

# Boost for pharma sector as KQ cargo facility gets IATA approval

► The approval positions the country's pharmaceuticals sector at an advantage of increasing exports.

► This is as Kenya's plan to locally manufacture human vaccines takes shape amid interest from global pharma giants.

GRAHAM KAJIWA, NAIROBI

The government's ambitious plan of expanding the pharmaceutical sector to a Sh68 billion industry has received a major boost with the certification of Kenya Airways' pharma facility.

The facility managed by KQ Cargo has been certified by the International Air Transport Association (IATA) allowing the national carrier to handle pharma products that are temperature sensitive.

This certification not only expands KQ's business but also positions Kenya's pharma industry at an advantage of increasing its exports.

Transport Cabinet Secretary Kipchumba Murkomen said the industry has been disadvantaged due to logistical challenges associated with the delicate products.

Murkomen said that Kenya is only able to export Sh6.4 billion worth of products to the regional markets, which translates to 0.04 per cent of the total potential.

Murkomen said the certification is a stamp of approval for the quality of standards, professionalism, and level of services offered by KQ Cargo.

"Our target is to increase Kenya's market share in pharmaceutical exports from the current Sh6.4 billion to Sh68 billion translating to a five per cent share of the Sh1.4 trillion market for pharmaceutical products in Africa," he said.

He was speaking during the launch of the KQ cargo facility that has been certified to handle pharmaceutical products in Nairobi.

Murkomen said for this to be done, one of the key challenges to be addressed is the multiple limitations in the supply chain, specifically the transport logistics of pharmaceuticals.

Such needs a set of standards and regulations that will ensure pharma cargo is handled with utmost care.

"This is because, the transportation of temperature-controlled and time-sensitive products,



Transport CS Kipchumba Murkomen speaks during the certification of Kenya Airways' pharma facility by the International Air Transport Association at JKIA, Nairobi yesterday. [Courtesy]

Capacity  
**0.04%**  
POTENTIAL

KENYA is only able to export Sh6.4 billion worth of products to the regional market, which translates to 0.04 per cent of the total potential.

including vaccines, must meet pharmaceutical manufacturers' requirements and when done right, will boost the industry and improve the country's ranking on pharma distribution," said Murkomen.

The CS said the government will continue investing in the health and manufacturing sectors to boost the country's ability to produce health products like medicine and associated consumables for both local and export markets.

"Through the enactment of the requisite protocols and regulatory standards, we will ensure speedy, consistent, and efficient delivery of high value, time-sensitive, temperature controlled products," he said.

Kenya's plan to locally manufacture human vaccines is steadily taking shape with global pharma giants such as Moderna set to construct a multi-billion shilling factory.

gkajliwa@standardmedia.co.ke

## Mai Mahiu economic zone's water supply to cost Sh360 million

The Special Economic Zone (SEZ) in Mai Mahiu, Nakuru County requires Sh360 million to supply water to all investors.

Several investors, keen on investing in the 1,000-acre land, have already embarked on the development of the industrial park that has a demand of 10,000 cubic meters of water every day. The move comes to a couple of weeks after Turkish Industry Holdings committed Sh48 billion in a period of five years towards five industries on the 400 acres that the investor has acquired.

According to Felix Mwarema from the Naivasha Water Company (NWC), the first phase of supplying water to the SEZ perimeter was com-

plete. Speaking during a tour of the park, he said that the water had been sourced from various boreholes near River Karati in Naivasha.

"The pipeline and tanks from Naivasha town to the special economic zone are complete but we require an extra Sh360m to distribute the water across the industrial park," he said.

Mwarema added that there was a need for future planning as water demand could rise in the coming months as the number of investors rose.

"The current design and storage is meant for 10,000 cubic meters of water every day and this will rise in the coming months and hence the need for planning," he said.

On his part, the SPEZ Authority Chief Executive Kenneth Chelule said works on water, ICT, access roads around the park and electricity supply were still pending.

Chelule said that the electricity substation that would serve the park would be ready by June this year as several investors started moving in.

"Despite budget constraints, we are committed to addressing the pending issues of access roads, water, and electricity in the next financial year," he said.

The other investors are Jumbo Holding which will deal with the assembly of motor vehicles and agricultural machinery and Jafrom Limited

## Oil, gas giant Shell reports Sh1.3 trillion profit in first quarter

HALF-YEAR RESULTS

Oil and gas giant Shell has reported a stronger-than-expected profit of \$9.6 billion (Sh1.3 trillion) for the first three months of the year.

The figure was higher than the same period last year despite a slide in energy prices.

Fossil fuel firms have been reaping record profits due to a surge in oil and gas prices following Russia's invasion of Ukraine last year.

However, they have since fallen from the post-invasion peaks. Shell chief executive Wael Sawan said the company had delivered "strong results and robust operational performance, against a backdrop of ongoing volatility".

The company also said it would be returning \$4 billion (545.05 billion) to shareholders, by buying back some of its shares over the next three months. Despite the fall in oil prices in recent months, Shell said its profits had been boosted by strong trading in its chemicals and refined products business.

Earlier this week, BP also reported strong earnings for the first three months of the year - although they were lower than in the same period in 2022.

In February, Shell reported profits of \$39.9 billion (Sh5.4 trillion) for 2022, double the previous year's total and the highest in its 115-year history.

While the jump in oil and gas prices following the start of the war in Ukraine led to big profits for energy companies, it also fuelled a rise in energy bills for households and businesses.

[BBC]



A Shell petrol station in Nairobi

which deals with the construction of cold store materials.

Speaking earlier, the chairman of the parliamentary committee James Gakuya said that the lack of funding from the State for the capital project had affected development works.

"We have noticed that development by the investors is very slow mainly due to lack of support from the government despite the high potential of job opportunities on this park," he said. He said that the industrial park had the potential of employing over 16,000 youths once complete while lauding the proposal to offer cheap electricity for the investors.

[Antony Gitonga]

Antony Gitonga