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Manufacturing Priority Agenda (MPA) 2021 Launched



Kenya Association of Manufacturers (KAM) launched the 2021 Manufacturing Priority Agenda (MPA) on Wednesday, 10th February 2021.

The MPA is themed “From surviving COVID-19 to thriving: Manufacturing sector rebound for sustained job and investment growth”.

Speaking during the launch, KAM Chair, Mr Mucai Kunyiha, noted that economic recovery highly depends on goodwill and full commitment from government.

“Efforts to enhance our productivity are hampered by the increasing cost of doing business and low competitiveness. Some of the issues that contribute to this are regulatory overreach high cost of energy, transport, and logistics costs. To resolve these headwinds, it is paramount that government and its agencies strongly commit and demonstrate goodwill to

securing the future of our country’s economic development,” explained Mr. Kunyiha.

Speaking during the launch, Cabinet Secretary for Industrialization, Trade and Enterprise Development, Ms Betty Maina expressed government’s commitment to streamline its operations to create a conducive business environment in the country.

“Previously, the need for approval from different offices increased the cost of doing business and provided opportunities for rent-seeking. The one-stop-shop for service delivery for businesses seeks to resolve this, and shorten the time taken to adhere to regulations. We have also held engagements with county governments to harmonize county cess, fees and charges to reduce the cost of doing business amongst counties,” remarked Ms Maina.

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She also appreciated the cordial relationship between the government and private sector, saying, "We continue to enhance our collaboration, to reach the grassroot levels, and to promote ethical business practices for our country's economic growth."

The MPA is an annual publication that guides the Association's advocacy efforts with Government and its agencies.

This year's MPA is guided by 5 pillars to support the recovery of the manufacturing sector from the devastating effect of COVID-19. The pillars include:

- Enhancing competitiveness and level playing field for local manufacturers
- Enhancing market access for locally manufactured goods both in local and export markets
- Promoting pro-industry policy and institutional framework
- Promoting SME Development
- Enhancing industrial sustainability and resilience

[Click Here](#) to access webinar recording.

[Click Here](#) to access MPA 2021

KAM, SHIPPERS COUNCIL MEET ON DELAYS AT THE PORT

KAM engaged Shippers Council of East Africa on port congestion and delays in clearance of imported goods, on 25th January 2021, with a follow-up meeting held on 4th February 2021 with Kenya Ships Agents Association, Shippers Council of East Africa.

The 3 Business Membership Organizations (BMOs) compiled a list of containers facing delays in clearance at the port for follow up with Kenya Ports Authority (KPA) and Kenya Railways and KRC.

Way forward

- The KAM leadership shall visit at the port of Mombasa to assess the situation on the ground regarding port congestion and delays at the port.
- KAM shall engage key stakeholders in order to fast track clearance of imported goods at the port. These include, Kenya Ships Agents Association, Shippers Council of East Africa, Kenya Ports Authority, Kenya Railways Corporation, among others.

KAM, KEPROBA LAUNCH BUY KENYA BUILD KENYA CAMPAIGN

KAM in partnership with Kenya Export Promotion and Branding Agency (KEPROBA) launched the Integrated Marketing Campaign for the Textile and Apparel sector.

The campaign seeks to stimulate domestic consumption and manufacture of retail fashion wear for the mass market.

Vision: To increase the footprint of locally manufactured clothes, textiles and footwear in the Kenyan market

Mission: To inspire Kenyans to build Kenya by buying Kenyan Fashion and Design products

Campaign Goals

- To position Kenya's apparel and textile products as high

quality, fashionable, wearable and affordable.

- To build trust, strengthen synergies and information sharing among stakeholders in the textile and fashion value-chain
- To increase local and foreign exchange earnings from the textile and fashion sector

Way Forward

- Develop an implementation plan to roll out the campaign
- Engage potential partners for the campaign

KAM calls for urgent AfCFTA Implementation Plan

KAM in partnership with National Trade Facilitation Agencies, including Kenya Revenue Authority (KRA), Kenya Bureau of Standards (KEBS) and Kenya Trade Agency (KenTrade) hosted a webinar on the status of implementation of Africa Continental Free Trade Area (AfCFTA).

Speaking during the session, KAM Chair, Mr Mucai Kunyiha, recognized the challenges and opportunities in AfCFTA.

“AfCFTA shall open up borders, both in the continent and globally. However, the level of trade amongst African countries remains low. Whereas AfCFTA enables intra-Africa trade, we still source for raw materials, intermediate goods and finished products from more developed markets, including China, Europe and the United States. We need to look at the opportunities for trade amongst ourselves and take advantage of them in order to build our competitiveness and productivity,” said Mr Kunyiha.



KAM Chair, Mr Mucai Kunyiha

He further stated that the government and relevant agencies need to urgently put in place measures to facilitate trade under AfCFTA, adding, “The reality remains that a lot of work needs to be done to make the trade pact operational. It is critical that government and relevant agencies sensitize customs officials on the agreement’s tariffs and procedures, harmonize standards to enable trade across the continent, conclude negotiations for key tariff lines and make information available to all stakeholders to enable them to make investment decisions.”

KEBS Director for Standards Development and Trade, Ms Esther Ngari noted that standards development is critical for facilitating local, regional and international trade.

“The changing global trade flows have enhanced the role of standards development by encouraging the integration of national economies, and trading systems into a fairer global trade regime.,” remarked Ms Ngari.

KenTrade Director for Trade Facilitation, Ms Rose Ronoh observed that the Agency is developing initiatives aimed at enabling the efficient processing of imports and exports.

“The single window system seeks to eliminate challenges related to the processing of import and export cargo documentation. In addition, the implementation of Marine Cargo Insurance (MCI) module,

integration of the new Customs Management, automation of the Duty Remission Scheme, among others, shall facilitate trade under the agreement,” stated Ms Ronoh.

KRA Assistant Manager for Trade Facilitation Division, Ms Maureen Wanginda, recognized the challenges facing regional trade and highlighted the Authority’s role in trade facilitation.

“We need to look at the opportunities for trade amongst ourselves and take advantage of them”

“Our role entails the submission of focal points as provided in the AfCFTA rules of origins, submission of authorized signatories to the AU signatories, printing and publishing the trade documents, adjustments of Customs Procedures Management Systems and training and capacity building for economic operators of the AfCFTA,” explained Ms Wanginda.

AfCFTA is a flagship project of the African Union’s Agenda 2063 and a blueprint for attaining inclusive and sustainable development across the continent over the next 50 years. To date, 54 out of 55 African Union (AU) Member States have signed the Agreement and 35 Member States have ratified and deposited their ratification instruments with AU.

KAM marks World Wetlands Day

The Salt Sub-sector participated in the World Wetlands Day celebrations held at Sabaki.

The event was officiated by the Cabinet Secretary, Ministry of Environment and Forestry, Keriako Tobiko. Over 17,000 thousand Mangrove seedlings were planted to mark the day.

The theme for this year was 'Wetlands and Water.' During the commemoration, 17 thousand mangrove seedlings were planted.

World Wetlands Day is marked every 2nd February to raise global awareness about the vital role of

wetlands for people and our planet.

This day also marks the date of the adoption of the Convention on Wetlands on 2 February 1971, in the Iranian city of Ramsar on the shores of the Caspian Sea.

Way forward

- KAM will continue to encourage Members to conserve and plant more mangroves.
- The Association shall raise awareness on the Integrated Coastal Zone Management Action plan for Kenya 2019 to 2023



CS for Environment and Forestry,
Mr Keriako Tobiko

KAM launches Sector Profiles and Report

KAM launched sector profiles and reports for the Sugar, Leather & Footwear, Automotive, Building, Mining & Construction and Salt Sectors, and the Maize Value Chain.

Speaking during the launch, KAM Chair, Mr Mucai Kunyiha urged stakeholders to be deliberate and intentional, in nurturing the local manufacturing sector.

“This entails addressing the sector-specific challenges and cross-cutting issues in industry, as we seek to create a sector (manufacturing) that has a multiplier effect in the economy. Some of these issues include: inadequate guidance on Buy Kenya Build Kenya; regulatory overreach; unfavourable tax regime; prolonged delays in the review of EAC Common External Tariff (CET); reliance on imported raw materials; lack of access or the high cost of credit and illicit trade,” explained Mr Kunyiha.

Ministry of Industrialization, Trade and Enterprise Development Director for Private Sector Engagement, Mr Stephen Odua appreciated the need for a sectoral approach towards driving industrialization in the country.

“Undoubtedly, all interventions to grow the manufacturing sector must start somewhere. The country needs to look at its comparative advantage in various areas and come up with customized interventions to address the critical pain areas in each of the value chains. The sector and value chain perspective adopted by KAM comes in handy in supporting information-based policy formulation, investments, and facilitation for various specific value chains,” added Mr Odua.

The reports are part of KAM's initiatives towards supporting the Manufacturing Pillar of the Big 4 Agenda by informing pro-

industry policy formation in the country. They also provide industry perspectives and insights into the various manufacturing sectors.



Ministry of Industrialization, Trade & Enterprise Development Director for Private Sector Engagement, Mr Stephen Odua

KEBS DEVELOPS STANDARDS FOR NATURAL PRODUCTS

Kenya Bureau of Standards (KEBS) has developed standards for natural products.

This was after the Association shared a list of Manufacturing SMEs' natural products that needed to be standardized.

Way forward

- KAM agreed to fast track the issue of standardization of SME natural products with KEBS
- The Association shall continue collating the list of natural products that need standardization from Manufacturing SMEs, to share with KEBS.

PRIVATE SECTOR ENGAGES AFCFTA SECRETARY GENERAL

The Association participated in the business community meeting with the Africa Continental Free Trade Area (AfCFTA) Secretary-General, Mr Wamkele Mene.

The Secretary-General was in the country, to discuss the status of implementation of the trade agreement.

Comprehensive review of EAC CET

KAM participated in the EAC Regional Task Force (RTF) meeting to undertake the comprehensive review of the EAC Common External Tariff (CET) on 25th to 29th January 2020.

The objectives of the Regional Task Force meeting included:

- To consider the report of analysis of products that should attract the upper limit i.e. a rate above 25%.
- To discuss and agree on the products that will fall under the upper limit.

Way forward

The RTF recommended the following to the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI):

- That Partner States have agreed to assign a rate above 25% to 442 tariff lines as contained in Annex VI

- To provide guidance on the tariff lines where there is convergence among the three & four Partner States;
- Reiterated the earlier directive for Partner States to submit national production data for textiles, steel products and motor vehicles by 28th February, 2021 (EAC/SCTIFI36/directive 05);
- Direct Partner States to submit the outcomes of their consultations by 15th March, 2021;
- Direct Partner States to submit to the Secretariat proposals to split tariff lines with justification by 20th of February, 2021;
- Direct Partner States to finalize mapping of products by 15th of May, 2021
- Direct Partner States to finalize the review and implement the revised EAC CET by 1st July, 2021

EBC LAUNCHED IN KENYA

KAM participated in the launch of the European Business Council Kenya (EBC Kenya). EBC Kenya is the umbrella organization for

business associations, chambers of commerce and embassies' trade services from various European countries.

KRA'S 8TH CORPORATE PLAN ROUNDTABLE

The Association participated in a Focus Group Discussion on Kenya Revenue Authority's (KRA) 8th Corporate Plan (2021/22-2022/23), under the theme

"Revenue mobilization through simplification, technology-driven compliance, and tax base expansion."

KAM TAKES TVET MOBILE APP TO THE COUNTIES

KAM, through the Technical Vocation Education and Training (TVET) program held awareness forums on the mobile application in Uasin Gishu and Meru Counties.

The Association highlighted the TVET program's milestones, since its inception in 2017 and the role of the industries in the 3rd phase of the program.

KAM COAST REGION MEETS KENHA

KAM Coast region engaged Kenya National Highways Authority (KENHA) on roads infrastructure. Meeting with KENHA

KAM Coast region engaged Kenya National Highways Authority (KENHA) on roads infrastructure.

KAM, CCBA KISUMU COUNTY CLEAN-UP

The PET Sub-Sector partnered with Kisumu County Government and Coca Cola Bottlers Africa (CCBA) to conduct a clean-up exercise in Nyalenda.

The activity aimed to create awareness on the need for proper waste disposal and collection for recycling.

KAM meets on the Breast Milk Substitute Regulation 2020 Milestones

KAM held a key stakeholders' engagement with Water Bottlers Association, Cereal Millers Association, and Kenya Dairy Processors Association who have been affected by the proposed Breast Milk Substitute Regulation 2020.

The engagement resolved to submit joint position to the World Trade Organization on the negative impacts of the regulation to the industry.

Way forward

- KAM shall collate submissions

from the Non-Alcoholic Beverages sub-sector, Water Bottlers Association and Cereal Millers Association to prepare a joint position.

- The joint position shall be shared with the National Assembly Committee on Delegated Legislation and the Cabinet Secretary, Ministry of Industrialization, Trade and Enterprise Development.
- Joint position to be shared to World Trade Organization by KAM.

KAM meets KEBS

KAM met the KEBS pre-verification of conformity (PVOC) team on quality control for Paper and Board manufacturers.

The meeting focused on standards development, for granting the manufacturers PVOC exemption.

Gazettement of the 2020 IPR Recordation regulations by the Government

KAM is fast tracking the gazettement of the 2020 IPR recordation regulations by the Anti-Counterfeit Authority and the Ministry of Industrialization, Trade and Enterprise Development.

This is in order to curb the importation of counterfeit goods

since more than 70% of counterfeit goods are imports. This is after the initiative lapsed in 2020.

Way forward

The Anti-Counterfeit Authority shall re-sensitize Members on the regulations.

KAM disseminates WIM Report to regions

KAM hosted the Women in Manufacturing (WIM) Report dissemination forum in Kisumu and Uasin Gishu Counties. Dubbed WIM, Take it to the Counties!, the program was developed to ensure that various regions across the country understand the role of women in manufacturing.

Way forward

KAM shall make efforts to increase participation of Women in Manufacturing in the regions.

The Associations shall spearhead the development of national and county governments policies and procedures to address WIM issues

with regard to:

- Gender equality
- Sexual and reproductive health

- Economic empowerment and parity on women.
- Outlining of specific challenges and areas of improvement to spur social progress of WIM.



William Ong'are takes over as KAM North Rift Region Chair

Kenya Association of Manufacturers (KAM) North Rift Region has appointed Mr. William Ong'are as the new Regional Chair, for a two-year term, beginning January 2021.

Until his appointment, Mr. Ong'are of FANTEX (K) Ltd was the Regional Vice-Chair. He was actively involved in the Region's activities, including engaging stakeholders (both at the National and County government) on matters manufacturing.

The incoming Chair will focus on engaging counties within the North Rift region and holding forums in other counties besides Uasin Gishu, including Trans Nzoia, Nandi and Elgeyo Marakwet. He further committed to concentrate on small and medium enterprises (SMEs) in the Region, especially in agro-processing industries.

Mr. Ong'are takes over from Mr. Bryan Cuthbert, who will continue to serve as an Ex-Officio of the Region's Committee, playing an advisory role.

Mr. Cuthbert has been instrumental in representing the Region in various high-level meetings involving the President, the Cabinet Secretaries for Industrialization, Trade and Enterprise Development and Environment, among other senior government officials. He has also hosted the Danish Ambassador, the Indian High Commissioner, the Ugandan High Commissioner alongside Governors within the North Rift region.

Mr. Fred Magomere of Biocorn EPZ was appointed as the Regional Vice-Chair for a two-year term. The incoming Vice-Chair will take a lead

role in matters, regulatory, legal and skills development in industries, especially Technical Vocational Education and Training (TVET) related projects.



North Rift Regional Chair, Mr William Ong'are

WE VALUE YOUR FEEDBACK

Dear Member,

KAM is committed to improving service delivery, through continuous policy advocacy.

To help us serve you better, we have developed the Member Satisfaction Survey, to review our performance during the year, and understand your expectations for 2021.

Kindly click on the link below to participate. Your feedback will be treated with utmost confidentiality.

[FEEDBACK FORM](#)

Thank you.

Regards,

KAM Team

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Kenya Association of
Manufacturers



Kenya Association of
Manufacturers

Salt belt stakeholders meet

The Salt Sub-sector held the 1st salt belt stakeholder's forum for this year.

The forum brought together various stakeholders from the Ministry of Interior and Coordination of National Government, county, and sub-county representatives, National Environment Management Authority (NEMA), Kenya Forest Service (KFS), Water Resource Management Authority (WRA), Malindi Water and Sewerage Company (MAWASCO), National Lands Commission (NLC), Ministry of Environment and Forestry, among others.

The meeting focused on the relationship between the community and salt companies as well as their compliance levels.

Way forward

- WRA and NEMA to map out and test water wells.

- NLC to sensitize the community on land ownership and land laws.
- NLC and the county government lands department shall assist companies to do boundary identification and mapping.
- MAWASCO to produce a water provision plan for the area and salt companies.
- KFS and Fisheries Department shall map out and secure all the landing sites.
- KFS and Ministry of Environment and Forestry shall assist companies in mangrove protection and conservation.
- Malindi salt in opening of Kambi ya waya Access road.
- Ken salt to open the blocked part of Kadzuoni river

TOP POLICY ISSUE IN THE MEDIA

New Alcohol Rules:

Highlighting the impact of the new rules on local industry and the consumers.

- **The Star:** [KAM warns of massive loses in proposed alcohol bottling rule](#)
- **Daily Nation:** [The big deal about alcohol bottle size](#)
- **Food Business Africa:** [Alcohol industry players vehemently oppose raising minimum alcohol packaging to 750ml](#)

Manufacturing Priority Agenda:

Highlighting the impact of the new rules on local industry and the consumers

- **Business Daily:** [Kenya Association of Manufacturers urges revision of new taxes](#)
- **NTV Kenya:** [Kenya Association of Manufacturers urges revision of new taxes](#)
- **The Star:** [High production costs, taxes worry manufacturers](#)