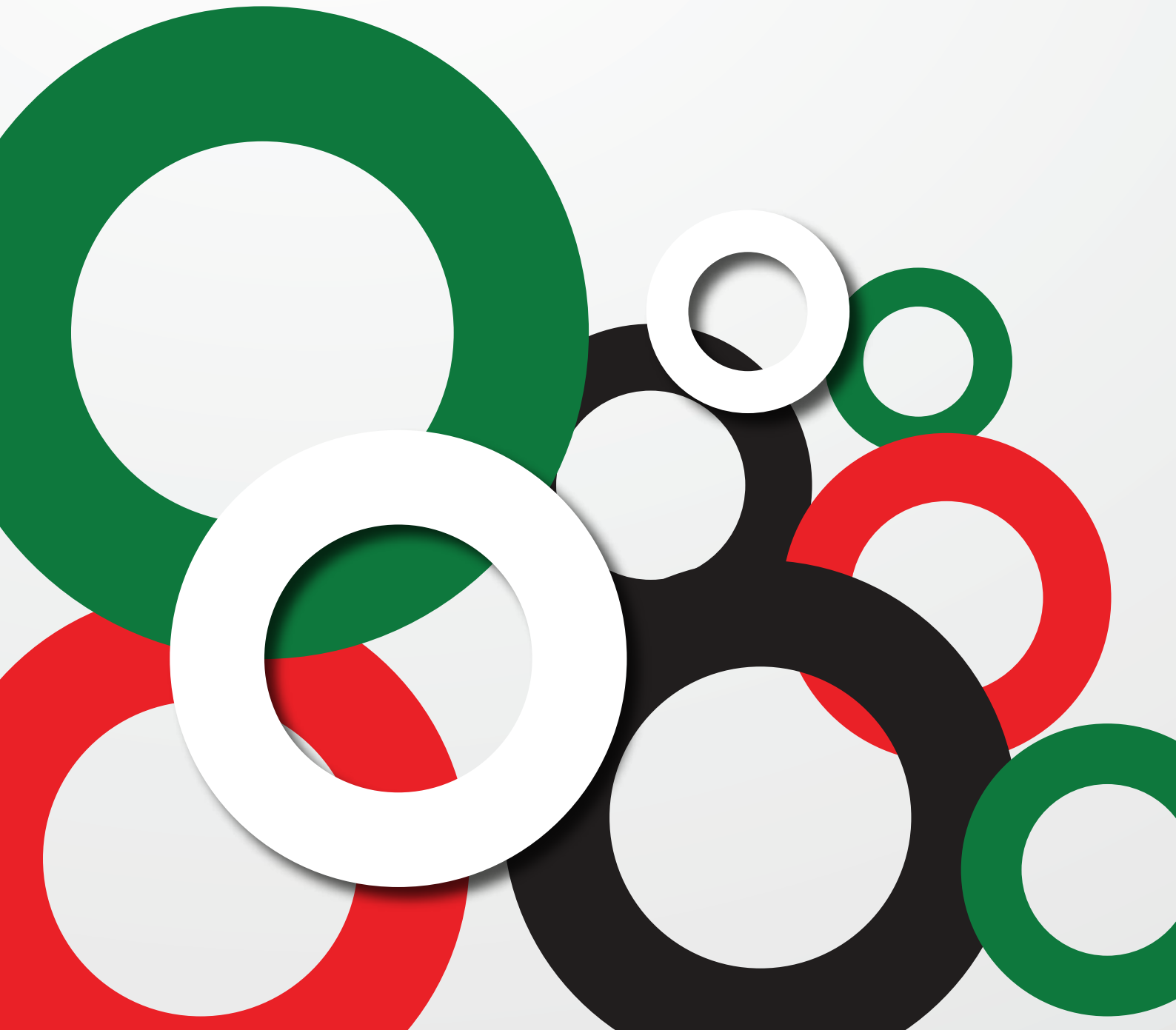


Chamber Quarterly

2ND QUARTER



**Monday, May 10th 2021**

Kenya seeks to tap growing avocado demand in Egypt

Kenya is eyeing bigger exports of avocado to Egypt amid rising demand for the fruit in the north African nation. The Kenya National Chamber of Commerce and Industry (KNCCI) has invited farmers to submit their product specification for export of one-40 feet container (with 20 pellets) to Cairo. They are required to provide phytosanitary and health certificates, among others, to ensure their products are free from pests and diseases. KNCCI Trade, Policy and Advocacy Officer Fredrick Mukilya attributed the rise in demand to the quality of local avocados as well as the country's ability to satisfy buyers' requests. "We are looking for Kenyan companies especially those who are exporting Fuerte avocado. We have communicated the same to our members," Mr Mukilya told the Business Daily. Some of the avocados whose requests are high include Fuerte, and Hass, which are known for their richer tastes and nutritional values. [Read more](#)

**Wednesday, May 19th 2021**

Majority of SMEs finding it hard to pay employees on Covid woes

Six in 10 small-sized businesses are struggling to pay salaries amid depressed sales because of economic fallout as a result of Covid-19 pandemic, findings of a survey by suggested on Tuesday. The survey, commissioned by the Kenya National Chamber of Commerce and Industry (KNCCI), suggests 67.2 percent of surveyed traders faced challenges in paying workers at the end of 2020 compared with 35.3 percent before the pandemic hit. The onset of the Covid-19 containment measures such as a nighttime curfew, first imposed on March 25, saw businesses scale down operating hours, exacerbating drop in sales which were flagging even before Covid struck. The findings of the survey by KNCCI suggest that 37.9 percent of small businesses were having trouble retaining workers at end of last year compared with 20.9 percent at the beginning of the year. The survey, done in partnership with the Center for International Private Enterprise (CIPE). [Read more](#)



**Thursday, 27th May 2021**

Traders ask Treasury to factor pending bills in public debt



The Kenya National Chamber of Commerce and Industry (KNCCI) wants pending bills included in the country's public debt, saying the matter has been neglected by the national and county governments. Speaking at the State of Economy forum organised by the business community said the delayed payments has seen a number of businesses collapse. "We support the recommendation by the International Monetary Fund (IMF) for the country to include pending bills in the public debt to illustrate the clear picture of the country's indebtedness and paying businesses as the first charge," Ngatia said. He said the Presidential Order asking state agencies to pay suppliers and contractors within 90 days has been defied. In February, National Treasury CS Ukur Yatani said a majority of State corporations and agencies had not honoured a directive to pay over Sh346.2 billion owed to suppliers and contractors. [Read more](#)

**Friday, May 28th 2021**

Lobby seeks loans to help Covid-hit SMEs diversify



Kenya National Chamber of Commerce and Industry Thursday called for banks to raise lending to small businesses seeking to expand product lines and enter new markets on the back of disruptive coronavirus. The appeal comes on the back of the chamber's study showing majority of businesses are struggling to access credit since the onset of the pandemic mid-March last year. The lobby's president, Richard Ngatia said increased credit will allow businesses to diversify into areas such as personal protective equipment, online services, food retailing and logistics. "I encourage banks to consider moratoriums and give loans to businesses to revitalize export markets," said Mr Ngatia. He was speaking during a forum to address challenges facing business on the back of Covid-19 that has led to the collapse of value chain. The chamber's study conducted between November and December had shown that 58.8 percent of surveyed businesses reported decreased access to financing options. [Read more](#)

**Thursday, June 03 2021**

Burundi, Kenya business lobbies sign deal for trade and investments



The Kenya National Chamber of Commerce and Industry (KNCCI) has signed a deal with its Burundi counterparts that will increase trade and investments between the two countries. The deal will see Kenyan traders take part in the annual Burundi trade fair and spur investments in sectors including energy, agriculture, pharmaceuticals and logistics. KNCCI President Richard Ngatia said the agreement will ease access for traders, banking on the vast population that offer huge market opportunities. Exports to the landlocked nation marginally grew to Ksh6.73 billion (\$62.4 million) in 2019 from Ksh6.59 billion (\$61.1 million) in 2015, according to data from the Kenya National Bureau of Statistics. “The private sector is the key to driving the growth that will deliver jobs, transform labour markets and open up opportunity. Kenya has the companies that can invest in and trade with Burundi to do just this,” Mr Ngatia said. The deal will help the local private sector to increase and diversify their presence in Burundi— a nation that has not seen significant investments relative to Tanzania, Uganda and Rwanda. [Read more](#)

**Monday, 7th June 2021**

KNCCI offers support to battered businesses after covid-19



Small and Micro Enterprises (SMEs) affected by the Covid-19 pandemic have now started to get a new lease on life, thanks to a support program undertaken by the Kenya National Chamber of Commerce and Industry (KNCCI). According to KNCCI President Richard Ngatia, the program is implemented through Master card foundation and has so far seen members getting loans that range between Sh1, 000 to Sh30, 000. Mr Ngatia who spoke during the beginning of his first coastal tour after opening the KNCCI Kilifi County offices in Malindi promised to lobby for funds for members, whose businesses have been affected by Covid-19. He said his aim is to ensure the loans rise to Sh500, 000 to enable the members get the support to revive their businesses. He noted that coastal region which relied heavily on the tourism sector has suffered a lot as the industry is among the hard hit by the pandemic and businesses have challenges. [Read more.](#)

**Tuesday, 8th June 2021**

Etihad Credit Insurance partners with KNCCI to bolster economic cooperation



Etihad Credit Insurance (ECI), the UAE Federal export credit company, and the Kenya National Chamber of Commerce and Industry (KNCCI) have entered into a strategic partnership to boost economic cooperation between the UAE and Kenya by stimulating international trade and investment flows, as well as supporting the business communities in the two countries during the post-pandemic era. The alliance was forged in the wake of the 'Dubai Week in Africa-Kenya' forum, which was launched earlier this year and highlighted the growing scale of trade between the UAE and African countries despite the global pandemic. The Memorandum of Understanding (MoU), signed by Massimo Falcioni, CEO of ECI, and Richard Ngatia, President of KNCCI, in the presence of senior officials from both institutions, targets to create prospects for enhanced trade and investment opportunities between the two institutions. [Read more](#)

**Wednesday, 9th June 2021**

Kisumu port, rail gives hope to industries and regional trade



The revival of the old Metre Gauge Rail to Kisumu and the link to Mombasa through the SGR is expected to boost trade in the region and with neighboring countries. Local traders and industries are hoping to benefit from the projects with the Kenya Association of Manufacturers (KAM), Kenya National Chamber of Commerce and Trademark East Africa terming the infrastructure as a "game-changer". It includes the upgraded Kisumu Port expected to boost exports and imports through the lake transport network mainly between Kenya, Uganda and Tanzania. According to KAM, revival of the old rail is significant for the local manufacturing sector as it opens up Rift Valley, Western and Nyanza regions, and increases connectivity with other parts of the country, particularly Nairobi and Mombasa. "The railway line shall increase the efficiency of movement of raw materials to industries in Rift Valley, Western and Nyanza. Additionally, it shall speed up the transportation of finished goods from the factory to the markets," [Read more](#)



Thursday, June 10th 2021



Jubilee Allianz General launches discounted SME covers

Jubilee Allianz General Insurance #ticket: JUB has rolled out discounted insurance policies for small enterprises that also allow for instalment premium payments. The discounted covers will be available to small and medium sized enterprises (SMEs) who are members of the Kenya National Chamber of Commerce and Industry (KNCCI). The discounted and instalment payments are meant to help small firms access covers such as property and stock insurance without much hit on their cash flows. Jubilee Allianz General Insurance CEO Catherine Igathe said the range of discounts will depend on the risk profile of respective SMEs. “We want to tailor it to the needs of each business. For instance, businesses that are burglar proof will see different discounts than those that aren’t,” said Ms Igathe. She added that the solution is also designed to have the claims settled with speed, minimizing disruptions on SMEs business. [Read more](#)



Thursday, June 10th 2021



KNCCI: Support small businesses from Covid-19 ripple effects

Kenya National Chamber of Commerce Industry (KNCCI) Chief Operating Officer Patrick Nyangweso speaking in Hola said their submissions to the Parliamentary Select Committee on Budget focused on SMEs and how they will rebound into economic prosperity. To ensure cash flow in the economy, Nyangweso said the government must also curb corruption as the country prepares to go for a general election next year. “We want to see a country where SMEs, which has employed more than 14 million Kenyans to bounce back to the economy despite the effects of Covid-19, we want to see the government supporting enterprises and to address issues of employment,” said Nyangweso. He added that the budget, which will be read Thursday in parliament by CS National Treasury and Planning Ukur Yattani to reduce the cost of living and to balance the cost of doing business vis-à-vis the ease of doing business to be at equilibrium. Kenya was ranked 56th among 190 economies in the ease of doing business index, according to the 2019 World Bank annual ratings on the ease of doing business. Kenya made an improvement from position 61 in 2018. [Read more.](#)

Kenya National Chamber of Commerce Industry (KNCCI) Chief Operating Officer Patrick Nyangweso speaking in Hola said their submissions to the Parliamentary Select Committee on Budget focused on SMEs and how they will rebound into economic prosperity. To ensure cash flow in

**Saturday, 12th June 2021**

More than 6,000 jobs to be lost if Kakuma refugee camp closed - KNCCI Turkana



The Kenya National Chamber of Commerce and Industry Turkana branch has urged the government to review the decision to close the Kakuma refugee camp. KNCCI Turkana branch says the closure of the camp will lead to the loss of over 6,000 job opportunities. Chairman Pius Ewoton said the refugee camp contributes to Kenya's GDP and creates many job opportunities for locals. "Over 6,000 business activities will be lost when the government closes the camp. This will also affect the cross border trade between Kenya and South Sudan," Ewoton said. "We request the government to relook at the decision of closing the Kakuma refugee camp. It should look at it from the East Africa integration perspective because most of the refugees at Kakuma come from Rwanda, Burundi, Democratic Republic of Congo, Uganda and the majority are from South Sudan," he added. Ewoton said in the spirit of EAC, Kenya should allow refugees from the region to remain. Turkana leaders led by Governor Josphat Nanok said the order to close the two largest refugee camps, including Dadaab, by the state is ill-informed. [Read more](#)

**Sunday, 13th June 2021**

Industrial Dvlpmnt. Bank to fund SMEs in Busia



Plans are underway for the Industrial Bank (DB) to support Small and Medium Size Enterprises in Busia County. This comes after the request by Governor Sospeter Ojaamong for the Institution to partner with the County in order to promote the development of SMEs in the County. Speaking to the press after a courtesy call to Busia Deputy Governor Moses Mulomi, the IDB Strategy and Business Development Manager Morris Kathata said that the financial institution is keen on availing credit facilities to private investors in the County's investment opportunity especially along the Big four agenda related projects. Kathata added that the Bank will work closely with the Busia Government and the Kenya National Chamber of Commerce and Industry Busia Chapter in identifying SMEs to benefit from funding along the County's areas of interest. He noted that the County had made many strides in empowering production of Agricultural produce adding that there is need to move to the next stage of production. [Read more](#)

**Monday, 21st June 2021**

Kenya Covid-19: Lake region businesses feel the pinch of revised curfew hours

Businesses in the Lake region have started feeling the pinch of the 7pm curfew and other Covid-19 restrictions imposed on 13 counties last week. Among those hit hard are supermarkets, eateries, groceries and small-scale traders. These establishments now close earlier because their employees, along with other residents, must rush home to beat the curfew. Hotels and conference facilities have also borne the brunt of the disruptions following a surge in Covid-19 infections. Victor Wambani, the chief executive of the Kakamega chapter of the Kenya National Chamber of Commerce and Industry (KNCCI), said the containment measures announced in the 13 counties in western Kenya and Nyanza had disrupted business activities. "Supermarkets operate up to 10pm, but the review of the curfew period has badly disrupted their operations and taken a toll on sales," he said. The ripple effect on the region's economy could lead to fresh layoffs in the hospitality industry and the other sectors. [Read more](#)

**Tuesday, 22nd June 2021**

Uhuru voices concerns against unilateral decisions by EU targeting OACPS countries

President Uhuru Kenyatta has expressed concerns by the Organization of African, Caribbean and Pacific States (OACPS) over increasing unilateral decisions by the European Union targeting the multilateral institution's member states. Speaking in Brussels on Tuesday, Uhuru, who is the President-in-Office of the Summit of the 79-member institution since 2019, said that the EU doesn't engage the OACPS before making some of its decisions, which is contrary to the provisions of the Cotonou agreement. "The unilateral application of measures, including sanctions, by the EU, as imposed on Eritrea and Burundi, has created sensitivities and concerns within our Group," Uhuru noted. The Cotonou agreement spells out the scope of the Groups' engagement with the EU to include conflict prevention and good governance under political dialogue. Uhuru said that he unsuccessfully raised, with the EU leadership the issue of blacklisting of OACPS countries on grounds of deficiencies in anti-money laundering and financing of terrorism, but the union went ahead and adopted the list. [Read more](#)



MEDIA PICTORIALS

For the second quarter



KNCCI Growing your Business together
 KENYA NATIONAL CHAMBER OF COMMERCE & INDUSTRY

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KENYA NATIONAL CHAMBER OF COMMERCE AND INDUSTRY (KNCCI)

RE: CHANGE OF VENUE FOR ANNUAL GENERAL MEETING(AGM)

Kindly note that the venue for the KNCCI Annual General Meeting scheduled to be held on Wednesday, 30th June, 2021 has been changed from Bomas of Kenya to the **Main Hall, at St. Andrews Church, along Nyerere Road, Nairobi.**

The agenda, date and time remains the same.

BY ORDER OF THE BOARD
 Chamber Secretary



Transshipment cargo is loaded at the new Naivasha Inland Container Depot. FILE/ NATION

Investors set eyes on Naivasha SEZ

BY ERIC MATARA

The drive to turn Naivasha into a major economic hub in Kenya and East Africa is picking steam, as more than 50 local investors have expressed interest in setting up shop at the Naivasha Special Economic Zone.

Smart Business has established, that various businesses including firms dealing in textiles, automotive, gas, animal feeds, mobile phones, foods and beverages and paper among others have applied through the Nakuru department of trade, to take up space at the 50-acre land.

President Uhuru Kenyatta last year, issued a title deed for at least 50 acres within the Naivasha Special Economic Zone, to be used by local investors to put up shops and other businesses next to the Naivasha Inland Container Depot and the planned Industrial Park.

Nakuru County executive in charge of Trade and Tourism Raymond Komen has now urged local businesses to take up space at the special economic zone, to enjoy favourable taxes.

"We encourage local investors including Small Medium Enterprises (SMEs) to take advantage of this opportunity and apply for space at the Special Economic Zone, through the department of trade. The businesses at the Naivasha Special Economic Zone will enjoy cheaper power to run their industries and pay favourable taxes," said Mr Komen.

Mr Komen last week revealed that the special economic zone will comprise more than six sections that will house affordable housing, commercial zones, hotels, shopping malls, light industries and petrol stations.

"This is an opportunity for local investors to acquire space at the special economic zone. Various international investors had last year shown interest in putting up industries in the county mainly within the special economic zone. Many seek to benefit from the extension of the standard gauge railway the Naivasha Industrial Park and the dry port. We welcome more local and international investors to set base in Nakuru as this will create thousands of employment opportunities as well as boost industrial development in the county," said Mr Komen.

Last year, a number of foreign investors from countries such as India, Europe, United States of America (USA), the Netherlands, China, Sri Lanka and Thailand expressed their interest in establishing key investments within the economic zone.

While issuing a joint title deed for the land on October last year, President Kenyatta said:

"We have given Nakuru County government 50 acres of land to distribute to residents, so that they can use it to put up eateries and other businesses at the site," said Kenyatta.

where once good borrowers, suc

BY PATRICK ALUSHULA

Many lenders are now betting big on the micro, small and medium-sized enterprises (MSMEs) segment to drive growth and deepen financial inclusion in the wake of slowdown in large corporate loan disbursements.

An emerging credit quality stress among once good borrowers in segments such as retail and manufacturing is prompting commercial banks to turn their attention to credit-starved MSMEs that are widely seen as the next bet for growth.

Banks see this as an opportunity to diversify their risk further and capture new customers that can eventually grow into big entities and are, therefore, borrowing from global financiers to grow their MSME loan portfolios.

ICEA-Lion Asset Management head of research Judd Muriigi reckons that shocks such as interest rate cap and Covid-19 have robbed banks an opportunity for robust lending and SMEs can provide a way out.

"There are a lot of hungry banks out there looking to take opportunities having been starved off high returns under disruptions emerging in the past five years including the rate cap regime and the Covid-19 pandemic," said Mr Muriigi in a recent press briefing.

He said many small entities have performed better than large corporates in meeting their loan repayments during the pandemic and this will raise their profile in the eyes of lenders.

"We think this provides a key learning opportunity for banks which have traditionally held a high risk perception for SMEs. This assessment needs readjusting," said Mr Muriigi.

Central Bank of Kenya (CBK) latest credit survey for up to last December showed that removal of rate caps in November 2019 has seen nearly half of banks raise their lending to SMEs.

"Forty two percent indicated that the repeal had increased their lending to SMEs since majority of the banks are on-boarding risk based pricing models which has increased financial institutions' appetite to lend to SMEs," said CBK in the survey.

The appetite for MSMEs has been fanned by the willingness of many lenders to help MSMEs to invest in financial management tools such as book keeping to reduce instances of abrupt business collapses.

"The trainings have helped boost the quality of MSME loan book in recent years, with major lenders



such as KCB, Equity Bank of Kenya and other banks. For instance, Co-operative Bank of Kenya in August 2018 reported a 16.5% increase in MSME loan portfolio to Sh14.8 billion from Sh12.7 billion in September last year. Over 110,000 cooperatives have set up the MSME loan book in September last year. Over 8,950 entities l



Traders want lockdown tax cuts returned

Kenya top business lobby yesterday called on the State to unveil an emergency stimulus package and tax cuts to cushion the economy from the new lockdown following a spike in Covid-19 cases. p6

The funding h at a most opp time as it bor our ability to support our l customers to and turn-aro businesses to challenges br about by the Coop Bank Group Office Gidlon Mur



MEDIA PICTORIALS



Kakamega

Traders up in arms as 'illegal' rise in taxes sparks anger

BY BENSON AMADALA

Traders have accused the county government of punitive taxation after it introduced a raft of new levies targeting businesses.

The county government is struggling to improve own-source revenue collection, which dropped from Sh1.6 billion to Sh1.2 billion last year.

The county government has revised its revenue targets from Sh2.1 billion to Sh1.6 billion due to the disruptive effects of the Covid-19 pandemic.

The traders have petitioned the assembly to intervene and have the charges, including the single business permit and fire safety levy, reviewed.

Calling the new charges illegal, the traders said the administration had raised the charges by more than 50 per cent without conducting public participation.

Challenge new levies

Kenya National Chamber of Commerce and Industry (KNCCI) county chapter boss Victor Wambani said the agency was compiling a report on the issues the traders raised for further action, including plans to challenge the new levies in court.

"Our members are very unhappy with the harassment they are receiving from county revenue officials, who are threatening to close their businesses for failing to pay the new charges, even though they are yet to be approved by the assembly," he said.

Reached for comment, the deputy governor, Prof Philip Kutima, justified the new taxes, saying they were grappling with the drop in revenues, which was hindering project execution.

"For last four months, counties have not received any money from the national government. We've been forced to divert money from our emergency fund to sustain operations," he said.



CORPORATE SCENE

Kenya National Chamber of Commerce and Industry president Richard Ngatia presents International Conference of the Great Lakes Region (ICGLR) executive secretary João Samuel CAHOLO with Kenyan coffee during a courtesy meeting at a Nairobi hotel last week. Mr Ngatia also serves as the ICGLR Private Sector Forum chair. --POOL

DEVOLUTION

Trade lobby wants talks on levies

The Kenya National Chamber of Commerce and Industry, Kakamega Chapter wants a meeting convened with county government to discuss delayed implementation of the county trade Act 2018. Chapter CEO Victor Wambani said the delay in implementation is creating uncertainty.

Benson Amadala

MEDIA PICTORIALS



KNCCI President Richard Ngatia (left), CIPE Country Director Ben Kiragu and Niusline Media Director Grace Nzou during the launch of the Longitudinal Survey on the Impact of Covid-19 on SMEs in Kenya.

BUDGET SUGGESTIONS

Traders want pending bills included in the public debt

VICTOR AMADALA/ The Kenya National Chamber of Commerce and Industry (KNCCI) wants pending bills included in the country's public debt, saying the matter has been neglected by the national and county governments.

Speaking at the State of Economy forum organised by the business community said the delayed payments has seen a number of businesses collapse.

"We support the recommendation by the International Monetary Fund (IMF) for the country to include pending bills in the public debt to illustrate the clear picture of the country's indebtedness and paying businesses as the first charge," Ngatia said.

He said the Presidential Order

asking state agencies to pay suppliers and contractors within 90 days has been defied.

In February, National Treasury CS Ukur Yatani said a majority of State corporations and agencies had not honoured a directive to pay over Sh346.2 billion owed to suppliers and contractors.

KNCCI is however blaming the Treasury, blaming it of late disbursement of funds, especially to counties.

They asked the National Treasury to come up with lean budget expenditure that encourages a favourable tax regime.

"An over ambitious budget leads to over taxation. This is discouraging investors hence a spiral economic effect felt to the bottom of economic

Amani National Congress leader Musalia Mudavadi with KNCCI President Richard Ngatia after the State of the economy webinar in Nairobi on May 26/**ENOS TEHE**

units, households," Ngatia said.

Others proposals include debt restructuring, accommodative lending policies, offering incentives to investors and prioritising development budget while slashing the recurrent one.


Ngatia said at least 50 international investors have left the country in the past decade owing to the harsh tax regime and

bureaucracy that stifles the ease of doing business.

His concerns were echoed by former Vice President Musalia Mudavadi who asked KRA not to kill the goose that lays the golden eggs.

He said SMEs employ at least 14 million people out of the country's wage force of 20 million people hence the need to promote the sector.



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