

REPUBLIC OF KENYA



EPZA
EXPORT PROCESSING
ZONES AUTHORITY | **KENYA**
Your Investment & Trade Partner

**INVITATION TO INVEST IN THE PROPOSED NASEWA EPZ UNDER THE
KENYA EXPORT PROCESSING ZONES PROGRAMME - BUSIA COUNTY**

EOI REFERENCE NO.

The Chief Executive Officer
Export Processing Zones Authority
P.O Box 50563-00200
NAIROBI

CLOSING DATE:

NOTICE OF INVITATION

The Export Processing Zones Authority intends to register interested and eligible investors to invest in the various sectors in the EPZ programme.

The completed documents marked with the following description, ***INVITATION TO INVEST IN NASEWA EPZ UNDER THE KENYA EXPORT PROCESSING ZONES PROGRAM, BUSIA COUNTY*** shall be submitted to Export Processing Zones Authority, Headquarters on Viwanda Road, Off Nairobi - Namanga Highway, Athi River EPZ and addressed as follows:

**The Chief Executive Officer
Export Processing Zones Authority
P.O Box 50563-00200
NAIROBI**

Or forwarded to the following email address: info@epzakenya.com

So as to be received on or before

Confidential Draft Document

TERMS OF REFERENCE

INVITATION TO INVEST IN THE PROPOSED NASEWA EPZ UNDER THE KENYA EXPORT PROCESSING ZONE PROGRAMME- BUSIA COUNTY

1. INTRODUCTION

The Export Processing Zones Authority (EPZA) is a statutory body established in 1990 through an Act of Parliament (The EPZ Act Cap 517, Laws of Kenya) with the primary objective of promoting and facilitating export-oriented investments and developing an enabling environment for such investments. It is also responsible for facilitating the implementation of new investment projects and providing after-care services for these investments.

2. BACKGROUND

Kenya's Export Processing Zones (EPZs) provide an ideal location for investments targeting Africa and the Global Export Markets. The Authority's role is to identify and earmark suitable locations for investment in partnership with the Ministry of Investments, Trade and Industry (MITI). The benefits of investment in the Export Processing Zones program are:

- Retention of productive capital investment portfolio,
- Job creation,
- Technology and skills transfer,
- Diversification and value addition of exportable products and
- creation of backward integration with the domestic economy.

Investors who choose to operate in the EPZ Programme will enjoy the EPZ incentives offered as follows:

2.1 Fiscal Incentives

- 10-year Corporate Tax Holiday, 25% Tax for the next 10yrs and 30% afterwards.
- 10-year Withholding Tax Holiday on remittances to non-residents
- 100% investment deduction on new investment in EPZ buildings machinery, applicable over 20 years.
- Perpetual exemption from payment of stamp duty on legal instruments
- Perpetual exemption from Customs Duty and VAT on input goods and services

2.2 Procedural Incentives

- Unrestricted investment by foreigners
- Operation under essentially one license issued by EPZA
- Rapid Project approval and licensing within 30 days (except projects requiring an environmental license from the National Environmental Management Agency NEMA) and other relevant state agencies
- No Exchange Controls – liberalized foreign exchange regime, easy repatriation of capital and profits, access to foreign currency accounts, domestic and offshore borrowing.
- Green channel Port and custom clearance
- One Stop Centre service for facilitation and aftercare
- Subsidized land cost

3. EPZ Flagship Manufacturing Hubs in the Counties

The Bottom-up Economic Transformation Agenda 2022 – 2027 has set its priorities through the Ministry of Investments, Trade and Industry (MITI) developed to:

- I. Raise the Manufacturing contribution to GDP from 7% to 15% in 2027 and to 20% in 2030.
- II. Grow the export contribution to the GDP from 10% to 30% by 2025.
- III. Raising the Foreign Direct Investment from USD 500 million to USD 10 billion.

It is envisaged that this will be achieved by establishing EPZ Flagship Manufacturing hubs in the counties. In an effort to increase manufacturing sector growth and direct job opportunities, the Ministry of Investments, Trade and Industry recommended the establishment of 5 EPZ flagship hubs in Sagana, Kirinyaga County; Kabati, Muranga County; Nasewa, Busia County; Eldoret, Uasin Gishu County and Njoro, Nakuru County.

The aim of these flagship hubs is to:

1. Expand the manufacturing sector to the counties to grow Kenya's export production through manufacturing;
2. Provide each county an opportunity to attract and locate investments that will tap their niche markets and products;
3. Create and increase the number of direct jobs under the EPZ Program to reduce rural – urban migration;
4. Grow local entrepreneurship in manufacturing and services under the Export Business Accelerator/SME Program in order to improve the export business by small scale indigenous enterprises (SMEs);
5. Ease access to raw materials due to locating in the source areas;

The proposed Nasewa EPZ in Busia County is one of the EPZ flagship projects identified by the Government of Kenya to support the role played by the agriculture and manufacturing sectors in income generation, wealth & job creation, increase foreign exchange earnings, and poverty reduction.

4. Why Nasewa EPZ Industrial Park?

The proposed EPZ Industrial Park is located in Nasewa area in Busia County, approximately 452 Kilometres from the Capital City of Nairobi and 13 Kilometres from the Busia – Kisumu Highway. Busia County is known for growing some of the best Busia County has abundance of agricultural raw material that include: Cotton, sorghum (for human consumption and ethanol), Mexican sunflower, African finger millet, Fruits; (mangoes, oranges and Guavas), sugarcane, tubers and common lantana.

The land is approximately 843 acres in size and will be serviced with both the onsite and offsite infrastructure. It is proximal to the Uganda, to access more raw materials for Value addition

The Ministry of Investments, Trade and Industry through EPZA has set up the proposed Nasewa EPZ as a public EPZ where potential investors can acquire long-term leases for investment purposes.

The Term of land leases will be 30 years renewable on a case-by-case basis.

4.1 Investment Opportunities

The proposed Nasewa Industrial EPZ Park provides Export oriented investment opportunities in:

1. Agro-processing
2. Fish farming
3. Livestock products & Leather Value Chain
4. Horticulture
5. Pharmaceuticals and Biotechnology
6. Poultry & Poultry Products
7. Cotton, Textile and Apparels value chain
8. Business Process Outsourcing and IT Enabled Services (ITES)
9. Cold chain (Horticulture, Floriculture, Fisheries, Meat Processing)
10. Building of fit for purpose Industrial Spaces

5. ELIGIBILITY CRITERIA

The following are the investor eligibility criteria:

- Financially sound Kenyan/International persons, companies, partnership of firms/joint ventures/consortia may apply to be allocated land or building space at the proposed Nasewa EPZ Industrial Park to set up their business.

AND

- Must be of Export orientation outside EAC partner states;
- Local sales to Kenya and other East African Community partner states is allowed up to 20% subject to Ministerial approval and payment of all taxes (N/B: This is assessed after commencement of operations and Export.
- New investments (not conversion of going concerns) in Kenya
- 100% foreign shareholding is allowed

6. CALL FOR INVITATION TO INVEST

The Export Processing Zones Authority calls for invitation to invest from local and international companies that are interested in investing in the proposed Nasewa EPZ Industrial Park. The interested companies will be required to lease buildings or land for the construction of warehouses on a long-term lease.

*Construction of sheds on the EPZ land should commence within three months of leasing EPZ land and receiving the EPZ license and should be completed within 12 months.

*The Term of land leases will be 30 years renewable on a case-by-case basis while the term of building or office unit leases will be 6 years renewable. These leases require a 90 days termination notice from either party.