

Chamber Quarterly

2ND QUARTER APRIL - JUNE 2023

WEDNESDAY 12TH APRIL, 2023

Trade chamber to collaborate with counties on key zones for small enterprises



The Kenya National Chamber of Commerce and Industry (KNCCI) has embarked on a project to collaborate with counties in establishing Special Economic Zones (SEZs) for small enterprises. The project aims to boost industrialisation through expanding value chains, technology transfer and job creation for micro' small and medium-sized enterprises (MSMEs). A recent National Economic Survey by the Central Bank of Kenya indicated that MSMEs constitute 98 per cent of all business in Kenya, create 30 per cent of the jobs annually as well as contribute three per cent of GDP growth. Speaking at the Embu Mega Business Expo last week, KNCCI President Richard Ngatia lauded the leadership of Embu Governor Cecily Mbarire for promoting a conducive business environment for MSMEs. "The level of innovation showcased by our business community in this forum is fascinating. I am impressed to see that 90 per cent of exhibitors are young people," he saidInvestments, Trade and Industry Cabinet Secretary Moses Kuria also attended the expo held under the theme, 'Promoting Trade Opportunities for Economic Growth'. **Read more**

THURSDAY 18TH MAY, 2023

Export or perish, KNCCI boss tells traders

Exporters in Kenya have been urged to take advantage of the available opportunities to help bridge the country's wide trade deficit.



Speaking at the Third Exporters' Roundtable held in Nairobi on Thursday, the Kenya National Chamber of Commerce and Industry (KNCCI) President Richard Ngatia said exporters play a pivotal role in driving the country's economy. According to him, exporters brings in much-needed foreign exchange that supports the country incase of volatilities. The country's FX reserves currently stands at 3.6 months of import cover, a great improvement compared to the first three months of the year when they sunk below both local and East Africa's thresholds of 4-months and 4.5 months of import cover. Low FX reserves have dented the country's currency that has seen the shilling drop over 17 per cent against the greenback . It closed the day at Sh138. He said that KNCCI has been at the forefront to ensure that its members involved in international trade get information through export promotion initiatives, expos, exhibitions. **Read more**

MONDAY 22ND MAY, 2023

All businesses to be part of Chamber under new law

It will be compulsory for businesses to be members of the Kenya National Chamber of Commerce and Industry (KNCCI) as the government moots a new law to revamp the private sector body. Cabinet

Secretary Ministry of Investment, Trade and Industry Moses Kuria said the Principal Secretary State Department for Investment Promotion is under instructions to present the Bill to Cabinet in 30 days. PS in charge of the State Department is Abubakar Hassan. The CS who spoke at the opening of the Africa Private Sector dialogue on the Africa Continental Free Trade Area(AfCFTA) said the government envisions a chamber that will be a true representation of Kenyan businesses. "When we talk about the chamber of Kenya, it is not going to be about the self-interest of individuals or about briefcase businesses. It will be about businesses that can speak for Kenya and can earn us the respect we deserve," said the CS. **Read more**

THURSDAY 25TH MAY, 2023

NCIA Urges SMEs To Utilize Dispute Resolution Mechanisms To Solve Conflicts

Nairobi Centre for International Arbitration (NCIA) in collaboration with Kenya National Chambers of Commerce and Industry (KNCCI) have encouraged Small and Medium Enterprises to embrace Alternative Dispute Resolution, whenever faced with conflicts.NCIA, Chief Executive Officer (CEO) and Registrar Lawrence Muiruri said Kenya is making strides in promoting Alternative Dispute Resolution (ADR) and supporting international arbi-



tration infrastructure to enable entrepreneurs solve disputes through mediation and arbitration among others. "Every business encounters disputes and when they arise there's always silence from stakeholders, and entrepreneurs on what decision to take," said Muiruri, while emphasizing that businesses do not exist to resolve conflict but exist to make profit. The CEO was speaking during a stakeholder workshop organized by NCIA to sensitize small and medium enterprises on Alternative Dispute Resolution held at a Nairobi hotel. The workshop aims to resolve commercial disputes arising from different stakeholders and advocate for creation of favorable trade and investment environment that favour enterprise expansion. **Read more**



FRIDAY 9TH JUNE, 2023

Erick Rutto floors incumbent Ngatia in KNCCI top duel

Erick Rutto has been elected the new Kenya National Chamber of Commerce and Industry(KNCCI) president in a hotly contested election held on Thursday.Dr Rutto, the chamber's vice

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president, floored incumbent Richard Ngatia with 291 votes against 208. His running mate and consequent vice president is Mustafa Ramadhan. Mr Ngatia and his running mate Abdulwalli Shariff were seeking a second term after taking office in 2019. The elections held at the Bomas of Kenya saw the voting exercise stretch to late night with the winners taking their oath of office some minutes to 11 pm. Votes were cast by delegates drawn from each county, with exception of Trans Nzoia, which provides administrative services. Each county had 11 voters with exception of a few like Tharaka Nithi and Machakos who had nine.There was only one spoilt vote.There was also election of national directors from the various regions - North Eastern, Nyanza, South Rift, Coast, Central and Western.Rutto in his acceptance speech spoke highly of his predecessor, saying his office will allow Ngatia to continue to discharge his duties in the trade bodies he was appointed to while president of the chamber. Early in the year, Ngatia was appointed to the World Chambers Federation (WCF) for a two and a half-year term. Read more

FRIDAY 9TH JUNE, 2023

Erick Rutto floors incumbent Ngatia in KNCCI top duel

Eldoret-based businessman Eric Rutto is the new President of the Kenya National Chamber of Commerce and Industry (KNNCI) after defeating Richard Ngatia.Rutto was declared the winner at the



highly contested selection process that was done on Thursday during the Chamber's Annual Genral Meeting at Bomas, Nairobi. The new President served at KNNCI as Vice President. "Together we are going to redeem this institution. We know that business people are very key in the enhancement of the business environment, "said Rutto.Ngatia has been at the helm of KNCCI since 2019 when he took over from Kiprono Kittony unopposed. During the 2022 election, Ngatia vied for the Nairobi gubernatorial position unsuccessfully. He was trounced by Johnson Sakaja.KNCCI fosters social unity and promotes the welfare of commercial and industrial communities.



It also promotes, supports, or opposes legislations and ineffective bureaucratic measures that may be put in place by the government for the interest of members. Despite getting endorsements from bigwigs such as National Assembly Speaker Moses Wetangula, Ngatia failed to win. **Read more**

SATURDAY 11TH JUNE, 2023

City traders congratulate Rutto for KNCCI election victory

Nairobi traders have congratulated newly elected Kenya National Chamber of Commerce and Industry president Erick Rutto saying they have faith in him to take the lobby to greater heights.Nairobi Central Business District Association secretary general Jeremy Ochieng said Rutto is well known to the chamber having been the deputy to the former



president Richard Ngatia."We believe Ruto is not new to the chambers and therefore have hope he will steer it to the next level," Ochieng told the Star on Sunday.He urged the business community to give Rutto the necessary support. The chamber held its national elections on June 8, after months of high-octane campaigns mounted by both Rutto and Ngatia teams. Rutto won by garnering 291 votes to beat Ngatia who was seeking reelection. Ngatia got 208 votes. Only one vote was spoilt. Some 500 delegates cast their ballots during the election held at the Bomas of Kenya in Nairobi. **Read more**

THURSDAY 15TH JUNE, 2023

Jua kali sector seeks bigger pie of State and private tenders

Access to markets and upskilling of jua kali artisans are some of the priority areas of the industry lobby's first-ever strategic plan. The five-year strategic plan by the Kenya National Federation of Jua Kali Association also seeks to strengthen member representation, link the lobby with stakeholders and the government besides improving



production and competitiveness in the sector. The association on Wednesday said it is targeting 30 per cent procurement opportunities for its members in both private and public entities. Chief executive Richard Muteti said they will be lobbying for opportunities in the State's affordable housing programme. "We would like the government to buy 30 per cent of its procurement needs from the sector. We are also lobbying the private sector to buy from us," said Mr Muteti.



The strategic plan will also extend to Technical and Vocational Education and Training (TVET) institutions where trainees will be attached to the associations through industrial attachment."This plan defines a new era for the sector," said Muteti.The lobby, Mr Muteti added, also seeks partnerships with counties. This is in addition to having strategic partnerships with Kenya Industrial Research and Development Institute (KIRDI), National Industrial Training Authority (NITA), Kenya Bureau of Standards (KEBS), Kenya Technical Trainers College (KTTC) and Micro and Small Enterprises Authority(MSEA). **Read more**

THURSDAY 15TH JUNE, 2023

New South Rift KNCCI director returns home to rousing welcome

Hundreds of members of the Maa communioty and Narok residents turned up in numbers on Thursday to welcome the new Kenya National Chamber of Commerce and Indus-

try regional director in South Rift David Mpatiany following his victory in last week's polls. Business in the sprawling commercial centre came to a standstill when Mpatiany arrived in Narok town in a convoy of about 30 vehicles and motorcycles that snaked its way to his home where he was given a rousing welcome. His arrival caused heavy traffic snarl up along the busy Narok-Mai Mahiu highway as commuters traveling to Nairobi, Maasai Mara and Western Kenya were stranded in the centre. Security was tight as he made his way to his home amidst ululations and Maasai traditional songs fit for a hero returning from a successful expedition. He was accompanied by Bomet KNCCI chairman Leonard Langat, his Narok counterpart Francis Kasale, Kajiado's Joseph Ntele, vice chairperson Magdalene Ndilai, local, church, matatu and taxi leaders. Mpatiany, who is the immediate former chairman of Kenya National Chamber of Commerce and Industry (KNCCI) Narok Chapter, was elected after defeating Stephen Thuo, who hails from Nakuru, by four votes to two during the elections conducted at Bomas of Kenya in Nairobi on June 8. The delegates from six counties of Nakuru, Narok, Bomet, Kericho, Laikipia and Kajiado participated in the polls. **Read More**



MONDAY 19TH JUNE, 2022

App empowers women traders to access market

Startups, micro, small, and medium enterprises (MSMEs) will benefit from an app aimed at facilitating access to markets and networks for women

traders. The platform, called Isoko, will operate in the Mt Kenya region, helping women trade with ease

across counties. During a sensitisation workshop in Nyeri for traders in Nyeri, Laikipia, Kirinyaga, and Muranga counties, Communication Specialist Rachael Wangechi said the platform is targeting women traders, light processors and manufacturers, and producer women groups."Isoko is an integrated platform that enables users to access everything they need in one place and learn more," she said.NetworkingWangechi further said the application offers various features to assist entrepreneurs, including the ability to upload their products and services, place orders, manage bookkeeping, calculate taxes, and exchange currencies. "You can utilise your phone to access markets, information, service providers, and network with other traders in Kenya," she said. She added that through the news segment, one can explore opportunities to unlock the potential of their business." Read more

TUESDAY 27TH JUNE, 2023

Building private sector, State ties

On June 15, I attended the Kenya Private Sector Alliance (Kepsa) AGM, where CEO Carole Kariuki and outgoing chair Flora Mutahi reeled off the activities and achievements of the previous 12 months.As at previous AGMs, the sheer volume and variety were staggering to absorb - indeed two years ago I wrote a column about Kepsa's 17th one, saying what an



impressive event it was, and for the same reasons, commenting that a significant positive influence had been brought to bear on the wellbeing of not just the private sector but of Kenyans. Jas Bedi was confirmed as Kepsa's new chair, with Brenda Mbathi as deputy - two excellent choices. And I was delighted to see that at this year's AGM, the newly-elected chair of the Chamber of Commerce Erick Rutto was with us.He talked about the need for the two entities to work together, music to everyone's ears.Also present was Trade Cabinet Secretary Moses Kuria, who interacted with us for more than two hours. "This meeting is seven months overdue," he proclaimed, seeking an open, frank discussion that would enable his government to walk with us. The President would have been here today, he added, had it not been for his trip to Geneva. Read more

MEDIA PICTORIALS

2nd Quarter April - June 2023



KNCCI gets new chief executive

Patrick Aywago Nyangweso has been appointed the new chief executive officer of the Kernya National Chamber of Commerce and Industry(KNCC). Before the appointment he was the chief operating officer at the commerce agency The chambers is tasked with promotion, co- ordination and protection of commercial and industrial interest to its members, promotion of trade within and outside Kerya. **Unpalatable edict** - Trade CS Moses Kuria is wrong to force businesses to join the Kenya National Chamber of Commerce and Industry (KNCCI) and pay an annual membership fee of at least Sh5,000, says Henry Ruhiu. "This is not a government body but private company limited by guarantee. It's like forcing someone to join a welfare organisation." His contact is henryruhiu56@gmail.com.

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2nd Quarter April - June 2023

National News

Burden Businesses are facing numerous challenges, including costly licences

Kuria says small businesses must join trade lobby or fold

CS reveals a Bill on chamber of commerce will go to Cabinet within 30 days

BY BRIAN AMBANI

mall businesses will have Stopay a minimum 5h5,000 subscription to the Kenya National Chamber of Com-merce and Industry (KNCCI) afmerce and industry (INCC) at ter the government announced plans to make it mandatory for all companies to join the lobby. Investment, Trade and Indus-tryCabinet Secretary Moses Kuria said on Monday that the govern-ment was working on a law that ment was working on a law that would make it mandatory for all businesses to be members of the KNCCI in a bid to strengthen it.

The CS, who was speaking at the 3rd Kenya International Invest-ment Conference, said the pro-posed law would be submitted to Cabinet for approval within 30

to Cabinet for approval within 30 days. "We are working on the Na-tional Chamber Bill which has to go to Cabinet within the next 30 days. We are going to have the Kenya Chamber that is truly re-flective of Kenyan businesses," said Mr Kuria. "In the Chamber Bill, it will be mandatory for every registered

mandatory for every registered company in Kenya to be a mem-ber of the Chamber; it will not be an option, it will be mandatory," added the CS.



Invetment, Trade and Industry Cabinet Secretary Moses Kuria speaks during a past event. The CS has said all business must become members of the Kenya National Chamber of Commerce and Industry, PHOTO | POOL

Mandatory membership of the not-for-profit private company limited by guarantee, which pronpany motes the commercial and industrial interests of Kenyan busi-nesses, will be the latest headache for entrepreneurs already struggling with the high cost of doing business.

doing business. Sole proprietors pay Sh1,000 to join KNCCI plus Sh5,000 annual subscription fees, business asso-ciates and groups pay a subscrip-tion fee of Sh15,000 while part-nerships pay Sh10,000. Small and medium enterpris-es pay Sh15,000, local public companies pay Sh50,000 while

corporate membership fee is Sh100,000 annually. Mr Kuria dismissed concerns

Mr Ruria dismissed concerns that the mandatory subscription to KNCCI will increase the cost of doing business for entrepreneurs at a time when the government has pledged to improve the ease of doing business to create jobs. "Some people will start crying that this will increase the cost of doing business. If you think it is expensive to have to pay to be a member of the chamber, then be an employee,"he said. A particular headache for busi-nesses is the costly multiple li-cences they need to operate, with

the national and county govern-ments repeatedly promising but ments repeatedly promisin failing to consolidate them. Businesses are also struggle to access credit since the govern-ment has increased domestic borrowing, crowding out the pri-

vate sector. In addition, the cost of electricity, labour and raw materials has risen in recent months, worsening the operating environment for many businesses that are struggling to shake off the devastating impacts of the Covid-19 pandemic.

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CONTROVERSY



All small businesses must join trade lobby or fold, warns Kuria

Small businesses to pay a minimum Sh5,000 subscription to KNCCI in plans to make it mandatory for all firms to join lobby / P10

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2nd Quarter April - June 2023

8 NEWS **KNCCI-Nyeri Unveils Online Marketing Platform For** SMEs

By: Yvette Kimani and Wangari O @themtkenyatimes

Worth Noting

Further, the platorm will grant the users access to verified service providers and allow the omen from Nyeri to net-ork with other traders. According to Mar tin Ndirangu, the Nyeri KNCCI Nyeri chapter Chief Executive Officer, the application has been designed to help women address information gaps and unlock opportunities or participation in trade opportunities, formalisation of businesses, and growth in trade value. "iSoko will go a

long way in addressing the key market and information gaps that exist for women traders while providing them and other traders with business tools and assets like business procedures, trade statistics, exchange rates, taxation rates and details, business documents, trade and market information, ind business news and events," he said.

Kenya National Chamber of Com-merce and Industry (KNCCI) in Nyeri, in partnership with Trademark Africa (TMA) and the Cazadian High Comn, has launched a bu as platform, iSoko, to support women in busi-

Noko, accessible online on m Sieko, accessible online on mobile phones through a code, largets wonder inders from the five East Africa Com-munity countries of Kenya, Uganda, Tanzana, Rwanda, and Burandi. The platform will act as a regional marketplace where women can buy and eell goods and access vital trade and market information. Further, the nelf-com will end them.

market information. Further, the platform will grant the us-ers access to verified service providers and allow the women from Nyeri to net-work with other traders. According to Martin Nairangs, the Nyeri KNCCI Nyeri chapter Chef Ea-coutive Officer, the application has been desiremed to be do warene address inform.

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formalisation of businesses, and growth in trade value. "Scho will go a long way in address-ing the key market and information gaps that exist for women traders while providing them and other traders while business teeds and assets like business procedures, trade statistics, exchange rates, taxation rates and details, basi-ness documents, trade and market infornation, and business news and events, he said

Through the platform, you can easily access details of various service pre-viders and regulatory agencies, like the Kenya Baneau of Standards or the Kenya Revenue Authority, among others, and contact them to help in the smooth running of your business while saving

running of your business while saving you the time of having to physically visit their offices," he added. "Soko Business and web developer, Rachel Wangechi, suid that in addition to businessen, the platform was also eyeing technology-related start-ups by women.

wumen. She noted that since the launch of the platform in March this year, 3,000 users and over 100 preducts have been regi-treed on the platform, adding that Solo aimed to bring 200,000 users from the regiven on bound. "It is our aim to support women's en-tropreneurship and imnovation in all areas of our sectory. The platform we are launching will easily enhance mar-ket access by electronically connecting

ket access by electronically connecting traders with their customers across all the five countries in the East African Community," she said.





Sola's Rachel Wangechi.



Tuesday, June 20, 2023 | The Mt. Kenya Times

ENCCI Nuri chapter CEO Martin Ndranga

KNCCI faults high trade taxes, call for review

BY MERCY SIMIYU

The Kenya National Chamber of Commerce and Industry(KNC Q) has petitioned for a review of business cases saying they were huming small tradees and scart

Ups. KNCCI President Bichard Nga-tia said high taxes impaced the quality and competitiveness of Kenyan products in the market and urgot the Statewo act. "Based on our observations

"Based on our observations and feedback from uraders, it is evident that the taxes imposed are burdensome, particularly for scart ups, resulting in a signifi-cant increase in the overall cost of conducting business, 'he-said. The official pointed out that the imposition of higher excise duty and income taxes signifi-cantly contributes to the exorbi-tant operational costs faced by traders, thereby posing a sub-stantial throw to the success and viability of their businesses.

Turnover tax

The concerns come amid im pending tax raise proposals in the Finance Bill 2023. The Bill proposes to increase the tate of furnever tax(ToT) to three percent. Currently turnover tax is charged at the rate of one per-CETE.

CPTE. The proposal in the Finance Bill 2023 comes barrily three years, after the ToT rate was reduced from three to one percent. The Bill also proposes to limit the turnower threshold of busi-nesses that are subject to ToT to more than Shysol and does not enceed Shits million. Cur-rence the nurnower threshold is rently the turnover threshold is over Sh1 million and does not ex-ceed Sh 50 million.

Creat Sh 50 million. "From the above proposals, in-creasing the turnover tax from one percent to three percent in-dicales the urge of the govern-ment to increase its collections." and meet the revenue targets. However, this will be detrimen tal to MSMEs which are the back. bone source of income and em-ployment for many low income earners," accountancy firm, iton-akis LLP-said in a review.





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