

REPUBLIC OF KENYA



**MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT
OFFICE OF THE PRINCIPAL SECRETARY
State Department for Agriculture**

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MOA/CORP/11/11

26th May, 2025

Mr. Samuel Njoroge, CBS
The Clerk of the National Assembly
Parliament Buildings, Parliament Road
P.O. Box 41842-00100
NAIROBI

Dear *Clerk*

**RE: IMPLEMENTATION OF PRESIDENTIAL DIRECTIVES ON VARIOUS
BOTTLENECKS HINDERING VALUE ADDITION OF KENYA TEA**

Following a meeting between H.E. the President and Tea stakeholders on 26th March 2025, the following taxes and levies were proposed to be reviewed in order to spur value addition for export and domestic markets. This is to request your office for consideration and action.

No.	Item	Tax/ Levy	Rate	Action Required
1	Locally consumed teas	VAT	16%	Amendment of the VAT Act by adding tea in the 1st Schedule of the Act in order to exempt all teas from VAT
2	Packaging materials and Equipment	VAT	16%	Amendment of the VAT Act by adding tea in the 1st Schedule of the Act in order to to exempt equipment and packaging materials for tea value addition from VAT

	Packaging materials	Excise duty	25%	Amendment of the Excise Duty Act by adding tea in the 2nd schedule in order to exempt packaging materials for tea value addition from excise duty
	"	Import duty	35%	Amendment of the East African Union Common External Tariff (CET) to exempt tea packaging materials for tea value addition from import duty
	"	IDF	3.5%	Amendments to The Miscellaneous Fees and Levies Act to exempt tea from IDF
	"	Standard gauge railway (RDL)	2.0%	Amendments to The Miscellaneous Fees and Levies Act to exempt tea from RDL
	"	Branding for motor-vehicle movement	10,000/= (Annual)	Harmonization of National and county Levies

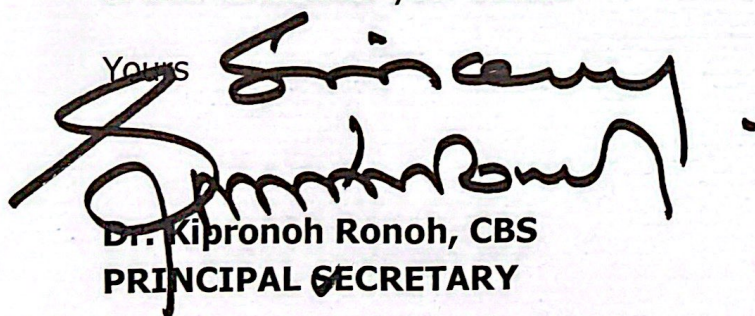
Detailed HS codes for the packaging materials is given herein below; -

HS CODE	COMMODITY	TARIFF APPLIED			AVAILABILITY LOCALLY	REMARKS
		IMPO RT DUTY	VAT	EXCISE		
924000	Black Tea		16%		YES	Available locally
9022090	Green Tea		16%			subject to 16% VAT
2106909000	Dried Herbs	25%				Locally not available
48191000	Carton Boxes	35%	16%	25%	YES	Virgin board/kraft is imported by the local manufacturers for both inner cartons and outer cartons and then conversion is done locally
48192010	Carton Boxes	35%	16%	25%		
48912090	Carton Boxes	35%	16%	25%		
4817100	Tea Envelopes	35%	16%		YES	Local suppliers import the raw materials the production of the foil and paper tea envelopes

48211000	Tags/ Labels	35%	16%	25%	YES	Local suppliers import the raw materials the production of the foil and paper tea tags
48232000	Filter paper	25%	16%		NO	No tea bag paper filter manufacturer available locally
39219090	Flexible packing material	25%	16%		YES	Local suppliers import the raw materials the production of the foil and paper tea envelopes
39239090	Pouches/ Envelopes plastic	35%	16%	10%	YES	Available locally
3923300	Pet preform	25%	16%	10%	YES	Available locally
52041000	Cotton thread	25%	16%		NO	Currently importing, local there are only brokers
76052900	Aluminium staple wire	10%	16%		NO	Currently importing, local there are only brokers

The purpose of this letter is to bring to your attention the proposed above areas of intervention for your action.

Yours



Dr. Kipronoh Ronoh, CBS
PRINCIPAL SECRETARY

Copy to:

Cabinet Secretary
Ministry of Agriculture and Livestock Development
Kilimo House