



## **Opportunities for local industries in the EU Market**

The EU is Kenya's second biggest export destination behind EAC. It absorbed 13.6% of Kenya's total exports in 2023. Kenya exported goods to the EU valued at USD 1.4 billion (€1.2 billion) while the imports from the EU totaled USD 1.8 billion (€1.7 billion) in the same year.

During the recently concluded KAM and Business Associations regional EPA awareness forum, it was noted that the total trade between EU and Kenya reached € 3 billion in 2023, an increase of 16 percent compared to €2.52 billion recorded in 2018.

Kenya's exports to the EU comprises largely of agricultural commodities including live plants and cut flowers, coffee, tea and spices, edible fruits and nuts, edible vegetables, fish and crustaceans, oil seeds, animal and vegetable fats, toys, games and sports accessories, leather, handcraft, gum, resins and tannins and dye extracts, articles of wood, essential oils, apparels and clothing accessories among others.

Kenya's imports from EU are mainly capital equipment and inputs into productive sectors. These include machinery and mechanical appliances, pharmaceuticals, cereals, chemicals for pest control, electrical and electronic equipment, paper and paper board, fertilizers, motor vehicles, dairy and animal products, printed books, articles for printing industry, beverages, spirits among others

The following are some of the opportunities for local industries expected to benefit when the Kenya-EU-EPA is implemented.

- i. **Expanded Market Reach:** Access to large and affluent consumer base in the EU, offering growth potential to Kenyan exporters.
- ii. **Increased Competitiveness:** Duty free access and removal of quotas will enhance the competitiveness of Kenyan products in the EU market.
- iii. **Investment and Partnership Opportunities:** EU investments in Kenya can create joint ventures and partnerships, opening new business avenues.
- iv. **Innovation and Quality Improvement:** Exposure to EU standards and practices will drive innovation and improvements in Kenyan products and processes. In addition, programs under the EPA will provide Kenya businesses with the support needed to meet EU regulations and enhance export capabilities
- v. **The value chains related to horticulture** (cut flowers), tea, coffee, edible fruits, nuts and spices will substantially grow under duty free, quota free market access. Other value chains indirectly related to other sectors such as automotive, parts and accessories, chemicals and green house building materials are expected to find new business opportunities.
- vi. **For the manufacturing sector, textiles and apparel sectors** are expected to be the first beneficiaries due to increased export opportunities.