

SEZ AUTHORITY Newsletter

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JANUARY 2025

VOLUME 1
ISSUE 2



CEO's REMARKS

Dear Colleagues, Partners, and Stakeholders,

As we reflect on the last quarter, it is clear that the momentum at the Special Economic Zones Authority (SEZA) Kenya continues to grow stronger. This period has been marked by significant milestones that underpin our commitment to driving sustainable development and fostering impactful partnerships. So far we have gazetted 5 new SEZs this quarter (1st September to 31st December) and brought in foreign and domestic direct investment worth USD 176,508,468 (Ksh22,845,993,885). to boost our economy.

To make our SEZs competitive we embarked on a benchmarking mission to Egypt, sponsored by our valued partner JICA, and which provided invaluable insights into SEZ best practices. The delegation, comprising directors and senior leaders, engaged in an exchange of ideas that will enhance our strategy for future SEZ developments.

Our SEZs have been growing and contributing significantly to the Kenyan economy. In October, we took part in the groundbreaking ceremony for the Mara Phase 5 development at the Nairobi Gate SEZ, marking another chapter in our journey to position Kenya as a premier destination for industrial growth and investment. The project involves the construction of warehouses attracting a \$7 million (Ksh 903 million) investment and is aimed at boosting light manufacturing industries such as pharmaceuticals, logistics, and textile & apparel sectors.

At SEZA, we invest in employees too and prioritize the well-being of our team, which is why we held a successful staff health and wellness program. This initiative empowered our team with vital first aid skills and offered screenings for diabetes, blood pressure, and mental health awareness. A healthy workforce is essential for a productive and dynamic organization.

The quarter culminated with the 9th Annual AEZO Meeting held at the KICC in Nairobi from November 27–29, 2024. Co-hosted by SEZA and the Ministry of Investments, Trade, and Industry (MITI), the event was graced by H.E. President William Ruto and featured exhibitions, plenaries, and expert discussions focused on building sustainable and resilient SEZs in Africa. This landmark event reaffirmed Kenya's leadership in the SEZ space and highlighted the immense opportunities SEZs offer in driving inclusive economic growth across the continent.

As we move forward, I thank our dedicated team and partners for their continued support. Together, we are shaping a brighter future for Kenya and Africa.

Warm regards,

Dr. Kenneth Chelule, EBS

CEO, Special Economic Zones Authority

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SEZA PARTICIPATES IN BENCHMARKING VISIT TO EGYPT'S SUEZ SPECIAL ECONOMIC ZONE

The Special Economic Zones Authority (SEZA) joined other East African Community (EAC) partner states on a benchmarking mission to Egypt's Suez Canal Economic Zone (SCEZ). The visit aimed to enhance understanding of the effectiveness and operational framework of Egypt's SEZ program, promoting knowledge exchange to strengthen SEZ initiatives across the region.

As part of the mission, the delegation visited key facilities under the General Authority for the Suez Canal Economic Zone, including prominent sites at Sokhna and Port Said. These visits provided invaluable insights into the infrastructure, operational strategies, and policies that contribute to the success of Egypt's SEZ program. The delegation comprised SEZ experts and stakeholders from EAC partner states, creating a platform for collaboration and shared learning. The mission was led by Ms. Annette Ssemuwemba Mutaawe, the EAC Deputy Secretary General for Customs, Trade, and Monetary Affairs.

This exchange emphasized the commitment of EAC member states to adopt global best practices in economic zone management. The EAC aims to drive regional development, enhance economic integration, and create sustainable growth opportunities for member states through leveraging insights from successful SEZ programs like the SCEZ.





UK- KENYA TRADE MISSION 2024 AIMS TO BOLSTER INVESTMENT OPPORTUNITIES

The Special Economic Zones Authority (SEZA) participated in the UK-Kenya Trade Mission 2024, held from October 1st-3rd, 2024, at the Weston Hotel in Nairobi. This significant conference, convened by CICL UK in collaboration with key partners including the British Chamber of Commerce, the Kenya High Commission in the United Kingdom, Ken Invest, the Ministry of Investments, Trade and Industry, the Kenya National Chamber of Commerce & Industry, and the State Department for Diaspora Affairs, aimed to bolster trade and investment between Kenya, the United Kingdom, and Commonwealth countries.

Opening the session, PS Njogu, State Department for Diaspora Affairs said,

"This mission is not only about commerce but also about mutual prosperity, innovation and a shared future in which all our countries can thrive through collaboration."



The discussions provided in-depth insights into key sectors in both Kenya and the UK, exploring existing and emerging investment opportunities within both countries. The event also examined the future trajectory of these sectors, among other key topics crucial for fostering bilateral trade and investment. The Principal Secretary of the State Department for Investment Promotion, Mr. Abubakar Hassan Abubakar, affirmed that the department is engaged in collaborative efforts with the British Chambers of Commerce and the UK Embassy to streamline the establishment of businesses in both Kenya and the United Kingdom.

"Kenya and the UK enjoy a warm relationship based on our strategic partnership, and our focus is on economic diplomacy, where we are strengthening our investment and trade relationships," he said.

During the meeting, the PS highlighted the robust legal framework underpinning trade and investment between the two countries, including a bilateral investment treaty, and a feasible taxation agreement. In addition, SEZA CEO highlighted the various opportunities available in the SEZ program including Naivasha SEZ that allows various investment opportunities to government and private sectors, and also the tax incentives that ensure streamlined processes, leasing land for 50 years.



CS MITI, Hon. Salim Mvurya, PS SDIP Abubakar Hassan and SEZA CEO Dr. Kenneth Chelule at the Mara Phase 5 Groundbreaking Ceremony at Nairobi Gate SEZ

GROUNDBREAKING CEREMONY AT NAIROBI GATE SEZ PHASE 5 IN MARA

The SEZA team, led by Dr. Kenneth Chelule, joined Hon. Salim Mvurya, Cabinet Secretary for Investment, Trade, and Industry, and PS Abubakar Hassan Abubakar for the groundbreaking ceremony of Nairobi Gate SEZ Phase 5 in Mara.

This significant project marks a major milestone in strengthening Kenya's light manufacturing sector, particularly in agro-processing and textiles and aligns with Kenya's National Development Blueprint, creating new opportunities for growth and development. The 100-acre Nairobi Gate Industrial Park developed by Impact North, is a collaboration between the South African property investment group Improvon and private equity investor Actis. As an approved Special Economic Zone (SEZ), It offers a host of fiscal benefits, including:

Nairobi Gate SEZ also features a consolidated customs-control area equipped with advanced weighbridges. It houses regulatory services, including the Kenya Revenue Authority (KRA), Kenya Ports Authority (KPA), Special Economic Zones Authority (SEZA), customs, and other agencies under one roof facilitated by SEZA and known as the One Stop Shop.

This integration significantly reduces administrative burdens and expedites operationalization for businesses. The Nairobi Gate SEZ Phase 5 project is poised to play a transformative role in positioning Kenya as a competitive destination for international investment, fostering industrial growth, and creating sustainable economic opportunities.

- Corporate tax rate reductions from 10% to 30%
- Zero-rated VAT
- Reduced withholding taxes
- Preferential import duties
- Reduced excise duty and import declaration fees
- A 100% investment deduction allowance
- Lower business permit fees

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SEZA HOSTED A THREE-DAY EMPLOYEE WELLNESS PROGRAM IN COLLABORATION WITH EQUITY AFIA MEDICAL CENTRE

The Special Economic Zones Authority (SEZA), in partnership with Equity Afia Medical Centre, Upper Hill, successfully organized a three-day employee wellness program aimed at promoting health and well-being of the staff. The initiative reaffirmed SEZA's commitment to fostering a healthy workforce, which is vital for productivity and organizational success.

Promoting Health and Well-Being:

The wellness program featured a range of activities designed to enhance the physical and mental health of SEZA employees. Key highlights included:

- ▶ **First Aid Activities:** Interactive sessions were conducted by the team from Equity Afia Medical Centre, equipping SEZA staff with essential first aid skills and knowledge. These activities empowered employees to respond effectively to medical emergencies.
- ▶ **Health Screenings:** Employees were encouraged to participate in various health tests recommended by medical professionals. These screenings aimed to promote early detection and management of potential health concerns, ensuring the overall well-being of the workforce.

The Authority prioritizes employee health and recognizes the significant role it plays in driving sustainable development and achieving long-term organizational goals. Through this collaboration SEZA clearly demonstrated its dedication to creating a supportive and health-conscious work environment. The success of the wellness program also highlighted the importance of partnerships in advancing employee well-being. The Authority extends its gratitude to Equity Afia Medical Centre, Upper Hill, for their invaluable support and expertise throughout this initiative.

SEZA remains committed to implementing similar initiatives in the future, ensuring that employee health and wellness remain at the forefront of its organizational priorities. SEZA and its partners continue to champion the importance of a healthy workforce as a cornerstone of success.





SEZ AUTHORITY HOSTS THE 9TH AFRICAN ECONOMIC ZONES ORGANIZATION MEETING 2024

The Special Economic Zones Authority (SEZA) and the Ministry of Trade, Investments, and Industry successfully hosted the 9th African SEZs Annual Meeting from November 25th-27th, 2024, at the Kenyatta International Convention Centre (KICC). This significant event convened over 400 delegates from across Africa, representing 85 Special Economic Zones from 45 countries, alongside over 30 experts and national and international media representatives, SEZ Developers, investors and other key stakeholders. The meeting themed *'Building Resilient, Inclusive & Sustainable Economies: The Role of African SEZs in Attracting Impactful Investments & Redefining Competitiveness'*, focused on and explored the vital role of Special Economic Zones (SEZs) in Africa's economic transformation.

The President of the Republic of Kenya, H.E. Dr. William Ruto, officially opened the Annual Meeting, and was accompanied by other high-level dignitaries, including the Prime Cabinet Secretary Hon. Musalia Mudavadi, Cabinet Secretary of the Ministry of Investments, Trade, and Industry (MITI),



Hon. Salim Mvurya, Principal Secretary, State Department for Investment Promotion, Ministry of Investment, Trade and Industry, Principal Secretary for the State Department of Industry Dr. Juma Mukhwana, and other government officials. The president also visited the exhibits by the Kenyan SEZs which included Nairobi Gate SEZ, TRIFFIC SEZ, Rockplant SEZ and Mt Elgon SEZ.

Their participation emphasizes Kenya's commitment to promoting sustainable development and enhancing the competitiveness of its SEZs as a key pillar of the country's economic agenda.



With the continent's growing focus on industrialization, the event highlighted how SEZs could drive impactful investment and reimagine Africa's competitiveness on the global stage. In addition to expert-led panels and discussions, the meeting provided a platform for African SEZs to showcase their initiatives, network with international investors, and share insights into sustainable growth strategies. Key topics included the role of SEZs in promoting sustainable industrialization and green growth, policy and regulatory framework of SEZs and Financing SEZs. **The first day of the event** His Excellency President William Samoei Ruto, in his address, emphasized the transformative potential of SEZs in stimulating economic growth, creating employment opportunities, and establishing Africa as a premier investment hub. He highlighted the Government's commitment, through the Bottom-Up Economic Transformation Agenda (BETA), to revitalizing the Special Economic Zones program to promote trade, manufacturing, industrialization, and investment within Kenya. A gala dinner was held to facilitate networking and collaboration among stakeholders. During the dinner several SEZs across Africa were received awards for championing SEZs development in Africa.

“
This conference provides an invaluable platform to exchange ideas and forge partnerships. I express my gratitude to the Africa Economic Zones Organization, industry leaders, development partners, and the private sector for their demonstrated commitment to Africa's economic advancement,” His Excellency the President remarked.



HE President Ruto visiting exhibition booths during the AEZO Meeting



SEZA received notable recognition for its crucial role in promoting and advancing SEZs in Kenya. Further demonstrating its leadership, SEZA was elected as a member of the AEZO Steering Committee, a prestigious body responsible for providing strategic policy direction for SEZ development across the continent.

Tatu City was also recognized for its significant development as a leading Special Economic Zone in Kenya. The conference concluded with the Annual General Meeting where SEZ Authority, Kenya was elected to be part of the AEZO Steering Committee and site visits to Kenya's leading Special Economic Zones, including Konza Technopolis, Tatu City, and Nairobi Gate.

Led by SEZA, delegates gained firsthand insights into the innovative business models, operations, and investment opportunities driving these hubs. These visits showcased how Kenya's SEZs promote innovation, attract investment, and catalyze economic growth, stressing the vital role of SEZs in building inclusive and sustainable economies through impactful investments.

With Africa hosting over 250 Special Economic Zones, the 9th African SEZs Annual Meeting provided a crucial opportunity to shape the future of SEZs and contribute to Africa's prosperity while promoting a green economy.



AEZO Award winners at the gala dinner



Our platinum and gold sponsors at the gala dinner with SEZA CEO Dr. Kenneth Chelule



Delegates visit Kenyan SEZs led by SEZA team

SEZA HIGHLIGHTS OPPORTUNITIES AT KILIFI INTERNATIONAL INVESTMENT CONFERENCE.

The Special Economic Zones Authority (SEZA) recently participated in the Kilifi International Investment Conference, held from December 4th-6th 2024, at the Vipingo Ridge. Hosted by the Kilifi County Government, the conference was centered around showcasing Kilifi as a prime investment destination, highlighting opportunities across various sectors including the blue economy, tourism, agriculture, renewable energy, and manufacturing. Under the theme "Accelerating Economic Growth Through Partnership," the conference successfully brought together partners, investors, and change-makers with the shared goal of driving investment into the county.



The SEZA team played a key role in the event, sharing valuable insights into the Special Economic Zones program, its mandate, available licenses, and the attractive incentives offered to businesses operating within these zones. A significant point of discussion was the current limited presence of SEZs in Kilifi County. The conference highlighted the potential of utilizing 3,000 acres in Kaloleni as a future Special Economic Zone, pending the completion of due process. This development promises to open up significant new opportunities for investment and growth within the region.

During a panel discussion, the SEZA CEO emphasized the program's commitment to streamlining processes and providing crucial tax breaks. These measures are designed to not only create jobs and attract investments at the national level but also to stimulate growth within individual counties, ultimately benefiting local communities.

SEZA's participation in the Kilifi International Investment Conference underscores its dedication to fostering economic development and creating a conducive environment for investment across Kenya. The potential development of a Special Economic Zone in Kaloleni represents a significant step towards realizing this vision in Kilifi County.



SEZA CEO Dr. Kenneth Chelule speaking at Kilifi investment conference



"Powering Growth"

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