



REPUBLIC OF KENYA

MINISTRY OF INVESTMENTS, TRADE, AND INDUSTRY
OFFICE OF THE CABINET SECRETARY

PRESS RELEASE

FACTSHEET ON MEASURES ALREADY TAKEN OR BEING TAKEN BY THE GOVERNMENT TO SUPPORT LOCAL MANUFACTURERS

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In the Government's continued efforts to support our manufacturers in line with the Kenya Kwanza Administration's quest to promote industrialisation, some concrete measures have been put in place.

Before we enumerate 10 of those measures, it is important to set one record straight with regard to the framework that guides a sizeable segment of our tax regime. The Common External Tariff (CET) is the overarching tax framework subscribed to by the East African Community Partner States. That framework provides a shared set of structures and provisions that are negotiated and agreed upon by all the Partner States. Altering the foundations upon which the EAC tax framework is set would mean going back to the negotiating table and requesting for adjustments, a potentially disruptive matter that would call for concurrence from all Partner States. To that extent, the hands of the Government concerning adjusting tax provisions arbitrarily are tied.

That notwithstanding, the following measures have consciously been taken by the Government to ease a slew of burdens that could slow down our manufacturers.

1. The imposition of the Export and Investment Promotion (EIP) levy. Government has already started bearing fruit through investment in clinkerization in West Pokot. Already Kshs. 300 million has been collected since September 2023.
2. Through the Buy-Kenya Build-Kenya initiative 40% is set apart for the purchase of products made locally. This initiative has opened multiple opportunities for local manufacturers. The value of goods purchased by MDAs in the last Financial Year stood at Ksh. 240 billion, itself a huge boon for our manufacturers.
3. The ongoing setting up of County Aggregation and Industrial Parks (CAIP), has paved the way for the aggregation of agricultural produce that our manufacturers need. The CAIPs initiative will help in cutting costs related to sourcing of raw materials for our manufacturers. Thus far, the Government has released Ksh. 1.12 billion for 18 Counties under Tranche 1.
4. In recent times, the Government has accelerated the set-up of Special Economic Zones (SEZs) and Export Processing Zones (EPZAs) which enjoy special concessions with regard to tax, and infrastructure besides other special incentives, This is yet another big boon for our manufacturers.
5. To protect local manufacturers and Kenya's infant industries both the Anti-Counterfeit Authority (ACA) and Kenya Trade Remedies Agency (KETRA) to counter the dumping of goods and unfair competition. Besides, Kenya Industrial Property Institute (KIPI) continues to protect local innovations to support our manufacturers.

6. To enable goods produced locally to meet global standards, the Kenya Bureau of Standards (KEBS) has a vibrant and globally accepted standardization parameters that our manufacturers ride on to enter international markets.
7. Similarly, we have the Kenya Industrial Research Development Institute (KIRDI) that supports upcoming industrialists through offering incubation facilities until they are able to stand on their own.
8. The Government, through my Ministry has inked preferential treaties with significant international markets. We have the European Union Economic Partnership Agreement (EU-EPA) that gives market access to 27 European countries on a duty-free and quota-free arrangement. This is in addition to the Traditional European markets, EAC, COMESA, and AfCFTA. This arrangement portends a huge opportunity for Kenyan manufacturers. Over the years, we have negotiated tens of Non-Tariff Barriers (NTBs), which KAM, as a beneficiary, is well aware of.
9. To ease access to affordable credit, the Kenya Development Corporation (KDC) provides capital to our manufacturers for start-ups and expansion. KDC plays a catalytic role by providing long-term financing and other financial investments and offering business advisory services.
10. Recently, my Ministry launched the Karibu Business Support Centre (KBSC) tasked with easing doing business in Kenya. KBSC is a one-stop shop for information needed by investors, traders and manufacturers. Besides hosting an online portal, KBSC is opening regional centres, the most recent being in Bungoma County. Other KBSC regional centres will follow suit.

The Ministry and by extension, the Government is fully committed to continuously improving the business climate in the country and helping manufacturers expand their enterprises.

Rebecca Miano, EGH
Cabinet Secretary
Ministry of Investments, Trade & Industry

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