Business Case: Kisumu Port

Background Information
Kisumu town is located in Kisumu County, on the shores of Lake Victoria, a gateway to a number of land-locked regions in East and Central Africa. There is a road rail and network linking Kisumu to Nairobi and to Mombasa. Lake Victoria is the second largest freshwater lake in the world, providing opportunities for fast and cost effective water transport to neighbouring countries, which are key markets for Kisumu. Nevertheless, the poorly maintained and under developed transport infrastructure presents same challenges to efficient movement of goods and people.

Facts & Figures
The Port of Kisumu is most ideal to offload Mombasa and the most strategic to feed Jinja, Mwanza in Tanzania, Entebbe in Uganda and Muhoma Bay in Rwanda, having the potential to play a pivotal role.

- Kisumu Port is located in Kisumu County, on the shores of Lake Victoria, the second largest freshwater lake in the world. The catchment of Lake Victoria, which encompasses parts of Kenya, Uganda, Rwanda and Burundi, has a population of around 35 million and a GDP of some USD 30 Billion i.e. 40% of the total EAC economy.
- Approximately 0.5 million people live in Kisumu and 10 million in the Kisumu region, accounting for approximately 27 percent of Kenya’s population. As such Kisumu is the third largest city in Kenya and a commercial center with diverse unexploited resources in agriculture, commercial, industrial, tourism and transport services.

Current Situation
The port is operating at a mere 20% of its capacity with infrequent lake transport and the lack of container port facilities limiting the ability for businesses to use the lake. Additionally, the low water level by the port restricts the size of boat able to access the port.

- The poor condition of roads outside of Kisumu – particularly the main artery connecting the city with Nairobi – is by far the largest infrastructure constraint impacting business activity in the region.
- Kisumu Port is currently managed by Kenya Railways Corporation (KRC), though the assets and operations of the port (along with the other ports on Lake Victoria) are scheduled to be transferred to Kenya Ports Authority (KPA). The transition is expected to be implemented by the end of this year.
- The Kisumu Port project is well embedded in the national and regional policy context and seeks to unleash the economic growth potential of the East African region.
Business and Investment Opportunities
The Challenges faced by the region can be addressed has opportunities for the Dutch companies, NGO’s and Knowledge Institutes, creating an entry point for further positioning of the Dutch private sector in the region.

According to the Kenyan National Government, The redevelopment of the Kisumu Port has the following objectives:

1. Promote local and regional trade;
2. Effectively manage the ports;
3. Create employment;
4. Support commercial, agricultural and industrial development;
5. Support tourism activities;
6. Facilitate movement of people and goods;
7. Ensure the efficient utilization of the ports for the benefit of the East African Community region.

Dutch companies can act on various levels of the potential developments

**Port Development and Modal Transportation:**

- Kisumu (in Kenya) is the main Port; Musoma, Mwanza, and Bukoba (in Tanzania); and Port Bell, Jinja and Entebbe (in Uganda) form a good connection through the Lake.
- Lake transport services are potential mass transport for goods and passengers across the region and beyond
- At the Port, shipyard and dry dock services are practically absent
- Development of Kisumu Port storage facilities have high potential
- Water Management
- Multi Modal connections through ferry-boat, rail-ferry terminals at Jinga, Kisum, and Mwanza has high potential

“A consortium led by Maritime & Transport Business Solutions (MTBS) of Netherlands has been appointed to advice on the planned construction of a modern Sh22.5 billion port in Kisumu as Kenya eyes bigger maritime trade in the region. The Treasury’s Public-Private Partnership Unit (PPPU) said the consortium will undertake a feasibility study on the commercial and technical viability of the project to be implemented by the Kenya Ports Authority (KPA). “The project entails development of Kisumu Port into a modern commercial Lake Port to serve the growing trade in the EAC region on a BOT (Build-Operate-Transfer). Source: mtbs.nl

The Dutch companies can be instrumental on:

- Construction and operation of the port
- Increase productivity and methods by knowledge and training
- Supply of heavy equipment
- Water management and irrigation
- Machinery service and maintenance
- Logistics and transportation/collection