



NATIONAL APEX CHAMBER



NATIONAL APEX CHAMBER

POST - EVENT REPORT

INTERACTIVE VIDEO CONFERENCE ON



INDIA-KENYA BUSINESS PROMOTION, CHALLENGES AND OPPORTUNITIES POST COVID-19

21st May, 2020

Chief Guest:

H.E. Mr. Rahul Chhabra, High Commissioner of India to Kenya,
Ambassador of India to Somalia and Secretary (ER) – Designate, MEA,
Government of India



NATIONAL APEX CHAMBER



**INTERACTIVE VIDEO CONFERENCE ON
INDIA – KENYA BUSINESS PROMOTION
CHALLENGES AND OPPORTUNITIES - POST COVID 19**

Thursday, 21st May 2020 | 2:30 PM – 4:00 PM

Guest Speaker



H.E. Mr. Rahul Chhabra

High Commissioner of India to Kenya &
Ambassador of India to Somalia &

Secretary (ER)- Designate Ministry of External Affairs, Govt of India

PHDCCI Leadership



Dr. D.K Aggarwal
President, PHDCCI



Mr. Sanjay Aggarwal
Sr. Vice President, PHDCCI



Mr. Pradeep Multani
Vice President, PHDCCI

RSVP

INTERNATIONAL AFFAIRS AND TRADE FAIR DIVISION

Mr. Jatin Nagpal, Email: jatin.nagpal@phdcci.in / Mob: 91- 91 98995 85780
Ms. Kanishka Arora , Email: kanishka.arora@phdcci.in / Mob: 91- 99990 78178

ABOUT PHDCCI

PHD Chamber of Commerce and Industry (PHDCCI) has been working as a catalyst for the promotion of Indian industry, trade and entrepreneurship for the past 115 years. It is a forward looking, proactive and dynamic pan-India apex organization. As a partner in progress with industry and government, PHD Chamber with a special focus on MSMEs works at the grassroots level, with strong national and international linkages for propelling progress, harmony and integrated development of the Indian economy.

INTRODUCTION

The International Affairs Committee and Trade Fairs Committee, PHD Chamber of Commerce and Industry, organized an Interactive Video Conference on 'India – Kenya Business Promotion - Challenges and Opportunities Post COVID-19' on 21st May 2020 with H.E. Mr. Rahul Chhabra, High Commissioner of India to Kenya, Ambassador of India to Somalia and Secretary (ER) – Designate, MEA, Government of India.

The Objective of the Video Conference was to have a meaningful discussion to understand the Impact of COVID 19 and the challenges being faced for promoting business activities as regards export and import, travel restrictions, and also understand the potential and possibilities of enhancing bilateral trade post lockdown. The session witnessed a participation of more than 50 industry players and senior members of PHDCCI.

The world is witnessing the carnage of the novel coronavirus (COVID-19) pandemic. There has been a significant loss of human lives and the global economy has also felt the impact severely. Global markets are in a free fall with supply-chain disruption and manufacturing falling to the lowest levels in decades.

The proceedings of the session are as follows:

Mr. Pradeep Multani, Vice President, PHDCCI during his Opening Address welcomed H.E. Mr. Rahul Chhabra, High Commissioner of India to Kenya, Ambassador of India to Somalia and Secretary (ER) – Designate, MEA, Government of India and gave a briefed insight about PHDCCI and the India-Kenya trade relations. He mentioned India & Kenya are maritime neighbours and the contemporary ties between India and Kenya have now evolved into a robust and multi-faceted partnership, marked by regular high-level visits, increasing trade and investment as well as extensive people to people contacts.

Mr. Multani mentioned that the presence of Indians in East Africa is documented in the 'Periplus of the Erythraean Sea' or Guidebook of the Red Sea by an ancient Greek author written in 60 AD and India and Kenya share a common legacy of struggle against colonialism, the book also highlighted about the role of Indians in the freedom struggle of Kenya.

He also highlighted the State visit of Prime Minister Narendra Modi to Kenya on 10-11 July 2016, the visit gave a new impetus to bilateral partnership between both the nations. PM Narendra Modi and President Uhuru Kenyatta discussed a wide range of bilateral issues and also signed seven (MoUs)/Agreements in the fields of defence, trade and developmental assistance.

During the visit Prime Minister of India announced of handing over 30 field ambulances for the use of the Kenya Defence Forces and announced gifting of a state-of-the-art made in India cancer therapy machine – Bhabhatron II – to Kenyatta National Hospital. He also extended a grant of US\$ 1 million for the refurbishment of the Mahatma Gandhi graduate library of the University of Nairobi apart from holding the first ever Festival of India in Kenya during the visit

Mr. Multani mentioned in reciprocation India witnessed the State visit of President Uhuru Kenyatta from 10-12 January 2017, where discussions were held on key elements of bilateral relationship including increasing cooperation in defence and maritime security, enhancing trade and investment relationship and counter-terrorism. MoU on Cooperation in the agriculture sector & allied sector and Lines of Credit for US\$100 million for agricultural mechanization was also signed between both the countries.

He mentioned that the major Indian exports to Kenya include petroleum products, pharmaceuticals, steel products, machinery, yarn, vehicles and power transmission equipment

while the major Kenyan exports to India include soda ash, vegetables, tea, leather and metal scrap.

Mr. Multani mentioned according to the Kenya Investment Authority (KenInvest), India is the second largest investor in Kenya with over 60 major Indian companies have invested in various sectors including manufacturing, real estate, pharmaceuticals, telecom, IT & ITES, banking and agro-based industries and Indian investments. These investments have resulted in creation of thousands of direct jobs to Kenyans. He also dwelled upon the growing presence of the Indian pharmaceutical companies in Kenya.

While concluding Mr. Multani mentioned Economic growth projection remains highly uncertain and the outcome will hinge on how the pandemic plays out internationally and within Kenya, along with policy actions taken to mitigate the situation.

H.E. Mr. Rahul Chhabra, thanked PHD Chamber of Commerce and Industry for organizing the important Video Conference at the right time and further apprised about the COVID-19 situation in Kenya as well as Somalia. The first case of coronavirus in Kenya was reported in mid-March 2020 and since then total case have been around 1000, with 50 deaths. Given the limited testing and medical facilities in the Eastern African region, it still had conducted more than 50000 tests so far.

The Kenyan government is doing its best to ramp up the testing facilities but due to inadequate medical infrastructure, the challenges it may face in case of a of an outbreak were immense,. In Somalia, which has almost same number of cases until the month of May, there have been more than 150 recoveries so far. The figures appeared insignificant largely due to the possibilities of under-testing of cases, he also added that the situation even if the numbers went up appeared manageable..

Regarding the measures taken by the government, he informed that strict steps are being taken like night curfew, heavy fines for not wearing masks, declaring hotspot areas and containment zones, etc to contain the spread of the virus..

His Excellency mentioned that top political leaders are working for the best measures, regarding the health and hygiene of its citizens. He also informed about the formal understanding of the Hon'ble External Affairs Minister of India with the Cabinet Secretary in Kenya regarding to the supply of Hydroxychloroquine Sulphate In view of the progressive and positive ties between both the nations and as a special gesture, India has allowed one-time export of otherwise export prohibited Hydroxychloroquine Sulphate to Kenya to support Government of Kenya in its fight



NATIONAL APEX CHAMBER



against COVID-19 pandemic. Even the movement of important pesticides like chlorine for water disinfectant has been facilitated by the High Commission. Other important measures and steps taken in Kenya were discussed as below:

- Rivatex, a leading Textile Manufacturing Company in Kenya has taken the initiative for production of face masks in large numbers on daily basis in the wake of Covid-19 pandemic. The company was supported by a Line of Credit of approx. US\$30 million from Exim Bank.
- Another important step that was highlighted was regarding E-ITEC programme of the Ministry of External Affairs, Government of India, which has played an important role in providing training for Covid care-providers and administrators through free online courses in both Kenya and Somalia. The locals of the respective regions have appreciated the benefits these courses have offered to them. In the wake of the ongoing coronavirus pandemic, He highlighted the Vande Bharat Programme of the Government of India which has bought back Indian stranded in Kenya, he also informed that more such repatriation of stranded people will take place in June.
- Before the onset of the pandemic, Kenya was going through unrest due to draught, floods, and locust invasion, and presently the economy is majorly hit due to the pandemic which has hampered its growth, as the earlier forecasts of a 6% GDP growth have now been reduced to 1%. He also informed that Kenya's had a public debt of \$ 60 million along with a budget deficit of over 6% of GDP.

Kenya, as we are all aware is also tourism & agriculture centric nations and the onset of the Pandemic and greatly resulted in flow of foreign currency into the nations and has also resulted in contractions of jobs and services, the government has requested for a grant funding to the tune of US\$ 1 billion from International Monetary Fund to assist the sector.

The pandemic has also greatly affected the floriculture sector of the nation as they were regular suppliers of flowers to the Netherlands, Dutch, UK, Japan and Korea.

The African Continental Free Trade Agreement is also under consideration, which once formalised, will benefit a market of over a billion people and Kenya will one of the key beneficiaries of the FTA

Another important highlight of Kenyan trade is its historic Mombassa Port, the principal port in Kenya, which provides linkages with landlocked countries like Uganda, Tanzania, Rwanda, and acts a logistics lifeline to these countries.

Other sectors that were highlighted by H.E. Mr. Chhabra are as follows:

- **Transport & Storage:** The Chinese have played big in Africa and in particular in Kenya. The container goods are being ferried on the transport that has been majorly built by the Chinese.
- **Construction:** Larsen & Toubro and Shapoorji Pallonji have their presence in Kenya. The government is looking at different construction projects including low-cost housing apartments. The Chinese are also big in the construction market but their model is expensive. With a lot of concessional projects financial options coming in, the industry could try to take benefit of the same.
- **ICT & Mobile Telephony:** The industry has been at a growing stage and Airtel is also present in the country. There has been a merger announced with the local government telecom companies, which could mean getting around 33% of market share.
- **Accommodation and Food Sector:** Hospitality is a very big sector in Kenya with a lot of opportunities available thanks to Tourism. India could also benefit from the same if it introduces traditional AYUSH which has already been a hit there and it could be combined with their hospitality industry.
- **Pharmaceuticals:** Kenya is not very flourished country and cannot afford branded medicines. President Kenyatta's Universal Healthcare Programme, as well as the Big East Africa Community- Kenya is a member of these organisations and there is a free movement of goods in that sense. If there are interests to set up pharma companies in the country, the facilities are there with good pharma provisions. Export and Import laws are laid properly, hence pharmaceutical manufacturing could be considered.
- **Education & Training:** The Kenyans consider India to be a good option to go out for studies, as English language is well spoken by them. "Study in Gujarat" delegation came to Kenya with their seminars and programmes, and presently over a hundred Kenyan students registered to study in Gujarat.
- **Defence:** The sector is coming up strongly. But they don't have very strong coastguards, hence they seeing how to collaborate and work with the government in strengthening the coastguard.

Sectoral Inputs on Challenges and Opportunities

Dr. Marcellin NDONG-NTAH, East Africa Lead Economist, African Development Bank Group while appreciating the Chamber's initiative for conducting the session, exchanged his views on the role the African Development Bank towards the development of Africa and in particularly Kenya.

Dr. Marcellin shared that the impact of the COVID 19 pandemic on Africa, is likely to be unprecedented in nature and scale. The African Development Bank group is taking exceptional measures to address the pandemic and provide the support to the African nation. Dr. Marcellin gave a brief insight on the role of African Development Bank and shared that The African Development Bank (ADB) Group is one of the largest development institutions in the African continent, providing them with financial support and technical advice. ADB provides financial assistance to approved private sector projects, financial institutions, private equity funds and low income countries.

African Development Bank Group authorized capital is subscribed by 81 member countries, made up of 54 African countries (regional members) and 27 non-African countries (non-regional members) and he further added 54 African countries are further divided into 3 category :

- Category A – ADF countries
- Category B – ADB countries
- Category C--Blended countries

Dr. Marcellin mentioned COVID-19 pandemic continues to have a devastating impact globally and ADB is deploying an assistance package of Euros 2 million to help to developing member's counter the severe impacts caused by the COVID-19 pandemic and mitigate its impacts on their economies

The African Development Bank Group will unveil a financial assistance package that will enable governments and businesses to undertake flexible responses to lessen the economic and social impact of the pandemic. These specific supports consist of 3 mutual reinforcing components such as strengthening their health care system, social protection, strengthening economic residency of their economy. This will help alleviate in the economic and social impact the Covid-19 pandemic.

Dr. Marcellin mentioned that the Bank's ongoing portfolio in Kenya is quite huge and stood at US\$ 2.9 Billion in January 2020. The portfolio is made of 2 components: Public sector (sovereign) & Private sector (sovereign). Public sector (sovereign) accounts for US\$ 1.8 trillion and Private Sector (sovereign) account by US\$ 0.4 Billion.

The proposed pillars under the strategy's theme supporting structural transformation through industrialization for sustained and inclusive growth' include:

- (i) Pillar I: Support the country in structural transformation through Industrialization; and
- (ii) Pillar II: Enhancing skills and capacity development.

The public sector composition portfolio in Kenya with the support of the bank in the following sectors are water and sanitation (31%), energy (23%), transport (27%), agricultural (7.5%), social sector (6%), finance (above 4%) & communication (1%).

Dr. Mercellin mentioned that in addition to that ADB Group is ready to provide fast, flexible and effective responses in the severe economic and social impact COVID-19 to its regional member countries. The Bank's active operations largely support Kenya's efforts in building infrastructure to unlock country's potential in energy and expand its economic base and strengthen its position as a regional hub.

The Bank uses a mix of funding instruments from its public and private sector windows, including a lending program of investment projects, technical assistance, analytical work and policy advisory services. The Bank's main objective under this Pillar is to support Government's overall target of structural transformation through industrialization and in getting more micro stability. All these operations will provide opportunities for the Indian business to come in getting income, goods & services. The Bank also makes sure that the contracting process plays a unique role and specially opens up the competition in the local market. Listen again, the point is not clear. I will redraft the conclusion, once you re-listen and redraft.

Mr. Vivek Aggarwala, Chairman International Affairs Committee for Africa mentioned as today, we all are passing through crisis and the global trade is the key victim of this outbreak and there is a Supply chain disruption, demand staginess and blooming recession are bound to impact both trade and export.

Mr. Aggarwala said that the importers of East African to India can never be undermined. The Indian Ocean links not only separate India and Kenya whether the rest of the eastern and South African countries. It has witnessed to the portion of being the time of the highway to begin people to travel to boost the custom, tradition and the ideas and values to create this foundation of relationship which will continue to flourish. He India has dimensional partnership with Kenya and this is the new momentum which change contemporary in realities.

Mr. Agarwala mentioned there is a general perception in now, pre and post COVID. And there was a perception earlier that China has virtually overtaken Africa. Since 2014, there has been Chinese investor vis-à-vis Indian investor and Chinese get a much better deal than Indian investor can get but before entering post COVID situation, people have already started saying, the virus came from China and Kenyans are asking the Chinese investors to go back. This perception would change and better deal would be given to Indian investor considering that India has got much to utilise in banks of credit, with willingness to invest in Africa.

Mr. Agarwala further mentioned that there is good opportunity for African Development Bank Group to tie up with Indian investors to bring quality investments into Africa. There is great potential for ADB to tie up with PHDCCI to build a platform where investors can get ideas on how investments can to be taken forward to Africa.

Mr. G. L. Aggarwal, Co-Chairman, International Affairs Committee for Africa raised query on the below mentioned points:

- What is the economy after COVID 19 in Kenya.
- What is the scope of dairy products in Kenya.

Mr. Nasir Zaidi, Chairman, International Affairs Committee for Gulf emphasised on creating religious tourism and post COVID 19 we can develop ways to encourage people to visit various villages for encouraging religious interest in India.

Mr. Zaidi mentioned there is a great scope for encouraging people to contact by creating various exchanges programmes between India and Kenya like creating of educational opportunities Indian institutions in Kenya as there is a lot of scope for technical and professional education and now India is the champion in providing the skills. He we can present a proposal where institutions are willing to come and collaborate with Kenya and African counterparts by the way of creating campuses in Kenya and creating educational exchange programmes and encouraging both on-line and off-line supplies.

Mr. Dhruv Aggarwal, Co-Chairman, International Affairs Committee for Africa mentioned Kenya is one of the most able country in African region and is one of the most secured destination regarding currency, law and order and stability of policy and due to this Kenya becomes a better destination for African investments.

Mr. Aggarwal mentioned a lot of infrastructural companies in India are looking to supply to African market and are looking to understand how to get advantage of India-Kenya relationship with a view to see a way for investing in Kenya and going forward more and more interactions with Kenya is required for understanding how Kenyan Government work for better investments in African countries.

Mr. Vikram Gera, Co-Chairman, International Affairs Committee for Europe and CIS mentioned Kenya is the largest economy in terms of GDP in African region and Kenya has emerged economy with huge scope for bilateral trade and investment. Kenya has 3 major regional economic communities in African continent which include the east African community. The common market for the East and South Africa countries and south Africa developing country.

While Kenya experienced a huge development in the industrial and commercial sector, the country is now in need of establishing a commercial branches, which will be excellent change for the investors to expand their money.

Mr. Gera mentioned in banking sector, all 14 banks are dominated by 5 major banks; the remaining banks are very small and have very small outreach. There is a large number of population, which is yet unbanned and it is a profitable sector to invest in Kenya.

Mr. Sushil Gupta, Chairman & Managing Director, Atlas Group raised the query about logistics sector mentioned about logistics business in Kenya, which will be around US\$ 5 billion by 2023 as there are some ongoing projects like road construction project as well as the rehabilitation and maintenance of roads

Mr. Gupta mentioned that the Nairobi County government has announced plans to reduce levies for foreign investors as it seeks to transform the city into a global investment destination. Kenya has also promised global investors facilitation to acquire land for setting up SEZs..

He also raised a query regarding E-Commerce as free trade agreement is already in place and through Kenya, we can tap the African market which will be very fruitful venture.

Mr. Gupta mentioned about Horticulture and it is going on very well at this moment. In Connect to this, there can be chance of cold chain development to this sector.

Mr. Sanyal Desai thanked His Excellency for the support extended and for a wonderful experience during the exhibition and invited him for the exhibition in the near future. He also thanked the PHDCCI for the support and guidance extended to them for the exhibition.

Mr. Desai informed that this year they would like to add more subjects in Kenya because there is lot of opportunities for Indian Companies and are planning to add ceramics and stone, which have lot of opportunities, prospects and developments in Africa. Nairobi, Kenya is the leading trading country compared to all other countries, like Tanzania, Uganda etc and Kenya will be the next destination for industrial hub in the near future.

Ms. Mira Mathew thanked to His Excellency and PHDCCI for the support and guidance extended to them for organising the exhibitions and they generated business about INR 15-20 crores and requested to suggest right time to organise exhibition in the near future.

His Excellency while responding to the queries raised by members mentioned that there is enough investment opportunities, enough growth and possibilities for Indian Companies.

Kenya has its own model and are working on how to improve financial options and make it extremely attractive. His Excellency mentioned Kenya is working on improving the offers which they made.

Responding to Mr. Aggarwal on dairy products and milk processing, His Excellency responded that it is a very big sector in Kenya. 8% of economy in Kenya is for Agro Processing.

His Excellency mentioned there over 400 scholarships for people to come and train in India which are, fully paid including post fees, clothing allowance, book allowance etc and 400 Kenyans are very happy to come to India for training every year.

Education collaborations for leading campuses is again a good opportunity. Amity has already started campuses in Kenya and others are most welcome as higher education at this moment is looked upon.

His Excellency praised Mr. Dhruv Aggarwal for mentioning about currency stability said that the Currency has been stable, 100 shillings to one dollar in last 2-3 years, and now it has dropped to 106 to one dollar. There is Political stability in Kenya and the elections are due in 2022 so until then there is relative political stability.

Regarding manufacturing His Excellency mentioned that African Continents are very good place for manufacturing and Kenya Invest is a very active organisation and offer great facilities in different sides.

His Excellency replied that Bank of India has 6, Bank of Baroda has 11 and Axis Bank has 12 branches in Kenya and they have lot of experience.

Floriculture is dominant by Indians. These are Indian owned farms and Indian managed farms so Indians are heavily present in floriculture sector.

His Excellency Mentioned there is lot of scope for Indian businesses to come to Kenya in Agri commodity and ware housing sectors.

His Excellency mentioned they can plan to organise exhibition in the next few months.

Mr. Saurabh Sanyal, Secretary General, PHDCCI gave the formal Vote of Thanks and reiterated that the PHD Chamber will compile all suggestions and views of members and will send to the High Commission. The Session was moderated by **Mr Naveen Seth**, Principal Director, PHDCCI.

The Session was attended by more than 110 participants.

CONCLUSION

The Interactive Video Conference on India-Kenya Business Promotion, Opportunities and Challenges concluded on a positive note with the participants agreeing to have a concrete B2B meeting on a virtual platform to take the business forward post Covid 19. PHDCCI will be arranging a virtual platform to organise the sector specific B2B meeting to start with. The modalities of the B2B meetings will be finalised in consultation with both the Indian Embassy and the trade associations. The following sectors can be considered:

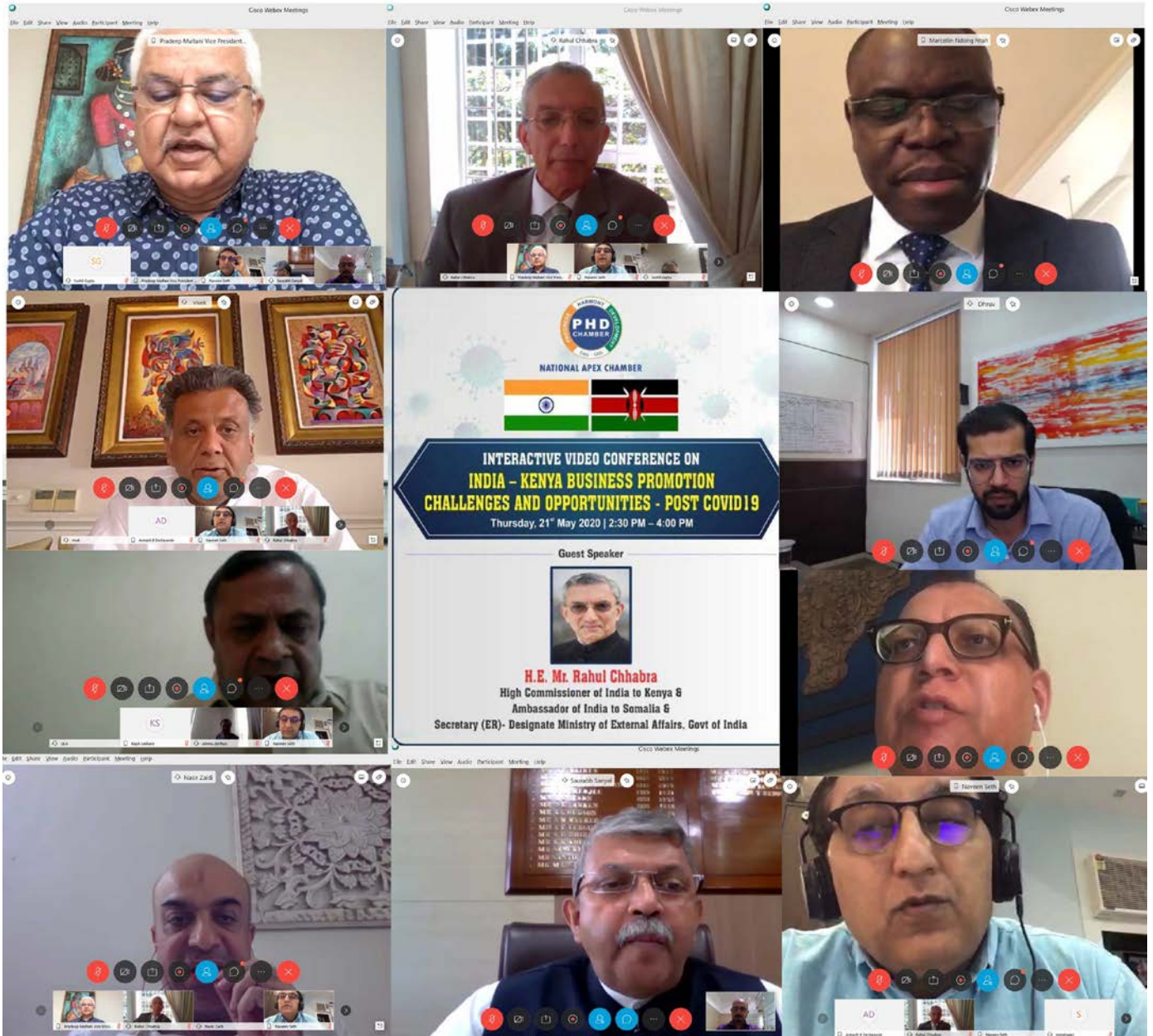
- **Transport & Logistics**
- **Construction**
- **IT & ICT**
- **Agriculture and Food Processing**
- **Pharmaceuticals**
- **Education & Training**
- **Defence**



NATIONAL APEX CHAMBER



Glimpses



The interactive video conference was also actively promoted on social media platforms like Twitter through live tweets, LinkedIn, and Facebook. Below are the links:

Twitter

<https://twitter.com/phdchamber/status/1263402699862634497>

<https://twitter.com/phdchamber/status/1263743440657043456>

<https://twitter.com/phdchamber/status/1263416730002485248>



NATIONAL APEX CHAMBER



<https://twitter.com/phdchamber/status/1263402103285768193>

<https://twitter.com/phdchamber/status/1263396317616693249>

<https://twitter.com/phdchamber/status/1263070353619685377>

<https://twitter.com/phdchamber/status/1263383588856160256>

<https://twitter.com/IndiainROK/status/1262732184156205057>

<https://twitter.com/phdchamber/status/1263070353619685377>

<https://twitter.com/phdchamber/status/1263070353619685377>

<https://twitter.com/phdchamber/status/1262346879452549126>

Instagram

<https://www.instagram.com/p/CAe4f2CH9ZU/>

<https://www.instagram.com/p/CAcWif8nJOn/>

<https://www.instagram.com/p/CAaHM2Pn50k/>

<https://www.instagram.com/p/CAZwRgQnY0S/>

<https://www.instagram.com/p/CAUtAyNn5rz/>

Facebook

https://www.facebook.com/search/posts/?q=India%20%E2%80%93%20Kenya%20%2B%20phd%20chamber&epa=SEARCH_BOX

https://www.facebook.com/search/posts/?q=India%20%E2%80%93%20Kenya%20%2B%20phd%20chamber&epa=SEARCH_BOX

https://www.facebook.com/search/posts/?q=India%20%E2%80%93%20Kenya%20%2B%20phd%20chamber&epa=SEARCH_BOX

LinkedIn

https://www.linkedin.com/posts/phd-chamber-of-commerce-and-industry_postcovid19-kenya-insia-activity-6669148528943620096-8xaG

https://www.linkedin.com/posts/phd-chamber-of-commerce-and-industry_phd-chamber-of-commerce-and-industry-is-activity-6668784546227613696-mWTp

https://www.linkedin.com/posts/phd-chamber-of-commerce-and-industry_phdccifightscorona-phdchamber-indiafightscorona-activity-6668859895477022720-lkZk

https://www.linkedin.com/posts/phd-chamber-of-commerce-and-industry_phdccifightscorona-phdchamber-indiafightscorona-activity-6668073291330285568-jPHC

**PHD Chamber of Commerce and Industry Secretariat
(International Affairs and Trade Fairs Division)**



Mr. Saurabh Sanyal
Secretary General



Mr. Naveen Seth
Principal Director
(International Affairs, Trade Fairs)



Mr. Niraj
Secretary (International Affairs)



Mr. Rakesh Sangrai
Secretary (Trade Fairs)



Mr. Kamal Khurana
Secretary (Trade Fairs)



NATIONAL APEX CHAMBER



Mr. Abhishek Banwara

Joint Secretary (International Affairs)



Mr. Mayank Chatwal

Joint Secretary (Trade Fairs)



Mr. Jatin Nagpal

Deputy Secretary
(International Affairs)



Ms. Nisha Tyagi

Deputy Secretary
(International Affairs)



Mr. Youdhvir Singh

Sr. Assistant Secretary
(Trade Fairs)



Mr. Naresh Kumar

Executive Officer
(Trade Fairs)



Ms. Tanisha Panwar

Executive Officer
(Trade Fairs)



Ms. Kanishka Arora

Executive Officer
(International Affairs)