



THE EXPORT PROMOTION COUNCIL

STRATEGIC PLAN 2012-17

The EPC strategic direction

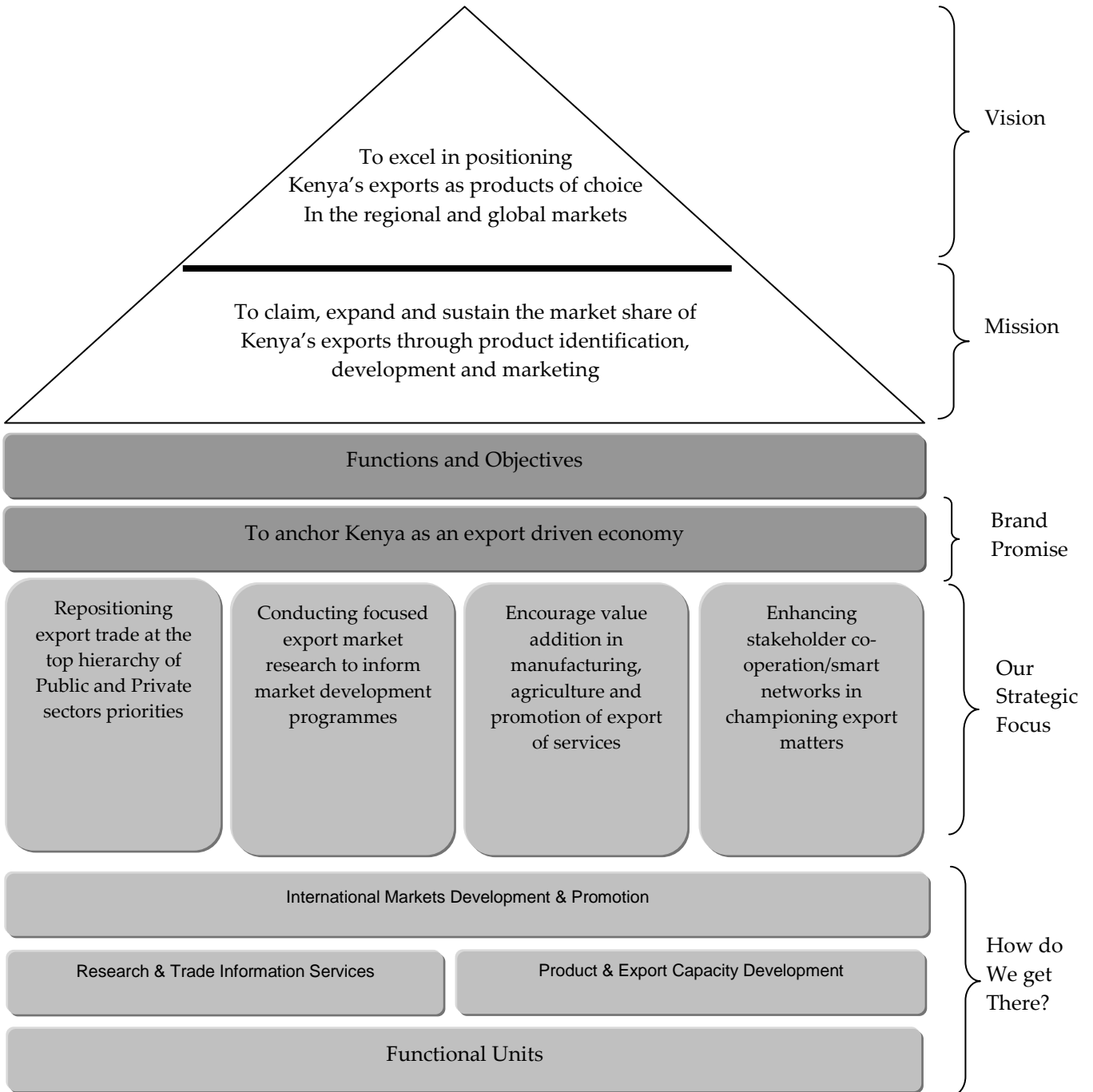


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Vision, Mission Core Values

Vision

To excel in positioning Kenya's goods and services as products of choice in the regional and international markets.

Mission

To claim, expand and sustain the market share of Kenya's exports through product identification, development and marketing.

Brand Promise

To anchor Kenya as an export driven economy

Core Values

Patriotism

With dedication and devotion, we strive to deliver the mandate of the of the Council and support the agenda of our country

Team work

We recognize that outstanding results can only be achieved when We synergize, work with passion and dedication and compliment each other.

Results Oriented

We are impact driven and results oriented in the performance of our duties

Customer focus

In serving our customers, we endeavour to know and prioritise their needs

Excellence

We strive to exceed expectations through partnerships and linkages with our stakeholders

Equity and Fairness

We are fair in all our undertakings, and deliver our service with respect, neutrality and impartiality

Introduction

The Export Promotion Council (EPC) was established on 19th August, 1992 through a Gazette Notice No. 4342 with the mandate of promoting exports through assistance to producers of exportable goods and services in overcoming bottlenecks, to enable them achieve a higher level of export performance. This was a platform through which Kenya would increase her foreign exchange earnings resulting in enhanced economic growth.

EPC's primary objective is to increase the foreign exchange earnings of Kenya through the introduction of legislation and associated measures in the various exchange earning sectors.

The primary function of the Council is to address bottlenecks facing exporters and producers of export goods and services towards increasing the performance level of the export sector.

The need to establish The Export Promotion Council was informed by a number of factors; First and foremost, the decision by Government vide Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth, to transform the country from an inward looking economy under the Import Substitution strategy to an outward looking export oriented economy. The second factor was informed by recommendation by the Study on the "Master Plan for Trade Promotion in The Republic of Kenya" by Japan International Cooperation Agency (JICA) in October 1991.

The Role of Export Promotion Council in Economic Development

The Government of Kenya has given export development and promotion a priority due to its contribution to achievement of economic development goals as cited in various government policy documents. It is envisaged that sustained export development and promotion efforts will help enhance foreign exchange earnings needed to cover the cost of imports, solve balance of payments problems, help reduce the burden of increased foreign indebtedness and create additional employment for people thereby alleviating poverty.

Kenya's exports are mainly composed of primary commodities such as horticulture, tea, coffee, tobacco and tobacco products, and soda ash. Others include apparels, cement, essential oils and iron and steel products.



The export base is quite narrow, a fact which poses risks to the domestic economy, given the high proportion of agricultural commodities that are subject to international price volatility and unpredictable weather changes. Efforts to diversify exportable products therefore need to be pursued vigorously, with a view to increasing the share of manufactures, services like transport and logistics, including other high value added products into the export basket.

Kenya's exports require distinct identities of a high value that can only be achieved through improved designs, packaging and targeted marketing in order to develop brand qualities that are distinctive, appealing and desirable to make the country exports attractive to all. Countries that have developed strong export brands are able to reap the benefits in terms of increased trade and foreign earnings. To enjoy these benefits, Kenya must position her exports distinctively to fully impact the international market.

For Kenya to achieve and maintain higher levels of growth and development, it is necessary to spur the export supply base by working through the devolved structures of government, while at the same time, exploring new export products with greater potential for value addition and high growth.

Key Initiatives to spur export

The Council is expected to undertake key initiatives that will facilitate focused export oriented activities that include:-

- Repositioning export trade at the top of the hierarchy of Public and Private sectors priorities;
- Conducting focused export market research to inform market development programmes;
- Enhancing utilization of ICT in export trade;
- Catalysing value addition in agro-based products and agro-processing;
- Focused product diversification strategy on the regional markets;
- Enhancing stakeholder co-operation/smart networks in championing export matters;
- Enhancing collaboration with development partners to support export programmes;



- Facilitate establishment of overseas distribution infrastructure, warehouses, trading houses and information centres;
- Promotion of niche products such as film, medical services and sports, which are areas that have not been previously explored and exploited.

There is great potential for increasing Kenya's export trade through enlargement and diversification of markets and products. However, there are a number of challenges which need to be addressed. Export Promotion Council appreciates that these challenges exist in the export sector, and provides the roadmap for the development of this strategic plan.

This strategic plan has been developed to chart the way forward for export development. This is in realization of the important role that export promotion plays in the economy, as well as critical role that the Council has since played in Kenya's export growth by supporting a virtuous circle of investment, innovation and poverty reduction.

The Strategic Plan was developed through a participatory approach that involved participation by key stakeholders through interviews and consultations. The views and suggestions of the stakeholders were incorporated in the development of the Council's vision, mission and core values

The Vision

"To excel in positioning Kenya's goods and services as products of choice in the regional and international markets",

The Mission

"To claim, expand and sustain the market share of Kenya's exports through product identification, development and marketing".

The Essence of the Strategic Plan

A situational analysis was undertaken which led to the identification of essential strategies for a competitive framework. Based on this competitive framework; the underlying objectives, strategies and key activities were developed.

The Export Sector Competitiveness

The competitiveness framework adopted in this Strategic Plan as outlined below provides a critical path and the identified key issues based on an in-depth analysis of



country-specific data, including the export market trends and product profiles, to enhance Kenya's Export Trade.

In Vision 2030 blueprint, the Government has prioritised infrastructural development of our roads, airports, modernization and construction of more berths at the port of Mombasa as well as the restructuring of the railway network in an effort to support key economic sectors. One other project that vision 2030 seeks to actualize is the development of the Port of Lamu, the northern transport corridor which will link the Kenyan coast to its northern territories, South Sudan and southern Ethiopia. Once complete, this corridor is expected to open up the potential of the coastal region, parts of eastern and northern Kenya particularly the livestock, fish and other products to the regional markets especially North Africa, COMESA and the rest of the world.

The key thrusts of this strategic plan thus include:

Exports by Small and Medium-Sized Enterprises (SMEs): Tremendous opportunity exists for the Kenya Government to help SMEs participate more actively and effectively in export markets through advocacy and promotion as well as through the provision of export financing. The competitiveness approach argues that, to be effective, measures to upgrade productivity need to be at least cluster-specific where these producers are grouped together to maximize export capacity.

Targeted Market Research: The Council will identify key target markets where Kenya's export products and services will be promoted. All promotional activities, where necessary, will be informed through well coordinated research/surveys which will be conducted in advance. The surveys are expected to bring out the export potentials that exist, market entry requirements, market dynamics, tariff and non-tariff barriers, any bilateral arrangements, infrastructure and support networks, challenges likely to be faced by Kenyan exporters as well as point out the need for the establishment of distribution channels for our potential export products.

Increased use of ICT: Taking advantage of the data super highway provided by fibre optic cable network and increased global internet use the Council plans to strengthen use of e-trade services through the development of virtual information centres, buyfromkenya and development of websites for exporters. Buyfromkenya.com portal is to be enhanced to the standard of renowned portals like amazon and eBay



Government Export Assistance and Incentives: Improving the Government's core trade promotion programs can substantially enhance the ability of Kenyan companies to export. This will be achieved through organizing Trade missions which is another important part of trade promotion and provides a practical way for the government to encourage exports. By participating in trade missions, Kenyan companies receive individually selected, one-on-one meetings with business contacts, including potential agents, distributors, and partners in the local market. This assistance allows Kenyan companies to enter, or expand their presence in, the global marketplace.

Commercial Advocacy: Commercial advocacy will be designed to help level the playing field on behalf of Kenyan businesses competing for international contracts against foreign firms that may benefit from strong home-government support particularly for the regional markets.

Access to Export Credit: Export financing is a crucial part of exporting. Government trade and investment financing agencies such as the proposed credit guarantee scheme and Export Development Fund to step in to fill market gaps when the private sector is unable to provide adequate credit to support certain transactions with greater real or perceived risk.

Reducing Barriers to Trade: The strategic plan proposes increased collaboration with the Kenya Missions abroad and other government departments, working with EPC, working together and measuring every step to improve access to overseas markets for Kenyan manufacturers, farmers, and service providers.

This will be particularly critical in addressing the crucial part of continued export growth relating to removal trade barriers through negotiations, enforcing trade obligations and rights that are necessary for new market access.

As the Kenya Government works to open new markets, it is necessary to ensure that Kenyan exporters have the opportunities they were promised in prior agreements. Robust enforcement is both a short-term and long-term priority and an effective way for the Government to help increase exports.

Export Promotion of Services: The Council will design and implement specific trade promotion efforts for services. As the largest component of the Kenyan economy, services account for nearly 60 percent of Kenya's GDP and are the largest drivers of job creation in Kenya.



Establishment of an Exhibition Centre, design centres and distribution channels: The Council in partnership with other stakeholders will seek to establish an exhibition centre that will stand out as the premier Exhibition Centre in Africa and the Middle East and establish Kenya as a leading trade and exhibition destination in line with Vision 2030. The Centre is to be furnished with world class facilities capable of hosting large exhibitions, a 5 star hotel and restaurant, and a product design centre. The Exhibition centre can also include modern office and Business Park to host several companies and display facilities for the business community (investors and exporters).

The Council will also strive to actualize the dream of value addition both in agricultural products as well as non-agricultural products. Value addition on non-agricultural will be realised through the establishment of centres for product design and development at the Counties coordinated by national centre. The County centres will assist to assess the products that would have been mapped with the support of the County governments. The manufactured products from these centres will be introduced into the regional and global markets through distribution channels like warehouses.

Focused product diversification strategy on the regional markets; Taking advantage of the proximity, bilateral agreements, existence of trading blocks and tastes/preference in the regional markets, the Council proposes to take deliberate efforts in promoting Kenya's products into countries like DRC, Southern Sudan, Mozambique and Angola

In addition, the Council will collaborate with various key stakeholders to revitalize and/or promote products like ICT software, rabbits, cotton and fish



Corporate Objectives

The Council identified four key strategic objectives that are critical for successful implementation of this plan and actualization of the targeted export growth. These are:-

1. To increase Kenya's exports of goods and services by an average of 20% per year over the plan period.
2. To take the lead role in facilitating export trade.
3. To continuously ensure the sustainability of EPC's resource base.
4. To deliver outstanding service.

The Implementation

In order to achieve the above objectives the Council will identify key target markets where Kenya's export goods and services will be promoted. All promotional activities will be informed through well coordinated research. The Council will also work with various counties to undertake product identification design and development to enhance Kenya's export basket. It will also work in partnership with key stakeholder to facilitate export trade.

An implementation matrix for the operationalization of this strategic plan has been developed as well. The matrix provides in details the specific objectives, strategies and the necessary activities to be undertaken as well as the expected outputs, performance indicators, the time frame and the resource requirement.

During the planning period the Council will require approximately **Kshs.10.9 billion** to fully implement the strategic plan. The organization structure, risk mitigation and a monitoring and evaluation framework for ensuring successful implementation of the strategic plan are as provided in chapters seven and eight respectively.



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