



**EPZA**  
EXPORT PROCESSING ZONES AUTHORITY | KENYA  
Your Investment & Trade Partner

## B. Braun adds to the growing list of EPZ pharma companies



**Left:** Prof. Heinz Walter Grosse, Chairman, B. Braun, Hon. Tarek Al Wazir, Deputy Prime Minister and Minister for Economics, Energy, Transport and Regional Development, State of Hessen, Germany receive a token of appreciation from Hon. Peter Munya, Cabinet Secretary, Ministry of Industry, Trade & Cooperatives. With them is Mr. Paul Gicheru, Board Chairman, EPZA.

Hon. Tarek led a German business delegation to EPZ Athi River as part of their mission to explore possible investment opportunities in Kenya.

B. Braun EPZ Pharmaceuticals Limited is the first German investment in the EPZ Program; following H. E. President Uhuru Kenyatta's visit to Germany in April 2016 and further adds to the growing list of pharmaceutical firms operating in the EPZ program.

There are 150 German companies in Kenya, including B. Braun Pharmaceuticals, who employ about 5,000 people.

**“Investment in the pharmaceutical industry is a great support to Kenya’s priority focus as defined in the Big Four Agenda. The investment by B. Braun Pharmaceuticals goes along way in addressing both the manufacturing and universal health care pillars of the Big Four,”** Hon. Munya.

**I**n promoting Buy Kenya Build Kenya initiative, the Cabinet Secretary noted that the Government is working towards 100% access into the domestic market by the EPZ pharmaceutical companies.

Other EPZ pharmaceutical companies are Dinlas Pharma EPZ Limited, in Machakos County manufacturing tablets, capsules, syrups and ointments. Ivey Aqua EPZ Limited within Athi River EPZ manufacturing eye, ear and nose drops and infusion fluids while Revital Healthcare EPZ Limited in Takaungu, Kilifi County manufactures plastic medical disposals - syringes, infusion and blood transfusion collection tubes.

In January 2018, Bangladesh - based Square Pharmaceuticals broke ground within Athi River EPZ where it announced plans to set up its first plant in Africa to manufacture tablets/capsules and liquid medicine.



## Export Processing Zone Program - a regional tool for development



**Left:** Mr. Paul Gathecha and Hon. Annah Nyokabi Gathecha, Directors of Msambweni Development Company EPZ Limited (proposed) during their visit to EPZ Authority to further understand the EPZ program. With them is Mr. Paul Gicheru (Board Chairman, EPZA).

Through the realization of the Msambweni multi-sectoral EPZ industrial park; the first of its kind to be undertaken in Kwale County, the project is expected to spur rapid socio-economic development in the coastal region by creating opportunities for harnessing natural resources.

It will also be one of the platforms through which the Blue Economy can be exploited.

**E** PZ Authority is seeking to develop and establish additional and new zones countrywide to replicate the economic development impacts that the EPZ program has had in the regions they are already situated in.

Counties where public zones are earmarked for development are Kiambu, Meru and Kisumu; who have expressed great interest in the EPZ program by setting aside land to develop EPZs.

Areas identified for the establishment of private zones are: Nakuru, Kiambu, Muranga, Kwale, Narok and Laikipia.

There are 72 existing zones situated in 19 counties hosting a total of 136 EPZ firms engaged in a variety of operational activities namely; food/agro-processing, beverages/spirits, chemicals, commercial & commercial craft and leather, dartboards, electrical/electronics, garments and garment support services, minerals/gemstones, pharmaceuticals and medical supplies, plastics, printing, relief supplies, services and other activities; joinery works, leather and silicone products.

The EPZ program remains a tool for regional development, job creation and the general development and growth of the area surrounding the zones in their respective geographic locations once the necessary industrial infrastructure; power, water, sewerage, and telecommunications is put in place.



**Right:** Mr. Peter Wainaina, (Left), Ag. GM. Operations and Investor Support, EPZA, Mr. Joseph Kamau, CEC Agriculture, Kiambu County, Mr Reji of Global Apparel EPZ Limited and Dr. Juliet Kimemia, the County's CEC, Infrastructure and the Convener on Investment and Development Caucus during the visit at EPZ Athi River.

Kiambu county has engaged EPZA with the intention of establishing a public zone; adding on to the already three existing private zones in Ndumberi and Thika. The county's potential export products include fruits and vegetables, tea, coffee, cut flowers, green beans, macadamia nuts, irish potatoes, livestock products and honey; all which are can be processed in the EPZ program

### UPCOMING EVENT

**T**he fifth edition of Africa Sourcing and Fashion Week (ASFW) will open doors from 9 - 12 November 2019 in Addis Ababa, Ethiopia. The conference theme is 'Sustainable Fashion for World Market'. It will feature fabrics, trims accessories, apparel, fashion, technology, machinery, innovation, home textiles, decor, crafts, gifts and accessories.



## Increased investment in extraction of natural oils in the EPZ

**A** robust growth of end - use industries such as food and beverage, personal care and cosmetics, and aromatherapy has translated into an upswing in the demand for natural vegetable and essential oils.

The global demand for the oils is driven by a growing inclination of consumers towards natural and organic products, growing popularity of relaxation therapies mainly spa and aromatherapy, growth in disposable incomes from higher living standards and increased awareness of chemical substance side effects.

Aromatherapy is gaining prominence, especially among urban population, due to changing lifestyles and rising media influence.

The excellent antibacterial/ antiseptic properties and aromatic flavorings of essential oils has also boosted their consumption.

According a market research report by Grand Review Research, the global essential oils market demand was 226.9 kilotons in 2018 and is projected to expand at a compound annual growth rate of 8.6% from 2019 to 2025. Several overall health benefits offered by these oils are anticipated to fuel their demand in the pharmaceutical and medical applications.

This demand, coupled with heightened interest in Kenya as an investment and production location for quality export products has seen an increase in the number of EPZ firms engaged in the extraction of oils from a variety of plants, seeds and nuts - an

eligible manufacturing activity in the EPZ program.

Among the companies involved in the extraction and processing of oils derived from plants for export are Olivado EPZ Limited located in Muranga County which processes edible avocado oil exported to Europe and Far East.

Fairoils EPZ Limited located at EPZ Athi River extracts vegetable oil from a variety of plants such as apricot kernels, seeds such as baobab, sesame, passion and macadamia nuts among other plants. The oils are exported to the US, Europe and Far East. Fairoils also processes essential oils from eucalyptus, ginger, tea tree and other natural herbs.

Other oil extraction companies in the program are Athi River Oils EPZ Limited in EPZ Athi River, Amor Coco Kenya EPZ Limited in Kilifi county deriving coconut oil from coconuts and Live Love Well EPZ in Kwale county extracting Moringa oil from Moringa seeds.

Within the continent, Kenya is endowed with plenty of plants whose barks, leaves and fruits produce extracts that these oils. Others are Morocco, Tunisia, Egypt, Algeria, Ivory Coast, South Africa, Ghana, Tanzania, Uganda, and Ethiopia.

The EU is the world's biggest importer of the essential oils, with France, Germany, and the UK being the major countries.



**T**anzania is the host of the 10<sup>th</sup> edition of Origin Africa; a forum that aims at positioning the continent as a viable sourcing alternative.

The annual event, organised by African Cotton and Textile Industries Federation (ACTIF) showcases the development of internationally competitive cotton, textile, apparel and fashion industries. Kenya has previously hosted Origin Africa in 2018, 2014 and 2010.

EPZ Authority remains one of the event's main co-sponsors. In 2018, Newwide Garments Kenya EPZ, United Aryan EPZ, Shona EPZ, Kikoy Mall EPZ and Wildlife Works EPZ participated in the two - day fair held at Visa Oshwal in Westlands.



INVESTMENT

## Social compliance auditor turned apparel manufacturer



**Left:** Mr. Isaac Maluki, Managing Director, Shona EPZ Limited, a wholly owned indigenous company manufacturing garments for the export market.

In March 2018, Shona EPZ Limited commenced its operations in the EPZ program at EPZ Athi River with only 46 workers.

Mr. Maluki explains that the EPZ concept remains beneficial to many investors like him considering the incentive package the Program offers.

Other than the ten –year tax holidays, Mr. Maluki notes that the available large pool of skilled local workers especially for investors in the garment/apparel manufacturing, availability of land and factory buildings considering that the zones are developed with necessary requisite industrial infrastructure and the presence of a Customs office within the industrial zones are among the elements that attracts investors to the EPZ program.

**F**or close to two decades, Mr. Isaac Maluki, the Managing Director, Shona EPZ Limited, an apparel manufacturing firm within EPZ Athi River was a social compliance auditor.

His work was to conduct social audits and quality assessments for firms involved in export business. Garment manufacturers and food processors were among his clientele.

“There was a time large multinational inspection/social audit companies found this service rather too small to invest in and especially in Africa. I grabbed the opportunity to conduct the audits on their behalf,” Mr. Maluki explains.

Other than Kenya, Mr. Maluki extended his services within the continent specifically in Uganda, Tanzania, Ethiopia, Malawi, Botswana, Namibia, Lesotho and South Africa.

Social audits and inspections are an important aspect in the export market; as companies expand their manufacturing and sourcing capabilities around the world, supply chain workplace conditions are increasingly scrutinized, particularly in developing countries.

“I have been to very many EPZ firms in Kenya...,” he says. It is while there, engaging in the audits that Mr. Maluki got a keen interest in the EPZ program.



The Shona plant has a capacity of 12 lines with more than 500 workers working in two shifts.

In October 2019, Shona is shipping its first largest consignment comprised of high visibility reflective wear and ladies’ fashion tops destined to the US.

### CONTACT INFORMATION

#### THE CHIEF EXECUTIVE OFFICER EXPORT PROCESSING ZONES AUTHORITY

Email: [information.desk@epzakenya.com](mailto:information.desk@epzakenya.com). Website: [www.epzakenya.com](http://www.epzakenya.com)  
Tel +254 45 6621000, +254 713 051172/3, +254 733 683222, +254 786 683223 or +254 20 7606040  
EPZA Administration Building, EPZ Athi River, Viwanda Road off. Nairobi - Namanga Highway.