

IN THIS ISSUE



NCAJ engages stakeholders on Judicial Reforms

• 2 •



KAM presents National Budget Proposals to the National Treasury

• 5 •



KAM, Dandora Hiphop City launch Taka Bank Program

• 6 •

KAM engages Government on Port logistics



President Uhuru Kenyatta visits ICDN, Embakasi. Photo Credit/PSCU

KAM engaged the Office of the President on 22nd May 2019, to discuss logistical challenges facing manufacturers in the country, particularly the Port and Inland Container Depot - Nairobi (ICDN).

KAM also met the Ministry of Interior and Coordination of National Government on 23rd May 2019, to discuss the progress made in the implementation of the Joint Technical Committee on Transport and Logistics report.

The milestones achieved so far include;

- Development of a coordination framework for government agencies working at ICDN
- Introduction of accountability forms for verification with set

timelines for all intervening agencies

- Enrichment of standards in local Certificates of Conformity (CoC)
- Review of SGR freight rates to reflect market reality and harmonization
- Management of container transfers from Mombasa to ICDN and commencement of the free storage period
- Fast-tracking the development of infrastructure within and around the ICDN

KAM will continue to advocate for an efficient and cost-effective transport and logistics system.

NCAJ ENGAGES STAKEHOLDERS ON JUDICIAL REFORMS

KAM is part of the National Council on the Administration of Justice (NCAJ), which is a high-level policymaking, implementation and oversight coordinating mechanism composed of State and Non-State Actors.

In April 2019, KAM was nominated as the convener of the Commercial Sector issues under NCAJ. On 9th May 2019, KAM presented a compiled matrix of key areas that need reforms in the commercial justice sector during the Council meeting.

Key proposals for reforms, developed jointly by both public and private sector players, include:

- Undue delays in adjudicating commercial cases
- Delays in issuing judgements
- Inconsistent judgements
- Low human capacity in the judiciary to handle disputes leading to delays
- High costs arising from litigation
- Lack of dedicated Commercial Courts

NCAJ adopted the matrix of issues proposed and recommended the development of key action areas in order to support their implementation.

KAM will be convening public and private stakeholders working on commercial issues to develop key action areas for consideration by NCAJ.



R - L: Mr David Lubinski of Bill and Melinda Gates Foundation (BMGF), COMESA Business Council (CBC) Chair, Mr Marday Venkatasamy and KAM Chair & CBC Vice Chair, Mr Sachen Gudka at the launch of CBC's digital financial services for SMEs Program.



KAM pays a courtesy call to Kisii County Governor, Mr James Ongwae, to deliberate on ways to promote the growth of the manufacturing sector in the County.



Chief Justice David Maraga & KAM CEO, Ms Phyllis Wakiaga at the NCAJ Council Meeting.

The Crops Act Amendment Review

KAM Agro-processing Sector reviewed the proposed amendments to the Crops Act on 9th May 2019.

The amendments include:

- The Crops (Amendment) (no.2) Bill 2019, which seeks to amend the Coffee Regulations. The amendments propose that coffee should be exported only in processed form, having been roasted, milled, packed, branded, and clearly labelled 'Made in Kenya'. The export of raw coffee in any form is prohibited under the proposed amendments.
- The Crops (Food Crops) Regulations 2019, which seek to provide a framework for registration of stakeholders under the Crops Framework. They have provisions on the assurance of safety and quality of produce and products, and sampling and testing.
- The Crops (Horticultural Crops) Regulations, 2019, which seek to provide a framework for registration of stakeholders under the Horticulture sector, assurance of safety and quality of produce and products, licensing and sampling and testing among other provisions.
- KAM will engage Business Membership Organisations to develop a joint proposal to be shared with relevant Government agencies including Parliament.

KAM raises concerns on draft ACA Regulations

On 16th May 2019, KAM participated in the Public Participation Forum on the draft Anti-Counterfeit Authority (ACA) Regulations.

The Amendments propose the recordation of all imported trademarks with ACA, which will affect multinationals who import some of their products. All industrial raw materials are exempted from recordation hence local manufacturers will not be affected.

KAM, through its Anti-Illicit Trade Sub - Committee, analysed the proposed amendments and benchmarked them with best global practices. The analysis was presented at the public participation forum, where there was a consensus that the proposed fees were too high.

During the forum, KAM:

- Pointed out the challenges around the current regulations

- Pushed for the formation of a technical working group to discuss and come up with alternate proposals for submission to ACA

- Pushed for the delay of the gazettment of the proposed regulations until stakeholders agree on proposed recordation fees

Way Forward

- A working group will be formed by the ACA to discuss the revised fees for recordation.
- KAM has initiated discussions with Multinationals in Kenya on the proposed revised recordation fees.

KAM ENGAGES JSC ON JUDICIAL TRANSPARENCY AND ACCOUNTABILITY

KAM engaged the Judicial Service Commission (JSC) on judicial transparency and accountability.

JSC is mandated to promote and facilitate the Judiciary's independence and accountability, and efficient, effective and transparent administration of justice.

The engagement sought feedback from stakeholders on key areas that could enhance the Judiciary's independence and accountability.

KAM holds Food Safety, Packaging and Labelling Seminar

KAM held Food Safety, Packaging and Labeling Seminars in Nairobi and Mombasa where the following topics were discussed:

1. Kenya's food safety control system; roles and interfaces of the government's regulatory agencies

Participants were enlightened on the seven food regulatory agencies in Kenya and their mandates. Plans are underway to establish one agency to oversee all food safety regulations.

2. Food safety standards and the role of standards in food safety and trade.

Food safety standards are developed to ensure consumer health and fair practices in food trade.

Member states of the Codex Alimentarius (CAC) develop and adopt Codex Standards (food safety standards) as national standards.

Key issues discussed include:

- Steps taken to develop standards. Most standards are adopted globally and reviewed to suit the Kenyan market.
- Although most standards are optional in Kenya, competitive aspects have to be considered as one can only sell quality and standardized products

3. Laws, Regulations and Standards on food packaging and labelling

Food manufacturers were urged to always adhere to the Food, Drugs and Chemical Substances Act, Chapter 254.

The main issues addressed were:

- How to designate the batch number
- How to label food: Food should always be labelled. Information on labels should be prominently displayed and discernible to the consumer. Declarations should be included, both on the inner and outer labels.
- Food sold in bulk is exempted from label declaration requirements
- Label declaration exemptions
- Statements implying special dietary use
- Label declaration of food containing an artificial sweetener.

4. East African Community (EAC) market regulatory framework and its effect on exports/imports.

The East African Community Standardisation, Quality Assurance, Metrology and Testing Act (SQMT Act) makes provisions for ensuring standardisation, quality assurance, metrology and testing of products produced or traded in the region in order to facilitate industrial development and trade

The SQMT Act:

- Promotes the protection of the health and safety of society and the environment;
- Establishes the East African Standards Committee and the East African Accreditation Board

5. Use of nutritional health claims.

- The Kenyan Standards specify general requirements for claims made on food irrespective of whether or not the food is covered by an individual Kenyan Standard.
- Any representation which states, suggests or implies that a food has particular characteristics relating to its origin, nutritional properties, nature, production, processing, composition or any other quality attribute has to be justified by the producer, processor and/or marketer.

6. Practical: Codex General Standard on Food additives, STAN 192 – 1995

- Participants were practically shown how to identify registered/ permitted food additives and how to identify if an additive is suitable for a specific product. They were also urged to be vigilant when checking permitted food additives as the list changes on a yearly basis.
- Food additive means any substance not normally consumed as a food by itself. The term does not include contaminants or substances added to food for maintaining or improving nutrition quantities.
- Participants were taken through additives permitted for specific food categories. Members need to be keen on the use of food additives as it is not part of the raw material.



KAM presents Members' National Budget Proposals to the National Treasury

NATIONAL CHEMICAL POLICY REVIEW

KAM participated in the development and review of the draft National Chemical Policy and the Policy Brief for the formation of a National Inter-Agency Committee to coordinate sound chemical management.

KAM will request Chemical Sector members for input on the chemical policy.

KAM presents National Budget Proposals to National Treasury

KAM presented Members' National Budget Proposals for the FY 2019/2020 to the National Treasury Budget Policy Team on 15th May 2019.

The list from KAM sectors for consideration on Import Declaration Fees (IDF) and Railway Development Levy (RDL) exemption was also presented.

KAM proposed the following:

- The need to review the policy relating to VAT zero-rating and exemption to allow manufacturers to claim the input VAT under zero rating
- Review of the VAT refund formula. The current formula is punitive to manufacturers and exporters who are already in a continuous credit position and are exporting their

manufactured goods

- Reduction of the Withholding VAT (WHVAT) rate from 6% to 2%
- Legal mechanisms under which VAT credit amounts arising from the refund formula and WHVAT will be refunded to manufacturers
- The removal of IDF and RDL on all industrial inputs (basic raw materials and intermediate inputs).

Way Forward

- KAM will hold a meeting with the National Treasury Policy Team in September 2019 to enable early engagements on budget policy issues.



KAM, Dandora Hiphop City launch Taka Banks

NATIONAL SUSTAINABLE WASTE MANAGEMENT BILL AND POLICY

On the 24th May 2019, KAM met the Ministry of Environment and Forestry on the National Sustainable Waste Management Bill and Policy.

The Association shared its memorandum for consideration in the Policy and Bill.

The meetings discussed new items to be included in the Bill and Policy and the outcomes of the meeting held with stakeholders.

KAM, Dandora Hiphop City launch Taka Banks Programme

In partnership with Dandora Hiphop City (DHC), KAM launched the Customer Bora – Taka Banks Programme to facilitate sustainable collection of waste for recycling by establishing trial “taka bank” kiosks to serve as collection stations.

Speaking at the launch, KAM Vice Chairman, Mr Mucai Kunyiha expressed his delight for the program noting that its immediate objective is to conserve the environment whilst empowering local youth by creating employment opportunities

“The effects of uncollected plastic waste is more apparent here than anywhere in the country. The Customer Bora Taka-Bank is

therefore timely for the people of Dandora.

I urge industry stakeholders and brand owners to support the initiative and motivate youth groups by awarding top collectors, best-performing groups and indeed, most improved groups,” he remarked.

KAM also announced the inclusion of an online platform dubbed Customer Bora that will facilitate correspondence between groups in order to encourage uptake and flow of all communication about the program.

WE VALUE YOUR FEEDBACK

Dear Member,

Thank you for your support and partnership in advocating for competitive and sustainable manufacturing sector.

In order to best serve you, kindly share any issue(s) you are facing by clicking on the feedback form below.

FEEDBACK FORM

Thank you.

Regards,
KAM Team

KAM engages NEMA on Waste Management

KAM paid a courtesy call to the National Environment Management Authority (NEMA) Director General to discuss key priorities in the manufacturing sector, where the Association presented its Manufacturing Priority Agenda (MPA) 2019.

Key issues discussed include:

- The need for the Authority to finalize the draft plastics regulations to enhance plastic bags management in the country
- Development of waste management frameworks for the country
- Partnerships on the Kenya Plastics Action Plan currently being developed by the Association.

Way Forward

- The plastic bags management regulations will be finalized, to address concerns on plastics use and manufacture, timelines on applications, the seamless renewal process for use, among others
- NEMA will support KAM on the county waste management frameworks
- KAM to engage the Ministry on the Plastics Action Plan
- KAM and NEMA will hold regular (bimonthly) meetings to address environmental issues

CONTACT US



15 Mwanzi Road,
Westlands, Opp.
Westgate Shopping Mall



www.kam.co.ke



info@kam.co.ke



@kam_kenya



Kenya Association of
Manufacturers



Kenya Association of
Manufacturers

TOP 2 POLICY ISSUES IN THE MEDIA

1. **Waste Management:** Highlighting the value of waste management
 - **Business Daily:** [Duo goes digital in fight against garbage menace](#)
 - **Capital Business:** [KAM partners with local community to launch waste management innovation](#)
2. **Illicit Trade:** Highlighting the impact of illicit trade to industry.
 - **The Standard:** [Nyamakima traders' woes increase over counterfeit goods](#)
 - **People Daily:** [Industry to bear additional cost of anti-counterfeit law](#)