Flower output hit by rains and bad roads - KFC

BY RICHARD MUNGAI

FLOWER production has reduced since October due to the El Nino rains, the Kenya Flower Council has said.

Chief executive Jane Ngigi, however, said the El Nino has not damaged flower farms but moving produce from the farms has become difficult due to bad roads and cited areas like Athi River.

“Many farms are ready to harvest the rain water into their reservoirs. But we also have to prepare to deal with disease outbreaks like Botrytis and Downy Mildew which become prevalent during such weather,” she told the Star via email.

She said flower yields ahead of the rains was good.

According to the Kenya National Bureau of Statistics, cut flower exports rose by 11.7 per cent in the first quarter of 2015 to 34,827.29 metric tonnes from 31,170.48MT exported in a similar period last year.

The volume, however, reduced in the second quarter to 29,357.83MT from 30,649.35MT recorded in the same period in 2014.

Ngigi said the industry’s biggest challenge this year has been the stranded VAT refunds and compensation for the General System of Preference duties, paid to the European Union in 2014, when Kenya was denied the duty free quota free access to the bloc.

Other challenges include the continued rise in the cost of doing business, proliferation of multiple and double taxation, the pending ratification of the economic partnership agreements between the East African Community and the EU and difficulties in the diversification of products.

She said they have continued to explore new markets away from the traditional European market and Kenyan flower are now being exported to 50 different destinations all over the world.

She said they launched a private public partnership on the National Mechanism for Compliance, to support the flower industry to continue accessing markets, particularly in the EU, where Kenya enjoys a 35 per cent market share of cut flower imports.

“The system requires all exporters to comply to the reviewed Kenya Standards 1758 Part One – Flowers and Ornamentals and in addition have a traceability system in place. The expected outcome is growth and expansion as a result of enhanced market access and competitiveness,” she said.

AFDB to set up a PPP advisory hub in Nairobi

BY RICHARD MUNGAI

The African Development Bank is establishing a public private partnership advisory hub in its regional office in Nairobi.

The lender said it has invited eligible consultants to bid for the PPP services, which will include needs assessment of PPPs in member countries and developing potential PPP projects.

“The AfDB now invites eligible consultants to indicate interest in providing these services. Interested consultant must provide information indicating that they are qualified to perform the services,” it said in a statement last week.

According to AfDB, the regional PPP advisory and knowledge hub will serve as a knowledge center of excellence that can provide regional member countries with a centralized location for information on the PPP process.

It will provide training and support for the development of non-financial products for project financing, management and monitoring. In addition, capacity building will be provided directly to government institutions to identify and manage PPP projects,” it said.