

# POLICY & SUSTAINABILITY

## REPORT 2024



## Who we are

KAM is the leading voice of manufacturing and value-add industries in Kenya, since its establishment in 1959.

The Association is committed to securing the socio-economic well-being of Kenyans, and consequently, alleviate inequality in the community. This is through uKAMilifu, which integrates Environmental, Social and Governance (ESG) factors into the Association's role as the leading voice of manufacturing and value-add industries in Kenya.

uKAMilifu seeks to demonstrate industry's wider role in complementing Government's initiatives towards driving development.

Over the years, KAM's work as a dynamic, vibrant and credible voice that unites industrialists, has seen the Association's Membership base grow to over 1,400 industries cutting across 14 sectors. We remain at the forefront in the development of solutions and reimagining both the current and future manufacturing landscape in Kenya.

Our work, geared towards driving the competitiveness and productivity of local industry, endeavours to ensure a dynamic and flourishing manufacturing sector and realize its double-digit contribution to the GDP.

## Our Vision

To be a World Class BMO that effectively delivers services to its members

## Our Mission

To promote competitive and sustainable local manufacturing

## Purpose

To create prosperity for the nation through sustainable industrialization.

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# POLICY AND SUSTAINABILITY REPORT

2024



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# OUR STORY

## ABOUT KAM

We are the representative body of manufacturing and value-add industries in Kenya. Established in 1959, we have evolved into a dynamic, vibrant, credible and respected business association that unites industrialists and offers a common voice for businesses.

### OUR VISION



To be a World-class BMO that effectively delivers services to its members.

### OUR MISSION



To promote global competitiveness, sustainable local manufacturing and exports.

### OUR PURPOSE



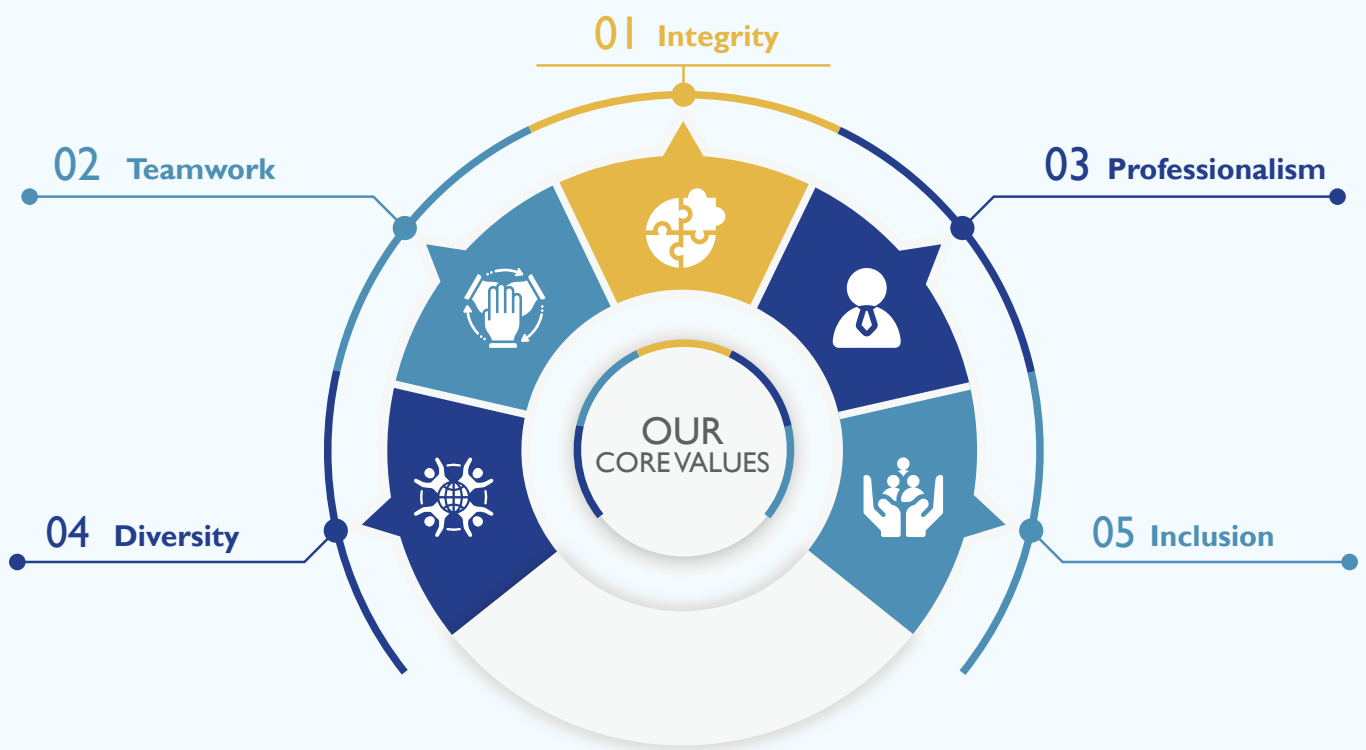
To create prosperity for the nation through sustainable industrialization.

### OUR GOAL



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

## CORE VALUES





# MEMBERSHIP

KAM Membership is structured in three categories:





# CHAIRPERSON'S STATEMENT



Over the years the manufacturing sector in Kenya has been a key engine of our economy's growth. The sector has tremendously contributed to our nation's economic growth, through job and wealth creation. It is through manufacturing that Kenya has risen into an economic hub in the region. Through continuous collaborative efforts, it is our hope that we shall soar even higher, as we work towards transforming Kenya into an industrial-led economy.

In 2024, we continued to serve our Members, guided by our renewed purpose, To create prosperity for the nation through sustainable industrialization. We were guided by our strategy, anchored on three pillars:



- **Stakeholder Management:** This pillar focuses on policy and regulatory leadership, targeting global competitiveness, export-led growth, SME development, and Agriculture for Industry (A4I). It focuses on our core work, which is policy and regulatory advocacy.
- **Membership Management:** On this pillar, we focus on membership growth as well as services geared towards enhancing our members' business competitiveness. These include sustainable business development through initiatives in energy and green growth, manufacturing excellence, skills development, leadership and governance, and trade and investment promotion.
- **Sustainability:** This pillar looks at enhancing operational excellence to ensure KAM remains effective in its advocacy and support for members. This is through financial management and good corporate governance.

Last year, we had 164 new members. This demonstrates KAM's position as a leading Business Membership Organization (BMO), providing world-class services to her Members. As an Association, we remain committed to supporting our Members to grow and thrive, even as we work to realize Agenda 20 by 30, where we aim to increase the sector's contribution to the GDP to 20% by 2030.

As we all know, advocacy is a journey – while we may not always achieve immediate wins in our efforts to promote an enabling business environment for our members, we continue to make notable progress. In 2024, we faced a range of challenges, for instance high taxation, regulatory overreach and the high cost of power. These challenges notwithstanding, we remained resilient and committed to our mission - to promote global competitiveness, sustainable local manufacturing and exports. This progress has been made possible through continuous collaboration with our key stakeholders, including government and development partners.

The Policy and Sustainability Report 2024 is a high-level summary of our initiatives geared



towards enhancing our members' productivity and competitiveness.

I would like to thank the KAM Board of Directors, Regional and Sector Leadership, Members of various committees, and our Secretariat who contributed immensely to our 2024 wins. The National Government, County Governments, Ministries, State Departments and Government Agencies have also continued to engage us, and through this, we collaborated to resolve some of the challenges facing our members. For this, we say, Asante.

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 Confederation

of Danish Industry (DI), Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), IDH Kenya, Trademark Africa and the Foreign and Commonwealth Development Office (FCDO) Kenya.

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 in manufacturing by working together.

As we look ahead to the future of our sector, our focus remains clear: ensuring that manufacturing continues to drive Kenya's economic transformation. Together, let's forge ahead to transform manufacturing, to transform Kenya.

**Jane Karuku, MGH**  
KAM Board Chairperson

# CHIEF EXECUTIVE'S REPORT



In 1963, Kenya and South Korea had more in common than many remember today. Both were young nations with a people full of promise, recovering from the shadows of war and colonialism. At the time, our GDPs were shoulder to shoulder, and we stood at the same starting line.

Today, South Korea is one of the world's top 10 economies. Its rise has been nothing short of remarkable. From electronics to automobiles, heavy industry to biotech, South Korea has become a global manufacturing giant. It was not luck. It was deliberate. The country built an enabling policy environment, invested in human capital, and tied its growth to technology and sustainability. That level of intention is what we need to embrace.

Why do I begin with this story? Because it reminds us that industrial transformation does not happen by chance. It is built—step by step—through the fusion of visionary policy and sustainability. And that is precisely what this 2024 Policy and Sustainability Report is about. Kenya Association of Manufacturers (KAM) remains steadfast in our mission: to advocate for a business environment that enables our

industries to thrive, while championing a sustainable future for all. This year's report is more than a review of activities as it reflects our collective journey and a blueprint for where we must go next.

In this year's report, you will see how we have continued to push for reforms to that matter. The 2024 Manufacturing Priority Agenda (MPA) sharpens our focus across four key areas: Global Competitiveness, Export-led Growth, SME Development, and Agriculture for Industry. These are not just sectoral ambitions. They are national priorities, tied directly to Kenya's development goals.

Take, for example, our ongoing engagement in public procurement. A recent study highlighted that local manufacturers still face major hurdles in accessing public contracts; unclear local content guidelines, fragmented supplier databases, and delayed payments. These are not minor issues. They lock out local enterprises from opportunities that should drive job creation and domestic value addition. We have tabled our recommendations and continue to push for reforms to the Public Procurement and Asset Disposal Act.

Across the manufacturing sector, we are seeing increased momentum toward cleaner, more efficient production. More companies are integrating renewable energy solutions, adopting circular economy principles, and taking steps to reduce their environmental footprints. These shifts are not simply about compliance. They represent a deeper recognition that sustainability is now central to long-term business resilience and competitiveness. Globally, the race to net zero is redefining how industries operate. Countries and corporations alike are committing to ambitious carbon reduction targets. In many ways, the world is going on a collective "carbon diet"; cutting emissions, rethinking waste, and building greener supply chains. Kenya cannot afford to sit on the sidelines of this transition.

Our local industry is beginning to respond in earnest. Through initiatives such as the Centre for Green Growth and Climate Change, we are building the capacity of manufacturers to embrace sustainable



business practices. But we still have a long journey ahead. Positioning Kenya's manufacturing sector as globally competitive means embedding sustainability in how we produce, consume, and innovate. Not because it is trendy, but because it is necessary. As global markets become more climate-conscious, the ability to meet low-carbon standards will increasingly determine who we trade with, and at what scale.

We have also worked to unlock some of the practical, day-to-day challenges manufacturers face; especially at the county level. Uncoordinated permits and levies have long been a burden. Through our advocacy on the County Revenue Raising Process Bill and the County Licensing Uniform Procedures Bill, we are moving towards a simpler, more predictable operating environment. That matters to every factory, every SME, and every investor.

The manufacturing sector aims to raise its GDP contribution to 20% by 2030 — a goal that goes beyond numbers. It means quality jobs for youth,

resilient value chains, empowered communities, and a Kenya that competes globally as a producer and innovator.

As we look to the future, it is important to recognise those who make this journey possible. To our members; you are the fuel that powers this engine. Your resilience, innovation, and daily drive keep the wheels of industry turning. To our government and policymakers, thank you for walking alongside us, shaping the environment in which industry can grow. To our development partners, we value your steadfast support and collaboration. And to our dedicated staff, who quietly anchor the work behind the scenes; your commitment breathes life into our vision every single day.

Together, we are laying the tracks for a more resilient, competitive, and sustainable manufacturing sector. The road ahead may be complex, but with unity, shared vision, and unwavering purpose, we are confident: Kenya's manufacturing story is only just beginning.

**Tobias Alando**  
KAM Chief Executive

# BOARD OF DIRECTORS



**Jane Karuku**  
Chairperson



**Hitesh Mediratta**  
Vice Chair




**Rajan Shah**  
Immediate Past Chair



**Naresh Leekha**  
Director



**Ashit Shah**  
Director



**Bharat Shah**  
Director



**Galeb Gulam**  
Director




**Joyce Karanja**  
Director



**Mihir Chalishazar**  
Director

# BOARD OF DIRECTORS



**Linus Gitahi**  
Director



**Mary Ann Musangi**  
Director



**Pankaj Bedi**  
Director



**Pankaj Kumar**  
Director



**Rajan Malde**  
Director



**Martin Ochieng'**  
Director



**Rohin Vora**  
Director



**RuiQin Li**  
Director



**Mohamed Rashid**  
Director

# REGIONAL LEADERSHIP



**Abdallah Athman**  
Coast Region Chair



**Ngugi Muchane**  
Nairobi Region Chair



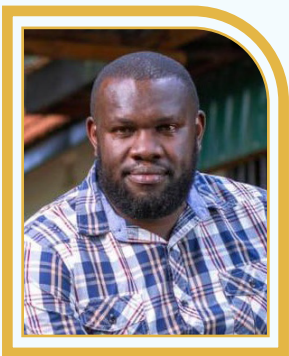
**Patrick Jackino**  
Nyanza Region Chair



**Whitney Maina**  
South Rift Region Chair



**Jeremiah Nzioka**  
Lower Eastern Region  
Chair



**William Ong'are**  
North Rift Region  
Chair



**John Ngoru KAM**  
Central Region Chair



# LEADERSHIP TEAM



**Tobias Alando**  
Chief Executive



**Miriam Bomett**  
Head of Policy & Regulatory Advocacy



**Joyce Njogu**  
Head of Consulting and Sustainability



**Urbanus Mwanzia**  
Head of Finance and Operations

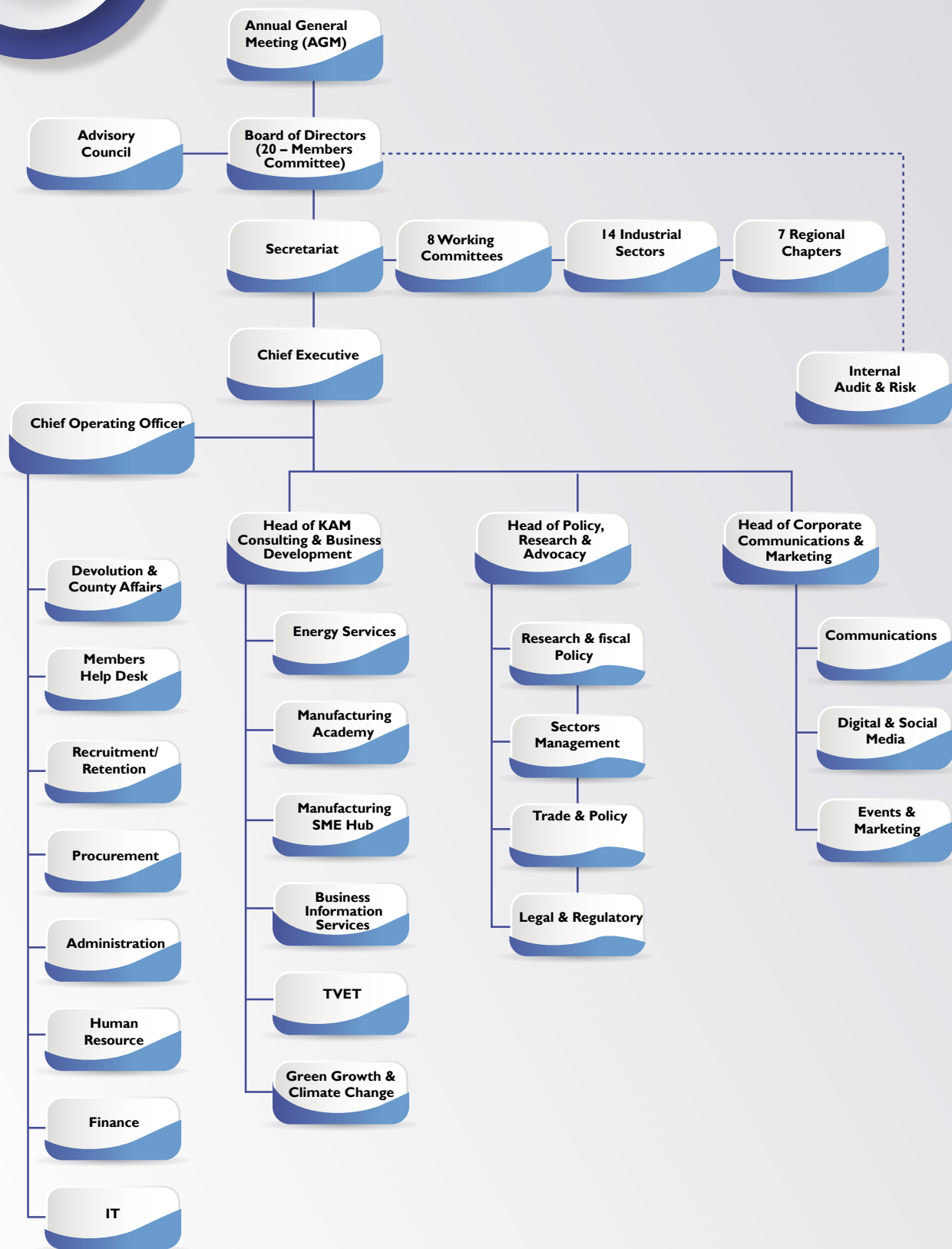


**Lawrence Njenga**  
Head of Corporate, Marketing & Membership





# ORGANIZATION STRUCTURE



# **CHANGE OF GUARD**



Jane Karuku takes over as KAM Board Chairperson, from Rajan Shah

## CHANGE OF GUARD

### **KAM appoints New Chair and Vice Chair**

On 18th July 2024, Kenya Association of Manufacturers appointed Ms. Jane Karuku as the new national Chairperson. Ms. Karuku, who served as Vice Chairperson since July 2022, will lead the Association's Board of Directors for a two-year term, succeeding Mr. Rajan Shah, whose term came to an end.

Ms. Karuku is the Group Managing Director and Chief Executive Officer of East African Breweries Limited (EABL). She is a dynamic business leader, with strong management

experience spanning over 25 years in FMCG and non-governmental organizations. She is the second woman business leader to chair the KAM board.

Mr. Hitesh Mediratta, the Managing Director for PG Bison (Kenya) Limited was appointed as the Vice Chairperson. He has served on the KAM Board in various capacities, including providing strategic guidance on trade and tax matters affecting the manufacturing sector.

Mr. Rajan Shah remains an Ex-Officio member of the Board, playing an advisory role in directing the growth of the Association.



The background of the image is a photograph of an industrial facility. On the left, there are large orange cranes. In the foreground, there is a large pile of coiled steel reinforcement bars (rebar) stacked on top of each other. A single long rebar is being lifted by a crane, suspended by cables. The sky is a clear, bright blue. A large, solid blue rectangular area is overlaid on the right side of the image, containing the title text.

# POLICY ADVOCACY REPORT



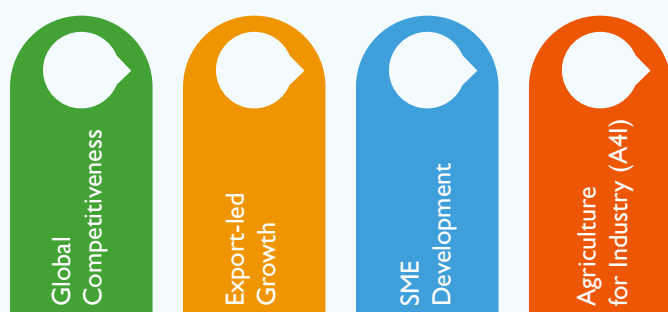


Launch of the Manufacturing Priority Agenda, 2024

## KAM Launches 2024 Manufacturing Priority Agenda (MPA)

The 2024 Manufacturing Priority Agenda (MPA), themed *Steering economic growth through the manufacturing sector for common good*, presented proposals that would transform the manufacturing sector, upon implementation. The Priority Agenda offered a strategic blueprint designed to overcome challenges, capitalize on opportunities, and propel Kenya's manufacturing industry onto the global stage. Subsequently, contribute 20% to the country's Gross Domestic Product (GDP) by 2030 from 7.6% in 2023, as outlined in the Kenya Manufacturing 20BY30 Strategy, which aims to increase direct jobs from the current circa 348,000 to circa 980,000 jobs.

The proposals built on the organization's efforts to achieve Agenda 20BY30, as guided by its four pillars:



### ► I. Global Competitiveness Pillar

Global competitiveness looks at our ability, as a country, to sustainably produce goods and services for which there is a market - at a price and quality that the market is willing to pay for. This pillar advocated for policies and sustainable frameworks to boost production and attract investments as manufacturing is capital-intensive and requires long-term investments.

Notable achievements under this pillar include:

- **Public Procurement Study on Market Access for Locally Made Goods:** KAM commissioned a study to assess Kenya's Public Procurement Legal Framework and System in promoting market access for locally produced goods, including measures such as preference and reservations for locally produced goods, and the access to government procurement opportunities (AGPO) program.

The report's findings and recommendations sought to support the national and county governments in enhancing the government's procurement system and increasing market access for locally made goods.

Some of the findings include:

1. The meaning of local manufacturing is unclear in the context of public procurement and does not address the issue of the percentage of local content that a product should have to be recognized as local.
2. The procurement plans indicate a reservation of a minimum of 30% of the budget for enterprises owned by women, youth, persons with disabilities (PWD) and other disadvantaged groups. The 30% reservation currently benefits enterprises owned by women, youth and PWD, but the “other disadvantaged groups” such as micro and small businesses have not been clearly identified as such to benefit from reservations.
3. The definition of local supplier is confused with citizen contractor and the combination of shareholding for the purpose of applying margins of preference. There is also a challenge of confusing local suppliers with local goods, mostly that awarding a local supplier is synonymous with supply of local goods, when in fact there is no direct correlation because suppliers import goods.
4. There is no centralized register of local manufacturers and their locally produced goods, from which procuring entities could conduct a market survey to inform their procurement planning and subsequent procurement of the goods. Besides the registration of suppliers, there is a need for a national electronic register of manufacturers with the category of locally produced goods.
5. The standard tender document for goods has 100 pages, while the tendering forms that bidders should use to prepare and submit bids is only 24 pages, showing the tender documents were designed with efficiency to facilitate bidders to prepare bids. In practice, however, procuring entities demand that bidders fill in the information in the tendering forms and submit the whole tender document back as the bid. This practice leads to bulky bids submitted by bidders, increasing the cost of doing business and discouraging small businesses from public tendering due to its tediousness.
6. Unlike foreign manufacturers, most local manufacturers rarely publish or publicize their product brochures, which means that

Internet searches mostly return foreign product offerings, thereby reducing visibility of local products when procuring entities perform online market surveys. Without product brochures, local manufacturers are at a disadvantage in bidding and winning public tenders and other public procurement opportunities.

7. About 31% of the tender documents did not have information about the supplier payment period. Whereas the payment period in the standard tender documents is 30 days, procuring entities modified this period to 45, 60, 90 or even 120 days in an attempt to delay payment of suppliers and reduce the chances of the aggrieved suppliers charging interest on delayed invoices.

- **Review and Adoption of Legislative Frameworks:** KAM reviewed several key legislations at both national and county levels. Key highlights include:

- Ø **The Finance Bill, 2024** – The Finance Bill, 2024 was rejected by the President following popular discontent around the Bill in June 2024. Despite this, KAM’s review and advocacy around the Bill led to the majority of our proposals being accepted before it was rejected.

The main ones include:

- o Removal of the proposed motor vehicle tax
- o Retention of ordinary bread as zero-rated, allowing manufacturers to claim input tax.
- o Amendment to the proposed Eco Levy to only apply to imported finished products, thereby promoting locally manufactured goods.

- Ø **The County Licensing (Uniform Procedures) Act, 2024** – This Act was assented to on 28th June 2024. KAM has been a major proponent of this Act since it was introduced in Parliament in 2022. The main purpose of the Act is to establish standard uniform procedures for licensing by county governments. This Act is important to manufacturers as it mandates county governments to ensure uniform standards when imposing fees and levies. This will



enable manufacturers to have a predictable and consistent tax regime at the county level.

Ø **The Public Participation Bill, 2024** – This Bill has been in Parliament for several years now. However, after a key Supreme Court ruling, the Attorney General kickstarted the process in earnest to get a Public Participation Act in place. The main purpose of the Bill is to provide the legal framework for how the government shall conduct public participation on bills, regulations and policies. KAM has been actively participating in this process, including engaging the Attorney General in a forum held on 18th September and thereafter submitting a memorandum on the Public Participation Bill, 2024.

Ø **The East African Community Standardisation, Accreditation and Conformity Assessment Bill 2023** – Popularly referred to as the SACA Bill, this legislation is very important to manufacturers. The Bill establishes the East African Standards Committee and the East African Accreditation Committee, which will standardize and harmonize standards and accreditation across the East African Community.

Ø **Tax Laws (Amendment) Bill, 2024** – After the rejection of the Finance Bill, 2024, the government still needed revenue for the efficient running of government. The Tax Laws (Amendment) Bill, 2024 was therefore published to raise additional revenue. The Bill contained several wins for manufacturers, including the proposed inclusion of locally assembled electrical vehicles for exemption from 20% excise tax and the proposed 100% VAT claim by registered zero-rated businesses making partly taxable supplies and partly for another use. KAM presented her views to the National Assembly on the Bill, highlighting several interventions as follows:

- o All taxes/levies charged on goods manufactured for exports to be claimable/refundable/offset/exempt.
- o No taxes/levies to be imposed on industrial inputs.
- o Introduction of provisions to allow for

the refund of excess tax arising from zero-rated supplies adjusted/assessed using the VAT Formula under Regulation 8 (2) of the Value Added Tax Regulations, 2017.

- o Removal of PVC edge banding classified under HS code 3920.43.90 for furniture manufacturers.
- o Deletion of clause 26 seeking to increase the railway development levy from 1.5% to 2.5% or exempting local manufacturers from the proposed increase.

Ø **Business Laws (Amendment) Bill, 2024** – The main purpose of this Bill was to boost manufacturing and increase investments. The Bill sought to amend several legislations, among them the Standards Act, the Special Economic Zones Act and the Scrap Metal Act. KAM submitted its proposals on the Bill to the National Assembly.

- **Engagements on Tax Measures:** Tax administration was one of the key areas where KAM intervened to facilitate resolution of members concerns. To this end, KAM facilitated numerous engagements with the Kenya Revenue Authority (KRA) where key matters were resolved. Amongst them included tariff and non-tariff barrier challenges as well as compliance concerns with some of the government legal provisions and regulations.



KAM Leadership meeting with CS Treasury, Hon. John Mbadi

The Association also engaged the Cabinet Secretary for National Treasury, John Mbadi where we stressed the importance of aligning all tax measures with the National Tax Policy, reducing fees, levies and charges by counties and national government agencies, exemption of

plant and machinery from VAT to incentivize new investments, increasing budgetary allocation for VAT refunds, combating illicit trade to safeguard tax revenues and local industries, purchase of locally produced goods by the government and providing long-term financing options to support manufacturers.

- **Administration of Duty Remission Scheme:** Duty Remission Scheme (DRS) is an incentive provided to manufacturers whereby they are allowed to import inputs that are not locally available, at a lower import duty rate than what is provided for in the East African Community (EAC) Common External Tariff (CET) for manufacturing process. During the year, KAM processed 307 duty remission applications, where over 95% of them were approved and gazetted. To ensure that locally available items are not imported under the scheme, KAM Secretariat reviewed the applications with guidance from Sector leadership before submission to the National DRS Committee.

The Association also engaged State Department for Industry to address challenges within the scheme including delays in the DRS gazette due to Kenya's internal processes and an Insurance Regulatory Authority (IRA) - KRA impasse over security bonds, leading to high demurrage costs and stalled production. KAM recommended streamlining the DRS process to support uninterrupted manufacturing and regional trade.

- **KAM Legal and Regulatory Team Feted:** The Legal and Regulatory Team at KAM was feted at the Nairobi Legal Awards hosted by the Law Society of Kenya's Nairobi Branch, as the second runners up under the private sector in-house legal department of the year.

The team drives the Association's advocacy efforts through their legal expertise, supporting manufacturers across the organization on trade and tax matters and regulatory compliance. This has seen KAM influence favourable business legislation across the manufacturing sectors; improve the regulatory burden in Kenya and the region to ease cost of doing business; conduct fact-based legal research; and engage in public litigation that has continued to shape Kenya's

jurisprudence such as on the minimum tax, alignment of county taxation and movement taxes affecting business, among others.



L-R: Chief Magistrate Hon. Everlyne Olwande, Hon. Chief Justice and President of the Supreme Court of Kenya, Martha Koome and KAM Chief Executive Tobias Alando during the launch of the Business Guide on Corruption and Economic Crimes Law in Kenya

- **Business Guide on Corruption and Economic Crimes Law in Kenya:** KAM, in partnership with the Kenya Magistrates and Judges Association (KMJA), launched the Business Guide on Anti-Corruption and Economic Crimes Law in Kenya. The guidebook aims to support businesses, especially small and medium enterprises, in understanding and adhering to Kenya's anti-corruption and economic crimes regulations, such as the Anti-Corruption and Economic Crimes Act and the Proceeds of Crime and Anti-Money Laundering Act.

The event was graced by the Chief Justice and President of the Supreme Court of Kenya, Martha Koome who emphasized that combating corruption is a shared responsibility that must extend beyond government, engaging all sectors to foster ethical business practices and build public trust.

KAM has worked hand-in-hand with the Executive and the Judiciary to address the gaps in the formulation and prosecution of offences under anti-corruption and economic crimes. We are confident that this Guide will be another milestone in making the country less prone to corruption, thereby increasing the ease of doing business.

- **Legislative and Policy Reforms to Improve**

**Investments, Trade and Industry:** In line with our advocacy efforts to ease the cost of doing business for local industries, KAM presented to the Cabinet Secretary for Investments, Trade and Industry proposals designed to improve the business regulatory environment and foster growth in the manufacturing sector, contributing to the anticipated 20% GDP growth by 2030 and boosting investments in the country.

The engagements, driven under the Ministry of Investments, Trade and Industry culminated with the introduction of the Business Laws (Amendment) Bill which proposes amendments to 18 acts of Parliament and introduces 57 new sections designed to enhance various aspects of the business environment.

KAM recognizes that comprehensive legal reforms are key for enhancing Kenya's competitiveness, improving the business climate, and fostering sustainable economic growth through investment, industrialization, and trade. However, some measures risk undermining the sector's competitiveness. We therefore continue to advocate to the government the need to address manufacturers' concerns without hurting the sector.

- **Access to Quality, Affordable and Reliable Energy for Manufacturing:** In line with our initiatives that champion energy efficiency and access to affordable, reliable, and sustainable energy sources for the manufacturing sector, KAM engaged the Senate Standing Committee on Energy to discuss the manufacturing sector's role in energy and the promotion of sustainable energy use in Kenya.

During the session, we called for a balanced approach to energy pricing, and fair and predictable energy costs to enable manufacturers to plan and operate more effectively, ultimately driving the growth of the manufacturing sector. We also emphasized on the need for policy reforms to support renewable energy adoption, highlighting its environmental benefits and potential to stabilize energy supply for manufacturers. Additionally, we advocated for restructuring the Time of Use tariff to encourage off-peak energy consumption, optimizing geothermal energy use, and reducing

reliance on costly petro-thermal generators.

The Senate Standing Committee on Energy, expressed a commitment to working with KAM to address the energy concerns raised.

- **KAM, ARSO partner to Boost Standards' Harmonization:** KAM and the African Organisation for Standardisation (ARSO) formalized their partnership with a Memorandum of Understanding (MoU) to further the ongoing harmonisation of standards for nicotine products. This initiative is set to enhance product safety, boost competitiveness, and support the growth of local manufacturing.

ARSO is an intergovernmental standards body under the African Union (AU) mandated to develop tools for standards development, harmonization and implementation to enhance African's internal trading capacity.

- **Harmonizing Licensing and Regulations across Counties:** In June 2024, the County Procedures (Uniform Procedures) Bill was assented into law. It aims to harmonize licensing and regulations across counties and eliminate inter-county trade barriers, making it easier for businesses across the country operate seamlessly.

## ▶ II. Export-led Industrialization

Manufacturing growth will not be achieved by solely relying on domestic markets. This pillar not only focused on enhancing domestic market access, but also how Kenya can leverage on products where we have a comparative advantage to grow our exports.

Notable achievements under this pillar include:

- **Enhance Domestic Market Access:**



Industry CS, Hon Salim Mvurya visits exhibitors during the Changamka Kenya Shopping Festival, Nairobi



- Ø **Annual Manufacturing Summit & Expo - Changamka Kenya Shopping Festival:** KAM hosted the 7th edition of the Changamka Festival in Nairobi from 5th - 9th November 2025 and the 4th Edition of the Festival in Mombasa from 4th – 7th July 2024, providing a platform for local industries to showcase the high-quality goods that they produce for domestic and export markets.

The editions, which hosted over 250 exhibitors – over 100 being manufacturing SMEs, brought together Kenyan manufacturers within the sector, giving them a platform to engage with their consumers directly.

For years, KAM has championed the adoption of locally manufactured products, challenging the misconception that Kenyan-made goods are more expensive than imports. Through initiatives such as the Changamka Festival, KAM aims to strengthen domestic production, enhance competitiveness, and stimulate economic growth in Kenya.

- Ø **KAM partners with Carole Kinoti Foundation:** KAM partnered with the Carole Kinoti Foundation as part of its initiatives to showcase the vibrant made in Kenya products through an exciting blend of fashion, storytelling, marketplace interactions, and industry dialogue promoting the cotton and leather value chains.

Through this partnership, we hosted a fashion show in February 2025, as part of the Changamka Kenya Shopping Festival, featuring a runway of Made in Kenya collections, celebrating the journey of Kenyan fashion, the value of local manufacturing, and the impact on community development. The fashion show offered stakeholders a platform to engage in industry trends, circular business models, and collaborative approaches in the fashion sector.

- Ø **Kenya Industrialization Conference:** To commemorate the Africa Industrialization Week, KAM partnered with the Ministry of Investments, Trade and Industry to host the 2nd Edition of the Kenya Industrialization

Conference during the Changamka Kenya Shopping Festival.

Themed “Leveraging Artificial Intelligence (AI) and Green Industrialization to Accelerate Africa’s Structural Transformation,” the event reflected the strategic focus on integrating cutting-edge technologies and sustainable practices into the manufacturing sector. The forum featured key sessions, including expert panel discussions and interactive workshops on AI’s role in manufacturing, green industrial practices, and policy reforms to drive industrial growth, emphasizing the critical role that technology and sustainability play in the continent’s industrial growth.

- Ø **Opportunities within Affordable Housing Plan:** KAM participated in a high-level stakeholder engagement with the President of the Republic of Kenya, H.E. Dr William Samoei Ruto PHD on the Affordable Housing Plan (AHP), which aims to provide decent homes for Kenyans, eliminate slums, and create jobs for youth entering the job market annually. He commended the manufacturing sector’s commitment to the AHP and assured members that issues raised, including a transparent contractual framework and local sourcing monitoring, would be addressed.

KAM emphasized the need to leverage local capacity strengthens in the construction industry to create significant opportunities for job creation across various sectors. By sourcing materials locally, the housing initiative can stimulate employment in manufacturing, supply chains, and construction, providing a much-needed boost to the economy.

The meeting also explored strategies for strengthening collaboration among stakeholders, with a focus on maximizing the use of locally produced materials. These efforts aim to foster sustainable development, reduce import dependency, and create jobs in Kenya’s manufacturing and construction sectors, all while supporting the ambitious targets of the Affordable Housing Plan.



## • Optimizing Export Market Access

- Ø **KAM Export Strategy:** KAM developed its Exports Strategy, which aims to support Kenya realize its export-led growth agenda. Through this export-growth agenda, the government aims to grow the country's total exports from about Ksh. 805 billion to Ksh. 1.8 trillion and manufactured goods from about Ksh. 350 billion to Ksh 1 trillion by 2030.

KAM's Export Strategy will support manufacturers access regional and international markets through various initiatives including export competitiveness advocacy, trade and market development, and trade facilitation. This strategy is guided by six pillars.

- Competitiveness
  - Cost competitiveness
  - Taxation policy to support exports,
  - Public- private sector exports policy coordination
  - Export promotion schemes
  - EPZ and SEZ
  - Schemes for Non EPZ/SEZ firms
- Trade agreements Optimisation
- Trade and markets development
  - International markets
  - Domestic markets
- KAM Exports Centre of Excellence
- Value chain development
- Alignment with the future of Trade (emerging issues of modern trade)

- Ø **EAC Market Opportunities:** The East African Community (EAC) is the largest external market for manufacturers, accounting for about Ksh. 306 billion in 2023. KAM continued to support EAC market access and regional integration through various initiatives including seven verification missions to address market challenges and resolution of manufacturing centric issues through regional integration structures, such as the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI). The entry of new partner states into the EAC including Somalia and Democratic Republic of Congo

(DRC) is expected to further provide higher proceeds for manufacturers from the EAC market.

KAM supported the resolution of six non-tariff barriers affecting Kenyan manufacturers including motorcycle spare parts, juices, excise books, and address numerous trade facilitation challenges within the region.

The period also saw the review of 47 Final Draft East African Standards (FDEAS) as East African standards and endorsed for adoption Twenty-One (21) international standards further creating a conducive business environment for intra-EAC trade.

- Ø **KAM proposals adopted in the EAC Budget 2023/2024:** The East African Community (EAC) Partner States adopted some of KAM proposals in the EAC Budget 2024/2025 released on 1st July 2024. Among the proposals adopted include tariffs under Duty Remission Schemes and various Stays of Application.

- Ø **Enhancing trade between Kenya and USA:** The KAM Board, led by the Chairperson engaged former US Ambassador, Meg Whitman. The meeting focused on KAM's purpose, the need to enhance engagements with government to support a stable and predictable business environment to drive manufacturing growth, and African Growth and Opportunity Act (AGOA) renewal as part of creating market access. Key competitiveness areas for reform highlighted included the status of the AGOA renewal and Kenya-Strategic Trade and Investment Promotion (STIP), Kenya's tax policies, liquidity constraints in the manufacturing sector, Illicit trade, and Public Financial Management (PFM).

- Ø **Bringing AfCFTA Home:** In partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, KAM engaged over 300 members on the African Continental Free Trade Area (AfCFTA) and the Tripartite Free Trade Area (TFTA) for manufacturers, SMEs included, across 7 KAM regions and 13 manufacturing sectors.

A dedicated session for the tea sector was held in Kericho.

AfCFTA, which is the largest free trade pact in the world, is one of the critical markets for Kenya. It connects 1.3 billion people, across 55 countries of the AU and eight Regional Economic Communities (RECs), with a combined gross domestic product (GDP) valued at US\$3.4 trillion.

The sessions raised awareness and provided an avenue for manufacturers to capitalize on the export opportunities within AfCFTA and TFTA. The sessions featured:

Protocol on trade in goods and its key annexes

AfCFTA Rules of Origin

Schedule of tariff concessions

Customs cooperation and trade facilitation

The online mechanism on monitoring Non-Tariff Barriers (NTBs)

Africa Trade Observatory (ATO)

Intellectual property rights

Export promotion schemes available to manufacturers within the AfCFTA Market

The session also consisted of a comparison between sector-specific Rules of Origin across AfCFTA, the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), and TFTA, providing clarity on how these rules apply differently across regions, influencing market access and competitiveness in the automotive sector. Participants explored the sector specific schedule of tariff concessions as well as a review and update of sector positions on EAC tariff offers, ensuring that stakeholders are well-informed on the latest

developments.

Kenya has so far exported about 100 consignments under AfCFTA. KAM looks forward to supporting more manufacturers to export as the AfCFTA rollout continues.



Participants during the Kenya-EU Economic Partnership Sensitization Forum in Isiolo

Ø **Unlocking the EU Market:** Following the coming into force of the Kenya – European Union (EU) Economic Partnership Agreement (EPA) on 1st July 2024, KAM partnered with the State Department for Trade, Danish Industries and EU delegation and various business membership organizations to sensitize the Kenyan public on the provisions of the Agreement in KAM’s six regions, with Nyanza/Western and Nairobi forums scheduled to take place in January 2025.

This landmark agreement provides Kenyan exporters with duty-free and quota-free access to the vast EU market of over 400 million consumers across 27 member states, creating unprecedented opportunities for trade and investment. It covers trade in goods, fisheries, agriculture, economic and development cooperation, and aims to enhance Kenya’s economic integration into the global economy.

Key benefits for Kenyan businesses include:

- **Market access:** Duty-free and quota-free entry to the EU market for sectors like textiles, agriculture, and leather.
- **Investment opportunities:** Attracts EU investments by fostering a predictable and stable trade environment.

- **Standards and quality:** Encourages adherence to EU standards, improving the competitiveness of Kenyan exports.
- **Capacity building:** Offers technical assistance to help businesses meet EU market requirements and enhance export readiness.

### ► III. SME Development

Micro, Small and Medium Enterprises (MSMEs) have continued to demonstrate their ingenuity and capacity to meet the country's needs over the years. Regressive taxation, access to finance and inadequate capacity-building as some of the hindrances to MSME growth. This pillar focused on supporting SMEs to growth and expand.

Notable achievements under this pillar include:

- **Enhancing Market Access for SMEs:** KAM in partnership with the Anti-Counterfeit Authority (ACA) hosted a Public Private Sector Dialogue Forum with a focus on enhancing SMEs' benefits in AfCFTA by fighting counterfeiting and related forms of illicit trade. Illicit trade diminishes the market share for SMEs, exacerbating the current market access challenges they face.

The forum raised awareness among the participants on the impact of illicit trade on SMEs among other local industries and urged stakeholders to collaborate in the fight against the vice for the most effective outcomes. The domestic market is the springboard on which MSMEs develop their capacity to expand into the export markets. This makes it important to provide a fair playing field on which MSMEs can thrive and build capacity to venture into the African market.

- **Digital Trade Workshops:** KAM in partnership with GIZ partnered to facilitate SMEs in cross border trade, in line with the nation's objectives to increase exports from Kenya. The session trained 200 SMEs across 6 counties - Nairobi, Mombasa, Kakamega, Kajiado, Machakos and Kiambu. The digital trade workshops aimed to increase awareness among participants on available platforms to conduct market analysis and product marketing across different target markets.

- **Local Sourcing for Partnerships:** KAM partnered with COMESA Business Council to host the strategic local sourcing for partnerships workshop with a focus on strengthening the inclusiveness of SMEs into value chains in COMESA region. The workshop focused on training SMEs on the Global Food Safety Management systems, the HACCP Standard and further facilitate the integration of the SMEs into the competitive supply chain network of corporate companies and key regional value chains.

- **Export Tools Workshops:** KAM partnered with Danish Industry to host export tools workshop in Nairobi, Nakuru and Mombasa, training 100 SMEs on leveraging existing trade agreements, conduct export readiness assessments on their businesses, and utilize various tools available to assess the export markets.



L to R, KAM Head of Corporate Communications and Marketing - Lawrence Njenga, KAM Head of Consulting and Business Development - Joyce Njogu, KAM Board Director and former Manufacturing SME Hub Chair - Ciiru Waweru Unilever Team Rasoa Nekesa and Njoki Caroline during the BGP launch

- **Business Growth Program:** KAM partnered with Unilever Kenya to run the 2024 Business Growth Program. The program, which KAM kicked off in 2016, aimed to provide manufacturing SMEs with the necessary tools, resources, and guidance to enhance their competitiveness, expand their market reach, and drive sustainable growth.

The program aimed to develop and implement successful business growth strategies and efficient processes and systems, subsequently,



grow SME business to reach regional and international markets. It unfolded across seven modules, each crafted to address specific business needs with the overarching goal of enhancing SME competitiveness, expanding market reach, and fostering sustainable growth. The modules are:

- o Module 1 – Business Growth Strategy Module to equip Growth Oriented Enterprises (GOEs) with skills to formulate effective business strategies.
- o Module 2 – Product Management and Diversification Strategies, provided effective methods for identifying and developing market opportunities, translating them into tangible products, and managing product life cycles.
- o Module 3 – Market Development and Implementation Strategies, focused on moving from conceptualization to a competitive marketplace efficiently.
- o Module 4 – Manufacturing Finance Management, sought to equip Growth Oriented Enterprises with skills in budgeting, working capital management, and financial analysis.
- o Module 5 – Strategic Supply Chain Management focuses on optimizing the supply chain for adaptability and agility, especially post-COVID-19 disruptions.
- o Module 6 – Human Resource Management looks at the changing role of Human Resources with leadership development, talent management, labour laws, employment policies, and occupational health.
- o Module 7 – Good Manufacturing Practices Module looks at good manufacturing practices, their significance in ensuring product safety and wholesomeness and a review of participants' current practices within businesses.

#### ► IV. Agriculture for Industry

Through the Agriculture for Industry (A4I) pillar, KAM seeks to bolster integration between agriculture and manufacturing.

The notable achievements under this pillar include:



Launch of Agriculture for Industry Report

- **A4I Strategy:** KAM developed the A4I strategy to bolster connections between agriculture and industry and advocate for the use of locally sourced raw materials in manufacturing. The strategy recognizes that while agriculture contributes about 26% of the country's GDP, the sector's potential in supporting agro-industrialization is constrained by many challenges, including low productivity, inconsistent and unpredictable supply of raw materials, inadequate models for aggregating farm produce, lengthy supply chains, insufficient mechanisms to safeguard local agro-industries from cheap imports, and infrastructural limitations in processing capacity.

It seeks to promote a more proactive and catalytic role for KAM, by establishing a clear path toward fostering innovative partnerships and creating an ecosystem where producers and the off takers can come together and seamlessly transact. The strategy is built on our belief and resolve that together we can accelerate our shared ambitions for tomorrow's agriculture, food security and nutrition, manufacturing and the sustainable use of natural resources.

It includes:

- o A vision for the development of partnerships among stakeholders in the sector and KAM members.
- o Situational analysis of demand and supply.
- o Identification of key strategic areas of intervention.
- o Mapping of key stakeholders to support implementation.
- o An implementation plan. with a focus on six value chains — maize, wheat, potato, tomato, avocado, and pyrethrum — chosen for the initial phase of implementation.



We envisaged that the various intervention earmarked in the strategy (including the doubling of productivity, increasing the area under production, targeted production of processing varieties, targeted investment in irrigated agriculture, improving postharvest handling and processing, import substitution and addressing existing export gaps) will inject over KES 167 billion into economy between 2024-2029.

- **KAM, SustaiNET Group partnership:** Kenya Association of Manufacturers (KAM) signed a Memorandum of Understanding

(MOU) with SustaiNET Group Ltd, marking the beginning of a partnership aimed at transforming the landscape for KAM members.

SustaiNET, a network of East African NGOs, brings a wealth of experience in sustainable agricultural development, focusing on inclusive food systems, value chain enhancement, and building resilience in dryland areas. This collaboration focuses on creating value, particularly by bridging the gap between farmers and industry and in solving the disconnect that disrupts our agricultural ecosystem.





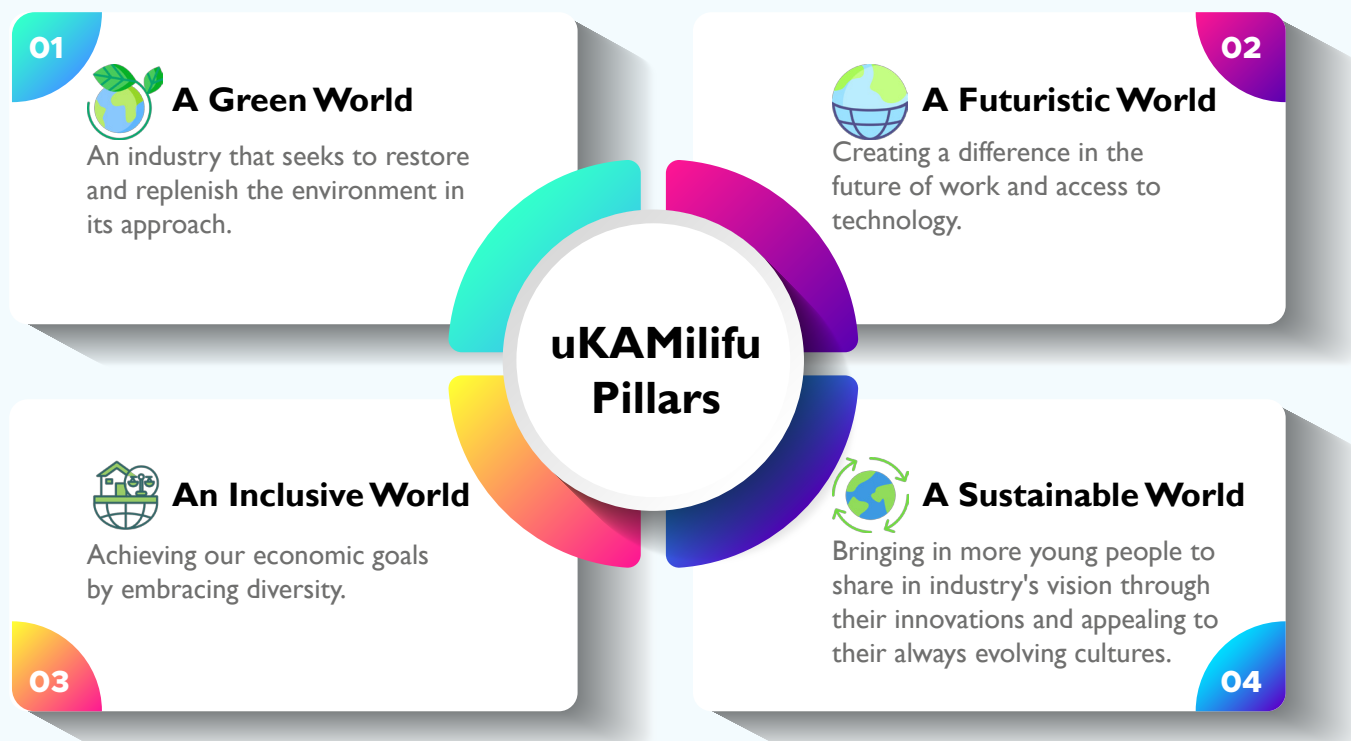
# SUSTAINABILITY



## uKAMilifu

The Association is committed towards the creation of holistic solutions and in ensuring that all aspects of Environmental, Social and Governance (ESG) are incorporated in our day-to-day activities and that of our members. This is through our ESG arm, uKAMilifu.

It is driven under four main pillars, namely:



2024 initiatives under uKAMilifu include:

- **Partnership with Start a Library:** KAM partnered with Start-a-Library to enhance literacy in primary schools across the country through establishment of libraries. Under the partnership, we participated in the national read aloud campaign, an initiative that united 152,344 learners from 863 schools across 45 counties in Kenya. Launched in November 2023 and culminating on July 12, 2024, aligned with the National Reading Day, emphasizing the power of collective voices in advocating for change.



KAM joins Synresins for the Manufacturers' Tree Planting Initiative at Kinale Forest

KAM signed a Framework for Cooperation with Kenya Forest Services (KFS) to rehabilitate 10,000 hectares of degraded forest areas across the country. The framework envisioned rehabilitating different forests across the country with specific focus in KAM areas of operation which cuts across 41 counties. The initiative seeks to support the government agenda to plant 15 billion trees by 2032.

KAM and its members planted 53,400 seedlings across different forests across the country, as part of the KAM/KFS partnership aimed at mitigating the impacts of climate change. The Association is committed to driving the green manufacturing agenda. This commitment manifests in two ways: by transitioning production systems to be environmentally friendly and by actively planting trees to capture carbon emissions.

- **Project Eagle Hackathon:** KAM hosted a three-day hackathon in partnership with Moringa School themed 'Project Eagle'. This Project aims to harness the power of data



science, machine learning, and AI to transform policy and advocacy in Kenya.

This collaborative initiative challenged participants to develop innovative solutions addressing real-world challenges faced by KAM. The participants showcased their skills in data analytics, data visualization, and machine learning, impressing our panel of judges with their creativity and problem-solving abilities.

The Association onboarded the team the emerged as winners, who continue to provide practical solutions to KAM and its members. The team applies cutting-edge data analytics to enhance KAM's advocacy efforts and are working to integrating predictive analytics into the Association's research initiatives, including the Manufacturing Priority Agenda and export analysis under various trade agreements like the African Continental Free Trade Area (AfCFTA).

By leveraging data science, machine learning, and artificial intelligence, this initiative empowers KAM to revolutionize advocacy and policymaking, paving the way for sustained industrialization and prosperity in Kenya.

- **Manufacturers support Kenyans impacted by floods:** In solidarity with those impacted by the recent floods, KAM launched a campaign to rally support from its members and mobilize resources to provide essential relief. The initiative was supported by members across the country with distribution managed by KAM's implementing partner, the Kenya Red Cross. We appreciate you for standing alongside communities affected by the floods, offering assistance and solidarity.
- **Green Manufacturing:**
  - **KAM, DI partner on circular economy:** KAM and Danish Industry signed a partnership agreement to advance support for manufacturers in driving the implementation of the circular economy approach and sustainable practices, thereby fostering economic growth in manufacturing. KAM continues to collaborate with the Confederation of Danish Industry to enhance both its value proposition services to its members and operational growth as an Association.

- **Technical assessments:** Through the Centre for Energy Efficiency and Conservation (CEEC), KAM supported members to be more energy efficient by conducting energy audits. The audits were geared towards helping members to identify energy cost saving measures in their facilities. The implementation of energy efficiency measures contributes to about 10% - 30% energy savings for the company. Beyond energy savings, the energy audits have helped members to comply with the Energy Management Regulations that require designated facilities (facilities consuming more than 180,000kWh units) to conduct energy audit every 3 years.

In 2024, alone, manufacturers realised savings of about 190,000 gigajoules and 240,000 megawatt hours of thermal and electrical energy respectively, translating to approximately Ksh 434 million energy savings.

Beyond the energy audits, CEEC also supported facilities to optimize their processes. The objective of the process optimization audits is to minimize cost and maximizing throughput and efficiency. The audits explore the possibility of adjusting a process to make the best or most effective use of some specified set of parameters without violating some constraints.

- **Capacity building:** In 2024, the Centre offered energy-related trainings. The trainings covered a wide scope of courses with practical approaches to energy management by offering hands-on approaches to assist industries successfully implement energy management programs in the current energy scenario.

The trainings serve to equip participants with an understanding on how to apply energy management principles resulting in reduced energy consumption and significant cost savings.

- Some of the trainings offered at the CEEC include:



- Energy Auditing Training
- Energy Auditors' Refresher Training
- Boilers and Steam Systems Training
- Certified Energy Manager (CEM)
- Pneumatic Conveying and Compressed Air Systems Training
- Certified Measurement and Verification Professional (CMVP)
- Solar T3 Training
- Certified Carbon Auditing Professional Course (CAP)
- Environmental Compliance
- Green and Circular Economy Training

These training are a strategic investment for organizations, contributing to financial savings, environmental responsibility, regulatory compliance, and overall competitiveness in the rapidly changing business landscape.

#### o Awareness

- **Loop Forum:** KAM hosted the 2nd Edition of the Loop Forum Kenya, a pivotal event aimed at accelerating the Circular economy in Kenya. This influential gathering is designed to foster collaborations, engage in policy dialogue, and showcase innovative solutions.

Circular economy is based on three principles: eliminating waste and pollution; circulating products and materials; regenerating nature. It creates solutions to the challenges we are currently facing locally and internationally, such as climate change and biodiversity loss whilst addressing important social needs.

The forum is poised to be a significant milestone in Kenya's journey towards a sustainable and circular economy. It brings together industry stakeholders, policymakers, regulators, private companies, civil society, knowledge institutes, investors, development partners, and youth involved in the circular economy.

- **Sustainable Energy Week:** KAM hosted the Sustainable Energy Week to raise awareness on energy efficiency and conservation in the country. The event, which consisted of the Clean Energy Conference and Expo and Energy Management Awards (EMA), was the curtain raiser to 9th Annual Global Conference on Energy Efficiency hosted by the International Energy Agency, an event that brought together global leaders in government, business and civil society – from across every continent – to accelerate policy action on energy efficiency.

The deliberations during the Clean Energy Conference focused on the role of green skills in contributing towards the tripling of renewable energy capacity in the country as well as technology and financing as an enabler of green energy. Manufacturers also called for the country to invest in green skills, noting that there is a mismatch between industry demands and academia.

The Sustainability Energy Week culminated with the Energy Management Awards.

- **Energy Management Awards:** KAM held the 20th Edition of the Energy Management Awards (EMA) on 20th May 2024. EMA is an annual award that encourages participating organizations to strive for excellence in energy efficiency.



Kenya Breweries Ltd Nairobi bags overall Energy Management Award, 2024

Through our efforts towards energy management and efficiency, about Ksh 15 billion and 2,000 GWh has been recorded. This represents close to 100MegaWatt of investment that has been freed up and could be used to supply energy to other users. These savings are from about 500 cumulative participations as of December 2023 since we kicked off the awards in 2004. The savings from all facilities are much higher.

In 2024 alone, manufacturers realised savings of about 190,000 gigajoules and 240,000 megawatt hours of thermal and electrical energy respectively, translating to approximately Ksh 434 million energy savings.

The Energy Management Awards 2024 winners in various categories are:

NO.	AWARD CATEGORY	RUNNERS-UP	WINNER
1.	Overall Energy Management Award	British American Tobacco Kenya Plc- GLT Plant Thika	Kenya Breweries Limited-Nairobi
2.	Renewable Energy Award, for Band III Energy Consumers	Haco Industries Limited	British American Tobacco Kenya Plc – GLT Plant, Thika
3.	Renewable Energy Award, for Band I and Band II Energy Consumers	Spin Knit Ltd	Kenya Breweries Limited-Kisumu,
4.	Water Efficiency Award	British American Tobacco Kenya Plc- GLT Plant Thika	Kenya Breweries Limited-Kisumu
5.	Best Energy Management Team Award	Kenya Breweries Limited-Nairobi	Isuzu East Africa Ltd
6.	Best Energy Management Textile and Apparel Sector Award	Thika Cloth Mills Limited	Spin Knit Limited
7.	Best Energy Management Tea Sector Award	Browns Plantations Kenya- Kitumbe Tea Factory	Ngorongo Tea Factory
8.	Best Energy Management Service Sector Award	Sarova Whitesands Beach & Resort	Jubilee Life Insurance Ltd-Wabera Street Nairobi
9.	Electricity Savings Award for Band III Energy Consumers	Sarova Stanley Hotel	Unga Farm Care (E.A) Ltd –Animal Feeds Nairobi
10.	Electricity Savings Award for Band II Energy Consumers	Browns Plantations Kenya – Kitumbe Tea Factory	Umoja Shoe Company Limited
11.	Electricity Savings Award for Band I Energy Consumers	Kenya Breweries Limited-Nairobi	Mabati Rolling Mills Limited – Mariakani
12.	Thermal Savings Award for Band III Energy Consumers	Cosmos Limited	British American Tobacco Kenya Plc- GLT Plant Thika

13.	Thermal Savings Award for Band II Energy Consumers	Browns Plantations Kenya – Chomogonday Tea Factory	Thika Cloth Mills Limited
14.	Thermal Savings Award for Band I Energy Consumers	Krystalline Salt Ltd – Malindi Plant	Kenya Breweries Limited – Nairobi
15.	Biogas Valorization Award	Sian Biogas	Sistema Bio
16.	Clean Cooking Solutions Award	SistemaBio	Fusion Experience
17.	Improved Cooking Solutions Award	Better Cooking (EcoSafi)	Bentos Energy Limited
18.	Digitization Award		Cosmos Limited
19.	Most Improved Award	Thika Cloth Mills Limited	Unga Farm Care (E.A) Ltd – Animal Feeds Plant Nairobi
20.	Participation Consistency Award		Spin Knit Limited
21.	Sustained High Performance Award	Kenya Breweries Limited-Nairobi	British American Tobacco Kenya Plc- GLT Plant Thika
22.	Best New Entrant Award	Browns Plantations Kenya- Chemirei Botanicals	Grain Industries Ltd
23.	Young Innovators Award	Ephantus Gachihi Gitahi & Brenda Akinyi Oluoch	Calisto Wasonga

- o **Relaunch of Code of Ethic for Business in Kenya:** KAM together with Global Compact Network Kenya, and Kenya Private Sector Alliance relaunched the Code of Ethics for Business in Kenya.

The Code is a principles-based collective action Initiative that aims to promote and enhance the ethics of business conduct in Kenya in line with the Ten Principles of the United Nations Global Compact on Human Rights, Labour Standards, Environment, and Anti-corruption.

Officially launched in March 2012, the Code is a guide to ethical business practices in Kenya especially among the private sector and has grown from 44 signatories to over 840 signatories. With the relaunch, a new digital platform was also unveiled where companies can readily access information and tools to support them in their Anti-corruption compliance journey.

The Code has gained global recognition as a principles-based collective action initiative

designed to foster a cleaner business environment in Kenya. The Code has helped businesses self-regulate and provided a clean business environment in Kenya among the signatories.

#### o **Manufacturing Excellence**

- **Market Development (Business Information Services):** Through the Business Information Services Desk, KAM conducted several firm-level competitive engagements and sensitized KAM members on several compliance issues.

The engagements covered a wide scope of courses with practical approaches to enhance firm-level competitiveness, including:

- EPR and Waste Management Seminar
- Industrial Spares and Duty Remission
- Cushioning Industries against the rising Energy Costs
- Statutory Regulations and its impact in Businesses

- Transfer Pricing
- Duty Remission Schemes
- Industrial Spares and Duty Remission Scheme
- East Africa Kaizen Congress
- DRC Trade Mission
- **Manufacturing Academy:** KAM through the Manufacturing Academy has continued to drive the execution of high-quality manufacturing practices guaranteed to enhance productivity and personal growth. The Association has engaged members through physical and online training.

#### o Inclusivity:



KAM hosts Women in Manufacturing National Conference in Nairobi

- **WIM2County Forums:** Through our Women in Manufacturing (WIM) Programme that was established in 2017, we seek to enhance market access for women in industry in Kenya, provide an enabling environment for them and improve their competitiveness locally, regionally and globally.

Through GIZ's support, KAM engaged women industrialists at county level and supported them on matters unbiased recruitment and prevention of gender-based violence. Through these activities, we have:

- Engaged 535 participants at both national and county levels to address the challenges hindering the

expansion of their businesses and to raise awareness about the impact of gender-based violence and biased recruitment practices on business growth.

- Trained 23 companies on the prevention of gender-based violence and unbiased recruitment practices. Additionally, we developed a model sexual harassment policy for adoption by companies in the manufacturing sector.
- Women were also able to showcase their products and services, which was a significant highlight of all the forums. Additionally, the forums provided valuable networking opportunities and served as platforms for cross-learning and knowledge sharing.

- **An Inspiring Ladies Evening with US Ambassador to Kenya:**



Panel session during dinner with former US Ambassador, Meg Whitman

The KAM WIM Programme hosted an inspiring Ladies' Night featuring Ambassador Meg Whitman. The Ambassador shared invaluable insights, highlighting the significance of branding and market focus, and encouraged entrepreneurs and businesses not to be intimidated by the vastness of the U.S. market, but instead to approach it strategically by focusing on a specific State, studying its unique needs and



market gaps, and positioning ones brand to fill those gaps effectively.

The event was a powerful reminder of the importance of strategic thinking, resilience, and community support in business growth. It was a night of empowerment, networking, and insightful conversations as we celebrated the transformative leadership of women in business, industry, and beyond.

- **Women in Manufacturing Gala Dinner:** The Association hosted the WIM Gala Dinner 2024 under the theme, investing in women for a better future for all. The event offered a platform to celebrate the achievements of women in the manufacturing sector and to honor the spirit of resilience and collaboration among women in manufacturing. It also provided a platform for sharing experiences among women in manufacturing on influence of innovation in their growth.

#### o Skills Development

- **TVET Stakeholder Engagement:** KAM, in partnership with GIZ, the Ministry of Foreign Affairs of Finland,

KEPSA and the Federation of Kenya Employers hosted a TVET Stakeholder Engagement Forum in the Coast Region, themed “*Empowering Skills for a Sustainable Future: Advancing TVET, Inclusion, and Green Industrial Growth through Innovation and Policy.*”

The session focused on:

- Enhancing Dual TVET for industrial growth and sustainable development.
- Building inclusive workforces through enhancing employability for persons with disabilities (PWDs). The forum coincided with the International Day of Persons with Disabilities, hence underscoring the importance of this.
- Best practices in labour and skills development for economic growth.
- Leveraging AI and green industrialization for a future-ready workforce.

Through TVET Program, KAM provides work-based training opportunities, promotes industry standards in training, advocates for skills development, and improves job placement opportunities.



# **STAKEHOLDER ENGAGEMENT**



# 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 continued to amplify its thought leadership position on matters industry, skills development, green growth and why manufacturing matters. This was achieved through strategic communications, marketing and hosting high level events.

The Board and Secretariat also engaged various Government Ministries, Departments and Agencies (MDAs), on driving industrial-led growth. We also engaged various development partners.

Our Stakeholders include:





A low-angle, upward-looking photograph of industrial structures, likely grain silos or storage tanks. The structures are made of corrugated metal and steel beams, with visible rivets and scaffolding. The sky is blue with scattered white clouds. A solid blue rectangular overlay is positioned in the upper center of the image, containing white text.

# **NEW MEMBERS IN 2024**



NO.	COMPANY	SECTOR
1.	Autoports Freight Terminals Ltd	Agro Processing
2.	Mimo Industry Limited	Automotive Sector
3.	Alliance Manufacturers Limited	Automotive Sector
4.	eWaka Mobility Limited	Automotive Sector
5.	Rideence Africa Limited	Automotive Sector
6.	Sump Guard Center Limited	Automotive Sector
7.	ePure Motion Limited	Automotive Sector
8.	Cibien Engineering and Construction Company Ltd	Building, Mining & Construction
9.	Builders Duka Limited	Building, Mining & Construction
10.	Cemtech Limited	Building, Mining & Construction
11.	Allenbridge Limited	Building, Mining & Construction
12.	National Concrete Limited	Building, Mining & Construction
13.	R.K. Sanghani	Building, Mining & Construction
14.	Kaydee Quarry Limited	Building, Mining & Construction
15.	Hitech Concrete Limited	Building, Mining & Construction
16.	Titan Glass Limited	Building, Mining & Construction
17.	Eris Industries	Chemical & Allied
18.	Alkhemy Brands Limited	Chemical & Allied
19.	Tania East Africa Limited	Chemical & Allied
20.	Cinnabar Green Limited	Chemical & Allied
21.	Silvertch Agencies Limited	Chemical & Allied
22.	Jani Cosmetics Kenya Limited	Chemical & Allied
23.	ZHJ Company Limited	Chemical & Allied
24.	NextAwe Essentials	Chemical & Allied
25.	Mcbbys Limited	Chemical & Allied
26.	Hermosa Paints Limited	Chemical & Allied
27.	Sundown Emulsions Limited	Chemical & Allied
28.	Hair Manufacturing Kenya Limited	Chemical & Allied
29.	Penguin Shoe Polish Limited	Chemical & Allied
30.	Octavia Carbon Co	Energy, Electricals & Electronics
31.	Empower Transformers Limited	Energy, Electricals & Electronics
32.	Jomo Kenyatta University of Agriculture and Technology	Energy, Electricals & Electronics
33.	Industrial Park Limited.	Energy, Electricals & Electronics
34.	Atcom Kenya Limited	Energy, Electricals & Electronics
35.	Dalbit Petroleum Limited	Energy, Electricals & Electronics
36.	Switchgear Limited	Energy, Electricals & Electronics
37.	Biopower holdings & Suppliers Kilifi Limited	Energy, Electricals & Electronics
38.	Blink Electrics Limited	Energy, Electricals & Electronics
39.	Totosci Holdings Limited	Food & Beverage
40.	Adamji Multi Supplies Ltd	Food & Beverage
41.	Wafa Kenya	Food & Beverage
42.	Malindi Flour Millers Limited	Food & Beverage
43.	Delish & Nutri Limited	Food & Beverage
44.	Maggy's Kienyeji Limited	Food & Beverage

NO.	COMPANY	SECTOR
45.	Avofresh Processors Ltd	Food & Beverage
46.	Country Delight Dairy Limited	Food & Beverage
47.	SRK Food Industries Limited	Food & Beverage
48.	De Heus Animal Nutrition Ltd	Food & Beverage
49.	Hazina Ya Ziwa EPZ Limited	Food & Beverage
50.	Executive Food Company Limited	Food & Beverage
51.	Animix Limited	Food & Beverage
52.	Mazao Yetu Limited	Food & Beverage
53.	Crumbs Investment Kenya Ltd	Food & Beverage
54.	Vobyl Ventures Limited	Food & Beverage
55.	Thika Coffee Mills Limited	Food & Beverage
56.	Wananchi Breweries Ltd	Food & Beverage
57.	Evergreen Herbs Limited	Food & Beverage
58.	Blossom Health Essentials Ltd	Food & Beverage
59.	Healthy U Two Thousand Limited	Food & Beverage
60.	Green Without Borders	Food & Beverage
61.	Persea Oils and Orchards Limited	Food & Beverage
62.	Doinyo Lessos ventures Ltd	Food & Beverage
63.	Gabrielle Millers Limited	Food & Beverage
64.	Swafi Foods Limited	Food & Beverage
65.	Kabianga Tea Factory Ltd	Food & Beverage
66.	Amaridina Enterprises	Food & Beverage
67.	Cup of Joe Limited	Food & Beverage
68.	Shalimar Spices Ltd	Food & Beverage
69.	Digigreens Holdings Limited	Food & Beverage
70.	Quality Meat Packers Limited	Food & Beverage
71.	Backbone Food Company Limited	Food & Beverage
72.	Jennifer Odera Gifting Co. Ltd (T&Co)	Food & Beverage
73.	Musty Distribution Limited	Food & Beverage
74.	House of Booch Limited	Food & Beverage
75.	Delictable Foods Limited	Food & Beverage
76.	Sello Designs	Leather & Footwear
77.	Thonge Limited	Leather & Footwear
78.	Zanna Goods Limited	Leather & Footwear
79.	Ikhweta General Manufacturing Ltd	Leather & Footwear
80.	Colombus Footwear Limited	Leather & Footwear
81.	United Footwear Ltd	Leather & Footwear
82.	Yetu Leather Limited	Leather & Footwear
83.	Moran Wires Limited	Metal & Allied
84.	Rainham Steel Plant Limited	Metal & Allied
85.	Hind Aluminium Industries (Kenya) Ltd	Metal & Allied
86.	Rongtai Steel Company Limited	Metal & Allied
87.	Renox Steel & Hardware Ltd	Metal & Allied
88.	Techwin Limited	Metal & Allied

NO.	COMPANY	SECTOR
89.	Certified Steel Mills Limited	Metal & Allied
90.	Metal Tin Containers Limited	Metal & Allied
91.	Rugged Equipment Limited	Metal & Allied
92.	Everyday Fabric Limited	Metal & Allied
93.	Heracoles Limited	Metal & Allied
94.	Steel Tank Africa Limited	Metal & Allied
95.	BY Industries Company Ltd	Metal & Allied
96.	Mwamba Thabiti Africa Enterprises Ltd	Metal & Allied
97.	M.I. Paper Industry Limited	Paper & Paperboard
98.	Green Stem Products Limited	Paper & Paperboard
99.	Crystal Lux Consumer Products Ltd	Paper & Paperboard
100.	Printcare Packaging East Africa Limited	Paper & Paperboard
101.	Stratton Haulage & Logistics Company Ltd	Paper & Paperboard
102.	Unique Packaging (KE) Ltd	Paper & Paperboard
103.	Nuff Enterprises Ltd	Paper & Paperboard
104.	Paretto Printing Works Ltd	Paper & Paperboard
105.	Advertage Advertising Limited	Paper & Paperboard
106.	Sanova Company Limited	Paper & Paperboard
107.	Danco Capital Limited	Plastics & Rubber Sector
108.	Polyfun Industries Limited	Plastics & Rubber Sector
109.	Criistal Plasto Pack Limited	Plastics & Rubber Sector
110.	Sahajanand Plastics Industries Ltd	Plastics & Rubber Sector
111.	Taraji Moja Materials Company Ltd	Plastics & Rubber Sector
112.	Finerate Plastics Limited	Plastics & Rubber Sector
113.	Ascot Industries Limited	Plastics & Rubber Sector
114.	Hari Pipes & Fittings Ltd	Plastics & Rubber Sector
115.	XPRO Packaging Ltd	Plastics & Rubber Sector
116.	Qodenext Africa Traceability Limited	Service & Consultancy
117.	International Healthcare Distributors (EA) Ltd	Service & Consultancy
118.	Lupat Cleaning Services Limited	Service & Consultancy
119.	Ric Energy Kenya Limited	Service & Consultancy
120.	Sus-Afric Innovators Limited	Service & Consultancy
121.	Tracom solutions Limited	Service & Consultancy
122.	Gravity Solutions Limited	Service & Consultancy
123.	Nisk Capital Limited	Service & Consultancy
124.	DPA Kenya Limited	Service & Consultancy
125.	Navari Limited	Service & Consultancy
126.	Ankil Solutions Limited	Service & Consultancy
127.	Fortera Consulting Limited	Service & Consultancy
128.	Muthee & Partners LLP	Service & Consultancy
129.	Greenland Industrial Company Limited	Service & Consultancy
130.	Multivista Kenya Limited	Service & Consultancy
131.	Stanbic Bank Kenya Limited	Service & Consultancy
132.	Afrigility Logistics Technologies	Service & Consultancy

NO.	COMPANY	SECTOR
133.	Knight and Apps Limited	Service & Consultancy
134.	Mitchell Cotts SEZ Limited	Service & Consultancy
135.	Techbiz Infotech Limited	Service & Consultancy
136.	Ronalds LLP	Service & Consultancy
137.	Namiri Technology Limited	Service & Consultancy
138.	Britam Holdings PLC	Service & Consultancy
139.	Clarity Standards Laboratory Ltd	Service & Consultancy
140.	Global Chain Link Limited SEZ	Service & Consultancy
141.	Prime International Consultancy Limited	Service & Consultancy
142.	Shamiri Technologies Limited	Service & Consultancy
143.	Motivation Charitable Trust Group	Service & Consultancy
144.	Lamexon Limited	Service & Consultancy
145.	Hasbah Kenya Limited	Service & Consultancy
146.	Rentstate Limited	Service & Consultancy
147.	Cherryfield Apparels Manufacturing EPZ Ltd	Textile & Apparels
148.	Fuhua Kenya EPZ Ltd	Textile & Apparels
149.	Montana Botique Limited	Textile & Apparels
150.	Ashton Mombasa Apparel EPZ Limited	Textile & Apparels
151.	Magman Manufacturers Ltd	Textile & Apparels
152.	Fullcare (Kenya) Medical SEZ Ltd	Textile & Apparels
153.	Affinity Tiankara Trends	Textile & Apparels
154.	Glow Fashions	Textile & Apparels
155.	Kai and Chi Epz Ltd	Textile & Apparels
156.	Lakshmi Manufacturing EPZ Ltd	Textile & Apparels
157.	Pecy Uniforms Limited	Textile & Apparels
158.	Blaise Investments Limited	Textile & Apparels
159.	Ocean C Fishnets Limited	Textile & Apparels
160.	Crunch Time Sports Limited	Textile & Apparels
161.	Jedmac Fashion Incubator Limited	Textile & Apparels
162.	Perfection Plus Limited	Timber,Wood & Furniture
163.	Honorx Capital Kenya Ltd	Timber,Wood & Furniture
164.	Colorful Life Service Management Company Limited	Timber,Wood & Furniture



The background of the image is a blurred office desk. It features a green calculator in the top left, a white coffee cup in the top right, a pair of glasses in the middle right, and various financial documents. One document shows a line chart with 'Top Temp' and 'Bottom Temp' series. Another shows a bar chart with orange bars. A red pen with silver rings lies diagonally across the bottom half of the image.

# FINANCIAL REPORT

**Directors**

Jane Karuku	- Chairperson
Hitesh Mediratta	- Vice Chairman
Rajan Shah	- Ex Officio (previous Chairman)
Mucai Kunyiha	- Retired in June 2024
Bharat Shah	
Rajan Malde	
Rohin Vora	
Ciiru Waweru	- Retired in June 2024
Pankaj Bedi *	
Linus Gitahi	
Marion Mwangi	- Resigned in Oct 2024
Ashit Shah	
Mihir Chalishazar	
Mary-Ann Musangi	
Pankaj Kumar	
Galeb Gulam	
Mohammed Rashid	
Martin Ochieng	
Riquin Li	- Elected in June 2024
Joyce Karanja	- (co-opted)
Naresh Leekha	- (co-opted)

\* Indian

**Chief Executive Officer**

Tobias Alando

**Company Secretary**

Adili Corporate Services Kenya

Certified Public Secretaries (Kenya)  
ALN House, Eldama Ravine Close  
P O Box 764 - 00606  
Nairobi, Kenya

**Registered Office**

LR 1870/1/553 - KAM Building  
15 Mwanzi Road, Westlands  
P O Box 30225 - 00100  
Nairobi, Kenya

**Principal 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**

Deloitte & Touche LLP  
Certified Public Accountants (Kenya)  
Deloitte Place, Waiyaki Way Muthangari  
P O Box 40092, GPO 00100  
Nairobi, Kenya

**Principal 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 The Kenya Association of Manufacturers (the “Company”) for the year ended 31 December 2024.

**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 44.

**Directorate**

The membership of the Board of Directors in the year and to the date of this report 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 organization for manufacturing value-add industries in Kenya. Since its inception in 1959, KAM has evolved into a dynamic, vibrant, credible and respected business association that unites industrialists and offers a common voice for businesses.

In addition to increasing its membership base, KAM’s other sustainability strategy has been to maintain current donor partners while seeking engagement with new ones to support projects that benefit our members, through funding.

The Company has maintained its portfolio of investments in rental property, money market and capital market instruments. These investments are stable enough to support KAM’s initiative and core mandate of policy advocacy. This is achieved through the promotion of trade and investment, upholding standards, encouraging the formulation, enactment and administration of sound policies that facilitate a competitive business environment.

**Key performance ratios**

The table below highlights some of the key performance indicators:

Performance indicator	2024	2023
	Shs ‘000’	Shs ‘000’
Income from members	287,997	255,576
Grant income	111,955	120,075
Surplus before income tax	50,991	28,834
Total assets	902,027	841,086
Reserves	565,497	523,634

**Economic Outlook**

According to the International Monetary Fund (IMF), Kenya’s economic outlook for 2025 projects a GDP growth rate of around 5%, primarily driven by services and household consumption, with stable inflation

and exchange rates expected to support the economy; the African Development Bank projects a slightly higher growth rate of 5.6% for 2025.

Kenya's manufacturing sector is navigating 2025 with caution, as revealed in the latest manufacturing sector barometer report (Q4,2024). There is subdued confidence among the manufacturers with concerns over excessive taxation, high operational costs and regulatory unpredictability. The high cost of fuel and electricity, coupled with delayed government pending bills and payments to manufacturers supplying goods and services, is affecting cashflow and industry stability.

For the country to unlock the full potential of its manufacturing sector, bold steps are needed. Tax incentives for local manufacturers, investment in infrastructure and affordable energy solutions and stronger policy support will be critical. KAM continues to engage the government and other stakeholders in addressing these challenges facing its members.

## Results

The surplus for the year of Shs 41,862,796 (2023: Shs 10,451,036) has been transferred to accumulated surpluses.

## Directors' statement as to the information given to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Terms of appointment of auditor

Deloitte & Touche LLP was appointed as auditor of the Company during the year 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. The Directors also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

## By order of the Board



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**Adili Corporate Services Kenya LLP**  
**Company Secretary**  
**15th May 2025**

The Kenyan 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 the IFRS Accounting Standards as issued by the International Accounting Standards Board and requirements of the Kenyan Companies Act, 2015. The Directors 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 Directors accept responsibility for the preparation and presentation of these financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i. designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. selecting suitable accounting policies and then 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 **15th May 2025** and signed on its behalf by:



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**Jane Karuku**  
Chairperson



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**Mihir Chalise**  
Director

# Deloitte. INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENYA ASSOCIATION OF MANUFACTURERS

## Report on the audit of the financial statements.

### Opinion

We have audited the accompanying financial statements of Kenya Association of Manufacturers (the "Company"), set out on pages 51 to 55, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan 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 Auditors' Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants, together with other ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements.

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

### Other information

The Directors are responsible for the other information, which comprises the report of Directors and statement of Directors' responsibilities as required by the Kenyan Companies Act, 2015. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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 that we obtained prior to the date of this auditors' 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.

### Responsibilities of the directors for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015 and for such internal controls as Directors determine are 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. The Directors are responsible for overseeing the company's financial reporting process.

### ***Auditors' 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 auditors' 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 judgment 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 the 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 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.

### **Report on other matters prescribed by the Kenyan Companies Act, 2015**

In our opinion the information given in the report of the directors on pages 45 and 46 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Fredrick Okwiri, Practising certificate No. 1699.**



**For and on behalf of Deloitte & Touche LLP  
Certified Public Accountants (Kenya)  
Nairobi**

**15th May 2025**

## Statement of profit or loss and other comprehensive income

	Notes	2024 Shs	2023 Shs
Income from members	4	287,996,529	255,575,651
Grant income	21	111,955,280	120,075,435
<b>Gross income</b>		<b>399,951,809</b>	<b>375,651,086</b>
Other operating income	5	76,941,556	79,028,919
Interest income	8	43,504,557	23,223,695
Allowance for expected credit losses*	17	(1,523,523)	(2,841,645)
Administrative expenses*	6	(355,564,585)	(325,279,473)
Grant expenditure	21	(111,955,280)	(120,075,435)
Finance costs	9	(363,780)	(872,690)
<b>Surplus before income tax</b>		<b>50,990,754</b>	<b>28,834,457</b>
Income tax expense	10	(9,127,956)	(18,383,421)
<b>Surplus for the year</b>		<b>41,862,796</b>	<b>10,451,036</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>41,862,796</b>	<b>10,451,036</b>

\*Allowance for expected credit losses was previously included under administrative expenses for the 2023 signed financial statements. This is now presented separately.




## Statement of financial position

	Notes	2024 Shs	2023 Shs
<b>RESERVES</b>			
Accumulated surpluses		565,496,511	523,633,716
		<u>565,496,511</u>	<u>523,633,716</u>
<b>Non-current liabilities</b>			
Deferred income tax	18	32,739,468	39,609,898
Lease liabilities	20	1,360,766	2,226,047
		<u>34,100,234</u>	<u>41,835,945</u>
		<u>599,596,745</u>	<u>565,469,661</u>
<b>REPRESENTED BY</b>			
<b>Non-current assets</b>			
Property and equipment	11	22,737,762	29,240,537
Intangible assets	13	7,929,488	10,572,650
Right-of-use assets	14	1,550,840	2,752,351
Investment property	12	229,554,700	217,219,594
Treasury bonds	16(b)	80,150,858	81,759,922
		<u>341,923,648</u>	<u>341,545,054</u>
<b>Current assets</b>			
Trade and other receivables	17	28,530,094	32,476,234
Grants receivable	21	8,956,835	26,950,684
Current income tax	10(b)	24,933,007	35,922,159
Treasury bills	16(a)	246,840,198	207,869,623
Cash and bank balances	15	250,842,799	196,322,258
		<u>560,102,933</u>	<u>499,540,958</u>
<b>Current liabilities</b>			
Trade and other payables	19	103,762,313	103,659,134
Unexpended grants	21	197,748,911	170,449,911
Lease liabilities	20	918,612	1,507,307
		<u>302,429,836</u>	<u>275,616,352</u>
<b>Net current assets</b>		<u>257,673,097</u>	<u>223,924,607</u>
		<u>599,596,745</u>	<u>565,469,661</u>

The financial statements on pages 51 to 52 were approved and authorised for issue by the Board of Directors on 15th May 2025 and were signed on its behalf by:

  
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**Jane Karuku**  
Chairperson

  
-----  
**Mihir Chalise**  
Director

## Statement of changes in equity

	Fair value reserve Shs	Accumulated surpluses Shs	Total reserves Shs
<b>Year ended 31 December 2023</b>			
At start of year	(6,459,836)	513,182,680	506,722,844
Surplus for the year	-	10,451,036	10,451,036
Other comprehensive income for the year	6,459,836	-	6,459,836
At end of year	-	523,633,716	523,633,716
<b>Year ended 31 December 2024</b>			
At start of year	-	523,633,716	523,633,716
Surplus for the year	-	41,862,796	41,862,796
At end of year	-	565,496,511	565,496,511



## Statement of cash flows

	Notes	2024 Shs	2023 Restated Shs
<b>Cash flows from operating activities</b>			
Cash generated from operations*	22	64,394,735	8,091,362
Income tax paid	10	(2,056,717)	(61,444,615)
Interest paid on lease liabilities	20	(363,780)	(872,690)
Net cash flows generated from/(used in) operating activities*		61,974,238	(54,225,943)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	11	(5,501,096)	(8,816,116)
Purchase of investment property (WIP)	12	(24,053,136)	-
Proceeds from disposal of equipment		-	114,585
Purchase of treasury bills*	16(a)	(395,283,144)	(477,389,080)
Disposal of treasury bills*	16(a)	369,663,664	590,488,910
Purchase of treasury bonds*	16(b)	-	(47,384,284)
Disposal of treasury bonds*	16(b)	2,896,894	4,650,000
Interest received	8	43,504,557	23,223,695
Net cash flows (used in)/generated from investing activities*		(8,772,261)	84,887,710
<b>Cash flows from financing activities</b>			
Payments of principal portion of the lease liabilities	20	(1,453,976)	(2,044,670)
Net cash flows used in financing activities		(1,453,976)	(2,044,670)
<b>Increase in cash and cash equivalents*</b>		51,748,001	28,617,097
Cash and cash equivalents at start of year		196,322,258	171,249,614
Effect of foreign exchange rate changes*		2,772,540	(3,544,453)
Cash and cash equivalents at end of year	15	250,842,799	196,322,258

\*Refer to note 24 regarding the restatement.













## CONTACT US

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🌐 📺 📺 Kenya Association of Manufacturers

*Creating prosperity for the nation through sustainable industrialization*