

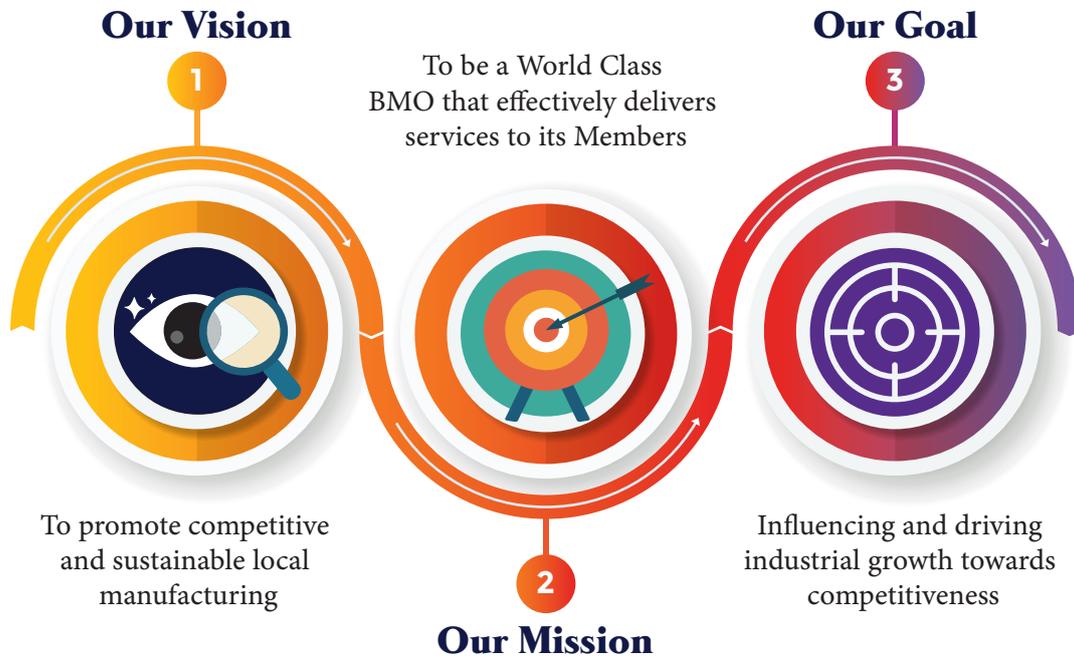


POLICY & SUSTAINABILITY REPORT 2020

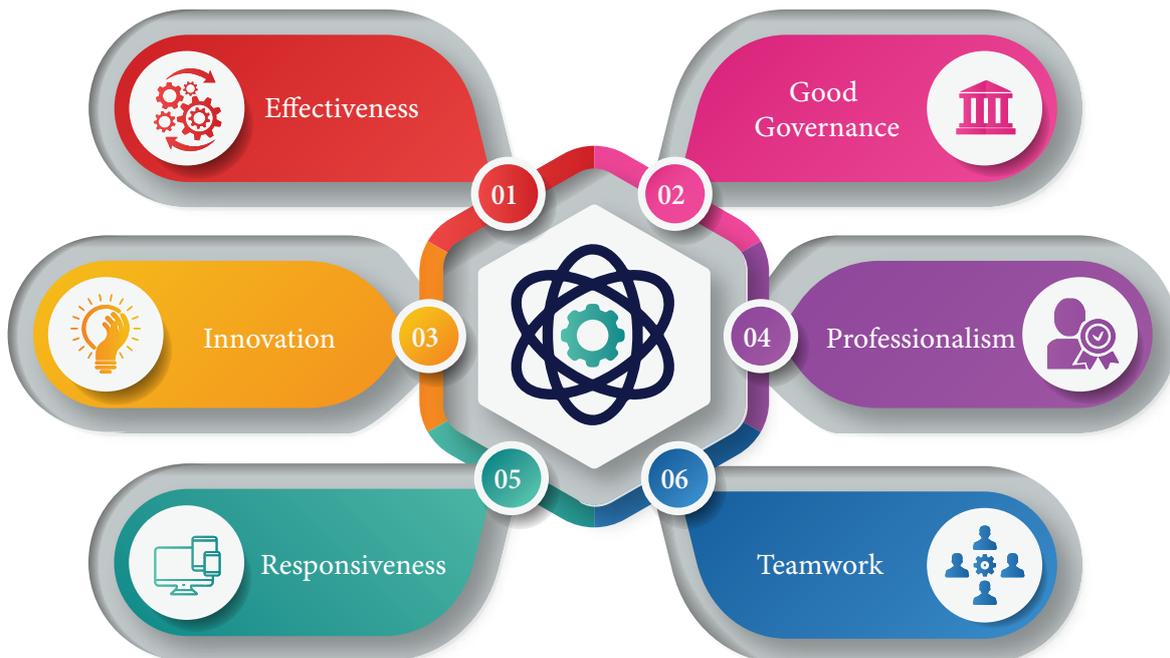
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OUR STORY



Core Values

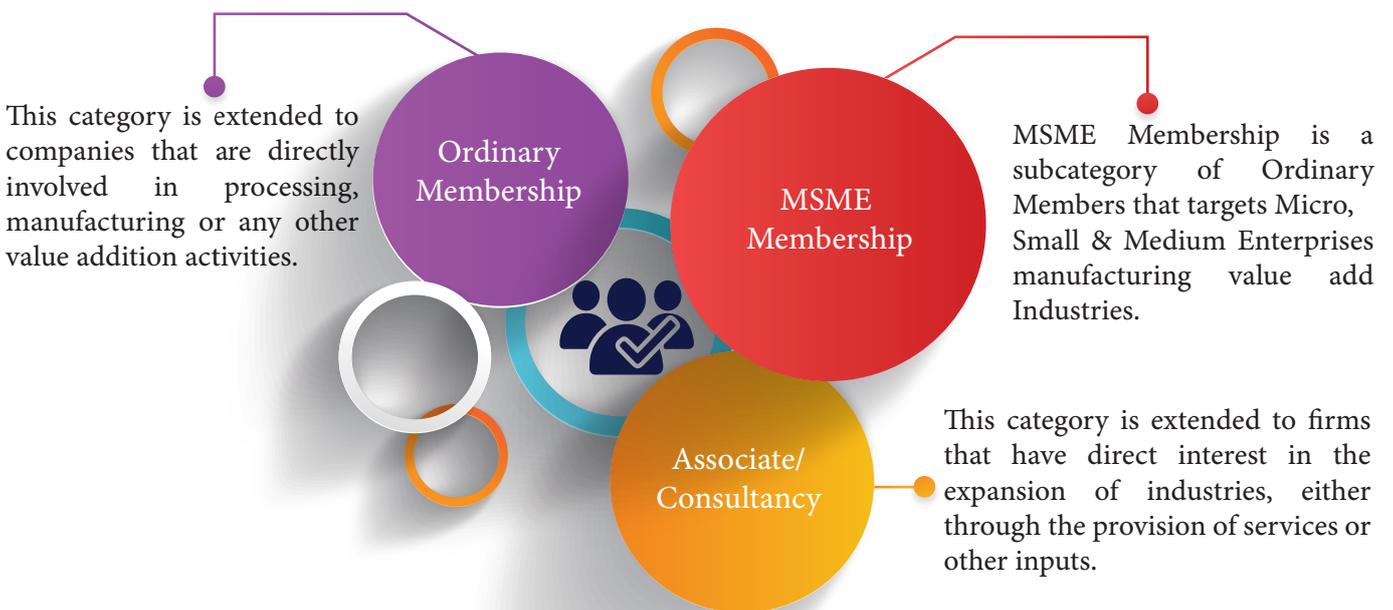


STRATEGIC GOALS



MEMBERSHIP

KAM Membership is structured in three categories:



OUR SERVICES

KAM Advocating for you!



Enhancing your competitiveness
& tenacity!



Championing for Inclusive
Manufacturing



KAM Advocating for you!

Our services geared towards Policy Advocacy include:

- Fact-based policy advocacy with Government and its agencies on various issues such as taxation, trade infrastructure, energy, illicit trade and regulations, among others.
- Engagement at the county level
- Business information on trade agreements under various regimes including East African Community, Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), AGOA and African Continental Free Trade Area (AfCFTA).
- Technical advice on taxation and fiscal policy
- Access to regulatory and compliance requisites to set up your business.
- Promotion of ethical business practices

Championing for Inclusive Manufacturing

Through our Women in Manufacturing (WIM) Programme, we provide a platform for women to network, be mentored and to improve their competitiveness and access local, regional and global markets.

Initiatives geared towards supporting women in manufacturing include:

- The annual Women in Manufacturing (WIM) Gala Dinner to celebrate and recognize women's role in manufacturing.
- Linkages with successful women industrialists across the continent and in the world.
- Market linkages locally, regionally and globally.
- Advocacy for policies and instruments from relevant institutions to enable women to access regional and global markets.

- Exchange programs to enhance the quality of women in manufacturing products to ensure their inclusion into regional and global supply chains.
- Capacity building and mentorship programs to equip women in manufacturing with the relevant skills and knowledge to grow their businesses.
- Mentoring young women to take up and soar in Science, Technology, Arts and Mathematics (STEAM) courses to take up more manufacturing-related jobs.

Enhancing your competitiveness & tenacity!

Our Business Development and Competitiveness Services are tailored to build your competitiveness, productivity, resilience and support your journey to green growth.

Securing the Future of Work

1. Manufacturing Academy:

The Manufacturing Academy provides technical and/or specialised and management training and services drive competitiveness in local industry.

2. Technical, Vocation Education and Training (TVET) program:

KAM's TVET program, run in partnership with German Development Corporation enhances access to technical and vocational jobs as well as economic opportunities for the youth in Kenya, through skills and entrepreneurship development.

The program offers internship opportunities, competence-based education and training and work-readiness training for technical courses graduates in the country.

Promoting Market Access

KAM strengthens and scales up trade, productivity and export market development for local manufacturers through its Business Information Services Desk.

The services offered include seminars and workshops on compliance issues, trade and investment missions and productivity courses.

KAM also hosts its annual Changamka Shopping Festival that brings together local manufacturers to showcase the high quality of locally manufactured goods and sell their products to the public at discounted prices.

Scaling up SMEs

Through our Manufacturing SME Hub, we address challenges affecting SMEs in the country, including unfriendly policies and regulatory regime, tedious and lengthy process in quality standards and certifications, access to markets, access to affordable finance and poor governance structures.

The Hub fosters the development of a flourishing entrepreneurial culture and competitive small and medium manufacturers in Kenya and in the region.

Services offered through the Hub include:

- Business advisory services
- Tailored technical, operational and management trainings
- Access to finance through business planning, financial literacy programmes and linkages to financiers
- Access to markets through value chain linkages, trade missions and expos, export market linkages, trade related seminars and conferences.

Towards Green Growth and Circular Economy

Through the Centre for Green Growth and Climate Change (CGGCC), KAM provides a one-stop solution to deepen industry level interventions, promote a circular economy, promote climate change actions, and financial linkages that prioritise people and planet.

The Centre's services include resource efficiency services (energy, water & wastewater audits, waste, and circular economy resource mapping), capacity building and green financing.

The Centre also organizes expos and the Energy Management Awards to recognize and award the best performing industries in energy efficiency and conservation.

CHAIRMAN'S STATEMENT



It is difficult to report on the past period without referencing the historic, unprecedented, and still continuing events of 2020 and the COVID-19 pandemic.

That we live in an epochal moment is no longer in doubt, and it brings with it its shocks, sorrows, and destruction as well as its opportunities and lessons for global humanity. As a health crisis, we have witnessed much fear, suffering and illness and untimely deaths within our manufacturing fraternity and the wider community. We take a moment to remember the very real and human cost many of us have faced and paid through the year – may we continue to have grace and patience in our grief through these difficult times.

The consequent public health measures have had far reaching social and economic consequences on the global community, changing our daily lives in ways unimaginable in January 2020. That we have managed to pivot, adjust and make it through those unparalleled challenges is testament to the human character and capability.

As manufacturers, you faced all manner of supply chain uncertainties, unpredictable changes in regulations and restrictions, and the challenge of leading our teams and employees through the cloud of fear that enveloped the world. And, I am glad to report, we have largely pulled through. With the support of each other, some government interventions and by no small measure the sheer guts, imagination and inventiveness of our people; we were able to 'Keep Kenya Moving'. It may not have been the best year financially for many of us, but for resilience in the face of the insurmountable 2020 will count as one of the best for a generation.

Similarly, our Association faced all the challenges of operating and delivering value through the year. Although unable to hold physical meetings (that we now realise is our main means of operation), we quickly acquired virtual meeting capabilities across the organization, and I am pleased to report that we have been able to successfully conduct meetings, trainings and seminars virtually. In fact, we have found a higher level of participation in sectors, chapters and committee meetings as Members did not have to be physically present at KAM House – an example of the benefits we have obtained despite the changes forced upon us in these times.

The Secretariat was also able to support you through these times with public health advice, travel passes during the lockdown period and engaging with government on an appropriate response and operating regulations for the period.

Although the pandemic was the big story of the period, our 'pre-existing conditions' remained in place, demanding action and intervention. KAM remains focused and active in building a competitive manufacturing sector in Kenya and we continued to

engage regulators, counties, Kenya Revenue Authority, Parliament and the National Government on the issues that bedevil our sector. Tax policy, over-regulation, rising costs, operational inefficiencies, and trade barriers were subjects of various engagements with stakeholders and decision makers. We achieved some notable success in logistics improvement at the Port of Mombasa, tax processes and Minimum Tax. However, much remains to be done and the Board and Secretariat has continued to focus on advocating for our Manufacturing Priority Agenda.

In order to maintain focus on Sustainability matters and entrench them in our strategic processes and action the Board this year formed a new Environment and Sustainability Committee. This was followed by the launch of the Centre for Green Growth and Climate Change that will research, educate, support dialogue and implementation of solutions for our members and stakeholders as we jointly take action against one of mankind's greatest challenges.

To promote inclusivity in industry, we launched the first-ever Women in Manufacturing Report study. The outcomes continue to pivot KAM's advocacy drive of the Women in Manufacturing Program in Kenya, by providing concrete data on the necessary areas to improve.

Despite the challenges that faced the sector, our Membership continued to grow tremendously - 256 new Members joined the KAM Family in 2020! This is a testament to the value we give local manufacturers, to enable you to run your business with minimal bottlenecks.

Looking ahead at the year before us, we are hopeful that the resilience of industry in the year will have prepared us to face the challenges ahead. No doubt the COVID-19 pandemic is not over yet and we continue to advocate government to enhance and speed up a

vaccination programme for Kenya as the long-term solution to managing the pandemic. Elections are scheduled for August 2022 and we join other Kenyans in calling for peaceful elections and electioneering by the political class and by putting in adequate measures and preparation for a free and fair contest.

My thanks to the Board of Directors, Chapter and Sector Leadership, Members of various committees, and our hard-working Secretariat that have all contributed immensely to the achievements of the year. The National Government, Counties, regulators and government organisations and implementers continue to give us audience, exchange ideas and jointly work on resolving our issues for which we thank them. Specifically, I would like to recognize the Ministry of Industrialization, Trade and Enterprise Development, Ministry of Interior and Coordination of National Government, Ministry of Environment and Forestry, the National Treasury, Ministry of Agriculture, Ministry of Energy, Department for Immigration, Kenya Bureau of Standards and Kenya Revenue Authority.

To our partners and stakeholders, we appreciate your support and for believing in our vision for a competitive and sustainable manufacturing sector. Much appreciation to the Government of Denmark, Confederation of Danish Industry (DI) and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ).

But most of all, a big thanks to you, a Member of KAM, for your continued support and belief in the Association. We continue to make great gains for manufacturing by working together – long live the manufacturing sector and its Members!

Mucai Kunyiha
KAM Chairman

CHIEF EXECUTIVE'S REPORT



We present the 2020 Policy and Sustainability Report against the backdrop of a year filled with unexpected challenges and disruption.

As an Association, we acknowledge your contribution towards providing solutions to these challenges while reducing costs, retaining jobs and improving cash flow. In keeping up with the same spirit, we will continue to advocate for an enabling business environment, as we chart forward towards a resilient and industrialized future.

At the beginning of last year, we launched the 2020 Manufacturing Priority Agenda to guide our advocacy towards establishing a competitive manufacturing-led economy for job and wealth creation. The Priority Agenda highlighted five key a

reas, namely Competitiveness and Level Playing Field, Enhanced Market Access, Pro-industry Policy and Institutional Framework, Government-driven SME Development, and Industrial Sustainability and Resilience. Whilst the pandemic slowed down our engagements at National and Regional (Chapter) levels, we realized some accomplishments. Out of 25 agendas, four were fully achieved, 19 partly achieved whilst no progress was registered for the remaining two agendas. Implementation was inhibited by the pandemic.

In spite of the challenges presented by the pandemic and measures thereof, we continued to engage the national government on ways to cushion the country from the adverse effects of the pandemic. This included our engagements with the National Treasury on the 2020/2021 budget proposals, particularly on cushioning businesses and citizens. Among the proposals featured in the 2020/2021 national budget include bailout tax incentives, the economic stimulus program and SME Guarantee Scheme. At the same breath, we continued to engage the government on some of the key amendments proposed in the Bill affecting the manufacturing sector, including minimum tax, deletion of several allowable expenses and Introduction of VAT on items that were previously exempt among others.

The Association also engaged the government and regional stakeholders to enhance access of Kenyan products local, EAC, COMESA and African Continental Free Trade Area markets. Part of this was the government's commitment to locally source critical items to be used in the fight against COVID-19 by frontline medical personnel as well as the general public. Additionally, we participated in various regional meetings to address concerns on preferential Tariff Treatment of Raw Materials and Intermediate Products Originating from COMESA and SADC, the review of EAC Common External Tariff and Rules of Origin, among others matters.

To drive market access for SMEs in the country, KAM partnered with various stakeholders to drive the uptake of Kenyan made goods and unlock markets for local manufacturers. We also hosted knowledge

exchange initiatives for manufacturing SMEs including a study tour that demonstrated to SMEs the best practices for innovative technologies, research and development (R&D) and incubation services. Additionally, we hosted Retired Experts Program and Mentorship Program where manufacturing SMEs engaged volunteer experts on how to sustainably grow their businesses and were mentored on good manufacturing practices, governance and leadership and manufacturing finance amongst others.

In our endeavour to champion inclusivity, we launched the Women in Manufacturing Report and partnered with organizations, among them, Bill and Melinda Gates Foundation in conjunction with Kenyatta University and Danish Family Planning Association, to support the Association's role in executing the mandate of the Women in Manufacturing Program nationally.

KAM continued to promote the adoption of critical tenets of sustainable development and green growth towards actualizing a green economy. In line with this, we launched the Centre for Green Growth and Climate Change and partnered with the Ministry of Energy in launching the Kenya National Energy Efficiency and Conservation Strategy to enhance ongoing efforts towards achieving energy efficiency goals. KAM is one of the partners who developed the strategy and is a key partner in its implementation. We also hosted the 16th Energy Management Awards (EMA) that recognized over 20 companies that achieved significant reductions in their energy consumption through the implementation of energy-efficient measures and technologies.

With regard to circular economy, the Association launched the Strategic Business Plan for the establishment of a Plastic Producer Responsibility Organization (PRO) in Kenya. The PRO will drive collective Extended Producer Responsibility (EPR) in the country, whereby a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle, whilst turning plastic waste into valuable resources. We also partnered with various like-minded stakeholders across the waste management value chain to promote a circular economy in the country.

We extend our sincere gratitude to our Members and partners for playing a huge part in our advocacy and sustainability initiatives. It is through your continued support and confidence in the Association that we achieved these gains.

Phyllis Wakiaga
KAM CHIEF EXECUTIVE

BOARD OF DIRECTORS



Mucai Kunyiha
Chairman



Rajan Shah
Vice Chairman



Sachen Gudka
Director/Ex-Officio



Kaushik Shah
Director



Lutfat Kassam
Director



Marion Mwangi
Director



Jane Karuku
Director



Pankaj Bedi
Director



Linus Gitahi
Director



Ciiru Waweru
Director



Hitesh Mediratta

Director



Rajan Malde

Director



Ashit Shah

Director



Stephen Brooks

Director



Mihir Chalishazar

Director



Mary-Ann Musangi

Director



Bharat Shah

Director



Bimal Kantaria

Director



Rohin Vora

Director



Jeddidah Thotho

Director

REGIONAL LEADERSHIP



Mohamed Rashid
Chairman Coast Region



William Ongare
Chairman North Rift Region



Jayesh Patel
Chairman Nyanza/Western Region



Maina Ruo
Chairman Central Region



Peris Mbuthia
Chairlady South Rift Region



Mary Gesare
Chairlady Nairobi Region



Olivier Lauvaux
Chairman Lower Eastern Region

LEADERSHIP TEAM



Phyllis Wakiaga
Chief Executive



Job Wanjohi
Head of Policy, Research
and Advocacy



Joyce Njogu
Head of KAM Consulting
and Business Development



Tobias Alando
Head of Membership
and Governance

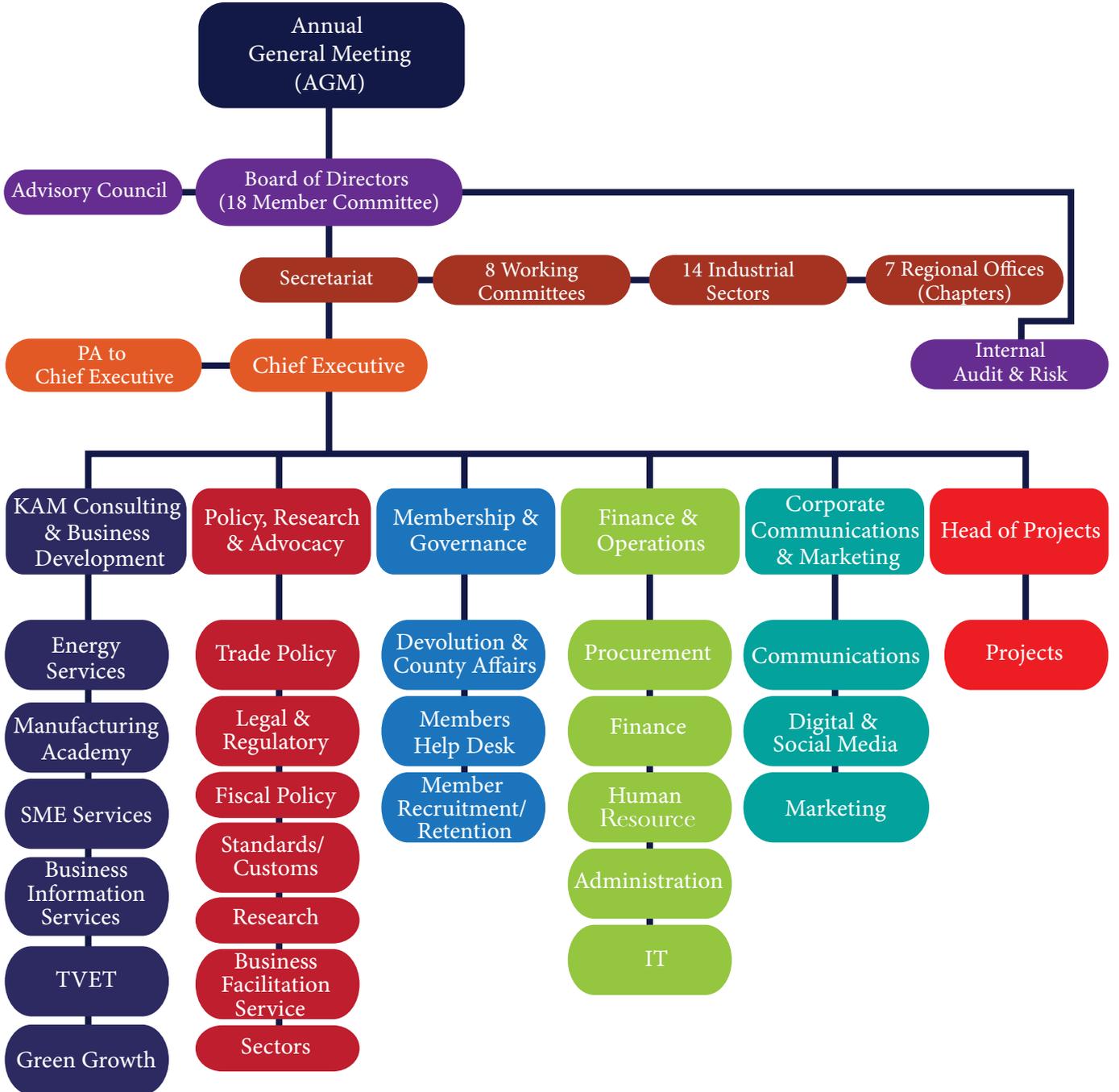


Sally Kahiu
Head of Corporate
Communications and Marketing



Elly Osewe
Head of Finance and
Operations

ORGANIZATIONAL STRUCTURE





RESILIENCE THROUGH A CRISIS



As we kicked off 2020, we had ambitious plans to take advantage of the new opportunities that the new decade promised. Unfortunately, the COVID-19 pandemic threw an unwonted curveball on these plans.

We are proud of your dedication and commitment to Keep Kenya Moving. Your tenacity, ingenuity and kindness not only showcased why a resilient sector matters for the economy but also the innovations that the manufacturing sector can offer to the local and export markets.

During the year, the Association continued to engage its stakeholders to support the country during the crisis. Key among the initiatives include:

Manufacturers went over and above in ensuring that high standards of hygiene were maintained in their premises and that vulnerable members of the society were cushioned from the effects of the pandemic.

Local industry donated masks, tanks, hand washing stations, soap and washing detergents across the country. Some of these were donated to the Ministry of Interior and Coordination of National Government for distribution to police officers across the country.

Ministry of Interior and Coordination of National Government for distribution to police officers across the country.

The Association also partnered with Beiersdorf Kenya to distribute hand sanitizers across the country. The sanitizers were donated to Matatu Owners Association of Kenya, Kenya National Chamber of Commerce and Industry (KNCCI) - Kakamega Chapter and Police Stations in Nairobi Metropolitan Area.

Kenya COVID Fund

Local industry also donated to the Kenya COVID Fund that was established by the government to contain the spread, effects and impact of the COVID-19 pandemic.

1st ever locally manufactured ventilator certified by government

The 1st ever locally manufactured ventilator developed by Kenya Association of Manufacturers' (KAM) Automotive Sector, led by Mutsimoto Limited, was certified by Kenya Bureau of Standards (KEBS). The ventilator, dubbed Pumuaishi 3.0, was unveiled in April 2020.



Local industry supplies critical essential items for fight against COVID-19

Government committed to locally source critical items to be used in the fight against COVID-19 by frontline medical personnel as well as the general public.

Industry continued to produce and supply protective footwear and ventilator prototypes, full-body suits, headgears, protective footwear, hospital scrubs, hospital linen and surgical gloves.

Online Directory

We also launched an online directory of locally manufactured goods to supplement local production and forestall disruptions in the local market. This was aimed at addressing any gaps that may stem from the shortage of finished products in the local market.

KRA adopts Green Channel treatment

Following concerted efforts by KAM and the Government of Kenya to reduce the impact of COVID-19 on the economy, KRA announced the immediate implementation of Green Channel treatment.

The Green Channel is an efficient and expedited cargo clearance process for no/low risk imported consignments imported by compliant manufacturers. It is carried out on a selective basis using Risk Management Techniques. A post-clearance audit may be carried out in case of identified gaps, for example, the wrong declaration.

Government Measures to Mitigate the Impact of COVID-19

To alleviate pains of the crisis, KAM continued to engage the government on interventions to be instituted to contain the spread of the virus and to ensure business continuity in this difficult period.

The measures put in place include:

- 100% Tax Relief for persons earning gross monthly income of up to Ksh. 24,000.
- Reduction of Income Tax Rate (Pay-As-You-Earn) from 30% to 25%.
- Reduction of Resident Income Tax (Corporation Tax) from 30% to 25%.

- Reduction of the turnover tax rate from the current 3% to 1% for all Micro, Small and Medium Enterprises (MSMEs).
- Appropriation of an additional Ksh. 10 billion to the elderly, orphans and other vulnerable members of our society through cash-transfers by the Ministry of Labour and Social Protection, to cushion them from the adverse economic effects of the COVID-19 pandemic.
- Temporary suspension of the listing with Credit Reference Bureaus (CRB) of any person, Micro, Small and Medium Enterprises (MSMES) and corporate entities whose loan account fall overdue or is in arrears.
- Reduction of the VAT from 16% to 14%.
- Ministries and Departments, and private sector pay verified pending bills.
- Payment of all verified VAT refund claims, and allow for offsetting of Withholding VAT, to improve cash flows for businesses.

Some of these measures were, however, rolled back starting January 2021.

Launch of Covid- 19 impact survey report on Manufacturing sector

KAM in partnership with KPMG launched a survey on the impact of COVID-19 to the manufacturing sector in Kenya.

The survey sought to highlight the challenges facing manufacturers amid COVID-19, how industry is adapting to the changes brought about by the pandemic, measures put in place to combat the spread of the virus, proposals to address these challenges, and perception on the economic measures put in place by the government in response to COVID-19's effect on the economy.

Launch of Manufacturing resilience and sustainability report

As a follow up on the impact of COVID-19 across all the 14 sectors, KAM and KPMG launched the Manufacturing Resilience and Sustainability Survey Report and Policy Toolkit. e report highlights challenges (pre- and post-COVID) and opportunities available across the 14 sectors. It aids in charting forward the growth, development, and resilience of the manufacturing sector to attain the 15% contribution to Kenya's Gross Domestic Product (GDP) as envisioned in the Big Four Agenda.

COVID-19 Update to Members

The Association continued to keep its Members abreast on COVID-19 mitigation measures and protocols through constant email updates and webinars on various topical issues.

KAM Leadership provided insights on concerted efforts in mitigating the pandemic including measures and protocols to be implemented by Members to continue operations and Members initiatives to Keep Kenya Moving through both in-kind and financial support.

Additionally, the Leadership Team highlighted KAM's advocacy initiatives to cushion businesses and Kenyans from the impact of the pandemic. These included tax relief measures for both businesses and consumers and policy interventions to drive the resilience of the manufacturing sector and the economy.

To supplement these efforts, the Association engaged medics, economists and manufacturing sector experts. Economists and sector experts shed light on policies and workplace readiness, Corporate governance post-COVID, and leading through a crisis and best practices from countries severely affected by the pandemic, among other areas.

On the other hand, medical experts informed Members on COVID-19 and impact on our health, personal and organizational measures to mitigate the spread of the various and the importance of vaccines and roll-out program.



POLICY & ADVOCACY REPORT



KAM CEO, Ms Phyllis Wakiaga, Interior CS, Dr Fred Matiang'i and immediate past KAM Chair, Mr Sachen Gudka during the launch of the 2020 Manufacturing Priority Agenda

KAM launches 2020 Manufacturing Priority Agenda

KAM successfully implemented the Manufacturing Priority Agenda (MPA), themed, *'Establishing a competitive manufacturing-led economy for job and wealth creation'*. It outlined immediate actions to yield tangible results in the short term to address challenges hampering the growth of the manufacturing sector, as we aim to transform Kenya into an industrial-led economy.

The agenda was driven under five main pillars, namely Competitiveness and Level Playing Field, Enhanced Market Access, Pro-industry Policy and Institutional Framework, Government-driven SME Development, and Industrial Sustainability and Resilience.

It comprised of 25 Agendas and 76 action points. Out of the 25 agendas, four were fully achieved, 19 partly achieved while no progress was registered for the remaining two agendas. Implementation was inhibited by the COVID-19 pandemic.

The following was achieved under the Competitiveness and Level Playing Field Pillar

1. Competitive Industrial Performance (CIP) Index – Kenya Report

KAM partnered with United Nations Industrial Development Organization (UNIDO) to launch the Competitive Industrial Performance (CIP) Index – Kenya Report.

The report ranked Kenya position 115 out of 152 in the Competitive Industrial Performance (CIP) Index Report, 2020. This rank puts the country lower than other competitor African countries but high compared to its East African counterparts. Egypt and South Africa rank at position 64 and 52 respectively, whereas Tanzania is 123 and Uganda is position 128.

It further indicates that China, which is ranked second in the CIP Index report, is very strong in manufacturing due to the use of high technology which is applied by 30.6% of its manufacturers whereas only 9.3% are resource-based manufacturers.

2. KRA approves applications for duty-free importation of Industrial Spare Parts

Kenya Revenue Authority (KRA) approved and issued 136 companies with three-year certificates for duty-free importation of industrial spare parts.

The certificate authorizes manufacturers to import duty-free replacement parts for machinery of Chapters 84 and 85 in accordance with the provisions of Item 31 Part B of the Fifth Schedule of the East African Community (EAC) Customs Management Act.

3. Government approves list of manufacturers for reduced RDL and IDF rates

The government approved the list of manufacturers developed by KAM for reduced Import Declaration Fee (IDF) and Railway Development Levy (RDL) rates at 1.5%.

4. Revocation of cessation of custom bonded warehousing of goods

The Kenya Revenue Authority (KRA) Commissioner for Customs and Border Control revoked warehousing of goods vide Gazette Notice Number 3738. The public was notified on the same, through the Gazette Notice No. 3350 of 2020, on cessation of warehousing of goods.

5. Prompt Payment

1st Prompt Payment Committee Meeting

The Prompt Payment Committee, comprised of the Chairpersons and CEOs of the Retail Trade Association of Kenya (RETRAK), Association of Kenya Suppliers (AKS) and Kenya Association of Manufacturers (KAM), held its first meeting in August 2020.

From the meeting, it was agreed that the Associations (RETRAK, AKS and KAM) implement the Retail Code of Practice and consider and discuss strategies for trade promotion. This was done through promotion of local content, supporting Buy Kenya Build Kenya and jointly raising awareness to encourage the signing of Supplier Agreements and Joint Business Plans among the Associations' Members.

Industry to curb late payment through Industry Credit Group



L-R Association of Kenya Suppliers CEO Ishmail Bett, Veri Credit Director Stephen Mills, KAM Chair Mucai Kunyiha and KAM CEO Phyllis Wakiaga during the signing of MOU towards establishing Industry Credit Group

KAM, Veri-Credit and Association of Kenya Suppliers (AKS) partnered to promote the proactive mitigation of credit risk management by businesses.

This was through the signing of a Memorandum of Understanding towards the establishment of an Industry Credit Group to curb late payment culture, which is the biggest impediment to liquidity for businesses.

The KAM Industry Credit Group, managed by Veri-Credit, is the first-ever system established in the country to promote best credit practices between businesses and their suppliers under trade associations. It seeks to significantly improve businesses' cash flow and drive a change in overall payment culture in Kenya.

Globally, Trade Association Industry Credit Groups are membership-based and work by permitting credit professionals (in different association member companies) serving the same customer, to compare payment practices. They compare negative information on collective history and exchange data on payment practices.

6. Launch of Naivasha Inland Container Depot

As part of its initiatives to enhance transport infrastructure in the country, the government commissioned the Naivasha Inland Container Depot (ICD).

The ICD is at the heart of Kenya's ambition to become the transport corridor of choice for neighbouring countries. The anticipated benefits of the facility include increasing throughput for the Port of Mombasa through enhanced efficiency in the clearance of cargo and container handling; bringing port services closer to hinterland customers including the Transit Markets of Uganda, Rwanda, DRC, Burundi and South Sudan; decongesting the Port of Mombasa; and Enhancing safety and security to transit cargo.

7. Fight Against Illicit trade

World Anti-Counterfeit Day, 2020

The Association in partnership with the Anti-Counterfeit Authority (ACA) marked World-Anti-Counterfeit Day on 10th June 2020. During the commemoration, ACA launched the National Baseline Survey on Counterfeit and other Forms of Illicit Trade in Kenya.

Enforcement Manual against Illicit Trade



Immediate past CJ, David Maraga (second right) Launches the 2nd Edition of the Illicit Trade Manual

KAM launched the 2nd edition of the Enforcement Manual against Illicit Trade, in an event presided by the then Chief Justice and the President of the Supreme Court in Kenya and National Council on the Administration of Justice (NCAJ) Chair, David K. Maraga.

Just like the 1st edition, the 2nd edition of the Manual will serve as a quick reference point on matters illicit trade including protection and enforcement of intellectual property rights. It shall aid law enforcement agencies, including those involved in the prosecution of crimes related to illicit trade and the enforcement of the laws against the trade offenders. It will also act as a guide for prosecutors handling matters related to illicit trade to assist them to be more effective.

Practitioners' Guide for Enforcement Officers on Combating Illicit Trade and the Enforcement Manual to Combat Illicit Trade in Kenya

The Association launched the 2020 Practitioners' Guide for Enforcement Officers on Combating Illicit Trade and the Enforcement Manual to Combat Illicit Trade in Kenya during the World Anti-Counterfeit Day.

The Practitioner's Guide summarizes the contents of the Enforcement Manual for use by enforcement officers, practitioners, and the general public in the fight against illicit trade.

It is an easy reference tool that highlights the various forms of illicit trade in Kenya; national, regional and international laws relating to illicit trade in Kenya; the procedures for the investigation and prosecution of illicit trade; the institutions involved in combatting illicit trade; and various checklists to be used by investigators, prosecutors and judicial officers in the performance of their duties.

Virtual training of judges and magistrates on matters illicit trade

The Association partnered with the Judiciary, through the Judicial Training Institute (JTI) and the Anti-Counterfeit Authority (ACA) together with other members of the enforcement Multi-Agency Team against Illicit Trade, to sensitize judicial officers on matters illicit trade.

From the training, the judicial officers appreciated the impact of illicit trade on the society and economy at large. This led to the adoption of the proposal for the Judiciary to consider establishing Special Courts to fast track and conclude illicit trade matters since this is a technical field.

Harmonized Standard Operating Protocols (SOPs) for the Inspection, Verification and Clearance of imported goods

The Association, in partnership with the government led by the Ministry of Industrialization, Trade and Enterprise Development and the Multi-Agency Team against Illicit Trade launched the harmonized Standard Operating Protocols (SOPs) for the Inspection, Verification and Clearance of imported goods at the points of entry in Kenya.

Through this publication, KAM seeks to improve the process of importation by ensuring seamless collaboration, coordination and cooperation amongst the various agencies involved in the fight against illicit trade in the country. Practical approaches are, therefore, a positive step towards increasing efficiency and accountability at the ports of entry.

8. Sectors Management

To enhance its policy advocacy, the Association kicked off the implementation of a three-year sectors strategy (2020-2022), which is aligned to the Association's Business Development Plan for the same period. The Sectors strategy seeks to increase KAM Membership base and retention, ensure sustainable growth for sector members and improve sector governance and efficiency.

To this end, the Association restructured the Food & Beverage sector and Agriculture sector and developed sector profiles for the Automotive Sector, Leather & Footwear Sector, Building, Mining and Construction Sector, Salt Sub-sector and Sugar sub-sector.

The following was achieved under the Enhanced Market Access Pillar

1. Local industry supplies critical essential items for fight against COVID-19

Government committed to locally source critical items to be used in the fight against COVID-19 by frontline medical personnel as well as the general public.

Industry continued to produce and supply protective footwear and ventilator prototypes, full-body suits, headgears, protective footwear, hospital scrubs, hospital linen and surgical gloves.

2. Preferential Tariff Treatment of Raw Materials and Intermediate Products Originating from COMESA & SADC

Following the imposition of duties on raw materials and intermediate products originating from Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC), an Extra-Ordinary Meeting of the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI), agreed to grant a stay of application of the EAC CET on goods originating from COMESA, from 1st January 2020 up to 30th June 2021.

The decision came as a response to concerns raised by manufacturers among other stakeholders on the imposition of duties on goods originating from COMESA.

3. Approved EAC Standards

39 draft standards were declared by Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) as the East African Community's (EAC) harmonized standards.

4. Duty remissions scheme applications

232 duty remission scheme applications approved.

5. Work permits, passes and AGOA Visas approved

53 permits, 24 passes and 24521 AGOA visas approved.

6. NTBs Resolved

60% of Non- Tariff Barriers (NTBs) raised this year by industry have been resolved.

The following was achieved under the Pro-industry policy and institutional framework Pillar

1. National Budget 2020/2021

The Association continued to engage the National Treasury on the 2020/2021 budget proposals, particularly on measures to cushion businesses and citizens as the country puts in measures to combat the pandemic.

Among the proposals featured in the 2020/2021 national budget include:

- Bailout tax incentives (approx. Ksh. 172 billion) and the economic stimulus program of about Ksh. 53.7 billion shillings to contain the economic fallout, as a result of the COVID-19 Pandemic.
- The government also prioritized the Big 4 Agenda in this year's budget statement by allocating approximately 128.3 billion to enablers and drivers of the agenda and specifically 18.3 billion to the manufacturing sector.
- Ksh. 3 billion support to Micro, Small and Macro enterprises and an allocation of Ksh. 712 million in the manufacturing sector. However, it may only guarantee for a small percentage of those in dire need of financial support for a rebound.

The Association also continued to engage the government on some of the key amendments proposed in the Bill affecting the manufacturing sector, including:

- Introduction of Minimum Tax in the Income Tax Act as the base income tax, payable by all companies regardless of whether or not they make a profit.
- Introduction of Digital Service Tax (DST) which shall be payable by a person whose income from services is derived from or accrues in Kenya through a digital marketplace.
- Deletion of several allowable expenses, for example, entrance fee or annual subscription paid during that year of income to a trade association, capital expenditure on legal costs and other incidental costs.
- Changes in the requirements for claims of input tax.
- Introduction of VAT on items that were previously exempt like plant, machinery, and equipment used in the construction of a plastics recycling plant, tractors other than road tractors for semi-trailers, stoves, ranges, grates, cookers etc.
- Introduction of 1.5% Import Declaration Fee (IDF) on goods imported under the East African Community Duty Remission Scheme

To unpack the National Budget 2020/2021 proposals, the Association hosted the KAM Budget Live. The discussions unpacked the proposals on whether they were a hit or miss for the sector.

During a 2020/2021 budget forum to analyse the impact of 2020 half-year Manufacturing Tax Proposals on the sector's economic growth strategy, manufacturers raised concerns on shrinking market share. This is due to, among others, unpredictable tax measures making industry uncompetitive, and derogated EAC Common External Tariff (CET) regime, undermining industrialization efforts in the region.

The Association also partnered with like-minded Associations, to advocate for the abolition of the Minimum Tax.

2. KRA Business Round Table

KAM participated in KRA Business Roundtable where the Board articulated taxation issues affecting manufacturers including, VAT refunds, guidelines to operationalize Minimum Tax provisions in the Finance Act 2020 and Excisable Goods Management System (EGMS) challenges facing manufacturers.

Other issues raised include missing withholding VAT certificates on iTax, VAT Auto Assessment (VAA) system, Credit Adjustment Vouchers (CAVs), Import Declaration Fees (IDF) & Railway Development Levy (RDL).

The Association also participated in the 6th Tax Round Table between Kenya Revenue Authority (KRA) and the Private sector. Some of the key issues presented by KAM include VAT and Withholding VAT refunds, Credit Adjustment Vouchers (CAVs), Excise tax refunds for industrial kerosene, Excisable Goods Management System (EGMS), responsiveness of KRA's Relationship Managers and VAT input claim challenges at the Port.

3. Commercial Law Guidebook

KAM partnered with Kenya Magistrates and Judges Association (KMJA) to develop and launch the Guidebook on Company and Corporate Insolvency Law. The Guidebook is a simplified and quick reference on Company and Corporate Insolvency Law for Kenyan lawyers, judicial officers and business executives.



KAM Head of Membership Tobias Alando, KAM Chemical Sector Chair Manoj Shah, KAM immediate past Chair Sachin Gudka, NMS DG Gen. Mohamed Badi & KAM CEO Phyllis Wakiaga

4. Policy Dialogue

KAM convened key dialogue discussions with relevant government agencies on various key areas including transport infrastructure, prompt payment, fiscal policies, emerging county regulatory issues, export, EAC integration and African Continental Free Trade Area.

The Association, through its regional offices, also engaged county governments on pertinent issues hindering the growth of the manufacturing sector in the counties. Key among them land rates, dilapidated roads, multiple fees and charges and regulatory challenges.

5. Policy and Legislative Analysis

Key research flagship documents were disseminated to Members to enhance their awareness on the business environment such as the Manufacturing Barometer, Economic Updates, Policy Briefs, Policy Trackers, Legal Alerts and Reviews.

6. Women in Manufacturing Report Launched



(L-R) Immediate past KAM WIM Chair, Flora Mutahi and KAM CEO, Ms Phyllis Wakiaga during the KAM WIM Report Launch

KAM launched the first-ever Women in Manufacturing (WIM) Report in the region in partnership with the International Center for Research on Women (ICRW).

The Report is a critical advocacy tool to engage government in our objective to increase the participation of Women in sector. The outcomes of the research pivot KAM's advocacy drive of the Women in Manufacturing Program in Kenya, by providing concrete data on the necessary areas to improve. It also informs stakeholders in mainstreaming gender equality and inclusion in the manufacturing sector.

7. Review and adoption of legislative frameworks conducive to the manufacturing sector

KAM reviewed several key legislations at both National and County levels. The legislations that were developed and incorporated KAM's recommendations include, County Outdoor Advertising Control Act, The Business Laws (Amendment) Act, 2020, Statute Law Miscellaneous (Amendments) Act, the Small Claims Court (Amendment) Act, among others.

KAM also participated in the development of sector specific regulations central to industry's competitiveness and growth, including Extended Producer Responsibility Regulations, Tax Procedures (Unassembled Motorcycles) Regulations, 2020, Sugar Import Export and By - products Regulations 2020 and EAC Assembly Scheme Regulation-2020 among others. The regulations were disseminated to the relevant ministries, agencies and parliamentary committees.

The following was achieved under the Government-driven SME development Pillar

1. Credit Guarantee Scheme

The government introduced a Credit Guarantee Scheme to provide partial mitigation of default risks associated with lending to SMEs.

The Scheme was part of the measures introduced to cushion the country from the impact of the pandemic, following engagements between the Association and the government on 2020/2021 budget proposals.

2. Regulatory boot camps

Members of the Association engaged Kenya Bureau of Standards (KEBS), Nairobi Metropolitan Services (NMS), National Environment Management Authority (NEMA) and Competition Authority of Kenya (CAK) during Regulatory boot camps aimed at enhancing SMEs' regulatory compliance and to strengthen their participation in driving industrial growth.

The bootcamps were hosted by the Association in its Lower Eastern, Central and Nairobi Regions and provided a platform to raise awareness on the roles of the regulatory bodies and provide Members with a platform to interact with them.

The following was achieved under the Industrial sustainability and resilience Pillar

1. Skills Development

- **KAM, SDY partner to promote youth empowerment**

KAM signed a Memorandum of Understanding (MoU) with the State Department for Youth to promote youth empowerment through skills and entrepreneurship development.

- **KAM, German Development Corporation (GDC) launch Youth Employment Project**

KAM in partnership with the German Corporation launched the 'Promoting Youth Employment through Entrepreneurship and Skills Development Project'.

The project seeks to create job and entrepreneurship opportunities, by linking Competence Based Education and Training (CBET) and TVET graduates with opportunities in local industries.

The project will run up to January 2023, after the successful implementation of the first phase which saw 1662 TVET graduates placed on internships, and 878 permanently employed in various industries.

- **KAM, ILO partner to enhance skills development among vulnerable youth**

Kenya Association of Manufacturers (KAM) partnered with International Labour Organization (ILO) under a Government of the Netherlands funded PROSPECTS Programme, to promote skills development for vulnerable populations.

Through the partnership, KAM and ILO shall provide training opportunities to young people in refugee camps and the surrounding host community, to increase their employability in local industries. The partnership targets Technical and Vocational Education and Training (TVET) students in Turkana and Garissa Counties.



(L-R) Former Youth PS and current Devolution PS, Mr Julius Korir and KAM CEO Phyllis Wakiaga during the KAM-SDY MoU Signing Ceremony

2. SDGs Readiness Report

KAM, the Office of the Deputy President and Global Compact Network Kenya launched the Sustainable Development Goals (SDGs) Readiness Report that studied the progress of implementation of the Goals from a policy, legislative and institutional perspective in the country.

The report provides a legislative review of Kenyan Laws to identify areas that need to be reformed to align with the SDG commitments. It identified gaps in the laws and policies across the 17 goals with an emphasis on how the country can achieve green economic growth and recommends interventions.

The report also reviewed institutional arrangements for executing SDG commitments and made recommendations on how Parliament should monitor the national and sub-national execution of SDG commitments.

3. Launch of Kenya National Energy Efficiency and Conservation Strategy

The Ministry of Energy launched the Kenya National Energy Efficiency and Conservation Strategy to enhance ongoing efforts towards achieving energy efficiency goals.

These include reducing the national energy intensity by 2.8% per year to achieve a 30 per cent emission reduction by 2030 and to meet the country's targets for Sustainable Development (SDG) 7 on Affordable and Clean Energy by 2030.

The Association is one of the partners who developed the strategy and is a key partner in its implementation.

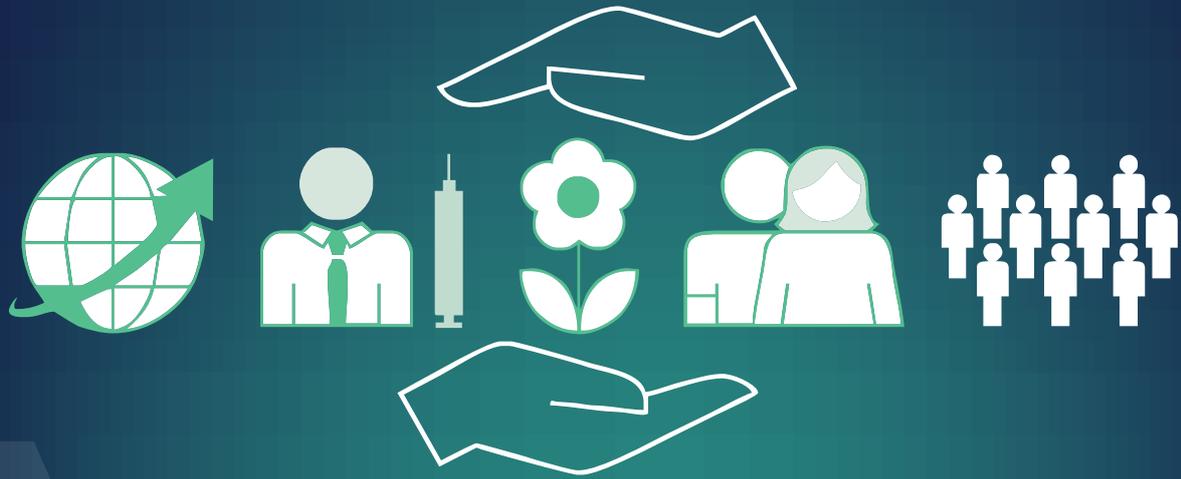
4. Manufacturing Resilience and Sustainability Policy Toolkit

The Association, in partnership with KPMG launched the Manufacturing Resilience and Sustainability Policy Toolkit, to aid in charting forward the growth, development, and resilience of the manufacturing sector to attain the 15% contribution to Kenya's Gross Domestic Product (GDP) as envisioned in the Big Four Agenda.



“ Although the pandemic was the big story of the period, our ‘pre-existing conditions’ remained in place, demanding action and intervention. KAM remains focused and active in building a competitive manufacturing sector in Kenya, and we continued to engage regulators, counties, Kenya Revenue Authority, Parliament and the National Government on the issues that bedevil our sector.

Mr Mucai Kunyiha
KAM Chairman”

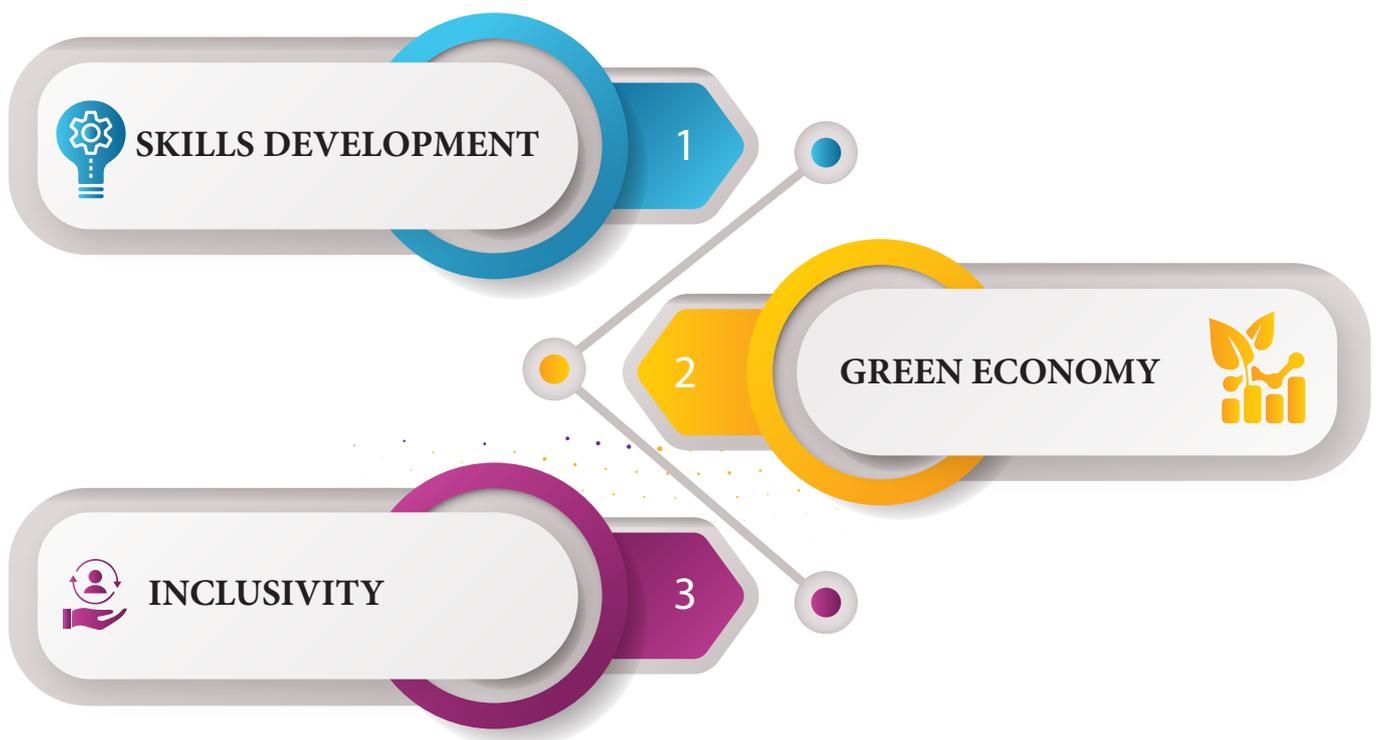


SUSTAINABILITY REPORT



In line with our vision to drive the competitiveness of local industries and our core value on innovation, KAM has been at the forefront spearheading the advancement of sustainable industrialization.

Industry is making strides to promote sustainable business practices in line with Sustainable Development Goals (SDGs) and people-driven development, aligned to the Agenda 2063 of the Africa Union.



SKILLS DEVELOPMENT

1. Manufacturing Academy

KAM through the Manufacturing Academy continued to drive the execution of high-quality manufacturing practices guaranteed to enhance productivity and personal growth. The Association engaged members through physical and online trainings.

The Association conducted 24 In-house and 17 open house trainings where 825 people were trained.

2. TVET

To promote skills development in the country, KAM partnered with German Development Cooperation through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) E4D/SOGA - Employment and Skills for Eastern Africa to launch a Technical, Vocational Education and Training (TVET) Program in January 2017.

In line with this, the Association undertook the following initiatives:

- **KAM, German Development Corporation (GDC) launch Youth Employment Project**

KAM in partnership with the German Corporation launched the 'Promoting Youth Employment through Entrepreneurship and Skills Development Project'.

The project seeks to create job and entrepreneurship opportunities, by linking Competence Based Education and Training (CBET) and TVET graduates with opportunities in local industries.

The project will run up to January 2023, after the successful implementation of the first phase which saw 1662 TVET graduates placed on internships, and 878 permanently employed in various industries.

- **Women and Youth Bankability Conference**



Women and Youth Bankability Conference panel session

The Association, in partnership with GIZ hosted the Women and Youth Bankability Conference, which provided an opportunity for manufacturing and aspiring entrepreneurs to directly seek information and guidance from government and financial institutions on attaining support and assistance.

- **KAM, SDY partner to promote youth empowerment**

KAM signed a Memorandum of Understanding (MoU) with the State Department for Youth to promote youth empowerment through skills and entrepreneurship development.





Former Industry PS and current PS for Fisheries, Aquaculture and The Blue Economy, Dr Francis Owino launches the Centre for Green Growth and Climate Change

GREEN ECONOMY

1. Green Growth and Energy Efficiency

● Centre for Green Growth and Energy Efficiency launched

KAM launched the Centre for Green Growth and Climate Change to provide a one-stop solution to deepen industry level interventions, promote a circular economy, promote climate change actions, and financial linkages that prioritise people and planet.

The Centre has a strong pipeline of investor-ready green projects. Additionally, it continues to work with green financiers to reach financial closure and transfer knowledge on a business-case for Climate Change initiatives at the firm level, in compliance with government policies and regulations.

The Centre continues to provide industries with best practices on environmental compliance through capacity building and compliance assessment in line with environmental regulation; reducing industrial carbon footprint by creating awareness; and promoting a circular economy in the manufacturing sector to ensure sustainability.

● Umoja Rubber bags Overall Energy Management Award

Umoja Rubber Products Limited was the overall winner of the 16th Energy Management Award. Mombasa Cement, Athi River Unit took the runners up award.

The event themed 'Rewarding Excellence in Sustainable Energy' awarded over 20 companies that achieved significant reductions in their energy consumption through the implementation of energy-efficient measures and technologies.



Umoja Rubber bags the 2020 overall Energy Management Award

● 16th EMA Hall of Fame

NO.	AWARD	WINNER
1.	Overall Energy Management Award	Umoja Rubber Products Limited
2.	Renewable Energy Award (S&M)	Allpack Industries Limited
3.	Renewable Energy Award (Large Consumer)	Standard Rolling Mills, Mombasa
4.	Water Efficiency Award	Mars Wrigley Confectionary Kenya Limited
5.	Students Awards	Labeler Shortstops Reduction Project by Sharon Shagiri of Jomo Kenyatta University of Agriculture & Technology
6.	Best Energy Management Team Award	Umoja Rubber Products Ltd
7.	Most Improved Award	Umoja Rubber Products Ltd
8.	Best New Entrant Award (S&M)	Kenyatta National Hospital
9.	Sustained High Performance Award	Mombasa Cement – Athi River Unit
10.	Energy Innovation Award	Mombasa Cement – Athi River Unit
11.	Best Energy Management Tea Sector Award	Ngorongo Tea Factory
12.	Best Energy Management Service Sector Award	Kenyatta National Hospital
13.	Fuel Savings Award (SC)	Umoja Rubber Products Ltd
14.	Fuel Savings Award (MC)	Karirana Estates Ltd
15.	Fuel Savings Award (LC)	Kenya Breweries Ltd
16.	Electricity Savings Award (SC)	Ngorongo Tea Factory
17.	Electricity Savings Award (MC)	Umoja Rubber Products Ltd
18.	Electricity Savings Award (LC)	Mombasa Cement, Athi River Unit

● Launch of Kenya National Energy Efficiency and Conservation Strategy

The Ministry of Energy launched the Kenya National Energy Efficiency and Conservation Strategy to enhance ongoing efforts towards achieving energy efficiency goals.

These include reducing the national energy intensity by 2.8% per year to achieve a 30 per cent emission reduction by 2030 and to meet the country's targets for Sustainable Development (SDG) 7 on Affordable and Clean Energy by 2030.

The Association is one of the partners who developed the strategy and is a key partner in its implementation.

● Forum on impact of COVID-19 on power costs in Kenya

The Association hosted a forum on the impact of COVID-19 on power costs in Kenya. The session provided insights on the introduction of new tax laws. It also highlighted the degazettement of the 30% electricity rebate programme, amidst the current crisis, which has a direct impact on the cost of production.

2. Waste Management

● KAM launches Business Plan model for Producer Responsibility Organization



KAM CEO Ms Phyllis Wakiaga, NEMA Director for Environmental Education & Awareness Dr Ayub Macharia and KAM Chair Mucai Kunyiha at the launch of the PRO Business Plan

Kenya Association of Manufacturers (KAM) launched the Strategic Business Plan for the establishment of a Plastic Producer Responsibility Organization (PRO) in Kenya.

The PRO will drive collective Extended Producer Responsibility (EPR) in the country, whereby a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle, whilst turning plastic waste into valuable resources.

The Strategic Plan sets out the direction of KAM's priorities in the waste value chain and a key action in effecting the steps towards a clean Kenya as industry moves from a linear to circular economy. The launch of the Strategic Business Plan for a Plastic Producer Responsibility Organization (PRO) is in line with commitments made in the Kenya Plastic Action Plan, launched in 2019.

The Business Plan was developed by KAM in partnership with Sustainable Inclusive Business under the KEPSA Foundation and the Embassy of the Kingdom of the Netherlands.

● World Environment Day

KAM hosted World Environment Day in partnership with PETCO Kenya and the County Governments of Kiambu and Kajiado. During the commemoration, the Association, in partnership with Takataka ni Mali, launched the COVID-19 Waste Management and Health Safety Measures Campaign to sensitize the public on proper disposal of COVID-19 waste.

● Manufacturers, Bakers partner to manage post-consumer plastic bread bags waste

The Association partnered with Bakers Association of Kenya to manage post-consumer plastic bread bags waste in the country.

Under the partnership, the two Associations shall work together with stakeholders across the waste management value chain to promote a circular economy in the country and to reduce plastic pollution arising from bread packaging in the country.



(L-R) KAM Chair Mucai Kunyiha and Bakers Association of Kenya Chair Dipesh Shah during the MoU signing ceremony

● KAM, Takataka ni Mali partner to promote Responsible Waste Management in the Counties

KAM signed a Memorandum of Understanding with Takataka ni Mali. Through the partnership, KAM and Takataka ni Mali will raise awareness on responsible waste management in the counties.

● KAM, Recycling Marketplace partner on waste management

KAM signed a Memorandum of Understanding with Recycling Marketplace, to connect businesses to reuse and recycling solutions in Kenya, geared towards enhancing waste management in the country.



KAM Celebrates World Environment Day in Kajiado County

INCLUSIVITY

1. SME Development

● Knowledge Exchange Initiatives

The Association partnered with Kenya Industrial Research and Development Institute (KIRDI) to host a study tour for manufacturing SMEs. The tour demonstrated to SMEs the best practices for innovative technologies, research and development (R&D) and incubation services.

KAM hosted the Retired Experts Program that provided manufacturing SMEs requiring specialized skills an opportunity to engage volunteer experts on how to sustainably grow their businesses.

Additionally, the Association provided sub-contracting and market linkages for local manufacturers between large companies and Small and Medium Enterprises (SMEs). KAM achieved this through its Subcontracting Program.

KAM also hosted a mentorship program for SMEs wishing to be mentored on good manufacturing practices, governance and leadership, manufacturing finance, export market development, sales and marketing management, human resource management, audit and risk management, supply chain management and technology innovations. Mentors were pooled from a diverse and experienced group of volunteers under KAM's Membership base.

● KAM, Jumia partner to promote market access

KAM partnered with Jumia to enable local industries to sell products on their online platform.

● Inclusive Manufacturing project

KAM partnered with GIZ – Creating Perspective: Business for Development (East Africa) Project to support manufacturing micro enterprises in business management for inclusive growth in East Africa (Kenya, Uganda and Rwanda).

Through the programme, participating companies were sensitized on business diagnostics to establish the challenges facing them, and their remedies. It also incorporated mentorship and coaching by experts to empower the project participants to play an active role in industry, for the region's economic growth.



● KAM, Ajua partner to promote market linkages for local industries



KAM Head of Membership and Governance Tobias Alando, KAM CEO Phyllis Wakiaga, Ajua Executive VP Dr Gilbert Saggia, Ajua Chief Product Officer Louis Majanja during the MoU Signing Ceremony with Ajua

KAM signed a partnership deal with Ajua, Africa's first Integrated Customer Experience Company, to drive the uptake of Kenyan made goods and unlock markets for local manufacturers through Ajua's SME Connect digital platform. The platform drives feedback through the entire value chain from consumer to manufacturers.

The SME Connect digital platform enables manufacturers to not only directly access retailers but also provide them access to feedback that comes from their consumers. This allows them to better enhance their products, market positioning and relevant competitive strategies that are critical for survival in the current market dynamics.

2. Women in Manufacturing

● Women in Manufacturing Report Launched



(L-R) International Centre for Research on Women, Kenya Director Cleopatra Mugenyi, Nairobi County Women Representative Esther Passaris and KAM Chair Mucai Kunyiha during the WIM Report Launch

KAM launched the first-ever Women in Manufacturing (WIM) Report in the region in partnership with the International Center for Research on Women (ICRW).

The Report is a critical advocacy tool in engaging the government in our objective to increase the participation of Women in sector. The outcomes of the research pivot KAM's advocacy drive of the Women in Manufacturing Program in Kenya, by providing concrete data on the necessary areas to improve. It also informs stakeholders on mainstreaming gender equality and inclusion in the manufacturing sector.

● Women and Youth Bankability Conference

The Association hosted the Women and Youth Bankability Conference, which provided an opportunity for manufacturing and aspiring entrepreneurs to directly seek information and guidance from government and financial institutions on attaining support and assistance.

● The WIM Webinars: The 4 Part Series



KAM WIM Live that focused on highlighting opportunities for women in the sector during the pandemic

The Association hosted a four-part webinar series to ensure women in manufacturing are resilient during this period. The inaugural webinar was the first KAM Live Show. It focused on restructuring a resilient business beyond the pandemic to address the impact of the COVID-19 on women in business.

The second webinar focused on the impact of COVID-19 on women's welfare and policy interventions needed to ensure that women get the right support to survive the crisis. The third part of the series featured Melvin's Mentorship Program graduation ceremony. This was hosted by KAM immediate past Chair Mr Sachen Gudka at their new state of the art plant at Chrome Partners. The last part focused on Leading Through this COVID -19 Crisis.

The series brought together industrialists, economists and industry experts.

● WIM Digital Workshop

KAM also hosted a WIM Digital Workshop to equip women industrialists with digital skills to navigate and access better markets for their products.

● Exchange visit



WIM Exchange visit to Chrome Partners

Additionally, women industrialists participated in an exchange visit to Skanem Interlabels and Sil Africa where they learnt and asked questions on the dos and don'ts of starting a business, opportunities for partnerships, the importance of mentorship, and practices that help build operational excellence.

● Women in Manufacturing partnerships

To support its role in executing the mandate of the Women in Manufacturing Program, the Association continued to partner with like-minded organizations, among them Bill and Melinda Gates Foundation in conjunction with Kenyatta University.

Besides assisting the WIM programme to advance its research on women in the sector, this partnership will also enhance the capacity of the WIM program to actualize in making a difference in women's businesses in the manufacturing sector.

The Association has also partnered with the Danish Embassy to host dissemination forums and engagements in 2021 across the Association's seven regions on the WIM Report Research.

3. Sustainable Business Practices

● SDGs Readiness Report

KAM, the Office of the Deputy President and Global Compact Network Kenya launched the Sustainable Development Goals (SDGs) Readiness Report that Furthermore, our support for women and girls was also instituted in a partnership agreement between KAM and Awareness Against Human Traffic (HAART). As a corporate social initiative and in the aspect of assisting to build and restore the humanity of human trafficking victims, WIM will continue to engage HAART to identify women and girls (entrepreneurs and innovators) and assist in building technical skills, instituting partnerships and providing internship and employment opportunities. Studied the progress of implementation of the Goals from a policy, legislative and institutional perspective in the country.

The report provides a legislative review of Kenyan Laws to identify areas that need to be reformed to align with the SDG commitments. Additionally, it identified gaps in the laws and policies across the 17 goals with an emphasis on how the country can achieve green economic growth and recommends interventions.

The report also reviewed institutional arrangements for executing SDG commitments and made recommendations on how Parliament should monitor the national and sub-national execution of SDG commitments.

● Making Global Goals Local Business – Africa Forum

The Association participated in the Making Global Goals Local Business – Africa Forum. The Forum, which brought together more than 2,000 African business leaders from across 35 countries and the UN, aimed to inform, inspire and catalyze collective approaches in this Decade of Action in Africa to realize the 2030 Agenda for sustainable development and Agenda 2063 on the continent.

The forum provided the Association with an opportunity to showcase the role of the manufacturing sector in realizing the SDGs and Africa Union's Agenda 2063 - the Africa We Want.



GLOBAL COMPACT NETWORK KENYA

Ring the Bell for Gender Equality

Global Compact Kenya in partnership with Nairobi Securities Exchange (NSE), UN Women and International Finance Corporation (IFC) hosted the 6th Bell Ringing Ceremony for Gender Equality to raise awareness and action among listed companies and the wider Private Sector.

The event consisted of a CEO panel that deliberated on gender balance in leadership and the workplace, and a Human Resource (HR) Directors panel that focused on policies to promote gender equality. Target Gender Equality programme was also launched during the event.

Commemorating International Anti-Corruption Day

Global Compact Kenya represented the private sector during the International Anti-Corruption Day themed 'Recover with Integrity'.

Global Compact urged the private sector to sign up to the Ten Principles of the UN Global Compact. Business community was also urged to not only avoid bribery, extortion and other forms of corruption but also proactively develop policies to address corruption internally within supply chains.





STAKEHOLDER ENGAGEMENT

KAM operates in a dynamic environment, catalyzed by an ever-changing policy and regulatory environment. To this end, KAM continued to build and maintain strong relations with its stakeholders, ensuring continued alignment in the shared vision to realize sustainable economic development for our country.

The Association amplified its thought leadership position in matters industry, skills development, green economy and creating awareness on the importance of having a strong industrial base as a country.

This was achieved through media engagements, publicity and interview platforms on diverse media, dissemination of statements indicative of the Associations position, as well as commentaries on current affairs relating to industry and the economy. The Board and Secretariat also organized courtesy calls to various Government Ministries, Departments and Agencies, to align the goals and objectives of the Big 4 Agenda with those of industry, towards the development of the country.

We also held roundtable meetings with partner organizations, and various leaders in national and county governments on progress in on-going areas of partnership. Additionally, we held several networking events where our members interacted and exchanged information beneficial to the growth of their businesses.

With the restriction put in place to help to curb the spread of the coronavirus, we reevaluated our communication platforms to incorporate more digital aspects,

including webinars and live sessions. Consequently, this led to more engagements with our stakeholders, including Members and social media users.

Keep Kenya Moving was one of the digital campaigns that we undertook in 2020. The Campaign provided Members and the general public with constant updates and reminders on COVID-19 mitigation measures. It also amplified various Member-driven initiatives to support the country through the campaign. Some of the companies featured in the campaign include Bidco Africa, BAT Kenya, SilAfrica and Delmonte Kenya.

Through this campaign we:

- Reached over 2,483,000 social media accounts
- Garnered over 9,700 followers on our social media platforms
- Our videos gained over 323,000 views

Our first live session was the Women in Manufacturing Live Show in June 2020, which garnered over 40,000 views and reached over 68,000 social media accounts.

Other KAM Live shows that we hosted in 2020 include:

- The Budget Live Show
- Launch of the WIM Report
- Energy Management Awards (EMA) Live
- Launch of the KAM TVET Programme Live

Our Stakeholders include





**WELCOME
TO KAM FAMILY
NEW MEMBERS IN 2020**

NO.	Company	Sector
1.	Chiromo Fertilizers Limited	Agro Processing
2.	Elegant Fittings Limited	Building, Mining & Construction
3.	Compact Poles & Services Ltd	Building, Mining & Construction
4.	Hydro Water Well (K) Ltd	Building, Mining & Construction
5.	Eurocon Tiles Products Ltd	Building, Mining & Construction
6.	Phillipson Builders Ltd	Building, Mining & Construction
7.	Alfatech Contractors Limited	Building, Mining & Construction
8.	Aristocrats Concrete Limited	Building, Mining & Construction
9.	Gjenge Makers Limited	Building, Mining & Construction
10.	Karsan Ramji And Sons Limited	Building, Mining & Construction
11.	Eldoret Quarry Ltd	Building, Mining & Construction
12.	Hti International Ltd	Chemical & Allied
13.	Thika Wax Works Ltd	Chemical & Allied
14.	Mayim Chayim Limited	Chemical & Allied
15.	Saru Treasured Brands Ltd	Chemical & Allied
16.	Indigo Industries Ltd	Chemical & Allied
17.	BIC East Africa Limited	Chemical & Allied
18.	Balaji Group Of Industries Limited	Chemical & Allied
19.	Ideal Manufacturing Company Limited	Chemical & Allied
20.	Simba Foam Limited	Chemical & Allied
21.	Polysynthetics Eastern Africa Ltd	Chemical & Allied
22.	Fosroc Kenya Limited	Chemical & Allied
23.	Maj-chemie Ltd	Chemical & Allied
24.	Di Lorenzo Limited	Chemical & Allied
25.	Hayat Kimya Kenya Hygienic Products Ltd	Chemical & Allied
26.	Nasib Industrial Products Limited	Chemical & Allied
27.	Specialised Fibreglass Ltd	Chemical & Allied
28.	Impala Glass Industries Ltd	Chemical & Allied
29.	Sika Kenya Limited	Chemical & Allied
30.	Dynamic Chemicals Limited	Chemical & Allied
31.	Pidilite East Africa Ltd	Chemical & Allied
32.	Hanse Impex Company Limited	Chemical & Allied
33.	Batra Company Limited	Chemical & Allied
34.	Rosakind East Africa Limited	Chemical & Allied
35.	Vintage Reliable Services Ltd	Chemical & Allied

NO.	Company	Sector
36.	Airos Investment Limited	Chemical & Allied
37.	Nagaad Company Limited	Chemical & Allied
38.	The Amazing Nyumba Co. Ltd	Chemical & Allied
39.	Aromakare Limited	Chemical & Allied
40.	Elvante Limited	Chemical & Allied
41.	Global Slacker Enterprises	Chemical & Allied
42.	Crystal River Products Limited	Chemical & Allied
43.	Beyond Borders International	Chemical & Allied
44.	Hychem Hygiene & Healthcare Solutions	Chemical & Allied
45.	Ndemmi Limited	Chemical & Allied
46.	Zene Limited	Chemical & Allied
47.	Kipepeo Industries Limited	Chemical & Allied
48.	CFAO Agri Limited	Energy, Electricals & Electronics
49.	Mbiri Technologies	Energy, Electricals & Electronics
50.	Ferrotech Industries Limited	Energy, Electricals & Electronics
51.	Multi Cable Kenya Ltd	Energy, Electricals & Electronics
52.	Taifa Cables & Retreads Limited	Energy, Electricals & Electronics
53.	Cable Connect Limited	Energy, Electricals & Electronics
54.	Golden Lion International Ltd	Energy, Electricals & Electronics
55.	Mustaqbal Technology Co. Ltd	Energy, Electricals & Electronics
56.	Green Hillcable Co. Ltd	Energy, Electricals & Electronics
57.	Isky Smart Tech Ltd	Energy, Electricals & Electronics
58.	Sunculture Kenya Limited	Energy, Electricals & Electronics
59.	Surge Energy Limited	Energy, Electricals & Electronics
60.	Tronic Kenya Limited	Energy, Electricals & Electronics
61.	Bitutech Ltd	Energy, Electricals & Electronics
62.	Espace Malter Limited	Energy, Electricals & Electronics
63.	Embelisher Ltd	Energy, Electricals & Electronics
64.	United Lubricants Limited	Energy, Electricals & Electronics
65.	Ecorific Ltd	Food & Beverage
66.	Bidcoro Africa Limited	Food & Beverage
67.	Bee-care Apiaries International Ltd	Food & Beverage
68.	Stockfeed Enterprises (K) Ltd	Food & Beverage
69.	Kijata Enterprises Ltd	Food & Beverage
70.	Tapioca Limited	Food & Beverage

NO.	Company	Sector
71.	Mvita Oils Limited	Food & Beverage
72.	Salwa Kenya Limited	Food & Beverage
73.	Shake & Cream	Food & Beverage
74.	Mypasta Limited	Food & Beverage
75.	Devkan Enterprises Ltd	Food & Beverage
76.	Patiala Distillers (K) Limited	Food & Beverage
77.	Ustawi Grain Millers Limited	Food & Beverage
78.	Upfield Kenya Limited	Food & Beverage
79.	Ankole Grill Ltd	Food & Beverage
80.	Elite Innovations K. Ltd	Food & Beverage
81.	Freshlife Initiative Limited	Food & Beverage
82.	Maji Water Storage Ltd	Food & Beverage
83.	Osho Grain Millers Ltd	Food & Beverage
84.	Pack Ingredients E.A Ltd	Food & Beverage
85.	Marakiqana Ltd	Food & Beverage
86.	Convex Commodity Merchants Limited	Food & Beverage
87.	Emat For Investment Limited	Food & Beverage
88.	Miyonga Fresh	Food & Beverage
89.	Crystal World Agencies Ltd	Food & Beverage
90.	Hephzibah International Ltd	Food & Beverage
91.	Lactacare Kenya Limited	Food & Beverage
92.	Kalabashi Investments Ltd	Food & Beverage
93.	Mamaz Spices Limited	Food & Beverage
94.	Massatech Kenya Limited	Food & Beverage
95.	Acee Limited	Food & Beverage
96.	Beta Bakers Limited	Food & Beverage
97.	Suguna Poultry (Kenya) Limited	Food & Beverage
98.	Crywan Enterprises Limited	Food & Beverage
99.	Sigma Feeds Limited	Food & Beverage
100.	Groupaco Holdings Ltd	Food & Beverage
101.	Aquamist Limited	Food & Beverage
102.	Bidco Land O' Lakes Limited	Food & Beverage
103.	Sima Grains Ltd	Food & Beverage
104.	Sky House Of Cakes	Food & Beverage
105.	Farmyard International Investment Ltd	Food & Beverage

NO.	Company	Sector
106.	Ramm Millers Ltd	Food & Beverage
107.	Eagles Bread	Food & Beverage
108.	Khetia Drapers Limited	Food & Beverage
109.	Kavirondo Filament Ltd	Food & Beverage
110.	Kibos Distillers Limited	Food & Beverage
111.	Alicia Bakers & Confectioners Ltd	Food & Beverage
112.	Mayfair Holdings Limited	Food & Beverage
113.	Sunbake Enterprises Ltd	Food & Beverage
114.	Adix Shoes Ltd	Leather & Footwear
115.	Eco Bags Industries Ltd	Leather & Footwear
116.	Jeilo Leather Collections	Leather & Footwear
117.	Reflex Footwear Limited	Leather & Footwear
118.	Colombus Footwear Limited	Leather & Footwear
119.	Patian Enterprises Ltd	Leather & Footwear
120.	Safari Aluminium Ltd	Metal & Allied
121.	Smart Link Supplies Ltd	Metal & Allied
122.	African Marine & General Engineering Co. Ltd	Metal & Allied
123.	Elephant Steel Industries Ltd	Metal & Allied
124.	Umbrella Steel Limited	Metal & Allied
125.	Supa Brite Ltd	Metal & Allied
126.	Metal Tin Containers Limited	Metal & Allied
127.	Engineering Development Ltd	Metal & Allied
128.	Hind Aluminium Industries (Kenya) Ltd	Metal & Allied
129.	Apex Piping Systems Ltd	Metal & Allied
130.	Vectus Kenya Limited	Metal & Allied
131.	Accurate Steel Mills Ltd	Metal & Allied
132.	Canon Aluminium Fabricators Ltd	Metal & Allied
133.	Metal Cans & Closures Kenya Ltd	Metal & Allied
134.	Keepings Trading Limited	Metal & Allied
135.	Chui Wire Products Ltd	Metal & Allied
136.	Simba Metal Products Limited	Metal & Allied
137.	Sprint Company Limited	Metal & Allied
138.	Wiresmore Industries Limited	Metal & Allied
139.	Captain Motorcycle Manufacturing Co.	Motor Vehicle & Accessories
140.	Tet Otomotif Parts Industries Ltd	Motor Vehicle & Accessories

NO.	Company	Sector
141.	Car & General Trading Ltd	Motor Vehicle & Accessories
142.	CMC Motors Group Limited	Motor Vehicle & Accessories
143.	Fine Tread & Allied Industries Ltd	Motor Vehicle & Accessories
144.	Pantech Kenya Limited	Motor Vehicle & Accessories
145.	ISM Africa Ltd	Motor Vehicle & Accessories
146.	RSA Kenya Limited	Motor Vehicle & Accessories
147.	Unique Packaging (Ke) Limited	Paper & Paper Board
148.	Carton Experts Limited	Paper & Paper Board
149.	Flexoworld Limited	Paper & Paper Board
150.	Paper Converters K Ltd	Paper & Paper Board
151.	Phoeni Paper Limited	Paper & Paper Board
152.	Quickpack Limited	Paper & Paper Board
153.	Chrome Partners Limited	Paper & Paper Board
154.	Paperplast Limited	Paper & Paper Board
155.	The Print Store Ltd	Paper & Paper Board
156.	Purex Holdings Ltd	Paper & Paper Board
157.	Kibos Paper & Packaging Limited	Paper & Paper Board
158.	Nerix Pharma Ltd	Pharmaceutical & Medical Equipment
159.	Aesthetics Limited	Pharmaceutical & Medical Equipment
160.	Onkod Company Limited	Pharmaceutical & Medical Equipment
161.	Crown Solutions Limited	Pharmaceutical & Medical Equipment
162.	Megapipes Solution Limited	Pharmaceutical & Medical Equipment
163.	Zain Pharma Limited	Pharmaceutical & Medical Equipment
164.	Texplast Industries Limited	Plastics & Rubber
165.	Star Plastics Limited	Plastics & Rubber
166.	High Plast Industries Ltd	Plastics & Rubber
167.	Evo Pack Limited	Plastics & Rubber
168.	Dentex Industries Ltd	Plastics & Rubber
169.	Styroplast Ltd	Plastics & Rubber
170.	Comet Plastics Ltd	Plastics & Rubber
171.	Plastico Industries Ltd	Plastics & Rubber
172.	Mr. Green Trading Africa (K) Ltd	Plastics & Rubber
173.	G.N & Co Polythene Ltd	Plastics & Rubber
174.	Vintz Industries Ltd	Plastics & Rubber
175.	Blowplast Limited	Plastics & Rubber

NO.	Company	Sector
176.	Shrink Pack Limited	Plastics & Rubber
177.	Apex Piping Systems	Plastics & Rubber
178.	R & R Plastic Limited	Plastics & Rubber
179.	Thermopak Ltd	Plastics & Rubber
180.	Stallion Manufacturers Limited	Plastics & Rubber
181.	Adarsh Polymer Ltd	Plastics & Rubber
182.	Autopak International Limited	Plastics & Rubber
183.	Enclave Packaging Limited	Plastics & Rubber
184.	Sai Industries Limited	Plastics & Rubber
185.	Astral Industries Limited	Plastics & Rubber
186.	Kansan Industrial Ltd	Plastics & Rubber
187.	Metro-poly Kenya	Plastics & Rubber
188.	Sarrchem International Ltd	Service & Consultancy
189.	B2B Africa Ltd	Service & Consultancy
190.	Nelion Trading Ltd	Service & Consultancy
191.	Riftcot Limited	Service & Consultancy
192.	Union Logistics Limited	Service & Consultancy
193.	Bowmans (Coulson Harney LLP)	Service & Consultancy
194.	KPMG Advisory Services Ltd	Service & Consultancy
195.	Solutech Limited	Service & Consultancy
196.	Summit Recruitment & Search Ltd	Service & Consultancy
197.	Dupont De Nemours Kenya Ltd	Service & Consultancy
198.	Brandworld Communications Ltd	Service & Consultancy
199.	Mane Kenya Limited	Service & Consultancy
200.	DST East Africa	Service & Consultancy
201.	Gateway Prosthetics and Orthotics Ltd	Service & Consultancy
202.	Patricks Law Associates	Service & Consultancy
203.	M-Gas Limited	Service & Consultancy
204.	Oxford Aptitude Limited	Service & Consultancy
205.	Rova Digital Limited	Service & Consultancy
206.	Top Tier Ltd	Service & Consultancy
207.	HWS Link Limited	Service & Consultancy
208.	Ren Company Limited	Service & Consultancy
209.	Tropical Power Kenya Ltd	Service & Consultancy
210.	Equity Bank (K) Limited	Service & Consultancy

NO.	Company	Sector
211.	Cloud Hop (K) Ltd	Service & Consultancy
212.	Continental Logistics Network Ltd	Service & Consultancy
213.	Dala Textiles (K) EPZ Limited	Textile & Apparels
214.	Davanns Limited	Service & Consultancy
215.	Meems Ltd	Service & Consultancy
216.	Weaver Bird Garment Manufacturers Ltd	Textile & Apparels
217.	The Blanket Industries Ltd	Textile & Apparels
218.	Ritz Enterprises Limited	Textile & Apparels
219.	Sasa Africa Limited	Textile & Apparels
220.	Teeny Fashions Ltd	Textile & Apparels
221.	Wonderpac Industries Limited	Textile & Apparels
222.	Wild Elegance Africa Limited	Textile & Apparels
223.	Brother Shirts Factory Ltd	Textile & Apparels
224.	Radheshyam Suppliers Ltd	Textile & Apparels
225.	Promo Kings Ltd	Textile & Apparels
226.	Sai Sportswear & Uniforms Ltd	Textile & Apparels
227.	Crafts With Meaning Ltd	Textile & Apparels
228.	Plusify Ltd	Textile & Apparels
229.	Silverscope Limited	Textile & Apparels
230.	Brandnest Advertising & Design Ltd	Textile & Apparels
231.	Create A Tee Limited	Textile & Apparels
232.	Extra Dimensions Co. Ltd	Textile & Apparels
233.	Jiji Ventures	Textile & Apparels
234.	Savannah Sun Ltd	Textile & Apparels
235.	Royal Clothing Epz Ltd	Textile & Apparels
236.	Sueng Enterprises Ltd	Textile & Apparels
237.	Mas Intimates Kenya (EPZ) Limited	Textile & Apparels
238.	Kilulu Creatives Limited	Textile & Apparels
239.	Mahalakshmi Garments (K) EPZ Ltd	Textile & Apparels
240.	New Wide Apparel EPZ Ltd	Textile & Apparels
241.	Jiira Trading Ltd	Textile & Apparels
242.	Kitui County Textile Center	Textile & Apparels
243.	T3 (EPZ) Limited	Textile & Apparels
244.	Westport Nguo Yetu City EPZ Ltd	Textile & Apparels
245.	Texpro Ltd	Textile & Apparels

NO.	Company	Sector
246.	Fabnon Woven Kenya Ltd	Textile & Apparels
247.	Simba Playground Ltd	Timber, Wood & Furniture
248.	Quercia Vestito Limited	Timber, Wood & Furniture
249.	Velmac Furniture Enterprises	Timber, Wood & Furniture
250.	Wood Products (K) Ltd	Timber, Wood & Furniture
251.	Better Globe Forestry Ltd	Timber, Wood & Furniture
252.	Green Creative Company Ltd	Timber, Wood & Furniture
253.	Aldowoodmakers	Timber, Wood & Furniture
254.	Bushtown Kitchen & Interiors	Timber, Wood & Furniture
255.	Efaid Enterprises	Timber, Wood & Furniture
256.	Love Artisan	Timber, Wood & Furniture
257.	Peerless Interiors	Timber, Wood & Furniture
258.	Janwill Enterprises Limited	Timber, Wood & Furniture



“Looking ahead at the year before us, we are hopeful that the resilience of industry in the year will have prepared us to face the challenges ahead. No doubt the COVID-19 pandemic is not over yet and we continue to advocate government to enhance and speed up a vaccination programme for Kenya as the long-term solution to managing the pandemic.

*Mr Mucai Kunyiha
KAM Chairman*”



FINANCIAL REPORT

Directors	Mucai Kunyiha Rajan Shah Sachin Gudka Kaushik Shah Lutaf Kassam Stephen Brooks Bharat Shah Rajan Malde Rohin Vora Ciiru Waweru Jane Karuku Bimal Kantaria Pankaj Bedi Linus Gitahi Hitesh Mediratta Ashit Shah Beverley Spencer Obatoyinbo – Resigned 31 December 2020 Marion Gathoga Mwangi Mihir Chalishazar (co-opted) Mary - Ann Musangi (co-opted) Jedidah Thotho (Co-opted)	Chairperson Vice Chairperson Ex- Officio Executive Committee Member
Chief Executive	Phyllis Wakiaga (Ms)	
Secretary	Adili Corporate Services Kenya Certified Company Secretaries (Kenya) ALN House, Eldama Ravine Road, Westlands P O Box 764, Sarit Centre, Westlands Nairobi, Kenya	
Registered Office	LR 1870/1/553 - KAM Building 15 Mwanzi Road, Westlands P O Box 30225 - 00100 Nairobi, Kenya	
Bankers	Absa Bank Kenya PLC Market Branch P O Box 30018 - 00100 Nairobi, Kenya Diamond Trust Bank Kenya Limited DTB Centre, Mombasa Road P O Box 61711 - 00200 Nairobi, Kenya	
Auditor	PricewaterhouseCoopers LLP PwC Tower, Waiyaki Way / Chiromo Road Westlands P O Box 43963 - 00100 Nairobi, Kenya	
Legal Advisor	Murimi and Company Advocates 2nd Floor, Electricity House Harambee Avenue P O Box 540052 - 00200 Nairobi, Kenya	

The directors present their report together with the audited financial statements of Kenya Association of Manufacturers (the “Company”/the “Association”) for the year ended 31 December 2020.

Incorporation

The Company is domiciled in Kenya where it is incorporated as a private company limited by guarantee (and not share capital) under the Companies Act, 2015. The address of the registered office is set out on page 2.

Directors

The present membership of the board of directors is shown on page 2.

Principal activities

The principal activity of the Company continues to be the promotion of competitive local manufacturing in a liberalised market.

Business review

Kenya Association of Manufacturers (KAM) is the representative body for manufacturing and value-add industries in Kenya.

Since its inception in 1959, the Association has evolved into a dynamic, vibrant, credible and respected business membership organization that unites industrialists and offers a common voice for businesses.

In addition to increasing its membership base, KAM’s sustainability strategy entails engaging donor partners to support projects that benefit the manufacturing sector, through funding.

The Association has maintained its portfolio of investments in rental property, money markets and capital market instruments. These investments continued to support KAM’s initiatives and core mandate of fact-based policy advocacy geared towards trade and investment promotion, upholding standards as well as encouraging the formulation, enactment and administration of sound policies that facilitate a competitive business environment.

Outlook

The ongoing COVID-19 pandemic is still having devastating effects on livelihoods, businesses and economies around the world. Measures put in place to mitigate the spread of the virus have resulted in a slowdown in economic growth, with some sectors more heavily impacted than others.

Members’ businesses have not been spared. In addition, there has been an impact on the Association’s ability to carry out planned activities; the Association recorded reduced income from activities, as set out in Note 4 of the financial statements. However, we are optimistic about continued donor support and general macroeconomic stability in 2021.

KAM remains committed to driving the local industry’s competitiveness and productivity by advocating for an enabling business environment.

Restatement of prior year results

The Company's financial statements include a restatement of the statement of financial position as at 31 December 2018 and 31 December 2019 to correct prior period errors. These are explained in Note 23 of the financial statements.

Results

The surplus for the year of Shs 30,391,169 (2019: Shs 27,125,414) has been added to accumulated surpluses.

Disclosures to auditor

The directors confirm that with respect to each director at the time of approval of this report:

- (a) There is, as far as each director is aware, no relevant audit information of which the Company's auditor is unaware; and
- (b) Each director had taken all steps that ought to have been taken as a member so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Terms of appointment of auditor

PricewaterhouseCoopers LLP continues in office in accordance with the Company's Articles of Association and Section 719 (2) of the Companies Act, 2015.

The directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the members.

By order of the Board

Adili Corporate Services Kenya
Company Secretary

___ May 2021

The Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and of its profit or loss for that year. The directors are responsible for ensuring that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; disclose with reasonable accuracy at any time the financial position of the Company; and that enables them to prepare financial statements of the Company that comply with prescribed financial reporting standards and the requirements of the Companies Act, 2015. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Companies Act, 2015. They also accept responsibility for:

- (i) Designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) Selecting suitable accounting policies and applying them consistently; and
- (iii) Making accounting estimates and judgements that are reasonable in the circumstances.

Having assessed the Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on ___ May 2021 and signed on its behalf by:

 Mucai Kunyiha
 Director

 Rajan Shah
 Director

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE KENYA ASSOCIATION OF MANUFACTURERS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Kenya Association of Manufacturers Limited (the “Company”) set out on pages 9 to 43 which comprise the statement of financial position at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view of the financial position of Kenya Association of Manufacturers Limited at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the Corporate information, the report of the directors and the Statement of directors’ responsibilities, which we obtained prior to the date of this auditor’s report, and the rest of the information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor’s report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor’s report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KENYA ASSOCIATION OF MANUFACTURERS LIMITED (CONTINUED)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2015 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KENYA ASSOCIATION
OF MANUFACTURERS LIMITED (CONTINUED)**

Report on other matters prescribed by the Companies Act, 2015

In our opinion the information given in the Report of the directors on pages 3 and 4 is consistent with the financial statements.

FCPA Michael Mugasa, Practicing Certificate Number 1478
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

___ May 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2020	2019
		Shs	Shs
Income from members	4	186,982,897	170,893,595
Other operating income	5	62,415,637	67,118,517
Grants income	20	154,834,337	198,738,930
Grants income		<u>404,232,871</u>	<u>436,751,042</u>
Administrative expenses	6	(211,416,774)	(232,150,807)
Grants expenditure		(154,834,337)	(177,427,166)
Finance income	8	15,207,136	8,720,876
Finance costs	9	(1,077,392)	(1,050,054)
Surplus before income tax		<u>52,111,504</u>	<u>34,843,891</u>
Income tax expense	10	(21,720,335)	(7,718,477)
Surplus for the year		<u>30,391,169</u>	<u>27,125,414</u>
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Fair value changes on financial assets at fair value through other comprehensive income (FVOCI)	15	(1,037,015)	(5,710,252)
Deferred income tax	17	311,105	1,713,076
		<u>(725,910)</u>	<u>(3,997,176)</u>
Total comprehensive income for the year		<u><u>29,665,259</u></u>	<u><u>23,128,238</u></u>

STATEMENT OF FINANCIAL POSITION

	Notes	2020	2019	2018
RESERVES		Shs	Shs	Shs
Fair value reserves		(6,072,215)	(5,346,305)	(1,349,129)
Accumulated surpluses		435,505,333	405,114,164	377,988,750
		<u>429,433,118</u>	<u>399,767,859</u>	<u>376,639,621</u>
Non-current liabilities				
Deferred income tax	17	59,403,494	32,339,727	28,950,589
Lease liabilities	19	8,077,793	8,893,809	-
		<u>67,481,287</u>	<u>41,233,536</u>	<u>28,950,589</u>
		<u>496,914,405</u>	<u>441,001,395</u>	<u>405,590,210</u>
REPRESENTED BY				
Non-current assets				
Property and equipment	11	28,194,180	29,749,878	33,565,690
Right-of-use assets	13	7,459,306	8,774,638	-
Investment property	12	274,135,721	286,379,968	305,260,415
Financial investments	15	31,655,902	38,103,677	47,227,226
		<u>341,445,109</u>	<u>363,008,161</u>	<u>386,053,331</u>
Current assets				
Trade and other receivables	16	10,102,659	26,728,998	38,450,064
Grants receivable	20	826,692	56,304,937	69,539,903
Current income tax	10	20,766,545	11,113,829	-
Financial investments	15	213,782,359	47,065,630	19,766,250
Cash and bank balances	14	131,938,709	117,695,542	168,494,293
		<u>377,416,964</u>	<u>258,908,936</u>	<u>296,250,510</u>
Current liabilities				
Trade and other payables	18	144,641,243	138,784,094	183,512,047
Unexpended grants	20	76,693,074	41,518,257	77,558,941
Lease liabilities	19	613,351	613,351	-
Current income tax		-	-	15,642,643
		<u>221,947,668</u>	<u>180,915,702</u>	<u>276,713,631</u>
Net current assets		<u>155,469,296</u>	<u>77,993,234</u>	<u>19,536,879</u>
		<u>496,914,405</u>	<u>441,001,395</u>	<u>405,590,210</u>

The financial statements on pages 9 to 43 were approved and authorised for issue by the Board of Directors on ____ May 2021 and were signed on its behalf by:

 Mucai Kunyiha
 Director

 Rajan Shah
 Director

P. O. Box 30225 - 00100 Nairobi, Kenya

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Westlands, Nairobi, Kenya

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🌐 Kenya Association of Manufacturers