

# E-mobility sector investment opportunity in Kenya



REPUBLIC OF KENYA

MINISTRY OF INVESTMENTS,  
TRADE AND INDUSTRY



**INVEST KENYA**

KENYA INVESTMENT AUTHORITY

## Acknowledgements



MINISTRY OF INVESTMENTS,  
TRADE AND INDUSTRY



MINISTRY OF ROADS AND  
TRANSPORT



MINISTRY OF ENERGY &  
PETROLEUM



Note: The content in this report is  
as of September 2025



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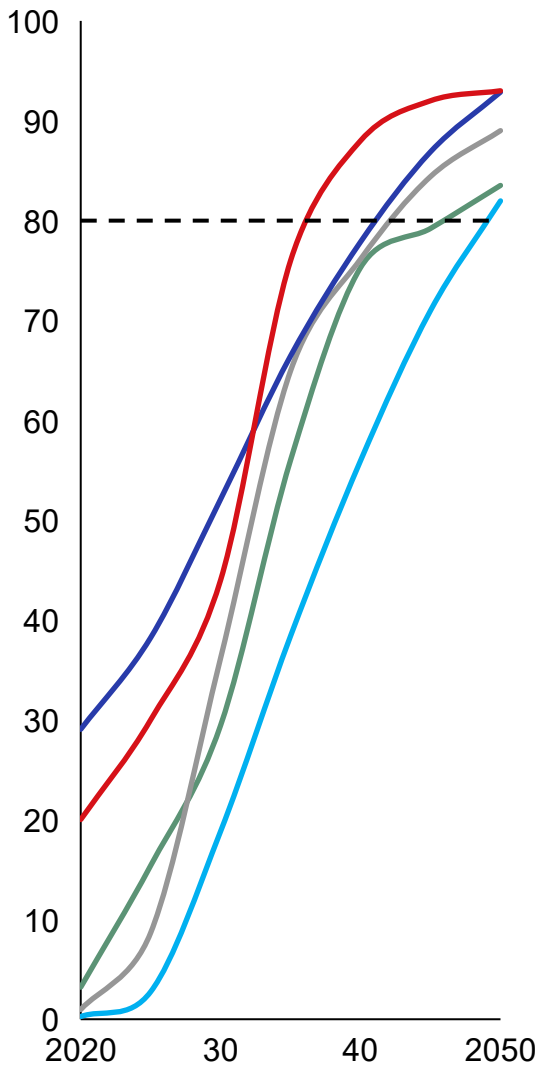
***“Electric vehicles are not just a means of transportation; they are a vital component of our strategy to build a sustainable and prosperous future for all”***

His Excellency Dr. William Ruto, C.G.H., President of the Republic of Kenya

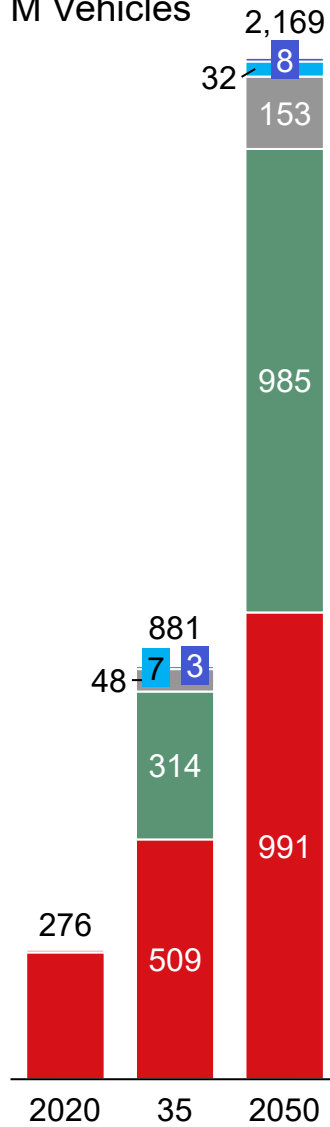
**The global EV market is growing, and is projected to be >80% of all new vehicle sales by 2050**

— Passenger cars — LCVs — Trucks — Buses — 2W

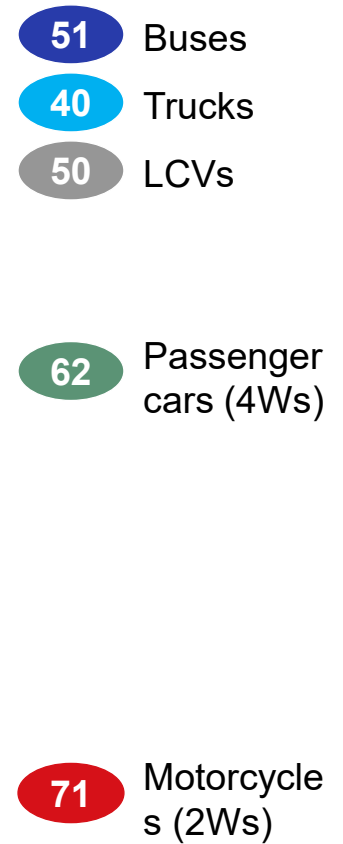
**EV<sup>1</sup> and FC<sup>2</sup> sales uptake by segment, % of global vehicle sales**



**Global EV parc<sup>3</sup>, M Vehicles**



**EV<sup>1</sup> parc, 2050, %**



1 Electric Vehicle including Battery Electric Vehicle (BEV) + Plug-In Hybrid Electric Vehicle (PHEV); assumes that all countries maintain their electrification targets; 2. Fuel Cell; 3. Vehicle parc, also called vehicle population, details the total number of vehicles on the road at a particular moment in time, taking into account how many vehicles get scrapped over the years due to accidents, old age, lack of parts, etc. Note: China accounted for ~70% of e-buses sold and have 100% electrification for city buses

Source: Industry reports; McKinsey Center for Future Mobility (2025, [link](#))

## As a result, top manufacturers are transitioning from ICE vehicles to EV production

Car sales by brand, 2023, %

Year of stopping ICE<sup>1</sup> production

TOYOTA	Toyota	11	2040 <sup>2</sup>
	Volkswagen (VW)	6	2033 (in Europe)
<b>HONDA</b>	Honda	5	2040
	Ford	5	2030 <sup>3</sup>
HYUNDAI	Hyundai	5	2040
	Nissan	4	2030 (in Europe)
SUZUKI	Suzuki	4	2030 (20% Japan, 80% Europe, 15% India)
	Kia	4	2040
	Chevrolet	3	2035
	BYD	3	Fully transitioned in 2022
	BMW	3	2030 (50% EV target)
Mercedes-Benz	Mercedes-Benz	3	2030 (50% EV target)
	Audi	2	2033 <sup>4</sup>
	Tesla	2	No ICE production
RENAULT	Renault	2	2030 (in Europe)



### Key insights

- Shift in **consumer preferences for cheaper** and sustainable vehicles (e.g., EVs have lower TCOs compared to ICE)
- **Governments are also incentivising** BEV production, e.g., tax credits and rebates in the US, EU ban on ICE production by 2035
- Most brands are phasing out ICE, **slowly replacing them with hybrid vehicles as they anticipate full transition to BEVs**

1 Internal Combustion Engine (ICE)

2 Target set prior to the announcement that Japan plans to stop the sale of new gasoline-powered cars by the mid-2030s. No new target year has been stated by Toyota

3 Target has been postponed indefinitely



4 Target was retracted in 2025 to accommodate additional ICE production

Source: company websites

## SSA ex-SA<sup>1</sup> presents a unique vehicle landscape, with implications for the transition to EVs

### Market aspects

### Insight

<p><b>1 Vehicle park</b></p>	 <p><b>2W</b> are a <b>common mode</b> of personal and commercial transport (passenger taxi and delivery), accounting for <b>40-50%</b> of total vehicle parc</p>
<p><b>2 Vehicle ownership</b></p>	 <p>Vehicle ownership is <b>relatively low compared to rest of the world<sup>2</sup></b>, with ownership limited to <b>middle-to-high income earners</b></p>
<p><b>3 Used cars</b></p>	 <p><b>Majority of 4Ws and LCVs</b> sold in Africa are <b>used (80%+)</b>, only 2Ws are dominantly sold new</p>
<p><b>4 Road infrastructure</b></p>	 <p>Many cities experience <b>heavy traffic and congestion</b></p>
<p><b>5 Electricity mix and reliability</b></p>	 <p>Relatively <b>large reliance on renewable electricity</b>, with high <b>electricity access in urban areas</b>, and occasional grid reliability challenges</p>

#### Implications for e-mobility

Current vehicle owners are mostly in **urban areas** and typically have **access to electricity**, which **supports EV adoption**

However, **adoption likely to be constrained** by two factors in the near-term

- **Affordability of EVs** given current car market is dominated by older, low-priced used vehicles
- **Supply of used EVs** (that might match this price point), which is likely to be low until post-2035

Over the long term, **investment** will be required to **strengthen electricity reliability and supply**

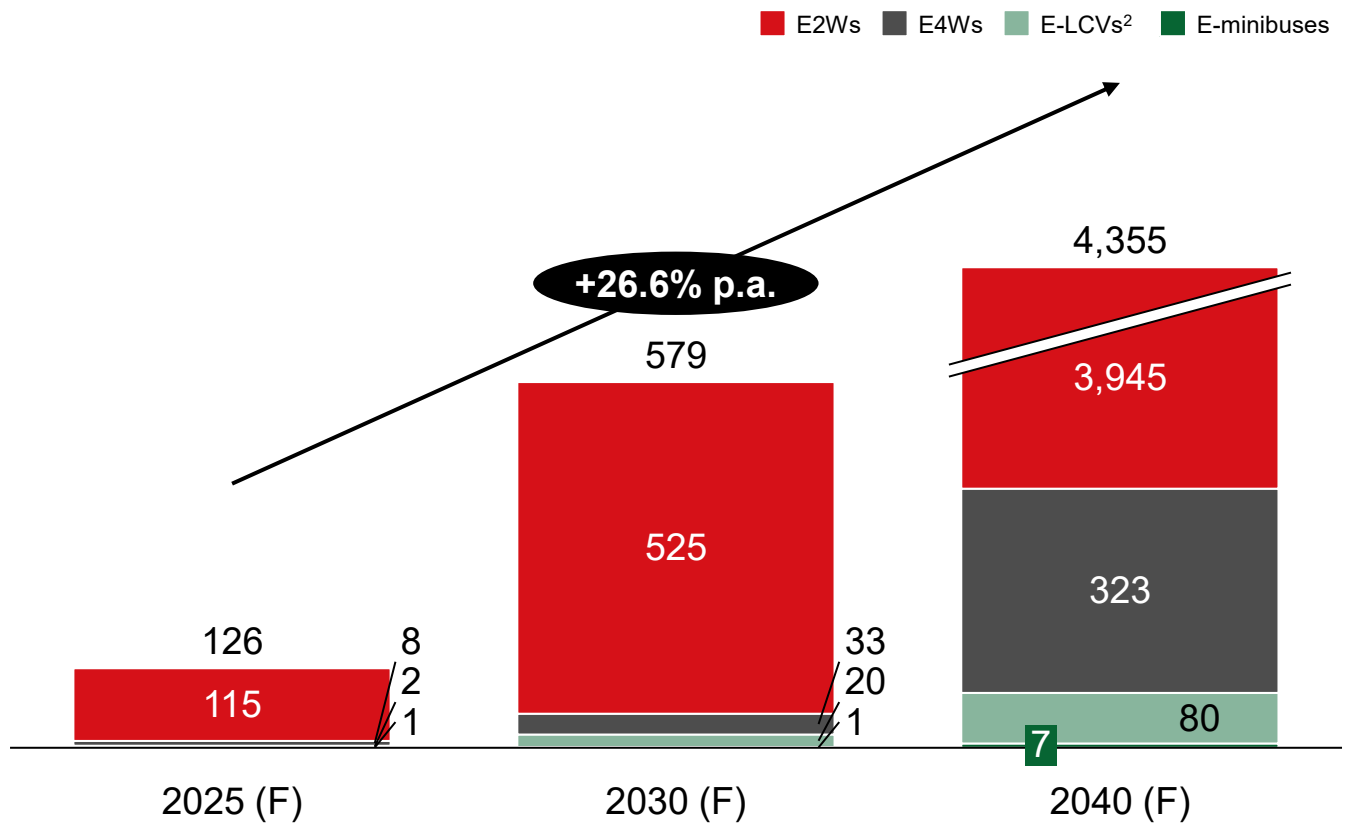
1. Sub-Saharan Africa, excluding South Africa

2. >30 per 1,000 people compared to ~80 for developing Asia and Middle East

Source: Stakeholder and expert interviews

## The EV market is expected to grow by ~27% in the next 15 years across major African markets

Annual expected sales of electric vehicles by segment in 5 countries<sup>1</sup>, units, 000



### Key insights

- **Ethiopia, Kenya, Nigeria, Rwanda, Uganda** make up to 60% of EV sales in sub-Saharan Africa
- **E2Ws lead and will continue** to lead the EV market in Africa, especially for commercial purposes
- **E4Ws are forecasted to grow in 2040**; this could potentially be driven by consumer uptake, supporting infrastructure (e.g., charging) and government policies
- **E-LCVs and e-minibuses have limited uptake** but are expected to grow over time

1. The 5 countries represented include Ethiopia, Kenya, Nigeria, Rwanda and Uganda

2. Electric light commercial vehicles

Source: Shell Foundation, Financing the transition to electric vehicles in sub-Saharan Africa, 2022, Dalberg

# Kenya's unique strengths strategically position it as a key regional e-mobility hub

DETAILED AHEAD

- 1 Growing demand for EVs** **High sales potential** at 42K – 70K units sold by 2030, primarily driven by **lower Total Cost of ownership (TCO)** vs. ICE
- 2 Supporting economic indicators** **Favourable indicators for EV adoption** through key indicators, e.g., high degree of EV market activity
- 3 Abundant and reliable renewable energy** **Reliable renewable energy** as baseload with 93% green energy from hydro, geothermal and wind
- 4 Wide regional market access** **Regional export market access**, e.g., through EAC's one tariff union
- 5 Vibrant EV ecosystem** **Different types of EV players along the value chain**, attracting investments and partnerships

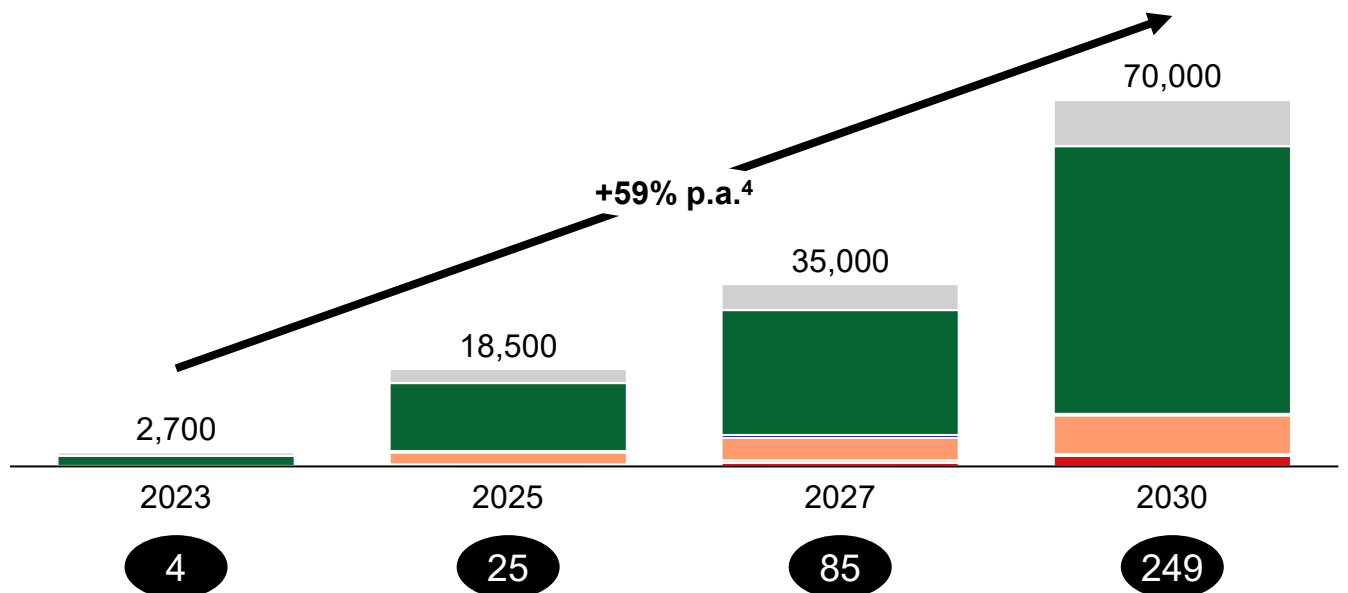


# 1 Strong EV demand in Kenya could accelerate local production, with the potential of establishing the country as a regional assembly center

xx EV parc, '000

- E2W charge
- E3W
- BEV PHEV – Cons.<sup>2</sup>
- E-Bus
- E2W swap
- BEV PHEV - GoK<sup>1</sup>
- BEV LCV

EV sales, annual, total number of units<sup>3</sup>



## Key insights

- Kenya is **best positioned for E2Ws**, with a ready commercial market anticipating further transition
- **Government interventions could drive scale up of BEV-PHEV** if government buys pure EV fleet, and could support deployment of **e-Buses** across urban fleets
- E3Ws and BEV LCVs have limited uptake out of all EVs

1. Public sector fleets  
 2. Consumer fleets  
 3. Sales scenarios aligns with "high scenarios" of FCDO EV financial model; and assumes tax exemptions across all tax categories-import duty, VAT and excise duties for first 3 years and revert to current rates after  
 4. Compounded Annual Growth Rate (CAGR)

## 1 Lower total ownership costs could drive rapid adoption of Kenyan-made EVs over ICE models

### Total cost of ownership (TCO) in Kenya<sup>1</sup>, USD 000, 2025

	ICE TCO <sup>1</sup> , USD, 2025	EV TCO <sup>1</sup> , USD, 2025	% difference
2Ws2	11	7-8	-30-40
3Ws2	20	16	-20
PVs3	80	58	-30
LCVs3	113	115	+2
Buses4	414	307	-30

1 TCO analysis assumes current/existing EV policy measures are applied (i.e., it is the low-case policy scenario)

2 Across useful life of 5 years, EV TCO includes swap and charge

3 Across useful life of 10 years

4 Across useful life of 8 years – aligned with the expected lifetime of an E-bus battery

Source: E-mobility taskforce (date accessed: 20 June 2024)

## 2 Kenya has an edge over peers with favorable economic indicators for EV production

As of 2024

■ Beneficial for EV adoption    
 ■ Moderately beneficial for EV adoption    
 ■ Slightly unfavourable for EV adoption

	Electricity supply reliability <sup>1</sup> (0-8)	Electricity price (industry tariffs) <sup>2</sup> \$/kWh	Age restriction for used imports Years	Presence of automotive assembly/ manufacturing	Degree of EV market activity	Electrification target
Kenya	5	0.06 - 0.12	8	Yes	High	Aim for 5% of all imported vehicles to be electric in 2025 <sup>3</sup>
Rwanda	6	0.08 - 0.1	None	Yes	High	9% of vehicles to be electric with 20% being buses by 2030
Uganda	4	0.08 - 0.12	15	Yes	Medium	N/A
Nigeria	0	0.03 - 0.13	15	Yes	Medium	Complete EV adoption by 2060
Ethiopia	0	0.007 - 0.02	8	Yes	High	2024 ban on importing ICE vehicles

1 Latest data as of 2020, Reliability of supply and transparency of tariff index

2 E-mobility electricity tariff prices applied for Rwanda and Kenya (KES 16 in peak hours); industrial tariffs applied for the rest of the countries that have not implemented e-mobility tariffs

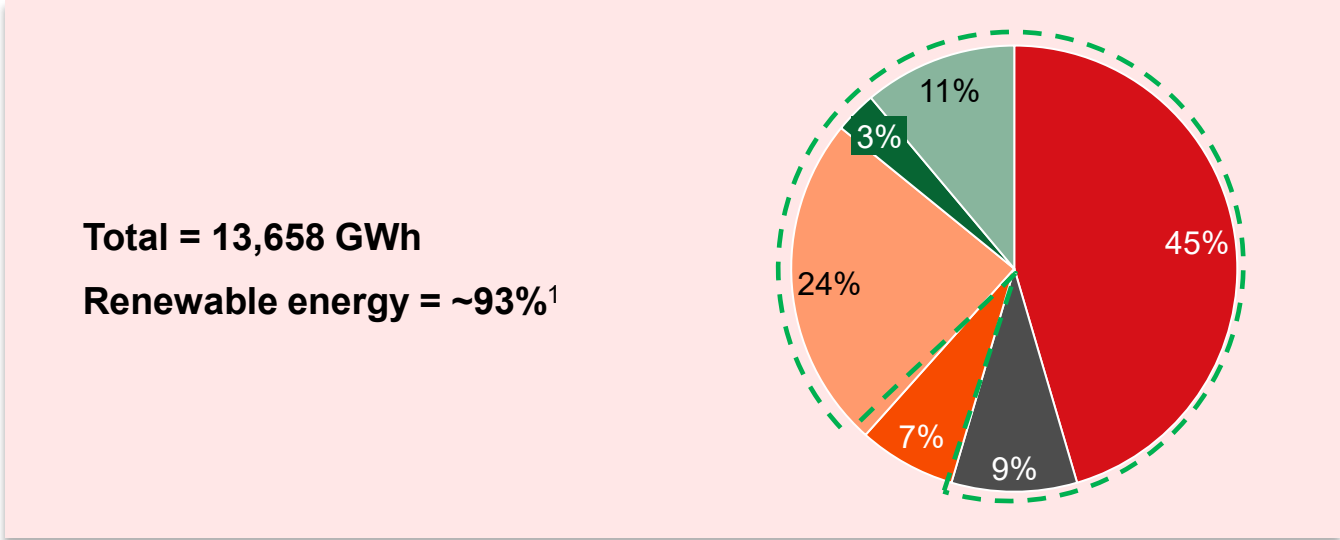
3 National Energy Efficiency and Conservation Strategy (2020)

Source: World Bank, ICCT, UNECE, Global Petrol Prices, Africa E-mobility Alliance

**3 Kenya's 93% renewable energy mix offers a sustainable power base for EV production and use with a 100% goal by 2030**

Consumed as of 2024,  
 GWh

■ Renewable 
 ■ Geothermal 
 ■ Wind 
 ■ Thermal 
 ■ Hydro 
 ■ Solar 
 ■ Imports



**Kenya has significant installed renewable capacity**

- Geo-thermal**
  - Current installed capacity is **940 MW**, i.e., <10% of projected potential
  - **258 MW commissioned by KenGen in the last 5 years** in Olkaria I and V geothermal power plants
  - **Kenya is projected to have the potential to produce 10,000 MW** of geothermal power from the Rift Valley Basin<sup>2</sup>

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- Wind**
  - Current installed capacity is **436 MW** – <15% of projected potential
  - The United Nations Environment Programme (UNEP) estimates **Kenya's wind capacity could be as high as 3,000 MW**

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- Solar**
  - Current installed capacity is **210 MW**
  - Annual market in Kenya for solar PV panels estimated at 500 kW and projected to **grow at 15% annually<sup>3</sup>**

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- Hydro**
  - Current installed capacity is **838 MW**

1. Breakdown is based on national generation data by energy source as of June 20-22, 2025; as reported by EPRA  
 2. According to the IMF publication on Kenya's geothermal potential  
 3. According to USAID publication on Kenya's power sector development  
 Source: EPRA; Kenya Power, KenGen Annual Report 2023; IMF Country Case 2022; USAID Kenya Power Sector Report (2015)

**4 Kenya's EAC membership provides wide regional market access and enables significant scaling opportunities for local EV production**



**Duty-Free Intra-EAC Trade**

Zero tariffs on industrial products such as EV batteries, charging equipment, or assembly parts



**Preferential market access**

Common External Tariff (CET)<sup>1</sup> **imposes higher tariffs (10-35%) on non-EAC countries** incentivising buyers to source from Kenya



**Reduced non-tariff barriers (NTBs)**

Removal of non-tariff barriers (e.g., arbitrary inspections), **expediting cross-border EV supply chains**

1. Rwanda has zero import duties on EVs, Kenya and Uganda have 25% import duty on EVs

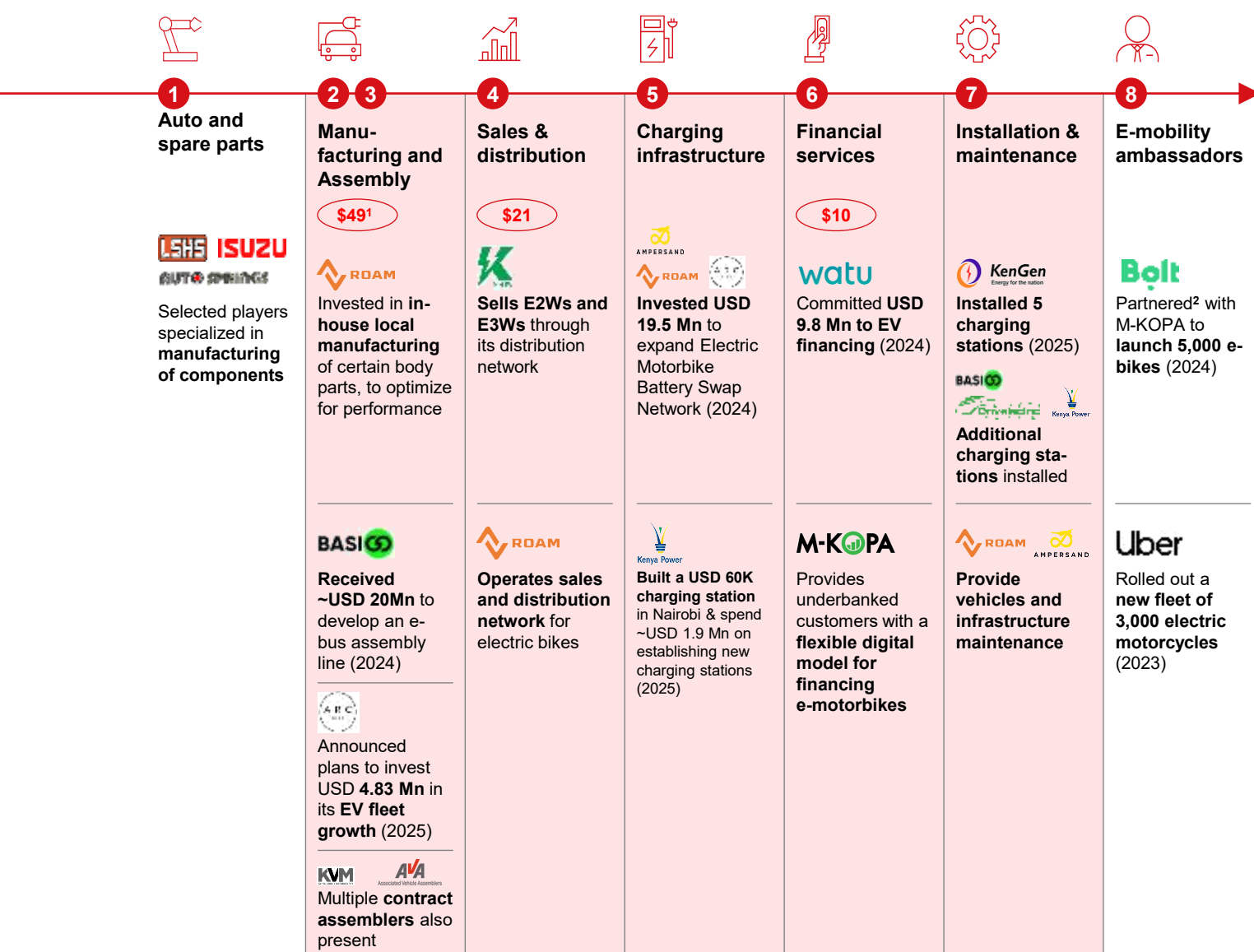
# 5 Across the e-mobility value chain, Kenya offers a vibrant ecosystem, with partnership and scale-up opportunities

#1 and #2 are medium to long-term investment opportunities, while others in the supply chain are immediate

NOT EXHAUSTIVE, SELECT INVESTMENTS - PLANNED AND EXISTING

X E2W + E4W + E-Bus + LCVs investments in USD Mn, rounded

■ Detailed next



1. Amounts represent selected investment announcements and are not exhaustive  
 2. Bolts investment is based on a proportion of M-KOPA's total 250 million USD investment, this number was left out as Bolts exact investment could not be determined

## 5 There are numerous success stories in the e-mobility sector in Kenya: Roam Electric



A Nairobi-based electric mobility company, which **designs, assembles and delivers** electric mobility solutions which are made for the regional market

Roam's core offering includes **electric motorcycles<sup>1</sup>, buses, charging and after sales services**, and a **Telemetry** platform



### Facility size

**10,000 sqm**, currently expanding from **100 to 1,000** vehicles per month

**53+** parts made locally for motorcycles

**227** full time employees, **~40%** female, **97%** East Africa Nationality

Aiming to mitigate **2.2M tons of CO<sub>2</sub>** cumulatively by 2023<sup>2</sup>

### How Kenya supported Roam's expansion



**Early Engagement & Advocacy:** As Chair of the EV subsector at KAM, Roam co-developed key policies (e.g., Legal Notices 112 & 84) supporting local manufacturing and reduced import tariffs



**Operational & Regulatory Support:** Working closely with NTSA, KRA, and KEBS to streamline registrations and standards, boosting efficiency and scalability



**International Collaboration & Visibility:** Special Climate Envoy Amb Ali Mohamed and H.E. President Ruto opened Roam Park, the largest EV facility in East Africa



**Carbon Market Opportunities:** Bilateral deals with countries like Switzerland and Sweden open access to high-value compliance carbon credits for Kenyan green industries



**Working closely with the Government of Kenya has been instrumental** in our journey, significantly accelerating our growth and enabling substantial market impact. Kenya offers a **dynamic and thriving innovation ecosystem**, uniquely combining **talent, investment, and industry engagement** to accelerate business growth

**Hans Van Toor,**  
*Strategy & Innovation Lead*

1. Locally referred to as boda-bodas

2. Roam's internal projection, pending third-party validation

Source: Company interviews

## 5 There are numerous success stories in the e-mobility sector in Kenya: BasiGo



E-mobility company bringing the future of clean, electric public transport through **affordable, locally assembled electric buses** and innovative **pay-as-you-drive financing**



**100+** employees, with the ambition to generate 300+ jobs as operations scale

**76** buses, **29** charging stations deployed to date

**2,108+** tons of CO<sub>2</sub> emissions avoided, carried more than 7.5 million passengers, and driven over 4.5 million kilometers<sup>1</sup>

### How Kenya supported Roam's expansion



**Early engagement with the Ministry of Investment, Trade and Industry and the Kenya Vehicle Manufacturing (KVM) assembly plant in Thika**

#### Other key collaborations



**Kenya Power** – Collaborated on grid-readiness and charging infrastructure planning



**EPRA** – Helped define charging tariffs and regulatory standards for electric mobility



**NTSA** – Ensured electric buses meet national safety and compliance requirements



**KRA** – Supported local assembly through tax guidance and proper classification of EV components

“ Kenya offers a **compelling entry point into East Africa**, combining a **dynamic entrepreneurial ecosystem** with a **strong policy push** for innovation and sustainability. The market is young, tech-savvy, and increasingly urban, creating **genuine demand for solutions in e-mobility** ”

**Moses Nderitu**  
MD Kenya and group CRO

Source: Company interviews

## 5 There are numerous success stories in the e-mobility sector in Kenya: M-KOPA

### M-KOPA

Launched in 2022, M-KOPA provides underbanked customers with a flexible digital model for financing e-motorbikes, including life insurance, medical cover, income protection, free returns and charging vouchers



**3,000+**

e-bikes financed since 2022

**~30%**

lower daily cost incurred by e-bike users

**2,000+**

employees and 30,000+ agents

### How Kenya supported M-KOPA's expansion

From the outset of their journey in Kenya, M-KOPA has **benefited from collaborative engagement with the GoK:**



**CAK** – supported with licensing



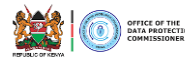
**KEBS** – provided product certification



**NTSA** – provided authorization as a dealer



**CBK** – supported with licensing as a digital credit provider



**ODPC** – supported with registration

“ Kenya isn't just piloting electric mobility, we're living it. When forward-looking policy meets pay-as-you-go finance, clean transport moves fast. With local assembly lines humming and home-grown tech talent in place, Kenya is the launchpad for Africa's next generation of electric vehicles and proof that growth can be both inclusive and green. ”

**Brian Njao,**  
General Manager – Mobility, M-KOPA

1. As of June 2025

Source: Company interviews

## Kenya offers investors a variety of opportunities



**6<sup>th</sup>**  
largest  
economy  
in Africa

**Stable economy and  
leading vibrant  
democracy**



**~93%**  
renewable  
energy at  
competitive  
rates

**Leading Africa's green  
transition**



**4**  
international  
airports

**2**  
seaports

**Logistics and innovation  
hub of the region**



**>80%**  
literacy rate

**Young, trainable, and  
productive workforce**



**50+**  
active  
tech hubs  
countrywide

**Robust digital and tech  
ecosystem aligned with  
EU regulations**



**100%**  
repatriation  
of profits or  
interests

**Incentives for  
investment  
and investor protection**

Note: As of July 2025

Source: IMF 2024, Kenya Ports Authority 2025, Genesis Analytics 2024, KenGen, World Bank 2023, Kenya Investment Authority 2025

# Kenya has received endorsements

## Kenya is rated...

### Number 1



Greatest investment momentum in Africa in 2024<sup>1</sup>



Funding to start-ups in Africa (~ \$638M in 2024)<sup>2</sup>



Greenfield projects in East Africa in 2023<sup>3</sup>

### Number 3



On Ease of Doing Business in sub-Saharan Africa<sup>4</sup>



Women's financial and economic inclusion in Africa<sup>5</sup>



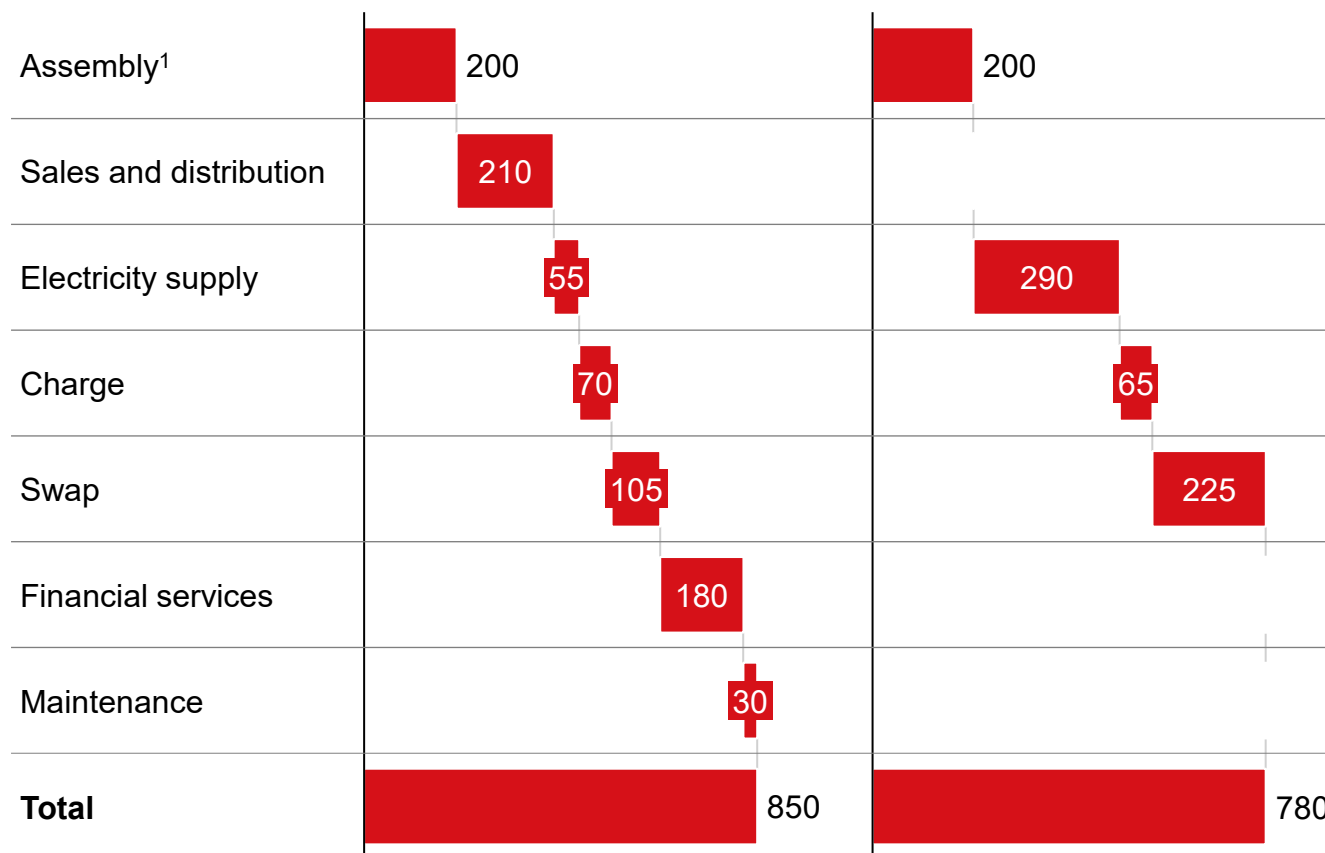
Fastest-growing economy in Africa in 2023<sup>6</sup>

1. fDi Intelligence 2024  
2. Africa: The Big Deal Report 2024  
3. UNCTAD  
4. World Bank 2020 2023  
5. African Center for Economic Transformation  
6. World Bank 2023  
Note: As of September 2025

# EV production presents significant opportunities across the value chain, with strong ESG returns

X Detail ahead    XX High scenario    ■ Additional value from more incentives

## 1 Opportunities across the EV value chain    2030 revenue pool, USD Mn    2025-30 Investment required<sup>2</sup>, USD Mn



### The EV revenue pool could grow...

From ~USD **45-80Mn** in 2025<sup>3</sup>... **>** ... to ~USD **~850Mn** by 2030

### Associated ESG returns

**2**  
**~1.5 Mt**  
CO<sub>2</sub>e avoided emissions

**3**  
**~100K**  
Direct and indirect jobs in the sector

1. Revenue from sales and distribution are estimated assuming it includes the cost of purchase from assembly, so at an integrated value chain level we would only see revenue from the sales segment onwards (hence figures from Manufacturing/assembly and Sales/distribution are better understood in aggregate); Rounded numbers;  
 2. Only includes CAPEX;  
 3. Rounded figures. The lower bound assumes minimum sales of 9,000 E2W in 2025 (and total parc of 15,000 E2W), associated with a revenue pool of ~21Mn across manufacturing, assembly, sales and swapping (~60% of revenue) + additional ~15Mn across other stages in the value chain (remaining ~40% of revenue) = USD ~36Mn. The upper limit assumes 2X sales in E2W and other vehicle segments, as per page 11.

# 1. Revenue potential and investment opportunity are greatest in E2W and bus assembly and charging

INVESTMENT OPPORTUNITIES WITHIN THE VALUE CHAIN

■ E2W ■ E3W ■ PV ■ Bus ■ LCV

## Low scenario numbers

EV value chain	2030 revenue pool (USD Mn)	2025-30 Investment required (USD, Mn)
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**Assembly** presents a more **immediate opportunity**, while **manufacturing** demands scale, specialized labor and a well-developed ecosystem; *detailed in appendix*

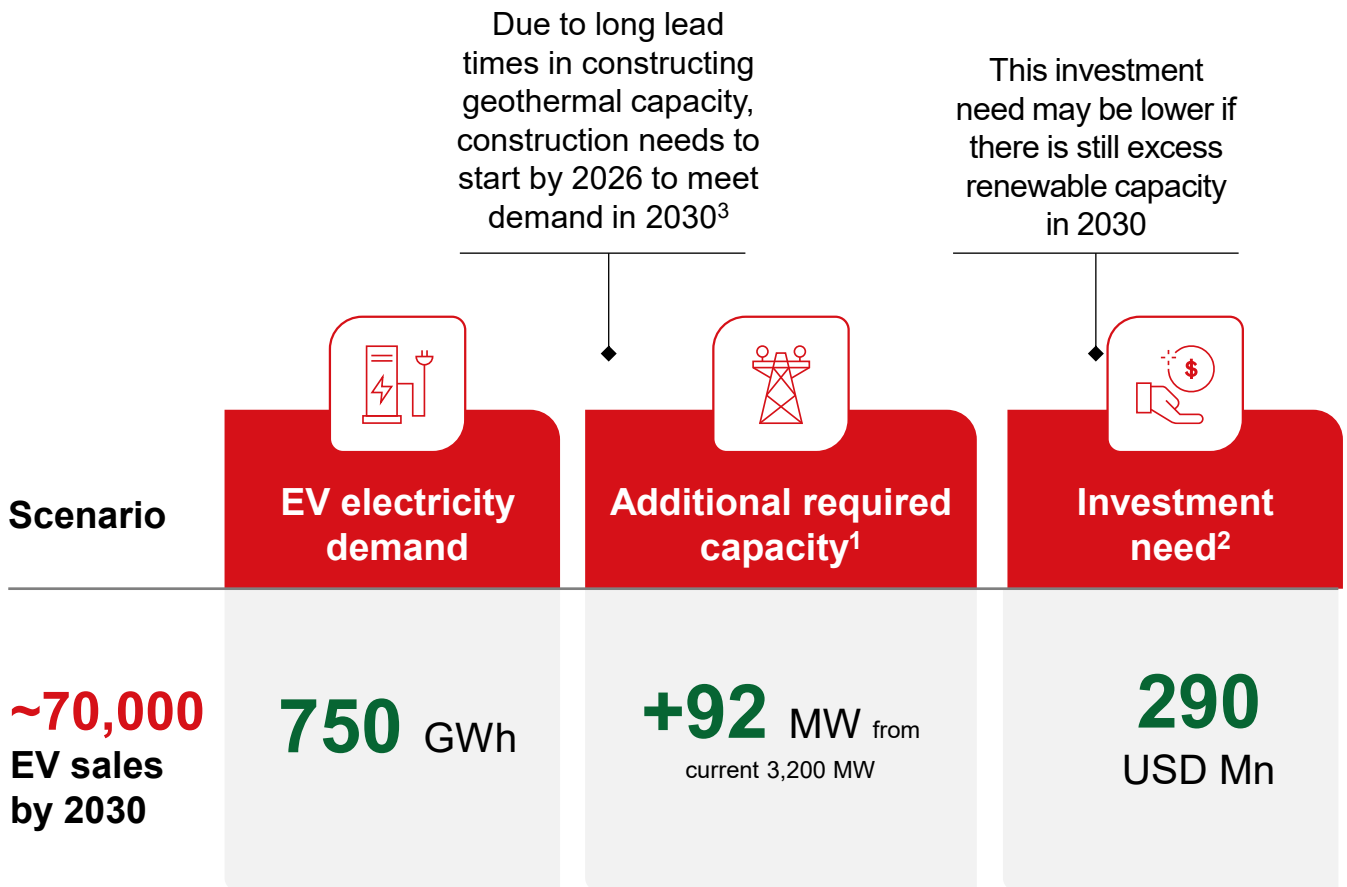


**Margin and IRR<sup>2</sup>** ← **10-20% net income margin in year 5** → **~20% IRR after 10 years<sup>3</sup>** →

1. Including charge and swap  
 2. Margin and IRR figures calculated for E2W investment case across manufacturing/assembly, sales and distribution, charging infrastructure and financial services  
 3. Assumes a "best case" or aggressive scenario. Under a moderate scenario, IRR is estimated at 10%

# 1. Meeting EV electricity demand presents a ~USD 130–290 Mn investment opportunity in power generation by 2030

Electricity requirements of EVs by 2030



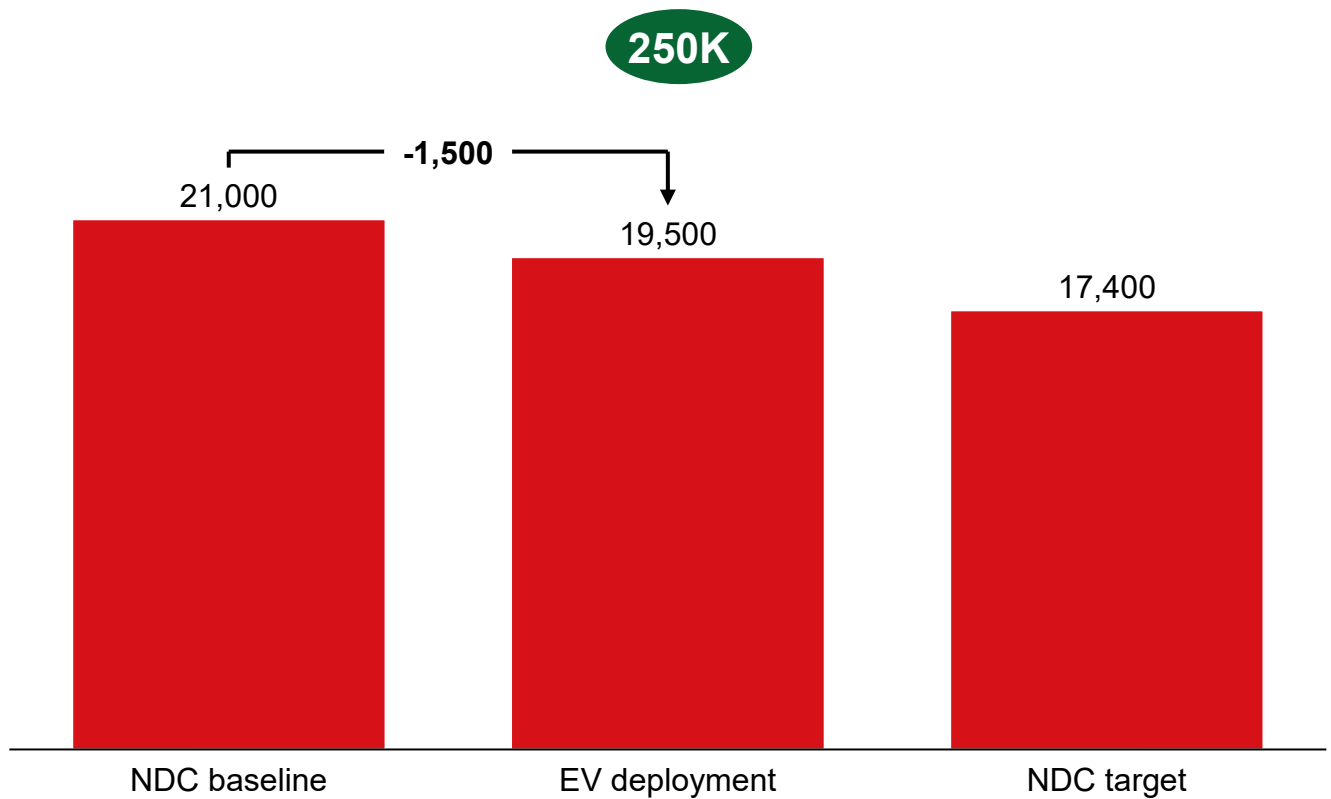
1. Assuming an availability rate of 93% based on average availability in Kenya's Olkaria geothermal power plant. If regulations change, it is possible that some of this demand can be fulfilled using cheaper electricity imports from neighbouring countries  
 2. Assuming an investment need of USD 2,900-3,100/kW of geothermal electricity  
 3. Assuming development on already existing geothermal wells, otherwise development takes up to 7 years

## 2. Scaling Kenya’s EV fleet to 250K by 2030 could avoid ~1.5 MtCO<sub>2</sub>e in emissions

Electricity requirements of EVs by 2030

Total EV parc

**Total emissions 2030**, 000 tonnes CO<sub>2</sub>e



### Key insights

An EV **parc of ~250K** by 2030 is projected to **reduce emissions by 1.5MtCO<sub>2</sub>e** relative to the NDC baseline – ~40% of the sector's 3.46MtCO<sub>2</sub>e reduction target for 2030

**EV adoption will reduce pollution** from combustion of petrol and diesel, improving air quality and reducing related health issues

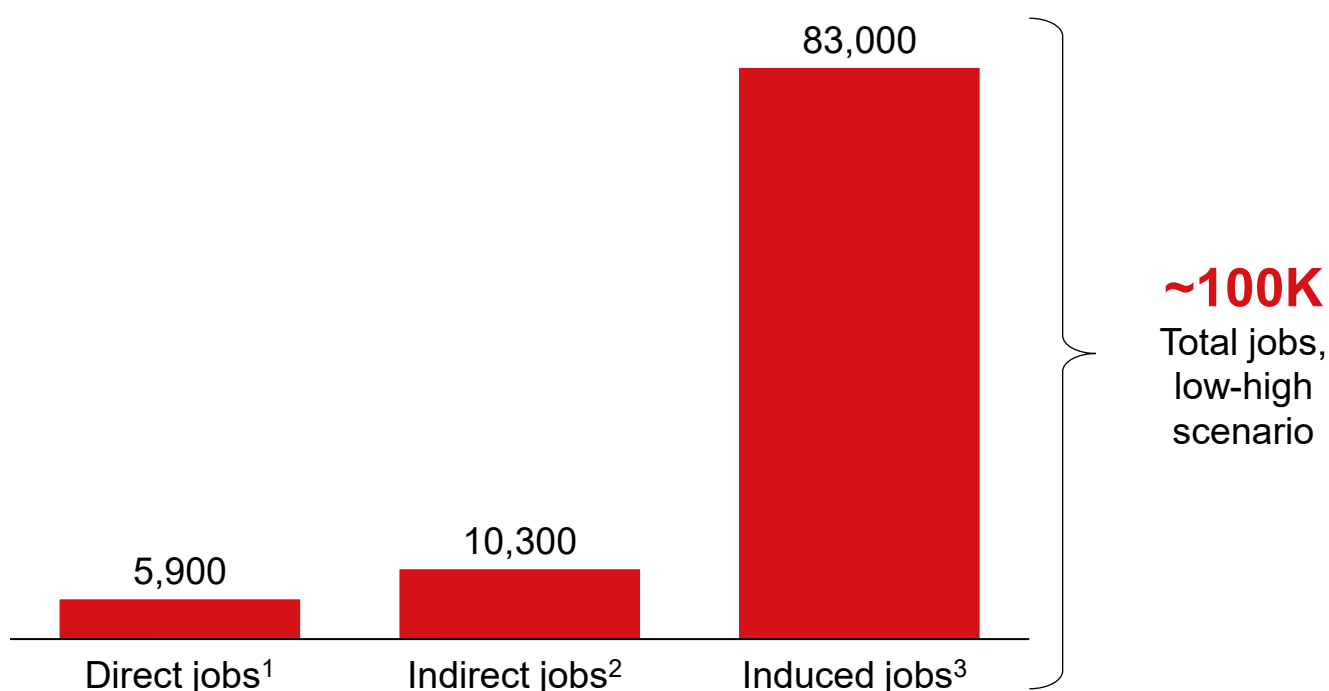
1 Nationally Determined Contributions

Source: EPRA, EMAK, EPA, Transport Sector Climate Change Annual Report (GIZ), IQ Air, Greenhouse gas emissions from the transport sector (GIZ TraCS)

### 3 Additionally, the shift to EVs could generate close to 100k jobs by 2030

Electricity requirements of EVs by 2030

#### Jobs created across the EV sector, lower and upper bound in 2030



#### Key insights

The EV sector is projected to generate up to **~100K jobs by 2030**, depending on government incentives in place

**Charging and assembly** are expected to create the most jobs along the EV value chain in the short term

However, the growth of the industry is expected to drive **increased manufacturing activity**, creating **higher-value jobs** that require more specialized and skilled labor

1. Direct jobs refer to the impacts generated in the tier-1 direct suppliers of the impacted sector; Average multiplier: ~7.5 jobs/\$Mn investment

2. Refers to impacts generated in tier-2 to tier-nth impacts, that is, suppliers of suppliers; Average multiplier: ~13 jobs/\$Mn investment

3. Impacts generated due to increased household spending by the employees in the supply chain. Average multiplier: ~104 jobs/\$Mn investment

Source: Industry analysis

## There are 3 critical enablers for investment in Kenya’s e-mobility sector

- 1 Policies supporting the EV industry**

**Green-focused strategies** create a supportive framework for accelerating EV adoption

**Targeted EV policies** ranging from higher excise duties on ICE vehicles (2018) to the proposed National E-mobility policy (2024)

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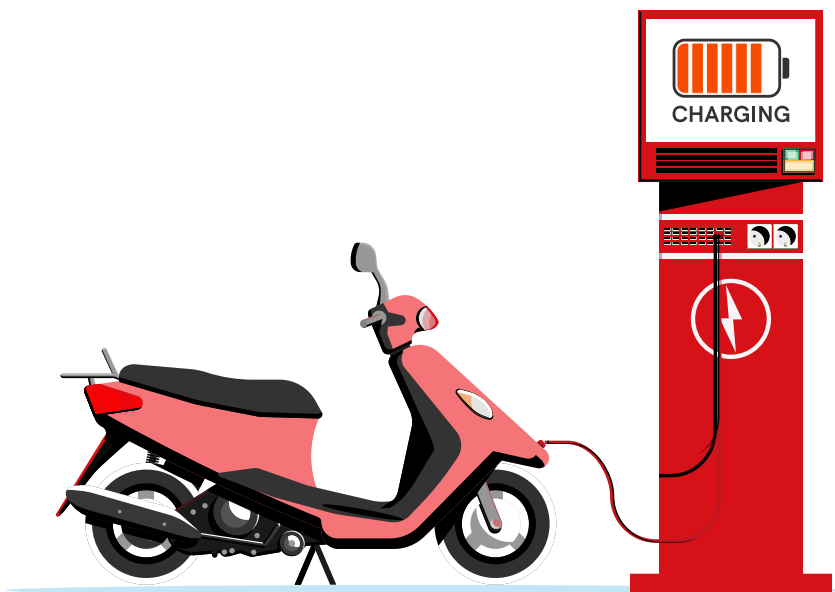
- 2 Sector-specific incentives**

**Combination of fiscal and non-fiscal incentives**, e.g., zero-rated VAT on EVs and quality and safety standards for imports

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- 3 Special Economic Zones**

**Naivasha Special Economic Zone** (1,000 acres) and **Tatu City** (5,000 acres) provide efficient and cost-effective access to geothermal power and other key infrastructure



# 1. Proactive green economy and EV strategies in Kenya create a supportive investment climate

Kenya’s strategies and policies relating to green and EVs

NOT EXHAUSTIVE



2020

**National Energy Efficiency and Conservation Strategy** Increase uptake of EVs to 5% of all imported vehicles annually by 2025



2016-30

**Green Economy Strategy and Implementation Plan (GESIP)** Increase resource efficiency in manufacturing



2023-27

**National Climate Change Action Plan (NCCAP):** outlines the adoption of E-Mobility as a Priority Transport Action



2020

**Updated Nationally Determined Contribution (NDC)** Commits to 32% reduction in CO<sub>2</sub>e emissions by 2030 relative to business-as-usual scenario



2030

**Kenya Vision** Launch environment-related projects including forest and river rehabilitation, wildlife conservation and water management



2024













**National e-mobility policy** Outlines comprehensive framework to shift from ICE to EVs (pending Cabinet approval)

Source: GoK strategies and policies

# 1 There has been a positive journey in Kenya towards promoting EV adoption

NOT EXHAUSTIVE





## Policies in place that support local EV assembly

2018		Increased excise duty on petrol- and diesel-powered engine motor vehicles
2019		Collaborative pilot programme for 50 E2Ws (Kenya Power, Kisumu County, UNEP, TAILG, Powerhive, Friends of Karura Forest)
2020		Locally-assembled motor vehicles are excluded from excise duty
2021		Kenya Power announced plans to build a nationwide network of public EV charging points
		KEBS established dedicated committee (KEBS TC 199 Electric Mobility) mandated to develop e-mobility standards
2022		National Automotive policy – Sessional Paper no.1 of 2022
2023		Kenya Finance Act: zero rated VAT and exempted excise duty on electric bicycles, motorcycles, buses, and lithium-ion batteries
		Establishment of the E-Mobility Taskforce to develop National Electric Mobility Policy, Strategy and Regulations
2024		Building Code 2024 mandates that all commercial buildings must incorporate EV charging infrastructure, and KPLC Introduced new EV Power Tariff
		The carbon market legal framework - under Climate Change Act and the Carbon Markets Regulations – provides the opportunity for E-mobility carbon projects from charging
2025		Legal notice 84 and 112 – tax procedures for unassembled motor vehicles and trailers, and motorcycles, respectively (reviewed to incorporate electric mobility)
		<b>National e-mobility policy:</b> comprehensive framework to shift from ICE to EVs ( <i>pending Cabinet approval</i> ); Automotive bill (2023), <i>currently under discussion</i>

1. Both KenGen and Kenya Power have commissioned and operationalised public charging stations in Nairobi, Nakuru, Kisumu etc

Source: GoK strategies and policies

## 2 Incentives in place to promote EV adoption

Dimensions	Initiative	Incentive options in place/ proposed
 <b>Comprehensive and flexible framework</b>	① Bans/phase-out plans for ICE vehicles	✓ <b>8-year car age limit</b> (Provided for within KS 1515)
	 <b>Fiscal and non-fiscal incentives</b>	② Taxation
③ Subsidies/ subsidy removal		✓ <b>“E-mobility” tariff by Kenya Power reduced</b> vs general domestic tariff (KES 16/KES 8 per kWh in peak/off-peak times up to 15K kWh monthly)
 <b>Local manufacturing, assembly and infrastructure capacity</b>	④ Local manufacturing incentives	✓ <b>Duty remission</b> for component manufacturers, e.g., seats
	⑤ Local assembly incentives	✓ <b>Locally assembled</b> EVs and E2Ws <b>exempt from 20% excise duty and 25% import duty</b> <sup>2</sup> ; <b>Select components imported</b> as part of CKD enjoy the privileges accorded to CDK status <sup>3</sup>
		✓ <b>Enhanced tax incentives</b> proportional to the level of <b>local value addition</b> through assembly – e.g., more favorable incentives for KD3 assembly vs. KD1 – <i>detailed in annex</i>
	⑥ Infrastructure guidelines	✓ EPRA <sup>4</sup> released guidelines for <b>EV charging and battery swapping infrastructure</b> (2023) and regulates power tariffs
 <b>Quality and assurance</b>	⑦ Safety standards	✓ Standards by KEBS <sup>5</sup> covering <b>specifications and testing procedures for safety aspects</b>
	⑧ End-of-life/ E-waste standards	✓ <b>Extended producer responsibility</b> for e-waste streams
<b>Exports</b>	⑨ Export incentives	✓ Multiple <b>incentives facilitating exports</b> , including corporate and withholding tax holidays, import duty and VAT exceptions, investment deduction, custom facilitation, etc.

1. Based on 2023 Finance Act; 2. Current import duty 35% applicable for 1 year for 4-wheelers; 3. Local sourcing mandated for 21 components for 4 wheelers, 14 for 2 wheelers (9 applicable for E2W); 4. Energy and Petroleum Regulatory Authority; 5. Kenya Bureau of Standards

Source: IEA, EPRA, KIPPRA, Draft National e-mobility policy

### 3 Special Economic Zones in Kenya provide critical infrastructure supporting the e-mobility sector



#### Naivasha Special Economic Zone (SEZ), Nakuru County

~70 km from Nairobi, Kenya's Capital

**1,000-acre** multi-sector industrial hub supporting manufacturing

**90MW** installed capacity, home to **TAD Motors** – establishing an **EV assembly plant** within the zone

**Uniform electricity tariffs** of KES 10 per kWh alongside government incentives



#### Tatu City (SEZ), Kiambu

<20 km from Nairobi, Kenya's Capital

**5,000-acre** mixed-use SEZ with **attractive incentives** including zero-rated VAT and withholding tax relief

**World-class infrastructure** providing reliable power, water, transport links, and ICT connectivity

Growing E-mobility and related **ecosystem**

“ ”

Naivasha SEZ will be a game-changer in the region. We encourage local investors, SMEs, to take advantage of this opportunity and apply for space at the SEZ

**Hon. Lee Kinyanjui,**  
Cabinet Secretary MITI

“ ”

Tatu City's uptime is currently above 99%, given an unprecedented private investment in East Africa

**Alex Kahu, Head of Utilities at Tatu City**

Source: EPZA, SEZA

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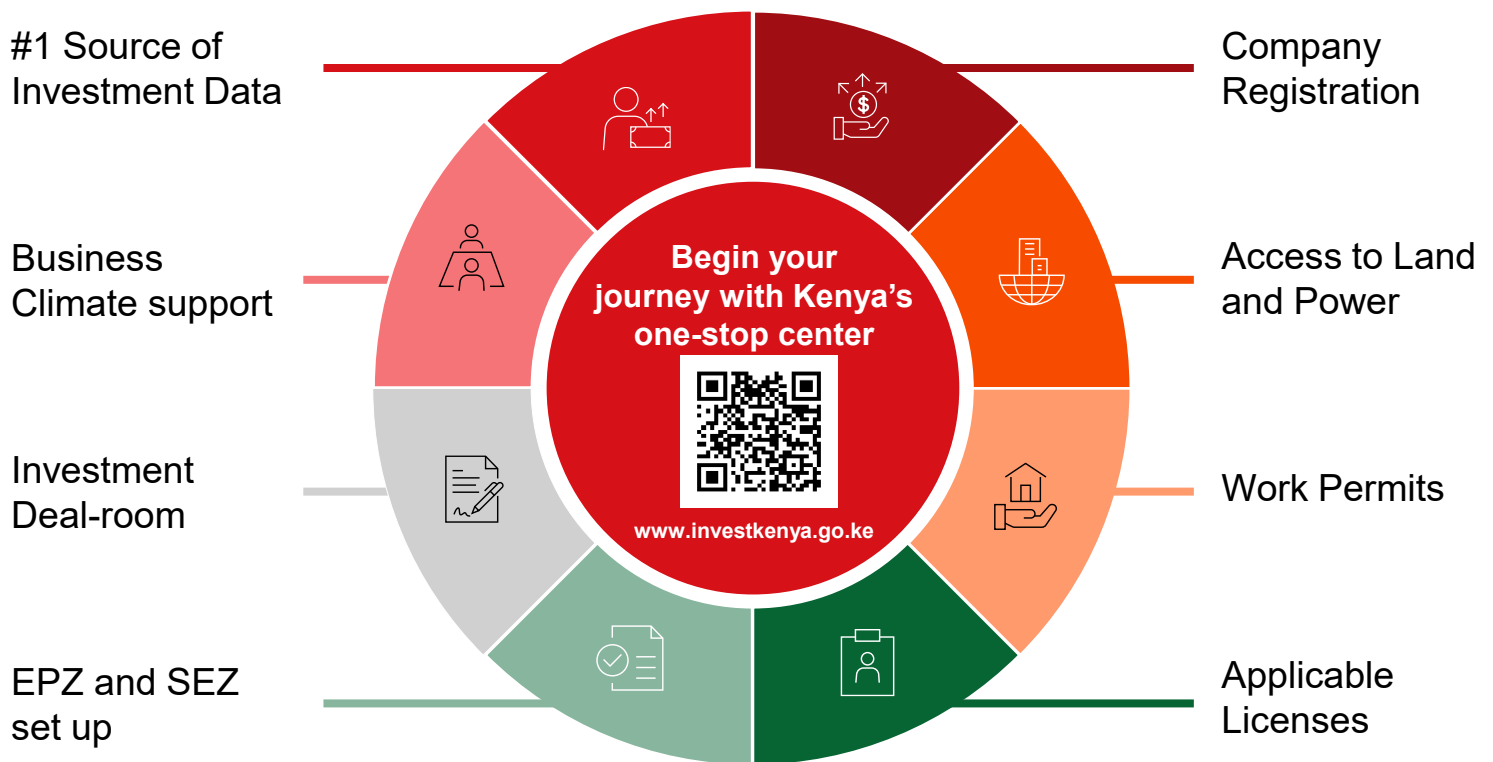
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# Appendix

# CKD and disaggregated assembly present short-term opportunities in Kenya, relative to manufacturing, which requires substantial scale

Short-term opportunity offering the greatest estimated cost savings for mid-sized market participants

Localization stages	Description	Typical scale, units per year	Considerations
<b>SKD</b>	Components partially assembled by overseas supplier; final assembly locally	<500	<ul style="list-style-type: none"> <li>Increased <b>dependency</b> on SKD exporter</li> </ul>
<b>CKD</b>	Full assembly happens locally	>500-10,000	<ul style="list-style-type: none"> <li>Optimized <b>shipping space/cost</b></li> <li>Increased <b>complexity</b> in assembly (machinery, processes)</li> </ul>
<b>Disaggregated assembly, with minimum local production</b>	<p>Components procured by local assembler; assembly happens locally</p> <p>Disaggregation can be partial (e.g., only battery is assembled, rest is CKD); or full</p>	>10,000-50,000	<ul style="list-style-type: none"> <li><b>CAPEX</b> intensive</li> <li><b>Technical</b> expertise/specialized labor</li> <li><b>Procurement</b> and inventory optimization</li> <li>Localization dependent on component category: <ul style="list-style-type: none"> <li>– <b>Build-to-print components</b>, highly customized parts, requiring releasing access to design and strong local manufacturing ecosystem</li> <li>– <b>Proprietary/complex parts</b>: highly specialized components produced at scale</li> </ul> </li> </ul>
<b>Partial manufacturing, with substantial local production</b>	Some components procured, others manufactured by the local player	>100,000	<ul style="list-style-type: none"> <li>Typical large-scale in-house manufacturing includes welding of body parts into the final body, painting, and assembly</li> </ul>

## Key insights



**For smaller players (<10k units), disaggregated assembly or partial manufacturing usually only happens due to one of the following reasons:** vehicle performance modifications (requires in-house engineering), ensuring IP protection of any unique specs, accessing tax exemptions

Source: Expert input based on Indian market experience, cost estimates based on illustrative 2/3W player in East Africa

# Current 2W regulation enforces local sourcing of components, with existing suppliers able to scale production for E2W

Example for 2W

Details follow

Category	Component	Relevant to E2W	Examples of existing supplier in Kenya
<b>Components required to be sourced locally</b> under current regulation <sup>1</sup> 	<b>Non-structural metal parts</b> e.g., main and kick stands, crash guards, handle-bar, footrest, brakes rod or stopper, headlight stay, may stay or bar-step	✓	
	<b>Wiring harness</b>	✓	
	<b>Seats</b>	✓	
	<b>Battery and battery liquid, acid or fluid</b> – related to traditional batteries, not specific electric vehicles' batteries	✓	
	<b>Air cleaner filter</b>	✗	
<b>Additional components with localization potential</b> 	<b>Tires</b>	✓	NA
	<b>Shock absorbers</b>	✓	NA
	<b>Plastic components</b>	✓	NA
	<b>Rubber components</b>	✓	NA
	<b>Chassis frame</b>	✓	NA
	<b>Battery pack</b>	✓	NA

Kenya is the only African country having **enforced a regulation<sup>1</sup> on motorcycle assembly**, offering a 0% CKD<sup>2</sup> excise duty if specified components are locally sourced, compared to 25% if they are not. As a result, **100% of specified components are effectively sourced locally**

**Cost competitiveness** with imports is not a consideration, as local sourcing is mandatory given the regulation

**Suppliers operate at ~36% capacity on average**, leaving room to **scale production for new E2W entrants**

Deep-dive on opportunity on next page

1. The Tax Procedures (Unassembled Motorcycles) Regulations (Legal Notice 112 of 2020), 2. Completely Knocked Down (CKD) kits  
 Source: The Tax Procedures (Unassembled Motorcycles) Regulations (Legal Notice 112 of 2020), Sessional Paper 1 of 2022 on National Automotive Policy – February 2022, Interviews with KAM, APMA, Ampersand, Roam, Toyota CFAO, ARC Ride, MCI, Boda+, press research

# Locally producing additional 2W components could be technically feasible

Example for 2W

Criteria fully aligned 
 Criteria partly aligned 
 Short term 
 Medium term 
 Long term

Category	Component	Opportunity assessment				Rationale and timeline
		Manageable process complexity and precision	Low set up cost	Labor intensive and not highly skilled	High shipment cost	
Additional components with potential opportunities 	Tires					<b>High process complexity and precision</b> to ensure quality for safety and performance, and <b>specialized machinery required</b> for mixing, molding and curing
	Shock absorbers					<b>Moderate complexity with precision required</b> , would require a partnership with another African player that already has the knowledge (e.g., SIA in Tunisia)
	Plastic components e.g., side panels, wire house					<b>Injection molding capabilities exist</b> in Kenya, mostly for after sales parts but the <b>same machinery</b> could be used with <b>investments in new molds</b> (ongoing discussion)
	Rubber components e.g., handlebar grip, foot peg					<b>Small-scale rubber factories exist</b> in Kenya and would require <b>investments</b> to scale and adapt to automotive sector
	Chassis frame					<b>Metalworking capabilities</b> exist in Kenya for 2W non-structural parts, <b>existing local player is developing it</b> , but <b>higher precision and quality required</b> as structural components are critical
	Battery pack assembly					<b>Assembly is the easiest step</b> in the battery manufacturing but still <b>requires technology transfer</b> from experienced partner, likely from China, <b>skills exist</b>



## Key insights

**International investors and suppliers have shown interest to set up production in Kenya if the regulations are updated**

Source: Interviews with KAM, APMA, Ampersand, Roam, Toyota CFAO, ARC Ride, MCI, Boda+

# Players can leverage the strong local manufacturing ecosystem in Kenya for sourcing of additional components

Example components for 3 and 4 wheelers

NON-EXHAUSTIVE

Category	Component	Capabilities required	Existing suppliers
<b>Build to print</b> 	<b>Front face</b>	Stamping press and welding	<p>Associated Vehicle Assemblers</p> <p>Large scale metal work capabilities (including standardized processed and machinery) Customization for B2B available</p>
	<b>Passenger cabin</b>	Stamping press and welding	<p>Used to make body parts locally – TBD going forward<sup>3</sup></p> <p><b>KVM</b> Body building, surface branding</p>
	<b>Canopy</b>	Other metal work	<i>Likely available from suppliers above</i>
<b>Other parts</b> 	<b>Windshield &amp; side mirrors</b>		<p>Provides side mirror and windshield solutions</p>



## Key insights

Kenya has an **active manufacturing ecosystem** for non-complex components, including build to print and other spare parts; which EV assemblers could leverage to localize of supply

1. Original Equipment Manufacturer, 2. Car and General, 3. Mobius Motors discontinued operations recently

Source: Expert interviews; company website

## Legal Notice 84 – CKD Breakdown & Duties

KD LEVE	Passenger	Commercial	Description	Applicable duties and taxes
<b>CBU</b>	Age limit 8 year	KS 1515 is seeking to limit age to 0 years on buses and Prime movers	<ul style="list-style-type: none"> <li>Imported built units</li> </ul>	Import Duty – 35% Excise Duty – 20% VAT - 16% IDF – 2.0% RDL – 2.5%
<b>DKD</b>	✗ Not Allowed	✗ Not Allowed	<ul style="list-style-type: none"> <li>Disassembled fully built units – Bumpers, engine, transmission &amp; rear-axle adrift</li> </ul>	
<b>DK1</b>	✓ Allowed	✓ Not Allowed	<ul style="list-style-type: none"> <li>Body &amp; Drivetrain adrift, body fully painted &amp; trimmed.</li> <li>Allowable for 2 years, then must be transitioned to KD2.</li> </ul>	Import Duty – 0% Excise Duty – 00% VAT - 16% IDF – 2.0% RDL – 2.5%
<b>KD2</b>	✓ Allowed	✓ Allowed	<ul style="list-style-type: none"> <li>Painted welded cab, rear body and chassis devoid of trim, electrical and mechanical attachment.</li> <li>Side members supplied loose for riveted or bolted truck or bus chassis frame. Pick-ups and SUV - Chassis to come welded and painted.</li> <li>Other components in condition available from OEM &amp; part suppliers. Including monocoque mono-construction chassis/bodies for mini-buses.</li> </ul>	
<b>KD3</b>	✓ Allowed	✓ Allowed	<ul style="list-style-type: none"> <li>Cab, rear body and chassis supplied in sub-assemblies for welding and painting; Untrimmed.</li> <li>Side members supplied loose for riveted or bolted truck or bus chassis frame. Pick-ups and SUV - Chassis to come welded and painted.</li> <li>Other components in condition available from OEM &amp; part suppliers. Including monocoque mono-construction chassis/bodies for mini-buses.</li> </ul>	
<b>KD4</b>	Not Yet	Not Yet	<ul style="list-style-type: none"> <li>Pressed panels, forged components etc. in Country</li> </ul>	

Source: Legal Notice 84

## Additional enablers as proposed by stakeholders (1/3)

Provisions in the national e-mobility policy

Dimensions	Initiative	Proposed incentive options
<b>Comprehensive and flexible framework</b> 	① Government targets	✓ <b>5% of all registered vehicles to be EVs<sup>1</sup></b> ; COP26 Declaration – work intensely towards accelerated proliferation and adoption of zero-emission vehicles
	② Bans/phase-out plans for ICE vehicles	✓ <b>Only new ICE vehicles to be allowed</b>
	③ Public-private partnerships	✓ <b>3 PPP rail electrification projects</b> supported by a PPP framework
<b>Fiscal and non-fiscal incentives</b> 	④ Government preferential procurement	✓ Number of <b>EV GoK fleet to reach 3,000</b> – 2% locally sourced
	⑤ Taxation	✓ <b>Reduced stamp duty</b> for EV infrastructure projects; <b>VAT exemption</b> for EVs
	⑥ Access benefits	✓ <b>Special number plates</b> to give access to <b>designated parking spaces</b> and noise-level-controlled areas; <b>Green traffic zones</b> and <b>parking bays</b> , expedited <b>access to green channels for import &amp; export</b>

1. National Energy Efficiency and Conservation Strategy (2020)  
 Source: IEA, EPRA, KIPPRA, Draft National e-mobility policy

## Additional enablers as proposed by stakeholders (2/3)

Provisions in the national e-mobility policy









Dimensions	Initiative	Proposed incentive options
<b>Local manufacturing/ assembly and infrastructure capacity</b>  	⑦ Local manufacturing requirements	<ul style="list-style-type: none"> <li>KenGen to <b>recycle lithium-ion batteries</b><sup>2</sup></li> <li><b>80% local assembly</b> of EVs</li> </ul>
	⑧ Local enablers	<ul style="list-style-type: none"> <li><b>Investments in R&amp;D</b> of commercially viable EVs, batteries and charging stations; <b>SEZs and industrial parks</b>, EV-accredited curriculum/module at TVET/universities</li> </ul>
	⑨ Energy infrastructure	<ul style="list-style-type: none"> <li>Energy generated from <b>100% renewable sources</b></li> </ul>
	⑩ Charging infrastructure	<ul style="list-style-type: none"> <li><b>1,000 charging stations</b> mostly for E4Ws (700 in urban areas, 300 along highways)</li> <li><b>Concessional land rates for public charging stations</b>, allocation/identification of public spaces</li> </ul>

<sup>1</sup> KenGen is planning to recycle lithium-ion batteries as part of its efforts to support the Kenyan government's goal of increasing the number of EVs, with a research project initiated to explore the feasibility of recycling or reusing these batteries.

Source: IEA, EPRA, KIPPRA, Draft National e-mobility policy

## Additional enablers as proposed by stakeholders (3/3)

Provisions in the national e-mobility policy

Dimensions	Initiative	Proposed incentive options
<b>Quality and assurance</b> 	<b>11</b> Technical standards, including interoperability	 Standards by KEBS <sup>1</sup> covering <b>specifications and testing procedures for performance and power consumption elements</b>
		 Charging stations to have <b>variety of connectors</b> for different EVs
		 <b>Only qualified personnel</b> to operate and maintain stations (EPRA)
		 All charging and battery swapping stations to <b>display prices</b>
	<b>12</b> ESG standards	 Regular inspections of motor vehicles to ensure <b>control of emissions</b> ; also through the proposed Traffic (Motor Vehicle Inspection) Rules of 2025 <sup>2</sup>
		 Develop <b>affirmative action programs</b> targeting disadvantaged groups in e-mobility
<b>13</b> Registration benefits	 <b>Waived fees</b> for EVs	

1 Kenya National Bureau of Standards

2 The proposed Kenyan Traffic (Motor Vehicle Inspection) Rules of 2025 introduce mandatory vehicle inspections to enhance road safety and reduce emissions

Source: IEA, EPRA, KIPPRRA, Draft National e-mobility policy

# Terminology



“Parc” refers to the total stock of vehicles on the road



2Ws go by different names in different countries and are referred to here as boda *bodas*, *bodas*, or *okadas*



Minibuses (14-seater passenger vehicles) go by different names in different countries & are referred to here as danfos or matatus



4Ws typically denote a passenger car/SUV/station wagon; occasionally, these are referred to generically as “cars”



LCVs are vehicles less than 3.5 tons, including panel vans, utility vans, and pick-ups



“Used” refers to used vehicles (vehicles that have already been driven and then re-sold)

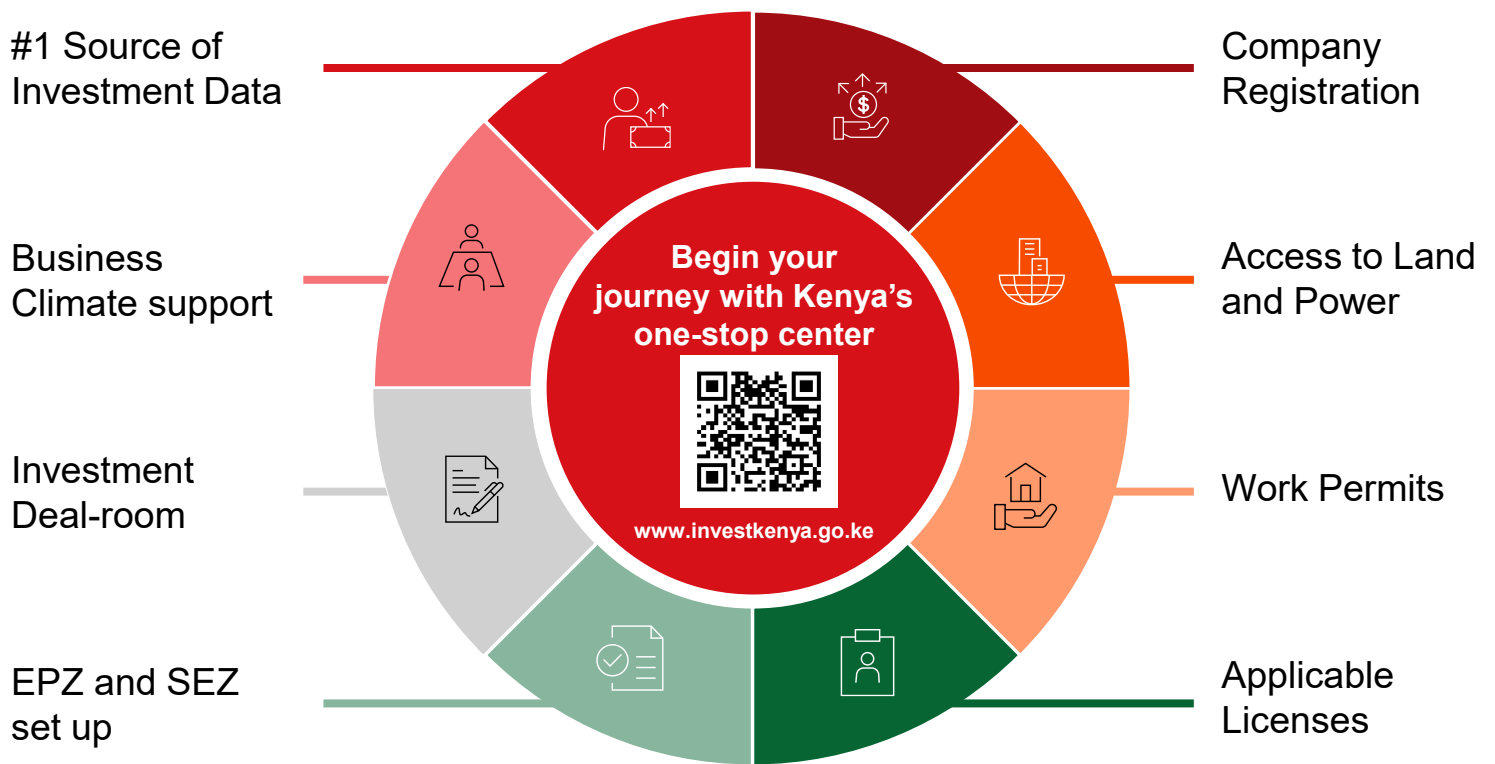


EVs here typically refer to BEVs unless otherwise specified

# Abbreviations

<b>2W</b>	Two-wheeler
<b>3W</b>	Three-wheeler
<b>4W</b>	Four-wheeler
<b>BEV</b>	Battery electric vehicle
<b>CAGR</b>	Compound annual growth rate
<b>CO<sub>2</sub>e</b>	Carbon dioxide
<b>E2W</b>	Electric two-wheeler
<b>E4W</b>	Electric four-wheeler
<b>E-LCV</b>	Electric light commercial vehicle
<b>E-minibus</b>	Electric minibus
<b>EV</b>	Electric vehicle
<b>FCEV</b>	Fuel cell electric vehicle
<b>FDI</b>	Foreign direct investment
<b>g</b>	Gram
<b>GDP</b>	Gross domestic product
<b>HEV</b>	Hybrid electric vehicle
<b>ICE</b>	Internal combustion engine
<b>KES</b>	Kenyan Shilling
<b>km</b>	Kilometer
<b>Kwh</b>	Kilowatt hour
<b>LCV</b>	Light commercial vehicle
<b>LPG</b>	Liquified petroleum gas
<b>MHEV</b>	Mild hybrid electric vehicle
<b>PC</b>	Passenger car
<b>PHEV</b>	Plug-in hybrid electric vehicle
<b>SSA</b>	Sub-Saharan Africa
<b>TCO</b>	Total cost of ownership
<b>\$</b>	US Dollar
<b>VAT</b>	Value-added tax

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