

The programme will invest Sh180 billion in businesses across Africa

Manufacturing enterprises set to reap big from UK-funded programme

The programme has already injected Sh4 billion into four investment deals over the past year, this comes at a time when manufacturing has emerged as a key driver of the country's economy

BY BRIAN AMBANI

Manufacturers seeking capital injections are set to benefit from a Sh180 billion programme funded by the UK government to scale up their operations. The Manufacturing Africa programme, which is funded by the UK's Foreign, Commonwealth and Development Office offers support to businesses in agro-processing, textiles, pharmaceuticals, industrial parks and electronic products to spur growth manufacturing in Africa.

The seven-year programme will also link manufacturers in Rwanda, Ethiopia, Nigeria and Senegal to potential investors and will come to an end in 2026.

UK Deputy High Commissioner to Kenya, Julius Court, told the Nation that businesses in these sectors are preferred due to their high potential to generate employment and stimulate growth of the local economy by prioritising sourcing their raw materials locally.

The British official said that manufacturers that also commit to efforts to conserve the environment and embrace green man-

ufacturing will be helped to raise capital to grow their operations.

Court notes that Kenya has a high potential for large manufacturing deals with leading global financiers, and adds that the programme will support manufacturers and supporting businesses seeking international financing to raise capital of Sh100 million (\$10 million) and above to grow their operations.

"The potential (to grow Kenya's manufacturing) is still there and it has not been realised yet. When you look at the business climate here, capable workforce, entrepreneurial spirit and available raw materials, you see that there is a lot of potential to develop faster with financial and technical support," Mr Court said.

The official added that manufacturers now, more than ever, need not only linkage to investors willing to put their money in the businesses, but also advisory services.

He added that consistency in government policy is crucial to give investors an assurance of the security of their investments regardless of any changes in policy regime.

"To its credit, the government



Rachel Miami, the Chief Executive Officer of Ramm Millers Limited, located in Malel in Eldoret, Uasin Gishu County. Agro-processing businesses are earmarked for funding. JARED NYATAYA NATION

has made positive changes to the country's business policies which has made a huge difference to investors who were holding back but are now coming to invest in the country," he commented.

The programme has already seen four investment deals with a value of Sh4 billion (£28 million) closed over the past year, including securing funding of an undisclosed amount for a chocolate and ice-cream manufacturer from a private equity firm which will boost its capital position.

The diplomat sees an especially huge potential for growth in the transport sector, more so the

fast growing bodaboda sector through local assembling of parts and moving to electrical charging, which will make transportation cheaper and lift a burden especially for low-income earners. The bodaboda sector is estimated to employ about two million Kenyans.

"If the government gets the policies right for (growth) of electric motorcycles which are much cheaper and greener to operate than the existing ones... however, we also need to build the infrastructure for this to happen. We are also looking at pyrethrum which has huge potential especially with the positive policy changes in the sector," he said. This comes at a time when manufacturing has emerged as a key driver of the country's economy - the growth of its contribution to the economy is among President Uhuru Kenyatta's Big Four Agenda.

The sector has been allocated Sh20.5 billion for the financial year 2021/22 to be used to scale up reforms in the sector to encourage investments in manufacturing enterprises and also support and protect local industries.

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