



PRIVATIZATION COMMISSION

Enhancing Kenya's Productive Capacity

APPROVED PRIVATIZATION PROGRAMME

INSTITUTION AND CURRENT PUBLIC SECTOR SHAREHOLDING	OBJECTIVES TO BE ACHIEVED THROUGH PRIVATIZATION
<p>Kenya Electricity Generating Company (KenGen) GoK: 70%</p>	<ol style="list-style-type: none"> 1. Mobilization of resources for additional investments; 2. Enhancement of transparency and corporate governance; 3. Broadening of shareholding in the economy; 4. Development of the Capital Markets; 5. Raising of resources to support the Government budget.
<p>Kenya Pipeline Company Limited GoK: 100%</p>	<ol style="list-style-type: none"> 1. Mobilization of resources for additional investments; 2. Enhancement of transparency and corporate governance; 3. Broadening of shareholding in the economy; 4. Development of the Capital Markets; 5. Raising of resources to support the Government budget.
<p>Kenya Ports Authority Eldoret Inland Container Terminal GoK: 100%</p>	<ol style="list-style-type: none"> 1. Completed in 1994 but has not yet been operationalized; 2. Privatization to address operationalization to serve Great Lakes region and Southern Sudan; 3. Enhancement of Kenya's and regional competitiveness and facilitation of investment and economic growth.
<p>Kenya Ports Authority - Outsourcing of Stevedoring Services GoK: 100%</p>	<p>To improve efficiency in delivery of services through mobilization of private sector financial and management resources.</p>
<p>Kenya Ports Authority - Development of Berths No. 11-14 GoK: 100%</p>	<p>To improve efficiency in delivery of services through mobilization of private sector financial and management resources.</p>
<p>Chemelil Sugar Company Ltd. ADC: 96.21% and DBK: 1.42%</p>	<ol style="list-style-type: none"> 1. To meet Government/COMESA sugar safeguard commitment to privatize sugar companies;

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	2. Privatization will mobilize resources to support the expansion and modernization programme of the company.
South Nyanza Sugar Company Ltd. - GoK: 98.8%, ICDC: 0.7% and IDB: 0.3%	1. To meet Government/COMESA sugar safeguard commitment to privatize sugar companies; 2. Privatization will raise funds for the rehabilitation of the mill.
Nzoia Sugar Company Ltd. - GoK: 97.93% and IDB Capital: 0.94%	1. To meet Government/COMESA sugar safeguard commitment to privatize sugar companies; 2. Privatization will address the excess debt situation and mobilize resources to support the Company's expansion and modernization programme.
Miwani Sugar Company Ltd. (Under receivership). GOK: 49%	1. To meet Government/COMESA sugar safeguard commitment to privatize sugar companies; 2. Privatization will address the excess debt and the financial and human resource needs of the company.
Muhoroni Sugar Company Ltd. (Under receivership) ADC: 16.9%, Development Bank of Kenya: 0.3%	1. To meet Government/COMESA Sugar Safeguard commitment to privatize sugar companies; 2. Restructuring and privatization will address the excess debt and the resources required by the company.
Kabarnet Hotel KDC: 98.2%	1. Mobilization of resources to rehabilitate and modernize existing facilities; 2. Privatization proceeds will also support the industry through additional loans by KDC; 3. Recommended privatization method will also address the best option for ownership and management of hotels owned by KDC.
Mt. Elgon Lodge Limited KDC: 72.92% and Trans-Nzoia County: 27.08%	1. Mobilization of resources to rehabilitate and modernize existing facilities; 2. Privatization proceeds will also support the industry through additional loans by KDC; 3. Recommended privatization method will also address the best option for ownership and management of hotels owned by KDC.
Golf Hotel Limited KDC: 80%; Kakamega County: 20%	1. Mobilization of resources to rehabilitate and modernize existing facilities;

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	<ol style="list-style-type: none"> 2. Privatization proceeds will also support the industry through additional loans by KDC; 3. Recommended privatization method will also address the best option for ownership and management of hotels owned by KDC.
<p>Sunset Hotel Limited KDC: 95.4%; Kisumu City County: 4.6%</p>	<ol style="list-style-type: none"> 1. Mobilization of resources to rehabilitate and modernize existing facilities; 2. Privatization proceeds will support the industry through additional loans by KDC; 3. Recommended privatization method will also address the best option for ownership and management of hotels owned by KDC.
<p>Kenya Safari Lodges and Hotels Ltd: KDC: 63.42%; KWS 0.02%</p>	<ol style="list-style-type: none"> 1. Mobilization of resources to rehabilitate and modernize existing facilities; 2. Privatization proceeds will support the industry through additional loans by KDC; 3. Recommended privatization method will also address the best option for ownership and management of hotels owned by KDC.
<p>KDC Associated Companies:</p> <ol style="list-style-type: none"> 1. International Hotels Kenya Ltd. KDC: 40%; 2. Kenya Hotels Properties Ltd. KDC: 33.83%; 3. Mountain Lodge Ltd. KDC: 39.11%; and 4. Ark Limited – KDC:5.64% 	<p>Privatization proceeds will support the industry through additional loans and investments by KDC.</p>
<p>National Bank of Kenya GoK 22.5%; NSSF: 48.05%</p>	<p>To mobilize resources to:</p> <ol style="list-style-type: none"> 1. support the Bank's future growth; 2. support the growth and stability of the financial sector and the capital markets; 3. enhance corporate governance; 4. broaden shareholding; and 5. recoup part of Government investment to finance other development projects.
<p>Consolidated Bank of Kenya: Deposit Protection Fund - 50.2%; Shares allocated to a number of State Corporations/Government institutions on account of deposits placed by them in the weak banks merged to form Consolidated Bank: 48.8%</p>	<p>To mobilize necessary resources to:</p> <ol style="list-style-type: none"> 1. support the Bank's future growth; 2. support the growth and stability of the financial sector; 3. enhance corporate governance; and 4. broaden shareholding.

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Development Bank of Kenya: KDC: 89.3%	<ol style="list-style-type: none"> 1. To release funds invested by ICDC for lending to industry and other enterprises; 2. Privatization will address the bank's financial and management resource needs and pass financial and operational risk from Government to the private sector.
Agrochemical and Food Corporation ADC: 28.2%; and ICDC: 28.8%	<ol style="list-style-type: none"> 1. To address financial and management resource needs; 2. To address the company's excess debt.
Kenya Wine Agencies Ltd. KDC: 42.6%	<p>To guarantee its continued existence and viability.</p>
East African Portland Cement Company Ltd. NSSF: 27%; GoK: 25%	<ol style="list-style-type: none"> 1. Mobilization of resources for additional investments, 2. Enhancement of transparency and corporate governance; 3. Broadening of shareholding in the economy; 4. Development of the Capital Markets; and 5. Raising of resources to support the Government budget.
Kenya Meat Commission GoK: 100%	<p>Restructuring and privatization will address KMC's future viability and the required financial and management resources.</p>
New Kenya Co-operative Creameries GoK: 100%	<p>Privatization of the Company will address future governance and sustainability of its operations.</p>
Numerical Machining Complex Kenya Railways Corporation: 51%; and University of Nairobi: 49%.	<p>Restructuring and privatization will address the utilization of the company's idle assets.</p>
Isolated Power stations	<p>Concessioning approved by Parliament through Sessional Paper on Energy in October 2004. Inclusion of the Isolated Power Stations in the Programme will facilitate comprehensive review of the appropriate privatization method.</p>