

BOTTOM UP ECONOMIC TRANSFORMATION AGENDA

The Kenya Vision 2030 aims to transform Kenya into a newly Industrialized Middle-income country providing a high quality of life to all its citizens by 2030 with the manufacturing sector contributing over 20% to GDP. The Manufacturing Sector is a growth and development accelerator that contributes to wealth creation, employment creation and poverty reduction. In countries with rapid industrialization, manufacturing has the potential to create jobs directly and indirectly through backward and forward linkages with Agriculture, Construction and Trade among other sectors of the economy.

The BETA Value Chain approach adopted will enable it to analyze the economy from a competitiveness angle and to address the bottlenecks that impede the growth of the Manufacturing Sector. The Kenyan Manufacturing Sector is largely agricultural based. The various agricultural value chains will get a great boost with the establishment of County Aggregation and Industrial Parks in all 47 counties.

The sector has great potential in value chains such as leather, textiles and apparel, pharmaceuticals, edible oil processing, dairy, local assembly of electric motorcycle/ vehicle and waste recycling and is open to investors in these and other areas of Manufacturing. Leather clusters will be established in Wajir, Narok and Isiolo to tap into the raw hides and skins for tanning and processing into leather and leather products; and Leather Parks will also be established to further support the value addition of leather and its products.

In the construction value chain, Kenya is leading in manufactured exports to neighboring countries (mabati, building steel, etc). There is however potential to leverage on housing programmes to scale up and broaden the range of products by building capacity through establishing standards which will enable Jua Kali to produce mass fittings such as, windows and doors. Through the textile and apparel value chains value addition of cotton, textiles and apparels will be enhanced. This will be through establishment of value addition centres. Support and extension services will be provided to farmers to increase the acreage under cotton and cotton lint sourced locally.

The Sector is working with other stakeholders to address the tax regime, licenses, cost of power and cost of doing business within the country as well as encouraging use of alternative cheap clean power generation as an alternative source of energy. As part of environmental conservation, we are also promoting “circular economy” waste separation sites/infrastructure i.e processing of wastes to make other valuable products.

To realize the BETA objective in local assembly of electric vehicles and motorcycles, the sector targets rolling out electric vehicle (EV) charging infrastructure in all urban areas and along the highways; as well as accelerating transition to electric vehicles which is a win-win proposition in terms of contributing to Kenya's emission reduction commitment.

Industrial Research, innovation and quality infrastructure is key in creating new competitive products, new cutting edge innovations and new processes in driving the country's competitiveness. towards this there is need to enhance the standards and accreditation, protection of industrial property rights, provision of training of manpower for the industrial and other sectors of the economy, Increasing funding for industrial research and development, Incentivizing the private sector to contribute towards research and deepening the Industry Academia Partnerships.

The Government will continue to collaborate with stakeholders including the Private Sector and Development Partners to realize the BETA's projected growth. Efforts will continue to be made to improve the operating environment for manufacturing to thrive. Deliberate strategies will be implemented towards attracting more domestic and high impact foreign direct investments to inject capital, expertise and technological advancement that will ensure the economy maintains a firm growth trajectory.

"It's one small step for man, one giant leap for mankind."