



ALLPI ANNUAL REGIONAL CONSULTATIVE FORUM 2018

(Twelveth Regional Leather Sector Core Team and Stakeholders Consultative Forum)

KENYA

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Coral Hotel - Port Sudan, Sudan
11th – 13th December 2018


ISSUE	OUTCOME/ACTIVITIES	REMARKS/IMPACTS
Policy, Strategy and Administrative Issues	<ul style="list-style-type: none"> Participated in East African Community (EAC) meetings on harmonization of tariffs in the leather sector 	<ul style="list-style-type: none"> Tariff on the importation of footwear imposed at a duty rate of 25% (production min. \$5 and \$2.5 per pair for leather and non leather uppers) Promoting import substitution
	<ul style="list-style-type: none"> EAC Strategy Validation workshop held in Nairobi 	<ul style="list-style-type: none"> Availability of road map for development of the sector regionally




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Policy, Strategy and Administrative Issues	<ul style="list-style-type: none">• The Big 4 Agenda introduced by the Government	<ul style="list-style-type: none">• Leather sector is one of the priority areas under Manufacturing and is geared towards employment and wealth creation

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	<ul style="list-style-type: none"> • Reorganization of Government functions • Development of human resource instruments by the Council and Authority to employ the initial 41 critical staff 	<ul style="list-style-type: none"> • Leather value chain activities previously under SDL transferred to SDI This will create harmony in operations of the Industry and faster growth • Enhance the Council's ability in service delivery
	<ul style="list-style-type: none"> • Development of Business Plan for Training and Production Centre for Shoe Industry 	<ul style="list-style-type: none"> • Enhance the capacity of TPCSI to be sustainable and offer better services to the industry


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	<ul style="list-style-type: none"> Development of concept papers 	<ul style="list-style-type: none"> Four concept papers for funding developed with input from both public and private sector Will facilitate growth of the sector by supplementing government funding
	<ul style="list-style-type: none"> Formal launch of Leather Apex Society of Kenya 	<ul style="list-style-type: none"> Association brings together leather sector players (TAK, KFMA, LAEA, H&STA) Will improve lobbying capacity.



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	<ul style="list-style-type: none">• The Council evaluated tariffs related to the industry and proposed adjustments	<ul style="list-style-type: none">• Recommendations forwarded for action by National Treasury• Will spur value addition in the sector
	<ul style="list-style-type: none">• Development of Standards	<ul style="list-style-type: none">• Standards reviewed and customized• Production of quality and competitive products




ISSUE	OTCOME/ACTIVITIES	REMARKS/IMPACTS
	<ul style="list-style-type: none">• Handing over of four mini tanneries to County Governments	<ul style="list-style-type: none">• Will enhance value addition activities in the Counties




ISSUE	OTCOME/ACTIVITIES	REMARKS/IMPACTS
Affordable sources of finance for development of MSMEs	<ul style="list-style-type: none">• The government has regulated interest rates at not more than 4% above the Central Bank lending rates	<ul style="list-style-type: none">• Kenya Industrial Estates offering credit to MSMEs at an interest rate of 10% on a reducing balance• IDB has a line of credit with EXIM bank of India for financing purchase of machinery• Faster growth of MSMEs and hence employment and wealth creation


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Ease of doing business and Market opportunities	<ul style="list-style-type: none"> • Faster and easier means of doing business 	<ul style="list-style-type: none"> • Kenya moved 12 steps to position 61 in the latest World Bank Ease of Doing Business Index • This will lead to more investments and hence employment creation
	<ul style="list-style-type: none"> • 30% of the Procurement Budget is reserved for Youth, Women and People with Disabilities and 40% on Buy Kenya Build Kenya initiative 	<ul style="list-style-type: none"> • Employment and wealth creation • Encourage production of local products




ISSUE	OUTCOME/ACTIVITIES	REMARKS/IMPACTS
	<ul style="list-style-type: none"> • Presidential Order for local procurement of textile and leather products for Disciplined Forces 	<ul style="list-style-type: none"> • Team formed to execute the directive • Encourage local production
	<ul style="list-style-type: none"> • Improved visibility and access to markets by participation in shows and trade fairs locally and regionally • Uploading of MSMEs products on KLDC website 	<ul style="list-style-type: none"> • Improved visibility and access to markets




ISSUE	OTCOME/ACTIVITIES	REMARKS/IMPACTS
	<ul style="list-style-type: none">• Improved reliability of electricity and reduced electricity tariffs for MSMEs	<ul style="list-style-type: none">• Ensure reliable supply of electricity and increase of competitiveness• Reduction in production cost




Capacity Building	<ul style="list-style-type: none"> 25 MSMEs trained on footwear and leather goods production 	<ul style="list-style-type: none"> Improved Skills Production of quality products
	<ul style="list-style-type: none"> 50 MSMEs trained on cluster development 	
	<ul style="list-style-type: none"> 43 MSMEs trained on entrepreneurship 	
	<ul style="list-style-type: none"> 10 tannery technicians trained on tanning 	
	<ul style="list-style-type: none"> 12 tannery workers trained on water and chemical usage 	<ul style="list-style-type: none"> Efficient use of water and chemicals Reduced production cost




ISSUE	OUTCOME/ACTIVITIES	REMARKS/IMPACTS
	<ul style="list-style-type: none">• Two members of KLDC attended a workshop in Business development organized by ALLPI in Mombasa	<ul style="list-style-type: none">• Enhanced Skills




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Cluster Development	<ul style="list-style-type: none">• Five clusters registered and one (Kariokor) supported with machines and equipment.	<ul style="list-style-type: none">• Improve product competitiveness and increase in employment



ISSUES	ACTIVITIES/OUTPUT	REMARKS/IMPACT
Establishment of the Kenya Leather Park (KLP) and Tanneries	<ul style="list-style-type: none">• Construction of a leather park ongoing• Two new tanneries established	<ul style="list-style-type: none">• Environmental Management - Centralized Effluent Treatment• Foreign exchange earnings and import substitution• Value addition and employment and wealth creation



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Benchmarking and B2B Meetings	<ul style="list-style-type: none"> Indian, Sri Lanka and Chinese delegations visited the Country 	<ul style="list-style-type: none"> Increased investments and employment
	<ul style="list-style-type: none"> Meeting between KLDC and UNIDO representative to explore areas of collaboration 	<ul style="list-style-type: none"> Follow up of concept on skills development Skilled manpower



ISSUE	OUTCOME/ACTIVITIES	REMARKS/IMPACT
	<ul style="list-style-type: none">• Government officials and three industry players accompanied H.E Deputy President to Italy on trade and investment	<ul style="list-style-type: none">• Increase in investment and trade• Increase in employment, wealth and foreign exchange earnings



THANK YOU