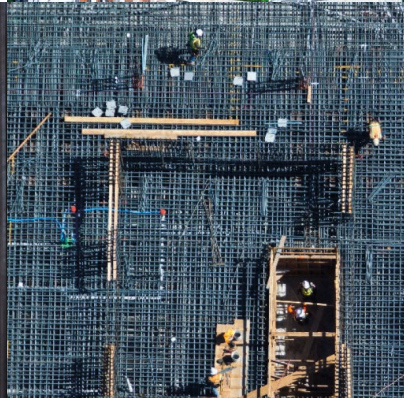
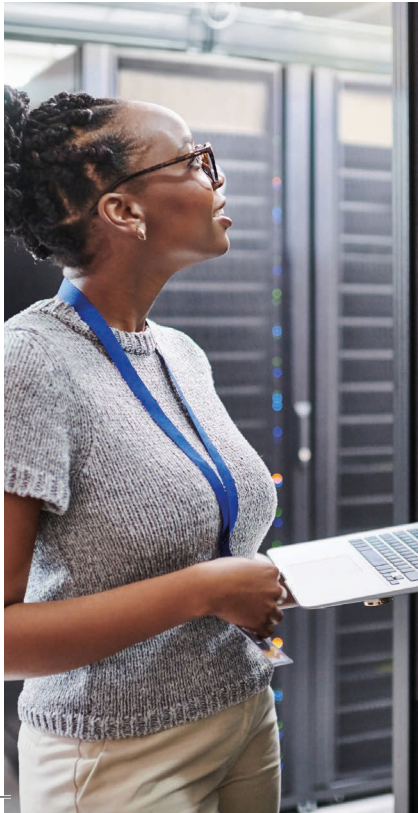




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KENYA INVESTMENT AUTHORITY



Investors guide to Kenya



MINISTRY OF INVESTMENTS,
TRADE AND INDUSTRY

REPUBLIC OF KENYA



Acknowledgements



MINISTRY OF INVESTMENTS,
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EPZA
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Preface

Kenya stands at the centre of Africa's economic transformation - a dynamic, diversified economy offering investors a scalable platform for regional and global growth.

With strong macroeconomic fundamentals, expanding infrastructure, renewable energy leadership, and deepening regional integration, Kenya provides a compelling environment for long-term capital deployment.

This Investor's Guide presents Kenya's value proposition through a practical and opportunity-oriented lens. It outlines the country's competitive strengths, priority investment sectors, market access frameworks, and facilitation mechanisms designed to support efficient market entry and sustainable expansion.

Investors choosing Kenya benefit not only from access to a growing domestic market of over 55 million people, but also from preferential access to regional and continental markets exceeding one billion consumers. Through structured incentives, Special Economic Zones, improving logistics connectivity, and a coordinated investment facilitation framework, Kenya enables businesses to establish, operate, and scale with confidence.

This Guide serves as a starting point for engagement. Invest Kenya works closely with national and county institutions to provide coordinated support across the full investment lifecycle - from initial inquiry to expansion and reinvestment.

Kenya is not simply a destination for investment; it is a gateway to Africa's long-term growth trajectory.

For direct engagement
and up-to-date
investment information



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Acronyms and abbreviations

AfCFTA	African Continental Free Trade Area	LLP	Limited Liability Partnership
AGOA	African Growth and Opportunity Act	MICE	Meetings, incentives, conferences, and exhibitions
BITs	Bilateral Investment Treaties	MITI	Ministry of Investments, Trade and Industry (Kenya)
BRS	Business Registration Service	MSMEs	Micro, Small and Medium Enterprises
BRT	Bus Rapid Transit	MW	Megawatt
CAIPs	County Aggregation and Industrial Parks	NSSF	National Social Security Fund
COMESA	Common Market for Eastern and Southern Africa	PAYE	Pay-As-You-Earn
DOSC	Digital One Stop Centre	PIN	Personal Identification Number
DTA	Double Taxation Agreement	PLC	Public Limited Company
EAC	East African Community	SHA	Social Health Authority
eCitizen	Government of Kenya Digital Services Platform	SEZs	Special Economic Zones
EIA	Environmental Impact Assessments	SGR	Standard Gauge Railway
EPA	Economic Partnership Agreement	TEU	Twenty-foot Equivalent Unit
EPZs	Export Processing Zones	TRIPS	Trade-Related Aspects of Intellectual Property Rights
ESG	Environmental, Social and Governance	UAE	United Arab Emirates
EU	European Union	UK	United Kingdom
FTA	Free Trade Agreement	US	United States
kWh	Kilowatt-hour	USD	United States Dollar
KES	Kenyan Shilling	VAT	Value Added Tax
KIPI	Kenya Industrial Property Institute	WIPO	World Intellectual Property Organization
KRA	Kenya Revenue Authority		





CHAPTER 1

Kenya's investment proposition

Kenya's investment proposition

Kenya offers a scalable and competitive platform for investment anchored in economic scale, regional integration, and sustained reform momentum. As one of Africa's most diversified and resilient economies, Kenya combines a sizeable and growing domestic market with the ability to efficiently serve regional and global markets from a single, well-connected base.

Positioned as East Africa's trade, logistics, financial, and innovation hub, Kenya enables investment strategies that integrate domestic demand, regional expansion, and export competitiveness. Its strategic location along the Indian Ocean, combined with developed port infrastructure, regional transport corridors, and strong aviation connectivity, supports efficient access to both African and international markets.

Kenya's economic structure is broad-based and increasingly services-led, with continued expansion across manufacturing, agribusiness, infrastructure, and digital industries. Steady economic growth, urbanisation, and rising consumer demand reinforce domestic market depth, while participation in the East African Community (EAC), COMESA, and the African Continental Free Trade Area (AfCFTA) provides access to a continental market of over one billion consumers.

Operational competitiveness further strengthens the proposition. A predominantly renewable energy mix enhances long-term sustainability and cost predictability. Expanding transport and logistics networks improve supply chain reliability. A young, skilled, and English-speaking workforce supports scalable operations across services, technology, and industry.

Kenya's legal and institutional framework provides structured safeguards for investment. Constitutional protection of property rights, recognised arbitration mechanisms, compliance with international intellectual property standards, and coordinated institutional

facilitation contribute to regulatory predictability and investor confidence.

Together, these structural advantages position Kenya not only as a market of entry, but as a strategic base for regional expansion, industrial growth, and long-term value creation aligned with Africa's economic transformation.

1.1 Kenya as a regional and global investment platform

Kenya serves as a strategic launchpad for companies seeking to establish a presence in Africa and scale efficiently across regional and international markets. Anchored by strong economic fundamentals, deep regional integration, and advanced connectivity, Kenya supports cross-border business models and long-term growth strategies within a stable and competitive operating environment.

Beyond its domestic market, Kenya plays a pivotal role in Africa's trade, logistics, financial, and services networks. Its position as a regional hub enables firms to consolidate operations, optimise supply chains, and serve multiple markets from a single base, delivering both operational efficiency and commercial flexibility.

Macroeconomic fundamentals

Kenya is the sixth-largest economy in Africa (\$136Bn in 2025) accounting for about 26 percent of East Africa's GDP. With a population of nearly 55 million and average annual growth of around 5 percent in recent years, the country offers a combination of market depth, demographic momentum, and sustained demand.

This scale supports viable domestic absorption during early market entry, facilitates the development of regional value chains, and provides access to a concentrated ecosystem of skills, business services, financial institutions, and infrastructure capable of supporting operations at scale. Together, these factors position Kenya as a natural platform for regional expansion and long-term investment.

OFFICIAL NAME

REPUBLIC OF
KENYA

FORM OF STATE
UNITARY STATED WITH
MULTI-PARTY DEMOCRACY



2025
POPULATION

55 MILLION



DENSITY
97 PEOPLE
PER SQ KM



TOTAL AREA SQ KM
580,367

47 ADMINISTRATIVE
GOVERNMENT
COUNTIES

RELIGION

CHRISTIAN, MUSLIM, INDIGENOUS
AFRICA, AND OTHERS



CURRENCY

130 KES = 1 USD

TIMEZONE

GMT+3

TOTAL GDP (2025)

\$136 BILLION

AVERAGE GDP PER CAPITA

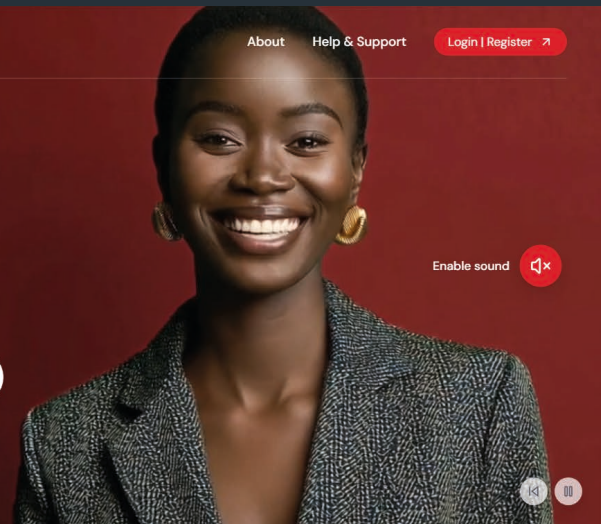
\$2473

AVERAGE ANNUAL GDP FROWTH

5%

Kenya Digital One-Stop Centre for investor services

🔍 Search by service name or keyword



Market access and regional integration

Kenya's strategic value is amplified by its position within Africa's regional and continental integration frameworks. Through membership in the East African Community (EAC) and COMESA, and participation in the African Continental Free Trade Area (AfCFTA), investors operating from Kenya can gain preferential access to a unified market of more than 1.5 billion consumers across the continent.

Beyond Africa, Kenya benefits from a broad network of bilateral and multilateral trade and economic partnership arrangements that provide preferential access to major global markets, including the European Union, the United States, the United Kingdom, and the Middle East. These frameworks enhance the competitiveness of export-oriented manufacturing, regional distribution platforms, and internationally integrated services.

These enable companies to consolidate regional operations, streamline supply chains, and scale efficiently from a single, well-connected operating base.

Transport and logistics hub

Kenya's role as an investment platform is reinforced by its advanced physical and digital connectivity. The country is served by four international airports and two major seaports, complemented by regional road and rail corridors that connect inland markets to global shipping routes. Nairobi has emerged as a leading aviation, logistics, and professional services hub for East Africa, facilitating seamless movement of goods, people, and data across borders.

This connectivity underpins Kenya's attractiveness in manufacturing, agribusiness, logistics, digital services, and business process outsourcing, where reliability, speed to market, and access to regional networks are critical to competitiveness.

A base for regional and global growth

Taken together, Kenya's economic scale, regional integration, and connectivity position it as a practical and proven base for cross-border investment strategies. Investors locating in Kenya benefit not only from access to the domestic market, but also from the ability to serve regional and global markets, adapt to evolving trade frameworks, and participate in Africa's long-term growth trajectory from a single operational hub.

Kenya's role as a regional investment platform is reinforced by external assessments that point to strong investment momentum and growing investor confidence, reflecting increased activity by international firms establishing and expanding operations in the country.

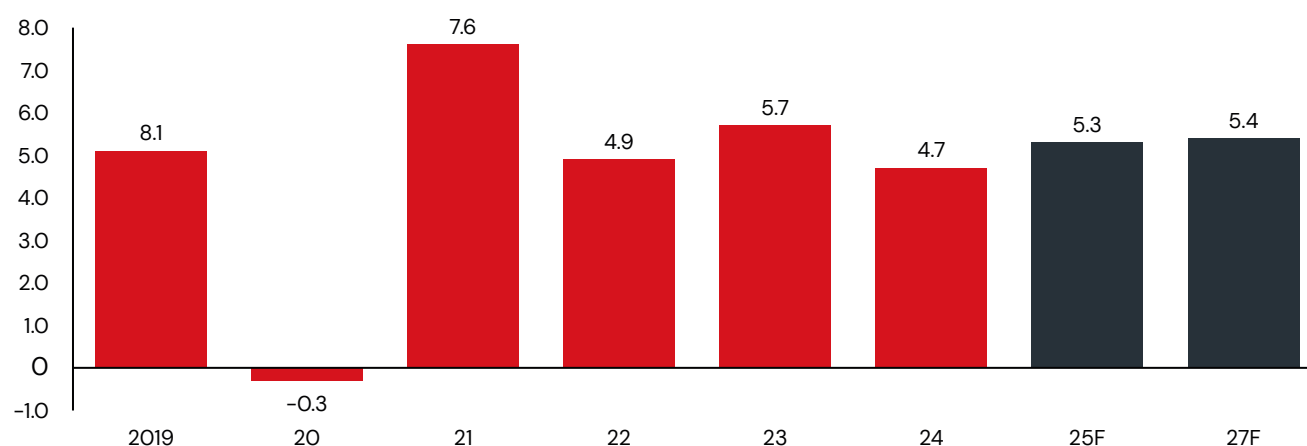
1.2 Economic scale and growth momentum

Kenya has demonstrated a consistent ability to sustain economic growth despite global and regional shocks, underscoring the resilience and diversification of its economy. Kenya transitioned to lower-middle-income status in 2014, marking a structural milestone in its development trajectory and reinforcing its position as one of Africa's more advanced and diversified economies. Real GDP growth reached approximately ~5 percent in 2024 and is projected to remain around this level in the medium term, supported by strong performance in services, telecommunications, financial services, accommodation and food services, and information and communication activities. Inflation has remained contained, averaging approximately 4 percent in 2025, supporting macroeconomic stability and cost predictability.

This diversified growth base reduces concentration risk and provides investors with exposure to multiple demand drivers across sectors. Kenya's services-led structure, combined with expanding industrial and infrastructure investment, supports both stability and structural transformation.

Annual evolution of Kenya's real GDP growth rate, %

Annual Real GDP Growth (%)



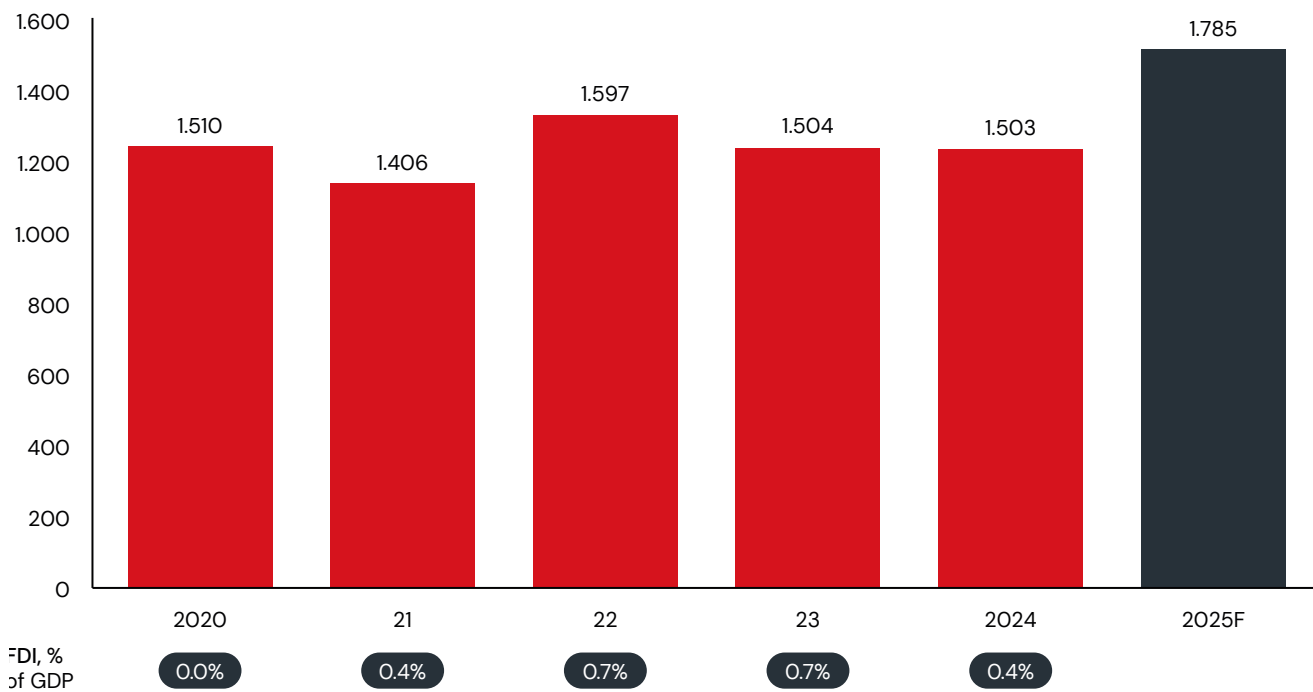
Source: KNBS; Economic Survey 2025

Kenya has sustained ***economic growth of around 5%***, underpinned by a diversified and resilient economy



Foreign direct investment inflows have remained stable at approximately USD 1.4 – 1.6 billion annually in recent years. While inflows have been consistent, economic growth has outpaced foreign investment, signaling untapped potential and reinforcing the opportunity for new and expanding investors to participate in Kenya’s next phase of growth.

FDI Inflows, 2020–2025, millions of USD



Source: UNCTAD, Global FDI Flows, 1990–2024; World Bank

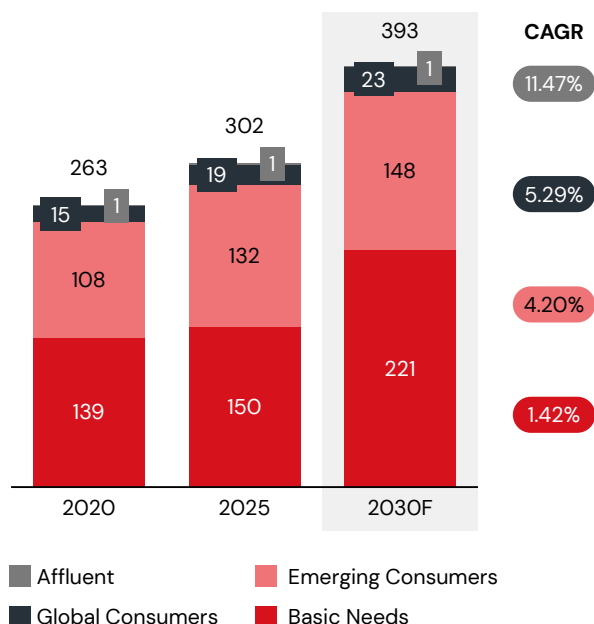
Foreign direct investment into Kenya has remained stable at approximately ***USD 1.4 to 1.6 billion*** annually in recent years

These dynamics are reinforced by strong demand-side fundamentals across Africa. Rising household incomes and a growing middle class are driving sustained expansion in consumer spending, with total consumption across the continent projected to nearly double by 2030. This structural shift supports long-term opportunities in consumer goods, services, logistics, digital platforms, financial services, and value-added manufacturing.

Together, economic scale, sustained growth, and expanding regional demand position Kenya as a market that is large enough to justify standalone investment, while offering upside aligned with Africa's long-term growth trajectory.

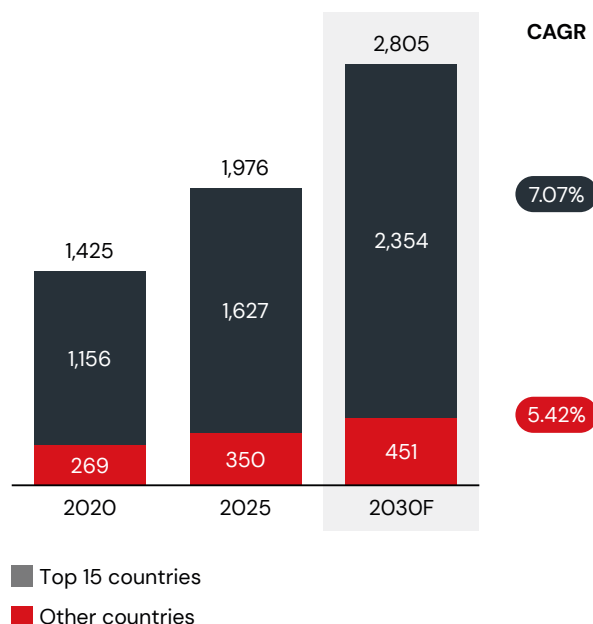
Number of households and purchasing power will increase ...

Households by income bracket, Mn



... leading to a considerable increase in consumption

Total consumer spending in Africa, Bn \$¹



1. 2015 Current prices

Source: Oxford Economics

1.3 Operating competitiveness and enabling environment

Kenya's economic scale and market access are reinforced by a set of operating advantages that support efficient establishment, reliable operations, and long-term competitiveness. These structural strengths – spanning energy, infrastructure, digital capability, talent, and institutional support – create the practical conditions required to enter, operate, and expand with confidence.

Infrastructure and connectivity

Kenya has invested significantly in strengthening its transport and logistics backbone. The country is served by four international airports and two major seaports, supported by regional road and rail corridors linking inland markets to global shipping routes. The Standard Gauge Railway and expanded port capacity enhance cargo throughput, while Nairobi has emerged as a leading aviation, financial, and professional services hub for East Africa.

This infrastructure network supports efficient regional distribution, reduces logistics friction, and enables integration into global supply chains.

Energy and green competitiveness

Access to reliable and increasingly sustainable energy is a defining competitive advantage. Approximately 93 percent of Kenya's power mix is renewable, positioning the country among global leaders in clean energy generation.

This reduces exposure to fossil fuel volatility, supports cost predictability, and strengthens Kenya's attractiveness for energy-intensive industries, green manufacturing, and sustainability-aligned investment strategies. As global capital increasingly prioritizes ESG and decarbonisation, Kenya's renewable profile enhances long-term competitiveness.

Talent and workforce strength

Kenya benefits from literacy levels above 80 percent and a large, youthful workforce entering the labour market each year. This demographic advantage supports scalability across services, digital industries, agribusiness, and light manufacturing.

This translates into access to trainable talent, competitive labour costs relative to productivity, and a workforce capable of supporting both operational efficiency and innovation-led growth.

Institutional support and investor facilitation

Kenya’s enabling environment is strengthened by an institutional framework focused on facilitating investment and improving delivery. Invest Kenya coordinates investor engagement, streamlines regulatory processes, and supports investors from entry through expansion and reinvestment.

In addition, Invest Kenya operates an Investment Deal Room platform designed to support strategic investment transactions. The Deal Room provides structured transaction advisory coordination, facilitating engagement between investors, project sponsors, financiers, and relevant public institutions. It supports the preparation, alignment, and progression of priority investment opportunities across sectors.

Digital and innovation ecosystem

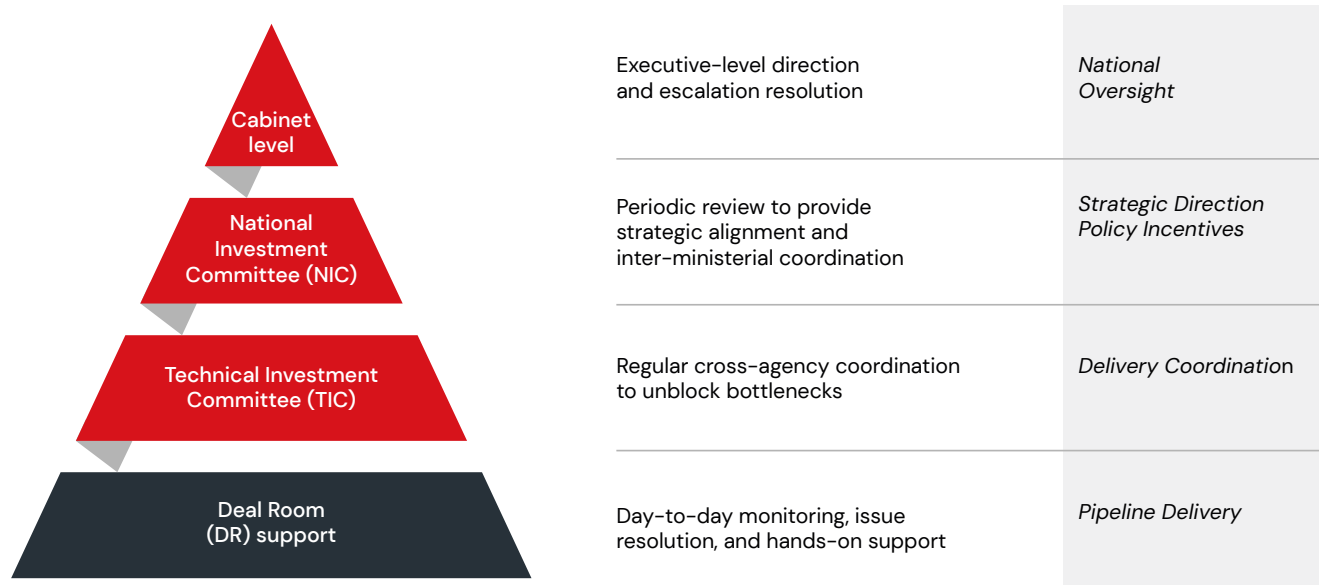
Kenya has established itself as a leading digital and innovation hub in Africa. With more than 50 active technology hubs and widespread connectivity, the country has developed a mature digital ecosystem supporting fintech, e-commerce, ICT-enabled services, and data-driven business models.

Kenya’s globally recognized mobile money infrastructure processes over 2.5 bn transactions annually, significantly lowering transaction costs and facilitating rapid market integration. Digital payments penetration exceeds 80 percent among individuals and MSMEs, accelerating formalization and expanding financial access across the economy.

Mobile penetration exceeds 130 percent, reflecting the depth of Kenya’s communications infrastructure, while expanding fibre networks and broadband investments continue to enhance connectivity and operational scalability for businesses.

Together, these digital capabilities create an environment where platform-based models, innovation-led enterprises, and technology-enabled services can scale efficiently across domestic and regional markets.

Escalation framework



This structured facilitation approach reduces execution risk, shortens resolution timelines, and enhances overall investor confidence – supporting long-term partnership rather than transactional engagement.



CHAPTER 2

Priority investment sectors and opportunities

Priority investment sectors and opportunities

Kenya offers a diverse set of investment opportunities across sectors where market demand is expanding, competitiveness is strengthening, and scale can be achieved. These priority sectors reflect where value is being created today and where investors can build sustainable businesses aligned with Kenya’s role as a regional and global investment platform.

High-job-potential sectors

<p style="text-align: center; background-color: #c00000; color: white; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Manufacturing</p> <ul style="list-style-type: none"> • Textile and apparel manufacturing • Automotive assembly (e-mobility) • Pharmaceutical manufacturing • Green manufacturing • Consumer electronics 	<p style="text-align: center; background-color: #c00000; color: white; border-radius: 10px; padding: 5px; margin-bottom: 10px;">ICT and BPO</p> <ul style="list-style-type: none"> • Customer service • Technical support service • Fintech • E-commerce platforms • Digital infrastructure 	<p style="text-align: center; background-color: #c00000; color: white; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Agriculture and livestock</p> <ul style="list-style-type: none"> Agribusiness <ul style="list-style-type: none"> • Cotton • Avocados • Flowers Agro-processing <ul style="list-style-type: none"> • Edible oils • Fruit products • Tea and coffee Leather and leather products • Dairy • Beef • Apiculture (bees) • Poultry
<p style="text-align: center; background-color: #c00000; color: white; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Construction and building</p> <ul style="list-style-type: none"> • Housing • Green construction/building • Urban development, including smart cities, commuter rail and BRT networks 	<p style="text-align: center; background-color: #c00000; color: white; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Tourism and hospitality</p> <ul style="list-style-type: none"> • Hotels • Ecotourism • Parks and conservancies • MICE 	

Emerging sectors

Creative economy
Environment and forestry
Mining
Blue economy

Across manufacturing, services, agribusiness, and emerging industries, Kenya combines a growing domestic market with regional reach, improving infrastructure, and a business environment increasingly focused on execution. This combination supports a wide range of investment strategies, from serving local demand to building regional and export-oriented platforms.

2.1 Manufacturing

Manufacturing sector presents a core investment opportunity in Kenya, underpinned by rising domestic and regional demand and a sustained shift toward value addition and industrial upgrading. The sector contributes approximately 7 percent of GDP and supports more than 370,000 formal jobs. In 2024, real manufacturing value added expanded by approximately 2.8 percent, reflecting steady industrial growth and strengthening export-oriented activity.

Kenya’s manufacturing base benefits from a large and expanding domestic market of over 55 million people,

driven rapid urbanisation, income growth, and rising consumer demand. In parallel, participation in the EAC, COMESA, and the AfCFTA enables manufacturers to access a broader continental market of over 1.5 billion consumers from a single production platform. Manufactured exports have remained resilient, averaging approximately USD 7–8 billion annually, with rising intra-African trade reinforcing Kenya’s role as a regional production and distribution hub.

Industrial demand is further supported by strong structural drivers across the economy. Annual housing

requirements of approximately 250,000 units sustain demand for cement, steel, prefabricated materials, and allied construction inputs. Rising demand for processed foods, pharmaceuticals, packaging, and consumer goods is accelerating opportunities for import substitution, regional supply and export-oriented production. As a result, manufacturing in Kenya is both domestically anchored and regionally integrated.






Kenya offers a competitive operating environment for manufacturers, supported by efficient port infrastructure, integrated rail and road corridors, and strong aviation connectivity. A predominantly renewable energy mix, accounting for 93 percent of electricity generation, enhances reliability while positioning Kenya as a destination for green, low-carbon, and ESG-aligned manufacturing investments.

Investment opportunities span a wide range of high-impact value chains, combining strong domestic demand with regional export potential.

Kenya's industrial strategy is anchored on value addition, sustainability, and export competitiveness. The Export Processing Zones (EPZ) and the Special Economic Zones (SEZ) programmes offer competitive fiscal incentives, including reduced corporate tax rates and duty exemptions. Meanwhile, the rollout of County Aggregation and Industrial Parks across all 47 counties is strengthening decentralised production, deepening local supply chains, and broadening participation in industrial growth.

Looking ahead, Kenya's manufacturing sector is well positioned to benefit from AfCFTA-driven intra-African trade expansion, near-shoring and supply chain diversification, rising demand for sustainable production platforms, and continued investment in industrial infrastructure. These position Kenya as a scalable and competitive manufacturing base, combining market depth, regional connectivity, renewable energy competitiveness, and institutional facilitation that support long-term industrial growth.

Priority manufacturing segments in Kenya

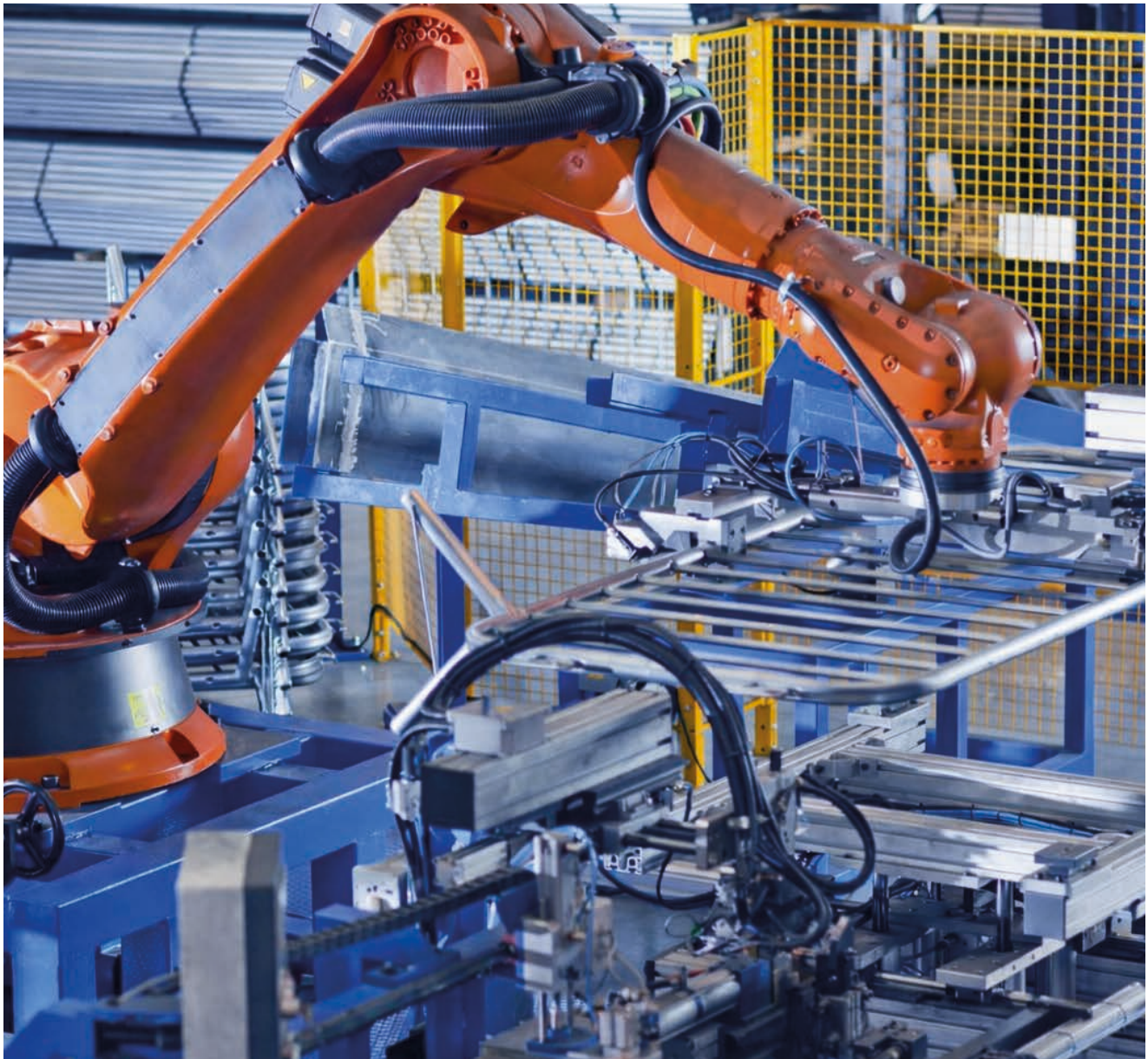
	Sub-category	Value chain focus	Investment opportunity
	Textiles and apparel manufacturing	Cotton-to-garment value chain, fabric production, finishing and accessories	Integrated textile mills, garment manufacturing, apparel accessories production, sustainable textile production, dedicated green textiles and apparel industrial park
	Automotive assembly (e-mobility)	Vehicle assembly, component manufacturing, battery systems, charging infrastructure	Assembly of two- and four-wheel vehicles, electric mobility production, auto components, parts manufacturing and charging systems
	Pharmaceutical manufacturing	Formulation, packaging, medical inputs	Manufacture of generic medicines, vaccine production, medical equipment assembly, pharmaceutical packaging
	Green manufacturing	Renewable-energy powered production, energy-efficient technologies	Manufacturing of solar components, green building materials, sustainable industrial products, low-carbon production systems
	Consumer electronics	Assembly and light manufacturing of electronic goods	ICT hardware assembly, household electronics, small appliances, electrical components manufacturing

Who should invest

This sector is ideal for industrial-scale investors focused on value addition, import substitution, or export-oriented production. It suits firms with expertise in integrated textile mills, automotive assembly (particularly e-mobility), pharmaceutical formulation, and green manufacturing technologies.

Entry point

Investors can enter through Greenfield projects in dedicated industrial parks or Special Economic Zones (SEZs) and Export Processing Zones (EPZs) to leverage significant tax holidays and duty exemptions. Another viable route is the County Aggregation and Industrial Parks (CAIPs) for decentralized production



Manufacturing

3.2%
growth
between 2023-24

~370K
jobs

7.3%
of GDP

Focus
on export of
value-added products

2.2 ICT and business process outsourcing (BPO)

Kenya’s ICT and BPO sector is a fast-growing pillar of the economy, contributing approximately 9 percent of GDP and supported by one of the most advanced digital ecosystems in Africa. Internet penetration exceeds 85 percent, underpinned by extensive fibre-optic infrastructure and multiple active submarine cables connecting Kenya to global data networks. The country hosts more than 50 active technology hubs and has emerged as a regional headquarters location for multinational technology and service firms.

The digital economy is further reinforced by high mobile penetration, exceeding 130 percent, and digital payments adoption of more than 80 percent among individuals and MSMEs. Kenya’s globally recognised mobile money infrastructure processes billions of transactions annually, lowering transaction costs and enabling rapid scaling of platform-based business models. This maturity in digital finance and connectivity creates a strong foundation for ICT-enabled exports.






BPO activity continues to expand at an annual rate of approximately 6 percent, reflecting increasing

demand for near-shore and offshore service delivery. Kenya’s time zone alignment with Europe, competitive operating costs relative to developed markets, and large English-speaking talent pool strengthen its positioning as a regional outsourcing hub.

Investment opportunities span customer service and contact centres, technical support and shared service operations, fintech innovation, digital commerce platforms, and data-driven infrastructure development. As businesses across Africa digitise supply chains, financial systems, and service delivery models, Kenya is well positioned to serve as a regional base for scalable ICT-enabled operations.

Kenya offers a compelling proposition, combining skilled, English-speaking talent, strong digital connectivity, expanding broadband capacity, and an innovation-driven ecosystem. These factors position Kenya as a competitive location for scalable, export-oriented services and technology-driven business models aligned with global digital transformation trends.

Priority ICT and BPO investment segments in Kenya

Sub-category	Value chain focus	Investment opportunity
 Customer service	Contact centres and back-office services	Regional and global service hubs
 Technical support service	IT-enabled services and managed solutions	Shared service centres and remote technical operations
 Fintech	Digital payments, lending, insurtech	Payment platforms, digital banking, SME credit solutions
 E-commerce platforms	Digital marketplaces and logistics integration	Scalable online retail and fulfilment systems
 Digital infrastructure	Fibre networks, data hosting, cloud and cybersecurity	Data centres, cloud services, secure digital architecture

Who should invest

Best suited for multinational technology firms, fintech innovators, and global BPO providers looking for a regional hub. It appeals to companies requiring a large, English-speaking talent pool and advanced digital infrastructure for data centers or shared service operations.

Entry point

The primary entry point is establishing regional headquarters or service hubs in urban centers and county headquarters. Specialized tech-focused zones like Konza Technopolis (SEZ) provide tailored infrastructure for digital enterprises.



9%
of GDP

~6%
annual growth in BPO

>85%
internet penetration

ICT and BPO

~100,000 km
of fiber-optic cables
planned for installation

6
active submarine cables

2.3 Agriculture and livestock

Agriculture and livestock remain among Kenya's most significant economic sectors, contributing approximately 22.5 percent of GDP and employing around 40 percent of the workforce. The sector underpins more than half of Kenya's export earnings and continues to benefit from strong regional and global demand for food, agricultural inputs, and value-added products.

Kenya's agricultural base is diversified across high-value horticulture, industrial crops, livestock production, and emerging climate-smart segments. The country is a leading exporter of tea, cut flowers, avocados, and horticultural produce, while livestock production remains central to rural livelihoods and national food security. Livestock alone contributes approximately 12 percent of GDP and supports more than 25 million livelihoods. Kenya ranks as the leading milk producer in Africa and exports significant volumes of meat products to regional markets.

Rising regional demand for food, increasing urbanisation, and shifting consumption patterns across Africa are strengthening long-term growth prospects for agribusiness and agro-processing. As intra-African trade expands under AfCFTA and global markets continue to seek reliable suppliers of agricultural commodities, Kenya is well positioned to scale both production and value-added processing.

The investment opportunity lies not only in primary production, but increasingly in value addition, productivity enhancement, and supply chain integration. Expanding cold-chain infrastructure, processing facilities, storage systems, and digital agricultural platforms offer strong potential for efficiency gains and export expansion.








Kenya's agricultural transformation strategy is increasingly focused on boosting productivity, expanding irrigation, advancing climate-smart agriculture, and integrating digital and precision technologies into farming systems. Targeted investments in agri-tech, precision farming, digital marketplaces, and farm-to-market logistics are strengthening efficiency, enhancing market access, and significantly reducing post-harvest losses.

Kenya offers a large production base, established export channels, and a rapidly expanding agro-processing ecosystem capable of supporting both domestic and export markets. As agricultural value chains deepen and regional food demand accelerates, the agriculture and livestock sector presents scalable high-impact investment opportunities, aligned with Africa's long-term demographic growth, urbanisation, and consumption trends.





Priority agriculture and livestock investment segments

	Sub-category	Value chain focus	Investment opportunity
	Agribusiness – industrial & high-value crops	Cotton, avocados, flowers, tea, coffee	Commercial farming, export-oriented production, processing for value addition
	Agro-processing	Edible oils, fruit products, tea and coffee processing	Processing facilities to reduce post-harvest losses and increase export value
	Leather and leather products	Livestock-to-leather value chain	Leather processing, footwear and finished leather goods manufacturing
	Dairy	Milk production and value-added dairy products	Dairy processing plants, cold-chain expansion, branded dairy products
	Beef and meat processing	Commercial livestock and meat value chain	Meat processing, packaging, and export facilities
	Poultry	Commercial poultry farming	Hatcheries, feed production, large-scale poultry processing
	Apiculture (bees)	Honey and related products	Commercial honey production and export-oriented value addition

Who should invest

Suitable for large-scale commercial farmers, agro-processors, and agri-tech companies. Profiles include investors in high-value horticulture (tea, flowers, avocados), dairy processing, and leather value chains.

Entry point

Options include partnerships with local producers to deepen supply chains, establishing agro-processing plants near production clusters, or participating in the Land Commercialization Initiative, which repurposes public land for private investment.

~55%
of Kenya's exports

40%
of the total workforce
employed

Agriculture

22.5%
of GDP



7%
annual growth

Livestock

12%
of GDP in 2024

>25M

livelihoods supported,
including 90% of ASAL
households

~\$500M
net export
earnings

~500
tons of meat
exported weekly

#1
milk producer
in Africa

2.4 Building and construction

Building and construction is among Kenya’s fastest-growing sectors, contributing approximately 5.5 percent of GDP and expanding at an estimated annual rate of around 11 percent in recent years. Rapid urbanisation, population growth, and sustained public and private infrastructure investment are driving structural demand across residential, commercial, and transport-linked developments.

Kenya’s urban population continues to expand steadily, intensifying demand for housing, modern infrastructure, and integrated urban services. Annual housing demand is estimated at over 250,000 units, significantly exceeding current supply levels. This gap creates strong opportunity across affordable housing, middle-income developments, and mixed-use urban projects.





Beyond residential development, large-scale infrastructure investment is reshaping Kenya’s urban landscape. Ongoing upgrades in transport networks, commuter rail systems, Bus Rapid Transit (BRT) corridors, and smart city initiatives are driving demand for engineering services, green construction materials, and technology-enabled urban design solutions. Major growth corridors across Nairobi, Mombasa, Kisumu, Nakuru, and emerging secondary cities continue to attract both domestic and international real estate investment.

Sustainability is increasingly defining sector growth. Rising adoption of green construction standards, energy-efficient buildings, and climate-resilient infrastructure aligns strongly with Kenya’s renewable energy advantage and global ESG-driven capital flows, enabling investors to position projects within both commercially viable and sustainability-aligned investment frameworks.

The construction sector also stimulates downstream manufacturing demand for cement, steel, prefabricated materials, piping systems, and electrical components, creating strong linkages with Kenya’s broader industrial base. Public-private partnerships and large-scale infrastructure programmes continue to provide investment pathways across transport, utilities, and urban regeneration.

This sector offers exposure to long-term structural demand driven by demographics, urban expansion, and infrastructure modernisation. Supported by sustained public investment and increasing private sector participation, the sector presents scalable opportunities across real estate, engineering, materials production, and sustainable urban development.

Priority construction and building investment segments in Kenya

Sub-category	Value chain focus	Investment opportunity
 Housing	Residential development across income segments	Affordable housing projects, middle-income estates, mixed-use developments
 Green construction & building	Energy-efficient materials and sustainable design	Green building technologies, prefabricated materials, low-carbon construction solutions
 Urban development & smart cities	Integrated urban infrastructure	Smart city projects, digital urban systems, integrated township developments
 Transport-linked development	Infrastructure-driven real estate	Commuter rail corridors, BRT-linked commercial nodes, transit-oriented development

Who should invest

Real estate developers, civil engineering firms, and manufacturers of sustainable building materials. This includes investors targeting affordable housing projects or large-scale urban infrastructure.

Entry point

Entry is often through Public-Private Partnerships (PPPs) for infrastructure and affordable housing or direct acquisition/development of residential and mixed-use real estate in major growth corridors.

~11%
annual growth

5.5%
of GDP in 2024

**Building and
construction**

>250,000
housing units per year



2.5 Tourism and hospitality

Tourism and hospitality are major contributors to Kenya’s economy, accounting for approximately 8 percent of GDP and supporting around 1.7 mn jobs across direct and indirect value chains. The sector has demonstrated strong recovery momentum, with international tourist arrivals increasing by more than 20 percent in 2024 and total earnings projected to reach approximately USD 5 bn.

Kenya’s tourism proposition is anchored in globally recognised natural assets, including national parks, wildlife conservancies, coastal destinations, and diverse cultural heritage sites. The country’s established safari tourism brand is complemented by expanding beach tourism, adventure tourism, and experience-driven travel offerings. Improved aviation connectivity expanded airport capacity, and visa facilitation reforms have strengthened accessibility to key international source markets.

The sector is increasingly diversifying beyond traditional leisure travel. Growth in regional travel, business tourism, and conference activity is reinforcing Nairobi’s position as a regional hub for meetings, incentives, conferences, and exhibitions (MICE). At the same time, sustainability is becoming a defining theme, with growing demand for eco-lodges, conservation-based





tourism, and environmentally responsible travel experiences.

Kenya’s long coastline, marine parks, and inland conservancies provide strong foundations for ecotourism and conservation-linked investment. Public-private partnerships in park management, sustainable hospitality infrastructure, and community-based tourism models are expanding the scope for responsible, high-value tourism development.

Tourism demand is supported by both international arrivals and growing regional travel within Africa. Rising middle-income travel across the continent and expanding airline connectivity are strengthening intra-African tourism flows. Kenya’s diversified offering allows investors to target leisure, business, and sustainable tourism segments simultaneously.

Kenya offers exposure to a sector combining strong brand recognition, natural comparative advantage, and increasing emphasis on high-value, sustainable, and experience-driven tourism models. As infrastructure, connectivity, and service standards continue to improve, tourism and hospitality remain positioned for scalable, long-term growth within the regional and global travel market.

Priority tourism and hospitality investment segments in Kenya

Sub-category	Value chain focus	Investment opportunity
 Hotels	Urban and resort accommodation	City business hotels, coastal resorts, high-end safari lodges
 Ecotourism	Sustainable tourism and conservation models	Eco-lodges, community-based tourism ventures, low-impact developments
 Parks and conservancies	Wildlife and nature-based tourism	Conservation partnerships, park infrastructure, safari experiences
 MICE	Business and conference tourism	Convention centres, conference hotels, integrated event facilities

Who should invest

International hotel brands, eco-tourism developers, and “MICE” (Meetings, Incentives, Conferences, and Exhibitions) operators.

Entry point

Common entry points include management contracts with local owners, acquisition of existing hospitality assets, or greenfield development of luxury lodges and conference facilities in strategic circuits.

2.4M

international visitors
arrived in 2024

\$5B

projected earnings
in 2025



~8%
of GDP in 2024

**Tourism
and
hospitality**

1.7M
jobs

21%
2024 increase in
international tourists

2.6 Emerging sectors

In addition to its core sectors, Kenya presents high-potential opportunities across a set of emerging industries aligned with sustainability, natural resources, innovation, and ocean-based economic activity. These sectors are gaining strategic importance as global capital increasingly prioritises green growth, digital creativity, mineral supply chains, and sustainable resource management.

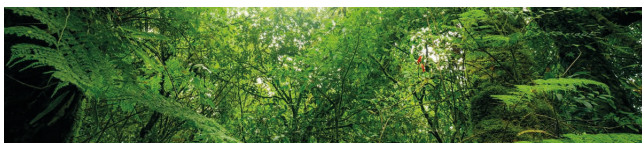
While currently smaller contributors to GDP relative to agriculture, manufacturing, or tourism, these sectors offer scalable long-term opportunities supported by regulatory reforms, infrastructure expansion, and growing international demand.



Creative economy

Kenya's creative economy contributes approximately 5 percent of GDP and is driven by a young, digitally connected population. The sector spans film, music, digital content creation, fashion, gaming, design, sports, and cultural enterprises. Nairobi has emerged as a regional creative and media hub, supported by expanding digital distribution platforms and growing regional consumer markets.

Investment opportunities lie in content production studios, regional streaming platforms, sports infrastructure, cultural centres, and creative-tech ventures. As digital monetisation expands and African content demand grows globally, Kenya's creative industries present export-oriented potential.



Environment and forestry

Kenya is positioning itself as a regional leader in climate action and environmental markets. Forest cover currently stands at approximately 5 - 6 percent, with national targets aimed at expanding coverage to 10 percent. The country has issued significant volumes of carbon credits in recent years, supporting the development of nature-based climate solutions.

Opportunities include carbon credit projects, agroforestry, sustainable timber production, ecosystem restoration, green financing platforms, and circular economy initiatives. Increasing global demand for verified carbon offsets and sustainable supply chains strengthens Kenya's attractiveness in this segment.



Mining

Mining currently contributes approximately 1 percent of GDP, with a strategic objective to increase this to 10 percent by 2030. Kenya possesses deposits of industrial minerals, metallic minerals, gemstones, and rare earth elements. While the sector currently contributes a modest share of GDP, geological surveys indicate significant untapped potential, particularly in soda ash, titanium-bearing sands, gold, rare earth elements, and industrial minerals used in construction and manufacturing.

Regulatory reforms and improved licensing transparency are aimed at strengthening investor confidence. Opportunities span exploration, extraction, refining, mineral processing, and value-added export production aligned with global demand for battery minerals and green transition inputs.



Blue Economy

The blue economy contributes around 1 percent of GDP, with projected GDP contribution of approximately USD 1.2 bn by 2027. Kenya's coastline along the Indian Ocean and its inland freshwater bodies position it strongly within the blue economy. The sector encompasses fisheries, aquaculture, maritime transport, port services, marine biotechnology, coastal tourism, and emerging blue carbon markets.

The fisheries subsector has demonstrated steady export performance, while aquaculture and marine resource processing remain underdeveloped relative to potential. Investment opportunities include fish farming, seafood processing, port-linked logistics, ship repair services, marine renewable energy, desalination, and coastal eco-tourism.

~5%

of GDP in 2024

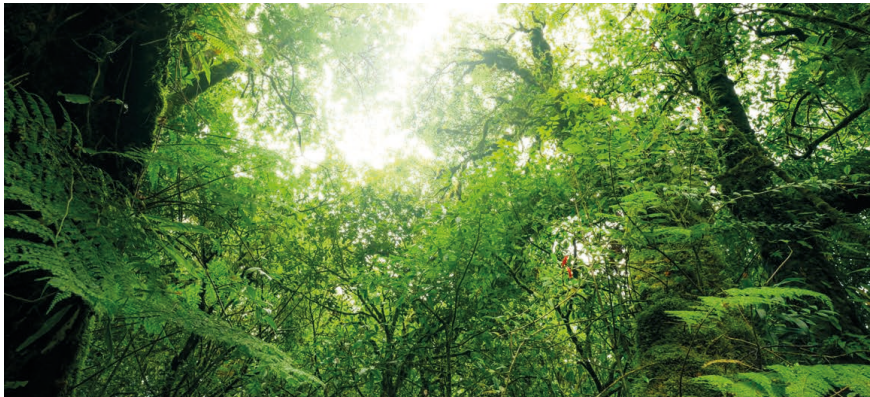
~75%

youth population

~\$3.8B

market value

**Creative
economy**



**Environment
and forestry**

10%

target 2030 forest cover

~4%

of GDP in 2024

5.9%

forest cover

>59M MT

of carbon credits
issued since 2011

~1%
of GDP in 2024

Mining

Vast untapped reserves

including gold, titanium, industrial minerals



Targeting
10%
GDP by 2030

Blue economy



~1%
GDP contribution

Projected
\$1.2B
GDP contributed by 2027

2.7 Infrastructure

Infrastructure is a core enabler of Kenya's economic growth and regional competitiveness, supporting trade, industrial development, urbanization, and service delivery across the economy. Continued investment in transport and energy infrastructure is strengthening Kenya's role as a regional hub and improving the efficiency, reliability, and cost base of doing business.

Transport infrastructure accounts for approximately 9.6 percent of GDP and plays a central role in supporting regional trade flows. Kenya has developed a multimodal logistics network anchored by ports, rail, and road corridors that connect domestic production centres to regional and global markets. The Standard Gauge Railway (SGR) handles approximately 22 million tons of cargo annually and has transported more than 10 million passengers since 2017, significantly improving freight efficiency and reducing transit times.

Port capacity continues to expand. The Port of Mombasa offers handling capacity of approximately 2.65 million TEUs, while the Port of Lamu adds an additional 1.2 million TEUs, reinforcing Kenya's role as a gateway for East and Central Africa. Investments in port services, logistics parks, inland container depots,

and freight corridors offer scalable opportunities linked to growing regional trade volumes.

Energy infrastructure underpins industrial expansion and services growth, contributing approximately 2.4 percent of GDP. Installed power capacity stands at approximately 3,240 MW, with electricity generation exceeding 14,000 GWh in 2024. Kenya's power mix is anchored by a strong renewable base, including Africa's largest wind farm at Lake Turkana (310 MW), supporting reliable and increasingly sustainable power supply for businesses.

Demand for infrastructure investment is driven by population growth, urbanisation, rising freight volumes, and expanding industrial and digital activity. Public-private partnerships, concession models, and logistics-linked development projects provide structured entry points across transport, ports, power generation, and energy transition assets.

Infrastructure development directly supports priority sectors such as manufacturing, agribusiness, tourism, construction, and ICT, while also presenting stand-alone investment opportunities aligned with long-term asset-backed returns and regional growth dynamics.

Who should invest

Institutional investors, infrastructure funds, and global engineering consortia with experience in transport, logistics, and utility networks.

Entry point

Primarily through Public-Private Partnerships (PPPs) and government-led tenders for regional road, rail, and port corridors.





Transport infrastructure

2.65M

TEUs port of Mombasa capacity

22M

tons of cargo annually through Standard Gauge Railway (SGR)

10M+

passengers from 2017-24

9.6%

of GDP in 2024

1.2M

TEUs port of Lamu capacity

\$122M

upgrade project in Mombasa underway

Energy infrastructure



2.4%

of GDP in 2024

~3,240 MW

installed capacity

14,000+ GWh

electricity generated 2024

310 MW

capacity at Africa's largest wind farm in Lake Turkana



CHAPTER 3

Investor journey in Kenya

Investor journey in Kenya

Kenya’s investment journey is supported by a facilitation model designed to provide clarity, coordination, and institutional continuity. Invest Kenya serves as the central coordination point across public and private stakeholders, supporting investors in navigating regulatory processes and engaging relevant authorities.

Invest Kenya is progressively enhancing digital integration through the Digital One Stop Centre (DOSC), which aims to consolidate key approvals and improve transparency across the investment lifecycle. Core registrations such as Kenya Revenue Authority (KRA) PIN registration are already integrated, with further inter-agency integration underway.



Investor journey

Awareness & discovery

Understand where and why to invest in Kenya



Legal identity creation

Establish a legal business entity



Project compliance & licensing

Fulfill requirements for a specific investment



Aftercare

Run, renew, and expand operations



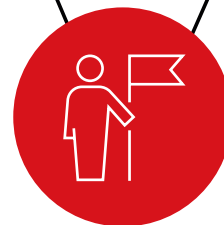
Investor guidance

Understand how to invest in Kenya



Labor permit issuance

Fulfill requirements to work in Kenya



Operational activation

Setup key operation enablers

3.1 Company registration

Once an investment decision is confirmed, the first formal step is establishing a legal business presence in Kenya. This phase provides the corporate identity through which the investor will operate, contract, hire employees, open bank accounts, and obtain regulatory approvals.

Business registration in Kenya is governed primarily by the Companies Act, 2015 and administered through the Business Registration Service (BRS). The process is largely digital, which enables streamlined submission, payment, and issuance of incorporation documents.

Investors may establish operations through several legal structures depending on ownership model, liability preferences, capital structure, and strategic objectives. The most commonly used vehicles for foreign investors are private limited companies and branch offices of foreign companies.

Common legal forms of business in Kenya

Structure	Key features	Minimum members	Liability	Minimum capital
Private Limited Company	Most common structure for foreign investors; separate legal personality and limited liability	1–50 shareholders	Limited to share capital	KES 100,000 (commonly used as benchmark)
Public Limited Company	Suitable for larger entities and those intending to invite public investment	Minimum 2 shareholders (often 7 for PLC per practice)	Limited to share capital	KES 100,000+
Limited Liability Partnership (LLP)	Combines elements of partnership and company; partners enjoy limited liability	Minimum 2 partners	Limited to capital contribution	No statutory minimum
Branch Office of a Foreign Company	Registered extension of a foreign parent (Certificate of Compliance)	N/A	Liability remains with the parent company	No statutory minimum



No local shareholding is generally required unless prescribed under sector-specific regulations. Foreign companies establishing branch operations must appoint a local representative resident in Kenya and comply with statutory reporting requirements.

The incorporation process typically includes name reservation, submission of incorporation documents through the eCitizen platform, payment of statutory fees, and issuance of a Certificate of Incorporation (or Certificate of Compliance for branch offices). Processing timelines and documentation requirements are detailed in the Annex.

In addition to business registration, work permits, companies must comply with local employment regulations, including registration with the National Social Security Fund (NSSF), the Social Health Authority (SHA), and relevant tax authorities for payroll compliance.

The digital registration framework enhances transparency, reduces administrative delays, and enables investors to proceed efficiently to the next stage of labour compliance and sector-specific licensing.

3.2 Work permit issuance

Where an investment requires foreign expertise, labour and immigration compliance ensures that key personnel are legally authorised to work in Kenya. The framework is designed to balance the attraction of foreign skills with the development of local capacity.

Work permits and passes are administered by the State Department for Immigration, allowing digital submission, processing, and tracking of applications. Employers initiate applications on behalf of foreign employees, and approvals are subject to review of qualifications, business registration status, and local labour considerations.

The most relevant permit category for senior personnel is the Class D permit, which applies to foreign nationals employed by a specific Kenyan-registered company in roles where specialised skills are not readily available locally. Class F permits apply to individuals intending to engage in specific manufacturing or industrial activities, while Class A and Class B permits relate to sector-specific investments such as mining and agriculture respectively. Class G permits apply to investors, directors, or partners intending to engage in trade, business, or consultancy activities in Kenya and typically require proof of capital investment and business registration. Class N permits apply to foreign nationals undertaking professional services, research, or specialised assignments under recognised institutions or structured project frameworks.

Certain investor-related permit categories require documentary proof of capital commitment, commonly

benchmarked at approximately USD 100,000 or its equivalent, depending on the nature of the activity.

A key feature of Kenya's work permit framework is the requirement for knowledge transfer. In most employment-based permit categories, the employer must nominate a Kenyan understudy who will be trained to eventually assume the role. This ensures local skills development and long-term sustainability of expertise within the economy.

For short-term assignments during project mobilisation, a Special Pass may be issued for limited-duration engagements.

The annual issuance fee for a Class D permit is approximately USD 2,000, with additional non-refundable processing fees applicable. Permit validity periods, renewal requirements, and applicable fees may be revised periodically in accordance with prevailing regulations.

In addition to work permit compliance, companies are required to fulfil statutory employer obligations, including registration and contributions to the National Social Security Fund (NSSF) and the Social Health Authority (SHA), as well as payroll registration with the Kenya Revenue Authority (KRA) for tax compliance purposes.

Detailed documentation requirements, permit classifications, fee schedules, and procedural guidance are provided in the Annex.

Selected work permit categories relevant to investors

Permit class	Typical use case	Key considerations
A	Prospecting and mining	Requires valid mining/prospecting rights and minimum investment threshold
B	Agriculture and animal husbandry	Requires proof of land access and minimum investment capital
D	Employment by a Kenyan-registered company	For specialised skills not readily available locally; Kenyan understudy required
F	Specific manufacturing activity	Requires proof of manufacturing investment and regulatory approvals
G	Trade, business, or consultancy	Requires proof of minimum capital investment (USD 100,000)
N	Professional services, research, or specialised assignments	Typically linked to recognised institutions or structured project mandates

3.3 Project compliance and licensing

Following legal establishment and mobilisation of key personnel, investors proceed to secure the regulatory approvals and licences required for project implementation. Compliance requirements vary depending on the nature, scale, and location of the investment, but are generally structured across environmental, sectoral, and county-level approvals.

Environmental and social compliance is a core component of project authorisation. Investments with potential environmental impact are subject to review by the National Environment Management Authority, including Environmental Impact Assessments (EIA) where applicable. This ensures alignment with national environmental standards and sustainability frameworks.

Sector-specific approvals may be required depending on the nature of the investment. Manufacturing projects may require industrial and occupational safety certifications, while infrastructure and energy projects are subject to oversight by sector regulators. County governments issue business permits and

construction approvals where applicable, particularly for site development and operational readiness.

Invest Kenya plays a coordination role during this phase by facilitating engagement with relevant regulatory bodies, sequencing approvals, and resolving bottlenecks. This coordinated approach reduces approval timelines, enhances predictability, and supports efficient project execution.

Specific requirements depend on project characteristics and sector classification. Detailed regulatory references and authority listings are provided in the Annex.

By integrating licensing processes within the broader investment facilitation framework, Kenya seeks to ensure that compliance is sequenced logically and managed transparently, allowing investors to transition efficiently from approval to operational activation.

Typical regulatory pathway (illustrative)

Approval category	Environmental	Sector-specific	County-level
Examples of requirements	Environmental Impact Assessment (EIA)	Industry licences or operating permits	Business permit, construction approval
Issuing authority	National environmental authority	Relevant sector regulator	County government

3.4 Operational activation

Operational activation marks the transition from regulatory approval to active commercial activity. During this phase, investors establish the core operational enablers required to commence production, service delivery, or revenue generation.

Key actions typically include opening corporate bank accounts, securing land or industrial premises, activating utilities, registering for payroll and statutory compliance, and implementing internal governance and insurance arrangements. Kenya's financial sector provides a well-developed banking ecosystem capable of supporting domestic and international transactions, trade finance, project finance, and foreign exchange services.

Utility access is coordinated through relevant providers, with electricity, water, telecommunications, and broadband infrastructure available across major urban centres and industrial corridors. Kenya's predominantly renewable energy base enhances supply reliability while supporting sustainability-aligned industrial operations.

Through coordinated facilitation and digital administration systems, Kenya seeks to ensure that investors move efficiently from approval to full operational capacity. This structured activation process reduces administrative friction and enables businesses to focus on scaling production, expanding services, and accessing domestic and regional markets.

Indicative operating cost snapshot (selected items)

Cost category	Electricity (Industrial tariff)	Water	Work permit (Class D)	Office Rent (Nairobi prime areas)	Commercial lending rates
Indicative level	~USD 0.17 per kWh	Varies by consumption band	~USD 2,000 annually	~USD 0.80–1.05 per sq. ft	~12–14 percent (indicative range)

Note: Costs are indicative and may vary depending on location, consumption levels, and regulatory updates. Detailed cost references are provided in the Annex.

3.5 Taxation and statutory framework

Kenya operates a structured and transparent taxation system administered by the KRA. Tax registration, filing, and payment processes are largely digital, supporting efficiency, compliance transparency, and predictability for businesses operating in the country.

Corporate income tax for resident companies is levied at 30 percent, while non-resident companies are taxed at 37.5 percent on income derived from Kenya. Value Added Tax (VAT) is applied at a standard rate of 16 percent on taxable goods and services.

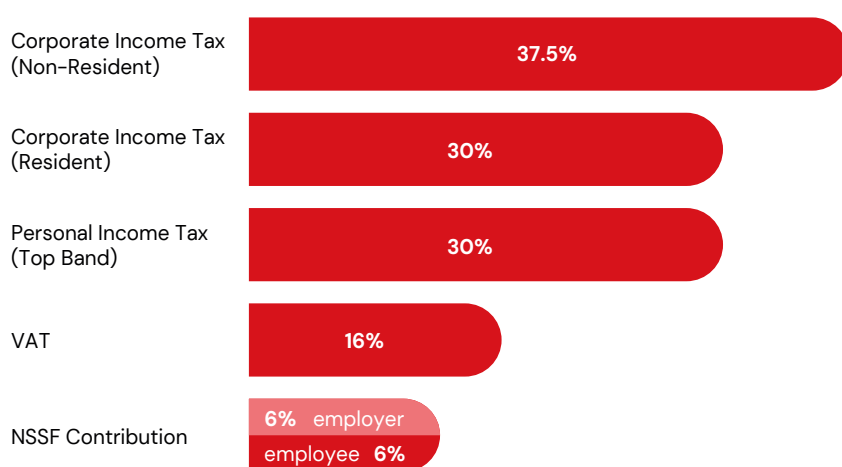
Withholding taxes apply to certain cross-border and domestic payments, including dividends, interest, royalties, and management fees. Applicable rates may vary depending on the nature of the transaction and whether a Double Taxation Agreement (DTA) applies.

Employers are required to comply with payroll obligations, including Pay-As-You-Earn (PAYE) income tax deductions and statutory contributions to the NSSF and the SHA. Payroll reporting and remittance are conducted through digital platforms administered by the relevant authorities.

Kenya maintains an extensive network of Double Taxation Agreements, reducing fiscal friction for cross-border investors and enhancing tax certainty for multinational operations. Detailed treaty listings are provided in the Annex.

Kenya's tax framework is aligned with international standards and provides defined statutory rates, enhancing predictability for long-term investment planning.

Key corporate tax and statutory rates



Note: Additional sector-specific taxes, withholding obligations, and incentive frameworks may apply depending on the nature of the investment. Detailed schedules are provided in the Annex.

An aerial photograph showing a yellow hot air balloon with the number '5019' on its side, floating over a vast savanna landscape. The foreground is dominated by a dense, lush green forest. In the middle ground, a wide, open plain stretches out, dotted with small trees and shrubs. The background features a range of low, rolling hills under a clear, light blue sky.

CHAPTER 4

Setting up and operating in Kenya

Setting up and operating in Kenya

Provides practical, investor-relevant guidance on company setup, work permits, labour considerations, intellectual property, and indicative operating costs, focusing on clarity rather.

4.1 Incentives, zones and location options

Kenya's investment incentive framework is designed to accelerate industrialisation, enhance export competitiveness, and support long-term capital formation across priority sectors. Incentives are structured within a predictable legal and regulatory architecture that differentiates between the general national regime and designated economic zones operating under specialised fiscal and administrative frameworks.

Economic zones in Kenya are geographically defined investment platforms established to provide enhanced fiscal incentives, streamlined regulatory processes, and infrastructure-ready environments. These zones operate under distinct legislation and are designed to reduce entry friction, shorten project implemen-

tation timelines, and improve cost competitiveness for export-oriented and value-adding investments.

Kenya currently maintains 38 gazetted Special Economic Zones (SEZs) covering approximately 9,042 acres and 105 Export Processing Zones (EPZs) covering approximately 6,177 acres. Together, these platforms provide more than 15,000 acres of serviced land for industrial, logistics, technology, and mixed-use development. The zone ecosystem is complemented by County Aggregation and Industrial Parks (CAIPs) as well as privately developed SEZs and integrated industrial cities, offering investors flexibility in location, ownership structure, and infrastructure readiness.

38

Gazetted Special Economic Zones (SEZs)

9,042

Acres of land available to lease in SEZs

105

Gazetted Export Processing Zones (EPZs)

6,177

Acres of land available in EPZs

Under the general investment regime, businesses operate within Kenya's national tax framework and benefit from investment deduction allowances on qualifying capital expenditure. Within EPZs and SEZs, however, investors access differentiated corporate tax rates, customs and VAT exemptions, and withholding tax relief designed to strengthen export competitiveness and capital efficiency.

Comparative incentive overview

Incentive category	General regime	EPZ	SEZ
Corporate tax	30% (resident companies)	0% for first 10 years; 25% for next 10; 30% thereafter	10% for first 10 years; 15% for next 10; 30% thereafter
VAT & import duty	Standard VAT & customs apply	Exemption on VAT and customs duty for raw materials and machinery	Full exemption from VAT, excise duty, import duty, and IDF on qualifying goods
Investment deduction	100% on qualifying capital expenditure (threshold applies)	100% on building and machinery	100% on building and machinery
Withholding tax	Standard rates apply	10-year withholding tax holiday on payments to non-residents	0% withholding tax on dividends and certain cross-border payments
Stamp duty	Nominal rates apply	Exempt	Exempt

Note: Incentives are subject to compliance with relevant zone regulations and investment approval conditions.

Export Processing Zones are primarily structured to promote export-led manufacturing and processing activities. EPZ enterprises benefit from full corporate tax exemption in the initial phase of operation, customs and VAT exemptions on imported inputs, and withholding tax relief to support export competitiveness.

Special Economic Zones provide a broader platform that accommodates manufacturing, services, logistics, technology, and innovation-driven activities serving both domestic and international markets. SEZ enterprises benefit from reduced corporate tax rates over defined periods, broad-based indirect tax exemptions, and dividend-related withholding tax relief, positioning them as flexible investment platforms beyond strictly export-only models.

Within economic zones, investors benefit from reduced corporate **tax rates**, broad indirect **tax exemptions**, and dividend-related withholding **tax relief**

Kenya offers multiple public SEZs, EPZs, and industrial parks

Example parks

Konza Technopolis, Machakos	5,000 acres	Borders 3 counties (Makueni, Machakos, and Kajiado) 60 km from Nairobi
Naivasha SEZ, Naivasha	1,000 acres	Located in Maai Mahiu along the Nairobi–Naivasha SGR line. Competitive power tariffs. Planned 5,000-acre expansion
Dongo Kundu SEZ, Mombasa	3,000 acres	Adjacent to the Mombasa Port in Likon
Olkaria SEZ, Nakuzu	8,292 acres	Leverages geothermal power and hosts KenGen’s Green Energy Park
Riwa SEZ, Homa Bay	530 acres	13 km from the CBD. 8 industrial, sector-based zones planned

18,000 acres

of public SEZ and industrial park land

47 CAIPs

in development

Source: SEZA, EPZA

Beyond fiscal incentives, zone-based investments benefit from regulatory streamlining, consolidated licensing mechanisms, on-site customs documentation, and facilitation services that reduce bureaucratic complexity. These features support faster project approvals, improved infrastructure access, and coordinated engagement with relevant authorities.

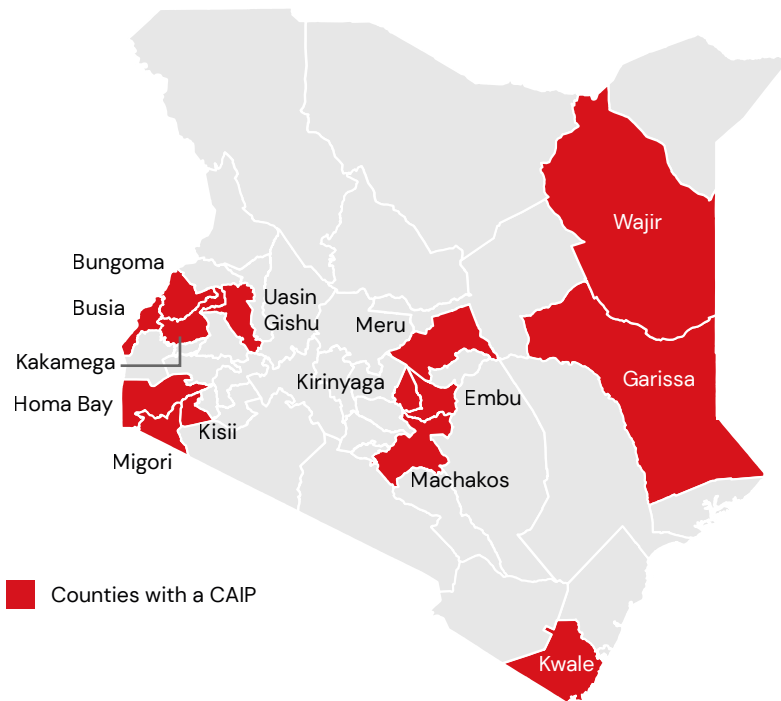
Public SEZs such as Konza Technopolis, Dongo Kundu SEZ, Naivasha SEZ, and Olkaria SEZ are strategically located along key transport and energy corridors, leveraging port access, rail connectivity, and renewable energy capacity. Private SEZs and integrated industrial cities, including Tatu City, Vipingo SEZ, Northlands SEZ, and Infinity Industrial Park, provide investors with

ready-built facilities, master-planned infrastructure, and cluster-based development models.

CAIPs are being rolled out across multiple counties to decentralise manufacturing, promote agro-processing, and stimulate balanced regional development. Currently, 14 counties are advancing CAIP platforms, aligned with national industrialisation priorities and sector-specific value chains. These parks offer location-based advantages linked to resource proximity, agricultural production clusters, logistics corridors, and regional supply chains.



Incentives within County Aggregation and Industrial Parks (CAIPs)



14
CAIPs



Incentives within CAIPs match offerings from landbanks, including those in:

- SEZs**
- EPZs**
- Industrial parks**

1. To be completed by December 2025

Source: SEZA, EPZA, Ministry of Investments, Trade and Industry

In parallel, Kenya’s Land Commercialisation Initiative seeks to repurpose approximately 500,000 acres of underutilised public land to support private-sector investment through structured public-private partnerships. This initiative enhances land tenure security, accelerates project preparation, and expands the pipeline of bankable industrial and agricultural projects.

Through this multi-layered ecosystem of fiscal incentives, designated economic zones, and infrastructure-ready industrial platforms, Kenya provides investors with structured location options aligned with export strategies, domestic market expansion, and long-term industrial growth.

4.2 Investor protection, legal certainty and risk mitigation

Kenya provides a structured legal and institutional framework designed to safeguard investor rights, strengthen regulatory predictability, and support long-term operational stability. While the earlier stages of the investor journey focus on establishment and approvals, this framework underpins investor confidence once operations are underway and supports investment sustainability over the full lifecycle.

Investment protection is anchored in the Constitution of Kenya, which guarantees protection of property rights and provides safeguards against unlawful expropriation. Kenya operates a structured judicial system with specialized commercial divisions that handle business-related disputes, supporting enforceable contracting and predictable legal recourse.

Kenya recognizes arbitration and alternative dispute resolution mechanisms as valid and enforceable methods for resolving commercial disputes and is party to international conventions that support the recognition and enforcement of arbitral awards. This strengthens the cross-border enforceability of commercial agreements and provides investors with credible options for dispute resolution.

Kenya has entered multiple Bilateral Investment Treaties (BITs) with strategic partner countries. These treaties typically provide protections including fair and equitable treatment, protection against unlawful expropriation, non-discriminatory treatment, and access to international arbitration mechanisms. In parallel, Kenya maintains an extensive network

of Double Taxation Agreements, enhancing fiscal certainty and reducing cross-border tax exposure for multinational enterprises.

Intellectual property protection forms a central part of Kenya's investment security framework, particularly in manufacturing, pharmaceuticals, ICT, consumer goods, and the creative economy. Kenya is a member of the World Intellectual Property Organization and is compliant with the Agreement on Trade-Related Aspects of Intellectual Property Rights. The Kenya Industrial Property Institute administers patents, trademarks, industrial designs, and utility models, while the Kenya Copyright Board oversees copyright protection. The legal framework provides registration pathways, enforcement provisions, and remedies against infringement.

Risk mitigation is further supported by increasingly digitalized government services and defined administrative procedures that improve transparency and traceability. As Kenya expands inter-agency integration through platforms such as the Digital One Stop Centre, regulatory engagement is expected to become more coordinated, predictable, and easier to track across the investment lifecycle.

Together, these protections and mechanisms reinforce legal certainty, reduce regulatory ambiguity, and provide investors with structured tools to manage commercial and operational risk in Kenya.

4.3 Aftercare, expansion, and long-term partnerships

Kenya's investment framework extends beyond project establishment to include structured aftercare and reinvestment support designed to sustain long-term success. Recognising that expansion and reinvestment are critical drivers of economic growth, the Government of Kenya prioritises investment retention as a core component of its investment strategy.

Invest Kenya serves as the central coordination point for investor aftercare, facilitating engagement with national ministries, regulatory authorities, and county governments to address operational challenges and support expansion plans. This includes structured issue resolution mechanisms, policy advocacy channels, and coordinated support for reinvestment initiatives.

As businesses scale operations, diversify product lines, or expand into new sectors or regions, investors receive guidance on additional licensing requirements,

access to industrial land and zones, and integration into new value chains. Coordination with county governments ensures alignment with regional development priorities and access to decentralised industrial platforms, including CAIPs and SEZ expansions.

Kenya's investment facilitation model emphasises continuity of engagement, enabling investors to transition from initial establishment to multi-phase expansion with institutional support. This long-term partnership approach supports reinvestment, encourages local value addition, and strengthens investor confidence in Kenya as a stable and growth-oriented investment destination.

An aerial photograph of a container ship's deck, showing a large number of stacked blue and red shipping containers. The ship is moving through deep blue water, leaving a white wake. The deck is green and has various pieces of equipment and yellow safety markers. The ship's hull is white, and the overall scene is captured from a high angle, looking down at the vessel.

CHAPTER 5

Market access

Market access

Kenya's trade architecture is a central pillar of its investment proposition, enabling companies to scale operations across Africa and integrate into global value chains from a single production base. Through a combination of regional integration frameworks and intercontinental trade agreements, Kenya provides investors with preferential access to markets representing more than one billion consumers across Africa and major developed economies.

5.1 Regional integration frameworks

East African Community (EAC)

Kenya is a founding member of the EAC, a regional bloc comprising eight partner states with a combined population exceeding 330 million and a GDP of approximately USD 300+ billion. The EAC Customs Union and Common Market enable tariff-free intra-regional trade in qualifying goods, alongside rights of establishment and movement of capital and labour.

This translates into seamless regional distribution, harmonised standards, and reduced tariff barriers across East Africa.

COMESA

Through membership in the Common Market for Eastern and Southern Africa, Kenya participates in one of Africa's largest trading blocs, covering over 600 mn people. COMESA promotes customs harmonisation, trade facilitation, and regional industrial development.

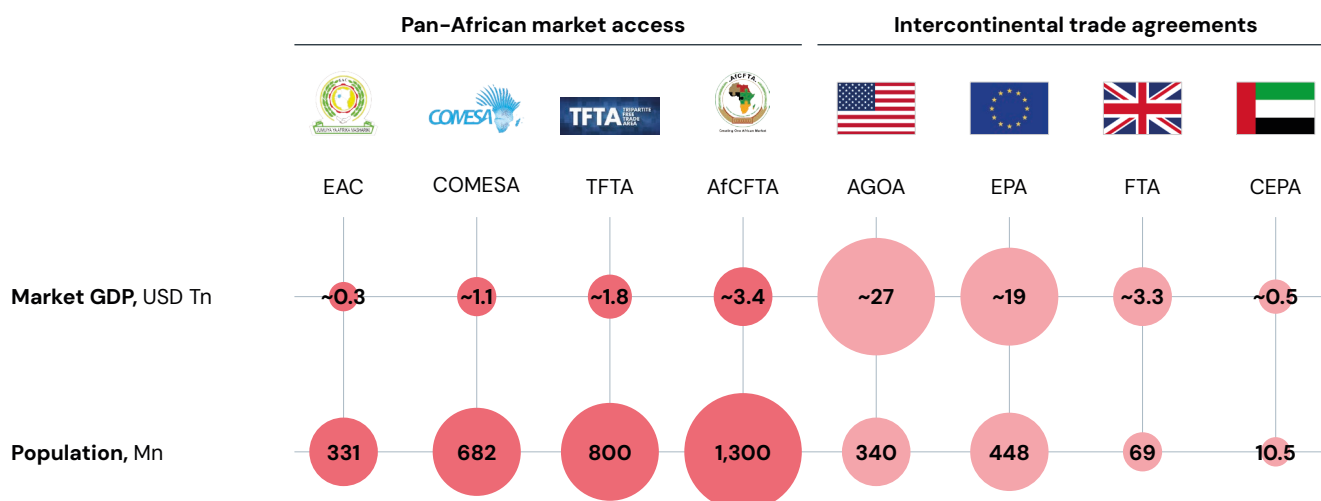
This expanded regional footprint strengthens Kenya's position as a manufacturing and logistics gateway for Eastern and Southern Africa.

African Continental Free Trade Area (AfCFTA)

The AfCFTA creates a single African market of approximately 1.4 bn people and a combined GDP exceeding USD 3 trillion. Kenya is among the early participants in the AfCFTA Guided Trade Initiative, enabling commercially meaningful intra-African trade under harmonised tariff schedules.

AfCFTA is expected to increase intra-African trade by over 80 percent in the long term, providing investors located in Kenya with direct access to an expanding continental market.

Kenya is a gateway to Africa and beyond



Source: World Bank Group, IMF, International Trade Administration, COMESA, EAC, AGOA, Europa, Kenya State Department for Trade

African Growth and Opportunity Act (AGOA)

AGOA provides eligible Sub-Saharan African countries, including Kenya, with duty-free access to the United States market for over 6,000 product lines. The arrangement supports exports across apparel, textiles, agricultural products, and selected manufactured goods, strengthening Kenya's position as a competitive export hub to one of the world's largest consumer markets.

This preferential access enhances Kenya's attractiveness for export-oriented manufacturing and value addition, particularly in sectors aligned to U.S. demand. By lowering tariff barriers and improving market certainty, AGOA supports industrial growth, job creation, and integration into global value chains.

Comprehensive Economic Partnership Agreement (CEPA) – UAE

The Kenya-UAE CEPA establishes a bilateral framework to deepen trade, investment, and economic cooperation between the two countries. The agreement provides preferential market access, streamlines customs procedures, and enhances regulatory cooperation across priority sectors including agriculture, energy, logistics, and financial services.

CEPA strengthens Kenya's trade connectivity to the Middle East and Asia through the UAE's position as a global re-export and logistics hub. The agreement is expected to catalyze two-way investment flows, facilitate technology transfer, and position Kenya as a strategic partner within Gulf-Africa trade corridors.

Free Trade Agreement (FTA) – United Kingdom

The Kenya-UK Free Trade Agreement secures duty-free, quota-free access for Kenyan exports to the UK market, ensuring continuity of trade following the UK's exit from the European Union. The agreement covers goods trade, customs cooperation, and sanitary and phytosanitary measures, providing stability and predictability for exporters.

By preserving preferential access to a key European market, the FTA supports Kenya's horticulture, tea, and agro-processing sectors while creating a platform for expanded collaboration in services, investment, and sustainable trade. The agreement reinforces Kenya's position as a reliable trade partner and gateway to East Africa.

5.2 Intercontinental market access

Kenya maintains preferential trade arrangements with key global partners.

The Kenya-EU Economic Partnership Agreement provides duty-free, quota-free access to the European Union for Kenyan exports, while allowing phased liberalisation domestically. The Kenya-UK EPA mirrors these benefits for the United Kingdom market.

Through AGOA, Kenyan products access the United States market under preferential tariff treatment, particularly benefiting apparel and manufactured exports.

The Kenya-UAE Comprehensive Economic Partnership Agreement expands market access into the Gulf region and supports cooperation in digital economy, infrastructure, and MSME development.

Together, these frameworks enable Kenyan-based operations to integrate into global production and sourcing networks with reduced tariff exposure and enhanced regulatory certainty.

5.3 Trade facilitation and logistics efficiency

Kenya has undertaken sustained trade facilitation reforms aligned with World Trade Organization commitments, including implementation of the Trade Facilitation Agreement and digitalisation of customs systems.

The Kenya Revenue Authority administers import and export processes through electronic platforms, supporting streamlined declarations and risk-based cargo clearance. The National Trade Facilitation Committee coordinates public and private stakeholders to address procedural bottlenecks and enhance border efficiency.

Strategic logistics infrastructure – including the Port of Mombasa, the Port of Lamu, and the Standard Gauge Railway – reinforces Kenya's role as a regional distribution hub.

5.4 Certification and compliance

Export certification frameworks support preferential access under regional and bilateral trade agreements. Certificates of origin for EAC, COMESA, AfCFTA, EU, UK, and AGOA markets are issued through designated authorities, ensuring compliance with rules of origin and trade protocols.

Detailed procedural requirements for import and export documentation, customs processing, and sector-specific certifications are provided in the Annex.

Positions Kenya's trade framework as a scale-up advantage, highlighting regional and global market access through AfCFTA and other agreements without delving into operational trade procedures.

A photograph of a business meeting in a modern office. A man in a light-colored suit and a woman in a dark blazer are shaking hands in front of a large window overlooking a city skyline. In the foreground, a dark conference table is set with water glasses, coffee cups, and papers. To the left, the hands of other people are visible, clapping. The scene is brightly lit by natural light from the window.

CHAPTER 6

How to get started

How to get started

Invest Kenya serves as the first point of contact for investment facilitation in Kenya and provides structured support throughout the investment journey - from initial exploration to establishment, operation, and expansion.

Early engagement enables alignment of investment concepts with sector priorities, regulatory requirements, location options, and applicable incentive frameworks. Invest Kenya coordinates with relevant national and county institutions to facilitate introductions, clarify procedures, and support efficient navigation of administrative and licensing processes.

Company registration, tax identification, immigration compliance, and sector-specific approvals are administered by the respective statutory authorities through established digital and institutional platforms. While many processes can be completed directly through official portals, Invest Kenya provides coordination support where multi-agency alignment or clarification is required.

A summary matrix outlining process responsibilities - distinguishing between direct authority engagement, digital self-service platforms, and facilitated coordination - is provided in the Annex.

Up-to-date sector information, regulatory references, and engagement channels are available through official platforms. Direct engagement with Invest Kenya ensures access to current guidance and structured facilitation support across priority sectors.

Partner with Invest Kenya – your gateway to investing in Kenya



Invest Kenya – Kenya Investment Authority

Website: www.investkenya.go.ke

Email: info@investkenya.go.ke

Tel: +254 (0) 730 104 200

Location: Nairobi, Kenya

Annex

Invest Kenya serves as Kenya’s primary point of contact for investment facilitation, providing structured support across the full investment lifecycle—from initial exploration and establishment to operations and expansion.

Below is a summary matrix of the latest sector information, relevant regulatory references, and engagement channels available through official platforms. For the most current guidance and coordinated facilitation across priority sectors, investors are encouraged to engage directly with Invest Kenya.

All figures cited are current as of March 2026 and may change as policies and regulations evolve to strengthen Kenya’s investment and business environment.

A1: Work Permit Categories Under the Kenya Immigration Framework

Permit Class	Description	Processing Fee (KSh)	Issuance Fee Per Year (KSh)
A	Prospecting and mining	20,000	500,000
B	Agriculture and animal husbandry	20,000	250,000
D	Specific employment (skills not readily available locally)	20,000	500,000
F	Specific manufacturing activity	20,000	250,000
G	Specific trade, business, or consultancy	20,000	250,000

Note: Fees may be revised periodically by regulation. Investors should consult the official immigration portal for current rates.



B1: Company Incorporation Process in Kenya

Step	Action	Authority / Platform
1	Business name search and reservation	eCitizen (Business Registration Service)
2	Preparation of incorporation documents	Company Directors / Legal Advisors
3	Submission of registration application	eCitizen
4	Payment of statutory registration fees	eCitizen
5	Issuance of Certificate of Incorporation / Compliance	Business Registration Service
6	Tax registration (PIN, VAT where applicable)	KRA
7	Registration with NSSF and SHA	Respective Authorities

C1: Key Corporate Tax and Statutory Rates

Tax Type	Rate
Corporate Income Tax (Resident)	30%
Corporate Income Tax (Non-Resident)	37.5%
Value Added Tax (VAT)	16%
Withholding Tax (varies by payment type)	5%–20%
Personal Income Tax (Top Band)	30%
NSSF Contribution	6% employer / 6% employee
SHA Contribution	As prescribed by regulation

D1: Selected Operating Cost Indicators (Indicative)

Cost Item	Approximate Level
Electricity (Industrial Tariff)	~USD 0.17 per kWh
Water (Low Consumption Band)	~USD 1.70 per unit
Office Rent (Nairobi Prime Areas)	USD 0.80–1.05 per sq. ft
Work Permit Fee (Class D)	~USD 2,000 annually
Commercial Lending Rates	~12–14% (indicative range)

E1: Selected Active Bilateral Investment Treaties

Region	Countries
Europe	France, Germany, Netherlands, Switzerland, UK
North America	Canada
Africa	South Africa, Zambia
Middle East / Asia	UAE, Qatar, India

F1: Active Double Taxation Agreements

Region	Countries
Europe	Denmark, France, Germany, Norway, Sweden, UK
North America	Canada
Middle East / Asia	India, South Korea, Qatar, UAE
Africa	South Africa, Zambia, Seychelles

G1: Investment Process Responsibility Matrix

Process Category	Primary Channel	Nature of Engagement
Investment advisory & sector alignment	Invest Kenya	Direct facilitation
Project structuring & location guidance	Invest Kenya	Advisory coordination
Tax PIN & VAT registration	Invest Kenya – DOSC	Digital facilitation
Company incorporation	Business Registration Service (eCitizen)	Digital self-service
Work permits	State Department for Immigration	Employer-led application
Environmental approvals	National Environmental Authority	Direct authority engagement
Sector licences	Relevant sector regulator	Direct authority engagement
County permits	County Governments	Direct authority engagement

Note: Facilitated by Invest Kenya

Frequently asked questions

Q. What makes Kenya a better investment destination than its regional neighbors?

Kenya serves as the primary trade, logistics, and financial hub for East Africa, accounting for approximately 26% of the region's GDP. Investors benefit from a highly diversified economy that is less reliant on a single sector, alongside a "green" competitive advantage: approximately 93% of Kenya's power mix is generated from renewable sources. Additionally, Nairobi is the leading regional aviation and professional services hub, providing seamless connectivity for firms serving the broader 330-million-person East African Community (EAC) market.

Q. Is my investment legally protected against expropriation or policy shifts?

Yes. Investor protection is anchored in the Constitution of Kenya, which guarantees the protection of property rights and provides safeguards against unlawful expropriation. Kenya also maintains a network of Bilateral Investment Treaties (BITs) that provide international-standard protections, including fair and equitable treatment and access to international arbitration. For commercial disputes, the judicial system includes specialized commercial divisions, and the country recognizes alternative dispute resolution mechanisms as enforceable.

Q. What is the currency risk with the Kenyan shilling?

Kenya operates a market-determined exchange rate. Investors in export-oriented businesses (e.g., horticulture, tech services billed in USD) have a natural hedge; those targeting the domestic consumer market should factor in hedging costs or structure returns in local-currency terms.

Q. Can foreign investors repatriate profits freely?

Yes. Kenya has no capital controls restricting the repatriation of dividends, interest, or capital gains. The Central Bank of Kenya allows free conversion and transfer of funds under the current account. Withholding tax on dividends paid to non-residents is 15% (reduced to 10% under several double taxation agreements, including with the UK, Germany, and Mauritius). Confirming treaty eligibility with a local tax adviser before structuring is strongly recommended.

Q. What specific tax incentives are available for new manufacturing projects?

Investors can access significant fiscal incentives by operating within Special Economic Zones (SEZs) or Export Processing Zones (EPZs). EPZ enterprises enjoy a full corporate tax holiday for the initial period of operation and duty/VAT exemptions on imported inputs. SEZ enterprises benefit from reduced corporate tax rates over defined periods and withholding tax relief on dividends, making them flexible for both domestic and export-oriented models.

Q. How reliable is the local infrastructure for large-scale industrial operations?

Kenya has invested heavily in a multimodal logistics network, including the Standard Gauge Railway (SGR), which moves 22 million tons of cargo annually, and the Port of Mombasa, which has a capacity of 2.65 million TEUs. For digital operations, internet penetration exceeds 85%, supported by extensive fiber-optic infrastructure and multiple submarine cables. Reliable power is supported by an installed capacity of 3,240 MW, anchored by major projects like the Lake Turkana Wind Farm.

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Q. How difficult is the process for obtaining work permits for expatriate staff?

Kenya has a structured immigration framework with specific permit categories (such as Class D for holders of specific employment). While the process is employer-led, the government has introduced the Digital One Stop Centre (DOSCC) to consolidate approvals and improve transparency. Currently, the indicative annual fee for a Class D work permit is approximately USD 2,000.

For direct engagement
and up-to-date
investment information



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(Invest Kenya)**

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Invest -iN- KENYA

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