



THE PRESIDENCY



LAPSSET CORRIDOR DEVELOPMENT AUTHORITY

LAPSSET PRESENTATION JULY 2015

PRESENTATION ON LAPSSET CORRIDOR PROGRAM:

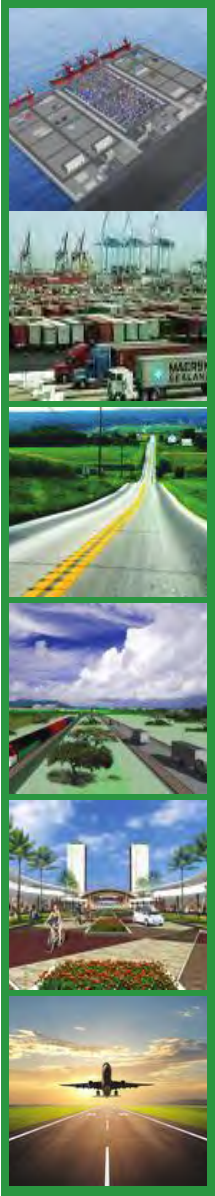
LAPSSET CORRIDOR PROGRAM: BUILDING AFRICA'S TRANSFORMATIVE AND
GAME CHANGER INFRASTRUCTURE TO DELIVER A JUST AND PROSPEROUS KENYA

by: **Silvester KASUKU**, MBS, CMILT

Director General/CEO

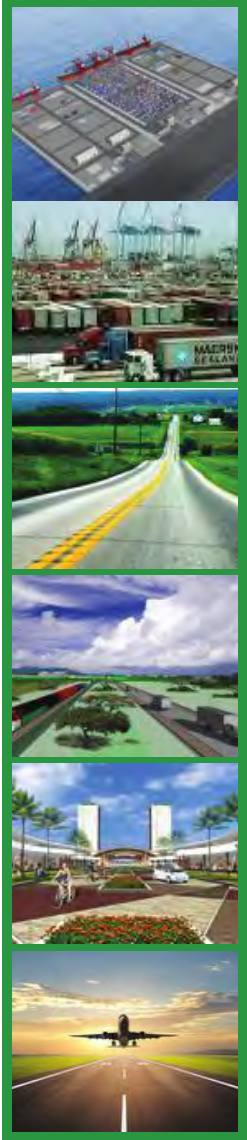
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Background

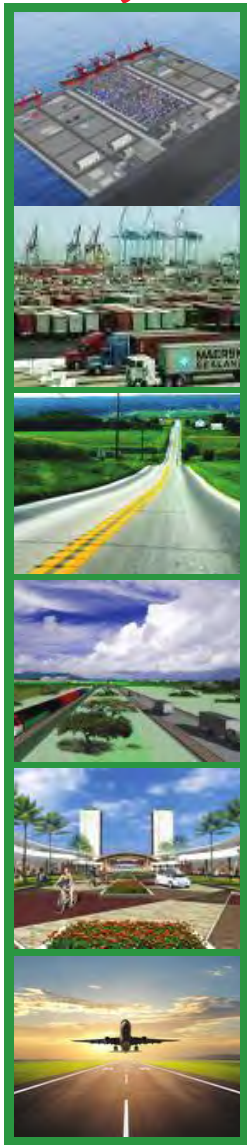


- In 1975, the Government of Kenya undertook a feasibility study on Lamu Port with the assistance of Government of Japan.
- In 2003/04, during the drafting of the Integrated National Transport Policy the Government proposed to develop:
 - **A 2nd Transport Corridor**
 - **with a Deep Sea Port at Lamu,**
 - **Road and Railway network linking Lamu Port with Ethiopia, South Sudan and Uganda.**
- In 2006 The Cabinet directed that a study be undertaken to unveil the possibilities of implementing the LAPSSET Corridor project as a wider regional Project
- In 2008 a study on the LAPSSET Corridor was commissioned, to study:
 - **a Deep Sea Port at Lamu,**
 - **Road and Rail corridor linking Kenya, Ethiopia and South Sudan with the Port of Lamu,**
 - **a Crude Oil Pipeline from South Sudan, Uganda and Kenya to the Port of Lamu,**
 - **A Refinery and a Product Pipeline,**
 - **3 International Airports and**
 - **3 Resort Cities and**
 - **Special Economic Zones.**
- Studies were completed in November 2011,
- 2nd March 2012, ground breaking ceremony held at Lamu Port site to commence construction of the LAPSSET Corridor

LAPSSET CORRIDOR PROJECT



- LAPSSET Corridor Project is a '*Kenya Vision 2030*' flagship project.
- LAPSSET Corridor Project is the first largest *Game Changer Infrastructure Project* the government has initiated and prepared under Vision 2030 Strategy Framework, without external assistance and will have the following benefits:
- The LAPSSET Corridor Project covers over half of the country with a planned investment resource equivalent to half of Kenya's GDP for the core investment alone. Conservative feasibility statistics shows that the project will inject between 2% to 3% of GDP into the economy.
- Statistics estimate that contribution of the LAPSSET Corridor Project to the country's economic growth might even yield higher GDP growth rates when generated and attracted investments finally come on board.



LAPSSET CORRIDOR PROJECT RESULTS OF ECONOMIC ANALYSIS

	Component	Investment Cost at Market Price (Million US\$)	EIRR (%)	
1	Lamu Port	3,095	23.4	
2	LAPSSET Railway	7,099	17.8	
3	Highway	1,398	12.9	
4	Oil Pipeline	3,063	21.6	
5	Product Pipeline	860	13.9	
6	Resort Cities	779	20.8	
7	Lamu Airport	187	20.7	
	TOTAL	16,481	20.0	

Note 1: Both all and each project components are judged as **viable** in view of national economy as EIRRs computed are **more than 12%**, which is opportunity cost.

Note 2: Cargoes are generated by the Corridor itself. **Higher figures** than the above table can be realized.



1. Create a seamless interconnectivity;
2. Raising the profile and strengthening South Sudan, Ethiopias, Ugandas and Kenyas regional Hub scenario in Eastern Africa;
3. Attract increased private sector investment in infrastructure development and management in the country.
4. Strengthen Security and socio-economic base of South Sudan, Kenya, Uganda, Ethiopia and other East and Central African countries.
5. Delivering transformative regional infrastructure in East and Central African Countries:
6. Establish efficient, reliable and sustainable infrastructure in South Sudan, Uganda, Kenya, Ethiopia and other East and Central Africa countries
7. Creation of more employment in both specialized areas and labour thus reducing poverty levels in South Sudan, Ethiopia, Uganda and Kenya among other countries.
Country's like Singapore, Malaysia, Thailand and India
8. Create capacity in infrastructure industry in east and Central Africa- human, technological, financial and consumers in the country. China, India, Malaysia, Brazil and Singapore have used this model.

THE GREAT EQUATORIAL LAND BRIDGE



Cape Town

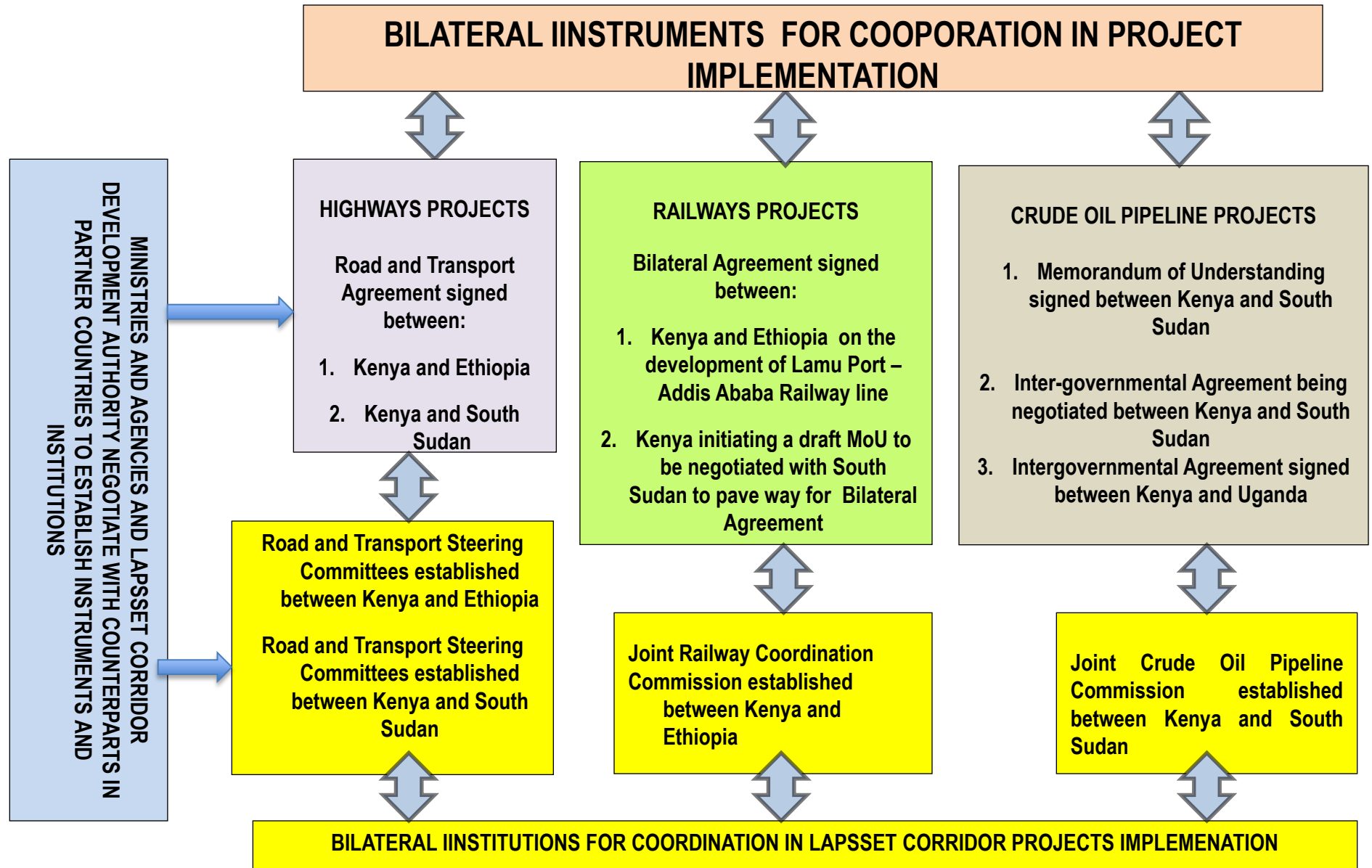
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LAPSSET AS AU/NEPAD PRESIDENTIAL INFRASTRUCTURE CHAMPIONSHIP INITIATIVE (PICI) PROJECT



- The African Union (AU) admitted the LAPSSET Corridor Program to the **Presidential Infrastructure Champion Initiative (PICI)** during the **32nd Summit** of the NEPAD Heads of State and Government Orientation Committee (HSGOC) sitting in Addis Ababa, Ethiopia.
- LAPSSET Corridor Program the first project to be admitted into NEPAD/AU PICI in East Africa.
- The **AU General Assembly** of Heads of State and Government Summit will be briefed on the progress made on the Implementation of LAPSSET Corridor Project every 6 Months
- The importance of LAPSSET being admitted into the APICI:
 - **Gives the project the continental institutional approval and recognition which in turn strengthens investor confidence in the Project.**
 - **Strengthening the project profile to attract greater participation by private sector.**
 - **Strengthens the confidence in the project and will go a long way to give the program the attention it requires to compete favorably in the global Investment arena.**
 - **Strengthens the prioritization of LAPSSET Corridor Program in the government development agenda and regional infrastructure investment plan.**

REGIONAL OPERATIONAL COORDINATION FRAMEWORK FOR IMPLEMENTATION OF LAPSET CORRIDOR PROJECTS



FUNDING STRATEGY FOR LAPSSET CORRIDOR PROJECTS

PUBLIC/ GOVERNMENT

Lamu Port 1st 3 Berths

Road

Electricity

Intermediate Airports

Public Infrastructure in
Resort Cities

GOVERNMENT/ PRIVATE SECTOR

Infrastructure for Resort
Cities

Crude Oil Pipeline

Development of 1st 3 Berths
of Lamu Port

LAPSSET Corridor SGR

PRIVATE SECTOR

29 Berths of Lamu Port

3 International Airports

3 Resort Cities

Operations of 1st 3 Berths of
Lamu Port

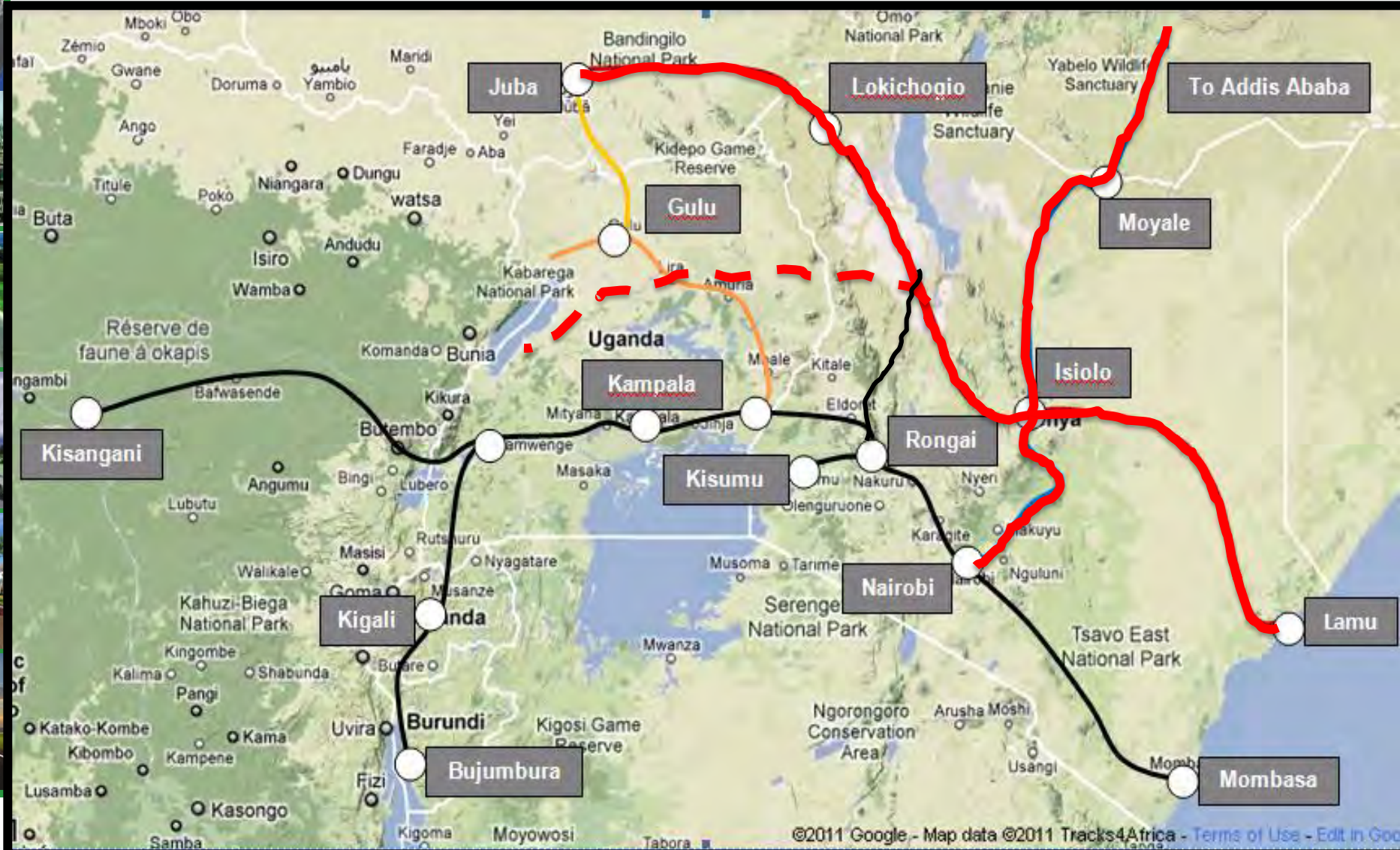
Product Pipelines

Refineries

Operations of LAPSSET Corridor
SGR

Special Economic/ Investment
Zones

LAPSSET CORRIDOR PROJECT: PROFILE



1. LAMU PORT

Cost Estimate

- For **Lamu Port Project**, with 32 Deep Sea Berths estimated to cost US\$ 5Billion. The cost for the Short-term Plan, including the First Three Berths in *the Urgent Plan* of Lamu Port, is estimated to be US\$ 689 million, taking account of dredging and reclamation; construction of berths and yards; construction of revetment, causeway and road; construction of buildings and utilities; procurement of equipment and tug boats; and others.

Economic Evaluation

- The **EIRR** for the Long-term **Lamu Port** Development Plan is assessed to be 23.4%. The cargo-wise EIRRs are 28.5%, 24.5% and 17.1% for general cargo, container cargo and bulk cargo, respectively. All of these figures indicate that the Lamu Port Project is viable economically in consideration of the *opportunity cost* of 12% p.a..

Financing Plan

- 1) The 1st 3 Berths will be financed through co investment by both Private Sector and the Government of Kenya. Government inviting private sector investors to participate through equity.
- 2) The remaining 29 Berths will be financed by Private Sector Investors



LAPSSET PROJECT COMPONENT 1: LAMU PORT

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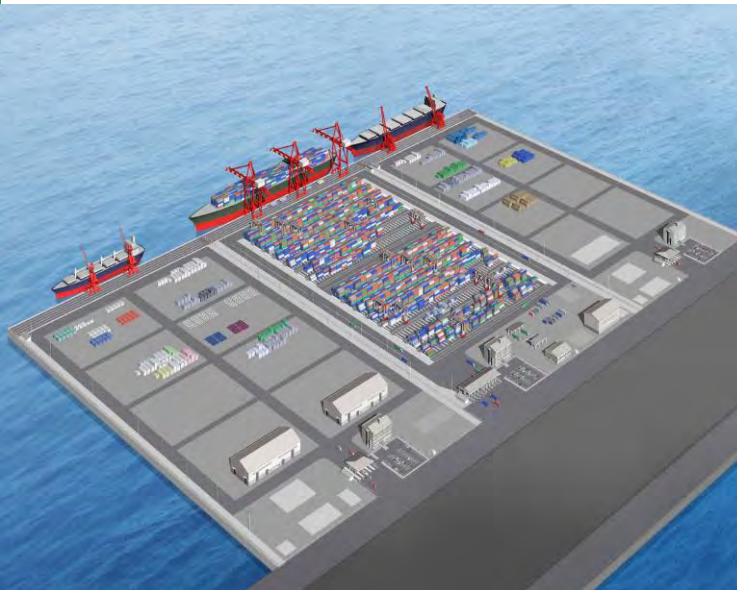
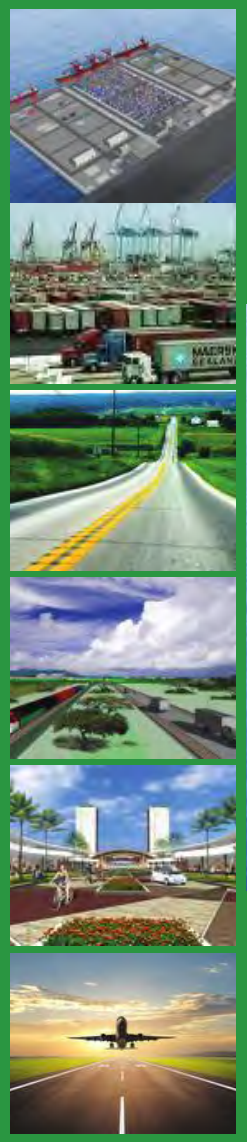
KENYA
VISION 2030



PORT CONSTRUCTION CONTRACTOR AND SUPERVISION CONSULTANTS

- A total of **32 Berths** planned with each Berth having an estimated **key length of 400m** and a **draft of 17.5 to 18 m**
- Port has estimated total investment of **US\$ 5 Billion** with an Internal Economic Rate of Return of **23.4%**
- Detailed Engineering Designs for the First Three Berths and Associated Infrastructure completed
- Contractor Ms China Communications Construction Company and Supervision Consultants Yoshin Engineering **Kshs 41 Billion. Kshs. 4.5 Billion provided to start works**
- The **1st 3 Berths** to be constructed to attract **Private Sector Investors for Port Operations** and construction of the remaining **29 Berths**

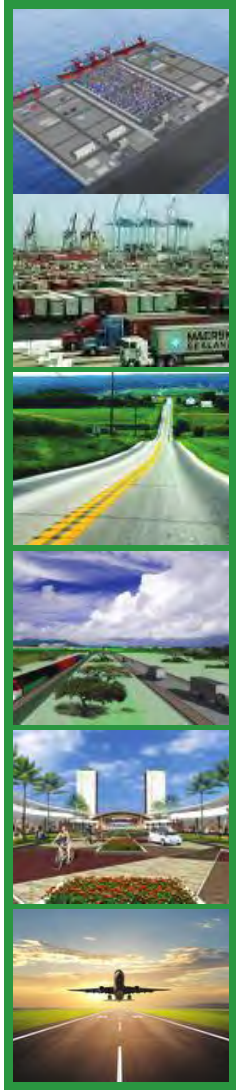
PROJECT TIMELINE. 5 years 2015 – 2019



LAPSSET Corridor Framework

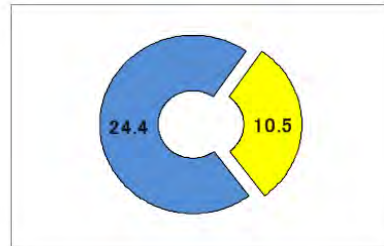
(1) Transport Routes and Port Cargo Demand

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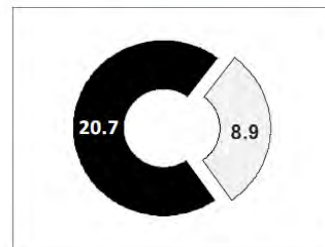


Port Cargo Volume (Mil. Ton.) in 2030

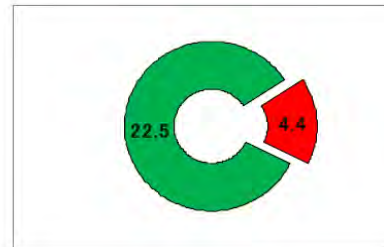
**ETHIOPIA
(Djibuti)**
34.9 million



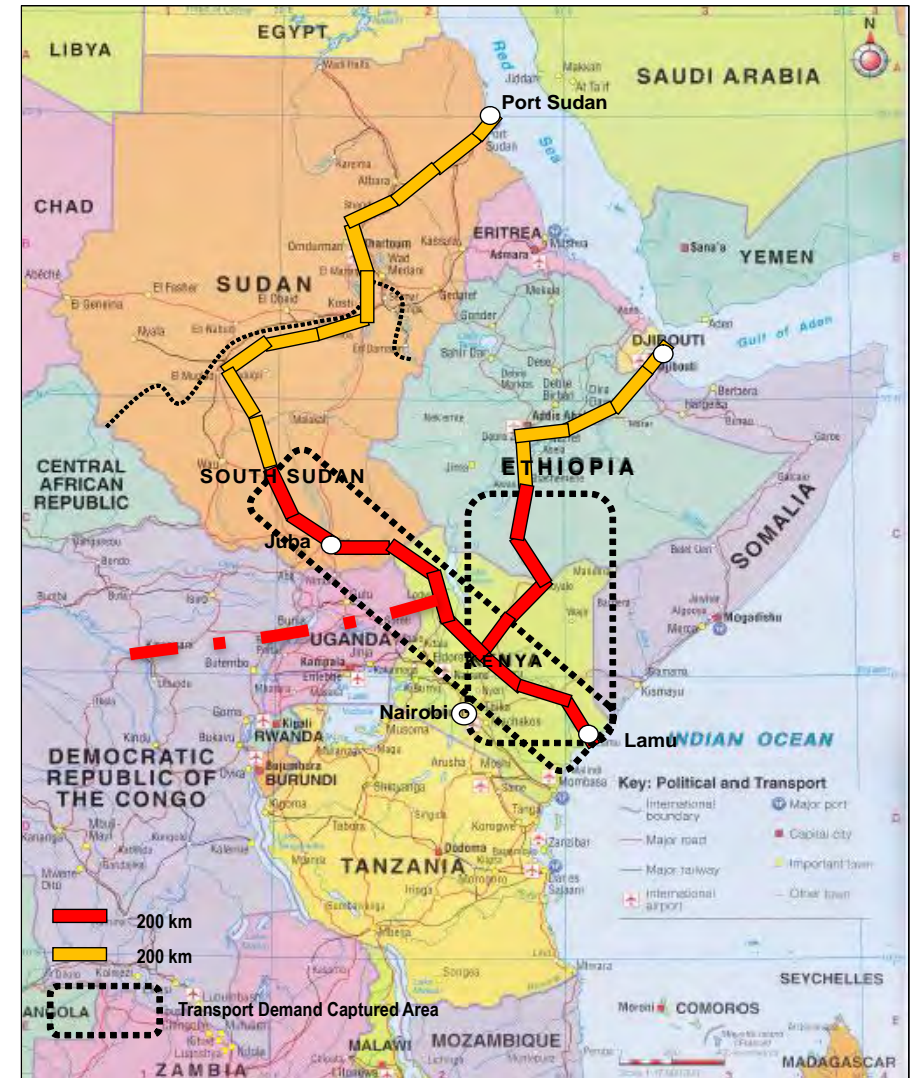
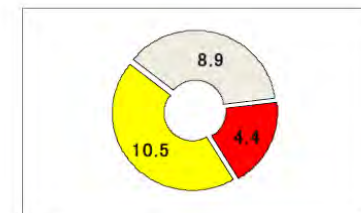
**SOUTHERN
SUDAN
(Port Sudan)**
29.6 million



**KENYA
(Mombasa)**
26.9 million



**KENYA
(LAMU)**
23.0 million



(Note) Cargos are generated by the LAPSSET Corridor

BREAKING GROUND



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PROGRAM LAUNCH - 2nd MARCH 2012

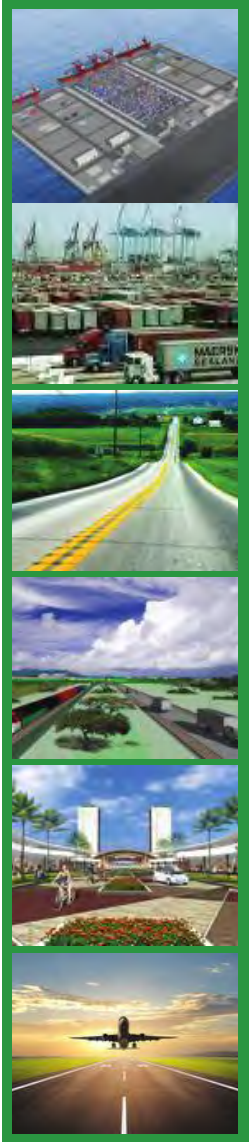


COMMENCEMENT OF CONSTRUCTION OF FACILITIES



COMMENCEMENT OF CONSTRUCTION OF FACILITIES





Status of Preliminary Works at Lamu Port Site

- i. LAPSSET Corridor Project Building at Lamu Port Site completed;
- ii. Port Police Station completed;
- iii. Construction of Port Management Housing started
- iv. Construction of temporary causeway and platform for launch of 1st 3Berths of Lamu Port Project
- v. Construction of Perimeter Wall around the Port Headquarters
- vi. Boreholes sunk and equipped to supply port with water;
- vii. Piping work done to Port site;
- viii. Funds already released to Coast water Services Board for the Construction of storage tanks and construction works ongoing.
- ix. 220KV Power line from Rabai to Lamu completed ;
- x. A power sub-station completed;
- xi. Distribution of electric power to Hindi, Mokowe, Lamu Island and Mpeketoni ongoing
- xii. Engagement of Lamu County residents and Leaders
- xiii. Land Acquisition substantially paid, Kshs 1 billion out of 1.35 Billion

2. CRUDE OIL PIPELINE:

Cost Estimate

- 1) The **total construction cost** of crude oil and product oil pipelines is estimated at US\$ 4,1 00million. The cost for **Crude Oil Pipeline** is US\$ 3,060 million, consisting of Lamu-Isiolo (540km) US\$ 1,580 million, Isiolo-Nakodok (780 km) US\$ 1,240 million, and Lamu Port Area US\$ 340 million.
- 2) The construction cost for **Product Oil Pipeline** is US\$ 885 million, which can be broken down to Lamu-Isiolo (540 km) US\$ 572 million and Isiolo-Moyale (450km) US\$ 314 million.



Economic Evaluation

- 1) **Crude Oil Pipeline** (Lamu-Nakodok) and **Product Oil Pipeline** (Lamu-Isiolo and Isiolo-Moyale) have **EIRR of 21.6%** and 14.0%, respectively. They can be considered feasible from the viewpoint of national economy.
- 2) **Crude Oil Pipeline** and **Product Oil Pipeline** are assumed under totally private investment. The cut-off FIRR is set at 10%. The **transportation charges** are assessed to be US\$ 2.45/bbl, and US\$ 2.62/bbl, respectively, which are considerably lower than the transport cost by other transport mode such as lorry or railway tanker. Thus, the project can be considered to be financially viable.

Financing Plan

- 1) The project will be financed through **Debt, Equity, and Strategic Investor**.



STATUS OF CRUDE OIL PIPELINE PROJECT



- Feasibility studies on the Crude Oil Pipeline indicate that it has Economic internal rate of return of 21.6%.
- The governments of Kenya, Uganda and Rwanda in October 2014 engaged consultants who have just completed undertaking Preliminary Engineering and feasibility studies on the LAPSET Corridor Crude Oil Pipeline.
- The feasibility study and preliminary engineering design of crude oil pipeline between Hoima -Lokichar and Lamu was completed in May 2015.
- The Government is currently in the process of recruiting transaction advisor to structure the project for a joint public private participation
- Already the government of Kenya has signed a Memorandum of Understanding and is currently negotiating an Inter-governmental Agreement (IGA) with the Government of South Sudan.
- An Intergovernmental Agreement has been signed with the Government of Uganda. The construction of the crude oil pipeline is expected to be completed by the year 2018.
- **EPC Tender** to be issued upon Completion of Pre-FEED Studies for Hoima – Lokichar – Lamu Crude Oil Pipeline Project.
- Project Timelines – Construction completion and flow of First Oil by 2017/18;

Crude Oil Fields



LAPSSET CORRIDOR POWER TRANSMISSION LINES **Kenya**

Rabai – Lamu 220KV Transmission Line completed

Garsen – Garissa 220KV Transmission Line ongoing

Kindaruma – Garissa 132KV Transmission line

Masinga – Isiolo 132KV Transmission line

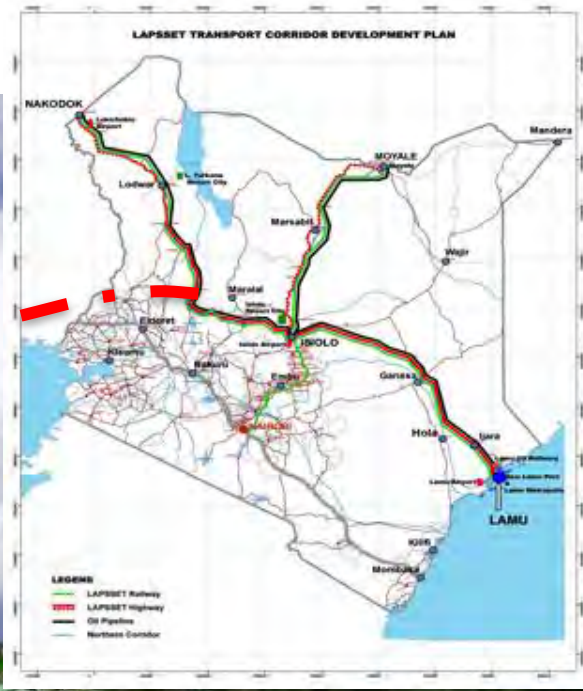
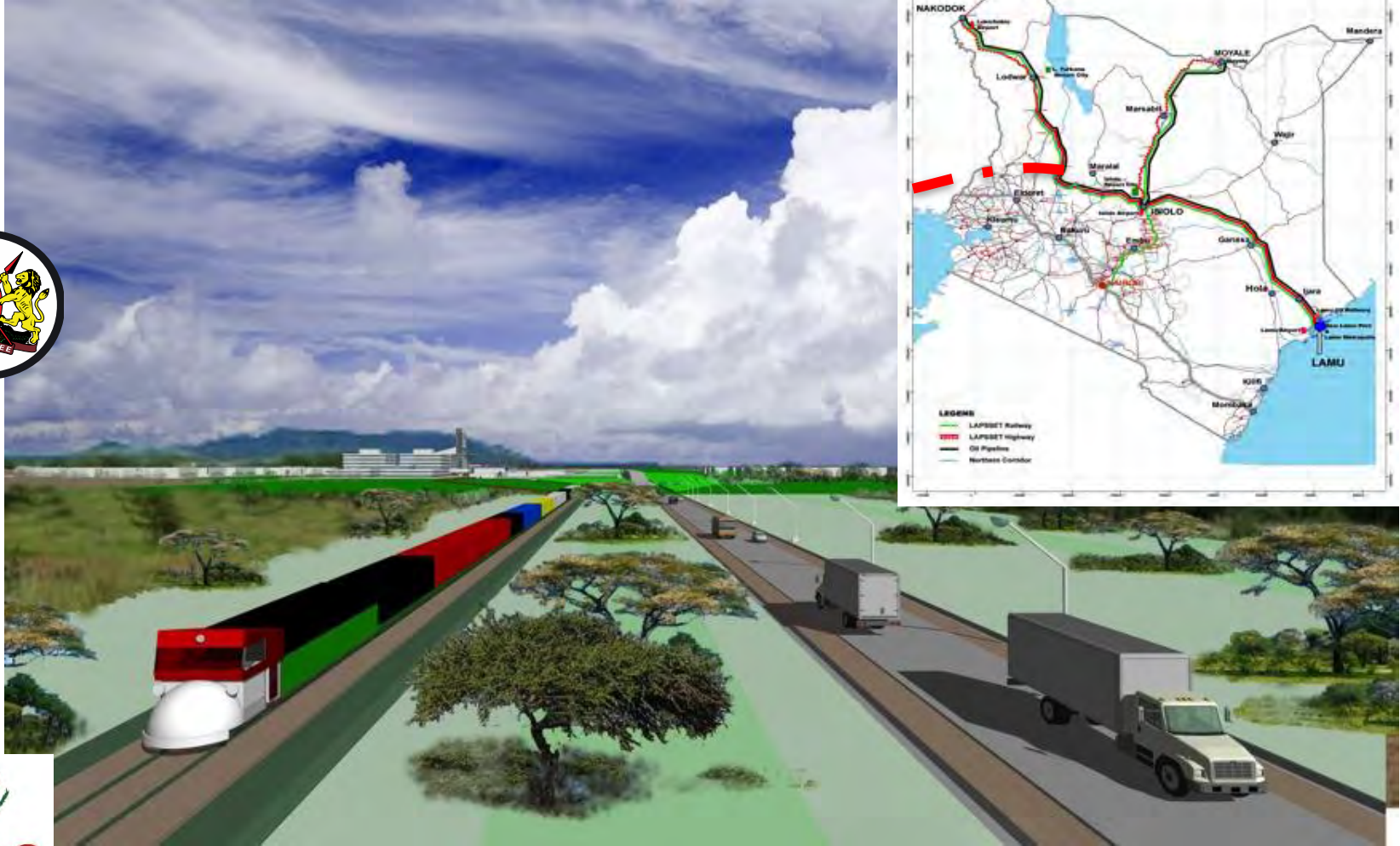
Kamburu – Isiolo 220KV Transmission

Lake Turkana – Suswa 400KV Transmission Line to commence

Lamu – Garissa – Isiolo – Lokichar 220KV Transmission Line planned



3. LAPSET ROAD (385KM Built) Design + Finance



LAPSSET CORRIDOR ROADS

Cost Estimate

- 1) The **total construction cost for the highway** is estimated at US\$ 1,396 million.
- 2) The **construction cost by sections** are: Lamu-Isiolo (530km) US\$ 752 million and Isiolo- Lokichar (350km) US\$ 644 million. The share of the cost is 53.9% for Lamu-Isiolo and 46.1% for Isiolo-Lokichar.
- 3) The unit construction cost of the LAPSSET Highway is US\$ 1.42 million/km (Lamu-Isiolo) and US\$ 1.84 million/km (Isiolo and northwards). In other words, the latter which passes Rift Valley is about 30% higher than the former, or the flat Lamu-Isiolo section.

Economic Evaluation

- 1) **Highway** has an EIRR of 12.9% for the total length of 920km from Lamu to Lokichar. The section-wise EIRRs are 27.9%, 8.2%, and 0.0% for Lamu-Garissa, Garissa-Isiolo and Isiolo-Lokichar, respectively. It is considered that the LAPSSET Highway is feasible from national economic viewpoint.
- 2) **The Rift Valley and Isiolo portions** shows minus Net Present Value (NPV) and, if it is considered locally or evaluated by section, the project for this portion is difficult to be viable economically.

Financing Plan

- 1) The Project should be financed through **Public Finance** and Operations undertaken by the **Private Sector**



STATUS:

Isiolo-Moyale A2 (505km) – Hawassa – Addis Ababa Road

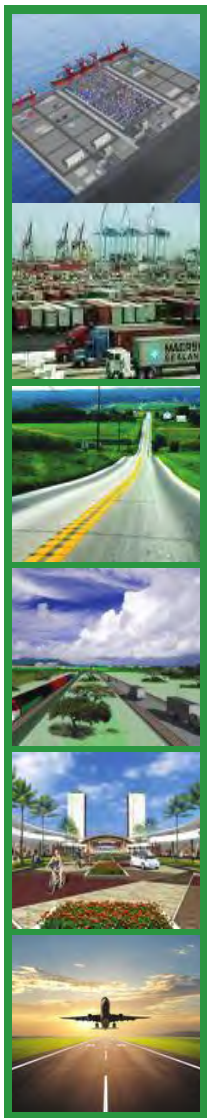


- Significant progress has been made on the ongoing construction of LAPSET Highway component, particularly the 505km Isiolo-Moyale A2 Road on Kenya side and Moyale-Hawassa on Ethiopia side.
 - Isiolo – Merile (136Km) section at 100% completion.
 - Merille – River Marsabit (123Km) Construction works ongoing at an advanced stage 50% (40 Km tarmacked)
 - Marsabit – Turbi (121Km) Construction works completed at 100%
 - Turbi – Moyale (128Km) Construction works ongoing at an advanced stage 75% (70 Km tarmacked)
- The project is funded jointly by the African Development Bank, European Union, the Government of Kenya, and Ethiopian Government.

STATUS: Lamu-Garissa-Isiolo-Nginyang - Nakodok (860km) Road



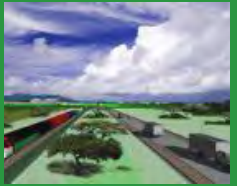
- The Government of Kenya and the Government of South Sudan, working together with the **World Bank** recently completed feasibility studies and detailed engineering designs for the **Lokichar - Nadapal – Torit - Juba Road**.
- The **World Bank** has approved a credit of **US\$500** to finance the construction of Nakodok – Lodwar – Lokichar Road.
- The African Development Bank is currently financing the ongoing **detailed engineering design** of **Lamu-Garissa-Isiolo-Nginyang (860km) Road** which is expected to be completed by the end of 2015. The construction of this section is expected to be completed by 2020.
- The Government of Kenya has separately signed bilateral Road and Transport Agreements with the Government of Ethiopia and Government of South Sudan to facilitate development of the roads as regional infrastructure.
- **Garsen – Lamu Road (115km)**: currently being contracted for construction under Annuity roads program



Project Name	Length (km)	Contractor	Contract sum	Fund	%progress	Expected completion
Isiolo - Merille	136	CWY	Ksh 6.2B	AfDB/GOK	100% (136)	Complete
Merille - Marsabit	123	Gulsan	Ksh 13.7B	EDF/GOK	60% (32Km)	Jan 2016
Marsabit- Turbi	121	JZEC	Ksh 13B	AfDB/GOK	100% (122)	Sept 2015
Turbi - Moyale	128	CWY	Ksh 12B	AfDB/GOK	75% (60Km)	Jan 2016
Mega - Moyale	109	JMC-India	ETB 1.15 B	AfDB/GoE	25 %	Sep 2016
Yabelo -Mega	98	CTEG	ETB 0.8 B	AfDB/GoE	100 %	Dec. 2013
Agremariam - Yabelo	94	Arab Cont.	ETB 0.7 B	AfDB/GoE	75 %	May 2014
Yirgachefe- Ageremariam	72	Arab Cont.	ETB 1B	AfDB/GoE	32 %	March 2016
Chuco-Yirgachefe	66	HAWK	ETB 0.8 B	AfDB/GoE	30 %	April 2016
Hawasa-Chuco	60	SEW Infrst.	ETB 1 B	AfDB/GoE	30%	April 2016

ROADS

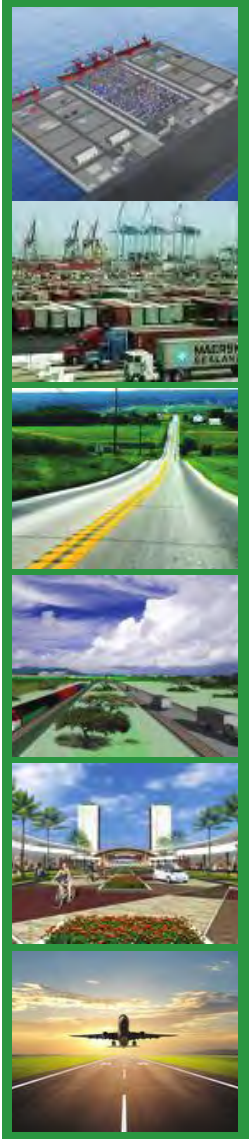
ISIOLO - MOYALE - ADDIS ABABA ROAD)
505KM CONSTRUCTION ONGOING - 85% PROGRESS (385Km Tarmacked)



**COMPLETED 120KM MOTORWAY: ADDIS ABABA – MODJO AND MODJO -
HAWASSA PART OF LAPSSET ETHIOPIA – KENYA CORRIDOR**



INTERMEDIATE BENEFITS OF CONSTRUCTING ISIOLO – MOYALE ROAD (505 km)



- Travel time between Moyale (Kenya/Ethiopia border town) and Nairobi reduced from about 3 days (60 hours) down to 1/3 of a day (8 hours). Previously, bus travelers made two night stopovers during the journey from Moyale to Nairobi. The first at Marsabit and the second at Isiolo, arriving in Nairobi on the evening of the third day.
- Increased response by government institutions in the delivery of public services including security
- Stabilisation of security among communities residing along the road has significantly increased. Inter-community conflicts have since reduced to almost nil.
- Increased commodity supply and economic trade into the region.
- Increased market access to goods and livestock produced from the region.

WHAT IS INFRASTRUCTURE BASED ON BENEFITS OF COSTRUCTING ISIOLO – MOYALE ROAD (505 km)

Quote

“Infrastructure is; the driver to socio-economic growth and development that defines the path to transformation and evolution of human society; It increases efficiency in the delivery and management of public services; It allows societies to expand their opportunities, to exploit their full potential; and to realise a peaceful living environment”

4. LAPSSET CORRIDOR RAILWAYS

Cost Estimate

1) **Costs for construction of LAPSSET Corridor Railway and procurement of rolling stocks** are estimated at approximately US\$ 7,100 million in total, including civil works US\$ 3,480, tracks US\$ 1,200, rolling stock US\$ 1,220, signal and telecom US\$ 520, buildings USD\$ 300, and others in million.

2) The costs by sections are divided into Lamu-Isiolo (530 km) US\$ 1,540 million, Isiolo- Moyale (460 km) US\$ 1,640 million, and Isiolo-Nakodok (720 km) US\$ 3,920 million. The share is 21.7%, 23.1% and 55.2%, respectively.

3) The unit costs for these sections are US\$ 2.91 million/km, US\$ 3.56million/km and US\$ 5.44 million/km, respectively. Thus, the cost of Rift Valley areas (Isiolo- Nakodok section) is almost twice expensive than that of flat areas (Lamu-Isiolo section).

Economic Evaluation

- 1) Railway has overall EIRR of 15.6% for all sections combined and is feasible
- 2) It can be 17.8%, which is derived based on an assumption that construction of the Sothern Sudan section will be done after five years from the start of the Corridor Projects waiting for development of export industries in Southern Sudan such as agriculture.

Financing Plan

- 1) The Project should be financed through **Profit Oil**



LAPSSET CORRIDOR RAILWAYS

Status



- The construction of the of a standard Gauge Railway spanning from Lamu to Moyale and Nakodok as given below is on course;
 - Lamu – Isiolo – Nginyang – Lokichar – Nakodok (1250 Km) and
 - Isiolo – Marsabit - Moyale (470Km) Railway Project Component under the LAPSSET Corridor Project.
- The Government of Kenya, represented by Kenya Railways Corporation and LAPSSET Corridor Development Authority signed a Memorandum of Understanding with the **China Civil Engineering Construction Corporation** on 29th of October, 2014.
- Preliminary Design and Feasibility Report Submitted to the Authority and KRC on 23rd April 2015.

5. INTERNATIONAL AIRPORTS: LAMU, ISIOLO, TURKANA

Cost Estimate

- 1) The **Airports Costs** for civil works, building, utilities, equipment, navigation aides, and aviation fuel supply systems are estimated at US\$ 188 million in total.

Economic Evaluation



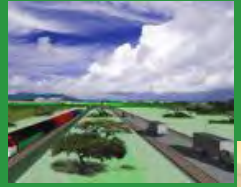
- 1) **Airport at Lamu** has an EIRR of 20.7%, which indicates economic viability.
- 2) Airports at **Isiolo** and **Lochichokio**, however, need rehabilitation and maintenance of the existing airports. The maximum allowable costs are assessed to maintain the cut-off EIRR of 12%, i.e. US\$ 175 million and US\$ 143 million, respectively.
- 3) **Lamu International Airport** can be constructed and operated all by the public sector as the Airport Owner, or by PPP of terminal lease type. FIRR is estimated at 5.4% for the former case. In case of PPP, “the Airport Owner” owns and maintains the runway and appurtenant facilities. A qualified and selected private operator builds and operates the Passenger Terminal. The cut off rates of FIRR are 4.0% for the owner and 10.0% for the operator.



AIRPORTS

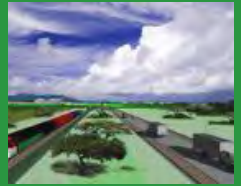
MANDA LAMU AIRPORT: IMPROVEMENT WORKS ON RUNWAY & TERMINAL BLDG

- ..Construction for lengthening of Runway to 2.3KM completed in March 2015
- ..Construction of Parallel Taxiway and Apron planned to commence immediately
- ..Construction of Control Tower to be commenced in 2016
- KQ to commence scheduled flight operations with larger Aircraft (Embrear)
- ..Air Traffic Build up for LAPSET Corridor Air Transport and Logistics Business



ISIOLO AIRPORT: CONSTRUCTION OF AIRPORT TERMINAL BUILDING

- ..Construction of Runway Completed ..Construction of Terminal Building ongoing Completion by Dec 2015
- ..Kenya Airports Authority is posting Officers to commence manning and operating the Airport
- ..Construction of Control Tower planned by KCAA
- ..Air Traffic Build up for LAPSET Corridor Air Transport and Logistics Business



6. RESORT CITIES: LAMU, ISIOLO, TURKANA

Cost Estimate and Investment Plan

- 1) Costs for development of **resort cities at Lamu, Isiolo and Lake Turkana** are estimated at US\$ 970 million, US\$ 200 million and US\$ 42 million, respectively.
- 2) Investment for all the resort city facilities will be made by private funds or PPP Scheme. In case of PPP, participation/cooperation of authorities which manage the land is essential.
- 3) Maintaining the quality of the present “Tourism Resources” and improvement of potential for development of them are of paramount importance, which can be achieved through active infrastructure improvement by the public sector.

Economic Analysis

- 1) **Resort cities** at Lamu, Isiolo and Lake Turkana have EIRR of 17.1%, 12.8% and 20.8 %, respectively. From national economic point of view, they can be considered as feasible.

Financing Plan

- 1) **Resort Cities at Lamu, Isiolo, and Lake Turkana** can be developed through **Private Sector and the Government to provide basic infrastructure.**



Resort City in Lake Turkana

Kenya



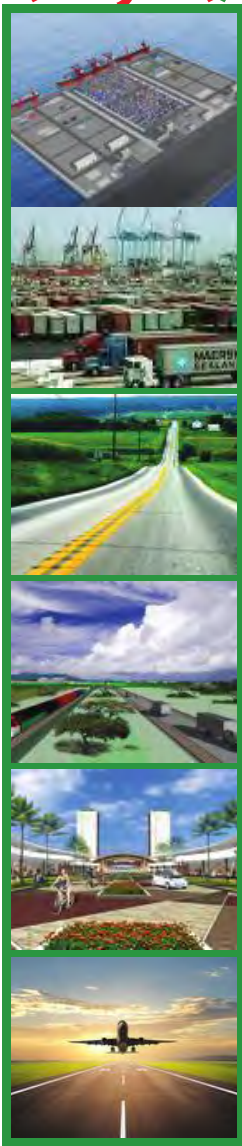
Tourist attractions



LAPSSET CORRIDOR

**GENERATED INVESTMENT OPPORTUNITIES IN
LAPSSET CORRIDOR COUNTIES**

Kenya (Kenya) SHORT TERM VALUE CHAIN INVESTMENT OPPORTUNITIES IN THE SOUTH SUDAN, ETHIOPIA - KENYA LAPSET CORRIDOR



Value Chain

Example Investment Opportunity

Proposed Land & Geography



Beef

- **Production and Processing:** Large holding grounds for live animals, sourced from pastoralists, which will provide disease control and fattening of cattle before slaughtering and selling processed meat to local and export markets

- ~60,000 ha around Isiolo



Mangoes

- **Nucleus Farm and Outgrower Schemes:** Seven nucleus farms, each with 50 hectares with mango trees for production of the Ngowe variety and investment in smallholder outgrower schemes to supply existing mango processing facilities

- ~350 ha in the Tana River Delta



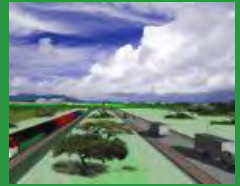
Sugarcane

- **Cultivation & Processing:** Cultivation of sugarcane of about ~13000 ha, as well as through outgrower schemes, and cane processing into sugar through a sugar mill with a processing capacity of ~5000 TCD (tons of cane per day)

- ~10,000 ha in the Tana River Delta

Illustrative short-term investment opportunities include feeding of cattle, cultivation of mangoes, and production and processing of sugarcane

MEDIUM / LONG TERM AGRICULTURAL VALUE CHAIN INVESTMENT OPPORTUNITIES IN THE **ETHIOPIA - SOUTH SUDAN - KENYA** LAPSET CORRIDOR



Avocados

- Kenya can leverage growing local and global consumption of avocados to increase **production of avocados** for **fresh exports** and for **oil processing**



Cattle Hides

- Consumption of cattle hides is growing across the world, and a growing Kenya livestock sector will help facilitate the **production of hides** and **processing of leather**



Sorghum

- Kenya can capitalize on the northern region's hot climates to cultivate sorghum to **supply to local and regional breweries** for **beer processing**



Asian Veg.

- The Tana River Delta has high suitability for cultivation of Asian vegetables; Kenya can capitalize on growing global consumption of Asian vegetables to **increase cultivation of courgettes, eggplants, and onions**



Pineapples

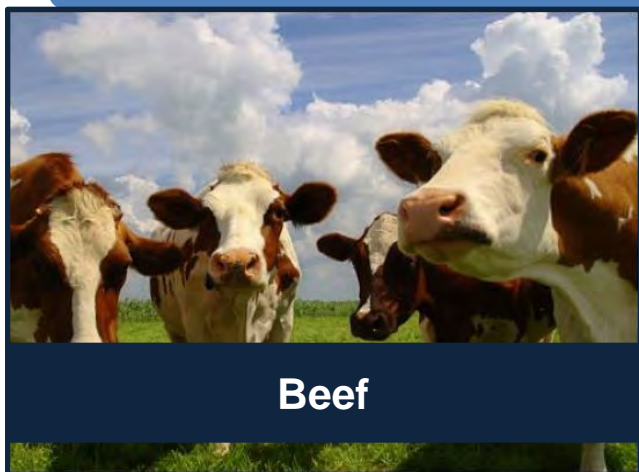
- Kenya's revenue per hectare of pineapple cultivation is greater than the regional average, presenting an opportunity to expand **fresh pineapple exports** and **pineapple processing** locally and regionally



French Beans

- Kenya can utilize areas north of Isiolo to **grow French beans** to **increase exports** of these high-value vegetables through **Nairobi's international airport**

7. LIVESTOCK AND MEAT PRODUCTION

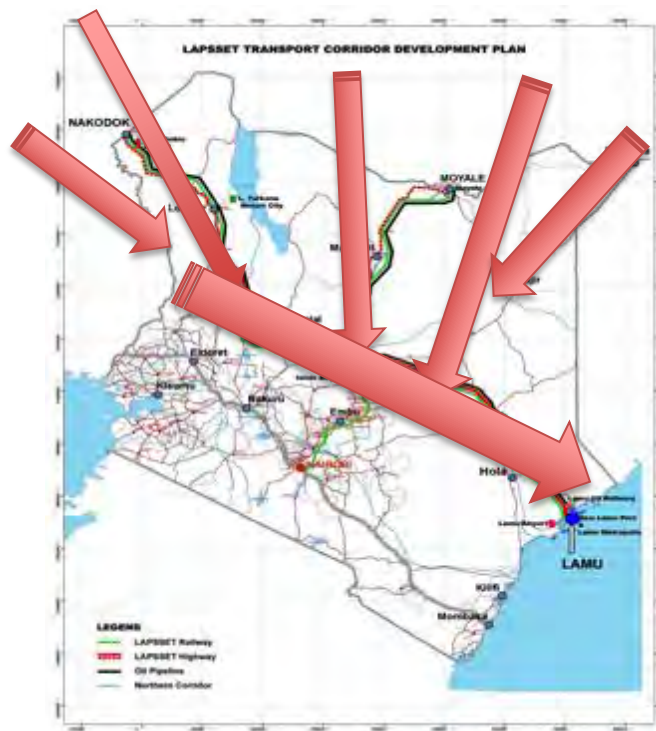


Production and Processing of Beef: Isiolo, Laikipia, Turkana, Garissa:

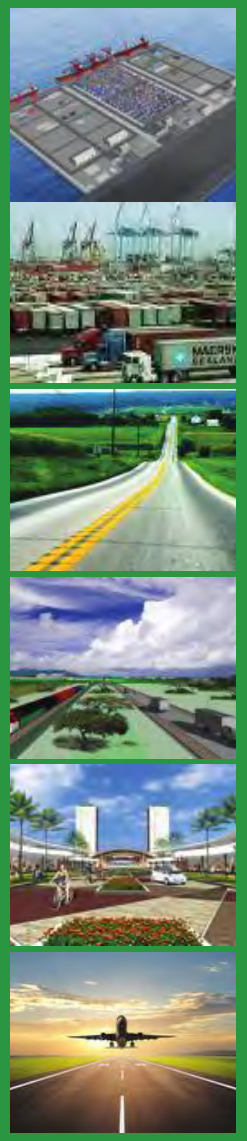
Large holding grounds and Disease Free Zones will provide disease control to achieve international Export Market requirements like those set by Middle East Countries that are already seeking for livestock product supplies from Kenya.

This will tap into three key streams of livestock movement corridor that emanate from the neighbouring countries into Kenya, namely;

- **South – Sudan – Omo Basin – L. Turkana – Loiyangalani – Lokichar – Kapenguria**
- **South Ethiopia – Moyale – North Horr – Marsabit - Isiolo**
- **Somalia – Mandera – Wajir– Garissa**
- The region is well endowed with livestock resources. The 1ST 3 Berths will enable the country to exploit these resources for value addition and export;
 - Strengthening and Vitalisation of local and household economies**
 - Generate taxes to the economy**
 - Create employment**
 - Strengthen growth in Industrialisation**
 - Strengthen Human, Economic and technological capacity in the country**



8. FISH PROCESSING INDUSTRIAL PARK



- i. It is proposed among the 1st 3 Berths one will be for **Fish Handling**.
- ii. This will facilitate tapping into the **rich ocean resources** and allow for deep sea fishing.
- iii. The Exclusive Economic Zone of Kenya, Gulf of Eden, EEZ of Tanzania, Comoros, Seychelles and Madagascar very rich in world's most sought fish resources like TUNA.
- iv. Establishment of Fish Industrial Processing Plants will enable Kenya to:
 - i. **Retain the mandatory 20% of all fish caught in her waters for domestic food security**
 - ii. **Generate taxes to the economy**
 - iii. **Create employment**
 - iv. **Strengthen growth in Industrialisation**
 - v. **Strengthen Human, Economic and technological capacity in the country**

INDUSTRIAL PARKS

- The entire economic corridor of **50km** on either sides of the LAPSSET Corridor will host industries.
- Relocating industries from **China, India, Brazil, USA, Europe**
- Value addition and manufacturing industries in the corridor to generate jobs and revenue for County/National Governments.
- High potential for both light industries and value chain addition industries especially in the agricultural.
- Potential for petro-chemical industries due to recent discoveries of oil and petrol in Turkana, South - Sudan and Uganda These industries are expected.



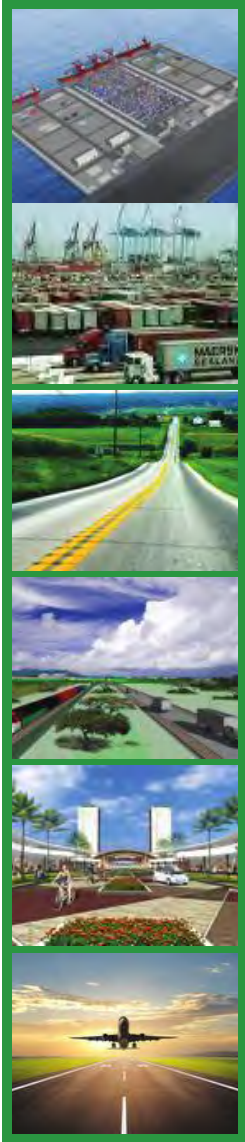
PRIVATE SECTOR SERVICES

The Kenyan economy has a vibrant macroeconomic environment that attracts participation of the private entities in almost each and every sector of the economy. Accordingly, the private sector will be relied upon to provide services which respond adequately to market dynamics.

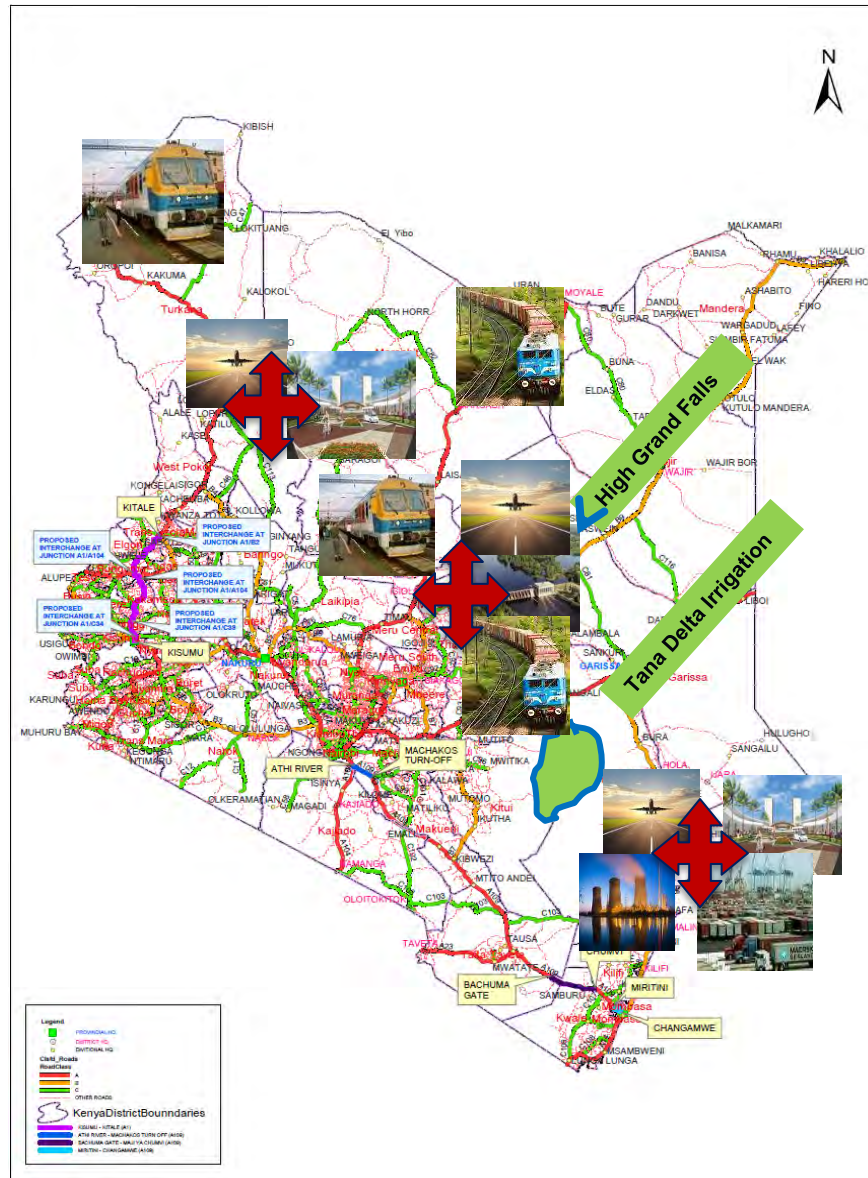
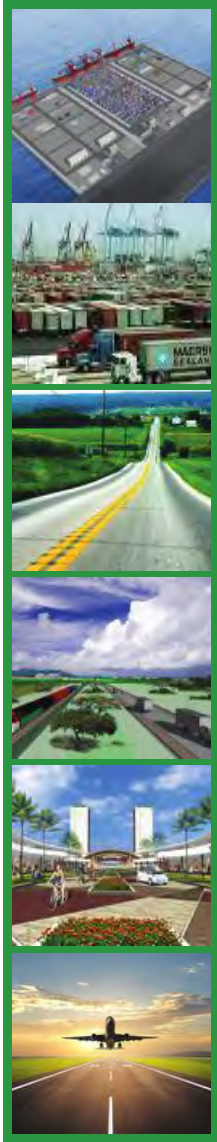


- **Real Estate: Development of new Towns and Cities**
- **Transport and Logistics Hub**
- **Hospitality Industry: Hotels, Resorts**
- **Banking and financial and Commodities exchange**
- **Insurance and risks management**
- **Trainings and human capital development (Universities +)**
- **Legal and contracts service**
- **Entertainment and recreation facilities**
- **Special Investment Region /Zone/ Dry Port (SIR - Gujarat has perfected this model....one of the great credentials of Narendra Modi, current Prime Minister of India)**
- **Telecommunication: Fibre Optic connection will facilitate the county to be best connected to cutting edge communication platform to attract investors;**
- **Retail and wholesale enterprises**

LAPSSET CORRIDOR PROJECT GROWTH AREAS IN SOUTH SUDAN, ETHIOPIA & KENYA



LAPSSET CORRIDOR PROJECT PRIMARY AND GENERAL INVESTMENTS IN SOUTH SUDAN, ETHIOPIA & KENYA



- Lamu Port (International Gateway Port with Free Trade Zone)
- Transit Container centre
- Transshipment Container Port
- Bulk Cargo Centre
- Ship Building and repair
- Oil Pipeline and crude oil export facility
- Oil Refinery and product oil transport/terminal facility
- International Airport
- Standard Gauge Electric Railway Line
- Special economic Zones (SEZ)
- Export Processing Zone (EPZ)
- Electric Power Plants (Coal, LNG Fired)
- Food processing Industry
- Fish Processing
- Chemical Industry
- High technology Industry
- Tourism
- Resort City



CONTACTS / ENQUIRIES

Silvester KASUKU, MBS, CMILT
Director General/CEO

LAPSSET CORRIDOR DEVELOPMENT AUTHORITY

CHESTER HOUSE, 2ND FLOOR
Tel: +254-20 - 2219098

skasuku@lapsset.go.ke

Website: www.lapsset.go.ke

