

APMA NEWSLETTER-ISSUE 02/2024

In this issue; Key events in March and April

Greetings APMA member,

Welcome to our second issue of the APMA newsletter in 2024. The last two months have witnessed mixed fortunes in the automotive sector in general. Local demand for new motor cycles remain low. This has an impact to APMA members who are directly involved in the motorcycle value chain by supplying locally made components to motorcycle assemblers.

A few manufacturers have reported improved sales in neighboring countries such as Uganda and Ethiopia highlighting the huge opportunity in the East Africa region.

In this issue, we focus on the following key events;

1. Second meeting with the Anti-Counterfeit Authority
2. APMA members' AGM.
3. Participation in the 2nd Kenya Power E-Mobility Conference
4. Current Economic Outlook

1. 2nd Meeting With Anti-Counterfeit Authority on April 2, 2024

APMA held a second meeting with the Anti-Counterfeit Authority on April 2, 2024 at Pipeman. The meeting was a follow-up on the first meeting between the two organizations that was held on January 17, 2024. It was agreed that a date will be set for ACA to train APMA members on the recordation program.



2. Annual General Meeting

APMA held the Annual General Meeting for members on April 16, 2024. The AGM was hosted by Numerical Machining Complex (NMC). During the AGM, APMA treasurer Mr. Nephat Njeng'wa presented the audited financial statements for the financial year 2022-2023 which were then adopted by members. After the meeting, NMC Managing Director, Mr. George Makateto led members on a tour of the facility.



3. Participation in the 2nd Kenya Power E-Mobility

APMA chairman Mr. Ashit Shah was a guest speaker at the second Kenya Power E-Mobility Conference & Exhibition held between 23 & 24 April 2024 at KICC. The topic of discussion of the panelists was Local Manufacturing and Assembly where they highlighted the opportunities and challenges in the local assembly of EVs, including quality control, the future/sustainability of local assembly and manufacturing and skills availability and gaps.

The theme of the event was “Accelerating the Adoption of Electric Mobility in Kenya” It brought together key stakeholders driving E-Mobility in Kenya and the region.



APMA Chairman Mr. Ashit Shah, 2nd from left at the E-Mobility forum at KICC on 24th April 2024.

4. Current Economic Outlook.

APMA members have reported mixed fortunes within the last two months. The challenges and opportunities can be summarized as below.

Challenges

1. High interest rates makes access to credit more expensive.
2. Low demand for new motor cycles directly impacts parts manufacturers in the motorcycle value chain.
3. Delayed payment from government affects cash flows.
4. Delay in clearing goods due to a technical glitch with the KENTRADE system.
5. More verifications by customs causes delays in clearing goods.
6. Businesses are scaling down on credit extended to other businesses within the supply chain.

Opportunities.

1. Increased sales in the East African region particularly Uganda and Ethiopia. This gives the exporting companies some foreign exchange reserves to cushion them against currency fluctuations when importing raw materials.
2. Kenya shilling gaining some ground against the US dollar and other major currencies in the last two months.
3. Orders for seats are beginning to go up.
4. Some growth witnessed in the motorcycle sector, albeit minimal.

Comparison of foreign exchange rates between 5th January to date.

Currency	5th Jan 2024	1st March 2024	3rd May 2024
USD	157.90	143.52	133.20
EUR	172.74	155.65	142.63
GBP	200.20	181.75	166.82

Source: Central Bank of Kenya Indicative Rates