

KENYA INDUSTRIAL ESTATES

FREQUENTLY ASKED QUESTIONS (FAQs) FOR E-CITIZEN

1. Who is Kenya Industrial Estates?

Kenya Industrial Estates (KIE) is a government institution, established in 1967 with a mandate to promote the growth and development of Small and Medium Industries in Kenya.

2. What does KIE do?

Kenya Industrial Estates delivers on its mandate through; development of Industrial Parks & provision of Incubation Services, Business Advisory Services, Market Linkages and provision of Affordable Financial Services (Credit) to Small and Medium Industries in Kenya.

3. What Specific Products and Services does KIE offer?

3.1 Provision of Industrial Workspaces & Incubation Services

KIE provides affordable serviced workspaces in its industrial estates/incubators with shared utility services, internet, management and technical assistance including skills upgrading, marketing, accounting, secretarial services and networking opportunities. The incubates also have access to financial support for machinery, equipment and working capital requirements.

The industrial workspaces are classified as follows:

1. Industrial Sheds
2. Industrial Parks

3.2 Provision of Business Advisory Services (BAS)

To ensure growth and success of its incubates and other Small Scale Industries, KIE provides entrepreneur capacity building trainings and other services including:

1. Consultancy in business restructuring;
2. Sectoral studies;
3. Resource Mapping;
4. Surveys;
5. Feasibility studies;
6. Environmental Impact Assessments;
7. Specialized Trainings;
8. Investment Forums;
9. National SME Expos.

3.3 Facilitating Sub-Contracting and Linkages

KIE facilitates Inter-firm market linkages by connecting Small Scale Industries to Large Industries. These linkages include:

- a) Backward linkages (subcontracting)
- b) Forward linkages (supply and marketing)
- c) Horizontal linkages (joint venture)

3.4 Affordable Financial services(Credit) to Small and Medium Industries

KIE provides affordable medium to long-term finance to SMEs in manufacturing/value addition sectors for the purchase of machinery, equipment and working capital, either for expansion, modernization or rehabilitation focusing on priority sectors identified in the Vision 2030.

3.4.1 What minimum/maximum amount of loan one can apply for?

a) Small & Medium Scale Industries

Loan size range from Kshs.500,000 to 20 million payable over a period of up to eight (8) years.

b) Micro Loans

KIE has a broad-based micro loans program that addresses the growth needs of the very small informal sector entrepreneurs. Presently, the loan-size obtainable under this scheme is minimum Kshs.100,000/= and a maximum Kshs.500,000/= payable for a period up to 4 years.

c) Group Loans

These are loans that target registered women groups, youths and people with disabilities. These loans do not require collateral as members' cross guarantee each other. The amount given is between Ksh.50,000 and Ksh.500,000 on a graduation basis payable for a period ranging between 6 months to one and a half years.

3.4.2 What type of business do I need to be in to qualify for a KIE loan?

The business should be engaging in manufacturing/Value addition activities. Businesses that complement and aid manufacturing e.g. those offering IT services also qualify for financing under the KIE loan scheme. For Small and Medium Size Industries, the business should have been in existence for at least one year.

3.4.3 Is there a grace period offered on KIE loans?

A grace period of between three months and one year can be offered for loans meant for the purchase of equipment and machinery.

3.4.4 What is the interest rate?

The current interest rate is 10% per annum on reducing balance basis.

3.4.5 What are the other requirements for applying for a loan?

The following are the loan requirements for Individual applicants, Business names and Limited Companies

- i. Copy of business registration certificate for sole proprietorships and partnerships;
- ii. Copy of partnership deed for partnerships' form of businesses;
- iii. Copy of Certificate of incorporation for limited liability companies;
- iv. Copy of Memorandum and Articles of Association and latest CR12 for limited liability companies;
- v. Resolution to borrow for limited companies;
- vi. Copies of IDs for the borrower, guarantor and directors (in case of limited companies);
- vii. 4 recent coloured passport size photos for borrowers, guarantors and directors (in case of limited companies);
- viii. Copy of Personal /company KRA PIN certificate for the borrower, the guarantors and directors (in case of limited companies);
- ix. Clear business photos showing the location and business operations (to be taken by KIE.);
- x. Latest 6 months certified bank statements;
- xi. Copy of valid local council license/business permit;
- xii. Current audited books of accounts for all amounts above Kshs.500,000. A must for limited companies for all loan amounts. These must have been prepared by an ICPAK certified auditor;
- xiii. Clear photos of securities capturing all major activities on the property including clear photos of any developments (to be taken by KIE);
- xiv. Copies of other relevant certifications (KEBS, NEMA, OSHA, Pharmacy and Poisons Board etc.-Where applicable).

3.4.6 What type of security do I need for the loan?

KIE accepts title deeds and motor vehicles as collateral for the loans.

4. Where are KIE branch offices?

KIE 's main offices are in Nairobi, Industrial Area, Lusingeti/Likoni Road Junction. Has 36 branches spread countrywide. Visit www.kie.co.ke to see all our branches.