

SECTORS MILESTONES & UPCOMING ACTIVITIES



JANUARY 2024

**Building Towards
Manufacturing 20by30**



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KAM_Kenya



Kenya Association of Manufacturers



ABOUT KAM

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Established in 1959, the Kenya Association of Manufacturers (KAM) is a representative of manufacturing and value-add industries in Kenya. The Association is front and center in driving fact-based policy advocacy toward the formation of industrial policies to strengthen and support the country's economic development. Through fact-based advocacy, KAM partners with Government and its associated agencies to ensure a dynamic and flourishing manufacturing sector in Kenya, to realize a double-digit contribution to GDP.

In this monthly report, we highlight the significant steps we are making in our advocacy agenda featuring key engagements with stakeholders including but not limited to National Government, County Governments, Regional trading blocs, and development partners, among others.



To be a World-class Business Member Organization (BMO) that effectively delivers services to its members.



To promote competitive and sustainable local manufacturing.



To transform KAM into a sustainable member-focused association delivering relevant, quality, timely and effective services to its members.



Create prosperity for the nation through industrialization.



- **Effectiveness**
- **Good Governance**
- **Innovation**
- **Professionalism**
- **Responsiveness**
- **Teamwork**

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KAM SECTORS MILESTONES

I. FOOD AND BEVERAGE SECTOR

→ KAM engages Homa Bay Governor on Agriculture for Industry



Engagement Details

On 23rd January 2024, KAM engaged Homa Bay County Governor, H.E. Hon. Gladys Wanga, on the KAM Agriculture for Industry (A4I) agenda. The meeting deliberated on the potential areas of collaboration with a focus on the County's priority value chains, namely oil seeds (groundnut, palm, soyabean, sunflower), pineapples, poultry, and rice.

Outcome

It was agreed that KAM and Homa Bay County shall begin an initial collaboration on the groundnut value-chain. The County shall support in mobilizing farmers while KAM shall support in identifying the seeds required to produce the varieties which the processors need, thereby serving as an offtake market. Both parties will collaborate on the provision of extension services to ensure aflatoxin challenges are mitigated. The next engagement is slated for mid-February.

→ Homa Bay Governor visits Capwell Industries



Engagement Details

On 22nd January 2023, Homa Bay Governor, H.E. Hon. Gladys Wanga, paid a visit to Capwell Industries, Thika, to seek a partnership between the manufacturer and the County and to find market linkages for rice, sorghum, red millet, sweet potatoes, and cassava.

Outcome

KAM to continue partnering with Homa Bay County in providing market access to farmers on select value chains.

→ KAM Poultry Sector meets on Budget Proposal



Engagement Details

On 16th January 2024, KAM members in the Poultry Subsector held an internal meeting to discuss a budget proposal seeking to remove excise duty levied on imported fertilized chicken eggs for incubation (0407.11.00) with a view to have the sector aligned on the proposal.

Outcome

The members could not agree to this proposal. As such, the Chair of the meeting guided the matter to be escalated to the KAM Trade and Tax Committee (TTC) for their consideration and direction on the way-forward.

Upcoming Activities:

- Meeting with BMOs on 13th February 2024 to discuss the Nuts and Oil Crops Development Bill, 2023 and develop a collaborative advocacy strategy on the Bill.
- Meeting with sugar users on 8th February 2024 to discuss ongoing issues affecting the sector including the Sugar Bill, 2022 and to develop a roadmap on the way-forward to mitigate negative impact on the sector.

For more details on the sector, please contact: davies.nyachienga@kam.co.ke

KAM SECTORS MILESTONES

2. AUTOMOTIVE SECTOR

→ E-Mobility Technical Working Group meets on 2024/2025 Budget Proposals



Engagement Details

The E-Mobility Technical Working Group held a series of meetings to discuss and develop budget proposals on fiscal and non-fiscal incentives for the E-Mobility Subsector. Details of the agreed position will be disseminated to all members for their input.

Outcome

The working group agreed on duty-free importation of a limited number of Fully Building Units (FBUs) for pilot purposes, with a cap of 15 units per Original Equipment Manufacturer (OEM).

Upcoming Activities:

- The Motorcycle Assemblers and Associated Batteries Manufacturers meet on 1st February 2024 at ABM offices to discuss and receive update on localization of motorcycle batteries.

For more details on the sector, please contact: jackson.wambua@kam.co.ke.

3. PHARMACEUTICAL SECTOR

→ Pharmaceutical Sector engages Ministry of Health on local manufacturing



Engagement Details

On 25th January 2024, the KAM Pharmaceutical Sector participated in a meeting organized by the Ministry of Health to explore and discuss pathways towards prioritizing and enhancing local capacity to manufacture Health Products and Technologies (HPT), which will be integral in realizing access to safe and affordable healthcare for all Kenyans.

During a Local HPT Manufacturers Expo held in October 2023, the President, H.E. Dr William Ruto, committed that by 2026, at least 50% of the medicines in the Kenya Essential Medicines List (KEML) shall be produced locally.

Outcome

To have an evidence-based implementation framework for this agenda, the Ministry of Health aims to conduct a local industry capacity baseline assessment, targeting all HPT manufacturers, procuring agencies and regulators. A data collection tool has been sent to industry representatives for perusal.

For more details on the sector, please contact: jackson.wambua@kam.co.ke.

KAM SECTORS MILESTONES

4. TEXTILES AND APPARELS SECTOR

→ EPZ Textile and Apparel Subsector sets 2024 Priority Agenda



Engagement Details

On 10th January 2024, the KAM EPZ Textile and Apparel Subsector held a sector meeting to set the priority agenda for 2024. The Sub-sector, through the guidance of the sector leadership, focused on AGOA extension, market linkages, cost competitiveness, and the need to connect the government to the realities of the sector.

Outcome

The Sub-sector to hold a follow-up meeting in February to review progress on the priority agenda.

→ Homa Bay Governor visits Thika Cloth Mills



Engagement Details

On 22nd January 2023, the Homa Bay County Governor, H.E. Hon. Gladys Wanga, in collaboration with KAM leadership, paid a visit to Thika Cloth Mills. The meeting deliberated on areas of partnership and market linkages between the manufacturer and Homa Bay County on cotton value chain.

Outcome

KAM to continue partnering with Homa Bay County in providing market access to farmers on select value chains.

For more details on the sector, please contact: purity.gachugu@kam.co.ke.

5. PAPER AND PAPER BOARD SECTOR

→ Paper Millers Subsector deliberates on Local Paper Supply Challenges



Engagement Details

On 26th January 2024, the Paper Millers Subsector held a meeting to discuss the challenges affecting the local supply of paper.

Outcome

The millers agreed to work with corrugators on a B2B basis to ensure adequate supply of paper. Millers also agreed to participate in the paper verification exercise.

KAM SECTORS MILESTONES

→ National Paper Verification Mission



Engagement Details

The National Paper Verification Committee has been constituted, bringing together representatives from the Ministry of Investments, Trade and Industry, Kenya Revenue Authority (KRA), Kenya Bureau of Standard (KEBS), KAM Secretariat as well as representatives from Paper millers, paper corrugators and paper converters.

Outcome

The committee held its inception meeting on 24th February 2024 to consider and approve the road map and committed to conclude the exercise and report by end of March 2024. The report will be used in guiding the government on taxation of paper and paper products.

Upcoming Activities:

- The National Independent Paper Verification Committee met on 1st February 2024 at KAM house to review the inception report and data collection tools ahead of the verification visits. This is to facilitate rollout of the verification.

For more details on the sector, please contact: davies.mwasame@kam.co.ke.

6. CHEMICAL AND ALLIED SECTOR

→ KEBS, PPB, and KAM's Special Cosmetics Commitment



Engagement Details

On 12th January 2024, a tripartite meeting was held between KEBS, Pharmacy and Poisons Board (PPB) and KAM. The meeting discussed the regulation and registration of special cosmetics. Industry representatives presented concerns on the status of regulation of special cosmetics in relation to the proposed transfer of registration of special cosmetics to PPB.

Outcome

PPB and KEBS committed to review concerns raised and provide guidance on the next steps. KEBS also promised to continuously engage industry to ensure business continuity amidst the proposed transfer of special cosmetics to PPB.

Upcoming Activities:

- The sector members involved in the manufacture of chemicals used in leather processing met on 1st February 2024 to together with leather sector players to discuss local availability of such chemicals.

For more details on the sector, please contact: davies.mwasame@kam.co.ke.

KAM SECTORS MILESTONES

7. METAL AND ALLIED SECTOR

→ KAM, KEBS engage on Stainless Steel Sink Standards



Engagement Details

On 17th January 2024, KAM members who manufacture stainless steel sinks for domestic use met with KEBS Managing Director to discuss the challenges experienced with the current KEBS standard KS 452.

Outcome

KEBS committed to urgently reviewing the KS 452 standard to accommodate industry concerns, with a timeline set for April 2024.

→ Enhancement of the Advisory Report on Billets



Engagement Details

KAM has begun enhancing the advisory report on billets to capture gaps identified in the initial document. The report will also include the concerns for the wire rods manufacturers. The consultant has embarked on enhancing the study which will be finalized in February.

Outcome

Upcoming Activities:

- Finalization of the Advisory Report on Billets
- KEBS TC meeting to discuss stainless steel sink for domestic use will be convened on 8th February 2024 at KEBS offices
- KAM Wire and Wire Sub Sector will meet the Special Economic Zone Authority (SEZA) in February at a date to be confirmed in due course.

For more details on the sector, please contact: Dominic.Mutai@kam.co.ke.

8. BUILDING, MINING AND CONSTRUCTION SECTOR

→ Construction Sector presents feedback on Affordable Housing Bill



Engagement Details

On 23rd January 2023, the KAM Construction Sector participated in the public review of the Affordable Housing Bill (National Assembly Bill No. 75 of 2023). The Bill seeks to provide legal framework for the establishment of the Affordable Housing Fund, access to affordable housing and in particular give effect to article 43(1)(b) and imposition of the housing levy.

Outcome

The workshop aligned on the need for manufacturers to ensure the development of quality packaging materials and the administration of the standards levy.

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Upcoming Activities:

- The Construction sector will have a meeting in February with the State Department for Housing and Urban Development to review bill of quantities and develop a framework for engagement and supply of construction materials to the Affordable Housing Program.
- KAM Construction Sector will have a meeting with the National Construction Authority (NCA) in February 2024 to align on the bill of quantities for the construction materials for the Affordable Housing.

For more details on the sector, please contact: Dominic.Mutai@kam.co.ke.

9. PLASTIC AND RUBBER SECTOR

→ Packaging Material Manufacturers Workshop



Engagement Details

On 17th January 2024, the KAM Plastics Sector participated in a Packaging Material Manufacturers Workshop hosted by KEBS to discuss packaging trends and sensitization aimed at development of packaging standards for quality packaging materials.

Outcome

The workshop aligned on the need for manufacturers to ensure the development of quality packaging materials and the administration of the standards levy.

→ Plastics and Rubber Sector's Insights from Danish Plastics Federation



Engagement Details

On 25th January 2024, the KAM Plastics and Rubber Sector participated in a knowledge learning meeting with Danish Plastics Federation. The meeting discussed the trends within the plastics industry and policies such as the Global Plastics Treaty on Plastics.

Outcome

Through the discussions, it was noted that the allocation of resources by industry and government will be key to ensure proper plastics waste management and promote initiatives such as EPR that are geared towards a circular economy. It was also agreed that government support will be key in ensuring proper waste management and both parties are in support of the Global Plastics Treaty.

Upcoming Activities:

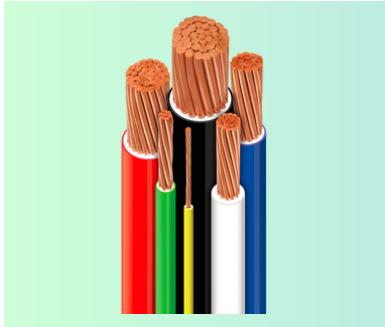
- A meeting with NEMA scheduled for 06/02/2024 at NEMA Headquarters. The meeting will discuss challenges facing the sector regarding EPR regulations, implementation and enforcement. A preparatory meeting with all relevant members was held on 1st February 2024.
- Meeting on finalization of the R-PET Standards to be held by KEBS on 6th February 2024, as follows:
 - DKS 2988:2023 - Mechanical recycling of PET into food grade recycled PET
 - DKS 2987:2023 - Acceptance criteria for food grade recycled PET resin

For more details on the sector, please contact: fred.migwi@kam.co.ke.

KAM SECTORS MILESTONES

10. ENERGY, ELECTRICAL & ELECTRONICS SECTOR

→ Industry PS visits East Africa Cables Limited



Engagement Details

On 25th January 2023, the Principal Secretary for Industry, Dr Juma Mukhwana and KAM Secretariat visited East Africa Cables Limited to discuss the challenges that cable manufacturers face and to identify the various solutions that will spur the industry's competitiveness.

Outcome

The PS committed to support the industry through advocating for the increase in local content uptake from 40% to 100%; enforcement of standards; and eradicating illicit trade through a multi-agency approach.

→ Meetings to Review Regulations within the Electronics Subsector



Engagement Details

Several meetings were held to review the electronics regulations for TVs, Multi-media speakers, mobile phones, radios, and air compressors.

The review focused on the inclusion of key parts for each electronic product assembled in the regulations. Finalization of schedules for various electronic products is ongoing in February.

Outcome

Upcoming Activities:

- Cables Manufacturers' meeting on 8th February 2024 to discuss subsector challenges and issues for policy advocacy.
- Review of draft electronics regulations for various electronics manufactured and assembled locally to capture a list of imported key components and parts.
- Review of the Energy (Appliances Energy Performance and Labelling) Regulations, 2016.

For more details on the sector, please contact: fred.migwi@kam.co.ke.

KAM SECTORS MILESTONES

II. SALT SUBSECTOR

→ Salt Subsector engages government on export challenges



Engagement Details

On 23rd January 2024, KAM Salt Subsector participated in a tripartite meeting between KRA, Ministry of East African Community (EAC), Ministry of Mining to discuss export challenges facing the Subsector. The Subsector presented concerns on the requirement by KRA for a mining export permit and the need to demonstrate payment of royalties before being allowed to export to the EAC region.

Outcome

The meeting agreed that the Ministry of EAC will circulate an advisory letter to the Ministry of Mining to revoke/withdraw the letter sent earlier to KRA regarding the export permit for salt exports within EAC. The Ministry of Mining will also convene a special meeting to discuss and advise on royalty charges that are accruing on exported salt. The Ministry will review the Mining Act, 2016 to align and remove salt from mining - the bill is currently at Parliament.

→ Salt Subsector engages Kenya Power



Engagement Details

On 26th January 2024, the KAM Salt Subsector members held a meeting with KPLC Coast region on power challenges facing the salt industry and proposed interventions to help mitigate the issues. The Regional Manager assured members of KPLC's commitment to improve the quality of power through improved quality service.

Outcome

The Regional Manager asked his team to note the salt-making calendar seasons to align their programs to avoid power interruptions during peak seasons. He also noted that the power company is committed to adding new power stations, upgrade the pump stations, install new transformers, and upgrade lines for expanded salt pump stations.

Upcoming Activities:

- On 14th and 15th February 2024, a survey team led by the Magarini DCC, Kilifi National Land Commission and County Lands shall visit Krystalline Salt Company for boundary identification and marking. This is part of the ongoing actions identified by the salt belt multi stakeholders to help solve the land dispute between the Company, Kinyaule Primary school and the Mungele Community.

For more details on the sector, please contact anne.murithi@kam.co.ke.

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