

Infrastructure development opportunities in Kenya

Research and consulting specialists Africa House will lead a high-level business delegation to Kenya's Lamu region next month, to position South African business to take advantage of a projected development boom in the area.



Image by 123RF

Paul Runge, director projects and development finance at Africa House, says Africa House's ongoing research and fact finding missions have identified Kenya's Lamu region and the Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Ea African trade corridor as a future development hotspot, due to oil and gas discoveries and an associated need for infrastructure and port development in the area over the next few years.

"On the back of decades of experience in leading business missions to key development nodes across Africa, we have refined our formula for success," says Runge. "It is crucial to get in early and meet the primary decision-makers in government and industry, as early as possible in the planning phase."

Kenya is regarded as a prime African business destination, with significant growth potential for transport and logistics development in the north. Among the massive infrastructure upgrading and extension projects envisaged by the Kenya Investment Authority are redevelopment of the Northern Corridor and development of the LAPSSET Corridor.

Runge, who has just returned from a fact finding and preparatory trip to Kenya, has identified significant opportunities in Lamu and the LAPSSET Corridor for enterprises involved in port development, access roads, oil refinery supply, oil pipelin ports infrastructure, airport infrastructure and ancillary services.

"Opportunities extend to services around a coal fired power plant, a planned wind farm, a rail transport system and even commercial property development, accommodation and resorts that will be required in these areas," he says.

"Travelling as a temporary consortium to meet the authorities and key decision-makers in Nairobi as well as operations authorities on the ground in Lamu, allows the Africa House business mission delegates to form partnerships that give weig to their business propositions. The mission strategy is very much about vertical integration – you have the suppliers, contractors, consultants and pre-feasibility teams, then overarching everything, you have legal, financial and logistics services."

The five-day mission will take South Africa-based business development managers and senior strategic executives to Nair and Lamu for exploratory meetings and site visits.

"Africa House hosts two to three successful business missions per year to key development regions across Africa," says Runge. "The group mission format takes care of complicated logistical arrangements for delegates, as well as allowing delegates to be taken more seriously because they are part of a formal mission supported by the Kenyan and South Afric authorities. The programme also supports networking and business collaboration among the members of the mission themselves."

"South African enterprises have to look across the border for growth, but logistical challenges and concerns about the unknown can stand in the way of their taking the first steps into pan-Africa. By participating in group experience, and representing various capabilities, businesses start from a position of strength and gain access to the right decision-maker: Runge says.

Africa House will lead the Nairobi/Lamu/LAPSSET mission from 10 – 15 July 2016. The mission will meet facilitators and diplomats, LAPSSET Corridor Development Authority, the Kenya Ports and National Highways Authorities, African Development Bank, Tullow Oil Kenya and other stakeholders.

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