



SECTORS' MILESTONES & UPCOMING ACTIVITIES

OCTOBER, 2024



Creating prosperity for the nation through sustainable industrialization

INTRODUCTION



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 sustainable industrialization.



- **Integrity**
- **Teamwork**
- **Professionalism**
- **Diversity**
- **Inclusion**

ABBREVIATIONS

CS	Cabinet Secretary
PS	Principal Secretary
A4I	Agriculture for Industry
ATNI	Access to Nutrition Initiative
WTO	World Trade Organization
FAO	Food and Agriculture Organization
EAC	East African Community
EPRA	Energy & Petroleum Regulatory Authority
CET	Common External Tariff
FAEA	Food and Agriculture Export Alliance
FAO	Food and Agriculture Organization of the United Nations
MSME	Micro, Small and Medium Enterprises
NOCD	Nuts and Oil Crops Directorate
USDA	United States Department of Agriculture
WTO	World Trade Organization
KRA	Kenya Revenue Authority
NGEC	National Gender & Equality Commission
SWMA	Sustainable Waste Management Act
KEBS	Kenya Bureau of Standards
UNECA	United Nations Economic Commission for Africa
NT	National Treasury
NTBs	Non-Tariff Barriers
MEACA	Ministry of East Africa Community and Affairs
KEPRO	Kenya Producers Responsibility Organization
DRS	Duty Remission Scheme
NEMA	National Environmental Management Authority
JICA	Japan International Cooperation Agency
SDI	State Department for Industry
MECCF	Ministry of Environment Climate Change & Forestry
MFA	Ministry of Foreign Affairs
MDF	Medium Density Fiberboard
PET	Polyethylene Terephthalate
KTASC	Kenya Textiles & Apparel Sustainability for Competitiveness
FY	Financial Year
TFTA	Tripartite Free Trade Area Agreement
COSSPP	Cost of Service Study in the Supply of Petroleum Products
CTA	Cotton Textiles & Apparels

FOOD & BEVERAGE SECTOR

→ **Edible oil subsector meeting with PS Treasury and PS Industry**



Engagement Details

On 3rd October 2024, the Edible Oil Subsector held a meeting with the Principal Secretary of Treasury, Dr. Chris Kiptoo, and the Principal Secretary of Industry, Dr. Juma Mukhwana, to voice their concerns regarding the 10% import duty on crude palm oil (CPO) imposed through a stay of application in the EAC Gazette dated 30th June 2024. They highlighted that this duty would negatively impact their export competitiveness and drive up the cost of living for Kenyans.

Outcome

PS Treasury to convene a meeting with the Presidential Economic Advisors team to discuss the matter and present the facts shared by the industry with a view to agree on reversing the duty.

→ **Election for the sector chair position**



Engagement Details

The KAM Food and Beverage Sector convened on 25th October 2024 to elect a new Chair to lead the sector for the 2024-2026 term, succeeding Mr. Joseph Choge, who served as Chair from 2022 to 2024.

Outcome

Mr. Brij Raja (pictured), Director & CEO of Maisha Beverages, has been elected as the new Chair of the sector.

→ **Meeting with nuts and oil crops directorate**



Engagement Details

KAM held a courtesy meeting with the Nuts and Oil Crops Directorate (NOCD) on 30th October 2024 to discuss the current challenges facing nuts and oil crops processors. The meeting also explored potential interventions to support the industry and identified areas to enhance collaboration between processors and regulators.

Outcome

1. NOCD will review and align the application of levies in consultation with KRA, considering the existing EAC, COMESA, and AfCFTA trade agreements.
2. Conduct site visits to pilot farms in Eastern Kenya, where manufacturers are supporting groundnut farming initiatives, to enhance collaboration between NOCD and the private sector.

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

AUTOMOTIVE SECTOR

→ E- mobility sectors holds a meeting with State Department for Industry



Engagement Details

On 9th October 2024, the E-Mobility Subsector met with the State Department for Industry to discuss the progress and challenges within the industry. Key topics included:

- Finalizing the review of Legal Notices 112 and 84 to accommodate the E-Mobility sector.
- Progress on the Automotive Bill, which impacts the implementation of Automotive Policy provisions.
- Procedures for granting duty exemptions through EPRA.
- Status of the draft National E-Mobility Policy.

Outcome

The State Department for Industry will convene a tripartite meeting with the National Treasury, KRA, and representatives from industry players to discuss and finalize fiscal proposals aimed at growing the sector. Additionally, the State Department for Industry will follow up with the National Treasury on the review of Legal Notices 84 and 112.

→Automotive sector holds a knowledge exchange meeting with sector players from India



Engagement Details

On 14th October 2024, members of the E-Mobility Subsector hosted a delegation from India to discuss Smart Policy Design for advancing electric mobility manufacturing. The session, led by Rajiv Arora, an E-Mobility expert, highlighted how India's smart policy framework simultaneously boosted fiscal revenue, strengthened the manufacturing sector, and accelerated electric vehicle adoption. The meeting centered on the theme, "What can (East) Africa learn from India?"

Outcome

KAM will organize a meeting with the Ministry of Industry, Investment, and Trade to explore areas of collaboration for developing the E-Mobility sector in Kenya.

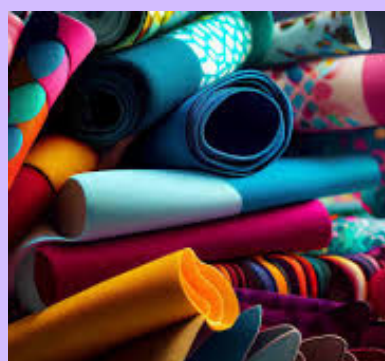
Upcoming Activities:

1. The Automotive sector meeting is scheduled on 24th October 2024, starting from 2:30 PM.

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

TEXTILES & APPARELS SECTOR

→ Local textiles & apparels Q3 meeting



Engagement Details

On 30th October 2024, the Local Textiles & Apparel Sector members held their Q3 meeting. The primary agenda was focused on the FY 2025/26 Budget Proposals. Additional discussions included updates on the Verification Exercise for the three pending proposals currently under arbitration, along with other sector-specific issues.

Outcome

Cross-sector engagements were held regarding the FY 2025/26 budget proposals impacting various sectors.

→ Stakeholder engagement workshop on the state of second-hand clothes in Kenya



Engagement Details

On 4th October 2024, the Local Textiles & Apparels Sector participated in a workshop with both public and private sector stakeholders to examine the state of Kenya's second-hand economy, with a particular focus on the textile sub-sector, commonly known as the "Mitumba" business. The event was organized as part of the East Africa Chamber of Commerce, Industry, and Agriculture (EACCIA) mandate to promote trade and investment among member states of the East African Community.

Outcome

The government is in the process of developing a Cotton, Textiles, and Apparels Policy.

→ Annual KTASC platform convening



Engagement Details

From 22nd to 25th October 2024, KAM, in collaboration with the IDH Sustainability for Competitiveness Project, hosted the KTASC Platform Convening in Nakuru. The workshop brought together representatives from 19 MDAs in the textiles and apparel sector to review the draft CTA Policy and the Textiles & Apparel Action Matrix. The discussions focused on evaluating the sector's current status, opportunities, challenges, and proposed interventions. Participants visited SpinKnit Ltd. in Nakuru and Ubuntu Life Foundation in Mai Mahiu.

Outcome

The KTASC Workplan will be implemented based on the issues captured in the Action Matrix.

Upcoming Activities:

1. Cross-sector engagements on FY 2025/26 budget proposals affecting other sectors. Date and time to be communicated.

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

LEATHER & FOOTWEAR SECTOR

→ **Leather & footwear sector Q3 meeting**



Engagement Details

On October 28th, 2024, the Leather and Footwear Sector held its Q3 meeting to address key issues currently affecting the sector. The primary focus of the meeting was the FY 2025/26 Budget Proposals. Additional discussions included the need for sensitization on Competition Law by the Competition Authority of Kenya (CAK) for members of the footwear sub-sector. Members also agreed to complete a survey on employee numbers within each sub-sector to support advocacy efforts, particularly in securing incentives to enhance sector competitiveness, including addressing the high costs associated with expatriate work permits.

Outcome

Members of the Leather and Footwear Sector agreed to prioritize the FY 2025/26 Budget Proposals and seek sensitization on Competition Law from the Competition Authority of Kenya (CAK) for the footwear sub-sector.

Upcoming Activities:

- I. Cross-sector engagements on FY 2025/26 budget proposals affecting other sectors. Date and time to be communicated.

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

BUILDING, MINING AND CONSTRUCTION SECTOR

→ High-level stakeholder engagement with H.E. President William Ruto



Engagement Details

On October 3rd, 2024, KAM participated in a high-level stakeholder engagement with H.E. President William Ruto to discuss opportunities available for players in the building and construction sector and how to leverage them. During the meeting, KAM highlighted its strong capacity to supply a wide range of housing and construction materials, showcasing its potential to support large-scale housing projects with locally sourced products.

Outcome

A contractual framework will be developed to ensure transparency within the system and facilitate the monitoring of local sourcing.

→ Building, mining and construction Q3 meeting



Engagement Details

On October 25th, 2024, the KAM Building, Mining, and Construction Sector held its Q3 meeting to discuss current challenges facing the sector and receive updates on ongoing engagements with government agencies. Key topics included the validation of the sector's FY 2025/26 budget proposals and the impact of new regulations, including those related to mining.

Outcome

It was agreed to enhance the justification of the flagged budget proposals and to seek engagement with various government agencies to discuss the challenges facing the sector and identify solutions to address them.

→ KAM cement sub-Sector players engage CS, PS Mining



Engagement Details

On October 29th, 2024, KAM engaged with Hon. Hassan Ali Joho, Cabinet Secretary for the Ministry of Mining, Blue Economy, and Maritime Affairs, to discuss collaborative strategies aimed at enhancing the mining sector's contribution to Kenya's industrial growth. The discussions focused on addressing key industry challenges, promoting sustainable practices, and exploring solutions. Key topics included mining licenses, regulations, the impact of the new mining regulations on the cement sub-sector, and the rehabilitation and restoration of quarries.

Outcome

1. Manufacturers to adhere to established laws and regulations governing mining activities.
2. A continuous dialogue with stakeholders will be maintained to address emerging issues. Additionally, the sub-sector will write to the ministry for clarification on any ambiguous areas within the act and regulations.

Upcoming Activities:

For more details on the sector, please contact: dominic.mutai@kam.co.ke

PLASTICS AND RUBBER SECTOR

→ Engagement with PS State Department for Industry



Engagement Details

On 3rd October 2024, the Plastics Sector held a meeting with the State Department for Industry to explore potential areas of collaboration and intervention. The sector identified key priorities for collaboration, including the implementation of Extended Producer Responsibility (EPR) schemes, VAT relief for recycling plants and machinery, public participation in the EAC Single-Use Plastics Bill, and opposition to the introduction of an eco-levy by the Ministry of Environment.

Outcome

1. SDI committed to supporting the sector in the budget proposals process, providing incentives for recycling plants and machinery.
2. SDI will liaise with the Ministry of EAC on the status of the EAC Single-Use Plastics Bill and the Ministry of Environment on the eco-levy and EPR regulations.

→ KAM, plastics & rubber sector meeting on EAC single use plastics bill, 2024



Engagement Details

On October 22nd, the Plastics & Rubber Sector convened a meeting to discuss the proposed EAC Single-Use Plastics (Prohibition of Manufacturing, Importation, Use, and Sale) Bill, 2024. The bill seeks to ban the production, importation, and sale of single-use plastics across the EAC, including Kenya. Manufacturers submitted their comments opposing the bill, emphasizing Kenya's ongoing investments and commitment to implementing Extended Producer Responsibility (EPR) schemes instead.

Outcome

Manufacturers adopted an advocacy strategy to engage stakeholders on the impact of the proposed EAC Bill, promote the adoption of EPR schemes at the EAC level, and ensure alignment of the bill with ongoing discussions under the Global Plastics Treaty, in which Kenya is a participant.

Upcoming Activities:

1. Plastics and Rubber Sector quarterly meeting to be held in November 2024.
2. Engagement with the Principal Secretary (PS) of Industry to discuss potential areas of collaboration for the Plastics Sector. Date and time to be communicated.

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

TIMBER AND FURNITURE SECTOR

→ Q3 sector meeting on budget proposals FY2025/26



Engagement Details

On 23rd October 2024, a sector meeting was held at KAM House to deliberate on budget proposals for the FY2025/26. Key discussions centered on taxation matters, including those related to veneer sheets, furniture inputs, and boards.

Outcome

The proposals will be reviewed, finalized, and submitted to the Trade and Tax Committee (TTC) for onward transmission to the National Treasury.

→ Meeting with the President on affordable housing project



Engagement Details

On 3rd October 2024, the sector participated in a meeting with H.E President William Ruto to discuss the local sourcing of furniture fittings for the affordable housing project.

Outcome

Local manufacturers are required to submit their capacity details for consideration by the Ministry of Housing when sourcing materials for the Affordable Housing Project.

Upcoming Activities:

- 1. The sector members will hold sector leadership elections on 21st November 2024.

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

METAL AND ALLIED SECTOR

→ High-level stakeholder engagement with the President



Engagement Details

On 3rd October 2024, KAM participated in a high-level stakeholder engagement with H.E. President William Ruto to explore opportunities within the manufacturing sector and strategies to harness them. During the meeting, KAM showcased its strong capacity to supply a wide range of housing and construction materials, highlighting its potential to support large-scale housing projects with locally sourced products.

Outcome

It was agreed that a contractual framework would be developed to enhance transparency and monitor local sourcing processes.

→ Meeting with KRA customs experts on tariff split discussions



Engagement Details

On 3rd October 2024, the KAM engaged with Kenya Revenue Authority customs experts to discuss the various tariff split proposals. Among the proposals discussed was the tariff codes of chapter 7216 among others.

Outcome

The meeting emphasized the need for an enhanced justification of the split proposals to ensure they align with industry priorities and address critical gaps. This will involve providing detailed data, sectoral analysis, and evidence-based rationale to strengthen the proposals and secure stakeholder support.

→ EAC verification study on specific products



Engagement Details

The EAC verification process began on 24th September 2024. The EAC team visited multiple companies including Friendship Ltd, Nampak, LPG cylinder manufacturers, and wire rod manufacturers, to study and analyse the specific focus areas.

Outcome

The EAC verification process commenced on 24th September 2024, during which the EAC team visited several companies, including Friendship Ltd, Nampak, LPG cylinder manufacturers, and wire rod manufacturers, to study and analyze specific focus areas. The verification exercise concluded on 6th October 2024, after the committee finalized their report.

Upcoming Activities:

For more details on the sector, please contact: dominic.mutai@kam.co.ke

SALT SUB-SECTOR

→ Salt Sub sector courtesy call visit to Magarini Deputy County Commissioner



Engagement Details

On 2nd October 2024, the Sector Officer, accompanied by a representative from Krystalline Salt, paid a courtesy visit to the new Magarini Sub-County Deputy County Commissioner, Mr. Patrick Musango. The meeting aimed to introduce the salt sub-sector's ongoing engagements to the new DCC and to present pending issues requiring his support.

Outcome

The new DCC was informed of the sector engagements and pending Community engagements that were planned.

→ Salt sub sector meeting with Kilifi County Deputy Governor



Engagement Details

On 7th October 2024, officers from the salt sub-sector paid a courtesy visit to Kilifi County Deputy Governor, Ms. Flora Chibule. The meeting highlighted the salt sub-sector's contributions to Kilifi County and the Magarini community. It also showcased the Community Social Responsibility (CSR) projects implemented by salt companies, along with the structure overseeing their execution. Additionally, challenges requiring support from the county government were discussed.

Outcome

The Deputy Governor affirmed the County's commitment to supporting the salt sub-sector and fostering a conducive business environment. She pledged to brief the Governor, and together they committed to providing support in areas within the County's capacity.

→ Salt sub sector Q3 meeting



Engagement Details

On 9th October 2024, the salt sub-sector held its Quarter 3 members' meeting, which was attended by key sector members. The meeting focused on pending policy and regulatory issues affecting the sector. Discussions included the salt mining export permit, unresolved sector cases, ongoing engagements with the Kenya Forest Service (KFS) on mangrove conservation, and the Kenya Extended Producer Responsibility Organization (KEPRO) regarding monthly charges, among other sector-related matters.

Outcome

The sector action matrix was updated to track all pending issues and identify areas where KAM's support is needed. As an outcome, a clear follow-up plan was established to ensure timely resolution and continued progress.

Upcoming Activities:

1. CSR feedback meeting scheduled for 20th November 2024.

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

SALT SUB-SECTOR

→ Salt Sub sector holds Marereni CSR catchment area meeting



Engagement Details

On 22nd October 2024, the salt sub-sector held a CSR meeting for the Marereni catchment area at the Chief's office. The meeting was attended by CSR committee members from the Marereni catchment area, along with the area Chief. The discussions focused on community engagements, ongoing CSR projects, and planning for upcoming community initiatives.

Outcome

1. The CSR members discussed and approved the pending CSR projects for submission to the company for consideration.
2. Plans were made for CSR restructuring meetings and pending community engagements.

→ Launch of Kilifi County media and conference website



Engagement Details

On 23rd October 2024, the salt sub-sector officer attended the launch of the Kilifi County Media and Conference website. The launch was led by H.E. Governor Gideon Maitha Mung'aro and attended by County stakeholders, investors, and collaborators.

The event marked an exciting milestone as the County prepares for the Kilifi County International Investment Conference, scheduled to take place from 4th to 6th December 2024 at Vipingo Ridge.

Outcome

1. The County unveiled the official conference website and launched media and public relations activities to provide updates on the event agenda and key focus areas. Registration for the conference also began, with the Governor as the first to register.
2. The media and communication strategy to drive awareness, engagement, and participation, particularly among potential investors, partners, and delegates, was emphasized.

→ Salt sub sector CSR catchment area meeting



Engagement Details

On 24th October 2024, the sector held the Kensalt CSR catchment area meeting at the Kensalt boardroom. The meeting was attended by Kensalt's top management team and CSR members from Gongoni and Kanagoni. The meeting introduced the CSR members to the company management and discussed support needed to foster a positive relationship with the surrounding community.

Outcome

1. The CSR team from Kanagoni and Gongoni was introduced to the company management.
2. A schedule for upcoming community engagements was planned and will be presented for consideration by the company.
3. A list of pending CSR project proposals will be prepared and submitted to the company for review and action.

Upcoming Activities:

1. CSR feedback meeting scheduled for 20th November 2024.

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

ENERGY, ELECTRICAL AND ELECTRONICS SECTOR

→ Stakeholders meeting with State Department for Industry on electronics regulations



Engagement Details

On 17th October, the KAM Electrical & Electronics sub-sector held a meeting with stakeholders to discuss the draft Tax Procedures (Unassembled Electronics & Electricals) Regulations 2024.

Stakeholders reviewed and adopted feedback and comments submitted by members. The State Department for Industry commended the industry for its collaborative effort in advancing the regulations, which will provide a regulatory framework to drive industrial growth and investments in the emerging sector.

Outcome

1. The PS of the State Department for Industry will forward the Draft Regulations to the PS of the National Treasury for finalization, public participation, and gazettment.
2. KAM will arrange industrial tours with stakeholders during the last week of November.

→ Meeting with the State of the Petroleum & Oil Industry in Kenya and CS Energy & Petroleum



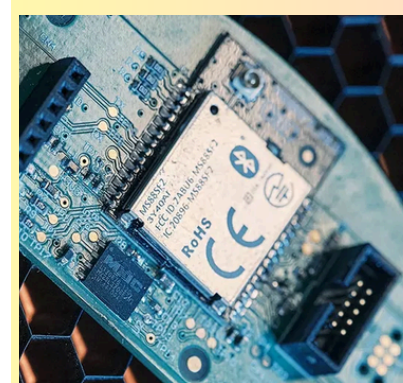
Engagement Details

On 28th October 2024, the Petroleum Oil and Gas Sub-sector held a meeting with the CS of Energy & Petroleum and the PS of the State Department for Industry to discuss the state of the oil industry in Kenya. The CS highlighted the continued growth of Liquefied Petroleum Gas (LPG) uptake and the stability of the industry despite challenges such as dollar scarcity and fluctuating petroleum prices. He praised the industry's resilience and committed to fast-tracking the gazettment of regulations.

Outcome

1. The Petroleum Regulations under the Energy Act, which support both the upstream and downstream Petroleum Oil and Gas subsectors, are to be gazetted.
2. EPRA will release the COSSOP study report following its internal review.

→ Engagement with the Senate Standing Committee on energy



Engagement Details

On 24th November 2024, KAM engaged the Senate Standing Committee on Energy to discuss challenges faced by manufacturers in accessing energy and transitioning to renewable sources, smart meters, and technologies. KAM emphasized the role of energy in driving industrial growth, highlighting that manufacturers consume 67% of the country's electricity. KAM also called for a balanced approach to energy pricing and stable, predictable energy costs to help manufacturers plan and operate more effectively.

Outcome

The Senate Standing Committee on Energy expressed its commitment to working with KAM to address the energy concerns raised. Additionally, the Senators acknowledged the importance of affordable energy to the manufacturing sector and emphasized the need for collaboration between the government and private sector to drive sustainable energy solutions.

Upcoming Activities:

1. Industrial tours for Electronics & Electricals in last week of November. Date and time to be communicated.

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

PAPER AND PAPER BOARD SECTOR

→ Joint meeting With State Department of Industry, Treasury and KRA on diapers/sanitary



Engagement Details

On 9th October 2024, a joint meeting was held between the Diaper/Sanitary Towels Subsector, the PS of the State Department of Industry, and technical officers from Treasury and KRA to discuss the taxation of inputs for the manufacture of sanitary towels, including fluff pulp.

Outcome

The PS of the State Department of Industry wrote a letter to the PS of Treasury recommending the following:

1. Establish an administrative mechanism to support customs clearance of fluff pulp under VAT exemption.
2. Amend the VAT Act to align the VAT exemption for inputs used in the manufacture of sanitary towels.

→ Quarter 3 paper sector meeting on budget proposals for FY 2025/26



Engagement Details

On 23rd October 2024, the Quarter Three Paper Sector meeting was held at KAM House. The meeting discussed sector budget proposals for submission to the TTC and onward transmission to the National Treasury. Recommendations from the paper verification exercise were adopted.

Outcome

1. The proposals were finalized and submitted to the TTC for consideration and further transmission to the National Treasury.
2. The final draft will be shared with members for their records.

→ KEBS meeting with sector players



Engagement Details

On 29th and 30th October 2024, the Paper Sector participated in a crucial KEBS meeting, where key industry standards were discussed, including those for tissue, kraft liner, sack kraft, testliner, and fluting. The meeting provided an important platform for sector stakeholders to engage on the technical specifications and regulatory frameworks for these materials, ensuring alignment with national and international quality standards.

Outcome

1. The standards were discussed, and members were invited to an EAC harmonization meeting on tissue standards.
2. The standards for test liner and fluting were postponed to a later date to allow all members to provide comments on the current standards.

Upcoming Activities:

1. Paper verification report dissemination workshop to be held in November upon confirmation by the PS State Department of Industry.

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

CHEMICAL AND ALLIED SECTOR

→ Q3 Chemical and Allied Sector Meeting



Engagement Details

The Q3 sector meeting was held on 22nd November 2024 at KAM House. The meeting focused on budget proposals for FY2025/26, which were prepared for submission to the TTC and onward transmission to the National Treasury. The proposals included recurring items related to the mattress subsector, resins, cosmetics, and agro-chemicals.

Outcome

The proposals will be finalized and submitted to the TTC for onward transmission to the National Treasury.

→ Review of PPB guidelines for regulation of cosmetic products



Engagement Details

The PPB shared draft guidelines for the regulation of cosmetic products. The guidelines outline the products to be regulated by the PPB and the registration process.

Outcome

The cosmetic subsector has submitted comments to the PPB and is awaiting an engagement meeting to discuss the feedback.

Upcoming Activities:

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



This KAM Sectors report is a monthly publication of
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