

Kenya Warehousing Market Outlook to 2023

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The report titled “Kenya Warehousing Market Outlook to 2023 - By Closed Normal, Open Yard, Closed Ac and Cold Storage; Contract and Owned Warehousing; Industrial Warehouses, ICD and Cold Storage” provides a comprehensive analysis of the Warehousing market in Kenya. The report covers the overall size and future outlook of Kenya Warehousing in terms of value, segmentation on the basis of operation model, by geography, by ownership and by type of industries. The report also covers the competitive landscape and company profiles of major Warehousing companies. The report concludes with market projections for future and analyst recommendations highlighting the major opportunities and challenges.

Kenya Warehousing Market Overview and Size

Logistics is vital for the economic performance of any economy. The growth in Kenya’s warehousing segment is mainly driven by an increase in international trade volumes, market entry of international players and growing perishables market in Kenya. Kenya’s strategic location as the gateway to East Africa and the supply of abundant skilled labor is another reason the warehousing sector witnessed steady high growth. In 2018, Kenya achieved rank 61 in the Ease of Doing Business Index and rank 68 in the Logistics Performance Index.

Kenya Warehousing Market Segmentation

By End-User

On the premise of growing trade volume and demand for Asian finished products among the middle-

income consumer class, the FMCG sector has been dominating the warehousing market. Kenya also has a booming horticulture industry including cut flowers, fresh fruits, and vegetables, requiring temperature-controlled warehousing. Retail is another a popular segment that has grown steadily due to an increase in purchasing power and the emergence of supermarkets.

By Type of Warehouse

The most prevalent type of warehouses in Kenya is open yards, also known as godowns. Grade B and Grade A warehouses are budding, including temperature-controlled bonded warehouses and specialized cold storage facilities. Normal Closed warehouses are more common than AC Closed warehouses but they provide mere basic amenities such as protection against theft and bad weather.

By Contract and Integrated

Small and medium logistics companies generally outsource their warehousing requirements or lease warehouses as per client requirements. However, in Kenya, even the big players have preferred to outsource their warehousing needs because of infrastructural hassles and absence of good quality of warehouses. The integrated logistics business is capital intensive in nature and requires a huge investment which makes it difficult for small and medium players to operate in the industry and encourage them to undertake third party lending over integrated logistics business.

By Operation Model

The Industrial/Retail segment has dominated the overall Kenya warehousing market. There are a few industrial areas such as Tilisi, Tatu Industrial & Logistics Park, Northlands Commercial Park, Infinity Industrial Park and Nairobi Gateway Logistics Park that is driving the growth of industrial warehouses. Inland Container Depots are popular in Kenya on account of the high volume of imports arriving through either the JKIA or Mombasa Port.

By Region

Nairobi and Mombasa are the two most prime locations in Kenya in terms of trade and logistics. Therefore, the warehousing space in Kenya has been clustered around these two regions. Most of these warehouses are the standard open yard warehouses that are classified as Grade C. Other warehousing hotspots in Kenya include Eldoret, Thika, Nakuru, Kiambu, Machakos and Kakamega. With over congestion in the prime regions, investors and logistics companies are now seeking to shift to nearer less congested and cheaper alternatives.

Competitive Scenario

The market is scattered in terms of ownership of warehouses. Grade C warehouses or godowns are usually individual owned that are leased by third-party logistics firms. The overall logistics market constitutes of a number of multi-service logistics firms, which provide freight forwarding and warehousing services. There are but a few logistics firms in Kenya specifically for warehousing needs. However, real estate developers like Tilisi and Africa Logistics Properties have built warehousing parks to lease out to other freight forwarding and e-commerce players.

The industry is at a growth stage in terms of various competition parameters. The basis on which clients judge warehousing effectiveness is the cost of warehousing, shelf height, area and capacity, temperature-controlled rooms, modern technological equipment, loading platforms, CCTV, Security and proximity to the airport, seaport and railways.

Future Outlook and Projections

Kenya warehousing market is projected to grow at a double-digit CAGR during the forecast period 2018-2023 owing to the country's plans to turn itself into the trading and manufacturing hub of Africa. The key growth drivers for the market include the rising demand for products through online purchases which have augmented the E-commerce market. The increasing international trade volumes and domestic manufacturing are expected to increase the demand for freight forwarding and warehousing services. A surge of international investments in Kenyan markets, especially the horticulture export industry is expected to augment the demand for modern warehousing and cold storage.

Key Segments Covered:-

Warehousing Market

Revenue By End User

FMCG

Horticulture

Retail

Revenue By Type of Warehouse

Closed Normal

Open Yard

Closed Ac

Cold Storage

Revenue By Contract and Integrated Logistics

Contract

Integrated

Revenue By Operation Model

Industrial/Retail

ICD/CFS

Cold Storage/Freezer/Chiller

Warehousing Space By Region

Nairobi

Mombasa

Others (Eldoret, Thika, Nakuru, Kiambu, Machakos and Kakamega)

Key Target Audience

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Logistics/Warehousing Companies

E Commerce Logistics Companies

3PL Companies

Consultancy Companies

Real Estate Companies/ Industrial Developers

Time Period Captured in the Report:-

Historical Period: 2013-2018

Forecast Period: 2019-2023

Companies Covered:-

Bollore Transport and Logistics

DB Schenker

Siginon Group

Kuehne Nagel

Agility Logistics

Freight Forwarders Kenya

Key Topics Covered in the Report:-

Kenya Warehousing Market Overview

Value Chain of Kenya Warehousing Market

Kenya Warehousing Market Size

Kenya Warehousing Market Segmentation

Industry Norms and Regulations in Kenya Warehousing Market

Competitive Scenario in Kenya Warehousing Market

Company Profiles of Major Players in Kenya Warehousing Market

Kenya Warehousing Market Future Outlook and Projections

Future Technological Development in Kenya Warehousing Market

Kenya Warehousing Future Market Size

Kenya Warehousing Market Future Segmentation

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