SPEECH BY THE CABINET SECRETARY, MINISTRY OF INVESTMENTS, TRADE AND INDUSTRY, DURING THE NATIONAL COTTON, TEXTILE, AND APPAREL (CTA) POLICY MEDIA BREAKFAST MEETING ON 15TH APRIL, 2025 AT EMARA OLE SERENI, NAIROBI

The media fraternity, Distinguished Stakeholders, Ladies and Gentlemen,

Good morning,

It is with great pleasure that I join you today for this media briefing on the National Cotton, Textile, and Apparel (CTA) Policy. This forum marks a critical milestone in our efforts to revitalize and transform the cotton, textile, and apparel sector into a globally competitive and sustainable industry.

The development of this policy was aligned with the Bottom-Up Economic Transformation Agenda (BETA) and the government's commitment to industrialization, job creation, and inclusive economic growth.

The cotton, textile, and apparel value chain presents immense opportunities for Kenya, ranging from enhanced farmer incomes and job creation to increased export revenues and reduced reliance on imports. In 2023, Kenya produced 7,000 bales of cotton lint from a total of 30,015 acres. Production increased to 10,000 bales in 2024 from 40,000 acres, with a projected expansion to 114,557 acres in 2025.

Importance of the CTA Policy

The CTA policy is being formulated to address structural bottlenecks that have hindered the sector's growth. It will therefore:

1) **Support Cotton Farmers** – By improving access to quality seeds, extension services, and research to boost yields and incomes.
2) **Enhance Value Addition** – Encouraging investments in ginning, spinning, weaving, and garment manufacturing.
3) **Promote Local Manufacturing** – Through initiatives such as **Buy Kenya, Build Kenya,** to increase the consumption of locally produced textiles and apparel.
4) **Strengthen Trade and Market Access** – Positioning Kenya as a competitive player in regional and global markets, leveraging trade agreements like AfCFTA, EU-Kenya, EPA, UK-Kenya. Kenya and the United States are currently engaged in negotiations for the Strategic Trade and Investment Partnership (STIP).
5) **Create Employment Opportunities** – Particularly for women and youth through expanding manufacturing and MSME participation in the development of CTA value chain.

Investments in the CTA Value Chain

Ladies and Gentlemen: Strategic investments by government and private sector in the cotton value chain is a game-changer in the Textile Sector from input supply of quality seeds to modernization of ginneries and textile mills. The ministry distributed 8.5Tonnes of BT Cotton seeds for this planting season, an increment from the 7.8Tonnes distributed in the FY 23/24. Cotton is currently grown in 21 counties in Kenya with Lamu and Homabay counties leading in terms of acreage and production volumes. Additionally, more seeds are scheduled for distribution.

These investments align well with the draft Policy which seeks to strengthen the entire value chain—from production to market access—by promoting sustainable farming practices, enhancing value addition, and attracting investment in Ginning and textile manufacturing.

By equipping farmers with high-yield, pest-resistant seed varieties and essential resources, we are boosting cotton production, ensuring a steady supply of raw materials for ginners, textile mills, and manufacturers. This will not only create jobs and strengthen industrial processing, but also enhances our competitiveness in regional and global markets.

Value addition

Ladies and Gentlemen: To facilitate value addition, manufacturers can operate within incentivized zones such as Export Processing Zones (EPZs) and Special Economic Zones (SEZs) which enjoy privileges that enable them to be more competitive due to reduced costs of production. The Garment sector is the leading contributor to the EPZ program in Kenya. The sector accounts for 76.7% of EPZ employment, 50.3% of EPZ exports and 28.3% of total EPZ Investment Value. Currently there are 41 apparel companies operating the EPZ.

At the same time, the government is at advance stages of completing the development of County Aggregation and Industrial Parks (CAIPs). These facilities will house aggregation centers with sections for collection, sorting, grading, cleaning, packaging, and cold storage facilities. The Industrial Park section will have the value addition, processing equipment and common user facilities. The CAIPs will be linked to online warehouses management system to promote market access.

Call for Stakeholder Collaboration

Ladies and Gentlemen,

The success of this policy depends on your valuable input and collaboration. The Ministry has engaged various stakeholders across the value chain during the development of the CTA policy including, County Governments, farmers, ginners, textile manufacturers, designers, exporters, and development partners.

Our vision is to build a resilient, competitive, and sustainable CTA sector that supports Kenya's industrialization agenda and enhances our global standing as a textile and apparel hub.

In conclusion, I reaffirm the Government's commitment to supporting the implementation of this policy. We will work closely with all stakeholders to ensure the necessary legal, regulatory, and investment frameworks are in place to unlock the sector's full potential.

With those remarks, **I open the plenary for Q & A**

Thank you, and I look forward to a fruitful discussion.

Hon. Lee Kinyanjui
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