



## APMA NEWSLETTER ISSUE 01-2025

### Greetings APMA Member,

Welcome to our First Newsletter of the year!

Happy New Year from the Automotive Parts Manufacturers Association of Kenya. As we kick off another exciting year, we'd like to take a moment to reflect on the incredible achievements of the past year and share our vision for what lies ahead.

In 2024, we accomplished several milestones that strengthened our industry, including successful advocacy for key policy changes, amongst them the Automotive Bill, Legal Notice 84, Legal Notice 112 and KS-1515 Standards. We have fostered valuable partnerships that have helped improve the automotive landscape for all. Our events brought together professionals from every corner of the industry, and we are proud of the collaborative efforts that helped propel us forward.

Looking ahead to 2025, we are more energized than ever to continue driving innovation, enhance member benefits, and advocate for sustainable practices that will shape the future of automotive. We have exciting plans in the works, including more member trainings and continued advocacy for better policies.

This year, we will also include select APMA members in each issue of our newsletter, highlighting their history and products.

Thank you for being a vital part of our community, and we look forward to achieving even greater things with you this year.

Stay tuned for more updates as we embark on another year of growth and progress together!

In this issue, we highlight the following;

- Summary of 2024.
- Amendments to Legal Notice 84 and Legal Notice 112
- EAC Rules of Origin
- KS 1515 Standards
- APMA Member Profiles (Autosprings East Africa Plc, Chui Auto Springs and Springtech (K) Ltd

### 1. Summary of 2024

The year 2024 posed significant challenges for the automotive sector and the entire manufacturing industry. The year began with high foreign exchange rates, with the USD/KES exchange rate peaking at 160 in February. During this period, bank interest rates also remained elevated, with the Central Bank Rate (CBR) reaching 13% in February.

However, as the year progressed, these pressures began to ease. By the end of 2024, the USD/KES exchange rate had dropped to approximately **129**. Additionally, the Central Bank of Kenya's Monetary Policy Committee has continued to reduce interest rates, with the most recent adjustment on February 5, 2025, where the CBR decreased by 75 basis points, from **11.25%** to **10.50%**.

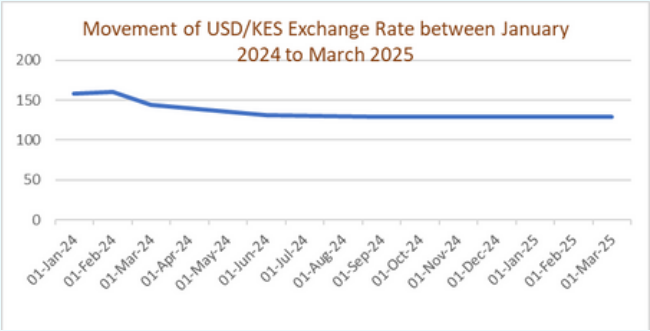
The tables below are a summary of forex rates and CBR between February 2024 and Current rates

	Feb 2024	Current
USD/KES Exchange Rate	160.50	129.24
Central Bank of Kenya Rate (CBR %)	13.00	10.75

Table 1: USD/KES Exchange Rate and CBR rate from January 2024 to March 2025

The United States Dollar is the primary currency used by importers in Kenya, and a significant increase in the exchange rate negatively affects the price of imported raw materials, directly influencing production costs. In recent months, the Kenyan shilling has stabilized at approximately 129 to the US dollar, providing some relief to importers who can now make more informed long-term plans.

On the other hand, the CBR Rate is the benchmark lending rate upon which commercial banks derive their loan pricing. It is a key determinant in the cost of financing in Kenya



With the reduced CBR, pressure will now be on commercial banks to lower interest rates. T-Bills have also reduced from about **16%** in January 2024 to an average of **10%** in February 2025. This is expected to give commercial banks more appetite to lend to the private sector.

Motor Vehicle and Motorcycle Production

In 2024, motorcycle production experienced a significant boost, rising by approximately 10.37% compared to 2023. However, during the same period, the production of assembled motor vehicles declined by 2.8%.

This is summarized in table 2.

	2023	2024	Change (%)
Motor Vehicles	11,372	11,059	-2.8%
Motorcycles	62,338	68,804	10.37%

Table 2: Comparison of Motor Vehicle and Motor cycle production between 2023 to 2024.

Assemblers of motor vehicles and motorcycles in Kenya source some of the parts from local parts manufacturers. Any change in the number of loacally assembled motor vehicles and motor cycles will therefore have an impact, positive or negative to parts manufacturers.

2. Amendments to Legal Notice 84 and Legal Notice 112

In February 2025, The Kenya Revenue Authority published The Draft Tax Procedures - Unassembled Motor Vehicles and Trailers (Amendment) Regulations, 2024 commonly known as Legal Notice 84 and The Draft Tax Procedures - Unassembled Motorcycles (Amendment) Regulations, 2024 commonly known as Legal Notice 112.

This is a process that commenced in August 2023, when the Kenya Automotive Sector presented a memorandum to the Principal Secretary - National Treasury proposing a raft of amendments to the two legal notices to bridge gaps that had been identified as well as provide for E-Mobility.

Key highlights in the amendments include;

- Definition of manufacturer for both motor vehicles and motorcycles.
- Provisions for electric motorcycles and inclusion of Lithium ion battery as part of CKD.
- Provides for electric vehicles by including definition for electric power system, battery system and electric vehicle.
- Inclusion of three wheelers as part of motor vehicles.
- introducing a schedule for three wheelers (SIXTH SCHEDULE).
- Deletion of paint under level II of buses, trucks and pickups.

### 3. EAC Rules of Origin

EAC is currently using Rules of Origin 2015.

The EAC sectorial Council for Trade, Industry, Finance and Investment (SCTIFI) has directed that the EAC does a comprehensive review of rules of origin to address various challenges associated with the current rules. EAC would wish to have the review process run through 2025, with a target to have new rules of origin by January 2026.



**Rules of Origin (ROO)  
enable the preferential  
agreements to be  
correctly implemented.  
They are used to  
determine the economic  
nationality of a product.**

The EAC is the single largest external market for Kenya, accounting for about 30% of market out of the country thus making the rules of origin an important.

EAC rules of origin is product specific (at chapter level) and its operationalization is supported by a rules of origin manual.

The Kenya Automotive sector players held a workshop together with representatives from APMA, Kenya Association of Manufacturers (KAM), Export Promotion Council, State Department for Trade, Kenya Revenue Authority, Ministry of East African Community, amongst others. The workshop sought to develop an national position on the EAC ROO.

### 4. KS 1515 Standards.

In February, the Kenya Bureau of Standards published draft standards; DKS 1515:2025 Road vehicles — Inspection of road vehicles —Code of practice for public review. These have been prepared by the **KEBS TC 122 ROAD VEHICLES** Technical Committee.

The Draft Standards specifies general, safety, technical and environmental requirements for road vehicles and includes inspection schedule for road vehicles. This standard applies to all categories of road vehicles as specified in KS ISO 3833. The standard also applies to inspection of road vehicles as per the Traffic Act, Cap. 403 of the Laws of Kenya.

## 5. APMA Member Profiles

### I) Auto Springs East Africa Plc (<https://www.autosprings.net/>)

Auto Springs East Africa PLC (ASEAP) is one of the largest Automotive Parts Manufacturers for Original Equipment Manufacturers (OEMs) and After Sale Market in East and Central Africa. The company is located on the outskirts of Nairobi, at the Limuru-Mai-Mahiu Junction off Nairobi-Naivasha Highway.



Established in 1979, Auto Springs has been producing a wide range of products for motor vehicles and motorcycles specifically;

- Bolts and nuts (Center bolt, U-bolt, wheel studs)
- Shackle pins
- Wiring harness for various models of motor vehicles and motorcycles.

Auto Springs takes pride in its highly skilled team and continued investment in advanced machinery and equipment, ensuring products meet Kenya Bureau of Standards (KEBS) requirements and align with the company's mission of "Delivering Quality Engineering Solutions." Furthermore, the company is **IATF 16949:2016** certified, offering clients confidence in the quality of its products.



### II) Chui Auto Springs Industries Ltd (<https://chuisprings.com/>)



Chui Auto Springs Industries Ltd is one of the leading manufacturers of automobile leaf springs, leaf spring assemblies and ancillary products in the East African Community region for all motor vehicles. The company has been in operation for more than 24 years (since 1996). The company is located on Lunga Lunga Road in Industrial Area, Nairobi, with a distribution center on Lumumba Road, Mombasa.

The company directly imports Centre Bolts, U-Bolts, Body U-Bolts, Wheel Studs, Spring Pins, Bushes, Batteries, Trailer parts and Wheel Rims.





Chui Auto Springs manufactures premium-quality automobile leaf springs for all major vehicle brands, certified by the Kenya Bureau of Standards with the Diamond Mark of Quality. The company also produces custom leaf springs based on samples, primarily for modifications. The company's products are supplied to local vehicle assemblers, spare parts dealers, corporate organizations, and are also exported within the East African Community (EAC).



## ISO 9001:2015 Certified

In 2019, Chui Auto Springs attained **ISO 9001:2015** certification, further enhancing Quality Management Standards. This commitment to quality is integrated across all organizational functions, enabling the company to provide exceptional customer service.

### III) Springtech Kenya Ltd (Facebook- Springtech (K) Limited

Springtech K Limited is a manufacturer of automotive springs for various vehicles (commercial, pickups, buses, trailers). The company was incorporated in 2006 while operations began in 2008. The manufacturing activities are currently located in Mombasa-Mwatate Street, Shimanzi and Nairobi at Commercial Street, Print Fast Building Industrial Area, Opposite NITA.



Springtech (K) Limited serves a diverse market, including logistics companies, automotive manufactures and maintenance service providers. Specializing in high-quality leaf springs, center bolts and U-bolts, the company provides reliable, durable products that ensure vehicle safety.

Springtech also caters to wholesale and retail auto spare shops in Kenya and neighboring countries like Uganda and Tanzania, with an aim to offer quality products at affordable prices.