



AMCHAM
KENYA

AMCHAM KENYA 14TH ANNUAL GENERAL MEETING

Date: March 25, 2021

Time: 9.00 – 10.30am

AMCHAM BOARD PRESIDENT REPORT

INTRODUCTION

Good morning everyone,

Thank you for joining us and welcome to our 14th Annual General Meeting.

My name is Humphrey Lilech, current Board Vice President and Ag. Board President following the resignation of Ms. Phillipine Mtikitiki at the end of 2020 following her posting back to South Africa.

We find ourselves in living in unprecedented times. As has already been outlined, we would have wanted to have this Annual Meeting in person as we have done before but the realities of the day and our responsibility to safeguard our collective wellbeing have necessitated that we meet virtually.

We are however grateful that we are here and for this opportunity to engage and jointly evaluate our progress, more so now and our direction for the future.

As we were unable to hold our Annual Meeting last year, our reporting has covered both 2019 and 2020 which were significant years for AmCham albeit very different in terms of the environmental context in which we operated in.



OVERVIEW OF 2019

We started 2019 with goals to narrow our programming focus for effectiveness, raise our profile and engage more strategically to deliver tangible value. With that we maintained our focus on our key priorities, that is, Business Advocacy, Trade and Investment Promotion and Sustainability for the Chamber.

1. Business Advocacy

We launched and pursued a 5-point advocacy agenda focusing our advocacy activities on: Immigration, Procurement, Customs and Border Measures, the Regulatory Environment, and Governance.

To drive this agenda, we convened and hosted 4 sector-specific roundtable sessions on Manufacturing, Agribusiness, Healthcare and Construction to determine the specific issues hindering greater American investment in these sectors by both existing and new players and what it would take to unlock investment. We also engaged with the U.S. Government to discuss Trade & Competitive barriers impacting Kenya – U.S. trade.

The State of East Africa Trade Forum provided an avenue for us to engage with the Cabinet Secretary on cross-border trade in the East Africa Community as well as measures to improve the ease of doing business within Kenya and across the region.

We engaged directly with the Department of Immigration, State Department of Industry, the Kenya Bureau of Standards and the Kenya Revenue Authority and as a result, resolved 6 member issues.

In 2019 we also signed an MoU with USAID to strengthen commercial cooperation, B2B linkages, and capacity of both U.S. and Kenyan businesses, including SMEs, to participate in available market opportunities. This MoU will form the basis for modelling future engagements for USAID with other AmChams in the region.



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2. Trade and Investment Promotion

Under our second mandate of trade and investment promotion, we provided country briefings for 3 in-bound trade delegations i.e. Miami-DADE County, The National Association of Securities Professionals/MiDA and the U.S. Jewish Community. We also hosted an in-bound trade mission of 8 companies from the State of Illinois and organized a total of 44 B2B meetings.

The crowning event however was the 2-day AmCham Business Summit held on Nov 4-5, 2019. The Summit recorded:

- *630 delegates representing 230 Companies and 105 Government officials from 9 Countries.*
- *291 B2B meetings were held during the Summit with the program featuring 15 Thematic areas; 6 Sector Forums and 75 Speakers.*

3. Financial Sustainability

We had an increase in membership from 150 to 175 companies with an 88% retention rate of members from 2018.

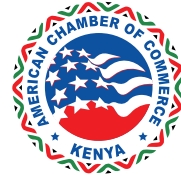
We also had a **13% growth in total revenue** to Kes 47M (2018: Kes 41M) and a **52% growth in Events & Sponsorship revenue** to Kes 28.4M (2018: Kes 18.7M)

4. Other Achievements

Enhanced image and visibility of AmCham

As I mentioned at the beginning, one of our main goals in 2019 was to raise our profile and visibility and we did quite well.

We had **105** featured stories on Tv, Print, Online & Radio that year, **23,794** website visits and **4,982** profile visits on our Twitter platform.



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Increased Efficiency of our Processes

We made a full transition to an online membership and events management system allowing us to streamline and enhance processes related to membership application, renewal, payment collection as well as plan, promote and execute events and maintain direct, regular communication with our members.

Dedicated Office Space

We moved from a shared office space hosted by Coca-Cola in Upperhill to a fully operational 2200 sq ft dedicated office space on the 10th Floor of The Address on Muthangari Drive. This move marked a milestone in the history of AmCham Kenya as the first time the Chamber ran an independent office. The move was necessary for the Chamber to carve out its identity, expand its services offering and the secretariat.

OVERVIEW OF 2020

2020 on the other hand was an unprecedented difficult year. We started the year well with engagements with the Millennium Challenge Corporation, our annual Economic Outlook Forum and a trade delegation from the State of Illinois, but as the pandemic spread, by March, we were forced to review and pivot our activities including processes to cope and adapt to new realities.

COVID-19 Response and Support

Our COVID-19 response focused on three areas:

1. **Coordinating and consolidating AmCham member response** - We are very proud of all AmCham members who rallied to support government pandemic response initiatives and rolled-out their own to support vulnerable communities. AmCham members offered direct financial, equipment, technological, skills and expertise contributions as well as other in-kind contributions displaying admirable, outstanding



partnership and community both locally and globally, keeping communities and economies running.

2. Adapting our activities for continuity

We quickly harnessed digital tools and platforms to enable continuity of our programs and enhance our activities, shifting our forum programming online. The online shift enabled us to host more forums, reach a wider audience both local and international and host a greater variety of local and international speakers.

We also launched two online publications; To support members' digital marketing efforts, we launched a weekly email advertising platform for free use by members. The *AmCham Weekly Classifieds* helps members market their products and services to a growing database of over 1,500 subscribers. The second publication, *The Update*, provides updates on our activities and business intelligence.

3. Providing Support to Members

We collated and shared relevant business insights, tools, and resources on our website. In July 2020, we published a report titled “**Assessing the Impact Of The Covid-19 Pandemic On Kenya’s Economic And Business Environment**” to give AmCham members a broader view for strategic decision making as well as detail our support for recommendations for enhancing business continuity.

Our shift to online forums also enabled us to facilitate free expert briefings and panel discussions on a wide range of topics to support our members' ability to adjust to the “new normal.” We curated a total of **8 thought-leadership webinars** to provide insights and leadership to members focused on:

- a. Health impact
- b. Strategic Business Decision Making on Crisis Management
- c. Management of Crisis Induced Legal and Tax Implications
- d. Leveraging Digital Tools and Opportunities to Adapt and Thrive



e. Building resilience

Despite the pandemic we continued to focus on delivering on our strategic priorities, that is:

- 1. Business Advocacy**
- 2. Trade and Investment Promotion and**
- 3. Sustainability for the Chamber**

- 1. Business Advocacy**

- a. The Kenya – U.S. Free Trade Agreement**

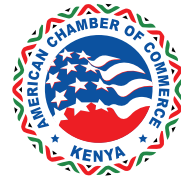
On July 8, 2020, Kenya and the United States officially launched negotiations for a comprehensive Free Trade Agreement. Following the announcement, we immediately coordinated engagements and activities to provide information, promote and rally support for a U.S. – Kenya Free Trade Agreement

- a. The Kenya Private Sector Consortium on the FTA**

We spearheaded and launched the Kenya Private sector consortium on the FTA comprising various Business Membership Organizations under the Kenya Private Sector Alliance (KEPSA) to drive local private sector input to Government of Kenya. The Consortium comprised of the Kenya Association of Manufacturers (KAM), the Kenya National Chamber of Commerce and Industry (KNCCI), the Kenya Healthcare Federation, the Agriculture Sector Network (ASNET), select industry experts and AmCham member companies.

- b. Policy Submissions**

We coordinated and submitted member input into the U.S.- KE FTA Negotiating Objectives to both the U.S. government, in collaboration with the U.S. Chamber of Commerce and to the Kenya Government as part of the Private Sector Consortium. We also independently coordinated and submitted member input into the chapters on:



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- i. Agriculture
- ii. Trade in Services, Including Telecommunications and Financial Services
- iii. Digital Trade in Goods and Services and Cross-Border Data Flows

c. Stakeholder Engagements

We further held a total of five high-level engagements with the Ministry of Trade & Industrialization on the US – KE FTA hosting the Cabinet Secretary, Betty Maina, on two forums and having three engagements with the Principal Secretary for Trade Amb. Johnson Weru. We also engaged with the Principal Secretary for Agriculture Prof. Hamadi Boga in relation to the US-KE FTA.

d. Online Forums

We held a total of four forums to engage with sector experts and players to explore potential opportunities and constraints; policy considerations and the overall impact that a US - KE FTA could have on the following sectors:

- Agriculture
- The Digital Economy
- Health and
- SME's

e. Press Engagement

We conducted a series of press interviews, provided comment and published statements and opinion pieces on a wide range of issues on the US-KE FTA earning us over 20 press mentions related to the US-KE FTA.



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b. **In addition to our work on the FTA, we submitted policy positions and participated in high-level policy engagements on the following:**

1. Recommendations for Ease of Doing Business
2. The Value Added Tax on Supply of Digital Services
3. The Digital Services Tax (DST)
4. The Intellectual Property Bill 2020
5. Medical equipment customs clearance processes and procedures

A major win in our advocacy efforts in 2020 was the incorporation of our input into the DST Regulations allowing DST paid by non-residents without a permanent establishment in Kenya to be a final tax; the provision of a simplified registration framework allowing non-residents to register for DST purposes as an alternative to the mandatory appointment of a tax representative in Kenya; and the removal of “kill switch” provisions for non-compliance.

We thank all the members who participated in the four taskforces that were active i.e. the Digital Economy, Agriculture, Health and Immigration taskforces, for giving their valuable input, pushing our advocacy agenda and contributing to the success of our policy engagements.

2. Trade and Investment Promotion

Despite the pandemic, we facilitated a total of 72 B2B meetings for two in-bound delegations:

- The State of Illinois Trade Delegation
- Sterling Initiatives Managed Preventive Care Organization (SIMPCO) Delegation

and one virtual B2B session, for the Diaspora Investment and Trade Deal Event, by the Chicago Minority Business Development Council; a first for AmCham.



3. Financial Performance

Despite the difficult circumstances last year, the Chamber remained resilient despite the negative impacts of the COVID19 pandemic. The Chamber realized an 11% bottom line growth to Kes 4.86M from Kes 4.37M in 2019. Overall revenues for this period decreased by 38% to Kes 29M from Kes 47M in 2019. This was a result of the impact of COVID 19 on Events Income which reduced by 82% due to COVID related restrictions on hosting physical events. No physical events were held from March to December 2020. This also impacted negatively related sponsorship income.

Subscription Income however, grew by 20% as a result of recruitment of 30 new members and related application fees.

I therefore take this opportunity, on behalf of the Board and the Secretariat to thank you all most sincerely, for your active support and engagement with us throughout 2019 and 2020. We remain committed to realizing the objectives of the Chamber and are grateful for your ongoing support and collaboration to help us succeed.

I Thank You.