

CS: Opportunities and Challenges posed by U.S. Reciprocal Tariffs



CS for Investments, Trade and Industry, Hon Lee Kinyanjui, poses for a photo with the US Trade Representative Ambassador Jamieson Greer. The two exchanged views on the Kenya-United States economic and trade relationship.

Kenyan exports to the U.S will now face a 10% tariff, following the new tariff policy by the United States. This tariff is significantly lower than the rates imposed on key textile-exporting competitors like Vietnam (46%), Sri Lanka (44%), Bangladesh (37%), China (34%), Pakistan (29%) and India (26%).

Kenya, will now enjoy a competitive edge in textiles, with the new tariff shift, positioning the country as an alternative sourcing hub for U.S buyers. This presents an opportunity for investment in local textile production and value addition, that could attract businesses seeking to avoid higher costs from traditional suppliers.

There is also a great opportunity to diversify exports beyond our current exports as Kenya explores opportunities to process and manufacture goods that are now more expensive from countries with higher tariffs. Industries such as apparel, leather, and agro-processing could benefit from increased demand. development.

The Ministry of Investments, Trade and Industry (MITI) and the Ministry of Foreign Affairs (MFA) are already working on a plan to enhance Kenya's exports. MITI is also working with stakeholders to identify key products and encourage investment in targeted sectors to maximize the benefits of this tariff shift.

One major challenge posed by the U.S reciprocal tariff is the increased costs for Kenyan exports. While the 10% tariff is lower than the competitors' tariffs, it still raises costs for Kenyan businesses exporting to the U.S. Supply chain adjustments will be necessary, such as expanding production to meet new demand. This will require investment in infrastructure, technology, and skills

A London's Commonwealth Trade Summit, an Opportunity to Diversify Kenya's exports



Cabinet Secretary for Investments, Trade, and Industry, Hon. Lee Kinyanjui takes part in panel discussions at the Commonwealth Trade and Investment Summit (CTIS) in London.

Cabinet Secretary for Ministry of Investments, Trade, and Industry (MITI), Hon. Lee Kinyanjui is leading Kenya's delegation to the Commonwealth Trade and Investment Summit (CTIS) at Mansion House in London, to unlock investment opportunities for Kenya to diversify its exports. Also on the delegation, Industry Principal Secretary (PS) Dr. Juma Mukhwana, will be taking part in the high-level discussions on how best to reduce barriers to Commonwealth trade and promote new industrial investments into Kenya.

The business-to-government discussions with Heads of Government, senior ministers, and representatives of Commonwealth government will also provide the secretaries with a platform to advance Kenya's strategic position as a player in the global energy transition.



MITI CS Hon. Lee Kinyanjui (Centre) poses for a photo with Industry PS, Dr. Juma Mukhwana (right) and Kenya's Ambassador to the UK Catherine Karemu, on the sides of the (CTIS) at Mansion House in London



Mapping of Industries, Development of Industrial Database Project Launched for Nairobi



State Department for Industry, Industry Secretary Prof. Erastus Gatebe with Director Industries and Chairperson for the Industrial Mapping Project Ms Anne Kiarie during a press briefing on Industrial Mapping at NSSF Building.

The State Department for Industry has launched mapping of industries and the subsequent development of an industrial database for the industries in Nairobi County.

Industrialisation Secretary (IS), State Department for Industry (SDI), Prof Erastus Gatebe, said the activity was crucial in supporting the government to plan and formulate policies and develop industry infrastructure.

While addressing the media and other stakeholders, Prof. Gatebe said that the activity was a clear indication of the Government's commitment in its efforts towards Kenya's industrialization journey as envisioned in the Bottom-Up Economic Transformation Agenda (BETA).

“The primary objective of this exercise is to develop a comprehensive database and directory of industries, which is essential for policy formulation and investment facilitation,” Gatebe added.

Prof. Gatebe emphasized the need to develop a comprehensive database and directory to document the state of manufacturing in Kenya.

Director for Industries and the Chair person of the Mapping Project, Ms Ann Kiarie, said “mapping and geo-location are essential tools in the modern industrial landscape as they enable accurate identification and location of industries, which is crucial for planning, development, and management”.

This project is crucial because the outcome will inform policy actions and strategies that will assist the manufacturing sector in Kenya to upscale and realize its full potential, she explained.

“Manufacturing, albeit contributing 8% to the Gross Domestic Product (GDP) has the potential to transform the fortunes of our country through job creation and production of goods and services,” she remarked, noting that a manufacturing nation prospers.

Kenya Industrial Estates (KIE) and the Kenya National Bureau of Statistics (KNBS) will collaborate by offering their expertise during the project.

