

APMA NEWSLETTER-ISSUE 03/2024

In this issue; Key events in May and June

Greetings APMA member,

Welcome to our third issue of the APMA newsletter in 2024. May and June represent the final two months of the Government of Kenya's fiscal year and players in the manufacturing sector have been concerned with the Finance Bill 2024 which had proposed a series of new tax measures aimed at meeting the proposed budget of Ksh 3,343.2 billion for the 2024-2025 fiscal year.

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

1. Finance Bill 2024.
2. APMA Chairman's interview on KTN on 9th May 2024.
3. APMA Secretariat Visit to Tunisia in June
4. Participation in review of KS1515 standards.

1. FINANCE BILL 2024.

The Finance Bill 2024 proposed a raft of measures aimed at promoting local automotive manufacturing and assembly industries include;

- i) Introduce excise duty on imported completely built motorcycles at 10% of customs value or KES 12,900 per unit, whichever is higher .
- ii) Exemptions from Common External Tariff: EAC member states can apply exemptions from the EAC Common External Tariff (CET) to encourage local production. This includes adopting higher rates of duty when necessary to protect local industries.
- iii) Duty exemptions or reductions on raw materials and inputs used in local manufacturing, such as those for the textile, automotive, and electronics sectors, to lower production costs and enhance competitiveness
- iv) Kenya was allowed to apply a higher duty rate of 25% on prime movers and 35% on trailers instead of the CET rates, safeguarding the local assembly capacity and encouraging further investment.
- v) Duty exemptions on raw materials for motorcycle assembly, maintaining a duty rate of 10% on completely knocked down (CKD) kits to support local production

The president however failed to assent to the finance bill 2024 and instead referred it back to parliament after public outcry. We will continue to monitor the developments.

2. APMA Chairman's interview on KTN

APMA Chairman Mr. Ashit Shah together with Mr. Henry Maina– Deputy Director-Research & Policy at the Anti-Counterfeit Authority were live on KTN on 9th May 2024 at 6.00pm to discuss effects of counterfeits. The duo articulated well on matters concerning counterfeits in the country and the effects to local manufacturers and how the public can protect themselves from purchasing counterfeit products.



3. APMA Secretariat Visit to Tunisia

Between June 10-14, APMA head of Secretariat Alexander Alulu made a visit to Tunisia to attend the 7th Edition of the international forum “Financing Investment and Trade in Africa-FITA2024” The delegation from Kenya also comprised of Government representative from the Ministry of Investment, Trade and Industry, Kenya Association of Manufactures (KAM), Mobius Kenya, Motor Cycle Assemblers Association of Kenya (MAAK) and the trip sponsors, GIZ Kenya.

The delegation also met with representatives of the Tunisian Automotive Association, which is an umbrella body comprising of over 280 companies in the automotive manufacturing sector.



The delegation also got a chance to visit several Tunisian Parts Manufacturers highlighted below.

Misfat Filtration-Oil, fuel air and cabin air filters for passenger cars and heavy-duty applications.

Coficab-Electrical Cables and Wiring Harness

SIA-Shock Absorbers.

Actia R & D-Motor Vehicle Electronic Equipment.

Dräxlmaier– Vehicle systems

Assad-Wiring Harness.



4. Participation in Review of KS1515 Standards

APMA Participated in review of KS1515 standards on Inspection of Road Vehicles together with other members of KEBS TC122. This took place between June 26-28 at Kyaka Hotel in Machakos.

The review took into consideration a host of issues that had been raised by Busia Senator Hon. Okiya Omtata in court.



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

Currency	5th Jan 2024	1st March 2024	3rd May 2024	4th July 2024
USD	157.90	143.52	133.20	128.71
EUR	172.74	155.65	142.63	138.82
GBP	200.20	181.75	166.82	163.11

Source: Central Bank of Kenya Indicative Rates