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EAST AFRICA

Kenya's Textile & Apparel Industry Snapshot



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Kenya: A Land of Stunning Beauty and Rich Culture

Breathtaking Landscapes:

Kenya boasts a staggering diversity of landscapes. From the vast, sun-drenched savannas teeming with wildlife to the majestic snow-capped peak of Mount Kenya, Africa's second-highest mountain, Kenya offers a breathtaking panorama. The coastline beckons with pristine white sand beaches lapped by turquoise waters, while lush rainforests offer a glimpse into a verdant world. The Great Rift Valley, a massive trench stretching through Kenya, adds another layer of wonder to this remarkable country.

Wildlife Spectacle:

Kenya is world-renowned for its incredible wildlife safaris. Witness the awe-inspiring sight of a pride of lions lazing in the golden savanna grasslands. Marvel at the towering presence of elephants, the graceful zebras, and the long-necked giraffes. During the Great Migration, witness a thundering spectacle as millions of wildebeests embark on their annual journey across the plains.

Thriving Textile and Apparel Industry:

Kenya's rich cultural heritage extends to its thriving textile and apparel industry. Traditionally, communities have used locally-sourced materials like cotton and wool to create beautiful garments with intricate patterns and designs. Today, the industry is a major contributor to the Kenyan economy, employing thousands of people and boasting a strong export presence. Modern factories operate alongside skilled artisans, producing a diverse range of textiles and apparel that blends tradition with contemporary style.

Vibrant Culture:

Kenya is a tapestry of vibrant cultures. Over 40 distinct tribes call this land home, each with its own unique traditions, dress styles, and languages. Immerse yourself in the rich heritage, be it through intricate beadwork, captivating dances, or the skilled art of soapstone carving - a testament to Kenya's artistic soul.



Kenya At A Glance

Kenya is a vibrant country situated in East Africa

Kenya is the leading single exporter of garments under AGOA with just under USD 600Million of exports annually and the highest concentration and growth in manufacturing capacity.

Overview



Kenya's location puts it at the crossroads of East Africa. This has made it a center for trade and cultural exchange for centuries. The country boasts stunning geographical features, from the snow-capped peaks of Mount Kenya to the vast savannas teeming with wildlife.

Economy



GDP
113 Billion

As reported by the World Bank



CPI
7.66

As reported by the World Bank



GDP Per Capita
2,099

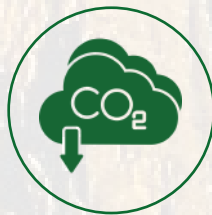
As reported by the World Bank

Economy



FDI to GDP
0.35%

As reported by the World Bank



CO2 Emissions
14.45 Mt

As reported by the World Bank



External Debt to GDP
36.65%

As reported by the World Bank

Demographics



Population
54 Million

As reported by the World Bank



Median Age
19 - 20 Years

As reported by the World Bank



Working Age Population
29 Million

As reported by the World Bank



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Kenya: A Hub of Fashion and Manufacturing

A Legacy of Textiles

Kenya has a rich history of textiles, dating back centuries. Different communities have their own unique clothing traditions, like the colorful lesos (wraparound skirts) and kikoyis worn by many Kenyans. The country is also blessed with natural resources like cotton, a key raw material in textile production.

Beyond Exports

Kenya's fashion scene is flourishing! Local designers and brands are gaining popularity, offering unique styles. The textile and apparel industry plays a vital role in creating jobs and empowering women in Kenya.

Empowering Growth: The Role of EPZ

The EPZ program, managed by the Export Processing Zones Authority (EPZA), creates designated areas that offer attractive incentives for businesses, particularly those focused on exports. Many textile and apparel companies set up base in these zones to benefit from **tax breaks**, **streamlined procedures** and **modern infrastructure**.

By attracting foreign investment and fostering a business-friendly environment, the EPZ program has significantly boosted Kenya's textile and apparel industry.

Apparel Powerhouse of Africa

Did you know? Kenya is the leading African exporter of apparel to the US under AGOA (African Growth and Opportunity Act)! This is a testament to the well-established textile manufacturers and the skilled workforce that Kenya boasts. A big contributor to this success is the **Export Processing Zones (EPZ) program**.

Textile And Apparel Industry

The textile and apparel industry is a key player in Kenya's manufacturing sector

Kenya is the leading single exporter of garments under AGOA with just under USD 600million of exports annually and the highest concentration and growth in manufacturing capacity.



Kenya's textile and apparel industry is increasingly embracing sustainable practices. Companies are exploring the use of organic cotton, recycled materials, and water-efficient dyeing processes to minimize environmental impact.

Kenyan designers are pushing boundaries with their creativity. They are incorporating traditional motifs and techniques into modern silhouettes, creating a unique fusion that is gaining international attention.

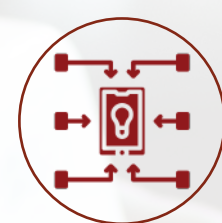
With continued government support, investment in technology, and a focus on sustainability, Kenya is poised to become a global leader in ethical and innovative fashion production.



Fabric Suppliers

16

These companies provide the raw materials that fuel Kenya's textile production.



Vertical Solutions

N/A

Offering a one-stop shop, these companies handle various stages of production.



Apparel Manufacturing

14

From t-shirts to complex garments, these manufacturers transform fabric into the apparel we wear.



Cotton Production

04

Kenya has the potential to be a major cotton producer, with fertile land and a suitable climate.

Competitive Advantages

Staying ahead of the curve

The world of garment manufacturing is changing fast. Kenya has prioritised the Textile and Apparel sector for growth under its 2030 strategic economic plan and is undertaking a significant programme of investment in transportation networks, green energy production, communications and technology infrastructure, education and economic zone development.

Overview



Kenya's textile and apparel industry boasts several competitive advantages. Duty-free access to the US market and a young, trainable workforce provide a strong foundation for growth. Furthermore, Kenya's stable economy and potential for domestic cotton production makes it an attractive destination for foreign investment in the textile sector.

Opportunities in Raw Materials

- Increase yarn and fabric variety
- Blend with other fibers to create diverse textile offerings.
- Expand organic cotton production

Deep-water ports

- Mombasa Port: The largest port in East Africa, Mombasa offers 19 deepwater berths.
- Mombasa Port has undergone significant upgrades, including a new container terminal commissioned in 2016 with a capacity of 550,000 TEUs annually.
- Lamu Port: Kenya's newest deepwater port, Lamu Port, opened in 2021 and provides an alternative logistics network for the region.

Standard Gauge Rail Network

- The Mombasa-Nairobi-Naivasha Standard Gauge Railway connects to an internal container depot at Naivasha, enabling efficient cargo movement to Athi River and Kisumu.

KENYA'S OFFERS

Availability of highly skilled human capital

- Large youthful workforce with a median age of 20 years
- High literacy rate of 82% and English fluency
- Produces 60,000 graduates annually from 43 universities
- Over 1,400 TVET institutions providing technical and vocational training

Air Transport Hub

- Jomo Kenyatta International Airport in Nairobi is a hub connecting Africa, Europe, the US and Asia.

Minimum Wage

- Minimum monthly wage: \$125
- Skilled machine operator wage: \$168 (highest reported)
- Normal working hours: 45 hours per week

Investing in Kenya's Textile & Apparel Success

Sustainable & Reliable Resources

Abundant Water: Kenya offers a reliable water supply with a strong focus on responsible management. Efficient treatment and recycling practices ensure responsible water usage throughout the production process. The Athi River EPZ, a designated textile hub, boasts exceptional infrastructure with dedicated water management facilities.

Green Energy Leader: Kenya is a frontrunner in clean energy, with geothermal and hydropower accounting for over 86% of the country's electricity generation. This translates to a sustainable and cost-effective power supply for investors.

Affordable Power: Kenya's stable and reliable electricity supply, combined with a surplus in power generation, offers investors attractive rates and the potential for high-power consumption. The Energy Act even allows for internal energy generation with the option to sell excess power back to the national grid.

Beyond the Docks

Modern Ports: Mombasa, a world-class port, streamlines import and export processes, ensuring efficient movement of raw materials and finished goods.

Extensive Network: Kenya has a well-maintained road network that seamlessly connects production centers to major markets and ports, minimizing transportation costs and delays.

Airstrip Advantage: Strategically located international airports across the country facilitate the swift movement of goods by air, catering to time-sensitive deliveries.

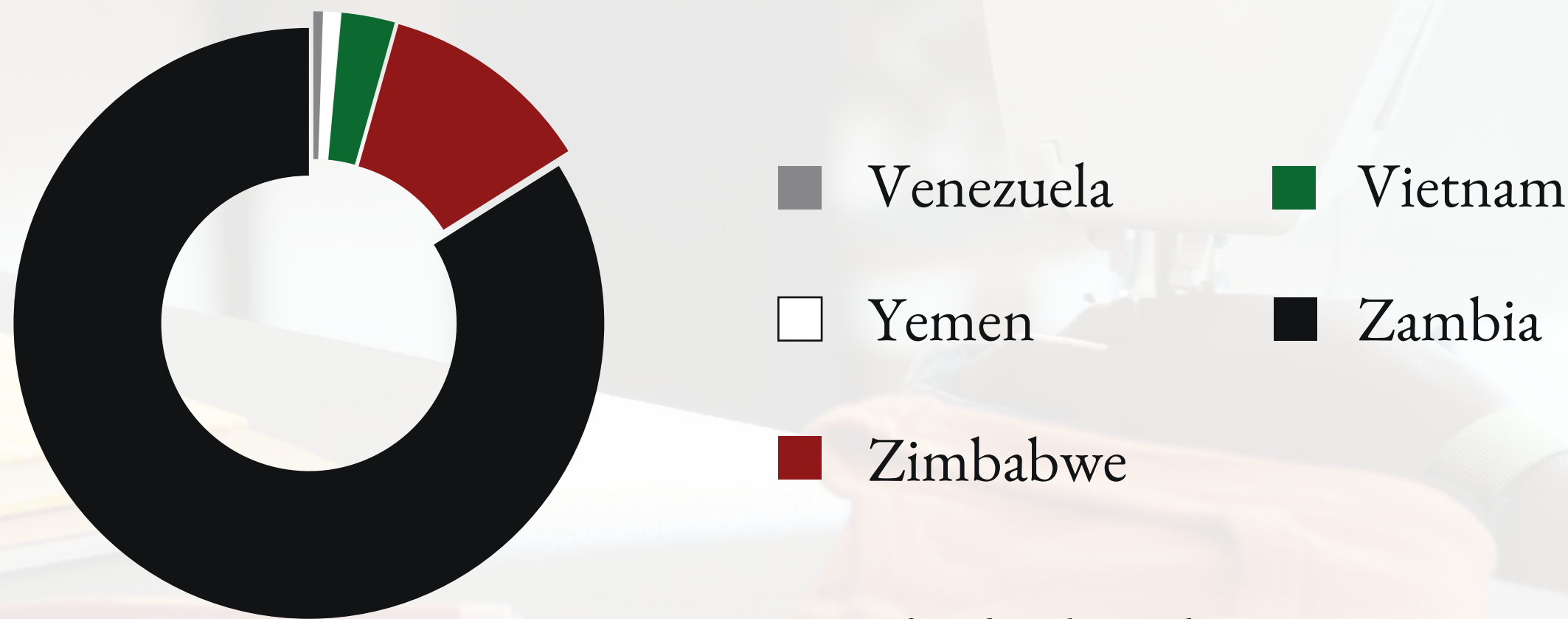


Textile & Apparel Trade Imports

Kenya's Apparel Imports

Kenya boasts a thriving textile industry, playing a crucial role in apparel production and contributing significantly to the nation's economic growth. However, strategic imports of textile products are essential to maintain this success:

- **Meeting Production Needs:** A constant flow of raw materials like fibers and yarn is vital for garment production. Imports bridge any gaps between domestic production and industry requirements.
- **Cost-Effectiveness:** Importing certain finished textiles can be more cost-effective due to economies of scale achieved by large-scale producers in other countries.
- **Variety and Specialization:** Imports provide access to a wider variety of fabrics, including those with specialized features or required for specific garment types, until domestic production capabilities are developed.



1.2 Major Importers of textile and apparel In Kenya

Additional Information

Second-Hand Clothing Market:

Kenya also has a significant import market for second-hand clothing, often referred to as "mitumba." This market provides a source of affordable clothing for many Kenyans. However, some argue that the availability of inexpensive used clothes might hinder the growth of the domestic garment industry, as consumers may opt for used items instead of new, locally produced ones.

Government Regulations:

The Kenyan government plays a role in shaping textile imports through regulations. They might impose tariffs, which are essentially taxes on imported goods, to make certain imported textiles more expensive. This can protect domestic industries that produce similar materials by making locally made options more competitive.



Textile & Apparel Trade Exports

In 2022, clothing led the way, followed by other textiles like industrial fabrics, raw or semi-processed fibers, yarn for weaving and knitting, and finally, home textiles like towels and bedsheets.

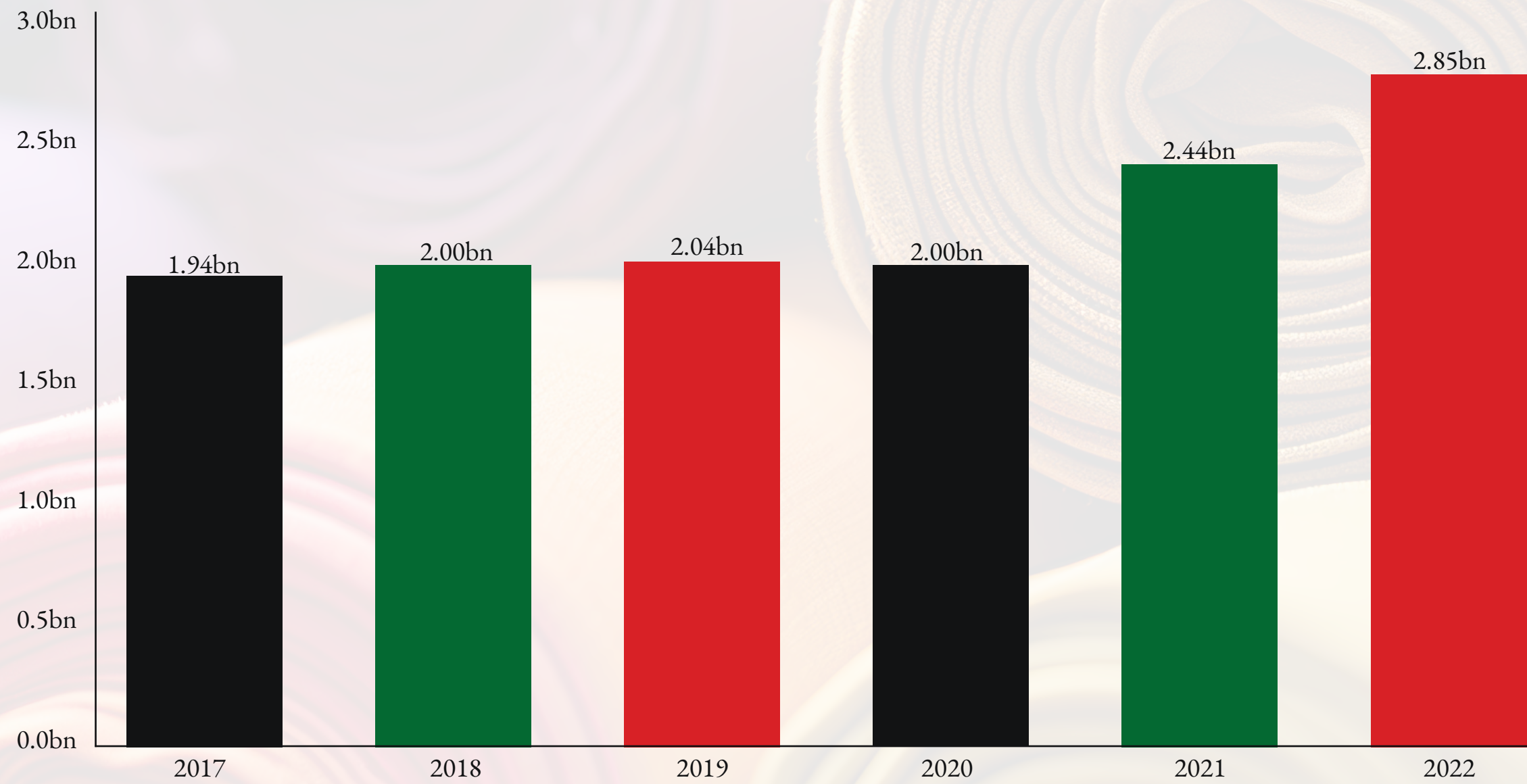
Looking at Kenya's export destinations in 2022, the United States emerged as the top buyer, followed by the collective market of the remaining European Union countries (Rest of EU). Canada, Germany, and the United Kingdom also feature prominently as key destinations for Kenyan textiles and apparel.



Kenya's Apparel Exports: Soaring to New Heights

Kenya has become a global force in apparel exports, playing a vital role in the nation's economic growth and job creation. Several key factors fuel this success:

- **Favorable Trade Agreements:** Agreements like AGOA grant Kenyan apparel duty-free access to major markets, making them more competitive.
- **Skilled Workforce:** Kenya boasts a skilled and competitively priced workforce, making it an attractive location for garment production.
- **Investment in Infrastructure:** The government's investment in Export Processing Zones (EPZs) provides essential infrastructure and incentives to attract foreign investment in the textile sector.
- **Quality and Compliance:** Kenyan apparel manufacturers prioritize high-quality production that meets international standards, ensuring customer satisfaction.



1.1 Export trends in the last 6Yrs Kenya

Access To Major Markets

Apparel Export Powerhouse

Kenya has emerged as a dominant force in apparel exports within sub-Saharan Africa. Strategic trade agreements and a skilled workforce position the country as a major player in the global textile and apparel industry. Duty-free access to key markets like the United States (AGOA) and the European Union allows Kenyan apparel to reach a wider audience, fostering economic growth and creating valuable jobs.

Beyond Borders

The European Union presents another lucrative market for Kenyan apparel exports. Trade agreements grant duty-free access, allowing Kenyan manufacturers to compete effectively. Additionally, Kenya enjoys preferential access to regional markets through memberships in the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA). These regional ties open doors for further market diversification and economic integration.

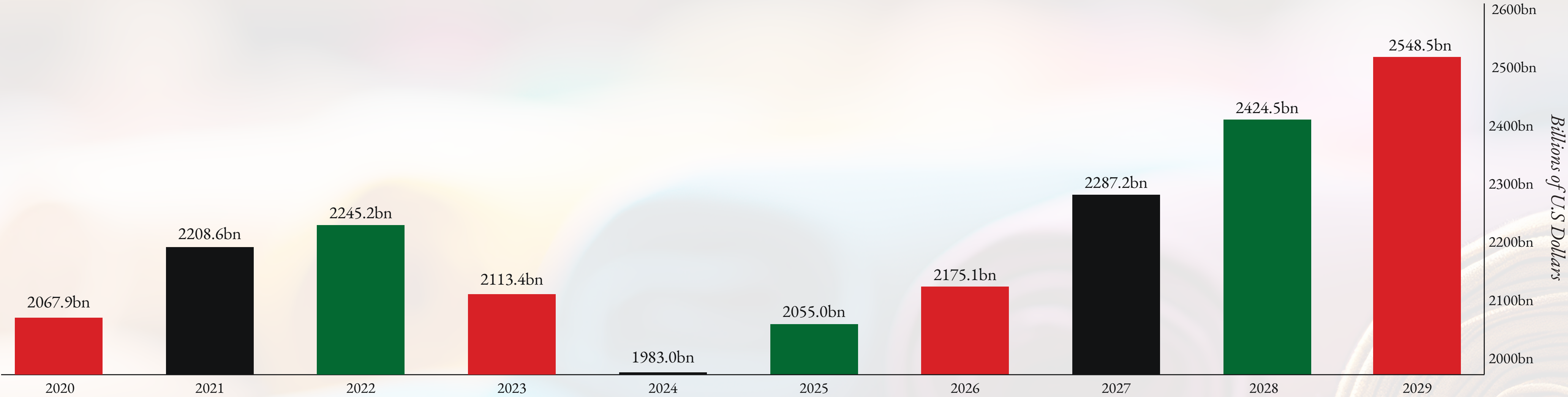
Unpacking the Numbers

The African Growth and Opportunity Act (AGOA) has been instrumental in propelling Kenya's apparel exports to the United States. Kenyan apparel manufacturers have capitalized on this duty-free access, with exports exceeding Ksh. 35 billion (roughly USD 315 million) in 2017. This trend continues to show promise, solidifying Kenya's position as the largest apparel exporter under AGOA.

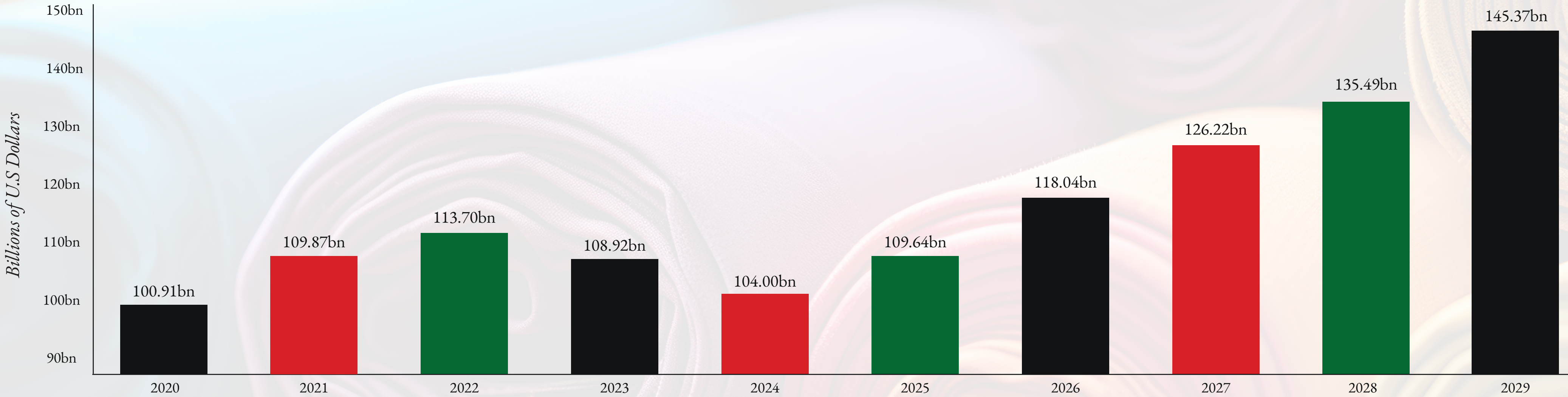
The implementation of the African Continental Free Trade Area (AfCFTA) marks a significant milestone for Kenyan apparel exports. This agreement creates a unified African market, fostering trade liberalization and economic growth across the continent. Kenyan apparel manufacturers stand to benefit immensely from this expanded market access, reaching a consumer base of over 1.3 billion people.



IMF Growth Forecast



1.1 IMF forecast of GDP Per Capita in Kenya



1.2 IMF forecast of GDP in Kenya

Key Agencies in Kenya

Key Agency	Role	Contact
Kenya Invest Authority (KenInvest)	<p>The organization promotes investments in Kenya.</p> <ul style="list-style-type: none">·It facilitates the implementation of new investment projects·They offer aftercare services to both new and existing investments	<p>Phone : +254 (730) 104-200 +254 (730) 104-210</p> <p>Email : inquire@invest.go.ke</p>
State Department for Investment Promotion (Minsitry of Investments, Trade & Industry)	<ul style="list-style-type: none">·Increase the Investment Share in GDP·Attract,develop and retain domestic and foreign direct investment·Mobilize resources for investment promotion and development of bankable project profiles	<p>Phone : +254 20-2731531</p> <p>Email : info@investmentpromotion.go.ke</p>

Major Industrial Parks

Industrial Parks	Location	Distance to Nearest Airport (Km)	Distance to Nearest Port (Km)
Athi River Industrial Park	Pridelands	20 Km - JKIA	462 Km - Mombasa Port
Konza Technopolis SEZ	Makueni	60 Km - JKIA	300 Km - Mombasa Port
Nairobi Gate Industrial Park	Nairobi	13 Km - JKIA	144 Km - Mombasa Port
Naivasha Special Economic Zone (SEZ)	Naivasha	45 Km - JKIA	189 Km - Mombasa Port



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