



NEWS RELEASE

Thursday, 28th April, 2015

Local investors urged to participate in mega electrification project

Kenya Power is urging local manufacturers to participate in the supply of materials for the implementation of the multi-billion Last Mile Connectivity Project, the Company's Managing Director and CEO, Dr Ben Chumo has said.

In a tender invitation bid advertised last week, Kenya Power announced that the Government had received financing from the African Development Bank to commence implementation of the Last Mile project which aims at connecting 284,200 residential customers and 30,000 commercial customers to the electricity network.

"We hope that a high percentage of the materials to be procured will be sourced locally. Kenya Power has a strong desire to have manufacturers investing locally to cut on long lead times involved in buying goods from abroad as well as create local business opportunities," said Dr Chumo.

He revealed that the Company spends close to 80% of its annual procurement budget, which amounted to Shs.6.2 billion last year, on materials procured overseas mainly from India and China.

He said the Company depends on overseas suppliers for materials ranging from major power equipment such as power transformers, electric cables, metering solutions, insulators and electricity management systems to accessories such as cut-outs, fuses and circuit breakers.

“In support of the Government’s **‘buy Kenyan build Kenya’** plan, Kenya Power now procures its electricity poles (wooden and concrete) locally. It is a departure from the past when most of these were procured from such countries as South Africa and Tanzania. This move has seen over 40 local companies get involved in the treatment of wooden poles and production of concrete poles,” he shared.

Besides a ready market in East and Central Africa, said Dr Chumo, demand for these items is expected to rise as the country accelerates the rate of connectivity to over 70% in the short term.

“We are also undertaking major power upgrade projects countrywide and also implementing slum electrification and street lighting programmes on behalf of the government. These will require a lot of materials and therefore investors willing to set up manufacturing plants in Kenya for these materials stand to gain significantly now and in a foreseeable future,” he said.

Ends.....

For more information, contact:

Kenya Power Corporate Communications Dept.

Tel. 3201622/39or/43

E-mail communications@kenyapower.co.ke