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INDUSTRY PUSHES FOR LOCAL PLANT MANUFACTURING, ASSEMBLY



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Dr. Mukhwana said overreliance on imported machinery and industrial hardware, caused delays further increasing resultant project costs and lost productivity.



Above: A worker at an automotive assembly plant in Nairobi.

Below: Industry PS Dr. Juma Mukhwana

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Leather: Structural Shift from Raw Exportation to Domestic Value Addition

Kenya's leather industry is currently undergoing a structural shift from raw exportation to domestic value addition. The sector is valued at over KES 15 billion and generates approximately 17,000 direct and indirect jobs, but is traditionally dominated by low-value, semi-processed (wet-blue) leather exports.

The roundtable on the Development of the Leather Sector in Kenya organised by the Italian ambassador to Kenya Vincenzo Del Monaco, highlighted gains in the sector.

The meeting was attended by Industry PS Dr. Juma Mukwana, KLDC Jimmy Odhiambo, alongside other officials from MITI, the Private Sector and Equity Bank led by James Mwangi.



The team reviewed the progress of implementation of the Leather Sector Development program, ongoing Government efforts, experiences from other countries and future activities to support the sector.



INDUSTRY PUSHES FOR LOCAL PLANT MANUFACTURING

By Victoria Ndanu and Collen Mukiri

Industry PS Dr. Juma Mukhwana has rallied for local manufacturing of plant and industrial machinery, as treasury rolls out Shs. 2.6 billion to equip County Aggregation and Industrial Parks (CAIPs).

In a speech read on his behalf by Industrialization Secretary Prof. Erastus Gatebe, the PS said overreliance on imported machinery and industrial hardware, increased resultant project costs and lost productivity.

“While these imports have supported development, they have also presented challenges. Project implementation has often been delayed by long procurement cycles, shipping timelines, spare parts shortages and maintenance constraints. In some cases, critical infrastructure and industrial projects have had to wait months for machinery, components or technical support to arrive from overseas.

“We are therefore presenting manufacturers and investors, an opportunity to establish regional assembly plants and component manufacturing facilities here, that will reduce lead times, improve after-sales support and enhance availability of spare parts,” he emphasized, noting that Kenya serves the wider East African and African markets under the African Continental Free Trade Area (ACFTA).

Prof. Gatebe, who addressed the Africa International Construction Machinery, Mining Machines, Agricultural Machinery and



International Autoparts, Electro-mechanical and Hardware Products (AICMEC) exhibition at KICC, assured Chinese investors of improvement in the ease of doing business in Kenya.

The forum that showcased modern machinery, industrial equipment and manufacturing technologies, advocated for affordable machinery and increase in the use of e-mobility in the transport sector.

Treasury Cabinet Secretary, CPA John Mbadi, while presenting the Financial Year 2026/2027 Budget Estimates in Parliament, noted that Shs.16.7 billion had been set aside to support manufacturing initiatives, in a bid to enhance competitiveness in the local and export markets

Mbadi said, Shs.2.6 billion will be utilized for equipping the County Aggregation and Industrial Parks (CAIPs), to boost local value chains that will deepen industrial clustering and heighten high quality jobs.

The amount will cater for common user machinery for value addition of agricultural produce in Meru, Embu, Kirinyaga, Migori, Trans Nzoia, Garissa, Kiambu, Kisii, Machakos, Kwale, Busia, Bungoma, Homabay, Nakuru and Uasin Gishu CAIPs.

Mr. Mbadi also noted that Ksh500 million will be set aside for the construction of industrial research laboratories in a bid to foster



novation, internship, industry academia collaboration hubs; to prepare youth for industry needs.

The Govt has undertaken significant reforms to improve the investment climate and position the country for increased manufacturing’s contribution to the GDP to 15 percent by 2027 through a high - value export- led manufacturing. The CAIPs are a joint venture between the national and county governments in an effort to spur rural manufacturing. The CAIPs are a plug and play facilities where manufacturers will be able to set up shop and process raw materials sold to them by the locals.



Government Roots for Public-Private Partnerships to Advance Kenya's Industrialization



The Government has reaffirmed its commitment to leveraging public-private partnerships as a key driver of Kenya's industrialization and investment agenda.

Speaking today during the opening of the inaugural **MNL Africa Leadership Circle 2026** in Nairobi, the Principal Secretary for Industry, Dr. Juma Mukhwana has said collaboration between government, the private sector, regional blocs, and global partners remain critical in accelerating industrial growth and positioning Kenya as a leading investment destination.

Dr. Mukhwana noted that Kenya has made significant progress in advancing its industrialization agenda through the implementation of strategic industrial and investment projects aimed at enhancing economic growth, job creation, and competitiveness.

"Kenya continues to make tremendous strides towards actualizing industrialization through the implementation of key industrialization and investment projects and other strategic interventions," the PS stated.

The PS observed that Kenya and the broader African continent possess immense opportunities and resources, including a youthful population, innovation, technology, and digital capabilities that position the region as an attractive destination for trade and investment. However, he emphasized the need for a mindset shift to further strengthen Africa's position as the next frontier for industrialization and global investment.

His sentiments were echoed by Hon. Julius Ruto and Irene Mayaka during a panel discussion themed "Bridging Traditional Capital Markets and Digital Financial Innovation: Pathways to Inclusive, Resilient Financing." The leaders underscored Parliament's commitment to supporting legislation that enhances Kenya's industrialization prospects while promoting technology, innovation, and financial inclusion as critical enablers of economic transformation.

Ms. Evelyn Mbula Nzuki, Founder and Managing Partner of MN Legal (MNL Advocates LLP) emphasized the need for stronger alignment between policy, capital, and development ambitions across Africa.

"Africa has never lacked opportunity. What it has often lacked is alignment between capital and policy, ambition and infrastructure, and vision and execution," she said.

Ms. Nzuki highlighted the importance of inclusive growth, noting that sustainable development can only be achieved through collaboration among governments, investors, regulators, professionals and development institutions.

On investment and financial sector development, Daniel Mainda, the Chief Executive Officer, Nairobi International Financial Centre Authority, emphasized the importance of strategic reforms, robust regulatory frameworks, and global engagement in enhancing Africa's competitiveness and attractiveness to investors.

He noted that strengthening institutional reforms, providing investor-focused incentives, and deepening engagement with international financial markets, multilateral institutions, and sovereign investors remain essential in positioning Kenya and Africa as preferred investment destinations.

Mr. Mainda further observed that Africa's long-term economic prospects remain strong, supported by favorable demographics, rapid urbanization, digital transformation, and growing regional integration through initiatives such as the African Continental Free Trade Area.

"With a population of over 1.4 billion people, accelerating digital adoption, and continental integration through initiatives such as the AfCFTA, Africa represents one of the most compelling growth markets globally," he said.

The leadership forum, held under the theme "*Doing Business in Kenya & Africa*," has brought together business leaders, policymakers, regulators, legal practitioners, investors, development institutions, and private sector executives from five continents to explore opportunities and challenges shaping Africa's economic future.

Participants are expected to generate actionable insights and forge strategic partnerships that will strengthen Africa's business environment, boost investor confidence, and advance sustainable economic development across the continent.



Municipalities, Cities, conducive environment for for Industrial Investment

Municipalities and cities need to put in place supportive policies to spur investments, manufacturing and trade.

Industry PS Dr. Juma Mukhwana told the Annual Conference for municipalities and cities sitting in Nakuru County today, to strategically position their localities as engines of economic growth, innovation, investment and service delivery. Mukhwana said local authorities must create an enabling environment that attracts investors, supports enterprise development and facilitates trade if they are to unlock their full economic potential. He noted that industries stimulate demand for infrastructure, housing, logistics, utilities and services, creating jobs and expanding local revenue streams that can be reinvested in urban development.

The PS observed that as Kenya advances its Bottom-Up Economic Transformation Agenda, municipalities and cities have a critical role in supporting manufacturing clusters, value addition and industrial parks that leverage local resources and skills.



“Municipalities that create a conducive environment for investment will attract industries, generate employment opportunities, expand their revenue base and improve the quality of life for their residents. As we grow our industries, we simultaneously build stronger, more resilient and prosperous cities across Kenya, added Dr. Mukhwana.

Wanyonyi Buteyo, Chairman to the Cities and Municipalities Forum Kenya, noted a remarkable milestone in the realization of Article 184 of the Constitution and the aspirations of the Urban Areas and Cities Act, steered by the forum.



Industry PS Dr. Juma Mukhwana addresses the media at the Annual Conference for municipalities and cities sitting in Nakuru County



THE BUDGET STATEMENT

2026 - 2027

Supporting Local Value Chains and Industry

2.6 B

CAIPS
equipping

5.4 B

Access to Finance &
Enterprise Projects

602 M

Athi River Textile Hub

300 M

Export
Processing Zones

SUPPORTING TOTAL BUDGET

4.82 TRILLION

16.7 B

Manufacturing
Initiatives

500 M

Construction of
Industrial
Research Lab

2026/ 2027

4.82 TRILLION

2.4 B

Kenya Jobs &
Economic
Transformation

304M

Development of
SEZ textile Park in
Naivasha

Energy-Manufacturing Nexus Takes Centre Stage at Industrialization Forum

Industry leaders, policymakers, development partners and private sector representatives have called for stronger alignment between Kenya's energy and manufacturing sectors, arguing that affordable, reliable and predictable energy was critical to accelerating industrial growth and competitiveness.

Speaking during the Kenya National Industrialization Partners Convening in Nairobi, Industrialization Secretary, Prof. Erastus Gatebe emphasized the need for industrialization policies that are supported by resilient implementation frameworks. Participants noted that policy certainty and long-term planning are essential for attracting investments into manufacturing and energy infrastructure.

Officials from the energy sector, led by Director George Ngayu, highlighted the importance of competitive electricity pricing, noting that investments in variable

renewable energy, transmission infrastructure and regional interconnections require clear cost-reflective tariff structures.

"There is need for stronger coordination between the manufacturing and energy sectors. We are proposing the development of Special Economic Zones (SEZs) near energy sources to reduce infrastructure costs and improve industrial productivity," added Ngayu.

The forum further underscored the need for energy efficiency measures, with participants forging for an alignment of the Least Cost Power Development Plan (LCPDP) with Kenya's industrialization Policy ambitions to ensure energy planning responded effectively to current and future industrial demand.

The discussions also focused on the financial implications of long-term power purchase agreements (PPAs), with stakeholders in the financial sector arguing that existing commitments continue to affect electricity costs and market liberalization efforts.

We need to explore innovative financing mechanisms, including bond instruments and budget-neutral models,



to lower energy costs while maintaining investor confidence in the power sector," proposed Director of Industries Stanley Koske, who is spearheading a team to review the National Industrialization Policy alongside Global Energy Alliance for People and Planet, GEAPP.

The growing role of e-mobility in industrial development featured prominently during the forum. BasiGo Chief Executive Officer Jit Bhattacharya noted that supportive policies had enabled the company to grow from manufacturing two electric buses to more than 150 annually.

"Incentives for electric vehicles, local assembly and SEZ investments could stimulate domestic manufacturing, create jobs, reduce imports and position Kenya as a regional hub for clean industrial development and exports within the East African Community," noted Bhattacharya.

As Kenya gears towards a fully electric automobiles and revamped manufacturing sector, energy costs remain a factor to consider, with more efforts shifting towards reducing the costs and sustaining the supply.



KIRDI Assures Women in Manufacturing continued Government support

By Phoebe Ogolla

Kenya Industrial Research and Development Institute (KIRDI) this week hosted women in manufacturing under the Kenya Association of Manufacturers' Women in Manufacturing programme for an engagement focused on innovation and industrial growth.

The visit was organized by the Kenya Association of Manufacturers (KAM), aimed at giving the members exposure to research, product development, and technology transfer services as drivers toward strengthening Kenya's manufacturing sector.

The programme also aimed at bridging the gap between research institutions and small and medium-sized enterprises (SMEs).

The engagement included guided tours of several of KIRDI's research centres, covering Leather, Textile, Food Technology, Engineering & ICT, and Chemical Engineering. Participants also visited hubs dedicated to baking, herbal production, and chemical processing. These tours allowed the women manufacturers to see firsthand how KIRDI conducts cutting-edge research, testing, quality assurance, and product development. The exposure was designed to help them understand how scientific and technical support can be applied to improve product standards and competitiveness in both local and regional markets.



KIRDI together with Women in Manufacturing together with women of the Kenya Association of Manufacturers

KIRDI, supports industry through research, product development, testing, technology transfer, incubation, and commercialization, while also serving as a technical advisor to the government on industrial development.

In support of growth in the manufacturing sector, KIRDI facilities and expertise are available to manufacturers looking to scale operations, improve efficiency, and add value to their products.

The Women in Manufacturing Programme, commended KIRDI on its support for their course while highlighting the importance of access to the institution in matters SMEs.

The manufacturers further noted that KIRDI's facilities and technical expertise would help in driving the growth and competitiveness of small and medium-sized enterprises led by women.

In Brief...

KEBS

KEBS, in collaboration with the Private sector, this week convened a Technical Working Group bringing together industry players, aquaculture farmers, regulators, researchers, and academia.

The engagement aimed to advance standards on the welfare of farmed tilapia, an important step toward strengthening sustainable aquaculture, improving fish quality, and enhancing consumer confidence.

ACA

Anti counterfeit Authority (ACA), Executive Director, Mbugua Njoroge, had a courtesy meeting with Kenya Wine Agencies Limited managers, George Abasy-Nengo, and Julius Litali. During the meeting, they discussed on ways to protect consumers from illicit and counterfeit alcohol. Mr. Mbugua further assured the two officials of continued Government support in protecting consumers from dangerous counterfeit products and defending legitimate businesses from the erosion that counterfeiting causes.

Counterfeit and illicit alcohol remains one of the most damaging fronts in the fight against counterfeiting costing legitimate manufacturers revenue, denying the country tax income, and endangering consumers.

Kenya–Slovakia Business and Development Forum

Principal Secretary for Industry Dr. Juma Mukhwana, has highlighted Kenya’s rapid urbanization and abundant mineral resources, as a huge potential for the electric mobility sector.

Dr. Mukhwana, who graced the Kenya–Slovakia Business and Development Forum in Nairobi, encouraged Slovak investors to take advantage of emerging opportunities in Kenya and across Africa.

He observed that changing global value chains required countries and businesses to rethink how they produce, distribute, and market their products

The forum brought together government officials, business leaders, and development partners to explore opportunities for enhanced trade, investment, and economic cooperation between the two countries. The forum provided a platform for networking and discussions on strengthening bilateral relations in key sectors of mutual interest. Slovakia’s expertise in e-mobility solutions complements Kenya’s strengths in renewable energy and digital talent.



The Slovak delegation, led by the Minister for Foreign Affairs, Juraj Blanar, reaffirmed Slovakia’s commitment to strengthening bilateral relations and expanding business partnerships with Kenya. He described Kenya as a centre for innovation and a gateway to the African continent.

Participants from both countries identified opportunities for collaboration in food processing, renewable energy, cybersecurity, healthcare technologies, pharmaceuticals, manufacturing, electric vehicles (EVs), and charging infrastructure.

The forum heard that trade between Kenya and Slovakia remained balanced, with both countries keen to expand commercial ties.

“The transformative potential of the African Continental Free Trade Area (AfCFTA), which brings together 1.8 billion people across the continent. Kenya is therefore strategically positioned as a gateway to African markets and an entry point for global investors seeking access to the continent,” added DR. Mukhwana.

Cabinet Secretary for Tourism and Wildlife Rebecca Miano, emphasized Kenya’s stable macroeconomic environment, vibrant agricultural sector, growing technology ecosystem, and youthful population, with eight out of ten Kenyans below the age of 35 posing as a market and ready workforce. She further observed that



WORLD ACCREDITATION DAY, 2026

In Pictures



Industry Principal Secretary Dr Juma Mukhwana during World Accreditation Day at Weston Hotel



(left) Industry Principal Secretary Dr Juma Mukhwana with KENAS CEO Dr Walter Ongeti (right) on during World Accreditation Day at Weston Hotel



(front) Award Recipients, (left) Dr Leah Chelagat, Mr Ngeny Biwott KENAS Board Chairperson, PS Juma Mukhwana, Dr Walter Ongeti CEO KENAS Prof Dickson Andala CEO National Research and Ms Mueni Doris Manager Laboratories during World Accreditation Day Celebration at Weston Hotel.

KENAS Urges Investors to Boost Local Manufacturing for Global Competitiveness

Kenya Accreditation Service, KENAS, this week celebrated the World Accreditation Day, marked on 10th June. The event was officiated by Industry Principal Secretary (PS), Dr Juma Mukhwana alongside KENAS CEO Walter Ongeti and the KENAS Board of Directors, Chair, Ngeny Biwot.

“Accreditation provides the confidence needed for products, services and systems to meet internationally recognized standards, thereby enhancing Kenya’s competitiveness in global markets”, noted Dr. Mukhwana during his speech.

The PS further remarked that for Kenya to achieve economic transformation and become an economic powerhouse in the African continent, investors needed to focus on increasing local manufacturing as a key driver towards an industrialised nation

He further called on investors to embrace more of value addition to their products, noting that this would not only assure them of more profitability, but access to other regional and international markets where the demand for value added products was high.

Access to international markets the PS said, was now being made easier through Accreditation from KENAS which is globally recognised as an accreditation service provider.



Dr. Mukhwana who was the Chief Guest during the celebration, further called on investors to take up spaces in the County aggregation and Industrial Parks(CAIPS), saying that investing in local manufacturing, would further reduce reliance on imports, while also solving the unemployment crisis. CAIPS he noted, are plug and play facilities and the Government has already ensured that infrastructure such as roads, electricity, water, internet access and security in addition to the modern warehouses, were now ready and available for occupation.

KENAS, currently the largest accreditor in Eastern Africa, assesses and accredits organizations that provide certification, medical testing, inspection, testing, calibration, and proficiency testing, validation, and verification services.

KENAS CEO , Dr. Walter Ongeti further supported Dr. Mukhwanas remarks saying that accreditation ensured quality, trade, innovation, and public confidence are achieved in industry adding that they were also key factors towards achieving growth of the economy.

Dr. Ongeti also assured stakeholders of the agency's commitment towards broadening accreditation into new industries, deepen global recognition, backing small and medium enterprises, driving digital upgrades, and embedding sustainability into assessment practices in industry as he called on more collaboration with the Private sector.



KENYA PUSHES FOR TOUGHER ANTI-COUNTERFEIT LAWS AS CRIMINALS EVOLVE

By Victoria Katheu & Joshua Muricho

Kenya is pursuing stronger legal and enforcement measures to combat counterfeit trade as authorities

warn that existing laws cannot be as effective, as criminal networks are evolving fast.

Anti-Counterfeit Authority (ACA) Board Chairman Hon. Nelson Gaichuhie said the country must modernize its legal framework to effectively tackle counterfeiters who continue to exploit technological and regulatory gaps.

"We have looked at the law, and the law has not kept pace with the criminal. That is why we must modernize our enforcement tools, strengthen legal safeguards and ensure that counterfeiters bear the full weight of the law," he said.

Speaking during the World Anti-Counterfeit Day commemoration in Nairobi, Gaichuhie said the Authority is also introducing an Anti-Counterfeit Security Device to help consumers, enforcement officers and regulators verify the authenticity of products in the market.

"We are introducing the Anti-Counterfeit Security Device as a practical tool to help consumers, enforcement officers and regulators verify whether a product is genuine". "This device will make it easier to identify authentic products, strengthen intelligence-led enforcement, and protect Kenyans from counterfeit goods that pose risks to public health and safety," he added.

He also underscored that stronger legislation, supported by improved investigative capacity, modern verification technologies and inter-agency collaboration, will be essential in protecting consumers, supporting legitimate businesses and promoting fair trade.



The call comes amid growing concerns over the economic impact of counterfeit goods, which undermine local manufacturing, government revenue, distort fair competition and expose consumers to products that may pose serious health and safety risks.

ACA Executive Director Dr. Mbugua Njoroge said defeating counterfeit trade requires a coordinated approach involving government agencies, industry players and other stakeholders.

"The fight against counterfeiting cannot be won in silos. Through joint inspections, joint training and shared intelligence, we are building a stronger enforcement front with our partner agencies," he said.

Echoing the need for greater collaboration, REACT Director Rabia Turnbull warned that counterfeiters have increasingly shifted their operations to the digital space, calling for smarter and more coordinated responses,

where over 70 per cent are below the age of 30, collective responsibility is key. Through training, intelligence reporting and strong partnerships, we can better detect, disrupt and prevent counterfeit networks," she said.

During the event, the Anti-Counterfeit Authority signed a Memorandum of Understanding with REACT, an international non-governmental organization with more than 30 years of experience in combating counterfeit trade, to strengthen intelligence sharing, capacity building and enforcement cooperation. The Authority also signed a Collaboration Agreement with the Kenya Institute of Supplies Management (KISM) to enhance integrity in procurement and supply chain management.

The agreements are expected to reinforce Kenya's efforts to protect consumers, safeguard legitimate businesses, support local manufacturers and strengthen the country's fight against counterfeit goods through enhanced partnerships, modern enforcement tools and legal reforms.

Industry pushes for increased collaboration with China in manufacturing.

By Theuri Mwangi

Industrialisation Secretary, (IS), Professor Erastus Gatebe, officiated the opening ceremony of the 2026 Africa International Machinery, Automotive Parts, Electromechanical and Hardware Products Expo on behalf of Industry Principal Secretary (PS), Dr. Juma Mukhwana. The Expo is a platform for promoting industrial cooperation and trade exchanges between Kenya and China in sectors including construction machinery, mining equipment, agricultural machinery, automobile and motorcycle parts, electromechanical products, and hardware products.

“The Government of Kenya, through the State Department for Industry, is executing a strategic pivot toward a high-value export-led manufacturing. Our goal is to raise the manufacturing sector’s contribution to GDP to 15 per cent by 2027”, noted the PS, in his speech read by Professor Gatebe.

“To achieve this”, the PS assured the Chinese investors, “the Government has deployed interventions such as the KSh 13.1 billion Japanese Samurai Bond to provide critical capital for local automotive parts manufacturers to acquire advanced machinery for the production of high quality spareparts”.



Industrialisation Secretary, Professor Erastus Gatebe addresses Chinese investors during the AICMEC launch in Nairobi.

The PS in his remarks, added that, the Government had also invested KSh 250 million per county, to establish County Aggregation & Industrial Parks (CAIPs), for value addition to occur close to the source of the raw materials. Professor Gatebe further echoed the PS’s remarks noting that the Government was leveraging Special Economic Zones in Naivasha and Dongo Kundu to offer manufacturers incentives such as subsidised power, as low as KSh 5 per kWh in Naivasha, in addition to 0% excise duty, in a bid to lower the cost of production for investors.

“The industrial and manufacturing sectors, ensure that there is job creation, currency stability, food security and regional leadership, here we all stand to gain from these developments,” noted the IS, while calling for more partnerships between the Chinese and Kenyan investors.

Also present were Chinese diplomats, Government officials from KIA, KEBS and KNCCI.

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Contributors

Anne Sabuni
Theuri Mwangi
Gloria Gicheru
Jared Nyabuti
Phoebe Ogolla
Victoria Ndanu
Collen Mukiri
Victoria Katheu
Joshua Muricho