

# The Kenya Chambers

Trade ● Investment ● Hospitality ● Manufacturing

2021  
Edition 19

A Publication of The Kenya National Chamber of  
Commerce & Industry, Mombasa County







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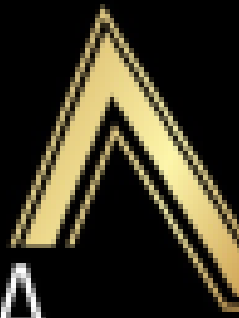
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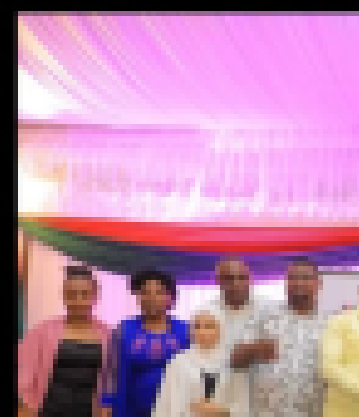


# MOMBASA BUSINESS AWARDS 2024

The Mombasa Business Awards is now open for  
Award Nominations.

There are 21 categories to choose from, and open to  
all businesses interested in participating. The  
nominations should be sent by email by midnight 1st December.

Independent judges will review and interview  
companies on 4th and 5th December 2024 with the  
award ceremony at the glamorous 2024 Mombasa Business Awards  
which takes place on 6th December.







## Cover Page:

Unlocking The Coastal Economy:  
Dongo Kundu and It's Rewards.

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## Distribution:

The chamber is distributed through  
The chamber network locally and  
internationally

## Foreword from the Chairman KNCI Mombasa Chapter

*Dear Reader,*

It is my honor to present this edition of the magazine, centered on the theme Empowerment Partnerships for a Stronger and Sustainable Business Community. This theme holds particular resonance as we navigate dynamic shifts within our business environment. Collaboration, resource-sharing, and a shared commitment to growth are the keys to achieve enduring success and resilience.

In the Coastal Region, we are witnessing significant strides toward building partnerships that foster collective growth. These partnerships are also creating avenues for sustainable development, society alike. A good example is the Dongo Kundu local businesses to connecting with regional framework that champions long-term viability for our community.

This issue brings together insights, stories, and dedication to forming alliances that uplift and drive progress.

I invite you to explore these pages and witness the efforts, knowing that through empowered and resilient, vibrant, and sustainable Mombasa.

Together, we are not just responding to the





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Monsoor Mohamed  
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Director



Wanjiku Wamb  
Nyali capital











## Chairmans Breakfast



We successfully hosted the Chairman's Breakfast Meeting for Partnerships - Building a Stronger Business Community." Key stakeholders in attendance included the General of the Republic of Uganda, Hon. Mohamed Osman CECM Dept. of Tourism County, KNCCI Mombasa Board of Directors and KNCCI members among others. Special thanks to our partners: Commercial International Bank for their continuous support.







Reflecting on the insightful discussions from the Mombasa Youth Dialogue, hosted by Blue Radio. KNCCI Mombasa Chairman, Mr Abud Jamal, was among the delegates present. The event shed light on crucial impacts of climate change on maritime activities and its direct effects on job opportunities. The dialogue was a stepping stone towards ensuring a sustainable maritime industry and protecting the livelihoods of our coastal communities. Together, we can shape a resilient future..



KNCCI Mombasa Chairman present at the launch of Sw powerful platform for local e to amplify their voices, con sense of community, as well and support the growth of M



KNCCI Women in Business meeting on AGPO as a tool women entrepreneurs thro accountability and transpar





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# Dongo Kundu Special A Turning Point for Reva Economy

Special Economic Zones (SEZs) are designated areas with economic regulations favouring investors operating in the designated area. A zone often aims to attract foreign investment with tax incentives.



A section of Dongo Kundu Bypass road that was recently launched



Among the countries where duty-free zones or ports exist is the United States, which has several ports, including the U.S. Virgin Islands and Puerto Rico. Singapore is also known for having such a facility. The United Arab Emirates has several free trade zones. Various free trade zones exist in China, particularly in Shenzhen and Shanghai. In the Asia continent, India and Malaysia have many special economic zones that offer duty-free service. These zones are part of a vast global network that promotes trade and investment by eliminating trade barriers, connecting economies, and fostering international cooperation. Kenya's involvement in this network will foster a sense of connection and collaboration among global economic partners in enhancing its economic growth potential. The financial benefits of duty-free zones are not significant. They are potentially transformative, offering a reassuring potential return on investment. These zones promote international trade, improve logistical efficiency, and offer substantial cost-saving services. The exemption from customs duties, taxes, and specific regulations allows companies operating within the zones to reduce production costs, making their products more competitive in the global market. This unique advantage of duty-free zones is a major attraction for foreign investment, encourages businesses to operate within these zones, paving the way for substantial economic growth. The potential underscores the urgency and importance for policymakers and investors in leveraging these zones for Kenya's economic development.

Kenya has several duty-free zones, each with its unique structure and purpose. The most common are Export processing zones (EPZs), which promote export-oriented manufacturing by allowing the duty-free import of raw materials for manufacturing products destined for export market. Other include Special Economic Zones (SEZs), Duty-Free Shops, Free Ports, Free Trade Zones (FTZs), and Bonded Warehouses, each serving specific economic goals and operating under different regulations.

This comprehensive understanding of the types of duty-free zones in Kenya is crucial for policymakers, business leaders, and economic development stakeholders, providing them with the necessary information to make informed decisions about their potential economic



companies focus on animal and plant-based exports. These are typically value-added products derived from Kenya's affluent agricultural and livestock sectors. Some examples of animal and plant-based goods exported by EPZ companies include:

- Processed Animal Products
- Seafood, Fresh and frozen fish, mainly Nile perch and tilapia.
- Horticultural Products
- Processed Foods
- Tea and Coffee
- Herbs and Spices

Available statistics show that EPZs in Kenya have been a resounding success, generating billions of Kenyan shillings in export revenue, approximately USD 700 million annually in export earnings. Most of this income comes from the textile and apparel sector, significantly benefiting from access to U.S. markets under AGOA.

This success story not only underscores the potential and promise of duty-free zones in Kenya but also instills a sense of optimism and confidence in their economic impact, providing a compelling case for their expansion. For instance, in 2020, EPZs in Kenya contributed amply to its GDP, demonstrating their significant economic role.

## Free Port.

Kenya's Vision 2030 agenda is to create a globally competitive and prosperous country with a high quality of life by 2030. This transformation is expected to propel the Nation into a new industrialising middle-income country that provides its citizens with a high quality of life in a clean and secure environment under three critical pillars of Economic, Social, and Political governance. The only way to accomplish this goal is to set up investments to generate foreign currency and create more

regulations. Goods can be shipped from customs dues if they country. If imported goods destination same country port as if the goods have concept focuses on a the domestic economy. It the concept has receiving countries, at shortening trade and shipping successful in goods advantage of the concept in the free trade zone. Inception of free trade zone in a territory. A

manufacturing Italy. Trieste is a northern Adriatic Sea can be brought in, without incurring. Here are some globe that trade zones automotive-rail. The long-term free port and transshipment significant

- Freeport of has a free Business Center exemptions, and light manufacturing

- Shannon Free trade zones





like benefits for warehousing and industrial processing. It's a key gateway for international trade and has significant connections to various industries, including automotive.

Several sea and inland waterway ports in Belgium are exempt under Belgian law from the general corporate income tax regime.

The port is subjected to a different tax regime, with a different taxable base, resulting in a lower

taxation level for investors in the free economic zone can be a game changer for other companies in Belgium.

Establishing Dongo Kundu as a special economic zone can be a game changer in boosting our country's economy. At the moment, plans are in the advanced implementation stage. The setup of the special economic zone is a crucial infrastructure and economic development project in Kenya aimed at transforming our country into a regional industrial hub if it is focused professionally by those in authority. As a country, let us focus on the concept's big picture and prioritise allocating space at Dongo Kundu SEZ to the proper logistics, manufacturing, packaging, and Agro-processing investors to turn our economy around. The Identified project's strategic location is perfect. How it will be implemented is crucial to our country's industrialisation efforts if not implemented correctly. Let us not turn it into another white elephant project where land is allocated to speculators and nothing tangible is achieved.

that 80% of the will create job opportunities

- Policies and simplified. Simplified customs documentation and make it easier for manufacturing. Free Zone will benefit from the investors and help the people often rely on imported products.

country, Kenya should introduce facility policies for up to 25 years, and come with no currency free

ports in Europe. Mombasa is still the East African hinterland southern Africa, allowing materials and finished products port will benefit from

white road transport. As in the setup of the government can be the most

An excellent example of the Dongo Kundu project could be the Dubai free port at Jebel Free Zone (JAFZA), which plays a pivotal role in the packaging and manufacturing industries due to its strategic location and favourable economic conditions and infrastructure. JAFZA has several benefits, which could be our turning point if we replicate their concept and management system in our country. Kenya can introduce the following incentives to investors



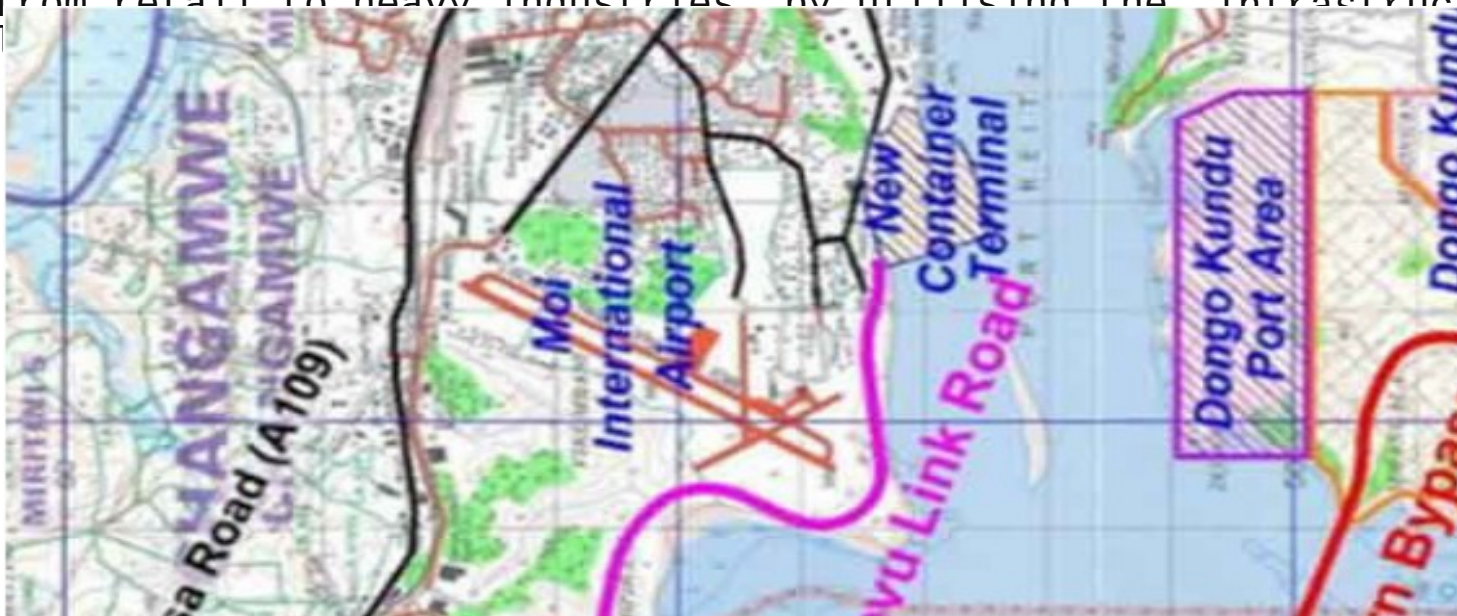




things at the port and provide state-of-the-art industrial infrastructure, including warehouses, factories, and also act as logistics facilities. These will enable packaging and manufacturing companies to benefit from ready-to-use and then disassemble spaces that could be easily customised to suit specific production needs.

- **Innovation and Technology:** Encouragement of research and development is vital for a country's economic growth and emerging technological changes. The government should encourage innovation and technology development in its free zones by setting goals for its Industrial Strategic plan to enhance its position as a global hub for all industries. This includes using advanced robotic systems, automation, and Smart Manufacturing. This will boost efficiency in production processes and packaging lines. A good example is in countries like Singapore and Shenzhen in China.

Introducing these incentives will make it easy to access Regional Markets. The new project could be a global hub and provide easy access to the fast-growing markets of East Africa, the Middle East, the rest of Africa, and beyond. Those who invest in the port could cater to diverse sectors, from retail to heavy industries, by utilising the









# Revolutionizing Logistics Supply Chain Management with GenAI

GenAI is revolutionizing logistics, reshaping supply standards of efficiency, but its journey is full of challenges and ethical considerations."



Insights by: : ~Naimah Jaradi  
Marketing Executive  
KNCCI Mombasa Chapter

In today's world of realtime and efficiency demands, the logistics and supply chain sectors are undergoing a transformative shift, marked by the revolutionary advent of Artificial Intelligence (AI), and particularly in its generative form (GenAI). This remarkable moment in technological evolution is not just a milestone but a catalyst for a profound transformation of how we approach logistics and

must judiciously weigh AI's potential to distinguish between "E" with readily available data and the spotlight on recent trends like the GPT promises to revolutionize personal and operational optimization dynamics. Particular extends from augmented data to real-time and forecasting, GenAI is a personally significant logistics instance, simulation customize learner, not only is reshaping the human-machine relationship. Machines are not only accommodating complex neural networks tailored to contribute

supply chain management.

The launch of ChatGPT on the 30th of November 2022 symbolized a significant leap towards reimagining operational frameworks. This tool, emblematic of Gen-AI's potential, offers unparalleled efficiency and innovation, reshaping the landscape of customer service and operational efficiency. According to Gartner, AI is becoming a standard for the industry, not just a tool, but a workforce partner for 90% of companies worldwide by 2025."

Yet, embracing AI requires a nuanced approach. Organizations, especially those outside the tech sphere,







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# The Small Claims Court' Economy, Transport And



Courtesy call by KNCCI Directors with the SCC Adjudicators at Mombasa Law C  
(20th June 2024)

The Blue Economy features businesses including clearing and forwarding, hotel and catering, port operations, supplies, transport to mention a few. As these business interact with each other and with

The SCC's g  
1. Timely di  
expensive  
method,  
2. Promoting  
access just  
3. Fairness  
4. Simplicit





Claimant, Respondent or Third Party only needs to fill with necessary modifications. Filing of cases is done online on the judiciary e-filing system <https://efiling.court.go.ke/> A person may represent themselves or hire an advocate. In the case of companies, the representative files an Authority to Sue, signed by the company directors. Filing a case at the SCC costs as follows:- Once the case is heard and judgment delivered, the Court issues a decree which is executed against the debtor for claims worth Kes 50,000-Kshs 100,000/- with the help of an auctioneer. 600 for claims worth Kes 100,000/- to Kes 150,000/- and Kshs 1,000/- for claims worth Kes 150,000 to Kes 1,000,000/- . These costs are lower than those payable in mechanisms (ADR), Alternative Justice Systems (AIS) Magistrates Courts Mediation (CAM) and other non adversarial methods of resolving disputes

The Small Claims Court, Mombasa opened its doors on 8th June 2022. Since then, 3,770 cases have been resolved out of the 3,907 filed and the total value of the judgments awarded is Kes. 603,992,009/- (as at 31st July 2024). The SCC Mombasa has jurisdiction over cases

have been law Taveta and Voi. Litigant not been operationalized Magistrates Court hear the SCC Mombasa in the maritime, log are often cross-border, contract was signed on County, the C The SCC Mombasa conducts stakeholder matters through the matter (goods, servi County's delivery. We also do sens awareness of Court's opera of partners. Some of our a National Chamber of Co Freight Author and Warehouse Kenya Viola M Small Claims Association Mombasa Law Society among



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# The Role of Insurance in the Logistics Sector

Insurance coverage is essential for mitigating the financial stability of logistics companies



By: Hasnain Meghji

Insurance plays a crucial role in the logistics industry by providing protection against various risks and uncertainties that can impact businesses in the sector. How can businesses avoid

By having the right place, logistics businesses can ensure they have the protection against risks including political violence, accommodated certain coverage insurance advisor can help for various reasons such as someone recommend specific range of options based on business advice. Engaging a service provider or agency to recommend appropriate protection will obtain the insurance policy and guide the insurance process. Assistance may be provided in the form of insurance coverage. Companies should ensure fair settlement is

circumstances of loss by ensuring they have adequate protection?

Major insurance covers that logistic companies should take into consideration and also benefit from the industry by providing the following solutions:

**Cargo Insurance:** Protects the company against loss or damage of goods while they are in transit via various modes of transport such as land, sea, or air. This coverage is essential for logistic companies that handle valuable and sensitive cargo as well as claims and lawsuits arising from bodily injury or property damage caused by their operations. This includes

**Warehouse Insurance:** Provides coverage of goods in every vehicles stored in the warehouse against risks such as fire, theft or damage. This coverage is important for logistic companies that operate warehouses as part of their business.

**Motor Insurance:** Provides coverage for a company's fleet of vehicles.

CARGO





# Let us Transform Lamu Port Transshipment Hub on the Eastern Coast

The construction of Lamu port is one of the significant infrastructures in Kenya; the port is located on the northern coastline of Kenya of Lamu. The port is one of the LAPSET corridor projects aiming to enhance connectivity.







which introduced reliable, efficient, and organized schedules of movements of goods across the globe. Before this bright innovation, loading and unloading onto ships was done manually piece by piece, with a lot of pilferages and damages. Vessels could spend many days loading cargo at the port, increasing the days to complete a voyage. With the new concept, containers could be packed and moved seamlessly across different modes of transport and easily transferred without interfering with goods inside the box. The idea was later dubbed "Intermodal System."

You can transport a container by truck from a town

Transshipment is a part of the intermodal system and is crucial in global logistics and supply chain management. The efficient system enables goods to reach their destinations at a minimum and cost-effective price. Goods could be transferred from one vessel to another at a Hub (intermediate port) without passing through multiple customs clearance procedures for imports or exports. It also allows shippers to consolidate cargo loading and unloading and scheduling and optimize their routes and transshipment.

Transshipment also enables shippers to access markets that are not directly served by their vessels, have limited port capacity or infrastructure. Factors of transshipping cargo are Geographical constraints, economic efficiency, and operational considerations. Sometimes, a port may not have a direct transportation link to the final destination, requiring a transfer at a transshipment hub. Other factors could be that a harbor has a low draft, the channels are narrow enough for big ships to enter and out safely. Even air draft could be a factor. It could be the height of a bridge where a vessel sails underneath or the opening and closing of a channel is limited, and the volume of movement through the passage is high.



parts of the  
player in the





most important among them are the vessel's safety, when visiting the harbor, cargo handling equipment, and the depth of the water at the harbor. Lamu was designed to be shipped to more space technology,







The Port of Singapore

making it a vital link for trade and commerce in the region and beyond. In 2023, the port handled over 39.10 million twenty-foot equivalent units (TEUs) of containers, of which transshipment containers comprise a substantial portion of this volume. The same year, Mombasa port handled 2.33 million twenty-foot equivalent units (TEUs) for imports and exports. The figure for transshipment containers varies in Singapore each year based on trade patterns and market conditions. As a country with limited land, approximately 750 square kilometers compared to Lamu, with 130 Km of beach coastline and a land of an area of 6,273 square Kilometers. By providing high-quality transshipment services, Singapore











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