



**MOMBASA
INVEST**

SUPPORTING BUSINESS GROWTH IN MOMBASA



Tea Blending & Packaging

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British settler GWL Caine introduced the first tea crop to Kenya in 1903. Caine imported Indian tea bushes as ornamentals, simply because he thought they were beautiful. He planted a small handful of the emerald-leafed shrubs on the forested hills of Limuru. Now, over a century old, that small group of shrubs has grown into trees in a tea garden now called Mabroukie.

Commercialisation of tea in Kenya started in 1924 and the industry has experienced exponential growth ever since. In 1969, the East African Tea Trade Association decided to move the tea auction from Nairobi to Mombasa to increase the ease and efficiency of the export process. Containerised shipments were introduced in the late 1970s, spurring further interest from international tea buyers who soon realised the advantages of quick and safe shipment to destination.

Tea is planted in an area of over 150,000 hectares, producing over 400,000 metric tonnes of tea per year. Currently, Kenya ranks third in the world in tea production, behind China and India, respectively. Kenya however has the advantage of year round production, and a reduced need for pesticides due to the high altitude of its tea growing regions.

Mombasa is the focal point of East Africa's tea industry, around 95% of tea exports are shipped through the port and 80% traded through the auction. The Mombasa auction is the largest tea auction in the world, the only one to be dollar denominated, and the only one to feature tea from more than one country; this has supported the growth of a multitude of businesses in the tea value chain, including over 70 buyers and several blenders and packers of note within Mombasa County.

Kenya also continues to innovate. The Tea Research Institute recently released '*Purple Tea*', which claims enhanced health benefits compared to green tea and received positive international attention in early 2015 - James Finlay and Kenya Tea Development Authority are already processing.

Promoting the tea industry is a priority of the Export Processing Zone Authority (EPZA) and the Government of Kenya.

95 %

Amount of tea exported through Mombasa Port

Investment Opportunity

- Packaging and blending, with a focus on new varieties and markets.
- Production of extractives for use in the FMCG and pharmaceutical industries.
- Creation of a Common User Facility within the Export Processing Zone (EPZ), would create the following benefits:
 - Access to a 30% government subsidy on power bills.
 - A dedicated Kenya Revenue Authority Officer, reducing waiting times for goods clearance.
 - Increased customs bond value, increasing flexibility to hold stock.
 - Increased pull for various support and auxiliary services.

Gold Crown Foods (EPZ) Ltd.

Tea Blending & Packaging Case Study

Gold Crown Foods (EPZ) was established in Mombasa in 2005, a subsidiary of Global Tea & Commodities Ltd., one of the largest fully integrated tea companies in the world.

With a mission to add value at the source, it became the first tea packing company in Africa to pack private label tea for major supermarket chains in Europe. Its products also occupy a prestigious position in the local market. Kericho Gold is the premier brand of traditional tea, and the most notable Kenyan brand in the alternative tea category.

80% of Kenya's tea exports are traded through the Mombasa auction

Gold Crown employs 600 workers, 60% of whom are female. The company found building up its workforce to be straightforward. There was an abundance of lower-skilled workers within Mombasa, as well electrical and mechanical engineers. When more highly trained international resources are required to provide specialised and advanced skills, the EPZA facilitates the work permit process.

Gold Crown knew from the start Mombasa was the right location due to the combination of access to the tea auction and proximity to the port. The company has two locations within Mombasa, one EPZ for export and a second factory nearby to serve the domestic and EAC market.

As supermarkets seek to increase traceability through shortening their supply chains, it is predicted that the market will continue to grow exponentially. Gold Crown is currently considering expansion plans and is keen to explore options for a Common User Facility.





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Mombasa Invest has been created by the Mombasa County Government to provide investors with vital information, investment facilitation and ongoing business development support. We make sure that the investment process is efficient, so investors are free to grow their business and maximise profits.

Mombasa County Government
Department of Trade, Investment, Energy & Industry
9th Floor, Bima Towers - Digo Road
P.O. Box 82209-80100, Mombasa

Tel: +254 (0)709 003 107