya has been suspended since 1985. There is currently no capital gains tax on disposals of real property, unless the buying and selling of real property is the normal business activity of the entity realising the gain. There is a presumption by the Kenya Revenue Authority that purchases and sales of real property by financial institutions is part of a business of investment.

### *Other taxes*

Stamp duties are imposed on a range of transactions, including the acquisition or transfer of real property, leases, shares, etc. Property taxes assessed on real property values are levied at rates set by local authorities. Rates are normally determined annually. Ground rent is payable to the Government when the relevant land has been allocated to the tenant and is subject to re-evaluation every 10 years.



### *Value added tax (VAT)*

Letting, renting, leasing, hiring and sale of land and residential property are generally not subject to VAT. However, where the land or buildings rented are used to provide car park, conference or exhibition services, then the letting or hire thereof will be subject to VAT (except where these services are provided to educational institutions as part of learning).

Construction services are subject to VAT at the standard rate. Service charges, if levied separately from rent, are subject to VAT, except where they represent a recovery of expenses borne by the landlord on behalf of the tenant for services provided by a third party.

Following the 2003 budget, where a registered person has deducted input tax in respect of business premises used in making taxable supplies, and subsequent to such a deduction, the premises are sold or converted for making exempt supplies within five years of construction, VAT must be accounted for. The VAT due to the Commissioner of VAT is restricted to input tax claimed by the taxpayer. The refund to the Commissioner of VAT should be made within 30 days of such disposal or conversion.





## 6 KEY CONTACTS

Ministry of Trade and Industry  
Telpost Towers, Kenyatta Avenue  
P.O. Box 30418, 00100 Nairobi, Kenya  
Tel: 254-20-315001-7, 331030  
Fax: 254-20-315011, 213508, 219680  
Web: [www.tradeandindustry.go.ke](http://www.tradeandindustry.go.ke)

Ministry of Labour & Human Resource Development  
Social Security House, Bishop Road  
P.O. Box 40326, 00100 Nairobi, Kenya  
Tel: 254-20-2729800  
Web: [www.labour.go.ke](http://www.labour.go.ke)

Ministry of Lands & Housing  
Ardhi House, Ngong Road  
P.O. Box 30450, 00100 Nairobi, Kenya  
Tel: 254-20-2718050  
Fax: 254-20-2721248  
Web: [www.ardhi.go.ke](http://www.ardhi.go.ke)

Investment Promotion Center (IPC)  
National Bank Building, 8<sup>th</sup> Floor,  
Harambee Avenue  
P.O. Box 55704, 00200 Nairobi, Kenya  
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Fax: 254-20-336663  
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Export Promotion Council  
Anniversary Towers, 16th Floor,  
University Way  
P.O. Box 42047 Nairobi, Kenya  
Tel: 254-20-228534/8/9  
Fax: 254-20-218013/228539  
Email: [chiefexe@epc.or.ke](mailto:chiefexe@epc.or.ke)  
Website: [www.cbik.or.ke](http://www.cbik.or.ke)

Kenya Power & Lighting Company Ltd  
Stima Plaza, Kolobot Rd  
P.O. Box 30099, 00100 Nairobi, Kenya  
Tel: 254-20-243366/32013201  
Fax: 254-20-20337351/310336  
Email: [cmmos@kplc.co.ke](mailto:cmmos@kplc.co.ke)  
Web: [www.kplc.co.ke](http://www.kplc.co.ke)

Communications Commission of Kenya  
Waiyaki Way  
P.O. Box 14448, 00800 Westlands  
Nairobi, Kenya  
Tel: 254-20-4242000/4349111  
Fax: 254-20-4451866/43482046  
Email: [info@cck.go.ke](mailto:info@cck.go.ke)  
Website: [www.cck.go.ke](http://www.cck.go.ke)

Telkom Kenya Ltd (TKL)  
Telpost Towers, Kenyatta Ave.  
P.O. Box 30301, 00100 Nairobi, Kenya  
Tel: 254-20-3232000  
Email: [info@telkom.co.ke](mailto:info@telkom.co.ke)  
Website: [www.telkom.co.ke](http://www.telkom.co.ke)

Postal Corporation of Kenya (POSTA)  
Posta Road, Off. Kenyatta Ave.  
P.O. Box 34567 Nairobi, Kenya  
Tel: 254-20-243434  
Email: [customercare@posta.co.ke](mailto:customercare@posta.co.ke)  
Website: [www.posta.co.ke](http://www.posta.co.ke)

Kenya Ports Authority  
P.O. Box 95009 Mombasa, Kenya  
Tel: 254-41-312211, 220255  
Fax: 254-41-311867  
Email: [md@kpa.co.ke](mailto:md@kpa.co.ke); [info@kpa.co.ke](mailto:info@kpa.co.ke)  
Website: [www.kenya-ports.com](http://www.kenya-ports.com)

Kenya Railways Co. Ltd  
P.O. Box 30121, City Square Nairobi,  
Kenya  
Tel: 254-20-221211/332611/335160  
Fax: 254-20-340049/224156

Safaricom Ltd  
Safaricom House, Waiyaki Way,  
P.O. Box 46350 Nairobi, Kenya  
Tel: 254-20-4273272  
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Web: [www.safaricom.co.ke](http://www.safaricom.co.ke)

Celtel International  
Parkside Towers, Mombasa Road  
P.O. Box 73146, 00200 Nairobi, Kenya  
Tel: 254 20 69010000  
Email: [customercare@ke.celtel.com](mailto:customercare@ke.celtel.com)  
Web: [www.ke.celtel.com](http://www.ke.celtel.com)

Siginon Freight Ltd  
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Kenya  
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722-205003  
Fax: 254-41-2228568/229373  
Email: [eng@siginon.com](mailto:eng@siginon.com)



Maersk Sealand  
15<sup>th</sup> Floor TSS Tower, Nkrumah Road  
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Fax: 254-41-220086  
Email: [mbamng@maersk.com](mailto:mbamng@maersk.com)  
Web: [www.maersksealand.com](http://www.maersksealand.com)

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Fax: +254-20-823195  
E-mail: [transbi@transami.co.ke](mailto:transbi@transami.co.ke)

## 7 SOURCES OF INFORMATION

- Kenya Power & Lighting Company Ltd
- Postal Corporation of Kenya Ltd – Tariff Structure Brochures
- Export Processing Zones Authority
- Investment Promotion Centre
- Ministry of Lands & Housing
- Ministry of Labour – Kenya Gazette Supplement (Legal notice No.42) 13<sup>th</sup> May 2005
- Kenya Ports Authority
- Siginon Freight
- Lloyd Masika
- Knight Frank
- Nairobi City Council
- Telkom Kenya Ltd - New Tariff Brochure
- Kenya Railways
- Kenfreight Group of Companies



# APPENDICES

KENYA



## APPENDIX 1 – ELECTRICITY TARIFFS & RATES

Approved: Electricity Regulatory Board  
 Source: Kenya Power & Lighting Company Limited  
 Effective: January 1, 2002

TARIFF	TYPE OF CUSTOMERS	SUPPLY VOLTAGE (V)	CONSUMPTION RANGE (Kwh/Month)	FIXED CHARGES (US\$/Kwh)	ENERGY CHARGES (US\$)	DEMAND CHARGES (US\$/KVA/ Month)
AO	Domestic	240 or 415	0-50 51-300 301-3,000 3,001-7,000	0.94	0.02 0.08 0.09 0.17	- - - -
A1	Small commercial & industrial	240 or 415	Up to 7,000	1.88	0.08	-
B0	Medium irrigation	240 or 415	-	10	0.08	-
B1		240 or 415		7.5	High rate – 0.08 Low rate – 0.05	3.75
B2	Medium commercial and industrial	11,000 or 33,000	7,000 – 100,000	25	High rate – 0.06875 Low rate – 0.040625	2.5
B3		66,000 or 132,000		93.75	High rate – 0.08 Low rate – 0.04	1.25
C1		415		7.5	High rate – 0.08 Low rate – 0.05	3.75
C2	Large commercial and industrial	11,000 or 33,000	>100,000	25	High rate – 0.07 Low rate – 0.04	2.5
C3		66,000 or 132,000		93.75	High rate – 0.062 Low rate – 0.04	1.25
DO	Interruption off-peak supplies	240	Up to 7,000	1.875	0.06	-
E	Street lighting	240	No limit	3.125	0.08	-

Exchange Rate: USD1= KShs. 80

### NOTES

1. For customers in method AO and DO (i.e. With two separate meters) the combined monthly fixed charge would be US\$ 2.20
2. For customers in method A1 and DO (i.e. With two fixed separate meters) the combined monthly fixed charge would be US\$ 2.50
3. B3 is a recognized tariff category but with no customers currently
4. The high rate applies to units consumed between 8:00 am and 9.00 pm on Mondays to Fridays inclusive and from 8:00 am to 2:00 pm on Saturdays
5. The low rate applies to units consumed at other times including from 2:00 pm on Saturdays to 8:00 am the following Monday
6. The demand charged will be that recorded during the periods when the high rate unit charges are applied i.e. between 8:00am and 10.00 pm on Mondays to Fridays inclusive and from 8:00 am to 2:00 pm. on Saturdays.
7. The methods of charge as set permit automatic adjustment to the price of electricity to take account of changes in foreign currency expenditures relating to purchase of fuel and capital expenses. Any adjustments so made by KPLC shall be notified to consumers through the gazette notice.

E PZ firms are exempted from VAT at 16% on their monthly bills.

Source: Kenya Power & Lighting Company



## APPENDIX 2 – COMMUNICATIONS TARIFFS & RATES

### 1. TELKOM KENYA RATES

Approved: Communications Commission of Kenya  
 Source: Telkom Kenya Limited  
 Effective: September 1, 2004  
 Exchange rate: US \$1= Kshs. 80

#### Telkom Kenya International Charges

##### Postpaid

REGION	US \$ PER MINUTE			
	STANDARD	ECONOMY	DISCOUNT	OPERATOR ASSISTED
Africa (COMESA Countries)	0.90	0.64	0.64	0.90
The rest of Africa, Europe, N. America, U.A.E, India, Australia	0.90	0.64	0.64	0.90
The rest of the world i.e. Japan, Brazil etc	0.90	0.64	0.64	0.90

##### Prepaid & Calling Card

REGION	US \$ PER 6 SECONDS		
	STANDARD	ECONOMY	DISCOUNT
Africa (COMESA Countries)	0.10	0.07	0.07
The rest of Africa, Europe, N. America, U.A.E, India, Australia	0.10	0.07	0.07
The rest of the world i.e. Japan, Brazil etc	0.10	0.07	0.07

**Discount:** - Weekdays midnight to 8:00 am; Sat. 10:00 pm. to Mon. 8.00 am & public holidays.

**Economy:** - Weekdays 10:00 pm to midnight; Sat. 8:00 am to 10:00 pm.

**Standard:** - Weekdays 8.00 am to 10.00 pm

#### Telkom Kenya Local Charges

TYPE OF CALL	POST-PAID US\$- (PER MINUTE )	PAY-PHONE - US\$- (PER MINUTE)*	PREPAID (PER 6 SEC.) – US\$*	CALLING CARDS (PER 6 SEC.) – US\$*
Local Calls ( <i>per 3 minutes for postpaid &amp; payphone</i> )	0.11	0.12	0.006	0.004
Trunk (peak)	0.15	0.17	0.019	0.018
Trunk (off peak)	0.11	0.13	0.013	0.013
Calls to Mobile (all times)	0.34	0.39	0.039	0.039
Calls to East Africa (peak)	0.50	0.58	0.058	0.058
Calls to East Africa (off-peak)	0.38	0.44	0.044	0.044

\* - Inclusive of 16% VAT



CHARGE ITEM	US\$ POSTPAID	US\$ PREPAID
Installation	28.75	28.75
Deposit	28.75	Nil
Monthly Access	6.25	Nil

### National calling plans & time bands

DAYS OF THE WEEK	PEAK	OFF-PEAK
Weekdays (Monday – Friday)	0800 – 2000 hrs	2000 hrs – 0800 hrs
Saturday, Sunday & Public Holidays		000 hrs – 2400 hrs

Note: all calls made to mobiles have **no off-peak rate** on all days.

Source: Telkom Kenya Ltd 2005

## 2. SAFARICOM MOBILE PHONE CHARGES

### Prepaid tariffs

	JAMBO		TARIFFIC		TAIFA		SEMA	
	US\$		US\$		US\$		US\$	
Connection Fee	31.25		31.25		31.25		31.25	
Daily Access Fee	0.18		-		-		-	
Call Set-Up Fee	-		-		-		0.03	
	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	US\$ /min	US\$ /min	US\$ /min	US\$ /min	US\$ /min	US\$ /min	US\$ /min	US\$ /min
<b>A. Local call charges</b>								
To Safaricom	0.20	0.20	0.41	0.14	0.36	0.36	0.31	0.14
To other mobile operator	0.44	0.32	0.63	0.31	0.36	0.36	0.50	0.31
To local land line	0.31	0.28	0.56	0.28	0.36	0.36	0.44	0.28
To upcountry land line	0.32	0.27	0.56	0.28	0.36	0.36	0.44	0.28
<b>B. International call charges</b>								
To East Africa	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Zone A	1.38	0.98	1.38	0.98	1.38	0.98	1.38	0.98
Zone B	1.38	0.98	1.38	0.98	1.38	0.98	1.38	0.98
Zone C	1.38	0.98	1.38	0.98	1.38	0.98	1.38	0.98
<b>C. SMS</b>								
To Safaricom	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
To other mobile operator	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
To International	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Receiving SMS	Free	Free	Free	Free	Free	Free	Free	Free



	JAMBO	TARIFFIC	TAIFA	SEMA
<b>D. Voice mail</b>				
Voicemail deposit (132)	0.20	0.20	0.41	0.14
Voicemail retrieval (133)	0.20	0.20	0.41	0.14
Voicemail retrieval (111)	Free	Free	Free	Free
<b>E. Other services</b>				
Balance top-up 141	Free	Free	Free	Free
Balance top-up via SMS	Free	Free	Free	Free
Balance enquiry 144 via IVR	0.13	0.13	0.13	0.13
Balance enquiry 144 via SMS	Free	Free	Free	Free
Customer care 100	Free	Free	Free	Free
Emergency services	Free	Free	Free	Free
Directory enquiries 191	0.25	0.25	0.25	0.25
Safaricom online	0.13	0.13	0.13	0.13
Get It 411	0.09	0.09	0.09	0.09

- Exchange rate: US \$1= Kshs. 80
- All rates are inclusive of 16% VAT & 10% Excise Duty
- Zone A comprises COMESA
- Zone B comprises Europe, N. America, Mediterranean, Non-COMESA, UAE, India & Australia
- Zone C comprises the rest of the world

#### SAFARI TARIFF (PREPAID ROAMING)

	PEAK	OFF-PEAK
	US\$	US\$
Connection Fee	-	-
Monthly Access Fee	-	-
Migration Fee to Safari Tariff	2.50	-
Migration Fee from Safari Tariff	-	-
<b>ROAMING TARIFF</b>		
<b>A. Receiving calls</b>		
East Africa	0.60	0.60
Zone A (COMESA)	1.38	0.98
Zone B (Europe, North America, Mediterranean, Africa Non COMESA)	1.38	0.98
Zone C (Rest of the world)	1.38	0.98
<b>B. Calling</b>		
Mobile to Safaricom, Vodacom TZ & UTL Uganda mobile	0.36	
Mobile to other mobile and local fixed line	0.75	
Mobile to national fixed Line	0.75	
<b>C. Regional calling (Kenya, Uganda, Tanzania ONLY) voice calls</b>		
On Vodacom TZ & UTL Uganda network	0.36	
Other networks within E. Africa	1.94	



	PEAK	OFF-PEAK
	US\$	US\$
<b>D. Outgoing international voice calls</b>		
Within Greater East Africa Region *1	3.75	
Southern Africa Region *2	4	
Rest of the World	4.5	
<b>E. SMS</b>		
Sending an SMS – To Safaricom mobile	0.06	
Sending an SMS – To other mobile	0.31	
Receiving an SMS / Confirmed Delivery Request	Free	
Get It / SMS to Email	0.15	
<b>F. Voicemail</b>		
Retrieval (+254722133133) when roaming on Vodacom TZ & UTL Uganda networks	0.36	
Retrieval (+254722133133) when roaming on other networks	1.94	
<b>G. Other services</b>		
Customer care (+254 20 4272100)	0.36	
Emergency services (112, 911)	Free	
Balance enquiry (via SMS)	0.06	
Balance top-up (SMS 141)	Free	

- Exchange rate: US \$1= Kshs. 80

- All rates are exclusive of 16% VAT & 10% Excise Duty

-\*1 – Greater East Africa Region includes: Rwanda, Burundi, Congo DRC, Sudan, and Malawi

-\*2 – Southern Africa Region includes: South Africa, Namibia, Swaziland, Lesotho, Mozambique, and Botswana

- Voice Deposits: -based on the outgoing destination per the above outbound rates

- Data, fax, call forwarding, Safaricom online, directory enquiry, satellite and premium rate calls will not be available

- Calls are charged per minute

#### Time bands

**All other tariffs** Peak times – Mon. to Fri. 8.00 am to 8.00 pm  
Off peak times - 8.00 pm to 8.00 am on weekdays, all day Saturday, Sunday and Public Holidays

**Sema Tariff** Peak is Mon. to Fri. 6.00 am to 6.00 pm  
Off peak is Mon. to Fri. 6pm to 6.00 am; Saturday, Sunday and Public Holidays

#### SAFARICOM ADVANTAGE TARIFFS- (POSTPAID)

	CORPORATE POST PAY TARIFF		ADVANTAGE TARIFF	
Connection Fee (US\$)	25.0 +VAT		25.0 + VAT	
Monthly Access (US\$)	6.89 +VAT		2.50+ VAT	
Local Call Charges (US\$)	Peak Per Min	Off Peak Per Min	Peak Per Min	Off Peak Per Min
To SAFARICOM	0.16	0.16	0.13	0.13
To other mobile operator	0.32	0.22	0.43	0.43
To local landline	0.32	0.22	0.32	0.32
To upcountry land line	0.32	0.22	0.32	0.32





International Call Charges	Per Min	Per Min	Per Min	Per Min
Mobile to Eastern Africa	0.48	0.42	0.48	0.42
Zone A	0.99	0.70	0.99	0.70
Zone B	0.99	0.70	0.99	0.70
Zone C	0.99	0.70	0.99	0.70
<b>SMS</b>				
Sending to Safaricom	0.05	0.05	0.05	0.05
Sending to other mobile operator	0.05	0.05	0.05	0.05
Sending to International	0.10	0.10	0.10	0.10
Receiving SMS	Free	Free	Free	Free
<b>Voice mail</b>				
Deposit	Free	Free	Free	Free
To 132	0.16	0.16	0.16	0.16
To 133	0.16	0.16	0.16	0.16
To 111	Free	Free	Free	Free
Retrieval	Free	Free	Free	Free
Account recharge 141	N/A	N/A	N/A	N/A
Balance enquiry 144	N/A	N/A	N/A	N/A
Customer care 200	Free	Free	Free	Free
Directory enquiries 191	0.20	0.20	0.20	0.20
Fax & data service connection	5.25	5.25	5.25	5.25
Fax & data service monthly fee	2.50	2.50	2.50	2.50
Itemised bill reprint	5.25	5.25	5.25	5.25
Account suspension charge	5.25	5.25	5.25	5.25
Sim card replacement	5.25	5.25	5.25	5.25
Change of number	10.60	10.60	10.60	10.60
CLIR - Permanent network set	5.25	5.25	5.25	5.25

- Exchange rate: US \$1= Kshs. 80

- All rates are exclusive of 16% VAT & 10% Excise Duty

- Peak hours 8am to 8pm weekdays; Off peak hours 8pm to 8am weekdays, Fri. 8pm to Mon. 8am

Source: [www.safaricom.co.ke](http://www.safaricom.co.ke)

### 3. CELTEL MOBILE PHONE CHARGES

#### Personal plans

	PREPAID PLANS				POSTPAID PLANS			
	35 S plan		30 & 30 F plans		Celtel plan		Celtel S plan	
	Peak	Off Peak	Peak	Off Peak	Peak	Off Peak	Peak	Off Peak
Preferred number rates*	-	-	0.26	0.26	-	-	-	-
To Celtel	0.40	0.14	0.35	0.35	0.11	0.11	0.21	0.21
To other mobiles	0.49	0.30	0.35	0.35	0.26	0.26	0.26	0.26
To landlines	0.49	0.30	0.35	0.35	0.26	0.26	0.26	0.26
To East Africa	0.61	0.50	0.51	0.51	0.42	0.42	0.42	0.42
To International Zone A	1.24	1.24	1.38	1.38	0.99	0.70	0.99	0.70
To International Zone B	1.24	1.24	1.38	1.38	0.99	0.70	0.99	0.70



	PREPAID PLANS				POSTPAID PLANS			
	35 S plan		30 & 30 F plans		Celtel plan		Celtel S plan	
	Peak	Off Peak	Peak	Off Peak	Peak	Off Peak	Peak	Off Peak
To International Zone C	1.24	1.24	1.38	1.38	0.99	0.70	0.99	0.70

- \* Only applicable to Celtel 30 F plan
- Celtel 30, 30 F, 35 S and S plans are billed per second while Celtel plan is billed per minute
- Rates for Celtel 30, 30 F and 35 S plans are inclusive of VAT and Excise Duty while rates for Celtel plan and Celtel S plan are exclusive of the taxes
- Exchange rate: US \$1= Kshs. 80
- Peak hours 8am to 9pm; Off peak hours 9pm to 8am for Celtel 30, 30 F and 35 S plans and peak hours 6am to 8pm; Off peak hours 8pm to 6am for Celtel plan and Celtel S plan

#### Business services

	40 plan		90 plan		180 plan	
	Peak	Off Peak	Peak	Off Peak	Peak	Off Peak
To Celtel	0.19	0.19	0.11	0.11	0.11	0.11
To other mobiles	0.32	0.32	0.26	0.26	0.26	0.26
To landlines	0.32	0.32	0.26	0.26	0.26	0.26
To East Africa	0.51	0.51	0.42	0.42	0.42	0.42
To International Zone A	1.24	1.24	0.99	0.70	0.99	0.70
To International Zone B	1.24	1.24	0.99	0.70	0.99	0.70
To International Zone C	1.24	1.24	0.99	0.70	0.99	0.70

- All services billed per minute
- Rates for Celtel 40 plan are inclusive of VAT and Excise Duty while rates for Celtel 90 & 180 plans are exclusive of the taxes
- Exchange rate: US \$1= Kshs. 80
- Peak hours 6am to 8pm; Off peak hours 8pm to 6am

Source: [www.ke.celtel.com](http://www.ke.celtel.com)

#### 4. POSTAGE TARIFFS & RATES (Exchange rate: US \$1= Kshs. 80)

##### Postal Corporation of Kenya Charges – Inland Postage Charges

TYPE OF ARTICLE AND MAXIMUM WEIGHT	WEIGHT STEP	US\$
<b>LETTERS</b> (Limit of weight 2kg)	Upto 20g	0.31
	Over 20g upto 50g	0.38
	Over 50g upto 100g	0.44
	Over 100g upto 250g	0.63
	Over 250g upto 500g	1.06
	Over 500g upto 1kg	1.69
	Over 1kg upto 2kgs	2.38
<b>AEROGRAMMES</b>	Ordinary (each)	0.31



TYPE OF ARTICLE AND MAXIMUM WEIGHT	WEIGHT STEP	US\$
(Single form)	Greetings (each)	0.31
	Pictorial (each)	0.31
<b>POSTCARDS</b>	Each	0.25
<b>PRINTED PAPERS</b> (Limit of weight 2kg or for packets comprising of books only upto 5kg)	Upto 20g	0.25
	Over 20g upto 50g	0.31
	Over 50g upto 100g	0.38
	Over 100g upto 250g	0.50
	Over 250g upto 500g	0.94
	Over 500g upto 1kg	1.25
	Over 1kg upto 2kgs	1.56
	Over 2kg upto 3kgs	2.00
	Each additional 1kg	0.63
<b>ADVERTISING MAIL</b> (Box holders' circular) Limit of weight 50g Customized service charge	Each	0.06
	Each	0.13
<b>NEWSPAPERS (PER COPY)</b> (Limit of weight 3kg)	Upto 250g	0.25
	Over 250g upto 500g	0.31
	Over 500g upto 1kg	0.38
	Over 1kg upto 2kgs	0.50
	Over 2kg upto 3kg	0.56
<b>SMALL PACKETS</b> (Limit of weight 1Kg)	Upto 100g	0.44
	Over 100g upto 250g	0.56
	Over 250g upto 500g	0.62
	Over 500g upto 1kg	0.75
<b>LITERATURE FOR THE BLIND</b> (Limit of weight 7kg)*	<b>Free Postage</b>	

- \*Items presented above 7kg to be charged at the parcel rate

#### Postal Corporation of Kenya Charges – International Surface Mail

TYPE OF ARTICLE & MAXIMUM WEIGHT	WEIGHT STEP	COUNTRIES WITHIN EAST AFRICAN ZONE (US\$)	COUNTRIES WITHIN THE REST OF AFRICA (US\$)	COUNTRIES WITHIN EUROPE, MIDDLE & NEAR EAST ZONE – (US\$)	AUSTRALIA, AMERICA, FAR EAST (US\$)
<b>LETTERS</b> (Maximum weight 2kg)	Over 20g	0.56	0.69	0.75	0.88
	Over 20g upto 100g	1.13	1.31	1.44	1.88
	Over 100g upto 250g	1.88	2.25	2.56	3.25
	Over 250g upto 500g	3.38	3.94	4.50	5.81
	Over 500g upto 1kg	5.63	6.56	7.50	9.63



TYPE OF ARTICLE & MAXIMUM WEIGHT	WEIGHT STEP	COUNTRIES WITHIN EAST AFRICAN ZONE (US\$)	COUNTRIES WITHIN THE REST OF AFRICA (US\$)	COUNTRIES WITHIN EUROPE, MIDDLE & NEAR EAST ZONE – (US\$)	AUSTRALIA, AMERICA, FAR EAST (US\$)
	Over 1kg upto 2kg	9.19	10.69	12.13	15.44
<b>POSTCARDS</b> Not exceeding 15cm x 10.7cm (standard)	Each	0.31	0.31	0.38	0.50
	Any other size	0.56	0.69	0.75	0.88
<b>SMALL PACKETS</b> (Maximum weight 1kg)	Upto 100g	0.56	0.69	0.75	1.00
	Over 100g upto 250g	0.88	1.00	1.13	1.44
	Over 250g upto 500g	1.44	1.69	1.88	2.38
	Over 500g upto 1kg	2.25	2.63	3.00	3.81
<b>PRINTED PAPERS</b> Maximum weight 2kgs or for packets comprising books only upto 5kgs	Upto 20g	0.38	0.44	0.44	0.50
	Over 20g to 100g	0.69	0.75	0.81	1.00
	Over 100g upto 250g	1.00	1.00	1.31	1.56
	Over 250g upto 500g	1.69	2.00	2.25	2.81
	Over 500g upto 1kg	2.63	3.19	3.50	4.38
	Over 1kg upto 2kg	3.69	4.25	4.81	6.13
	For each additional 1kg upto 5 kg	1.81	2.13	2.38	3.13
<b>LITERATURE FOR THE BLIND</b>		<b>FREE POSTAGE</b>			

**Postal Corporation of Kenya Charges – International Airmail**

TYPE OF ARTICLE & MAXIMUM WEIGHT STEP	COUNTRIES WITHIN EAST AFRICAN ZONE (US\$)	COUNTRIES WITHIN THE REST OF AFRICA (US\$)	COUNTRIES WITHIN EUROPE, MIDDLE & NEAR EAST ZONE (US\$)	AUSTRALIA, AMERICA, FAR EAST (US\$)
<b>LETTERS</b>				
Upto 20g	0.69	0.81	0.94	1.19
Not over 50g	1.38	1.50	2.44	3.06
Not over 100g	2.56	3.06	4.75	5.94



TYPE OF ARTICLE & MAXIMUM WEIGHT STEP	COUNTRIES WITHIN EAST AFRICAN ZONE (US\$)	COUNTRIES WITHIN THE REST OF AFRICA (US\$)	COUNTRIES WITHIN EUROPE, MIDDLE & NEAR EAST ZONE (US\$)	AUSTRALIA, AMERICA, FAR EAST (US\$)
Not over 250g	6.25	7.25	11.88	14.88
Not over 350g	8.81	10.38	16.63	21.00
Not over 500g	11.50	13.38	21.50	27.13
Not over 1 kg	17.13	20.00	32.50	40.63
Not over 2 kg	22.63	26.63	43.13	54.00
<b>POSTCARDS</b>				
Not exceeding 15cm x 10.7cm standard	0.38	0.44	0.50	0.69
Any other size	0.69	0.81	0.94	1.19
<b>AEROGRAMMES</b>				
(Single form)	0.44	0.50	0.56	0.56
<b>PRINTED PAPERS, SMALL PACKETS</b>				
Upto 20g	0.50	0.63	0.69	0.88
Over 20g - 100g	1.19	1.50	1.81	2.13
Over 100g - 250g	2.44	2.81	3.38	3.94
Over 250g - 500g	4.25	5.00	5.94	7.13
Over 500g - 1kg	7.13	8.38	9.75	11.88
Over 1kg - 2kg	9.88	11.56	13.69	16.56
Each additional 1kg upto 5kg	4.88	5.75	6.81	8.38
<b>LITERATURE FOR THE BLIND</b> Each 10g or part thereof	0.06	0.06	0.13	0.13

**Postal Corporation of Kenya Charges – Postage rates for International Parcels**

**a) Surface Parcels**

	AFRICA (US\$)	EUROPE/NEAR EAST(US\$)	THE REST OF THE WORLD (US\$)
Upto 1kg	11.75	12.88	13.38
Over 1kg upto 3kg	16.69	17.38	18.19
Over 3kg upto 5kg	21.19	21.75	24.00
Over 5kg upto 10kg	29.63	29.75	34.44
Over 10kg upto 15kg	39.75	40.69	42.13
Over 15kg upto 20kg	44.00	51.94	55.50
Over 20kg upto 25kg	77.06	91.81	109.38
Over 25kg upto 30kg	107.00	127.44	151.75



## b) Air Parcels

WEIGHT STEPS	AFRICA (US\$)	EUROPE/NEAR EAST (US\$)	THE REST OF THE WORLD (US\$)
1 <sup>st</sup> 200gm or part thereof	11.00	11.13	11.13
Each additional 200g or part thereof upto 31.5kg	0.88	1.19	1.38

Maximum weight of an individual International Surface / Air Parcel varies from country to country but the maximum UPU limit is 31.5 Kg.

### Postal Corporation of Kenya Charges – Postage rates for Ordinary Parcels

ORDINARY PARCELS (US\$)		
	Upto 5kg	1.00
	Over 5kg upto 10kg	1.63
	Over 10kg upto 15kg	2.25
	Over 15kg upto 20kg	3.13
Limit of weight 50kg	For each additional 1kg or part thereof upto 50kg	0.13

### Postal Order Commission

VALUE OF ORDER (US\$)	COMMISSION (US\$)	VALUE OF ORDER (US\$)	COMMISSION (US\$)
0.06	0.06	5.00	0.50
0.13	0.06	6.25	0.56
0.19	0.06	7.50	0.75
0.25	0.06	8.75	0.88
0.50	0.13	10.00	0.94
0.75	0.13	11.25	1.06
1.00	0.13	12.50	1.19
1.25	0.19	25.00	2.06
2.50	0.19	62.50	3.06
3.75	0.31	-	-

### Postal Charges & Fees

SERVICE	CHARGES/FEEs (US\$)
<b>(a) Private Box Rental</b>	
i) Departmental Post offices including HPOs	
Individual user	16.25 per annum
Corporate user	50.00 per annum
Special groups	46.25 per annum
ii) Sub Post Offices	
All categories of users	8.75 per annum
<b>(b) Private Bag Rental</b>	



SERVICE	CHARGES/FEEES (US\$)
<b>i) Departmental Post offices including HPOs</b>	
Individual user	16.25 per annum
Corporate user	50.00 per annum
Special groups	46.25 per annum
<b>ii) Sub Post Offices</b>	
All categories of users	8.75 per annum
<b>(c) Deposit for private box or bag keys</b>	4.38
<b>(d) Replacement of private box or bag lock Consequent upon loss of keys</b>	5
<b>(e) Replacement of PO Authority Card</b>	0.69
<b>(f) Registration fee (Inland)</b>	0.44
<b>(g) Registration fee (International)</b>	0.50
<b>(h ) Advice of delivery fee</b>	0.25
<b>(i) Demurrage charges for parcel and direct Agents bags:</b>	
i) For the first seven days including Sundays and Public Holidays beyond the free retention period (per full days)	0.50
ii) For each subsequent day thereafter including Sundays and Public holidays (per full day)	0.75
<b>(j) Express fee</b>	0.31
Note: For delivery beyond prescribed Distance of 6.5km per 1.5km	0.69
<b>(k) Registration of newspapers</b>	
(i) Daily	66.50
(ii) Weekly	63.25
(iii) Fortnightly	58.13
(iv) Monthly	49.88
(v) Quarterly	39.88
<b>l) Insurance Fee</b>	
Limits of compensation (US\$)	
6.25	0.38
12.50	0.56
18.75	0.88
25.00	1.13
31.25	1.31
37.50	1.50
43.75	1.69
50.00	1.88
56.25	2.06
62.50	2.19
75.00	2.38
87.50	2.63
100.00	2.81
112.50	3.13
125.00	3.38
<b>m) Certificate of posting for unregistered items</b>	<b>0.13</b>
<b>n) Presentation to customs charges*</b>	
i) Per dutiable parcel	0.88



SERVICE	CHARGES/FEEES (US\$)
ii) Per dutiable direct agents bag	0.88
<b>o) Handling charge for underpaid items</b>	0.13
<b>p) Cash on delivery fee</b>	
i) For the first US\$ 1.25 or part thereof of the trade charge	0.13
ii) For each additional US\$ 0.63 or part thereof of the charge	0.06

\* Presentation to customs charges are raised on presentation to customs (even when an item does not attract duty)

#### **Inland Money Order**

Value of Order (US\$)	Ordinary Commission (US\$)	Express Money Order Commission (US\$)
Upto 6.25	0.53	0.96
6.25 – 12.50	1.43	1.83
12.50 – 37.50	2.18	2.63
37.50 – 62.50	2.61	2.54
62.50 – 125	3.69	3.99
125 – 250	5.51	6.29
250 – 375	7.71	8.20
375 – 437.50	8.21	8.52

#### **Interstate Money Order**

Value of Order (US\$)	Commission (US\$)
Upto 50	5
50 – 100	10
100 – 150	13.75
150 – 200	16.25
200 – 300	18.75
300 – 500	22.50
500 – 750	31.25
750 – 1000	40
1000 – 1500	53.75
1500 – 2000	73.75





### APPENDIX 3 – WATER AND SEWERAGE TARIFFS & RATES

Tariffs (as per National Water Conservation & Pipeline Corporation)  
Applicable to Nairobi, Mombasa and other localities.

Consumption per month (Litres)	Charges (US\$)
0 to 10,000 litres	0.15 per 1,000 litres or part thereof
Over 10,001 to 30,000 litres	0.23 per 1,000 litres or part thereof
Over 30,001 to 60,000 litres	0.34 per 1,000 litres or part thereof
Over 60,001 litres	0.43 per 1,000 litres or part thereof
Consumption per month (Gallons)	Charges (US\$)
0 to 2,200 Gallons	0.68 per 1,000 gallons or part thereof
Over 2,201 to 6,600 Gallons	1.01 per 1,000 gallons or part thereof
Over 6,601 to 13,200 Gallons	1.55 per 1,000 gallons or part thereof
Over 13,201 Gallons	1.94 per 1,000 gallons or part thereof
Water Deposits	
Categories of premises	Amount (US\$)
Domestic houses	15.00
Water kiosks (vendors)	30.00
Commercial premises	75.00
Industrial premises (including construction industry)	187.50

Tariffs (as per EPZA charges) applicable to Athi River EPZ, Mavoko area and parts of Mombasa road.

Water Charge	Charges (US\$)
0 to 40 m <sup>3</sup>	0.46
41 to 100 m <sup>3</sup>	0.49
Over 101 m <sup>3</sup>	0.50
Monthly Meter Rent	Charges (US\$)
1/2 inch connection (Domestic Consumers)	2.50
3/4 inch connection (Domestic Consumers)	3.75
2 inch connection (Industrial Consumers)	3.75
Sewer Charge	Charges (US\$)
For all consumers	50% of total water consumption

Water Deposits	Charges (US\$)
1/2 inch connection (Domestic Consumers)	187.50
3/4 inch connection (Domestic Consumers)	187.50
2 inch connection (Industrial Consumers)	3750.00

- Exchange rate: US \$1= Kshs. 80



## APPENDIX 4 – TRANSPORT AND LOGISTICS TARIFFS & RATES

Please note that the rates given here below are only indicative and it is possible to negotiate cheaper rates in the market.

### Sea Freight Imports (Mombasa)

	Item	Loose cargo (US\$.)	1x20 Container (US\$.)	1x40 Container (US\$.)
1	Agency Fees 1% of CIF value (Min.)	43.75 per B/Lading	10.00 per Container	150.00 per container
2	Customs Incidentals & Documentation per Shipment	25	25	25
3	Inland Transport Mombasa – Nairobi			
	Loose Cargo	36.25 per ton/CBM	562.5	N/A
	Up to 15 tons	N/A	875	N/A
	Above 15 tons	N/A		
	Up to 30 tons	N/A	N/A	1125
4	KPA Charges			
	Shore handling	12.00 per ton/CBM	150.00 each	180.00 each
	Verification	N/A	75.00 each	150.00 each
	Late Documentation	1.00 per ton/CBM	12.5 each 3.85 each	12.5 per day
	Trade Levy	0.167 per ton/CBM		7.70 each
5	Shipping Line Charges			
	THC	8.00 per CBM	80	80
	Delivery Order Fees	35	35	35
	Container Deposit	N/A	500	1,000.00
	Cleaning	N/A	5	10
	Lift on/off	N/A	20	20
6	VAT (currently)	16% on items	1,2,3, & 4	

Note: EPZ firms are exempted from paying V.A.T. as part of the incentives

### Sea Freight Imports (Inland Container Depot)

	Item	Loose cargo US\$	1x20 Container US\$	1x40 Container US\$
1	Agency Fees 1% of CIF value (Min.)	43.75 per B/Lading	10.00 per Container	150.00 per container
2	Customs Incidentals & Documentation per Shipment	25	25	25
3	KPA Charges			



Item	Loose cargo US\$	1x20 Container US\$	1x40 Container US\$
Shore handling	0.15 per ton/CBM	1.88 each	2.25 each
Verification	N/A	0.94 each	1.86 each
Late Documentation	N/A	0.94 each	0.94 per day
Trade Levy	0.0003 per ton/CBM	2.88 each	5.75 each
<b>4 Shipping Line Charges</b>			
Railage	0.1 per CBM	755	1,510.00
THC	0.44	70	80
Delivery Order Fees	N/A	35	35
Container Deposit	N/A	500	1,000.00
<b>5 VAT (currently)</b>	16% on items	1,2,3	1

Note: EPZ firms are exempted from paying V.A.T. as part of the incentives

#### Sea Freight Exports (Mombasa)

Item	Loose cargo (US\$.)	1x20 Container (US\$)	1x40 Container (US\$)
1 Agency Fees 1% of CIF value (Min.)	43.75 per B/Lading	100.00 per Container	150.00 per container
2 Customs Incidentals & Documentation per Shipment (per B/Lading)	25	25	25
<b>3 KPA Charges</b>			
Shore handling	80.00 /ton/CBM	150.00 each	20.00 each
ICD Handling	4.00 /ton/CBM	50.00 each	50.00 each
Merchant Ship Fee	0.167 /ton/CBM	3.85 each	7.70 each
Storage	1.00/ton/CBM	6.25 each	12.50 each
4 Local Transport (Nairobi – Mombasa)	1,200.00/ton/CBM	312.50 each	500.00 each
<b>5 Shipping Line Charges</b>			
Freight	As per agreed rates	70	80
THC	8.30 per CBM	35	35
Bill Lading Fee	35		

Note: EPZ firms are exempted from paying V.A.T. as part of the incentives



### **Air Freights Imports**

	<b>Item</b>	<b>Charge Details</b>
1	Agency Fees 1% of CIF value (Min.)	1% of CIF value (Min.) 18.75 per AWB
2	Customs Incidentals & Documentation	25.00 per AWB
3	Customs Verification	6.25 per verification
4	Handling	0.13 per kg. Minimum US\$ 3.13
5	Transport within City Limits	0.044 per kg. Minimum US\$6.25
6	Value Added Tax (V.A.T.)	16% on all the above

Note: EPZ firms are exempted from paying V.A.T. as part of the incentives

### **Airfreights Exports**

	<b>Item</b>	<b>Charge Details</b>
1	Agency Fees 1% of CIF value (Min.)	1% of CIF value (Min.) 18.75 per AWB
2	Customs Incidentals & Documentation	25.00 per AWB
3	Packing & Removals	0.63
4	Export Bond Fees	2.50 per Shipment
5	Handling charges	0.013 per kg. Minimum US\$ 3.13
6	Transport within City Limits	US\$. 0.013 per kg. Minimum 3.13 per AWB
7	Value Added Tax (V.A.T.)	18% on all the above

Note: EPZ firms are exempted from paying V.A.T. as part of the incentives

### **Inland Container Freight**

#### **Road**

<b>ROAD</b>	<b>20 ft container (US\$)</b>	<b>40 ft container (US\$)</b>
Mombasa – Nairobi	563 – 850	938 – 1000
Nairobi – Mombasa	438 - 500	563 - 625

Source: Signon Freight Limited 2004

#### **Railway**

<b>RAIL</b>	<b>20 FT CONTAINER</b>	<b>20 FT (HEAVY)</b>	<b>40 FT CONTAINER</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Mombasa – Nairobi (Empty Container)	390	-	340
Mombasa – Nairobi (Cargo)	750	700	700
Nairobi - Mombasa (Empty Container)	210	-	50
Nairobi – Mombasa (Cargo)	400	320	100

Source: Kenya Railways 2004



**International Container Freight**  
Outboard

FROM	TO	COST (US\$)		
		20 FT	40FT	40B FT
<b>OUTBOUND CARGO</b>				
Mombasa	Charlton (East Coast)	3600	4800	4800
Mombasa	Boston (East Coast)	4250	5700	5700
Mombasa	L. Angles (West Coast)	4650	6200	6200
Mombasa	Houston (South Coast)	4800	3600	4800
Mombasa	Johannesburg	600	800-	
Mombasa	Durban	600	800-	
Mombasa	Far East	800	1000-	
Mombasa	Bombay	800	1000-	
Mombasa	China	1200	1500-	

**Inboard**

FROM	TO	Cost (US\$)		
		20 FT	40 FT	40B FT
<b>INBOUND CARGO</b>				
Charlton (East Coast)	Mombasa	2800	3900	4100
Boston (East Coast)	Mombasa	2800	3900	4100
Los Angeles (West Coast)	Mombasa	3000	4250	4450
Houston (South Coast)	Mombasa	2800	3900	4100
Vancouver (Canada)	Mombasa	3350	4950	4950
Montreal	Mombasa	2350	3450	3450
Johannes Burg	Mombasa	600	800-	
Durban	Mombasa	600	800-	
Far East	Mombasa	700	1000-	
Bombay	Mombasa	700	9000-	
China	Mombasa	1100	1400-	

Source: [www.maersksealand.com](http://www.maersksealand.com) & Ken freight (EA) Limited 2004

*Kenya Ports Authority Storage Charges*

		Rate (US\$) per day or part Thereof	
		20"	40"
15.1	Domestic FCL Containers – Imports		
	First 7 Consecutive days including Saturday, Sundays & Public Holidays Free, Thereafter	20	40
	After the 21st day & thereafter	25	50
15.2	Railtainer Service to ICD – Imports		
	First 4 Consecutive days including Saturday, Sunday & Public Holidays, from the arrival date of a Railtainer at a KPA inland Container Depot Free, thereafter	15	30
15.3	Transit FCL Container - Imports		



		Rate (US\$) per day or part Thereof	
	First 15 Consecutive days including Saturday, Sundays & Public Holidays Free, Thereafter	20	40
15.4	Transshipment		
	First 30 Consecutive days including Saturday, Sundays & Public Holidays From arrival date of importing vessel Free, Thereafter	5	10
15.5	Domestic FCL Containers - Export		
	First 11 Consecutive days including Saturday, Sundays & Public Holidays thereafter on account of the owner of nominated vessel	10	20
15.6	Transit FCL Container - Export		
	First 21 Consecutive days including Saturday, Sundays & Public Holidays Free	10	20
15.7	Empty Container		
	First 2 Consecutive days including Saturday, Sundays & Public Holidays Free for Imports thereafter	10	20
	First 5 Consecutive days including Saturday, Sundays & Public Holidays Free for exports thereafter (Containers will be accepted subject to stacking space availability within the port area)	10	20
	First 7 Consecutive days free, for containers stripped in the port area, Thereafter	10	20
15.8	Dangerous Cargo		
	From date of Landing	30	60
15.9	Out of Gauge		
	First 7 Consecutive days including Saturday, Sundays & Public Holidays Free, Thereafter	30	60
15.10	FCL Containers Un-manifested / Unknown status		
	From Date of Landing	25	50
15.11	Conventional Cargo	Rates Per Tonne	
	First 10 Consecutive days including Saturday, Sundays & Public Holidays Free for domestic Cargo, thereafter until delivery to road transport	1.5	
	First 15 Consecutive days including Saturday, Sundays & Public Holidays Free for domestic Cargo, thereafter until delivery to rail	1.5	
	First 21 Consecutive days including Saturday, Sundays & Public Holidays Free for transit Cargo, thereafter until delivery to road/rail	1.5	
15.12	Conventional Cargo – Exports		
	First 11 Consecutive days including Saturday, Sundays & Public Holidays Free for domestic Cargo, thereafter on account of the owner of the nominated vessel	0.5	



## INTERPRETATION

Computation of the number of days

For the purpose of computing storage charges, time shall run from the next day of completion of discharge of vessel

- A day is 24 hours running from 0001 midnight
- A part of the day shall be computed as a whole day
- For Inland Container Depots (Nairobi & Kisumu) computation shall commence on the next day of discharge of cargo from Wagons
- Storage due shall be paid before release of containers / consignment and maybe suspended and /frozen by,
  - Notification in person from the Permanent Secretary of the parent ministry
  - Direction of the Board of Directors of KPA
  - In any case the Board of Directors shall on their own discretion decide each case on its own merit provided appropriate security

Source: Harbour & Chief Operations Manager – Kenya Ports Authority

## APPENDIX 5– GAZETTED MINIMUM WAGES

### Agricultural Industry

The following rates came into effect from 1<sup>st</sup> May 2005 and are exclusive of house allowance.

Exchange rate: US \$1= Kshs. 80

	Per Month Charges (US\$)	Per Day (US\$)
1. Unskilled employees	28.57	1.20
2. Stockman, herdsmen, watchmen	32.98	1.40
Unskilled and semi skilled employees	Per Month (US\$)	Per Day (US\$)
3. House servant or cook	32.58	1.24
4. Farm foreman	51.50	2.18
5. Farm clerk	51.50	2.18
6. Section foreman	33.35	1.42
7. Farm artisan	34.13	1.45
8. Tractor driver	36.19	1.54
9. Combine harvester driver	39.86	1.70
10. Lorry driver or car driver	41.84	1.77

NB: These are minimum wages and are only a guideline; employers are expected to pay above these.



## General Wage Order

### SCHEDULE

- 1) BASIC MINIMUM MONTHLY WAGES (EXCLUSIVE OF HOUSING ALLOWANCE)
- 2) MINIMUM DAILY AND HOURLY RATES (INCLUSIVE OF HOUSING ALLOWANCE)

### Nairobi, Mombasa and Kisumu Cities

COLUMN 1 Occupation	COLUMN 2 Nairobi, Mombasa and Kisumu Cities		
	Monthly contract per month	Daily rate	Hourly rate
	US \$	US \$	US \$
	1. General labourer including cleaner, sweeper, gardener, children's ayah, house servant, day watchman, messenger	58.0	2.8
2. Miner, stone cutter, turn boy, waiter, cook, logger line cutter	62.6	3.0	0.5
3. Night watchman	64.7	3.1	0.6
4. Machine attendant, sawmill sawyer, machinist assistant, mass production machinist, shoe cutter, bakery worker, bakery assistant, tailor's assistant	65.7	3.2	0.6
5. Machinist (made to measure) shoe upper repairer, chaplis maker, vehicle service work (petrol and service stations), bakery plant hand, laundry operator, junior clerk, wheeled tractor driver (light)	75.0	3.6	0.7
6. Printing machine operator, bakery machine operator, plywood machine operator, sawmill dresser, shop assistant, machine tool operator, doughmaker, table hand baker or confectioner, copy-typist, driver (cars and light vans)	78.3	3.8	0.7
7. Pattern designer (draughtsman), garment and dress cutter, single hand oven man, charge-hand baker, general clerk, telephone operator, receptionist, storekeeper	89.3	4.3	0.8
8. Tailor, driver (medium sized vehicle)	98.4	4.7	0.9
9. Dyer, crawler tractor driver, salesman	108.7	5.2	1.0
10. Saw doctor, caretaker (buildings)	120.3	5.8	1.1
11. Cashier, driver (heavy commercial vehicle), salesman driver	130.8	6.3	1.2
12. Ungraded Artisan	78.3	3.8	0.7
Artisan Grade III	98.4	4.7	0.9
Artisan Grade II	108.7	5.2	1.0
Artisan Grade I	130.8	6.3	1.2

NB: These are minimum wages and are only a guideline; employers are expected to pay above these.





*All other municipalities and Mavoko, Ruiru and Limuru town councils*

COLUMNS 1 Occupation	COLUMNS 3 All other municipalities and Mavoko, Ruiru and Limuru town councils		
	<i>Monthly contract per month</i>	<i>Daily rate</i>	<i>Hourly rate</i>
	US \$	US \$	US \$
1. General labourer including cleaner, sweeper, gardener, children's ayah, house servant, day watchman, messenger	53.5	2.6	0.5
2. Miner, stone cutter, turn boy, waiter, cook, logger line cutter	55.6	2.7	0.5
3. Night watchman	60.0	2.9	0.5
4. Machine attendant, sawmill sawyer, machinist assistant, mass production machinist, shoe cutter, bakery worker, bakery assistant, tailor's assistant	61.2	3.0	0.5
5. Machinist (made to measure) shoe upper repairer, chaplis maker, vehicle service work (petrol and service stations), bakery plant hand, laundry operator, junior clerk, wheeled tractor driver (light)	70.2	3.4	0.6
6. Printing machine operator, bakery machine operator, plywood machine operator, sawmill dresser, shop assistant, machine tool operator, doughmaker, table hand baker or confectioner, copy-typist, driver (cars and light vans)	72.2	3.5	0.6
7. Pattern designer (draughtsman), garment and dress cutter, single hand oven man, charge-hand baker, general clerk, telephone operator, receptionist, storekeeper	81.6	3.9	0.7
8. Tailor, driver (medium sized vehicle)	90.5	4.4	0.8
9. Dyer, crawler tractor driver, salesman	101.4	4.9	0.9
10. Saw doctor, caretaker (buildings)	112.3	5.4	1.0
11. Cashier, driver (heavy commercial vehicle), salesman driver	123.1	5.9	1.1
12. Ungraded Artisan	72.2	3.5	0.6
Artisan Grade III	90.5	4.4	0.8
Artisan Grade II	101.4	4.9	0.9
Artisan Grade I	123.1	5.9	1.1

*NB: These are minimum wages and are only a guideline; employers are expected to pay above these.*



*All other areas*

COLUMN 1 Occupation	COLUMN 4 All other areas		
	<i>Monthly contract per month</i>	<i>Daily rate</i>	<i>Hourly rate</i>
	US \$	US \$	US \$
1. General labourer including cleaner, sweeper, gardener, children's ayah, house servant, day watchman, messenger	30.9	1.6	0.3
2. Miner, stone cutter, turn boy, waiter, cook, logger line cutter	35.8	1.8	0.3
3. Night watchman	36.9	1.8	0.3
4. Machine attendant, sawmill sawyer, machinist assistant, mass production machinist, shoe cutter, bakery worker, bakery assistant, tailor's assistant	49.6	2.4	0.4
5. Machinist (made to measure) shoe upper repairer, chaplis maker, vehicle service work (petrol and service stations), bakery plant hand, laundry operator, junior clerk, wheeled tractor driver (light)	57.4	2.8	0.5
6. Printing machine operator, bakery machine operator, plywood machine operator, sawmill dresser, shop assistant, machine tool operator, doughmaker, table hand baker or confectioner, copy-typist, driver (cars and light vans)	59.7	2.9	0.5
7. Pattern designer (draughtsman), garment and dress cutter, single hand oven man, charge-hand baker, general clerk, telephone operator, receptionist, storekeeper	69.6	3.3	0.6
8. Tailor, driver (medium sized vehicle)	80.7	3.9	0.7
9. Dyer, crawler tractor driver, salesman	91.5	4.4	0.8
10. Saw doctor, caretaker (buildings)	104.6	5.0	0.9
11. Cashier, driver (heavy commercial vehicle), salesman driver	115.4	5.5	1.0
12. Ungraded Artisan	59.7	2.9	0.5
Artisan Grade III	80.7	3.9	0.7
Artisan Grade II	91.5	4.4	0.8
Artisan Grade I	115.4	5.5	1.0