



VIWANDA BULLETIN

December 2025 ISSUE II



KSH32B BAMBURI, SINOMA-CBMI DEAL:

A New Dawn for the Building and Construction Sector

The new clinker production line to be jointly developed by Bamburi Cement PLC and SINOMA-CBMI Construction Co. Ltd in Matuga, Kwale County, is a transformative investment required to drive national development. President William Ruto, who witnessed the signing of the KSh32 billion contract between the two

companies in Nairobi, noted that the deal was a crucial milestone in the building and construction sector.

“This project will play a critical role in strengthening Kenya’s industrial capacity and supporting the delivery of strategic national infrastructure, including the Affordable Housing Programme.

“We will realize our KSh5 trillion rapid national development ambitions through deliberate support from both public and private investment initiatives that align with and advance our shared national goals,” noted HE. Ruto.

He added that the project will create meaningful employment opportunities for young people, further stimulating local enterprise and supply chains, while promoting balanced regional industrialisation by anchoring manufacturing growth at the Coast.

He commended Bamburi Cement and SINOMA-CBI for forging a strong partnership and translating investment intent into tangible action that advances Kenya’s development agenda.



Japan's Samurai Bond Ignites Kenya's Automotive Ambition



Industry Principal Secretary Dr. Juma Mukhwana

For years, Kenya's automotive sector has relied on importing and assembling used vehicles, a model that has drained foreign exchange, increased emissions, and limited local job creation. Kenya's new automotive policy seeks to change this by focusing on local assembly, manufacturing, and a shift toward electric vehicles (EVs).

The Kshs.13.1B Samurai Bond is the critical enabler, providing the resources needed to leapfrog technological gaps and build a competitive, sustainable industry from the ground up.

Japan, which is a global leader in automotive innovation, is not just a lender but a strategic partner, targeting specific bottlenecks in Kenya's automotive value chain. A major focus is the creation of a National Automotive Council and Institute to address policy ambiguity and boost investor confidence, while the Institute will train technicians in modern diagnostics, EV maintenance, and robotics, tackling the long-standing shortage of skilled labour.

That has been proposed in the National Automotive Bill, 2025, that is currently under public scrutiny, before it is forwarded to parliament for further approval and later ascent by the President.

Motor-vehicle assembly industry needs large capital investments to move from simple assembly (SKD/CKD) to full manufacturing. The Samurai bond, therefore comes in to help fast track Kenya's move toward full manufacturing (at Level 3 and beyond), as well as attract global OEMs to set up regional plants. This will definitely translate into jobs for our young TVET graduates across engineering, design, assembly, logistics, and quality systems.

Kenyan parts makers and assemblers will also benefit from grants and soft loans, to acquire advanced machinery further supporting the move beyond simple knockdown assembly to full manufacturing, which requires expensive welding, painting, and automation systems.

Recognizing Kenya's unique market, where motorcycles dominate, the bond also funds the modernization of motorcycle assembly, especially for electric models, which could catalyze a cleaner, safer fleet and foster a network of local MSME suppliers.

The bond will also cater for programmes to stimulate demand for locally built vehicles, as plans are underway to establish a National Automotive Consumer Financing Facility, which could offer single-digit interest loans, making new vehicles more accessible and creating a virtuous cycle of production growth.

A significant portion of the bond is earmarked for sustainability initiatives, including the development of EV charging infrastructure and an End-of-Life Vehicle (ELV) recycling ecosystem. With Kenya importing over 100,000 used vehicles annually, establishing ELV collection centers and recycling plants will help mitigate pollution and create green jobs, while a nationwide fast-charging network is essential for accelerating EV adoption and reducing fossil fuel dependence.



UNEA-7, a Platform for Practical, Solutions for Textiles

By John-Paul, Wafula (IO)

Cotton once supported over 200,000 households and powered over 50 textile mills in Kenya. At its peak, the cotton, textile and apparel sector supported tens of thousands of jobs before structural reforms and governance failures led to a dramatic decline in the industry.

The decline drew a number of lessons for Kenya, that industrial policy, good governance, and coordinated value chain support are essential if manufacturing was to deliver sustainable prosperity.

Under the National Cotton, Textile and Apparel Policy 2025, sustainability and circularity are central to sector revival. UNEPs interventions through projects such as Intex and the Circularity and Used Textiles Trade initiative, has helped map used textile flows, test circular models, and build the evidence base for policies that protect local markets while enabling responsible trade.



Kenya recently hosted the 7th session of the United Nations Environmental Assembly (UNEA-7) under the theme *Advancing Sustainable Solutions for a Resilient Planet*.

Complementing the policy, is the Buy Kenya Build Kenya initiative being championed by the State Department for Industry. By using public procurement, which includes the purchases of uniform by disciplined forces, to prioritize locally made textile and leather products, stimulate demand, and strengthen domestic manufacturers. The government's coordinated interventions, including distribution of certified and BT cotton seeds to boost yields and make cotton a viable cash crop again for smallholder farmers, are reconnecting the value chain from farm to market.

Trade frameworks and investment zones have also shaped how fast and fairly the sector has grown. Through the Africa Continental Free Trade Area (AfCFTA), Kenya has a continental market to expand value added apparel and leather exports; the EU Kenya EPA opens European markets for higher value goods; and AGOAs legacy shows how preferential access can create thousands of jobs.

Favourable trade policies now serve to lock in local value addition, beyond low value assembly. The Export Processing Zones and Special Economic Zones also, remain vital to attracting green investment and piloting of green technologies.

Circularity is both an industrial opportunity and a social imperative. Designing for durability, scaling reuse and repair, and investing in recycling create jobs, keep value in our economy, and reduce pollution that harms communities and ecosystems.

For Kenya, circular textiles means growing local manufacturing, reducing costly imports, and formalizing the many informal businesses that already keep garments in use.





SCAN ME!
TO READ
THE BILL



Industry Deputy Director, Elijah Akumu takes residents of Machakos, Kitui and Makueni counties through the National Automotive Bill, 2025 before they gave their views



Director Christopher Njabara, Joseph Maina Thuita DCC receives a memorandum from Peter Otieno from Car Importers Association of Kenya during Public Participation on the national automotive Bill, 2025 at ATC-Kisii,



Members of the Jeremiah Mugi Foundation present their memorandum to the State Department for Industry's Director Stanley Koske and Nairobi Region Industrial Officer David Mithuka during the Public Participation on the National Automotive Bill, 2025.

National Automotive Bill, 2025 Under Public scrutiny



KAM's Manager for Automotive Jackson Wambua and South Rift KEBS Regional Manager Eng. Josephat Bangi speak to the media on the Automotive Bill 2025, during the public participation exercise in Nakuru.



Garissa, Wajir and Mandera Counties' residents too, gave their input on the Bill.



National Automotive draft Bill consultation at Mama Grace Onyango Social Hall, Kisumu



Kisumu County Commissioner Benson Leparmorijo makes his remarks during the regions public participation exercise



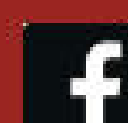
Officers drawn from the State Department for Industry, Kenya Association of Manufacturers, KEBS and other state agencies pose for a photo outside the Mama Grace Onyango Social Hall in Kisumu



Director Christopher Njabara receives Memorandum on the National Automotive Bill, 2025 from representative Benson Mukwahana of Jeremiah Mugi Foundation. Highlight inclusivity of PWD and stakeholders.



Officers drawn from the State Department for Industry pose for a photo outside the National Library Services premise in Nakuru





Republic of Kenya

MITI
State Department of Industry

GOVERNMENT BACKS GROWTH OF CIRCULAR ECONOMY

By Theuri Mwangi (PCO)



Industry PS Dr. Juma Mukhwana joins Swedish Ambassador, H.E, Hakan Akesson during the Kenya - Sweden Bioeconomy Business and Innovation fair.

State Department for Industry, Principal Secretary (PS), Dr. Juma Mukhwana has called on Swedish investors to take up spaces in the newly constructed County Aggregation Industrial Parks (CAIPs), saying that this would further enhance the growth of bioeconomy in the country.

The PS, acknowledged the Government's efforts towards ensuring great relations between the two countries continue, through collaboration in developmental agendas.

Speaking during the Kenya - Sweden Bioeconomy Business and Innovation fair, Mukhwana noted that the countries' focus on promoting the use of renewable resources in manufacturing was timely, as the world moves towards circular economies.

The PS further reiterated the Government's commitment to opening up more markets for investors through joining regional and overseas economic blocs, such as Europe's, Economic Partnership Agreement (EPA), the East African Community (EAC).

Common Market for East and Southern Africa (COMESA), Africa Continental Free Trade Area (AfCFTA) in a bid to gain larger market access, as the economy continues expanding.

Dr. Mukhwana, also highlighted the Government's commitment in supporting the growth of entrepreneurs

and manufacturing, saying that through the Kenya Development Corporation (KDC), affordable financing was readily available and accessible for businesses.

"If we are to grow as a country, we must build on the innovations of our young people. I urge young entrepreneurs to focus on the production of commodities that benefit the local communities by providing solutions to local problems and beyond," the PS further noted.

Bioeconomy is an economic system that focuses on innovation and value addition through the use of renewable resources while promoting sustainability. Bioeconomy is currently being embraced in the fields of industry, agriculture and forestry, energy, health and waste management as the world continues being more cautious of climate change and its effects.

The Swedish Ambassador, H.E, Hakan Akesson, on his part, emphasized on the need for both Government's continued support for the growth of industry, through clean energy, and the use of biodegradable

raw materials, with the use of science, technology and innovation as a means.

Ambassador Akesson further remarked that through the use of science, technology and innovation, bioeconomy around the world was making significant gains as people continue embracing the idea, adding that sustaining economic transformation through the use of renewable resources was now becoming a reality that manufacturers were also beginning to adopt.

The PS and Swedish Ambassador also launched the Advancing Bioeconomy Development in Kenya (ABDK), 2025 report, on the state of bioeconomy in Kenya, this year, during the two-day event where investors from both countries exchanged ideas and showcased their products. Bioeconomy related industries, the report shows, are expected to generate two trillion dollars globally, by the year 2030.

ABDK is a project supported by the Kenyan and Swedish Governments, in collaboration with the Kenya Private Sector Alliance (KEPSA) and investors from Sweden's private sector.





A Story of Kenya's Industrial Transformation

By Alice Nyambura Tumbo (IO)

There is a new chapter unfolding in Kenya's industrial landscape one that blends innovation, sustainability, and economic opportunity, the Energy Efficiency for Sustainable Livelihoods in Africa (EELA) Kenya Window Project. This Programme is designed to help industries use energy smarter while enhancing competitiveness and protecting the environment.

The EELA Kenya Window project is a five-year programme implemented in collaboration between UNIDO and the Ministry of Investments, Trade and Industry. Domiciled at the State Department for Industry, and supported by the Swedish Government, the project seeks to accelerate Kenya's transition to energy-efficient and low-carbon industrial growth.

As part of a larger continental programme across ECOWAS, EAC, and SADC regions, Kenya plays a central role in advancing this agenda. The project, therefore, aims to transform markets so that energy-efficient appliances, systems, and technologies become standard across households and industries.

With a total investment of €5.86 million, the Programme supports Kenya's efforts to reduce production costs, lower emissions, and strengthen industrial competitiveness.

The Programme will pilot the tea sector, showcasing how energy efficiency and clean technologies can reduce costs and improve competitiveness before expanding to other manufacturing sectors.

The specific outcomes of the project include;

1. Outcome 1: The uptake of Energy Efficient Appliances in Kenya has increased through national policy and capacity building interventions as well as private sector development, linked to the regional EELA Project;
2. Outcome 2: A Private Sector Industry Clean Tech Platform (ICTP) is set up to accelerate investments in the low-carbon transformation of the industrial sector piloted in the tea industry;
3. Outcome 3: Skills for repair, maintenance, and end-of-life treatment of energy-efficient equipment are enhanced in Kenya with a special focus on Off-Grid equipment such as solar home systems, off-grid refrigerators, and Off-grid PUE systems; and
4. Outcome 4: Awareness raising and communication.



Implementation Progress

As part of strengthening coordination, oversight, and national ownership of the Programme, the Project Steering Committee (PSC) has convened three meetings, providing strategic guidance, reviewing progress, and ensuring alignment with national priorities.

The first Technical Working Group (TWG) meeting brought together sector specialists, government agencies, private sector representatives, and development partners to guide implementation including technical validation, knowledge sharing, and cross-sectoral collaboration.

Why this matters for Kenya

Energy efficiency goes beyond saving power it supports the Bottom-Up Economic Transformation Agenda (BETA) by reducing the cost of production, providing green and decent jobs, while sustainably creating climate-aligned industrial growth. Additionally, it helps in adhering to provisions of Kenya's clean energy and climate commitments.

Through the combined efforts of UNIDO, the Ministry of Energy and Petroleum, the State Department for Industry, KAM, KEBS, the Swedish Energy Agency, and other key stakeholders, Kenya is strongly positioned to lead Africa's transition to green industrialization.



Kenya's Low-Carbon Industrial Future:

Insights from the UNIDO MRV Workshop in Meru

By Cecilia Mwanja (PCO)



Industrialization Secretary Prof. Erastus Gatebe

In an era where climate change remains one of the defining global challenges, countries across the world are accelerating efforts to build transparent and efficient systems for monitoring greenhouse gas emissions and guiding sustainable industrial transformation. Kenya is no exception. This commitment was demonstrated during a three-day Measurement, Reporting, and Verification (MRV) Workshop organized by the United Nations Industrial Development Organization (UNIDO) in Meru, bringing together a diverse group of experts, policymakers, and industry representatives.

The State Department of Industry (SDI) made a strong showing, with the delegation led by the Director of Engineering and Construction, Mr. Gideon Oele. Other institutions represented included the Confederation of Indian Industry (CII), Kenya Industrial Research and Development Institute (KIRDI), Kenya Bureau of Standards (KBS), National Cement, various players from the energy sector, and the National Environment Management Authority (NEMA). Together, they formed a multidisciplinary audience capable of shaping Kenya's industrial emissions pathway.

The workshop was steered by GAUSS International Consulting team members Mr. Sander Akkermans and Mr. Leon Bengsch, experts from Madrid, Spain, whose experience spans climate accounting, industrial process analysis, and infrastructure for national MRV systems.

With the rollout of Kenya's Nationally Determined Contributions (NDC) 3.0 underway, their guidance was instrumental in breaking down complex climate reporting requirements into actionable roadmaps for the country's industrial sector.

At the heart of the workshop was a simple but powerful mission: to design and pilot a robust MRV system capable of identifying, prioritizing, and tracking industrial mitigation measures with precision. Such a system is essential not only for meeting the country's obligations under the United Nations Framework Convention on Climate Change (UNFCCC) but also for informing national development planning and strengthening Kenya's position in global climate negotiations.

Over the three days, participants engaged in both theoretical and hands-on sessions. Through group discussions, online pilot demonstrations, and capacity-building modules, they explored the intricacies of GHG emissions reporting and the pathways through which industries can reduce their carbon footprint. A significant portion of the sessions focused on developing practical MRV protocols that can be adopted by industries across Kenya protocols that reflect local realities while aligning with international standards.

Discussions were particularly enriched by the representation of key industries such as cement, iron, and steel sectors known for their heavy emissions but also their enormous potential for transformation. In the cement sector, for example, the workshop highlighted several mitigation opportunities, including the use of low-emission fuels, the integration of renewable energy sources, reduction of clinker content in cement production, and electrification of industrial processes. These measures, if implemented consistently, could significantly lower the sector's emissions while enhancing competitiveness and efficiency.

Beyond emissions quantification, the workshop emphasized the importance of trust, transparency, and accountability in climate action. Prof. Gatebe noted that the MRV framework being developed is not merely a reporting mechanism; it is part of a broader transformation agenda that aligns Kenya with the Paris Agreement's long-term goals. By improving data quality, standardizing emission tracking methods, and enhancing cross-sectoral collaboration, the framework will position Kenya to effectively communicate its progress and attract the technical and financial support needed for large-scale industrial decarbonization.

The workshop's success lies in its ability to convene stakeholders who do not often find themselves in the same room—engineers, policymakers, standards authorities, environmental regulators, and industry leaders. Their shared dialogue created a foundation for collective understanding and action, making it clear that sustainable industrialization requires a joint effort anchored in science, policy, and innovation.

As Kenya continues to strengthen its MRV infrastructure, the lessons from the Meru workshop will play a pivotal role in guiding industrial climate action. The momentum generated over the three days signals a growing recognition that achieving low-carbon industrial growth is not only possible but essential for economic resilience, environmental health, and global competitiveness.

Ultimately, the workshop stands as a testament to Kenya's unwavering commitment to aligning industrial development with climate responsibility. With continued collaboration, capacity building, and innovation, the country is well on its way to establishing a transparent and effective MRV system one that supports sustainable development today while safeguarding the environment for generations to come.

Innovation and Partnerships Drive Growth in Agro-Processing:

By Gloria Gicheru (PCO)

Kenya's agri-processing industry, spanning sectors from dairy to edible oils, is poised for significant growth, as stakeholders call for urgent measures to harness its vast potential in value addition, employment and export expansion.

Insights shared at the Kenya Industrialization Conference 2025 highlighted a sector energized by ambition but hindered by inconsistent policies, high operational costs and productivity challenges.

The dairy sector that contributes 4% to Kenya's GDP and supporting 1.8 million small scale farmers, illustrated both opportunity and risk.

Dr. Paul Maritim of the Kenya Dairy Board outlined bold targets: doubling milk production to 10 billion litres per year, raising processed milk's market share to 50%, and exporting 1 billion litres annually.

Plans, he added, involved rolling out over 250 milk coolers nationwide, adopting quality-based payment mechanisms, and encouraging private sector growth, which has led to an increase in processors to 50 coolers.

Nonetheless, Group Director for Corporate Affairs at Bio Foods Limited, Waithera Ng'ang'a, described ongoing sector volatility as having lagged agricultural productivity behind population growth, causing severe seasonal supply fluctuations, unstable prices, and reliance on imports during shortages.

"This uncertainty dampens investments in high-value products like cheese and butter due to limited local demand," added Ng'ang'a.

The panelists had a shared call for an integrated ecosystem approach arguing for a backward integration strategy to strengthen connections from farm to factory via better breeding, feeding, and farm management practices.



Cabinet Secretary for Investments, Trade and Industry Lee Kinanjui (third right) engages with industry players in a panel discussion during the 3rd Kenya Industrialization Conference held on November 4th, 2025.

"A 10% growth in the dairy sector could yield an extra 200 million litres of milk, over KES 10 billion in farmer income, and thousands of new jobs," she forecasted.

Similar challenges affect the edible oils industry. Vimal Shah, CEO of Bidco Africa, acknowledged constructive government intentions on enhancing backward linkages but lamented a lack of execution. He pointed at unpredictable levies and taxes, high energy expenses, and competition from duty-free imports within COMESA as key barriers to competitiveness and exports.

"We are overregulating this country. There are too many levies for farming, handling, selling and everything around edible oil production. This should be scaled down, as this has driven sector players to rely on importation as opposed to local production" Mr. Shah urged.

Mr. Shah advocated for incentives to support local manufacturers and a ban on importing finished products that undercut domestic producers.

Mr. Kizito Wangarwa, representing the Council of Governors, emphasized the necessity of decentralized execution and aligned services between national and county governments to reduce the regulatory and levy burdens on manufacturers.

Transforming agri-processing demands more than lofty goals, beyond stable policies, targeted incentives, low energy and logistics costs, and an unwavering commitment to strengthening the entire value chain from seed to shelf.



BIDCO CEO Vimal Shah

Tour of Tupande Processing Facilities in Ruiru and Sagana



Following the signing of the Memorandum of Cooperation between the State Department for Industry and One Acre Fund Kenya under the Tupande Cash Crop Value Addition Program, One Acre Fund Kenya organized a 2-day visit of Tupande cash crops processing facilities in Ruiru and Sagana on 2nd and 3rd December, 2025. The purpose of the visit was to observe value-addition and agro-processing operations for high value crops and to assess production capacity, quality controls, supply-chain linkages, workforce skills, and market readiness. This activity supports the Government’s commitment to strengthen agro-processing, enhance value addition, and promote competitiveness in the fruits and vegetables sector.

Tupande, an initiative of One Acre Fund, seeks to transform smallholder agriculture by enabling farmers to achieve higher yields, reduced post-harvest losses, and increased incomes. The program equips farmers with high-quality farm inputs, tree seedlings, accessible credit, extension services, and market linkages, thereby improving productivity and livelihoods.



How New Financing Models Are Powering Kenya's Industrial Future

By Wendy Achieng

As Kenya pushes towards its Vision 2030 and aligns with the African Continental Free Trade Area (AfCFTA), one question looms large: how can the nation finance its industrial transformation in an inclusive and sustainable way? A pivotal discussion during the recent Kenya Industrialization Week Conference provided compelling answers, highlighting a decisive shift from traditional lending toward dynamic, technology-driven financial solutions.

The session at KICC brought together key financial institutions, development bodies, and industry stakeholders. The dialogue revealed a consensus that the future of Kenyan manufacturing hinges on financial systems that are as agile, creative, and forward-looking as the entrepreneurs they aim to serve.



The landscape of industrial finance is being fundamentally reshaped, with panelists painting a picture of an evolving ecosystem where rigid loan terms and prohibitive collateral are giving way to flexibility and innovation. Director General of the Kenya Development Corporation, Ms. Norah Ratemo, emphasized the strategic importance of patient capital and equity investments, highlighting the corporation's successful stake in Isuzu East Africa Ltd. She announced the launch of KDC's dedicated Green Fund, a move aimed squarely at helping manufacturers adopt eco-friendly technologies and underscoring the growing imperative of sustainable industrial growth.



Echoing her, Acting Managing Director of the Kenya Industrial Estates, Dr. Doreen Kimanthi, turned the spotlight onto Kenya's rapidly expanding creative and digital economy. She argued that supporting micro, small, and medium enterprises now demands innovative tools beyond conventional loans, such as leasing arrangements, contract manufacturing finance, and support for smart production systems. She noted that financing mechanisms must evolve to capture opportunities in virtual and non-traditional enterprises that often operate without physical offices or traditional asset bases.

From the commercial banking perspective, NCBA Bank's representative, Mr. James Karinga, highlighted a quiet revolution already underway through digital lending. He explained that digital platforms now enable instant disbursement of funds, while models like asset-based and supply-chain financing allow manufacturers to unlock capital quickly by using their machinery or unpaid invoices as leverage. While acknowledging that challenges with collateral and guarantees persist, he pointed to the rise of strategic partnerships designed specifically to de-risk lending to the manufacturing sector, a critical step in building lender confidence.

The discussion effectively catalogued a suite of innovative financial instruments now deemed essential for industrial growth. These include asset-based financing, which allows machinery and equipment to serve as collateral; supply chain financing, which improves liquidity through tools like invoice discounting; and AI-enabled digital lending, which leverages algorithms and mobile technology to make credit scoring faster and more inclusive. Also gaining prominence are green and sustainability-linked funds aimed at financing the transition to low-carbon production, alongside equity and venture capital to provide patient, long-term investment for high-potential start-ups. Notably, the session emphasized the need to formally include Kenya's creative and tech innovators, often overlooked by traditional banks, through innovative models like revenue-sharing, crowdfunding, and digital shareholding. Underpinning all these models is the crucial development of public-private risk-sharing and credit guarantee mechanisms designed to boost lender confidence in small and medium-sized enterprises.



MITI
State Department of Industry



PHOTO: COURTESY

Korean K-Elec Launches first made-in- Kenya TVs and Fridges

IN OTHER NEWS

Dr. Juma Mukhwana Tournament Grand Finale

A Call to the People
People of Namilama and beyond—this is
your moment!

On 31st December 2025, history will be
written on the fields of Namilama Primary
School as we bring the curtain down on
the Dr. Juma Mukhwana Super Cup Grand
Finale.

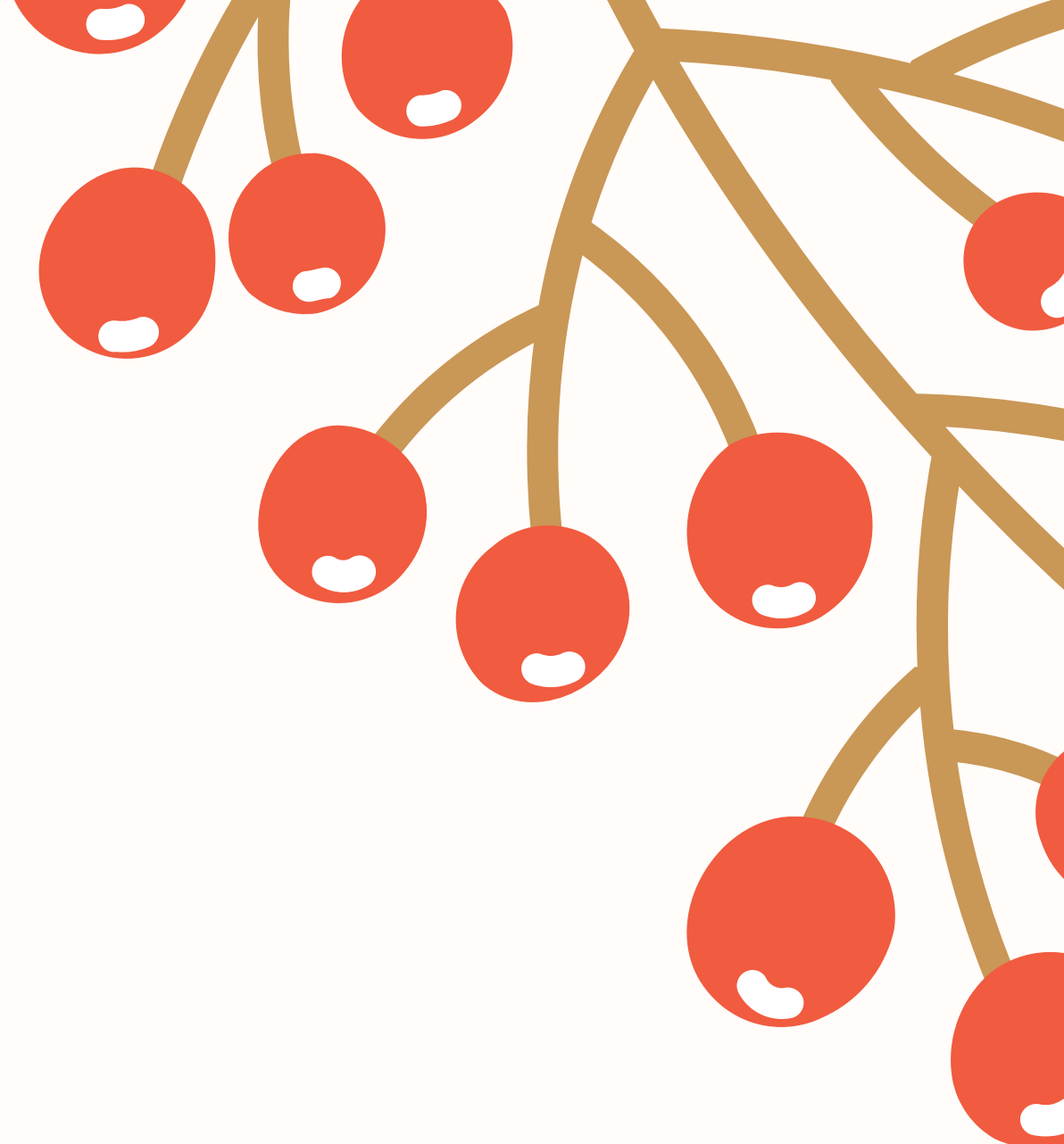
FROM 9:00 A.M. TO 6:00 P.M.

LET THE YOUTH SHINE. LET THE
COMMUNITY RISE.

Be there. Be loud. Be proud.

31st December 2025 | 9am–6pm |
Namilama Primary School





MERRY

Christmas

AND HAPPY NEW YEAR 2026

Contact Addresses

State Department for Industry
Social Security House, Block A, 23rd Flr
P.O. Box 30418-00100, Nairobi, Kenya
Telephone: +254 20-2731531
Fax: +254 20-2731511
Email: ps@industrialization.go.ke

:

