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REPUBLIC OF KENYA

PRE-FEASIBILITY STUDY ON THE ESTABLISHMENT OF AN INDUSTRIAL FREE ZONE

BY

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I N D E X

Introduction

The Government of Kenya have been giving thought to the question of investigating the feasibility of an Industrial Free Zone for some time. Discussions on the subject began in 1972 with the joint project manager of UNIDO's project "Industrial Survey and Promotion Centre". During 1973, the project was further discussed in Vienna with Government officials, culminating in an official request dated 26 October 1973 from the Government.

In view of the difficulty of recruiting outside consultants for short periods, the Government approved the candidature of a UNIDO staff member to serve as an expert for one month, but requested that the mission be undertaken as soon as possible in 1974. The mission was carried out between March 3-22, 1974.

Sincere thanks are offered to the Project Managers of the Industrial Survey and Promotion Centre, Mr. E.C. Kotut and Mr. E.W. Espenhahn, together with Mr. N. Mwangi, and those UNIDO experts and their counterparts who assisted the expert.

Thanks are also extended to those Government officials, too numerous to mention by name, who gave their time and advice. Also to Mr. W. Millager, UNIDO Senior Industrial Development Field Adviser and Mr. O.V. Karsegard, UNCTAD/GATT/ITC for their help and advice.

Conclusions

The Government of Kenya is giving further thought to the feasibility of establishing one or more industrial free zones, and at the conclusion of this mission the informal position was to consider, subject to availability of funds, two main courses of action.

1. <u>Study Tours</u>

To obtain further on the spot information the Government will consider requesting study tours for suitable candidates, to visit operating industrial free zones as a group. The objective will be to plan for further training for potential free zone managers, and to evaluate the costs and benefits of a zone, as well as to plan for the training at a later stage of a group of 5-10 selected, potential industrial free zone managers.

2. <u>The Feasibility Study</u>

The Government is considering the request for a full financial cost/benefit analysis and planning study. This would have two objectives. The first would be to examine the financial feasibility long term, and analyse the cost/benefit situation in such a way as to give clear indication to potential financing agencies on both feasibility and funds required.

Secondly, the study should plan in some detail simultaneously to cover such aspects as site selection, legislation, organisation of the Industrial Free Zone Authority (Board of Directors) and management.

3. <u>Site</u>

Potential sites scheduled as industrial areas exist in Nairobi and Mombasa. The Dandora area of Nairobi is recommended as the best site. In Mombasa, the Miritini area is recommended with reservations as it is not the nearest industrial site to available housing areas, airport, docks and oil refinery.

Since the main problems will be administrative and legislative at first, and the Government is located in Nairobi, it is recommended that costings are made for a zone in Nairobi at this stage.

The cost of rail or road transport from Mombasa will affect manufacturers product costs unfavourably, compared with production costs in a zone at Mombasa. However, some producers will use air-freight in and out, so costings are the same in either location.

Comparative costings of zone construction, including land purchase, should be drawn up for both locations.

II. GENERAL BACKGROUND

For the convenience of readers not familiar with the economy of Kenya, a brief summary is given below.

1. COUNTRY

The present population exceeds 12 million and has a high growth rate of 3.5 per cent.

It shares boundaries with Ethiopia, Somalia, Sudan, Tanzania and Uganda, and has an Indian Ocean coastline 250 miles long, with one commercial seaport at Mombasa.

Some of the best farming land in Africa is found at an altitude between 2,000 - 9,000 feet a.s.l. in Central Kenya, but more than half the country is arid lowland. There is a tropical belt along the coastline.

Nairobi, the capital, connected with Mombasa by a tarmac road (300 miles), is a very modern city and the commercial, industrial and administrative centre. Its population exceeds 500,000 making it the largest city in East and Central Africa. At an altitude of 5,500 feet a.s.l., it has a temperate climate, rarely exceeding 27°C.

Due to rapid growth since Independence in 1963, a policy of decentralization of industry is in force, to locate more industry away from Nairobi and Mombasa.

Mombasa, the second largest town (population 200,000), handles all the sea-borne traffic of Kenya, Uganda, Northern Tanzania, Ruanda, Eastern Zaire and Southern Sudan. One problem of Mombasa's expansion is that the investment required will benefit the other countries mentioned, taken together, more than Kenya itself. This argues for the provision of the required finance from international sources (see below under

There is already a good industrial base at Mombasa including a recently expanded oil refinery, a steel rolling mill, considerable textile, cement and food processing industry.

Other large towns are.

Kisumu - 105,000 - transport centre on Lake Victoria
Nakuru - 70,000 - farming centre - 160 km from Nairobi, 720 km from Mombasa
Thika - 30,000 - 42 km from Nairobi - fastest growing town in Kenya
Eldoret - 20,000 - halfway between Nairobi and Kampala, processing of agricultural products.

2. GOVERNMENT

Kenya became independent in 1963, and a Republic in 1964. Political stability has been a keynote since independence. The President is Head of State and Commander-in-Chief of the Kenya Armed Forces. He is normally elected at the General Election which follows the dissolution of Parliament every five years.

Parliament consists of a single chamber called the National Assembly, with 158 elected members. The Cabinet is appointed by the President from among the Members of Parliament.

In the Constitution of the Republic of Kenya, executive and legislative powers are so divided as to give effect to three main principles namely, that strong national leadership should exist, and be apparent to the people, that the President and his Cabinet should be collectively responsible to Parliament and that Parliament should be supreme.

3. INDUSTRIAL POLICY

The Kenya Government is committed to a mixed economy of public and private enterprise. In the manufacturing sector, heavy reliance is placed on private enterprise, including foreign investment. Joint ventures are particularly welcome. This policy can be can be considered positive and non-restrictive.

The Development Plan for 1974-1978 envisages an increase in employment of almost 50,000, and an investment increase of K£ 150 million in machinery, buildings and equipment, mostly from private sources, with an emphasis on production for export. The manufacturing sector is thus expected to increase from 12.1 per cent of G.D.P (1972) to 14.3 per cent in 1978, with marketed value of gross output increasing by 91 per cent to K£ 465.6 million in 1978.

Industry has grown by 9.1 per cent since 1968, the volume of output going up by 86 per cent. Workplaces employing over 5 people grew from 676 in 1963 to 1298 in 1971. Over 80 per cent of output comes from those employing over 50, which rose from 154 to 313 in the period, mostly agro industry.

Import substitution is nearing an end except for intermediate and capital goods, and the main growth point is considered to be export industry. This already includes oil refining, cement, textiles, glass, cables, pharmaceutical, chemical and metal goods.

4. INVESTMENT INCENTIVES

The Foreign Investment Protection Act encourages projects which either:

(a) earn or save foreign exchange
(b) increase technical knowledge
(c) lead to an increase in economic wealth and social stability by raising national income and promoting diversification.

Approved projects are eligible for a Certificate of Approved Enterprise, which give the foreign investor privileges in respect of

a) a) repatriation of

1) the profits, after taxation, of his investment
2) the approved proportion of the net proceeds of the sale of all or any part of the approved enterprise
3) the principal and interest of any loan specified in the Certificate

b) compulsory acquisition

This matter is dealt with in Section 75 of the Consitution of Kenya, and briefly provides protection or payment of compensation, with direct access to the High Court in matters of dispute.

(While this assurance seems perfectly adequate for normal purposes, it may be necessary to guarantee complete protection of investments in an Industrial Free Zone, in order to maximize interest amongst potential investors. This may need an alteration to Section 75, which would require, by Article 47, the vote of "not less than 65 per cent of all the Members of the Assembly".

5. CUSTOMS DUTIES

Up to 1974, refunds were made in certain circumstances, largely to encourage local industry and exporters, but this will be replaced by a 10 per cent export subsidy in future.

Where the final product is exported, total remission of duty is possible.

Plant and machinery for industrial development are almost all free of duty already.

6. INVESTMENT PROTECTION

Various governments, e.g. Canada, FRG, Japan, UK and USA offer fiscal incentives and investment protection to their nationals investing in Kenya. These include protection in cases of nationalization without adequate compensation, inability to repatriate capital and earnings, force majeure etc.

Kenya is a signatory to the IBRD Convention for the Settlement of Investment Disputes.

7. LOCAL CAPITAL PARTICIPATION

In addition to the usual finance sources, Kenya is well equipped with Government sponsored finance institutions namely

a) **Industrial and Commercial Development Corporation (ICDC)**

Established 20 years ago, ICDC is responsible to the Ministry of Commerce, and has as its main aim, the establishment of Africans in new ventures, industrial or commercial.

Full description of these institutions are given in the Government's Investment Guide so that only an outline is given here.

ICDC assists new ventures through participation in equity capital, or loan, or both, and is concerned to decentralize industry where possible.

It is also concerned with establishing new ventures in the public sector.

b) **Industrial Development Bank Ltd. (IDB)**

IDB avoids duplication of ICDC activities by concentrating on projects requiring investment of not less than £ 50,000, mainly medium and large-scale enterprises in agro-based industry, mining and engineering.

c) **Development Finance Company of Kenya (DFCK)**

DFCK, established 1963 is jointly owned by the Kenya Government (through ICDC), Commonwealth Development Corporation, Netherlands Overseas Finance Company and the German Development Corporation.

Its prime emphasis is placed on manufacturing and processing industry and hotels.

d) **East African Development Bank**

This is a Community Institution aimed mainly at balancing industrial development amongst the Partner States. Its funds are provided by the Partner States, and by international commercial banks. Over a five year period, 38.75 per cent of the banks resources are allocated to Tanzania, an equal amount to Uganda, and 22.5 per cent to Kenya

8. GENERAL -

Other information on the banking system, employment taxation, exchange control, labour relations, [illegible], social security and industrial training is given in the Investment Code in detail.

9. INFRASTRUCTURE

Kenya has a well developed [illegible] and air traffic system, as befits a country which has been [illegible] channel of development of the African hinterland. Future developments, such as the Pan African Highway raise long term questions of investment in new seaport and airport facilities as well as road improvements. These, in themselves raise further questions concerning long term planning and international finance which have a bearing on the planning of an industrial free zone and in particular its location.

These, however, are so long term that the decisions on location of an industrial free zone cannot be dependent on the location of Kenya's second port, or the opening of the Nairobi-Addis Ababa road, or of the Pan-African Highway. The fact that these projects are under way or being planned means that the products from the industrial free zone can more easily be exported in future, than at present, as Kenya's traffic links expand.

To illustrate this, a list of on-going projects related to multi-modal transportation in East Africa is given in "Annex II"

10. SEA TRANSPORT

Mombasa's Kilindini harbour is being continuously extended, but is at present overloaded

Studies have been undertaken on various problems by three consultant firms McKinsey (UK finance), Co[illegible] Consult (UNCTAD) and by Bertlin and Associates (IBRD).

One result is the studies now under way on a second port, at either Kilifi, Malindi, Ras Ngomeni, Manda Bay or Andromache Reef. This port would assist the land-locked countries in the hinterland more than Kenya itself. Mombasa traffic is now approximately 55 per cent for non-Kenyan destinations in East and Central Africa (only 40 per cent of Dar-es-Salaam traffic is for Tanzania).

The present situation, and that for 1974-1979 indicates that the majority of exports from an industrial free zone located in Kenya would tend to be high value to weight ratio products such as transistorised, miniaturised and other electronic equipment, watch/clock, data-processing, memory cores, lenses and jewellery. Such exports can support the air freight charges since the producers enjoy tax and duty privileges, low cost labour and low overheads, which reduce their production costs.

In any event, the shipping volume to and from an industrial free zone involved would be unlikely to be significant until after 1979.

11. AIR TRANSPORT

Large development schemes involving new runways and other facilities are planned and due to begin construction shortly both at Nairobi and Mombasa Airports.

Nairobi - Chart No. 5 + 6

Although East African Airways, a Community run airline is experiencing financial and managerial difficulties, traffice, both passenger and freight, doubled at Nairobi, between 1964 and 1972. Passengers have exceeded the one million mark, due to intensive tourist promotion.

Anticipated increase in traffic at 13 per cent per year indicates that congestion might be experienced by 1975, (despite the existence of Wilson Airport for private flying and Eastleigh for military), so that new works are about to be carried out to build a new runway and terminal, as well as enlarged infrastructure.

Although land is available near the Airport, provision of services for industrial activities is not feasible due mainly to lack of water and advanced planning on urbanisation elsewhere.

Mombasa - Chart No. 2 + 4

Mainly due to tourism and the desirability of making Mombasa an international airport (direct flights from Europe), land is being acquired, and the existing road to Nairobi diverted, to provide a new runway capable of taking Jumbo Jets. Although land near the Airport is still sparsely inhabited, acquisition of further plots could cause social friction, and land north of the Nairobi-Mombasa road at Mitirini is probably a better industrial free zone site. This matter and that of the Changamwe Industrial Estate is extensively reported on elsewhere.

REPUBLIC OF KENYA

PRE-FEASIBILITY STUDY ON INDUSTRIAL FREE ZONES

PRELIMINARY REPORT

BY

P.F. RYAN (UNIDO)

in collaboration with

INDUSTRIAL SURVEY AND PROMOTION CENTRE

MINISTRY OF COMMERCE AND INDUSTRY

MARCH 1974

"The Report has not been cleared with UNIDO which does not therefore necessarily share the views expressed."

(Report produced in the field, and tabled at a Meeting held in Nairobi on 21 March 1974).

CONTENTS

[illegible]

INDUSTRIAL [illegible]

SUMMARY AN[illegible]

I.

1. This Report is only preliminary, written after two weeks of intensive investigations in Kenya. It is submitted as a skeleton report, since this gives an opportunity for a "live" reaction on the spot. This has been found to be a more effective way of proceeding than by submitting only after a delay of some months, the final report.

2. An Industrial Free Zone is basically an Industrial Estate in which foreign or domestic investors, or joint ventures between the two, produce manufactured products for export.

It is usually situated near an International Airport or Seaport, although its form differs in every country.

As yet there are few IFZ in full operation, as the technique is new. Examples are found at Kaosiung (Taiwan), Masan (Korea), Mauritius and Shannon (Ireland).

IFZ must not be confused with other free zones of a purely commercial or storage nature. The type of IFZ which UNIDO support are primarily manufacturing and exporting units

3. The mission, having studied the situation regarding the current economic position of Kenya as it is affected by the balance of trade, concludes that in view of recent events leading to import restrictions and other anti-inflationary measures, exports must be increased by all possible means. Unless this is done, the foreign exchange position will force a cut-down in productive equipment imports, leading to economic stagnation, if not to actual recession. Thus, establishment of an IFZ is desirable if conditions permit. This is considered feasible for the following reasons:

1. Kenya is attractive to foreign investors mainly because of its political stability.

2. The Development Plan for 1974-1978 emphasises the importance of increased exports and points to a lack of suitable joint ventures to achieve this.

3. The Plan emphasises the need for better co-ordination of Ministries (Part II page ??) to deal with potential foreign investors, which is exactly what an IFZ achieves.

4. Kenya already has parastatal bodies of the type found to be essential to manage a successful IFZ, namely, autonomous, state owned corporations, such as I.C.D.C. and D.F.C.K. The legal machinery and precedents therefore exist.

5. Kenya has highly developed institutions for assisting and financing private sector entrepreneurs such as ICDC, DFCK, IDB the E.A. Development Bank and Industrial Promotion Services.

4. Institutions such as the World Bank and bi-lateral financing Agencies from several developed countries have already made preliminary studies regarding the finance of industrial estate housing complexes in Kenya. Therefore to carry out a full cost/benefit financial analysis (on a cost flow basis), could be done rapidly in view of the existing reports and studies available.

5. An IFZ fits together with the Governments main objectives for development, as for example expressed by the Minister for Finance and Planning in the Development Plan (Part I Preface. Pages IV and V.)

6. It is therefore recommended that the Government consider the establishment of an IFZ in Kenya, by utilizing existing industrial sites (zoned as such by planning authorities) either at Nairobi or Mombasa.

7. Suitable sites exist in Mombasa in the Changamwe and Miritini area north of the airport and [illegible], and in Nairobi at Dandora and [illegible].

8. Existing legislation, "Foreign Investment Protection Act" - (Cap. 518 Laws of Kenya) provides adequate protection to investors in the form of a "Certificate of Approved Enterprise", with the following exceptions:

1. Repatriation of profits on export business from an IFZ, is normally controlled for the first 5 years at a rate of 20% per annum, starting from the date of first shipment.

2. Such profits would not be subject to any tax for the first 5 years. (Or any other period decided on).

3. Section 74 of the Constitution of Kenya provides for the situations in which compulsory acquisition of property is possible. This would not be acceptable to investors in an IFZ, and would make promotion of investment incentives difficult. It would be essential to exclude IFZ investors from such compulsory acquisition by incorporating a specific guarantee in the statute establishing the IFZ as a corporation.

II. BACKGROUND

The Government of Kenya requested through the Resident Representative of UNDP on 26 October 1973 that UNIDO provide them with an expert in Industrial Free Zones, to examine the prospects of establishing an IFZ in Kenya. Mr. P.F. Ryan arrived in Kenya on 5 March 1974 and will remain for 3 - 4 weeks to complete the study.

A. The advantages of an IFZ are basically:

1. Creation of employment

During a period of 5 years at least 30 firms should establish export manufacture and, with labour intensive technology should employ up to 5,000 or an average of 166 persons each.

2. <u>Contribution to balance of payments</u>

Experience shows the ratio of imports to exports to an IFZ to be about 33% imported raw material to 67% added value. Of this 67% half is retained by [illegible], and of the remainder some 15% is remitted overseas in the form of profits. About 16% is spent locally on services such as insurance, transport, housing.

3. <u>Multiplier Effect</u>

For every IFZ job within the zone, approximately [illegible] further jobs should be created in local industry (supply of parts, and raw materials) and especially in service industries – transport, road, rail and air, construction, packaging, hotels, taxis, banks, insurance, shipping, maintenance, repairs etc.

4. <u>Impact of Technology</u>

IFZ firms export sophisticated products which have already existing markets, thus training labour and supervisory staff in new techniques. Through "backward linkage", such skills move, in time, into the domestic economy.

5. <u>Industrial Reputation of Host Country</u>

The existence of an IFZ attracts enquiries from many developed country firms looking for politically stable countries with low-cost labour from which they can operate. Many such firms cannot set up in an IFZ as they need specialised factory buildings. They therefore set up under specially negotiated terms <u>outside</u> the IFZ. The initial interest however, is created by the existence of an IFZ.

6. <u>Subcontracting Business</u>

The fact that IFZ operators manufacture with low overheads (low capital expenditure, low labour costs, no tax or duties) means that they are in a position to export items to developed countries which are competitive in price.

Examples are [illegible] toys, [illegible] plastic and sports goods, and other labour intensive assembly products. Other forms are watches, watch jewel boring, lens grinding, [illegible] toys, games, food processing, furniture and if desired, [illegible] production, and other textile processes. [illegible] If any industry in an IFZ would compete with local [illegible] exporters, the IFZ selection committee can simply refuse all such applications.

F. <u>Disadvantages of an Industrial Free Zone</u>

These are all of an initial [illegible] nature:

1. The Government must provide a suitable industrial estate of about 20 acres with a further 80 acres available for expansion. All services must be provided - roads, power, sewage, water, canteen, fire service, first aid post, telephones, police, post office, bank and administration offices.

2. The Government must provide staff (at least a manager and 20 - 30 maintenance service staff rising to [illegible]) to administer the zone. Eventually rental will pay for salaries, but in the first 5 years not. After [illegible] years the early entrants will begin to be taxable, (unless a longer tax holiday is given), which will produce a net income to the IFZ Authority.

3. The investment incentives of the IFZ must be promoted actively overseas just as tourism is promoted. Existing commercial offices can help, but specialised advertising, direct mail of brochures etc. must be undertaken, usually together with tourist and national airline promotion.

A total minimum budget is given below at III, under COSTS

C. Government Strategy

The 1974 - 1978 Development Plan emphasises exports as a high priority, but recognises that there has been a lack of joint ventures to produce, in the domestic economy, manufacturing plant, machinery and equipment. It is submitted that an IFZ is a first step in this direction, as once a country has a working IFZ, it is demonstrated internationally that the country concerned has real industrial potential.

This leads to potential investors taking renewed interest in investment in the country as a whole.

The Plan shows much concern with the maintenance of revenue through taxation of new industry, to replace the loss of revenue from import duties not now levied on machinery. The change to a 10% sales tax and an export subsidy to replace the old system of duty remission and refund should produce an optimum tax revenue, despite new import restrictions.

Little if any revenue is lost from allowing duty free imports to an IFZ since production machinery is already duty free. Raw materials imports to most IFZ are such items as described above (under B.1) e.g. electronic parts, uncut stones, unpolished lenses, unassembled automotive parts, etc. which are not imported into Kenya now in any quantity, and so, not a significant source of revenue.

The remission of corporate taxation on export business for an agreed period (5-10 years is usual), is the premium to be paid to enter into the technological revolution in a competitive way.

Without an IFZ the investors interested in IFZ operations would not come to Kenya at all. After 5 - 10 years, a substantial contribution is made to revenues.

Import duties [illegible] it is proved that such materials are [illegible] at the same quality level locally. [illegible] Development Plan, [illegible] the Ministry of Commerce and Industry (Part II [illegible]), [illegible] Ministry of Finance and Planning [illegible] Part II.

[illegible] that [illegible] industries [illegible] in the economy, and that [illegible] from protective tariffs [illegible] depends on increasing ability [illegible] markets. Thus, it is [illegible] tariffs, [illegible] this. All three [illegible].

The mission has [illegible] the East African Community [illegible] as they refer to the [illegible] e.g. the Treaty for East African [illegible] that an IPZ in Kenya [illegible] difficulties with partner states. A strategy [illegible] their exports from the IPZ [illegible] partner states [illegible] of re-import into Kenya.

III. COSTS

Cost details are not yet complete but will be produced in the final report.

The table below is therefore an estimate based on the locally obtained data [illegible] March 197[illegible].

The costs given for phase I only, that is the acquisition of [illegible] acres of land in a zoned industrial area of Nairobi. Other costs are based on developing [illegible] acres only.

CAPITAL COST ESTIMATE

		KENYA POUNDS	
	1974	1975	1976
LAND (100 acres)	8,000	-	-
LAND DEVELOPMENT			
(Levelling, roads, sewage drainage, survey and supervision - 20 acres)	-	400,000	-
Telecommunications, water tank, fire hydrant system	-	100,000	-
BUILDINGS			
Administration block	-	40,000	-
1 standard factory - 4,000 sq. ft.	-	12,000	12,000
1 standard factory - 7,000 sq. ft.	-	21,000	21,000
(Steel frame roof, concrete floor) physical contingency (10%)	-	7,300	3,300
Engineering + supervision (2%)	-	1,460	666
Project total (constant pounds)	8,000	581,760	36,966
Cost Escalation (10% yr.)		58,176	3,696
	8,000	639,936	40,662

Operating Costs

Staff required will be:

A. General Manager
Investment Analysis and Planning Man.
Civil Engineer
Accountant
Personnel Manager
Administration Manager
Promotion, Publicity Manager 25,000

	1974	1975	1976

B. **Supervision**

Construction

Maintenance

Security

Accounts

Training

Secretarial

Union Liaison — [illegible]

C. **Weekly paid Staff**

10 Secretaries — [illegible]

skilled hands — [illegible]

20 unskilled hands — [illegible]

Total estimated annual costs

1975 (6 months) 23,125

1976 (12 months) 50,875

Total Estimated Costs

	1974	1975	1976
Capital	[illegible]	[illegible]	40,662
Staff	-	23,125	50,875
Equipment	-	[illegible]	20,000
Maintenance and Repairs	-	15,000	15,000
Depreciation	-	[illegible]	3,000
Interest		[illegible]	40,000
Investment Promotion Budget	-	-	100,000
Estimated ANNUAL TOTALS	[illegible]	[illegible]	269,5[illegible]

IV. FINANCE

Revenue from 1975 - 1980 would come from factory rentals only. After 1980 revenue would come from corporate taxation as well, assuming a 5 year tax holiday.

It is not possible at this stage to give a financing plan. An IBRD team (Urbanization Division) was in Nairobi in March 1974, and finance for Dandora (Baraka housing) industrial area was examined [illegible] proposal for a full financial feasibility study based on this proposal could be submitted to IBRD through the UNIDO [illegible] Unit in Vienna.

ECONOMIC AND SOCIAL BENEFITS

1. Quicker Development

Prepared sites and services accelerate the investments made by offering physical advantages. Tax and duty concessions complete the process of speeding up development. Admittedly, industries continue to be established in Kenya without an IPS, but the readily available buildings and services will attract more investors sooner.

Local capital, which may leave the country otherwise, will also be attracted, to establish joint ventures with foreign firms.

2. Employment

Apart from jobs in the zone itself, and those created in service industries outside the zone, there is an intensification and up-grading of skills. The turnover of workers in the zone assists development of industry outside it.

(In Mauritius, the New Coromandel estate of 60 acres is estimated to provide 14% of all new jobs between 1973 - 1980).

3. Social Benefits

The working environment is much improved by estate management - clean conditions, a central canteen, control of pollution, welfare centre, employees association, sports club, etc.

4. **Economies**

The concentration of industries in an estate has well known economies in planning and providing infrastructure. The most economical methods can be used, keeping costs as low as possible. Also lower capital investment is required per factory as a result of the common utilities.

5. **Development of Entrepreneurs**

A rising trend in local participation in joint ventures is stimulated outside the zone, local industry is motivated to produce components and services. This fits in with the expansion plans of the Kenya Industrial Estates.

6. **Fiscal Benefits**

Assuming sales of K£30 million by 19[illegible] when firms begin to pay tax on profits, corporate income taxes of 45% would produce (on 10% profit) K£1.35 million when all firms' tax holiday ended.

Taxes on personal incomes of IPZ staff and firms' employees can be added to this.

7. **Foreign Exchange Earnings**

Profit remittance is usually limited, at least during the tax holiday, to about [illegible] per year.

In fact, I.P.Z. experience is that at least 95% remittable profit is spent locally on services.

Value added - approximately $\dfrac{\text{FX earned}}{\text{Imported materials}}$ (see above II.A.2)

IV. SITE SURVEYS

1. SURVEY OF MOMBASA AREA

Timing - 8-13 March 1974

Together from the counterpart from the Industrial Survey and promotion centre Mr. Njuguna Mwangi.

Geographical (See Chart No. 1)

Mombasa consists of an island connected to the mainland:

a) north - by a "Bailey" type bridge, connecting the island to Nyali residential area. The road leads north via Kilifi, Malindi and Lamu to the Somalia border.

b) west - by a causeway carrying the main Nairobi Road.

c) south - By Likoni Ferry leading to recreation/hotel areas and road to Tanga.

Industrial Areas - (See Chart No. 2)

1. Changamwe
2. Miritini

The Changamwe industrial area consists of 174 acres north of the main Nairobi-Mombasa road, adjoining the oil refinery.

Some of this area, as shown on Chart No. 3 and 4 is already occupied by small factories, blanket, garment, towel, chemical works, precast concrete. In the centre, an Industrial Estate is planned, and the architects, Hughes and Polkinghorne received the go-ahead during our visit to begin construction.

Stage I will be 10 - 14 acres
Stage II will be 5 - 30 acres

In theory, there should be over 100 acres of this area left for an Industrial Free Zone. As only 20 acres would be needed at first, this seems at first sight, to be a feasible location. As however, it would be expensive to move the IFZ at a later date, the planning team for the IFZ should examine the area carefully to establish whether:

a) The reserve 80 acres can be kept free of buildings pending development.

b) The rail served area planned does not cut the area in half, bearing in mind that the IFZ has to have a perimeter fence, and only two, customs manned entrance exists.

c) In view of existing factories and the location of the Industrial Estate, there is an area remaining of at least 100 acres, which could be reserved for IFZ development.

The area is very suitable for an IFZ, as it is bounded by road and rail, and adjoins the refinery (which has excess fuel oil and L.P.G. for sale). It is also located in an area with ample population, with good and easy access both to the airport and to Kilindini docks.

(Photographs of the area are to accompany the top copy of the report).

Outside the Industrial Area, but still within Changamwe, there are areas which could be suitable, marked on Chart No. 2, as "Industrial" (shaded).

To keep development costs down, it is advisable to use only flat land which is not subject to flooding, subsidence or other defects, such as necessity to stabilize by sinking piles.

The area north of the road on the north boundary of the refinery was also inspected. It is not entirely flat, and in part requires piling even for domestic housing. Unfortunately, one of the best potential sites already has a metal rolling mill built on it.

Where this road joins the main Nairobi-Mombasa road there are several small sites with some factory development which should be investigated.

Airport Area

An interview with the Airport Manager Mr. Mbui revealed the plan to extend the runway north towards the refinery. Tenders for construction were opened on 4.12.1973, and the necessary land had already been purchased by the Ministry of Lands, to provide a runway 3,350 metres in length.

Bush land here costs about Shs. 3,000 per acre. Residential land costs about Shs 25,000 per acre.

A portion of the refinery extension area has been requisitioned for re-alignment of the road. (See Chart No. 2). As a result an area shown on Chart No. 2 has now been allocated to the Refinery, south of the main Nairobi-Mombasa road. This land is partly occupied and the necessity to move residents will cause some social stress in this area, so that further acquisition of land for an IFZ in the area bordering the airport may well be undesirable. (This was the opinion of the Commissioner of Lands in Nairobi, Mr. O'Laughlin).

From the air however, existing housing does seem relatively sparse, and mainly of the temporary type so that closer investigation should be made to see if 100 acres could be obtained bordering on the airport area.

Miritini (Chart 4)

This is an acre scheduled as industrial, west of the Refinery. It could be a good IFZ site as it is on the main road, near a heavily populated area, near the airport and refinery.

Planning - Mombasa

Several visits were made both to the Provincial Planning Office, (Ministry of Planning and Finance) and to the Town Planning Office (Municipality, Treasury Square, as well as to the Ministry of Commerce Office, and to the KIE Architechts office - Mr. Grewal, Hughes and Polkinghorne.

The relevant chart No. 3 (scale 1/1,250) was prepared in 19[illegible] by H. Averley to show the Changamwe Industrial Area of 154,[illegible]80 sq.m. (Also see drawing K/7241/4 January 1973 and Changamwe Drawing, Departmental Reference 12.2.[illegible].2.73).

There is some evidence of lack of co-ordination between Provincial Planning (Ministry of Planning and Finance) and Town Planning (Ministry of Lands and Settlement), not in Mombasa in particular, but between the Ministries in general. This may be due to the fact that central authority is located in Nairobi, and possibly to the fact that some studies (like this one) are not circulated widely enough.

It is recommended that Inter-Ministerial Meetings examine the problem, as it leads to delays in project implementation, such as the Airport extension and the Kenya Industrial Estate at Changamwe, and could lead to delays in site survey and selection for an Industrial Free Zone site.

Refinery

In view of its strategic situation and the necessity to re-orient its expansion area to provide for the new airport runway, a visit was made to the Refinery.

The refinery came on stream in 1963 as a Shell/BP enterprise, which was joined in 1964 by ESSO and Caltex. The Kenya Government participated from 1971. The present Kenya £ 12.5 million expansion finishes in April 1974 (Total investment K£ 20 million).

When complete, the refinery will employ only 300, although 1,000 are now employed on construction work. All crude is imported. Usage is 40 per cent Kenya, 30 per cent Uganda and the remainder for N. Tanzania, Ruanda-Burundi, Zaire. Much fuel oil has to be exported, as demand is insufficient locally as yet.

The local labour situation is illustrated by the fact that for 30 jobs requiring KCE (Kenya Certificate of Education) for pipel-fitters and welders, 6,000 replies were received. Over 200 have been trained in these skills and found to be very adaptable and quick to learn.

5 acres will be acquired from the unused portion of the refinery area, of which 33 acres are needed for the runway. The remainder has to remain sterilised of any steel structures to avoid interference with Airport ILS. (Landing and take-off location indicator system). A similar area south of the road is allocated to the refinery.

2. Nairobi Area

The optimum site for an industrial free zone is adjoining an airport or seaport. Then, goods whether incoming or outgoing can be transferred without need for Customs and Excise supervision, thus reducing paperwork, time and costs.

If there is any gap between the zone and the airport or seaport, the distance involved is relatively insignificant. That is, it is not important whether the distance is one mile or 10 miles, since the main cost involved is not Transport but Customs supervision.

The question of land availability around Nairobi Airport was carefully examined, by study of the drawings available from the Ministry of Planning and Finance, and from the Nairobi City Council

Interviews were conducted with:

Mr. Ligale, Director, Physical Planning, NCC
Mr. O'Loughlin, Comissioner of Lands
Mr. G. Njau, Chief Planning Officer, NCC
Mr J. Kahonge, Valuer NCC
Mr. H G. Mathot
Mr. L.J Poyck
Mr. G.J. Verbeek

From Chart No. 5 can be seen the Government and NCC land acquisitions, which include both the Dandora and Ruaraka areas, which were recommended as possible sites. Both are mixed industrial/housing areas, and a new multi-lane road is planned from the area to the airport In fact this area has been surveyed recently by the Urbanization Division of [illegible] to examine the finance [illegible] for the housing development.

The ideal site for an Industrial Free Zone would be in the area adjoining the airport, [illegible] the landing flight path, in the Government acquired plots L.R. [illegible].

Although there is no housing [illegible] at present, it would not be a great problem for the [illegible] from the Nairobi South, Mbotela Makadara, [illegible] areas. Eventually, a housing area, as a satellite to Nairobi could be established in the vicinity. A precedent for this [illegible] the [illegible] village [illegible] the airport itself.

As the Industrial Area of Nairobi is already very congested, an Industrial Free Zone is not possible in or near this area. A zone situated near the airport would assist to relieve this congestion, which, particularly from a road traffic point of view, is unlikely to improve. The zone would form an alternative employment centre, away from Nairobi itself.

However, as can be seen from charts [illegible] and [illegible], there is no plan to extend any development nearer than [illegible] kms from the airport up to the year 2000. This is [illegible], as development usually extends between a city and an airport, for various reasons. It may not be desirable to have an Industrial Free Zone bordering on a Game Park, but, as visitors to operating Industrial Free Zones know, pollution and noise are kept to a minimum in all Industrial Free Zones.

It was also considered by the planners that the provision of services to the area near the Airport would be much more expensive than in the Dandora area.

On balance, therefore, the Dandora area, which is much nearer the airport than Embakasi, and adjacent to the main Mombasa rail link, and the Mombasa road, would be the preferred site in the Nairobi area for an industrial free zone.

V. MEETINGS HELD

Two were held, of an informatory type

1. Held on 14 March 1974 in Nairobi, after visit to Mombasa. Nineteen officials from thirteen different Government departments attended the meeting.

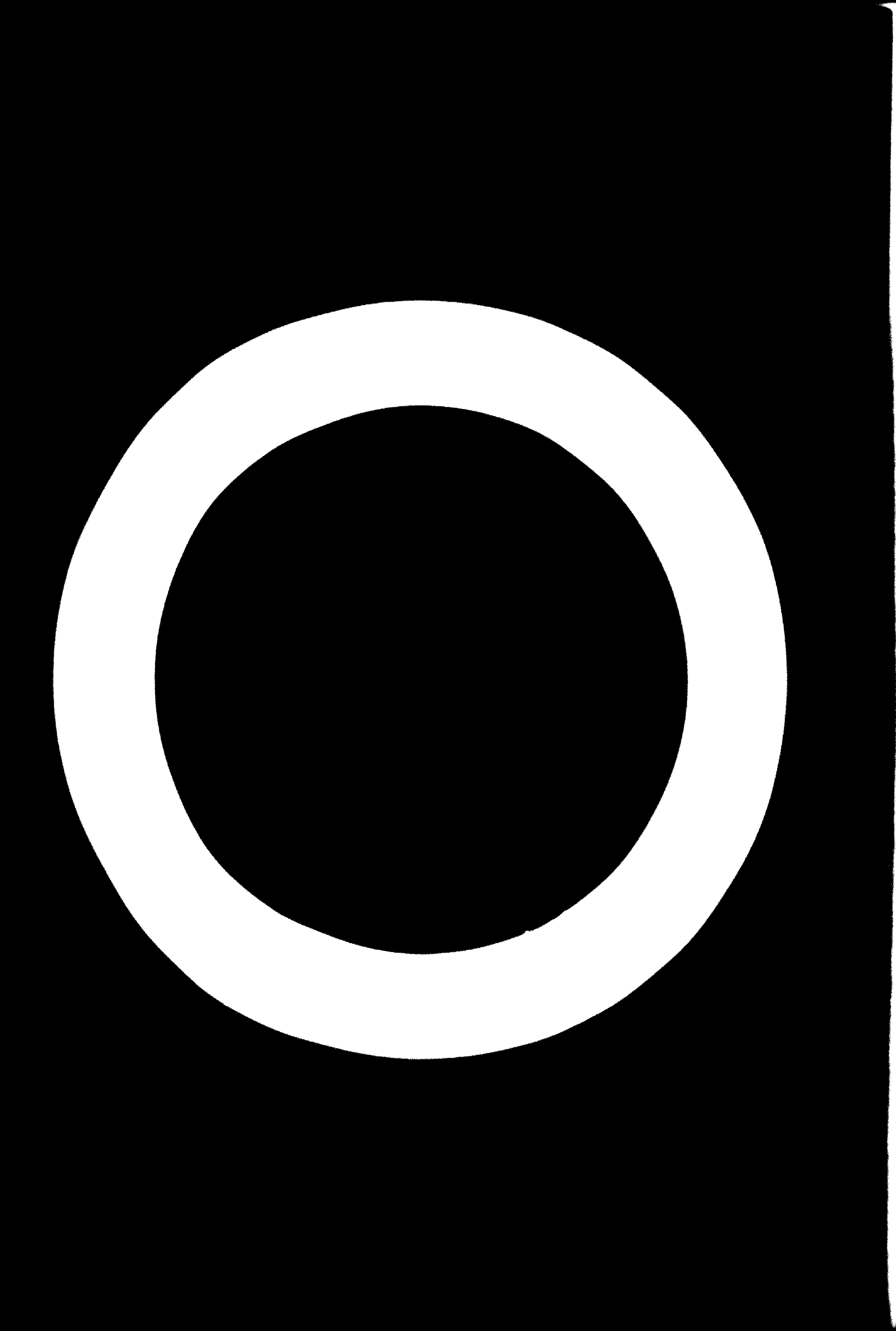
   The minutes are attached as Annex I.

2. Held on 21 March 1974 in Nairobi at the completion of the Mission.

   Sixteen Government officials and UNIDO's Senior Industrial Development Field Adviser (Annex II) attended this Meeting at which a preliminary report (Annex II) was tabled and discussed. As a result of this it was decided to recommend two further steps to be carried out

   a) To request UNIDO Fellowships or Study Tours, so that two or three officials could visit operating Industrial Free Zones with the objective of examining costs and benefits at first hand, and possibly planning the training which would be required in such zones for designated Industrial Free Zone administration officials (see Annex II).

b) To request a full cost/benefit analysis type of feasibility study to examine precise costs involved, cash flow forecast [illegible] long-term financial inputs and results to be expected.



[illegible]

[illegible]

[illegible]

[illegible]

1. [illegible]
2. Mr. [illegible]
3. Mr. [illegible]
4. Mr. [illegible]
5. Mr. [illegible]
6. Mr. [illegible]
7. Mr. [illegible]
8. Mr. [illegible]
9. Mr. [illegible]
10. Mr. [illegible]
11. Mr. [illegible]
12. Mr. [illegible]
13. Mr. [illegible]
14. Mr. [illegible]
15. Mr. P[illegible]
16. Mr. [illegible]
17. Mr. [illegible]
18. Mr. [illegible]
19. Mr. [illegible]

The Chairman opened the meeting by introducing Mr. Peter [illegible] told the members that [illegible] Industrial [illegible] Organisation (UNIDO) had made available Mr. Ryan, [illegible] Industrial Pro[illegible] establishing [illegible] Chairman pointed out the need [illegible] such a meeting so that those Government and other institutions which would be affected directly or indirectly would be able to benefit from such a meeting.

Mr. Ryan having been given the floor proceeded following the agenda which had been sent to members.

Comment

The [illegible] concept of IFZ is quite a recent development about [illegible] years [illegible] but its historical evolution is [illegible] years ago, in form of special [illegible] [illegible] transhipment and provisional storage of goods for re-export [illegible] production functions. There are over 120 zones of different types [illegible] free zones which appear under different names like "[illegible] Zone" "Free Trade Zone" "Free Port" "Free [illegible]" "[illegible]" etc. In all of these, there [illegible] concept of [illegible] territory. IFZ [illegible] broad terms based [illegible] but the distinct difference is that it is aimed for manufacture [illegible] for its [illegible] export and [illegible]. [illegible] that industries attracted to IFZ are [illegible] computer parts, miniaturized or [illegible] products which [illegible] market.

It was pointed out that [illegible] Ireland (Shannon Free-port), Masan (Korea), Kaohsiung (Taiwan) and [illegible] and [illegible], Malaysia are successful examples. Mauritius already has successful industrial free zones although the nature of industries attracted there differs from that of Shannon. [illegible] the simplicity of starting an industrial [illegible] for [illegible] zone initially of about 20 acres [illegible] infrastructure [illegible] factory [illegible] that you can start [illegible] which [illegible] the [illegible] channels, airlines etc. The investors that are interested [illegible] with them their export markets as part of their [illegible] for investing.

Advantages to host country

a) Creation of job opportunities.

b) Development of export oriented industries.

c) Increase of export and foreign exchange.

d) Stimulation of domestic and particularly foreign investment.

e) General [illegible] of industrial techniques.

f) Concentrated and rational work on the infrastructure development.

g) Creation of new sources of income through subcontracting, service rendering sectors and through multiplier effect of order of 1:2 (i.e. two jobs created outside zone to every job inside zone).

Advantages & Inducements [illegible]

a) Duty [illegible]

b) [illegible]

c) [illegible]

d) [illegible]

e) [illegible]

f) [illegible]

g) Preferent [illegible]

[illegible] revenue and [illegible] by the government [illegible] ration of the [illegible] countries [illegible] [illegible] and [illegible]

[illegible]

Mr. [illegible] pointed out that [illegible] that there were [illegible] objectives. Guarantees as spelled earlier should [illegible] act as an incentive, for it is usual [illegible] investors will calculate the [illegible] production cost reduction [illegible] of capital costs and variable costs [illegible] product [illegible] to IPC as opposed to the other alternative.

Sites

It was pointed out that [illegible] is very important. From experience site development costs [illegible] broken down as follows:

Land	[illegible] per cent
Infrastructure	[illegible] per cent
Buildings	60 – [illegible] per cent
Contingency	
Physical	[illegible] per cent
Price Escalation	24 – 25 per cent

A site with an area of about 50 acres with 120 factories could cost up to £ 3 million and with 30 factories with up to £ 750,000. But a site near already existing industrial area would have lower costs. The management of such an estate is best done through a parastatal organisation.

Labour

When industries are developing training of local labour is emphasised and planning [illegible] of [illegible] normal development. Labour [illegible] all [illegible] the zone.

Economic Effects

1. Contribution to Foreign Exchange balance
2. Employment
3. Backward linkages [illegible] the whole economy e.g. in Ireland [illegible] firms have been attracted to the country in general
4. Diffusion of people with high managerial and technical knowledge from the zone to the general economy helps to increase productivity.

After giving the above brief, Mr. Ryan asked Mr. Chairman whether there were any questions. Since none was asked, he went to explain Mombasa area which we had visited as one of the possible choice. He pointed out in theory, I.F.Z. could be built in Zone industrial areas. Kenya Industrial Estates plot looked ideal, and he pointed out that a go ahead has been given to start developing Kenya Industrial Estates in Mombasa. The reason why such an area would have been ideal is due to its proximity to the airport, for air transportation is extensively used for products from I.F.Z. and also the area being next to a refinery could be supplied with fuel easily.

He then turned to Nairobi as a possibility and he said the area around the Nairobi Airport would be ideal because the industrial area is congested and again I.F.Z. usually built near airports, where customs officials can at any time come in and check whether the laid down regulations are being followed.

Mr. Lee: from Nairobi City Council asked whether other sites in other towns would not be ideal, for the present policy is to try and have geographical diversification of industries from Nairobi. He also suggested that the Council could suggest better sites in Nairobi than the one at the Airport.

Mr. Ryan: answered that in theory, even a town like Kisumu which compares well with Shannon geographically and developmentwise relative to other parts of the country could be considered, but development costs might rule it out. One main factor being lack of an International Airport or Seaport. So initially, Nairobi and Mombasa are the best choices.

Mr. Ikouke: from Ministry of Labour wanted to know what type of industries will be allowed in I.F.Z. whether labour intensive or not.

Mr. Ryan: [illegible] have combined [illegible] labour and capital intensive. This being [illegible] for products [illegible] part [illegible] high technology. [illegible] training [illegible] country. However, [illegible] will apply. All [illegible] applications.

Another member in the [illegible] wanted to know whether I.F.Z. is aimed at [illegible] development path [illegible] their priorities.

Mr. Ryan: confirmed that it is a matter of priorities of which development path is [illegible] followed. However, he pointed out if a case like that of the oil refinery is taken, where 40 welders are wanted and [illegible] graduates apply, it points to a need to establish employment which would [illegible] such people. He pointed out that a country like Mauritius which mainly depends on sugar production had few alternatives while Kenya has alternatives. He again pointed out that Ireland started with only [illegible] for lease.

At this junction, Mr. Ryan pointed out that in order to conceive the idea properly, UNIDO has Fellowship funds which can be used by interested governments to send officials to places like Ireland or Singapore for on the spot explanation.

Mr. G.G. [illegible]: I.C.D.C. pointed out that since economic conditions of other places where I.F.Z. has worked are not the same as Kenya, what would then happen if local demand of products from I.F.Z. which is a privileged zone grow up?

Mr. Ryan: said that goods from I.F.Z. were unlikely to have local market but in case they do, duty is levied like any other commodity entering the local market, no undue advantage would be allowed. Free zone manufacturers were encouraged to export 100%. If domestic demand started then, that demand would be left for a domestic investor to satisfy. Many countries, he pointed out, are going for this idea as a aid line to industrial development e.g. Egypt, has put I.F.Z. idea as a priority number one.

Mr. Verbeck: Ministry of Housing wanted to know whether any consideration had been given to the question of housing I.F.Z. employees.

Mr. Ryan: said that housing problem will definitely have to be tackled and so are other problems which have to be planned for by other ministries.

Mr. Verbeck: went on to ask what stage the study is and Mr. Chairman told Mr. Verbeck that Mr. Ryan will write a report which will be sent to the government upon which the government will decide how to pursue the matter.

Mr. Kambura from Ministry of Works wanted to know the direct impact to the economy, upon which Mr. Ryan said it brings organized investment procedure. To sum up, Mr. Ryan promised to send reading materials when he goes back to Vienna. These would be available in the Industrial Survey and Promotion Center, Ministry of Commerce and Industry:

Tel: 32811

Address: 30430, Nairobi

Also another meeting he said was necessary. At this juncture, Mr. Chairman asked whether there were any more questions and when none was forthcoming, he closed the meeting.

19.3.74

Peter Njuguna Mwangi
(Industrial Survey and Promotion Centre)

Synoptic Review of On-going Projects relating to

Multi-modal Transportation in Eastern Africa 1973/1974

Study or Project Title	Executing Co-operating Agencies	Objective(s) of Study or Project	Geographical Coverage	Tentative Date of Completion	Decision taking authority
.A. Ports perational tudies	UNDP Training and Development Project/ East African Harbours Corporation	To assess (a) port lay-outs and (b) (future) cargo columes and capacity development.			
a) Dar-es-Salaam			Port of Dar-es-Salaam	(a) and (b) completed continuous up-dating	Board of Directors E.A.H.C. Communications Council/EAC)
b) Tanga	d.o.	d.o.	Port of Tanga	Preliminary report completed, to be updated and further developed (b) completed, to be further pursued	d.o.
c) Mtwara	d.o.	d.o.	Port of Mtwara		d.o.
d) Mombasa	d.o.	d.o.	Port of Mombasa		d.o.
rformance rgets mittee	UNDP Training and Development Project/EAHS/East African Cargo Handling Services.	To study cargo flows port capacities, technological developments. To look into operational aspects related to handling performance in the ports.	East African Ports serviced by EAHC/ EACSER.	mid- 1974(?)	Management EAHC/ EACSER.
r-es-Salaam rt Development Study	IBRD/EAHC	To establish a Master plan for the economical developments of Dar-es-Salaam port to the year 2000, in the light of intensive traffic, operational and future shipping investigations.			

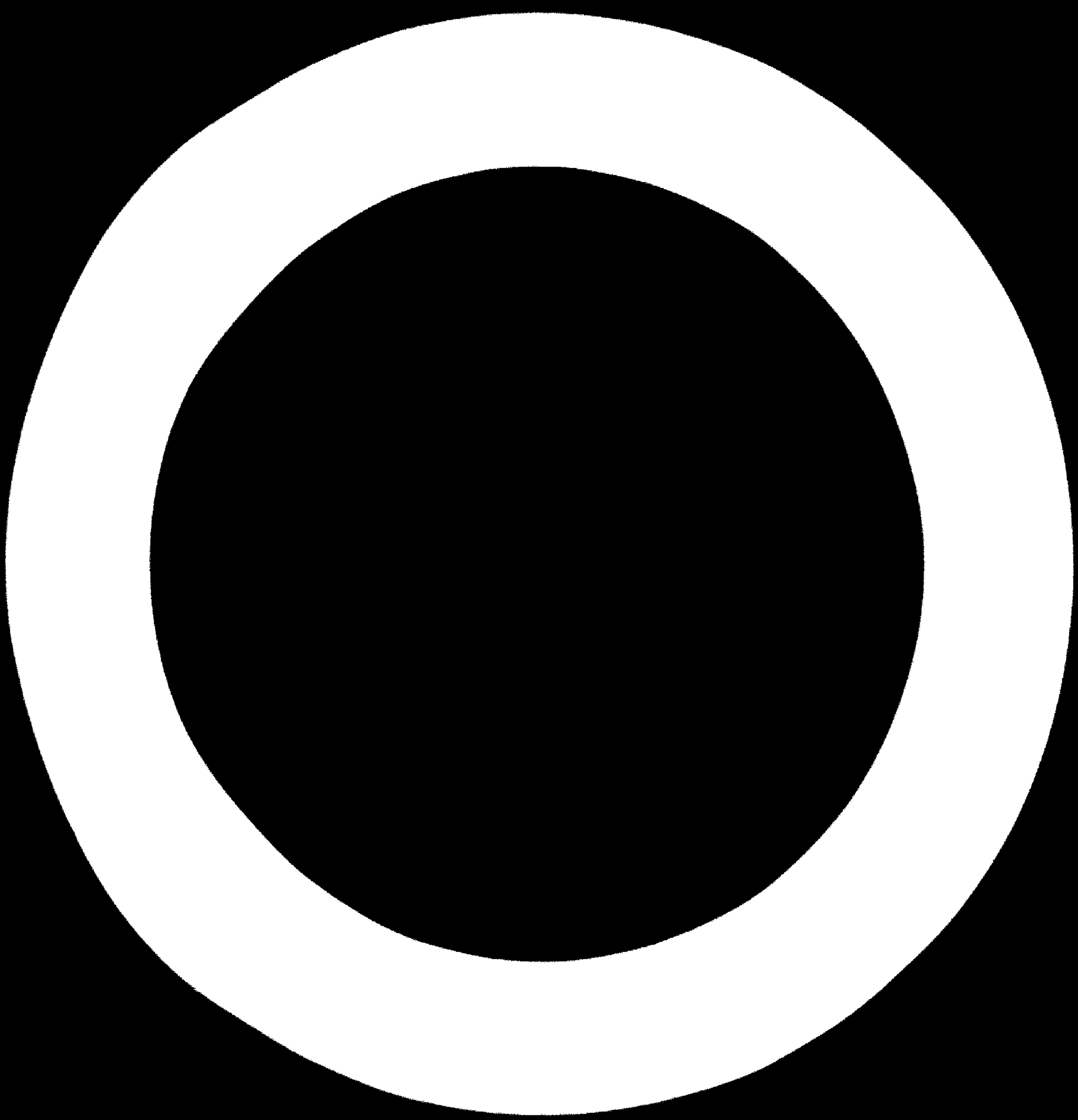
...t African ...rts Develop- ...t Study	IBRD/EAHC/UNDP	To advice on short and long range (to the year 2000) port extensions and improvements and their technical and economic feasibility.	The ports of Tanga, Ntwara, Mombasa, Lamu, Kilwa Masoko, Lindi and potential port sites on Mafia Island and their respective hinter-lands.	Not known yet, application for financial assistance is in the process of submission.	Board of Directors, EAHC, Communications Council, E.A.C. (UNDP/IBRD).
...ya Second ...rt Study	Kenya Government/ EAHC/UNDP (?)	To investigate technical and economic feasibility as well as location of a second port in Kenya.	North-Eastern Coast of Kenya and its hinterland.	Interim Report completed, final report second half 1974.	Kenya Government; Board of Directors EAHC;Communications Council, E.A.C.
...stern Africa ...ipping Study	UNCTAD/ISCOS	(a) To appraise the compatibility of Eastern Africa's present system of ocean transport with the characteristics of its trade.	Kenya, Uganda, Tanzania, Zambia (Rwanda, Burundi, Zaire)	first draft to be completed by mid-1974; final draft to be ready by end of 1974.	ISCOS; Governments of Kenya, Uganda, Tanzania and Zambia; (UNCTAD)
		(b) To develop a configuration for ocean transport services that will optimize their contribution to further development of Eastern Africa Trade;			
		(c) To recommend appropriate strate-gies and actions for implementing an optimum ocean transport system.			

stal Shipping dy for Eastern ica Sub-region	Economic Commission for Africa/Governments of Ethiopia, Somalia, Kenya, Tanzania, Madagascar/UNDP/(UNCTAD)	To recommend in the field of coastal shipping and on establishment of multi-national coastal shipping companies.	Eastern (and Central Africa) sub-region	not known yet, Terms of Reference cleared with Governments concerned; project submitted to UNDP for approval	Governments concerned, Eastern Africa Permanent Transport Communications Committee of ECA. (UNDP).
king Group on timisation of -Borne Traffice East Africa	Communications and Common Market Secretariats of EAC/ EAC Partner States	(a) To advise on matters relating to "combined Transport Convention"; (b) To advise on transport policy options with respect to inter-modal transportation.	E.A. Community Partner States	Terms of Reference under consideration. Continuous reports expected after work has started (in Jan./ Feb. 1974) Final conclusions awaited before end 1975.	Economic Consultive and planning Council E.A.C.
inar on bined Transport b. 1974) in robi	ECA/OAU/EAC/Governments of Eastern Africa Sub-Region	"Workshop" to discuss and advise on proposed convention on International Intermodal Transport and related matters.	All countries and territories of ECA-Eastern Africa Sub-Region.	February 1974	U.N./I.M.C.O. Conference on International Container Traffic to be held in
Conference on de of Conduct Liner Conference	Interested Member States of ECOSOC	To prepare a convention or any other legally binding instrument on a code of conduct for liner Conferences.	World-wide	Plenipotentiary Conference held in Nov./Dec.1973 Agreement not expected before end 1974.	U.N. Conference; Governments concerned.

United Nations [illegible]	Sub-regional office of ECA in Lusaka/ ECA/Governments involved	(a) Prepare an up-to-date survey of transport facilities in countries of the area with a view to improve productivity and to strengthen intercountry links. (b) To assist in negotiations to set up multinational shipping lines for maritime and inland water transport.	Botswana, Kenya Lesotho, Malawi, Madagascar, Zambia, Somalia Swaziland, Tanzania, Uganda	Work to start early 1974. Duration not known yet.	ECA/Governments involved.

East African Community
Common Market and Economic Affairs Secretariat
Arusha

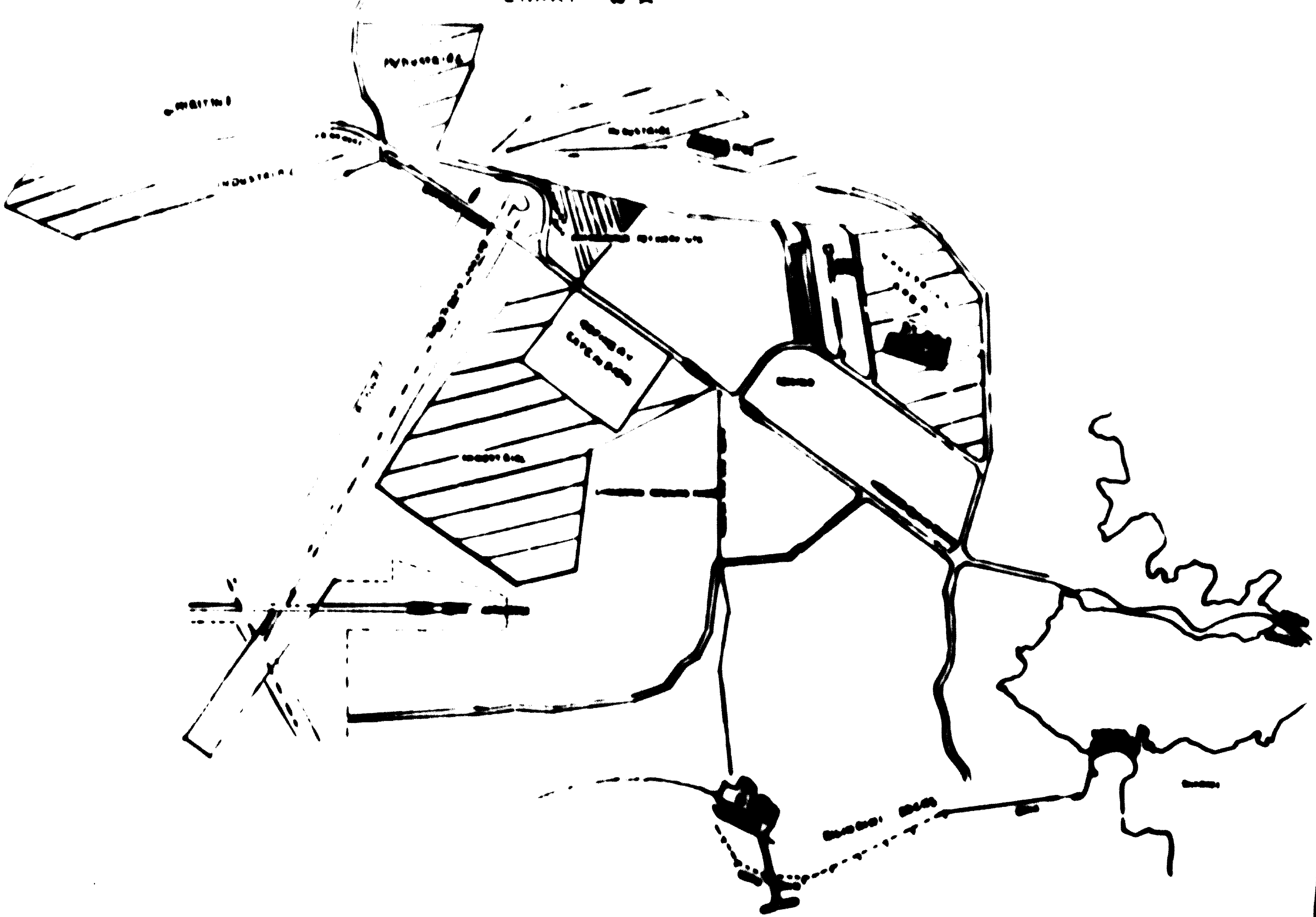
November, 1973



INDUSTRIAL AREAS SHADED

CHART No 1

CHART No 2



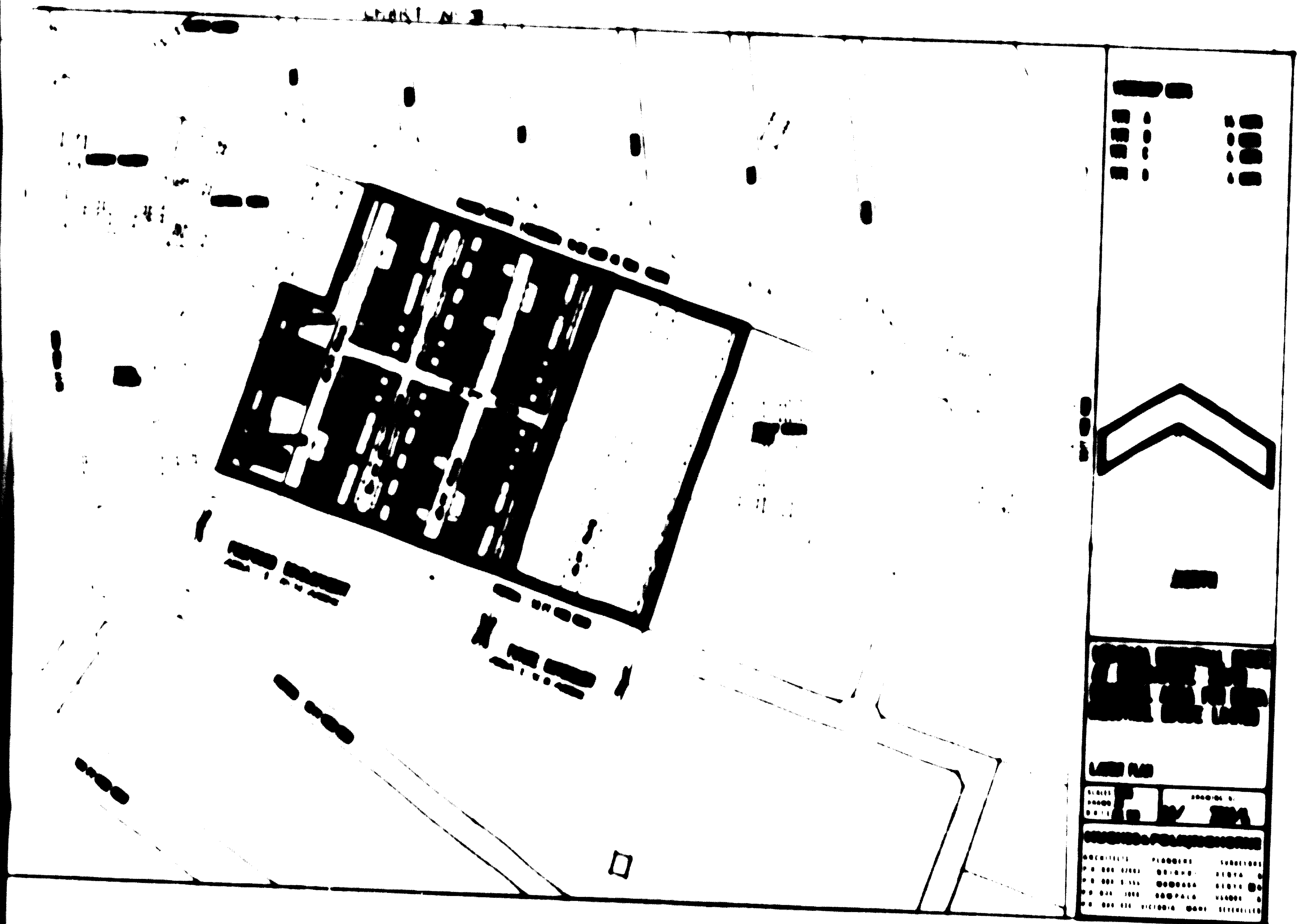
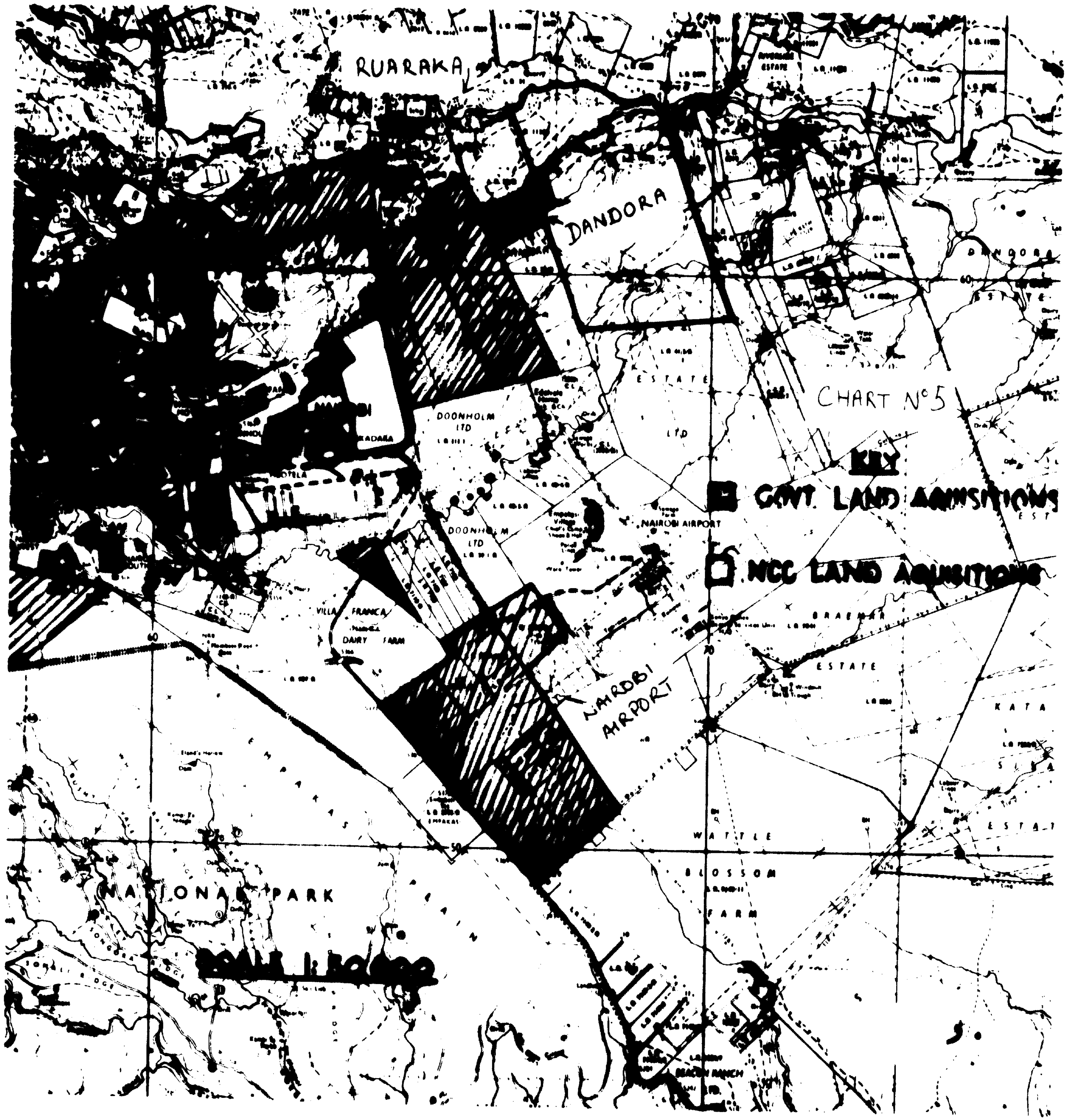


CHART N° 4


LEGEND
ROAD
RAILWAY LINE
SEWER
STORMWATER DRAIN
H T POWER LINE
WATER SUPPLY
INDUSTRIAL AREAS
MIRITINI
AIRPORT
TO PORT REITZ AIRPORT
NORTH
LOCATION PLAN
HUGHES & POLKINGHORNE



RUARAKA
DANDORA
CHART No 5
KEY
GOVT. LAND AQUISITIONS
NCC LAND AQUISITIONS
DOONHOLM LTD
NAIROBI AIRPORT
NATIONAL PARK
VILLA FRANCA
DAIRY FARM
WATTLE
BLOSSOM
FARM
ESTATE
BRAEMAR

NAIROBI NATIONAL PARK
AIRPORT
RUIRU
City boundary
Road
Railway
Public transit line
Existing and
committed development
New housing
Industrial area
Commercial area

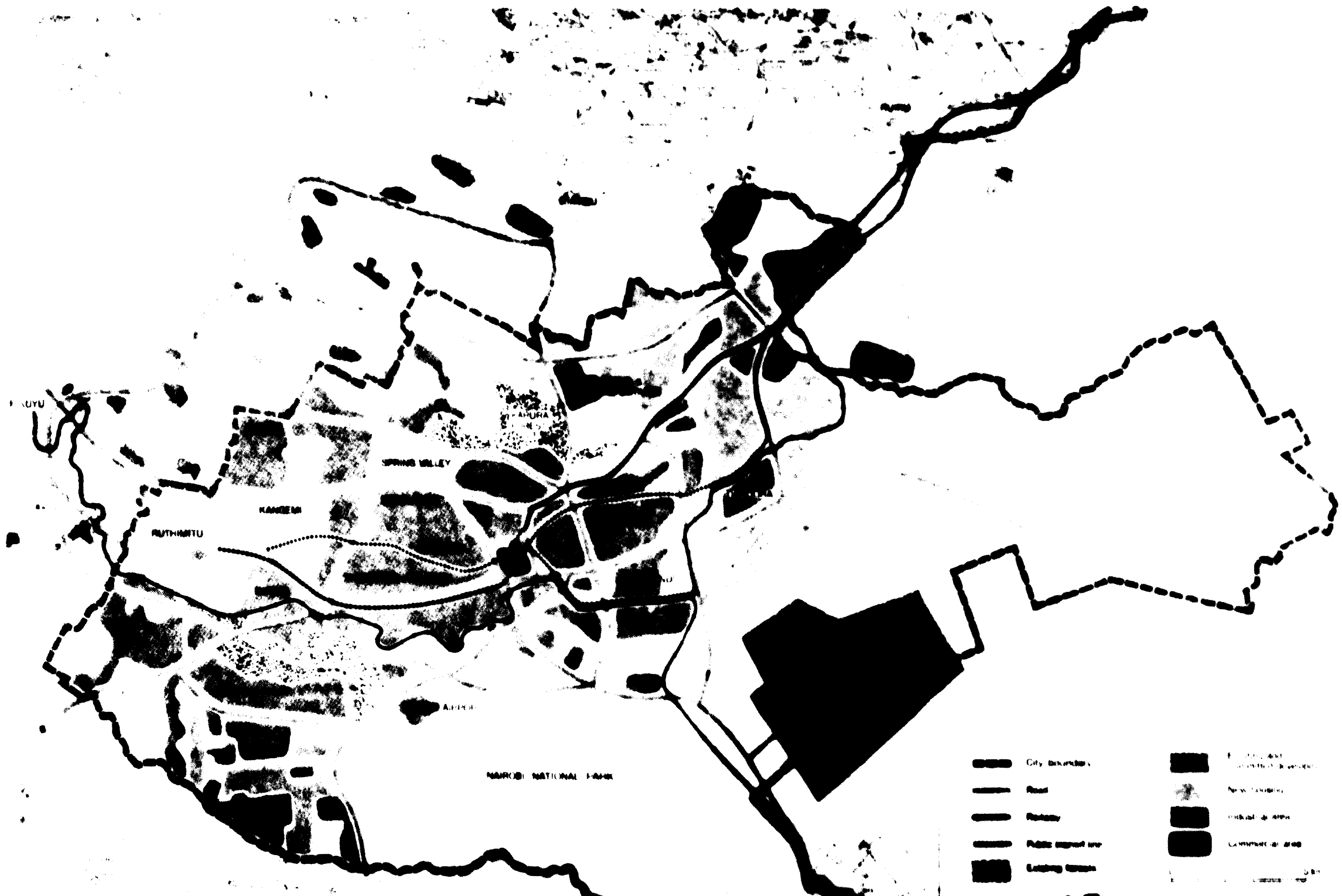

RUTHIMITU
KANGEMI
SPRING VALLEY
NAIROBI NATIONAL PARK
City boundary
Road
Commercial area

CHART N° 7

76. 06. 29