



September 11, 2024

Creating Jobs For Kenyans

APMA NEWSLETTER-ISSUE 04/2024

In this issue; Key events in July and August.

Greetings APMA member,

Welcome to our 4th issue of the APMA Newsletter in 2024.

During July and August, civil unrest became prevalent as citizens staged weekly protests. The protests were initiated in June by the Finance Bill of 2024, which was perceived as excessively punitive and was consequently met with widespread rejection through mass demonstrations across the country.

The protests eventually evolved into weekly demands for improved governance and an end to corruption. Business operations were affected as many business owners, including manufacturers, chose to close or reduce their activities on protest days.

As a result, businesses have faced losses due to decreased production, reduced sales, and looting by criminals who mingled with the otherwise peaceful protesters. However, by mid-August, the situation began to stabilize, and normalcy has gradually returned.

In this issue, we focus on;

1. Registration of Associate Members.
2. APMA submission of a Memorandum on Road Maintenance Levy.
3. Attendance to Validation Workshop on the Kenya Quality Policy.
4. APMA Submission of a Memorandum on Valuation of Used Motor Vehicles.
5. AfCFTA Seminar.

1. Registration of Associate Members.

In August, we successfully onboarded our first associate member, Eastlands College of Technology (ECT), who have joined APMA under the TVET category. The main goal of accepting membership from TVETs is to provide their students a platform where they can undertake a dual training mode.

This training approach equips students with job-ready skills and prepares them for the demands of the modern manufacturing industry. The collaboration with TVETs will, over time, become a key component of APMA's Corporate Social Responsibility efforts.

To be enrolled as an APMA member, the TVET **MUST** comply with the National Industrial Training Authority (NITA) and TVET Authority.

Other categories of Associate members who can join APMA are Garages and Auto Parts Dealers.



2. AfCFTA Seminar

APMA participated in a day-long African Continental Free Trade Area (AfCFTA) Seminar on 21st August 2024 at Golden Tulip Hotel in Westlands, Nairobi. The seminar was organized by Kenya Association of Manufacturers in conjunction with GIZ Kenya. Participants were drawn from the Automotive Sector in Kenya.

The main theme of the seminar was for companies to learn on AfCFTA Rules of Origin and how Kenya will be trading with other African Countries once the AfCFTA agreement takes effect in 2033.

To capitalize on the opportunities presented by the AfCFTA, Kenyan manufacturers need to implement strategies that enhance the competitiveness of their products across the African continent. Achieving this will also require strong government support to create a conducive environment for manufacturing to prosper.



2. AfCFTA Seminar-Continued



APMA Members make their submissions at the AfCFTA Seminar at Golden Tulip Hotel, Westlands on Aug 21, 2024. Top Left; Mr. Ashit Shah, Top Right; Mr. Preeth Jolapara, On the left, Mr. Nephath Njeng'wa and Above, Mr. Kennedy Kadima.

3. APMA Submission of Memoranda

In July and August, APMA made submissions that were part of public participation in respect of the following.

- i. **Memorandum on the Road Maintenance Levy Fund 2024-** The Kenya Roads Board had proposed to increase the road maintenance levy from the current Ksh 18 to Ksh 25 per liter of petrol/diesel. This represents an increase of Ksh 7 per liter of petrol and diesel. The current rate was set in 2016. APMA submitted a memorandum opposing this move. However, despite the spirited efforts of the public to oppose the increment, it was later passed.
- ii. **Memorandum on Valuation of Imported Used Motor Vehicles.-** The Kenya Revenue Authority proposes to move away from Current Retail Selling Price (CRSP) in valuation of used motor vehicles to Transaction Value. This is to align Kenya with the decision of the East African Community (EAC) sectoral council on Trade, Industry, Finance and Investment (SCTIFI) where partner states were directed to used Free on-Board values for used motor vehicles.

4. Validation Workshop on The Kenya Quality Policy

The Kenya Quality Policy Validation Workshop was held on August 16, 2024 at Panari Hotel in Nairobi, and APMA was represented by the secretariat. The event was graced by incoming Cabinet Secretary Investment, Trade and Industry, Hon. Salim Mvurya.

The Kenya Quality Policy has been formulated within the framework of the national long-term policy blueprint; the Kenya Vision 2030. This policy is therefore important in informing realization of the vision of becoming “a globally competitive and prosperous nation with a high quality of life by 2030”.

The vision of this policy is **“A sustainable and effective Quality Infrastructure in Kenya for globally competitive products and services”**.

The mission of the policy is **“To Establish a Quality Infrastructure System in Kenya that fosters socio economic development and global competitiveness to ensure products and services in the country meet the market and consumer requirements”**.

Comparison of foreign exchange rates over the past six months.

| Currency | 1st March 2024 | 3rd May 2024 | 11th Sep 2024 |
|----------|----------------|--------------|---------------|
| USD | 143.52 | 133.20 | 129.19 |
| EUR | 155.65 | 142.63 | 142.73 |
| GBP | 181.75 | 166.82 | 169.29 |

Source: Central Bank of Kenya Indicative Rates