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**THE NATIONAL ASSEMBLY**


**THIRTEENTH PARLIAMENT – FIFTH SESSION- 2026**

**DEPARTMENTAL COMMITTEE ON TRANSPORT AND INFRASTRUCTURE**

**REPORT ON:**

**CONSIDERATION OF SESSIONAL PAPER NO. 6 OF 2024 ON THE NATIONAL AVIATION POLICY**

**Clerk's Chambers  
Parliament Buildings  
NAIROBI**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 19 FEB 2026	<b>DAY:</b> Tuesday
<b>TABLED BY:</b>	Hon. Karingai Kirui (Member Departmental Committee on Transport and Infrastructure)
<b>CLERK-AT THE-TABLE:</b>	Miriam Mado

**February, 2026**



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## **ABBREVIATIONS**

AIP	-	Aeronautical Information Publication
AMO	-	Approved Maintenance Organization
APSC	-	Air Passenger Service Charge
EACCMA	-	East Africa Community Customs Management Act
IDF	-	Import Declaration Fee
GDP	-	Gross Domestic Product
KAA	-	Kenya Airports Authority
KAAO	-	Kenya Association of Airline Operators
KCAA	-	Kenya Civil Aviation Authority
MRO	-	Maintenance and Repair Organization
RDL	-	Railway Development Levy
VAT	-	Value Added Tax

## **LIST OF ANNEXURES**

Annexure 1: Report adoption list

Annexure 2: Minutes of the Committee Sittings on Consideration of Sessional Paper No. 6 of 2024 on the National Aviation Policy

Annexure 3: Advertisement in the local dailies inviting the public to make submissions on the Sessional Paper

Annexure 4: Written submissions from the stakeholders

## **CHAIRPERSON'S FOREWORD**

Sessional Paper No. 6 of 2024 on the National Aviation Policy was tabled in the House on 14<sup>th</sup> August 2024 and subsequently referred to the Departmental Committee on Transport and Infrastructure for consideration and reporting to the House.

The main objective of the National Aviation Policy is to strengthen the national aviation industry in the global market. The specific objectives of the Policy include to foster the growth of the aviation business in Kenya, to support job creation by positioning Kenya as a recognized regional leader in aviation, and to enhance Kenya's connectivity at a national and international level by ensuring safe, secure, and competitive access which is responsive to the needs of business, tourism, and the population.

Pursuant to the provisions of Article 118(1) (b) of the Constitution, the Committee, through an advertisement in the local daily newspapers of 14<sup>th</sup> November 2024, invited the public to make representations on the Sessional Paper, which is attached to the report as annexure 3. Additionally, via letters Ref: NA/DDC/T&I/2024/086 and Ref: NA/DDC/T&I/2024/087 both dated 10<sup>th</sup> December 2024, the Committee requested relevant stakeholders, including the Kenya Airways (KQ), Kenya Association of Airline Operators, (KAAO), Kenya Airline Pilots Association, (KAPA) and Kenya Revenue Authority, (KRA) to submit their views on the Sessional Paper. Subsequently, the Committee received five (5) memoranda from the Ministry of Roads and Transport, Kenya Airways (KQ), Kenya Association of Airline Operators (KAAO), Kenya Revenue Authority (KRA), and Mr. Kennedy Mwenda Mabura, a Pilot.

The Committee held five (5) sessions to consider the Sessional Paper and recommended that the House **adopts** and **approves** Sessional Paper No. 6 of 2024 on the National Aviation Policy.

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during the consideration of the Sessional Paper. I wish to express appreciation to the Honourable Members of the Committee and the Committee Secretariat for their resilience and commitment to duty, which made the consideration of the Sessional Paper successful.

On behalf of the Committee and under provisions of Standing Order 216(5)(b), 208B (1) and 199 (6), it is my pleasant privilege and honour to present to this House the report of the Committee on its consideration of Sessional Paper No. 6 of 2024 on the National Aviation Policy.

**HON. GK GEORGE KARIUKI, CBS, MP**  
**CHAIRPERSON**

# CHAPTER ONE

## I.0 PREFACE

### I.1 Introduction and Committee Mandate

- I. The Departmental Committee on Transport and Infrastructure is established under the National Assembly Standing Orders No. 216 (I). The functions and mandate of the Committee as per Standing Orders, No. 216(5) include: -
  - a) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
  - b) To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
  - c) To study and review all the legislation referred to it;
  - d) To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
  - e) To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
  - f) To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);
  - g) To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;
  - h) To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
  - i) To examine any questions raised by Members on a matter within its mandate.
  - j) To examine treaties, agreements and conventions;
2. The subject matter of the Departmental Committee on Transport and Infrastructure are stated in the Second Schedule of the National Assembly Standing Orders as follows: Transport, including non- motorized transport and maintenance of Roads, rails, air and marine transport, seaports and national integrated infrastructure policies and programmes and transport safety.

## **1.2 Committee Subjects and Oversight**

3. The Committee is mandated to consider the following subjects as per the second schedule of the Standing Orders:
  - (i) Transport, including non-motorized transport;
  - (ii) Construction and maintenance of roads;
  - (iii) Rails, air and marine transport; Seaports and national integrated infrastructure
  - (iv) policies and
  - (v) programmes; and
  - (vi) Transport safety.
  
4. The Committee oversees the Ministry of Roads and Transport which has three (3) state departments, namely:
  - i) The State Department for Roads;
  - ii) The State Department for Transport; and
  - iii) The State Department for Aviation and Aerospace Development.
  
5. Further, Committee also oversees the State Department for Shipping and Maritime Affairs which is under the Ministry of Mining, Blue Economy, and Maritime Affairs.

### I.3 Committee Membership

6. The Committee comprises the following Members:

The Hon. G.K. George Kariuki, CBS, M.P - **Chairperson**  
Ndia Constituency  
**United Democratic Alliance Party**

The Hon. Mutua Didmus Wekesa Barasa, CBS, M.P- **Vice-Chairperson**  
Kimilili Constituency  
**United Democratic Alliance Party**

The Hon. Arama Samuel. M.P  
Nakuru Town West Constituency  
**Jubilee Party**

The Hon. Abdul Rahim Dawood, CBS, M.P.  
North Imenti Constituency  
**Independent**

The Hon. Naicca, Johnson Many, CBS, M.P  
Mumias West Constituency  
**Orange Democratic Movement Party**

The Hon. Elsie Muhanda, M.P.  
Kakamega County  
**Orange Democratic Movement Party**

The Hon. Francis, Kajwang' Tom Joseph,  
CBS, MP  
Ruaraka Constituency  
**Orange Democratic Movement Party**

The Hon. Chege John Kiragu, CBS, M.P.  
Limuru Constituency  
**United Democratic Alliance Party**

The Hon. Kiaraho, David Njuguna, M.P.  
**Jubilee Party**  
OI Kalao Constituency

The Hon. Kiunjuri Festus Mwangi, M.P.  
Laikipia East Constituency  
**The Service Party**

The Hon. Bady, Bady Twalib, M.P.  
Jomvu Constituency  
**Orange Democratic Movement Party**

The Hon. Abdirahman, Husseinweytan  
Mohamed, M.P.  
Mandera East Constituency  
**Orange Democratic Movement Party**

The Hon. Komingoi Kibet Kirui, M.P.  
Bureti Constituency  
**United Democratic Alliance Party**

The Hon. Saney Ibrahim Abdi, M.P  
Wajir North Constituency  
**United Democratic Alliance Party**

The Hon. Jhanda Zaheer, M.P  
Nyaribari Chache Constituency  
**United Democratic Alliance**

#### **1.4 Secretariat**

7. The Committee is serviced by the following Members of Staff:

**Head of Secretariat**  
Ms. Tracy Chebet Koskei  
**Principal Clerk Assistant II**

Mr. Mohamednur M. Abdullahi  
**Clerk Assistant**

Mr. Binensa Mabungu  
**Clerk Assistant**

Mr. Abdinasir Y. Moge  
**Fiscal Analyst**

Mr. Erick Kariuki  
**Research Officer**

Ms. Faith Makena  
**Serjeant-at-Arms II**

Ms. Patricia Gichane  
**Legal Counsel**

Ms. Rinha Saineye  
**Media Relations Officer**

Mr. Danton Kimutai  
**Audio Officer**

## CHAPTER TWO

### 2.0 OVERVIEW OF SESSIONAL PAPER NO. 6 OF 2024 ON THE NATIONAL AVIATION POLICY

#### 2.1 Introduction

8. Sessional Paper No. 6 on the National Aviation Policy outlines the government's intent to address challenges in Kenya's aviation sector, positioning it as a key enabler for economic growth and Vision 2030.
9. The Policy is structured as follows:
  - i) Chapter 1 covers Governance matters and addresses the current institutional framework and the recommended institutional setting;
  - ii) Chapter 2 addresses Regulation and Sustainability with subsections on safety, security, environment and sustainability, and economic regulation;
  - iii) Chapter 3 focuses on Connectivity and Aviation Services, including the air transport market, airlines, cargo, regional and general aviation, taxation, and maintenance and repair organizations (MRO);
  - iv) Chapter 4 discusses Airports, covering management and operation, planning and development, and investment needs and financing;
  - v) Chapter 5 is on Air Navigation and addresses both the provision of service and the related infrastructure;
  - vi) Chapter 6 is on Human Resources Development and covers the attraction, recruitment and retention of aviation personnel;
  - vii) Chapter 7 is on Data and Statistics and comprises the collection of statistical data and information on the aviation sector and their publication.
10. The Components of Kenya's National Aviation Policy are;
  - i. *Safety and Security*: The policy emphasizes adherence to international safety standards and the implementation of robust security measures to ensure the safety of air travel within and beyond Kenya's borders.
  - ii. *Infrastructure Development*: It outlines plans for the expansion and modernization of airport facilities to accommodate increasing air traffic and enhance operational efficiency.
  - iii. *Environmental Sustainability*: The policy includes strategies to minimize the environmental impact of aviation activities, promoting sustainable practices within the industry.
  - iv. *Regulatory Framework*: It seeks to strengthen the regulatory framework governing aviation in Kenya, ensuring compliance with international standards and fostering a competitive aviation industry.

- v. *International Connectivity*: The policy aims to enhance Kenya's connectivity at both national and international levels, supporting the needs of business, tourism, and the general population.

## **2.2 Strategic Policy Objectives of the National Aviation Policy**

11. The policy is intended to provide a primary framework for the future actions of the Government in the aviation industry of the country involving the formulation of the national strategy as the guideline to the entire sector development. The Main objectives of the National Aviation policy are:

- i) To foster the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation;
- ii) To maximize the contribution of the aviation sector to Kenya's economic growth and development; and
- iii) To enhance Kenya's connectivity at a national and international level by ensuring safe, secure and competitive access which is responsive to the needs of business, tourism and the population.

### **12. In particular, the National Aviation policy commits to:**

- i) Maintain safety as the number one priority in Kenyan aviation and ensuring that safety regulation is robust, effective and efficient;
- ii) Optimizing the operation and maintenance of the Kenyan Airport network to ensure safety, efficiency and maximum connectivity to the rest of the world while contributing to boost their financial performance;
- iii) Ensuring that the regulatory framework for aviation reflects best international practices and that the economic regulation facilitates continued investment in aviation infrastructure at Kenyan airports to support traffic growth and industry development;
- iv) Ensuring a high level of competition among airlines operating in Kenya aiming to benefit consumers while protecting the country's national interests;
- v) Creating conditions to encourage the development of new routes and services at national and international levels particularly to those countries with new market opportunities;
- vi) Developing aviation infrastructure such as airports;
- vii) Supporting aviation school and maintenance, repair and overhaul sectors to maintain Kenya's leading position in these spheres;
- viii) Providing adequate environment for small airlines operating in Kenya; and
- ix) Maintaining a safe and innovative general aviation sector to support Kenya's broader aviation industry.

13. The policy document has been structured into the following key thematic areas and resultant measures the government will implement:

1) **Governance**

- i. Align the aviation sector's institutional framework with international best practices.
- ii. Legislate to clearly separate air accident investigation from policy formulation functions.

2) **Regulation and sustainability**

- i. Establish suitable regulatory provisions.
- ii. Implement a robust oversight and enforcement system for these regulations

3) **Connectivity and aviation services**

- i. Negotiate air service agreements based on reciprocity and equal opportunities for airlines.
- ii. Promote commercial agreements and partnerships between airlines and third parties.

4) **Airports**

- i. Update masterplans for busiest airports and develop a national airport development plan.
- ii. Explore diverse funding options to speed up airport expansion projects.
- iii. Expand major airports, especially JKIA, to handle forecasted traffic growth
- iv. Focus on enhancing service levels at airports and especially to position JKIA as the best regional airport.
- v. Develop and operate airports based on financial sustainability and viability.
- vi. Optimize existing airport capacity to boost performance.

5) **Air Navigation**

- i. Ensure provision of global and regional meteorological services for air navigation.
- ii. Consider funding schemes for these meteorological services.

6) **Human resource development:** Develop trained and skilled aviation professionals through public and private aviation training institutions, aligned with the industry needs.

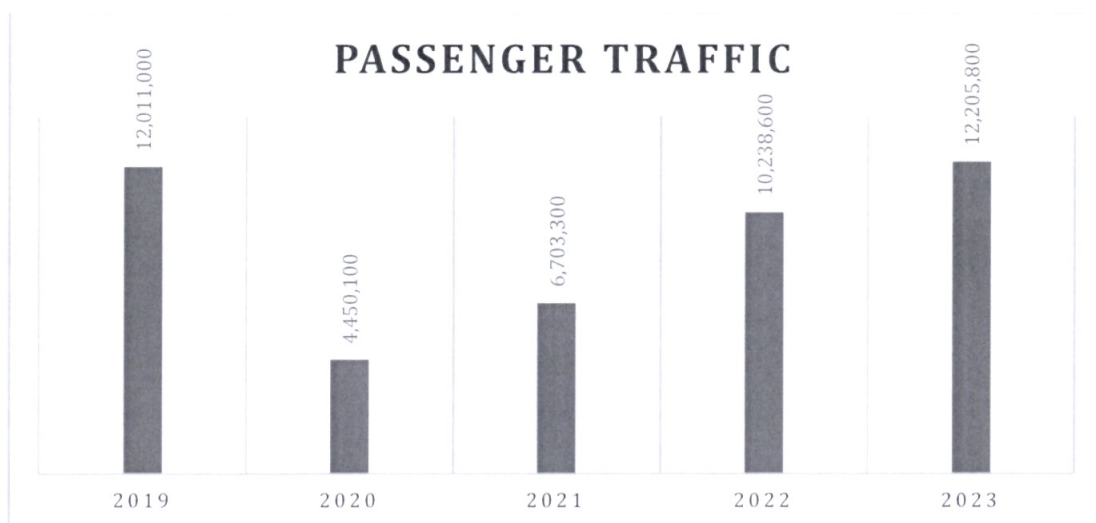
7) **Data and statistics:** Establish and continuously update a central repository of relevant aviation data and statistics.

## CHAPTER THREE

### 3.0 BACKGROUND INFORMATION

#### 3.1 Situational Analysis

14. Africa has a population of 1.5 billion people, about 20% of the global population, and only has a global air transport market of 2%.
15. According to a report by the International Air Transport Association (IATA), 2023 titled “The Value of Air Transport in Kenya,” the aviation sector contributes USD 3.3 billion to the GDP and generates 21,100 jobs directly and a further 459,500 jobs indirectly.
16. According to the Economic Survey 2024, in 2023, air traffic passengers in Kenya were 12.2 million, of which **6.6 million** were international passengers. Jomo Kenyatta International Airport handled 67.3% (8.2 million) of total air traffic passengers. In addition, the volume of commercial cargo handled at Kenyan airports in 2023 was 372.2 thousand tonnes. The total aircraft movement was 357,093. Total Passengers handled through our airports is portrayed in the graph below:



Source: Economic Survey 2024

17. Kenya has had an Integrated National Transport Policy (INTP) that was adopted by the Government in 2012, and an updated version was drafted in 2020. The Policy covers the country's integrated transport system, including the six transport sub-sectors: road, rail, port and maritime, aviation, pipeline, and inland water. However, the policy only provides a broad vision for the aviation transport sub-sector with limited policy objectives.

18. The Cabinet approved both the National Aviation Policy and the medium-term investment requirements for enhancing aviation infrastructure and other related services particularly for Jomo Kenyatta International Airport (JKIA) on 11<sup>th</sup> June 2024.

### 3.2 Kenya Airways (KQ)

19. KQ was established in **January 1977** after the breakup of the East African Community and subsequent disbanding of the jointly owned East African Airways, and was owned wholly by the Kenyan Government. However, by 1991, the Airline was in massive debt, forcing the government to bail it out by repaying the debt the Government had guaranteed. The Company's shares were floated in 1996 to the public through the Nairobi Stock Exchange.
20. In the years after the privatisation, KQ performed impressively, challenging South African Airways, the most successful African airline at the time. However, performance changed after the airline adopted its ambitious growth strategy, project "Mawingu," in April 2012.
21. KQ is a private company listed at the Nairobi Securities Exchange. In terms of shareholding, the Government of Kenya owns 48.9%, KQ Lenders Company 38.1%, KLM 7.8%, the employees' share ownership plan 2.4%, and other individual shareholders 2.8%.
22. Since 2013, KQ has registered losses concurrently, with the highest loss of Kshs 38 billion in 2022. These losses have necessitated the Government to often come to KQ's rescue through bailouts. In 2017, the government provided a bailout of USD 243 million, resulting in an increase in government shareholding to 48.9%, up from 29.8%. In the 2022-23 financial year budget, Treasury allocated Kenya Airways Sh36.6 billion to help with its reorganization. However, in 2024, KQ seems to have reversed the negative position by posting a profit of 5.4 billion for the first time in more than a decade
23. KQ has been losing market share to its competitors over the last few years. Ethiopian Airlines (ET), which was slightly larger than KQ in 2010, has grown exponentially in recent years and has outpaced KQ by a factor of 3 since then. From 2015 to 2018 all competing carriers in the region increased their market share: ET by 20%, Qatar by 12%, and *RwandAir* by 22%, all while KQ lost 4%.

### 3.3 Jomo Kenyatta International Airport (JKIA)

24. JKIA was designed and constructed in 1978 to serve about 2.5 million passengers annually and serves as a hub for most airlines' operations in the Eastern Africa region. In 2015, the Government planned to enhance capacity and increase efficiency with the expansion of JKIA through a project referred to as the *Greenfield* terminal. The proposed project was expected to increase the capacity of JKIA from 6 million passengers annually to about 18.5 million

passengers by the year 2030. However, the expansion project never materialized and similar other subsequent projects haven't been successful.

25. The Cabinet on 11<sup>th</sup> June 2024, considered and approved the 'JKIA Medium Term Investment Plan' that includes the upgrade of the passenger terminal, runway, taxiway, apron and airside facilities in keeping with the global aviation trends. While considering the JKIA Medium Term Investment Plan, Cabinet noted that it was imperative to enhance the capacity of Kenya's international airports to meet existing and projected demand, which is estimated to rise to **42.1 million passengers** a year by 2050.

### **3.4 Recommendations by the Twelfth Parliament**

26. In 2019, the Departmental Committee on Transport, Public Works and Housing, in its Report on the Inquiry into the proposed Kenya Airways privately initiated investment proposal to Kenya Airports Authority, which was adopted by the House, recommended, among others that:-

- i. That Kenya Airways be nationalized.
- ii. The government establishes an Aviation Holding Company with four wholly owned subsidiaries, namely,-
  - a) JKIA company incorporated to manage JKIA as an international hub, ground handling and catering services;
  - b) Kenya Airports Authority with a revised mandate of managing the remaining airports and airstrips. Under its new mandate KAA shall maintain at least one serviceable airstrip in each county for purposes of security, health and other emergencies;
  - c) KQ as the national carrier; and
  - d) A centralized Aviation Services College/institute.

27. On 18 June 2020, the National Management Aviation Bill, 2020, was published. The Bill gave effect to the recommendations of the Parliamentary report on the Inquiry into the proposed Kenya Airways privately initiated investment proposal to the Kenya Airports Authority, which, among other things, recommended the nationalization of Kenya Airways. However, the Bill was withdrawn and lapsed with the expiry of the 12th Parliament.

### **3.5 Comparative Analysis**

#### **a) Ethiopian Airlines**

28. Ethiopian Airlines Group was originally established in June 1945 and had its first scheduled flight in April 1946. It is the flag carrier of the country. The Airline is wholly owned by the Government and is managed by a board that is fully independent, and the airline does not receive subsidies from the government.

29. Inaugurated on 27<sup>th</sup> January 2019, Addis Ababa Bole International Airport has the capacity to handle 22 million passengers per annum. Since 2006, Ethiopian Airlines Group has operated through establishing strategic plans, Vision 2010 (2006-2010), Vision 2025(2010-2025), and currently, the group has started implementing Vision 2035(2025-2035).
30. Among the strategies under the Country's vision 2035 are: - construction of *Absera* Airport 45 km from Addis Ababa by 2029, with capacity to handle 100 million passengers, parking for 270 aircraft, and four runways. The Airline seeks to be the leading carrier in Africa and one of the top 20 globally by carrying 65 million passengers, 3 million tonnes of cargo, and generating USD 25 billion in revenue annually by 2035. The new facility aims to alleviate pressure on Bole International Airport, which is expected to soon reach its maximum capacity of 25 million passengers annually.

#### **b) RwandAir**

31. RwandAir began its operations on 1st December 2002. It is the national flag carrier of Rwanda and is owned by the Government. The Airline operates from Kigali International Airport, currently operating 14 Aircraft. The Airline is planning to double its fleet to meet the grow demand and become the East African hub that has seen 60% of RwandAir's traffic deriving from transit passengers.
32. As at January 2025, it was reported that Qatar Airways was in negotiations with RwandAir seeking to acquire 49% in the National Airline and a 60% stake in the new Bugesera International Airport, which is under construction for approximately USD 1.3 billion, expected to be completed by 2028. Once complete, the Airport will have a capacity of 14 million passengers.

### **3.6 Legal Framework on The National Aviation Policy**

33. Kenya's National Aviation Policy provides a comprehensive framework to guide the development and regulation of the country's aviation sector. The policy addresses various aspects, including safety, security, infrastructure development, environmental sustainability, and international competitiveness.
34. The Kenya Civil Aviation Authority (KCAA) is the primary body responsible for implementing and overseeing the provisions of this policy. In line with the policy's objectives, KCAA has developed the National Aviation Safety Plan (NASP) for 2023–2025, which sets out strategic priorities and safety actions in collaboration with aviation stakeholders.
35. Through this comprehensive policy and its associated plans, Kenya aims to position itself as a regional leader in aviation, contributing significantly to economic growth and development. Kenya's National Aviation Policy is underpinned by a comprehensive legal framework designed to regulate and promote the country's aviation sector. The primary legislation and regulations include:

- i. **Civil Aviation Act, 2013 (Act No. 21 of 2013):** This Act serves as the cornerstone of Kenya's aviation law, providing for the control, regulation, and orderly development of civil aviation in the country. It establishes the legal basis for aviation operations, safety oversight, and the roles of various aviation entities.
- ii. **Civil Aviation (Amendment) Act, 2016:** This amendment addresses specific gaps identified in the 2013 Act, updating provisions to align with international standards and emerging aviation trends.
- iii. **Draft Civil Aviation Bill, 2024:** Spearheaded by the Kenya Civil Aviation Authority (KCAA), this draft bill aims to consolidate existing laws, address current gaps, and incorporate emerging issues such as drone regulation, environmental concerns, and enhanced safety standards.
- iv. **Kenya Civil Aviation Regulations (KCARs):** Under the authority of the Civil Aviation Act, the KCAA has developed specific regulations to govern various aspects of aviation operations. Notable regulations include:
  - v. **The Civil Aviation (Rules of the Air) Regulations, 2018:** These regulations outline the rules to be adhered to while flying an aircraft, ensuring compliance with international standards.
  - vi. **The Civil Aviation (Unmanned Aircraft Systems) Regulations, 2020:** These regulations provide for the licensing of Remote Piloted Aircrafts (RPAs) and Remote Pilots in Command (RPICs), categorizing the operations and registration of Unmanned Aircraft Systems (UAS), and setting general requirements for their operation.
  - vii. **The Civil Aviation (Security) Regulations, 2020:** These regulations establish comprehensive security protocols to safeguard civil aviation against acts of unlawful interference.

36. These laws and regulations collectively ensure that Kenya's aviation sector operates safely, securely, and in alignment with international best practices, supporting the objectives outlined in the National Aviation Policy.

## CHAPTER FOUR

### 4.0 PUBLIC PARTICIPATION/ STAKEHOLDERS CONSULTATION

37. Following the call for memoranda from the public through the placement of advertisements in the print media on 14<sup>th</sup> November 2024, vide letters Ref. NA/DDC/T&I/2024/087 dated 10<sup>th</sup> December 2024 and Ref: NA/DDC/T&I/2025/010 dated 24<sup>th</sup> February, 2025, the Committee received submissions from the following stakeholders;

- (1) The Ministry of Roads and Transport;
- (2) Kenya Airways (KQ);
- (3) Kenya Revenue Authority (KRA); and
- (4) Kenya Association of Air Operators (KAAO); and
- (5) Mr. Mwenda Mabura, a Pilot.

38. The details of the submissions are listed below:

#### 4.1 Submission by the Ministry of Roads and Transport

The **Cabinet Secretary for Roads and Transport, Mr. Davis Chirchir**, accompanied by other officials of the Ministry, appeared before the Committee on Friday, 14<sup>th</sup> February 2025 and submitted as follows;

39. The Sessional Paper No. 6 of 2024 was developed as a result of the review of the Integrated National Transport Policy (INTP), which was approved by the Cabinet and the National Assembly and thereafter adopted by the Government in 2012.
40. The INTP broadly covers various transport sub-sectors, including road, rail, port and maritime, civil aviation, pipeline, and inland waterways in line with Kenya's Vision 2030. However, it was observed that INTP only provides a broad vision for the aviation transport sub-sector in the country with limited policy objectives and therefore, there was a need to develop a specific National Aviation Policy that clearly lays the principles that will underpin the development of a more efficient, competitive, environmentally sound, secure, safe, and economically and financially sustainable aviation sector.
41. He informed the Committee that, specifically, the review of INTP in the development of the National Aviation Policy involved civil Aviation, legal and institutional framework, and corresponding strategic assessment, stakeholder validation of the draft report, and finalization.

42. The Cabinet Secretary highlighted the specific objectives of this Policy which include to foster the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation and to enhance Kenya's connectivity at a national and international level by ensuring safe, secure and competitive access which is responsive to the needs of businesses, tourism and the population.

43. He noted that the National Aviation Policy commits to:

- a. Maintaining safety as the number one priority in Kenyan aviation and ensuring that safety regulation is robust, effective, and efficient;
- b. Optimizing the operation and maintenance of the Kenyan airport network to ensure safety, efficiency, and maximum connectivity to the rest of the world while contributing to boost their financial performance;
- c. Ensuring that the regulatory framework for aviation reflects best international practices and that economic regulation facilitates continued investment in aviation infrastructure at Kenyan airports to support traffic growth and industry development;
- d. Ensuring a high level of competition among airlines operating in Kenya aiming to benefit consumers while protecting the country's national interests;
- e. Creating conditions to encourage the development of new routes and services at a national and international level, particularly to those countries with new market opportunities;
- f. Developing Aviation Infrastructure, such as airports, etc.
- g. Supporting aviation school and MRO sectors to maintain Kenya's leading position in these spheres;
- h. Providing an adequate environment for small airlines operating to/from Kenya's most touristic destinations;
- i. Supporting aviation training institutions excel in preparing young skilled professionals; and
- j. Maintaining a safe and innovative general aviation sector to support Kenya's broader aviation industry.

44. The Cabinet Secretary assured the Committee that these objectives and commitments shall be translated into action through specific implementation plans and strategies. He noted that the aviation ecosystem in Kenya is robust, encompassing multiple operators across various sub-sectors. He added that global aviation competition is now system-based, therefore, as part of Kenya's long-term strategy to grow and diversify the economy, Kenya must focus on developing the sector and being competitive.

45. He also noted that Kenya aspires to be one of Africa's leading aviation economies. This will only be achieved if the policy environment delivers its goals and the right incentives are put in place to attract the necessary capital.

46. The Committee heard that the Ministry of Roads and Transport, State Department of Transport, Aircraft Accident Investigation Department, and Air Transport Department had sourced from the Exchequer, the Kenya Airports Authority, and the Kenya Civil Aviation

Authority from internally generated resources. The funding for implementation of the Policy as well as upgrading of JKIA will be sought and prioritized by the implementing institutions through the normal budgeting process within the available ceilings.

47. He reiterated that any form of private sector involvement will be undertaken in line with Article 227 of the Constitution, as well as the Public Procurement and Asset Disposal Act, 2015, and the Public Private Partnership Act, 2021, as applicable.

48. The Cabinet Secretary also submitted that the Kenya Airports Authority undertook a feasibility study on JKIA to identify detailed technical, commercial, financial, social, and environmental aspects of the Airport to guide investment decision-making. The table below contains a summary of the Feasibility Study report

#### 4.1.1 Salient features of the study

<b>Project</b>	Feasibility Study for the development of a New Passenger Terminal Building and Expansion at Jomo Kenyatta International Airport (JKIA)
<b>The Need</b>	<ul style="list-style-type: none"> <li>• Aging Infrastructure</li> <li>• Funding</li> <li>• Capacity Constraints</li> <li>• Increasing Demand</li> <li>• Modernization</li> <li>• Competitive Advantage</li> </ul>
<b>Date Completed</b>	February 16, 2024
<b>Study Components</b>	<ul style="list-style-type: none"> <li>○ Needs Analysis- to identify the relevant national and aviation policies &amp; plans and key stakeholders of the project, among others;</li> <li>○ Technical Solution Option Analysis- to identify and propose a development plan for JKIA, determine its technical feasibility and identify its costs;</li> <li>○ Project Due Diligence - to assess the main legal and environmental issues with regards to a future expansion at JKIA;</li> <li>○ Financial Analysis and Modelling - to assess the project's financial feasibility;</li> <li>○ Risk Assessment and Allocation Matrix - to identify the main project risks and propose an allocation matrix;</li> <li>○ Procurement Options &amp; PPP Structure Analysis - Recommendation of Preferred Option to evaluate the potential procurement options (government procurement vs. PPP) and recommend one based on the value for money, fiscal impact, risk allocation, and manageability for KAA; among other factors</li> </ul>

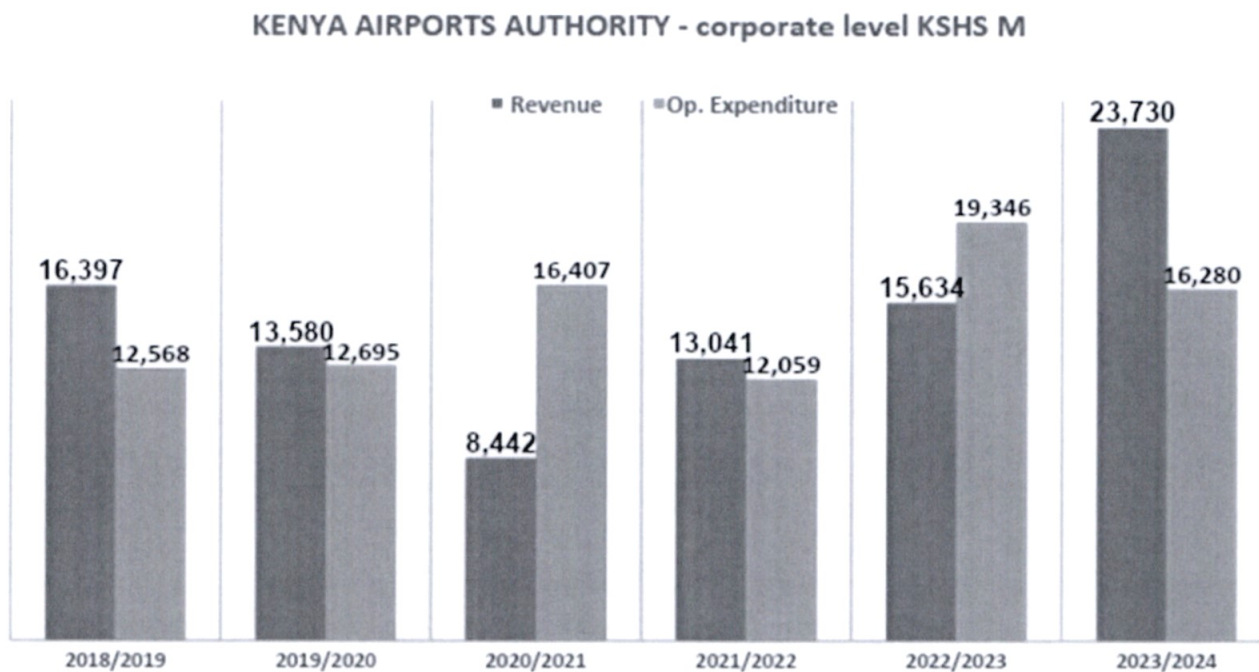
<b>Study Findings</b>	<ul style="list-style-type: none"> <li>✓ Based on the analysis of the procurement options and the financial assessment, the conclusion is that an Airport PPP model is the preferred option. The Airport PPP is feasible and bankable.</li> <li>✓ Developing the project is beneficial for the country, as developing the airport offers a social net present value of 241 M USD over the 30-year period, with a benefit/cost ratio (B/C) of ~3.5.</li> <li>✓ Value for Money assessment (both quantitative and qualitative) at P50 = 1.7 bn USD</li> <li>✓ Implementing the project under a PPP/concession adds the most value to the public sector by onboarding of efficiencies and the transfer of the majority of the potential project risks.</li> </ul>
<b>Key Development Highlights</b>	<ul style="list-style-type: none"> <li>▪ Development of New Passenger Terminal Building with a Capacity of 23m passengers per annum</li> <li>▪ Refurbishment of Existing Passenger Terminal Building</li> <li>▪ Maintenance and Rehabilitation of Existing Airside Infrastructure</li> <li>▪ Enhancement of Existing Runway with 4No. Rapid exit Taxiways</li> <li>▪ Development of a 4.6km Second Runway</li> <li>▪ Improvement of Access Roads</li> <li>▪ Development of a parking garage of at least 3000 parking lots</li> <li>▪ Development of Auxilliary Infrastructure comprising of: <ul style="list-style-type: none"> <li>○ Aircraft Contact Stands = 21</li> <li>○ Aircraft Remote Stands = 20</li> <li>○ Passenger Check-In Counters = 64</li> <li>○ Immigration Counters = 72</li> <li>○ Passenger Transfer Counters = 12</li> <li>○ Buggage Handling Systems = 18</li> </ul> </li> <li>▪ City Side Development including: <ul style="list-style-type: none"> <li>○ Hotels</li> <li>○ Convention centers</li> <li>○ Healthcare centers</li> <li>○ Retail, office and commercial setups.</li> </ul> </li> <li>▪ Development of Reserved Services Facilities comprising of: <ul style="list-style-type: none"> <li>○ Air Navigation and Traffic Services</li> <li>○ Immigration</li> <li>○ Port Health</li> <li>○ Customs</li> <li>○ KAA Facility</li> <li>○ VVIP Lounges</li> <li>○ Meteorological</li> <li>○ Quarantine</li> <li>○ Surveillance Services (SOC)</li> <li>○ Aeronautical information services</li> </ul> </li> </ul>

	○ Communication
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49. The Cabinet Secretary added that, following the cancellation of the PPP Proposal by *Adani Holdings Limited (AAHL)*, a company that had been fronted for the development and operation of JKIA, and the urgent need to modernize the Airport, the Government is considering various options, including a competitive PPP process.

50. Furthermore, he submitted detailed information on internally generated revenues and operational costs of Key Airports and Airstrips, including but not limited to; JKIA, Moi International Airport, Kisumu International Airport and Eldoret International Airport;

#### 4.1.2 Chart depicting KAA’s Revenue & Operating Expenditure at Corporate level



#### **4.2 Submission by Kenya Airways (KQ)**

51. Kenya Airways in its written submissions dated 23<sup>rd</sup> December, 2024, highlighted that the Kenyan aviation sector has been declining, characterised by the turbulence experienced by the national carrier as well as the loss of business at Jomo Kenyatta International Airport (JKIA) to other competing hubs.
52. The National Carrier stated that it has been losing market share to its competitors over the last couple of years. Ethiopian Airlines (ET), which was slightly larger in size than KQ in 2010, has grown exponentially in recent years and outpaced KQ three times since then. From 2015 to 2018, all competing carriers in the region increased their market share: ET by 20%, Qatar by 12%, and RwandAir by 22%, while KQ lost 4%.
53. Kenya Airways submitted that Kenya has the potential to be the leading regional aviation hub because of its ideal geographical location, growing middle class, and rapidly growing economy. According to IATA, Kenya's aviation industry contributes 4.6% of the Gross Domestic Product (GDP) and supports 410,000 jobs. Earnings from visits to Kenya increased from Ksh. 87.1B in 2014 to Ksh. 157.4B in 2018. Between 2015 and 2019, there was a steady increase in aircraft, passenger, and cargo traffic.
54. It is projected that over the next 20 years, the Kenyan market could more than double in size, resulting in an additional 11.3 million passenger journeys, over 449,000 more jobs, and a US\$11.3 billion boost to GDP by 2037. JKIA is already relatively developed, being the 7th busiest airport in Africa, and with a 20-year Compound Annual Growth Rate (CAGR) of 4.8%, the forecast aligns with industry expectations. An enabling policy is a critical catalyst for this projected growth.
55. KQ further stated that the National Aviation Policy should enable the national aviation industry to strengthen its position in the global market. The policy should include objectives such as:
  - a) Fostering the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation.
  - b) Maximizing the contribution of the aviation sector to Kenya's economic growth and development.
  - c) Enhancing Kenya's connectivity at a national and international level by ensuring safe, secure, and competitive access responsive to the needs of business, tourism, and population.

56. Concrete strategies and measures are required to realize these objectives, which include the following:

**(a) The National Aviation Policy Should Be Hinged on Vision 2030**

57. Kenya Airways, in their submission, noted that the National Aviation Policy should be aligned with the country's development blueprint, Vision 2030. The goal of Vision 2030 is to transform Kenya into a newly industrializing, middle-income country providing a high-quality life to all its citizens by 2030. Infrastructure is a key pillar of Vision 2030, but aviation infrastructure remains underdeveloped. The plan for JKIA under Vision 2030 included reconstructing Terminal 2, constructing the Green Field Terminal, a second runway, and associated facilities.

58. These projects need to be revisited and reprioritized. The national carrier and aviation infrastructure are of national strategic importance and are critical enablers of economic growth. Their expansion and modernization are now more urgent if Kenya is to keep pace with emerging trends and developments nationally, regionally, and internationally. A world-class integrated transport system that meets the needs of people and industry is imperative.

**(b) National Aviation Policy to Position Kenya as an Aviation and Commercial Hub**

59. In their submission, KQ states that the policy should lay a strong foundation for Kenya's ambition to become a leading aviation and commercial hub in Africa. Key areas that must be addressed include:

- i. The need for modern, world-class international airports with no capacity constraints and a strong home-based national carrier.
- ii. The integration of designated national airlines and JKIA into Kenya's overall economic development strategy.
- iii. Full integration of air transport infrastructure with road and rail transport systems.
- iv. Establishment of world-class Maintenance, Repair, and Overhaul (MRO) facilities, with aviation tools and toolkits exempted from customs duty.
- v. Rationalization of ground handling services, limiting the number of ground handlers to three from the current eleven, to create a healthier business environment. KQ should be the preferred ground handler for government flights, government-facilitated foreign flights, and national carriers under reciprocal terms.
- vi. Development of state-of-the-art aviation training facilities.
- vii. Promotion of aviation commerce enterprises such as insurance companies and aircraft brokers through enabling legislation.
- viii. Simplification of aviation sector rules and procedures.
- ix. Support for the growth of domestic aviation infrastructure and airlines by rationalizing aerodromes and maintaining viable domestic airstrips in accordance with civil aviation standards.

### **(c) Consolidation and Integration of Aviation Assets under a Special Purpose Vehicle (SPV)**

60. Kenya Airways, in their submission, noted that the National Aviation Management Bill (2020) was the first major attempt in recent years to consolidate national aviation assets. The Bill proposed the establishment of the Kenya Aviation Corporation, integrating Kenya Airways, Kenya Airports Authority, and the Aviation Investment Corporation.
61. The key principles guiding this included driving effectiveness and efficiency, growth and sustainability, improving competitiveness, pooling resources, and promoting employment opportunities. Although the bill was not enacted, consolidation remains critical for Kenya. KQ states that:
- i. Consolidation will bring significant benefits, including job creation, economic support, and tourism development.
  - ii. It is a proven model that has propelled aviation sectors in countries such as Ethiopia, UAE, Qatar, Turkey, and Rwanda.
  - iii. It presents a unique opportunity to expand aviation-related businesses and create special economic zones around JKIA.
  - iv. The new entity will be a strategic national asset, supporting GDP growth while remaining financially self-sustainable.

### **(d) Incentivizing Growth of the National Carrier and Fleet Modernization**

62. Kenya Airways stated that it operates in an attractive and expanding airline market. However, it is the only privately owned and stock exchange-listed carrier among its competitors, meaning it does not benefit from airport revenues or cross-subsidies like some competitors.
63. Every time a KQ aircraft lands at a foreign airport, all charges paid to that airport reduce costs for competing carriers, while KQ does not receive similar benefits at JKIA. KQ plans to expand its fleet from 2025, increasing from 34 aircraft to over 60 within the next decade. The plan includes retiring older aircraft and introducing newer technology to align with sustainability goals. KQ will require support to realize this strategy.

### **(e) Implementation of the Fly Kenya Policy**

64. KQ stated that many countries designate their national carriers for government travel to support the airline and boost revenue. Countries such as the USA, UAE, India, Turkey, and China have policies requiring government employees to use their national carriers, supported by travel directives, policies, or legal frameworks like the Fly America Act.

65. Kenya's Fly Kenya Policy was approved in 2016 under the Public Procurement and Asset Disposal Act, 2015. However, uptake has been slow, with only 34 MDAs maintaining active accounts with KQ. The Kenyan government is the largest consumer of air travel services, spending Ksh. 54.77 billion on travel between 2020 and 2023. Strict implementation of the Fly Kenya Policy will provide the national carrier with guaranteed business, supporting its recovery and securing approximately 5,000 jobs.

**(f) Mitigating High Operational Costs to Enhance Competitiveness**

66. Kenya Airways noted that high operational costs, including fuel, handling services, and maintenance, impact its competitiveness. Fuel costs alone accounted for 41% of direct costs in 2019, rising to 51% in 2023. The National Aviation Policy should introduce tax incentives for aviation fuel and spare parts, establish a fuel hedging policy, and pursue reciprocal agreements in Air Service Agreements.

**(g) Aviation Market Access Framework (AMAF)**

67. KQ submits that an objective, data-driven framework for granting traffic rights is necessary. The framework should prioritize fair competition, market expansion, hub development at JKIA, and reciprocal benefits for Kenyan carriers.

68. In concluding their submission, KQ stated that with the right policies, Kenya's aviation sector can unlock economic opportunities, drive productivity, and enhance competitiveness. A synchronized aviation ecosystem, integrating airports, airlines, and auxiliary services, is essential for sustainable growth.

**4.3 Submission by the Kenya Revenue Authority**

69. The Kenya Revenue Authority made a written submission vide a letter dated 23<sup>rd</sup> December, 2024 and proposed the following issues be addressed in the Policy: address as follows:

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
<b>I. Introduction</b>	The aviation sector contributes \$1.5 bn to the Gross Domestic Product (GDP) comprising \$740M from aviation itself is \$515M through indirect	Update the statistics with more recent data where available.	For better understanding of the contribution of the sector to the economy.

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
	<p>activities. The statistics given are derived from the Aviation Benefits Beyond Borders, September 2020. There is need to update the statistics with more recent data where available.</p>		
	<p>This sector is supported by extensive network of more than four hundred and forty (440) airports and airfields throughout the country, eighteen (18) of which are actively managed by KAA</p>	<p>Use a definite number as this can be verified and add a reference data (Base data).</p>	<p>For certainty</p>
<p><b>1.1 Strategic Policy Objectives</b></p>	<p>As a result, this document is intended to provide a primary...</p>	<p>Amend to read as follows: As a result, this Policy document is intended to provide a primary...</p>	<p>The document is not any other document but a policy document.</p>
	<p>In particular, the National Aviation policy commits to:</p>	<p>Amend to read as follows: In particular, the Government through the National Aviation policy commits to:</p>	<p>Commitment can only be achieved through an institution but not through the policy itself.</p>
<p><b>2. Governance</b></p>	<p>Within the Ministry, duties and responsibilities are distributed among different organizations.</p>	<p>Amend to read as follows: Within the Ministry, duties and responsibilities are distributed among</p>	<p>Not applicable.</p>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
		different organizations.	
<b>3-4 Economic Regulations</b>	Fees and charges for airports and air navigation services are published in the Aeronautical Information Publication (AIP). However, the Air Passenger Service Charge (APSC) is published in the National Primary Legislation. Despite the service being provided by Kenya Airports Authority (KAA) and Kenya Civil Aviation Authority (KCAA), Kenya Revenue Authority (KRA) is the Government body entitled to collect it.	Though the policy document does not explicitly state the problem that the current collection arrangement is, it is our recommendation that KRA continues collecting revenue.	<ul style="list-style-type: none"> <li>• The APSC is imposed under the Air Passenger Service Charge Act cap. 475.</li> <li>• The Act gives the Commissioner the power to collect the APSC</li> <li>• The Commissioner collects the Air passenger charge under the Agency arrangement.</li> <li>• KRA has the necessary administrative structures and technological solutions to collect the charge.</li> <li>• Over the last three financial years APSC progressively from <b>Ksh. 8,183Bn</b> in FY 2021/2022 to</li> </ul>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
			Ksh. <b>16,970Bn</b> in FY 2023/2024.
<b>4-3 Cargo</b>	The Government will explore and implement as appropriate, the concept of cargo villages to improve the processing of air cargo in the country.	<ul style="list-style-type: none"> <li>• Airports are appointed Customs Areas under Section 12 of EACCMA, 2004. It is therefore imperative for KRA to ensure proper management and operations of these facilities</li> <li>• Any expansion of airport infrastructure requires KRA to provide adequate support, including deploying the necessary workforce to maintain efficiency in cargo handling and clearance process.</li> </ul>	Streamline cargo clearance and foster trade facilitation
<b>4-5 Taxation</b>	Kenya's aviation system is not built as a closed-circuit and taxes have a direct	<ul style="list-style-type: none"> <li>• There is need to provide taxation frameworks</li> </ul>	To support the assertion of over-taxation of the sector.

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
	effect on the funding of the different civil aviation system entities. Kenyan industry players are exposed to multiple taxes including APSC, IDF, Import Duty, VAT, Income Tax, RDL...	for the aviation sectors from other jurisdictions to support this argument.	
	<p><b>4.5.3 Policy Statement</b></p> <p>The Government will put in place measures to continue ensuring that Kenyan designated airlines are not subjected to double taxation and to further ensure that excessive taxation especially exploited on the sale of international transport is avoided or reduced to the fullest practical extent.</p>	<ul style="list-style-type: none"> <li>• Exemption and incentives to be determined in consultation with National Treasury to guard against unmitigated erosion of the tax base and should be domiciled in the tax statutes.</li> <li>• The Sector needs to propose to the National Treasury, a taxation framework that would be suitable to the sector taking into account the revenue</li> </ul>	To support the assertion of over taxation of the sector.

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
		needs of the Government	
<p><b>4-6 Maintenance and Repair Organization</b></p>	<p>In order to promote the development of the Approved Maintenance Organization (AMOs)/Maintenance and Repair Organization (MROs) industry the following initiatives should be put in place:</p> <ul style="list-style-type: none"> <li>• Consider the introduction of tax incentives for maintenance related activities.</li> <li>• Discount KCAA charges for the issuance of approvals.</li> <li>• Avoid excessive taxation on imported parts and systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Tax incentives to be addressed within the framework of the National Tax Policy to ensure alignment with national economic priorities and fiscal sustainability.</li> <li>• Additionally, the negotiation of Bilateral Air Service Agreements (BASAs) to include representation from the National Treasury and KRA in view of tax provisions that may be contained therein.</li> </ul>	<p>Government recognizes the negative impact of tax incentives on the tax base.</p> <p>The National Tax Policy therefore proposes the following to guide issuance of tax incentives:</p> <ul style="list-style-type: none"> <li>i) Review the current tax expenditure and formulate a framework for granting tax incentive,</li> <li>ii) Develop and regularly review guidelines for granting tax incentives taking into consideration the costs, benefits, promotion of investment and cushioning Kenyans against economic shocks</li> <li>iii) comprehensively review tax incentives after</li> </ul>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
			every five (5) years to align them with the Government's agenda.
<b>5. Airports</b>	Kenya has over four hundred and forty (440) aerodromes, comprising both state-owned and private facilities. Of the two hundred and thirty (230) public aerodromes, only eighteen (18) are actively staffed and managed by the Kenya Airports Authority (KAA). However, the maintenance, operational responsibilities and mechanisms for managing the remaining public aerodromes remain unclear.	Provide how the other public aerodromes would be maintained and operated.	This will provide certainty on the maintenance and operational responsibility of the said public aerodromes.

70. In concluding their submission, the Authority acknowledges the critical role of the aviation sector in economic development and trade facilitation and noted that it is committed to supporting the implementation of these recommendations and any other, to create a conducive environment for growth and compliance.

#### **4.4 Submission by Kenya Association of Air Operators**

71. The Kenya Association of Air Operators (KAAO) submitted its comments on the Policy on 20<sup>th</sup> December, 2024, and noted that the Association has been at the forefront of advocating

for Kenya to develop and implement a National Aviation Policy, and they lauded the Cabinet for approving the policy on 11<sup>th</sup> June 2024.

72. In their submission, they stated that they held various workshop forums with members and stakeholders to review the draft policy and submitted feedback to the Ministry of Transport on 25th November 2022, with comments from over 40 representatives of various aviation-related associations and experts. A second engagement occurred on 29th November 2022 to review the recommendations and a final draft was presented to KAAO and its membership on 20th December 2022. KAAO subsequently submitted feedback to the Ministry of Transport on 28th December 2022. KAAO states that the final policy has considered a majority of their previous recommendations.

73. KAAO also highlighted overarching themes requiring focus, such as addressing Kenya's projected aviation growth in the next 30 years, the need to capitalize on Kenya's position as a gateway into East and Central Africa, and the strong post-COVID recovery in passenger numbers. They emphasized that Kenya's aviation sector is a key growth node for the economy.

74. KAAO also pointed out that the policy should address the intermodal relationships between air transport and other modes, as well as the connection between aviation and sectors like tourism and trade, which have existing policies.

75. To fully capitalize on growth, KAAO submitted that **the policy should define clear timelines, benchmarks for implementation**, including meeting ICAO standards and a monitoring framework. They added that the role of key stakeholders must be mapped.

76. The operators made the following **Specific Observations**

No.	Observations	Comments/ proposed amendments
I.	<p><b>Regulation &amp; Sustainability</b></p> <ul style="list-style-type: none"> <li>• We need clarity on definitions for different players in the industry i.e., Recreational Flying, General Aviation, Commercial operations which would then help to define the regulations applicable to them.</li> <li>• Document should detail the need to develop separate set of regulations for General Aviation/ Commercial Aviation, Domestic/International operations.</li> <li>• Policy should define a pathway to self-regulation on</li> </ul>	Recommended for adoption to be included

	a risk-based approach due to capacity challenges with the Regulator.	
2.	<b>Security</b> <ul style="list-style-type: none"> <li>The policy should detail measurements and procedures against new emerging threats such as cyber-attacks or biological threats such as re-emergence of Covid-19.</li> </ul>	Need to capture emerging threats such as cyber threats or biological threats like the Covid-19.
3.	<b>Environment &amp; Sustainability</b> <ul style="list-style-type: none"> <li>Development of the full framework of the draft Civil Aviation (Carbon offsetting &amp; reduction scheme for International Aviation) Regs, 2022 to include the legislative and regulatory provisions, policies, adequate financial resource allocation, qualified personnel, and procedures (roadmap, timelines).</li> <li>The policy statement on the use of the next generation of aircraft, SAF, and engines should be explicit around the need for an incentive regime for transition.</li> </ul>	Need for the Carbon offsetting & reduction scheme for International Aviation Regulations, 2024 to be promulgated.
4.	<b>Economic Regulations</b> <ul style="list-style-type: none"> <li>No clarity on criteria of private operators, balloon operations, helicopter operators Rules and regulations</li> <li>The Policy statement should include stakeholder consultation in the review of aviation charges (in line with International best practices).</li> </ul>	Recommended for adoption  Need to be included in Policy statement

5.	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>The Policy lists Kenya as having only 11 other AOC holders other than Kenya Airways. Kenya has 80 AOC holders and several designated national carriers.</li> <li>Modern institutional frameworks should assure complete independence of the accident and incidents investigation body (AAID), by placing it on an independent board reporting directly to either the president or the parliament, bypassing any other ministry or public body. This is the only effective way to guarantee the impartial opinion of the investigators, independent from any decision that could affect another body within the government apparatus.</li> <li>The policy does not detail the governance of ground handlers</li> </ul>	<p>Amend to capture accurate data should be adopted</p> <p>Ground handlers are regulated entities and the policy should include their governance structures</p>
6.	<p><b>Air Transport Market</b></p> <p>The Policy statement should detail Government's focus on regional (EAC) aviation integration first as we move towards implementation of SAATM.</p>	<p>To be included in the Policy statement.</p>
9.	<p><b>Regional and General Aviation</b></p> <ul style="list-style-type: none"> <li>There is a need for a proper definition of this category in the policy.</li> <li>Government should ensure that there is equitable access around regulations, taxes and incentives to encourage the growth of general aviation.</li> </ul>	<p>To be included in the Policy statement.</p>
11.	<p><b>Taxation</b></p> <ul style="list-style-type: none"> <li>The matters under critical issues at 4.5.2 were partly addressed in the Finance Bill 2023. There is a need however, to embed a tax policy statement for the sector in line with ICAO recommendations on taxes and charges on aviation.</li> </ul>	<p>Policy statement should include tax policy statement.</p>

#### 4.5 Submission Mr. Mwenda Mabura, a Pilot

77. Mr. Mwenda Mabura is a pilot and made his submissions on the Sessional paper on 4<sup>th</sup> December, 2024. He submitted as follows:

78. Kenya Airways has reported successive losses in the past ten years. He noted that the challenges faced by the National Carrier include leadership challenges, conflict of interest, operational inefficiencies, and inadequate customer service.

79. Mr. Mabura proposed the following measures to enable KQ in its recovery plan:

- i) **Revamped Leadership**- a new leadership team at the Board and Senior management level. The Company Board of Aviation professionals, other than investors only;
- ii) **Operational Efficiency**- there is a need to review cost drivers at the Airline. Further, the procurement processes should be based on objective decision-making criteria while balancing competition, transparency and integrity;
- iii) **Re-organization of the Airline's fleet to one manufacturer** will reduce lease rates, cost of spare parts and ease of maintenance; and
- iv) **Financial bailouts to provide a financial cushion**- he proposed the use of a Diaspora Dollar infrastructure bond, also a local currency one, as a financing option to revamp KQ's operations. These can be issued to the Kenyan diaspora, pension funds and local funds to fund the proposed expansion of JKIA and revamp KQ.

## CHAPTER FIVE

### 5.0 COMMITTEE OBSERVATIONS

- v) The **Committee**, having had engagements with stakeholders and considered submissions received, made the following observations;
- vi) The Integrated National Transport Policy (INTP) was adopted by the Government in 2012. The Policy covers the country's integrated transport system, including the six transport sub-sectors: road, rail, port and maritime, aviation, pipeline, and inland water. However, the Policy only provides a broad vision for the aviation transport sub-sector with limited policy objectives. Following a review of the Policy, the National Aviation Policy was developed to address the gap and to provide a comprehensive framework to guide the development and regulation of the country's aviation sector.
- (1) The Cabinet on 11<sup>th</sup> June 2024, considered and approved the 'JKIA Medium Term Investment Plan' that includes the upgrade of the passenger terminal, runway, taxiway, apron, and airside facilities in keeping with the global aviation trends. The Plan, seeks to enhance the capacity of Kenya's international airports to meet existing and projected demand, which is estimated to rise to 42.1 million passengers a year by 2050.
- (2) The National Carrier (KQ) has experienced declining market share and increased competition. KQ has been losing market share to its competitors over the last few years. Ethiopian Airlines (ET), which was slightly larger in size than KQ in 2010, has grown exponentially in recent years and outpaced KQ three times since then. From 2015 to 2018 all competing carriers in the region increased their market share: *Ethiopian Airlines* by 20%, *Qatar* by 12%, and *RwandAir* by 22%, all while KQ lost 4%. Kenya aspires to be one of Africa's leading aviation economies. This will only be achieved if the Policy environment meets its goals and provides the right incentives to attract the necessary capital.
- (3) Policy and regulatory shortcomings due to the absence of an enabling and synchronised national aviation policy have hindered sector growth and competitiveness. In addition, the slow implementation of supportive policies like the *Fly Kenya* Policy has limited the national carrier's ability to secure government travel business.
- (4) Kenya's aviation sector holds significant untapped potential, underpinned by strategic location, a growing middle class, and a rapidly expanding economy. The sector contributes 4.6% to GDP and supports about 410,000 jobs, with tourism earnings rising substantially; and
- (5) Despite being the 7<sup>th</sup> busiest airport in Africa, Jomo Kenyatta International Airport (JKIA) faces infrastructure limitations. Key projects under Vision 2030 are either incomplete or delayed. The Airport therefore needs modern, world-class airport facilities, along with better integration with other transport modes.

## CHAPTER SIX

### 6.0 COMMITTEE RECOMMENDATIONS


80. The Committee, having had engagements with stakeholders and having considered submissions received, makes the following recommendations: THAT-

- (1) The House **adopts** this report and **approves** Sessional Paper No. 6 of 2024 on the National Aviation Policy;
- (2) Following the adoption of this Policy, all proposed legislation on aviation-related matters should be guided by the provisions of this Policy.

SIGNED.......... DATE.....14<sup>th</sup> Feb 2026

HON. GK GEORGE KARIUKI, CBS, M.P.

CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRANSPORT AND  
INFRASTRUCTURE

 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>	
DATE: 19 FEB 2026	DAY: Thursday
TABLED BY:	Hon. Kamigai Kiroi (Member, Departmental Committee on Transport and Infrastructure)
CLERK-AT THE-TABLE:	Miriam Mado



*Approved for tabling  
SNA  
19/2/26*

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT

(FOURTH SESSION)

NA. L&P.2026/COMM (010)

Thursday, 19<sup>th</sup> February 2026

**PAPER LAID**

Hon. Speaker, I beg to lay the following **Paper** on the Table of the House, today  
Thursday, 19<sup>th</sup> February 2026: -

**REPORT OF THE DEPARTMENTAL COMMITTEE ON TRANSPORT  
AND INFRASTRUCTURE ON ITS CONSIDERATION OF SESSIONAL  
PAPER NO. 6 OF 2024 ON THE NATIONAL AVIATION POLICY**

(CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRANSPORT  
AND INFRASTRUCTURE)

Copies to:  
The Speaker  
Deputy Speaker  
The Leader of the Majority Party  
The Leader of the Minority Party  
The Clerk  
Hansard Editor  
Hansard Reporters  
The Press



## **Annexure I: Adoption List**



REPUBLIC OF KENYA THE  
NATIONAL ASSEMBLY

13<sup>TH</sup> PARLIAMENT - FIFTH SESSION - 2026

DEPARTMENTAL COMMITTEE ON TRANSPORT AND INFRASTRUCTURE  
MEMBERS ADOPTION SCHEDULE

DATE: 14<sup>th</sup> February 2026 ..... START: 11:10 am ..... END: 12:00 pm

VENUE: Glee Hotel, Kiambu County .....

AGENDA: Adoption of the Report on the Consideration of the Sessional Paper  
No. 6 of 2024 on National Aviation Policy.

NO.	NAME	SIGNATURE
1.	The Hon. GK George Kariuki, CBS, MP – Chairperson	
2.	The Hon. Didmus Barasa, CBS, MP- Vice Chairperson	
3.	The Hon. Kiunjuri, Festus Mwangi, MP	
4.	The Hon. Abdul Rahim Dawood, CBS, MP	
5.	The Hon. Arama Samuel, MP	
6.	The Hon. Bady, Bady Twalib, MP	
7.	The Hon. Francis, Kajwang' Tom Joseph, CBS, MP	
8.	The Hon. Kiaraho, David Njuguna, MP	
9.	The Hon. Naicca, Johnson Many, CBS, MP	
10.	The Hon. Chege, John Kiragu, CBS, MP	
11.	The Hon. Elsie Muhanda, MP	
12.	The Hon. Saney, Ibrahim Abdi, MP	
13.	The Hon. Hussein Weytan Mohamed, MP	
14.	The Hon. Jhanda Zaheer, MP	
15.	The Hon. Komingoi, Kibet Kirui, MP	

**Annexure 2: Minutes of the Committee Sitzings on Consideration of  
the Sessional Paper No. 6 of 2024 on the National Aviation Policy**



**THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026  
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

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**MINUTES OF THE FOURTH SITTING OF THE DEPARTMENTAL COMMITTEE ON  
TRANSPORT AND INFRASTRUCTURE HELD ON SATURDAY, 14<sup>TH</sup> FEBRUARY 2026 IN  
THE GLEE HOTEL, KIAMBU COUNTY AT 11:00 AM**

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**MEMBERS PRESENT**

1. The Hon. GK George Kariuki, CBS, M.P. – **Chairperson**
2. The Hon. Arama Samuel, M.P
3. The Hon. Chege John Kiragu, CBS, M.P
4. The Hon. Naicca, Johnson Many, CBS, MP
5. The Hon. Bady, Bady Twalib, M.P.
6. The Hon. Muhanda Elsie, M.P
7. The Hon. Saney Ibrahim Abdi, M.P.
8. The Hon. Hussein Weytan Mohamed, MP
9. The Hon. Komingoi Kibet Kirui, M.P

**APOLOGIES**

1. The Hon. Didmus Wekesa Barasa, CBS, M.P. – **Vice-Chairperson**
2. The Hon. Kiunjuri Festus Mwangi, M.P.
3. The Hon. Francis, Kajwang' Tom Joseph, CBS, M.P.
4. The Hon. Kiaraho, David Njuguna, MP.
5. The Hon. Abdul Rahim Dawood, CBS, M.P
6. The Hon. Jhanda Zaheer, M.P

**SECRETARIAT**

- |                                |                                |
|--------------------------------|--------------------------------|
| 1. Ms. Chebet Koskei           | - Principal Clerk Assistant II |
| 2. Mr. Mohamednur M. Abdullahi | - Clerk Assistant III          |
| 3. Mr. Binensa Mabungu         | - Clerk Assistant III          |
| 4. Mr. Erick Kariuki           | - Research Officer             |
| 5. Ms. Patricia Gichane        | - Legal Counsel                |
| 6. Ms. Faith Makena            | - Serjeant- At-Arms            |
| 7. Mr. Yusuf Abdi              | - Intern                       |

**MIN./NO.015/NA/T&I/2026:**

**PRELIMINARIES**

The meeting was called to order at ten minutes past Eleven O'clock (11:10 am) with prayer by the Chairperson. Thereafter, the Agenda of the meeting was adopted after being proposed by the Hon. Arama Samuel, M.P, and seconded by the Hon. Kibet Kirui Komingoi, MP, as follows:

**AGENDA**

1. Prayers
2. Preliminaries;
  - i. Adoption of the Agenda
  - ii. Remarks by Chairperson
3. Confirmation of Minutes/Matters Arising;
4. **Adoption of the Report on the Consideration of the Sessional Paper No.6 of 2024 on the National Aviation Policy**
5. Pending Business
6. Any Other Business
7. Adjournment

**MIN./NO.016/NA/T&I/2026:**

**CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING**

Confirmation of Minutes of the previous sitting was deferred.

**MIN./NO.017/NA/T&I/2026:**

**ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE SESSIONAL PAPER NO.6 OF 2024 ON THE NATIONAL AVIATION POLICY**

1. The Committee, having had engagements with stakeholders and considered submissions received, made the following recommendations, THAT-
  - (1) The House **adopts** and **approves** Sessional Paper No. 6 of 2024 on the National Aviation Policy; and
  - (2) Following the adoption of this Policy, all proposed legislation on aviation-related matters should be guided by the provisions of this Policy.

**ADOPTION OF THE REPORT**

The Report on the Consideration of the Sessional paper No. 6 of 2024 on the National Aviation Policy was adopted, having been proposed by The Hon. Kibet Kirui Komingoi, M.P., and seconded by The Hon. Chege John Kiragu, M.P.

**MIN./NO.018/NA/T&I/2026: ADJOURNMENT/DATE OF THE NEXT MEETING**

There being no other business, the meeting was adjourned at Twelve O'clock (12:00 pm). The next meeting will be held on notice.

**SIGNED.....DATE.....**

**HON. GK GEORGE KARIUKI, CBS, MP  
CHAIRPERSON**



**REPUBLIC OF KENYA**  
**THE NATIONAL ASSEMBLY**  
**THIRTEENTH PARLIAMENT - FOURTH SESSION - 2025**  
**DIRECTORATE OF DEPARTMENTAL COMMITTEES**

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**MINUTES OF THE THIRD SITTING OF THE DEPARTMENTAL COMMITTEE ON  
TRANSPORT AND INFRASTRUCTURE HELD ON FRIDAY, 14<sup>TH</sup> FEBRUARY 2025 AT  
TRADEMARK HOTEL, KIAMBU COUNTY AT 2:00PM**

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**MEMBERS PRESENT**

1. The Hon. GK George Kariuki, CBS, M.P. – **Chairperson**
2. The Hon. Didmus Wekesa Barasa, M.P. – **Vice-Chairperson**
3. The Hon. Naicca, Johnson Many, CBS, MP
4. The Hon. Chege John Kiragu, M.P
5. The Hon. Arama Samuel, M.P
6. The Hon. Kiaraho, David Njuguna, MP.
7. The Hon. Abdul Rahim Dawood, M.P
8. The Hon. Hussein Weytan Mohamed, MP
9. The Hon. Jhanda Zaheer, M.P
10. The Hon. Komingoi Kibet Kirui, M.P
11. The Hon. Saney Ibrahim Abdi, M.P.

**APOLOGIES**

1. The Hon. Francis, Kajwang' Tom Joseph, CBS, M.P.
2. The Hon. Kiunjuri Festus Mwangi, M.P.
3. The Hon. Bady, Bady Twalib, M.P.
4. The Hon. Muhanda Elsie, M.P

**SECRETARIAT**

- |                                |                           |
|--------------------------------|---------------------------|
| 1. Ms. Tracy Chebet Koskei     | - Senior Clerk Assistant  |
| 2. Mr. Mohamednur M. Abdullahi | - Clerk Assistant III     |
| 3. Ms. Clare Choper Doye       | - Clerk Assistant III     |
| 4. Mr. Rinha Saineye           | - Media Relations Officer |
| 5. Mr. Erick Kariuki           | - Research Officer        |
| 6. Mr. Clinton Sindiga         | - Legal Counsel           |

7. Mr. Abdinasir Moge - Fiscal Analyst  
8. Mr. Danton Kimutai - Audio Officer

**MIN./NO.008/NA/T&I/2025: PRELIMINARIES**

The meeting was called to order at Twenty minutes past Two O'clock (2:20 pm) with a word of prayer from the Chairperson. The Agenda of the meeting was adopted with amendments having been proposed by the Hon. Zaheer Jhanda M.P, and seconded by the Hon. Komingoi Kibet Kirui as follows:

**AGENDA**

1. Prayers
2. Preliminaries;
  - i. Adoption of the Agenda
  - ii. Remarks by Chairperson
3. Confirmation of Minutes/Matters Arising;
4. **Meeting with the Ministry of Roads and Transport to Consider the Sessional paper No. 6 of 2024 on National Aviation Policy.**
5. Pending Business
6. Any Other Business
7. Adjournment

**MIN./NO.009/NA/T&I/2025: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING**

Confirmation of Minutes of the previous sitting were differed.

**MIN./NO.010/NA/T&I/2025: SUBMISSION BY THE CABINET SECRETARY FOR ROADS AND TRANSPORT**

The Cabinet Secretary in his presentation on the National Aviation Policy submitted that, the National Aviation Policy, tabled before the House on 14<sup>th</sup> August 2024 and subsequently awarded Sessional Paper No. 6 was developed as a result of the review of the Integrated National Transport Policy (INTP), which was approved by the Cabinet and the National Assembly and thereafter adopted by the Government in 2012. The INTP broadly covers various transport sub-sectors including road, rail, port and maritime, civil aviation, pipeline, and inland water ways in line with Kenya's Vision 2030. However, it was observed that INTP only provides a broad vision for the aviation transport sub-sector in the country with limited policy objectives and therefore there was a need to develop a specific National Aviation Policy that clearly lays the principles that will underpin the development of a more efficient, competitive, environmentally sound, secure, safe, and economically and financially sustainable aviation sector.

He further submitted that specifically, the review of INTP in the development of the National Aviation Policy involved; Civil Aviation, legal and institutional framework and corresponding strategic assessment, stakeholder validation of the draft report and finalization.

He mentioned that the specific objectives of this Policy are to:

- a. To foster the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation;
- b. To maximize the contribution of the aviation sector to Kenya's economic growth and development; and
- c. To enhance Kenya's connectivity at a national and international level by ensuring safe, secure and competitive access which is responsive to the needs of businesses, tourism and the population.

And the broad policy coverage includes:

- a. **Governance:** reorganization of institutional framework;
- b. **Regulation and sustainability** -safety, security, environment, sustainability and economic regulation;
- c. **Connectivity and aviation services** -air transport market, airlines, cargo, regional and general aviation, taxation, and maintenance and repair organizations (MRO);
- d. **Airports** -management and operations, planning and development, and investment financing;
- e. **Air Navigation** - provision of services and the related infrastructure;
- f. **Human resources development** - attraction, recruitment, and retention; and
- g. **Data and statistics** - collection and processing of data and information, publication and depository.

He also mentioned that the National Aviation Policy commits to:

- a. Maintaining safety as the number one priority in Kenyan aviation and ensuring that safety regulation is robust, effective, and efficient;
- b. Optimizing the operation and maintenance of the Kenyan airport network to ensure safety, efficiency, and maximum connectivity to the rest of the world while contributing to boost their financial performance;
- c. Ensuring that the regulatory framework for aviation reflects best international practices and that economic regulation facilitates continued investment in aviation infrastructure at Kenyan airports to support traffic growth and industry development;
- d. Ensuring a high level of competition among airlines operating in Kenya aiming to benefit consumers while protecting the country's national interests;
- e. Creating conditions to encourage the development of new routes and services at a national and international level, particularly to those countries with new market opportunities;
- f. Developing Aviation Infrastructure such as airports etc.

- g. Supporting aviation school and MRO sectors to maintain Kenya's leading position in these spheres;
- h. Providing an adequate environment for small airlines operating to/from Kenya's most touristic destinations;
- i. Supporting aviation training institutions excel in preparing young skilled professionals; and
- j. Maintaining a safe and innovative general aviation sector to support Kenya's broader aviation industry.

The Cabinet Secretary assured the Committee that these objectives and commitments shall be translated into action through specific implementation plans and strategies. It is worth noting that the aviation ecosystem in Kenya is robust and extends over a number of operators across various sub-sectors. Global aviation competition is now system-based, therefore as part of Kenya's long-term strategy to grow and diversify the economy, it is important to focus on how to develop the sector and how to be competitive. It is important to note that Kenya has an ambition to be one of Africa's leading aviation economies. This will only be achieved if the policy environment achieves its goals, and the right incentives are given to attract the necessary capital.

The Cabinet Secretary added that implementation of the National Aviation Policy requires financial resources to be provided in the annual budgetary estimates of relevant Ministries, Departments and Agencies. Following the feasibility study conducted by the Kenya Airports Authority, JKIA facility upgrade requires an estimated US\$ 1500M up to the year 2050. For FY 2023/2024, the following Ministries, Departments and Agencies were responsible for financing the implementation of the National Aviation Policy;

<b>Responsible MDA</b>	<b>2023/24 FY Amount in Kshs.</b>
State Department of Transport- Aircraft Accident Investigation Department	227,190,801
State Department of Transport- Air Transport Department	44,063,463
Kenya Airports Authority	20,738,373,502
Kenya Civil Aviation Authority	9,491,000,000
<b>TOTAL</b>	<b>30,500,627,766</b>

Ministry of Roads and Transport, State Department of Transport, Aircraft Accident Investigation Department and Air Transport Department had sourced from the Exchequer and the Kenya Airports Authority and the Kenya Civil Aviation Authority from internally generated resources. The funding for implementation of the Policy, as well as the upgrading of JKIA, will be sought and prioritized by the implementing institutions through the normal budgeting process within the available ceilings.

He reiterated that any form of private sector involvement will be undertaken in line with Article 227 of the Constitution of Kenya, 2010, as well as the Public Procurement and Asset Disposal Act, 2015 and the Public Private Partnership Act, 2021 as applicable.

The Cabinet Secretary also submitted the Kenya Airports Authority undertook a feasibility study on JKIA to identify detailed technical, commercial, financial, social and environmental aspects of the Airport to guide investment decision making. The table below contains a summary of the Feasibility Study report

***Salient features of the study***

<b>Project</b>	Feasibility Study for the development of a New Passenger Terminal Building and Expansion at Jomo Kenyatta International Airport (JKIA)
<b>The Need</b>	<ul style="list-style-type: none"> <li>• Aging Infrastructure</li> <li>• Funding</li> <li>• Capacity Constraints</li> <li>• Increasing Demand</li> <li>• Modernization</li> <li>• Competitive Advantage</li> </ul>
<b>Date Completed</b>	February 16, 2024
<b>Study Components</b>	<ul style="list-style-type: none"> <li>○ Needs Analysis- to identify the relevant national and aviation policies &amp; plans and key stakeholders of the project, among others;</li> <li>○ Technical Solution Option Analysis- to identify and propose a development plan for JKIA, determine its technical feasibility and identify its costs;</li> <li>○ Project Due Diligence - to assess the main legal and environmental issues with regards to a future expansion at JKIA;</li> <li>○ Financial Analysis and Modelling - to assess the project’s financial feasibility;</li> <li>○ Risk Assessment and Allocation Matrix - to identify the main project risks and propose an allocation matrix;</li> <li>○ Procurement Options &amp; PPP Structure Analysis - Recommendation of Preferred Option to evaluate the potential procurement options (government procurement vs. PPP) and recommend one based on the value for money, fiscal impact, risk allocation, and manageability for KAA; among other factors</li> </ul>
<b>Study Findings</b>	<ul style="list-style-type: none"> <li>✓ Based on the analysis of the procurement options and the financial assessment, the conclusion is that an Airport PPP model is the preferred option. The Airport PPP is feasible and bankable.</li> <li>✓ Developing the project is beneficial for the country, as developing the airport offers a social net present value of 241 M USD over the 30-year period, with a benefit/cost ratio (B/C) of ~3.5.</li> <li>✓ Value for Money assessment (both quantitative and qualitative) at P50 = 1.7 bn USD</li> </ul>

	<ul style="list-style-type: none"> <li>✓ Implementing the project under a PPP/concession adds the most value to the public sector by onboarding of efficiencies and the transfer of the majority of the potential project risks.</li> </ul>
<p><b>Key Development Highlights</b></p>	<ul style="list-style-type: none"> <li>▪ Development of New Passenger Terminal Building with a Capacity of 23m passengers per annum</li> <li>▪ Refurbishment of Existing Passenger Terminal Building</li> <li>▪ Maintenance and Rehabilitation of Existing Airside Infrastructure</li> <li>▪ Enhancement of Existing Runway with 4No. Rapid exit Taxiways</li> <li>▪ Development of a 4.6km Second Runway</li> <li>▪ Improvement of Access Roads</li> <li>▪ Development of a parking garage of at least 3000 parking lots</li> <li>▪ Development of Auxilliary Infrastructure comprising of: <ul style="list-style-type: none"> <li>○ Aircraft Contact Stands = 21</li> <li>○ Aircraft Remote Stands = 20</li> <li>○ Passenger Check-In Counters = 64</li> <li>○ Immigration Counters = 72</li> <li>○ Passenger Transfer Counters = 12</li> <li>○ Buggage Handling Systems = 18</li> </ul> </li> <li>▪ City Side Development including: <ul style="list-style-type: none"> <li>○ Hotels</li> <li>○ Convention centers</li> <li>○ Healthcare centers,</li> <li>○ Retail, office and commercial setups.</li> </ul> </li> <li>▪ Development of Reserved Services Facilities comprising of: <ul style="list-style-type: none"> <li>○ Air Navigation and Traffic Services</li> <li>○ Immigration</li> <li>○ Port Health</li> <li>○ Customs</li> <li>○ KAA Facility</li> <li>○ VVIP Lounges</li> <li>○ Metreological</li> <li>○ Quarantine</li> <li>○ Surveillance Services (SOC)</li> <li>○ Aeronautical information services</li> <li>○ Communication</li> </ul> </li> </ul>

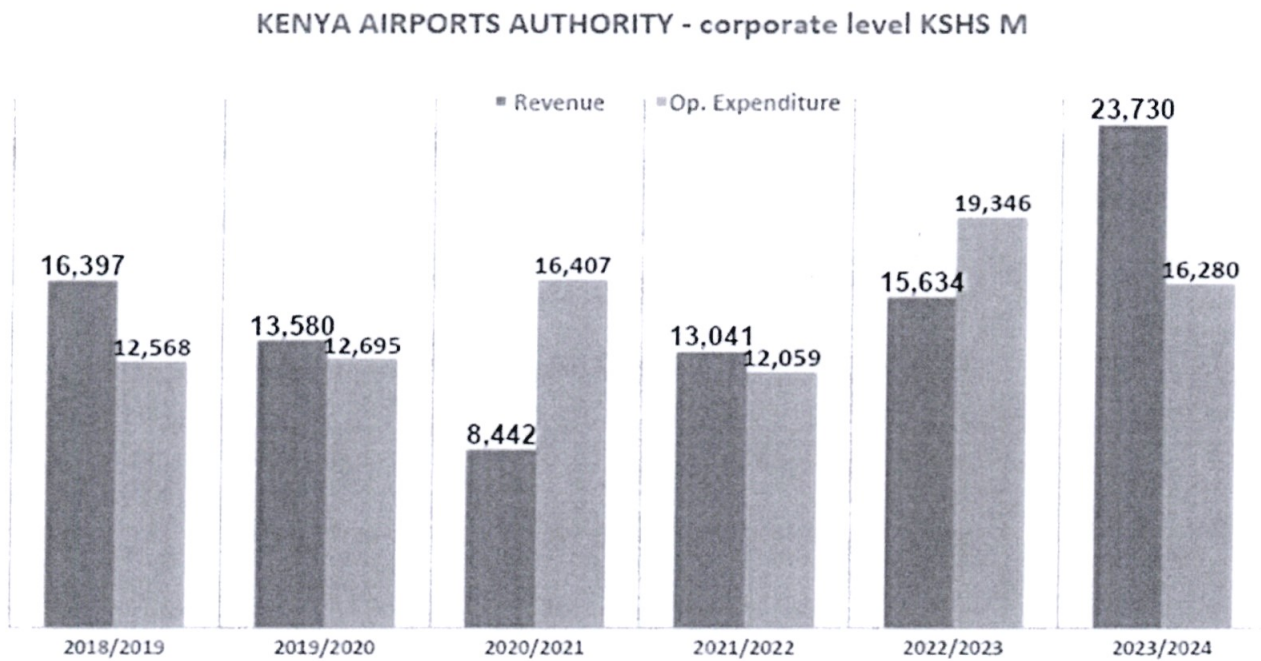
***Proposals being explored to fund the expansion project;***

The Cabinet Secretary added that, following the cancellation of the PPP Proposal by Adani Holdings Limited (AAHL) for the development and operation of JKIA, and the urgent need of modernizing the Airport, the Government is considering various options including a competitive

PPP process.

Furthermore, he submitted a detailed information on internally generated revenues and operational costs of Key Airports and Airstrips including but not limited to; JKIA, Moi International Airport, Kisumu International Airport and Eldoret International Airport;

Chart depicting KAA's Revenue & Operating Expenditure at Corporate level.



The Cabinet Secretary concluded by thanking the Honorable members for inviting him to shed light on the National Aviation Policy, which is critical in the improvement of Aviation management both nationally and internationally. He also reiterate that the Government is upbeat on consideration of all avenues possible including available funding modes to ensure development of this major national infrastructure.

### **Committee Concerns**

The Committee was concerned with the proposals for funding the airport's expansion, given that the Adani deal was halted.

The Members also requested to be kept at par and informed on the ongoing proposals for the expansion and development of the airport for accountability to the public.

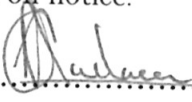
The Committee also raised concerns about the dangers around the aircraft and wanted to know whether the aircrafts undergo routine maintenance for passenger safety

Given that a Policy comes to solve a public problem, what could be the problem facing Kenya Airways so that the Committee can deliberate if the Policy put in place will address the issues at hand

The Members proposed a mechanism to be put in place to identify the gaps in the Aviation sector; given that a Policy comes to solve a public problem, it is important to note if the Policy put in place will address the issues at hand to help work toward efficiency

**MIN./NO.011/NA/T&I/2025: ADJOURNMENT/DATE OF THE NEXT MEETING**

There being no other business, the meeting was adjourned at Four O'clock (4:00 pm). The next meeting will be held on notice.

Signed..........Date.....18/2/2025.....

**HON. GK GEORGE KARIUKI, MP – CHAIRPERSON**

**Annexure 3: Advertisement in the local dailies inviting the public to make representations on the Sessional Paper**



REPUBLIC OF KENYA THE NATIONAL ASSEMBLY THIRTEENTH PARLIAMENT - THIRD SESSION (2024)

IN THE MATTER OF ARTICLE 118(1) (b) OF THE CONSTITUTION AND IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF SESSIONAL PAPER NO. 6 OF 2024 ON THE NATIONAL AVIATION POLICY

INVITATION TO SUBMIT MEMORANDA

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament;

AND WHEREAS Sessional Paper No. 6 of 2024 on the National Aviation Policy was submitted to the National Assembly and referred to the Departmental Committee on Transport and Infrastructure for consideration and reporting to the House;

IT IS NOTIFIED that Sessional Paper No. 6 of 2024 on the National Aviation Policy seeks to strengthen Kenya's position in the global aviation industry. Specifically, the Policy seeks to—

- (1) foster growth of the aviation business in Kenya to support job creation;
(2) maximize contribution of the aviation sector to Kenya's economic growth and development;
(3) enhance Kenya's connectivity nationally and internationally by ensure safe, secure and competitive access;
(4) maintain aviation safety through robust, effective and efficient regulation;
(5) promote high level of competition among airlines operating in Kenya while protecting the consumers and country's national interests;
(6) provide a regulatory framework for aviation that reflects best international practice;
(7) develop aviation infrastructure; and
(8) Support aviation training institutions in preparing young skilled professionals.

NOW THEREFORE, in compliance with Article 118(1)(b) of the Constitution, the Clerk of the National Assembly hereby invites the public to submit memoranda on the Sessional Paper to the Departmental Committee on Transport & Infrastructure.

Copies of the Sessional Paper are available at the National Assembly Table Office, Main Parliament Buildings and on www.parliament.go.ke.

The memoranda may be forwarded to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to cna@parliament.go.ke to be received on or before Friday, 22nd November 2024 at 5.00 p.m..

S. NJOROGE, CBS CLERK OF THE NATIONAL ASSEMBLY 14th November 2024

For the Welfare of Society and the just Government of the People

ARM Cement PLC (In Liquidation)

Office 5B, 1st Floor, Tower I, The Mirage, Chiromo Road, Westlands P.O. BOX 41908 - 00100 Nairobi, Kenya

To Creditors, ARM Cement PLC (In Liquidation) P.O. Box 41908 - 00100 Nairobi, Kenya 12 November 2024

Subject: Notice of a Meeting of the Creditors of ARM Cement PLC (In Liquidation) ("ARM" or "the Company") As you are aware, the Company was placed under Administration effective 17 August 2018 pursuant to Section 534(1) of the Insolvency Act 2015 of Kenya ("the Act"). The company is subsequently placed in liquidation effective 1 October 2021.

Section 534(1) of the Act provides that, if the liquidation of the Company continues for a period of twelve months or more, the Liquidator shall convene a meeting of the Creditors to be held:

- (a) within three months after the end of that period of twelve months; and
(b) within three months after the end of each subsequent period of twelve months.

In line with the above, notice is therefore hereby given that a third meeting of the Creditors of ARM Cement PLC (In Liquidation), will be held virtually on Monday, 2 December 2024 at 10.00 a.m., 12.00 p.m. EAT. The purpose of the meeting will be to lay before the meeting the account of the Liquidator's acts and dealings, and of the conduct of the liquidation during the preceding year.

i) Creditors wishing to participate in the meeting should register for the meeting by doing the following:

- (a) Dialling \*463\*3028 for all networks and follow the various prompts regarding the registration process; or
(b) Sending an email request to be registered to info@comp-rite.com; or
(c) To the extent possible, physically delivering their written questions to Comp-rite Kenya Limited at 2nd Floor, Muthaga Mini Market, Lumuru Road; or
(d) Sending their written questions by registered post to Comp-rite Kenya Limited at P.O. Box 63438, 00619 Nairobi.

ii) Creditors wishing to raise any questions or clarifications regarding the meeting may do so:
(a) By dialling the USSD code above and selecting the option [ask Question] on the prompts (For Creditors who will have registered to participate in the meeting)
(b) By sending their written questions by email to info@comp-rite.com
(c) To the extent possible, physically delivering their written questions to Comp-rite Kenya Limited at 2nd Floor, Muthaga Mini Market, Lumuru Road; or
(d) Sending their written questions by registered post to Comp-rite Kenya Limited, 2nd Floor, Muthaga Mini Market, Lumuru Road, P.O. Box 63438-00619 Nairobi so as to be received not later than Friday, 29 November 2024 at 11.00 a.m.

iii) Creditors entitled to attend the meeting are entitled to appoint a proxy to attend and ask questions on their behalf. A proxy need not be a member of the Company. The appointed proxy will need access to a mobile telephone. A proxy may be signed by the appointor or his attorney duly authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to info@comp-rite.com or delivered to Comp-rite Kenya Limited, 2nd Floor, Muthaga Mini Market, Lumuru Road, P.O. Box 63438-00619 Nairobi so as to be received not later than Friday, 29 November 2024 at 11.00 a.m.

iv) The meeting will be streamed live via a link which shall be provided to all Creditors who will have registered to participate in the meeting. Only registered Creditors and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers. 24 hours prior to the meeting acting as a reminder of the meeting. A second SMS/USSD prompt shall be sent three hours ahead of the meeting reminding duly registered Creditors and proxies that the meeting will begin in three hours' time and providing a link to the live stream.

v) Ahead of the meeting, the Liquidators will circulate a report to creditors by 09:00 Monday, 25 November 2024. Any creditor that does not receive a copy of this report by this date can reach out to us at ke\_arm\_administrators@pwc.com for a copy of the report.

vi) The Liquidators have also been making distributions to creditors in relation to their claims as submitted in the Administrators/Liquidation of the Company. Any unsecured creditor that has not received at least four dividend distributions should bring this to the attention of the liquidators through ke\_arm\_administrators@pwc.com.

The Joint Liquidators act on behalf of the Company without any personal liability for and on behalf of ARM Cement PLC (In Liquidation)

George Wani Joint Liquidator Without Personal Liability c/o Manu Thothi and George Wani PwC Tower, Waiyaki Way/Chiromo Road, Westlands P.O. Box 43963 - 00100, Nairobi T: +254 (0)2025 50001 F: +254 (0)2025 5001 Email: ke\_arm\_administrators@pwc.com

The Joint Liquidators act as agents of the Company and contract without personal liability



REPUBLIC OF KENYA THE NATIONAL ASSEMBLY THIRTEENTH PARLIAMENT - THIRD SESSION (2024)

IN THE MATTER OF ARTICLE 118 (1)(B) OF THE CONSTITUTION AND

- (1) THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 3) BILL, (NATIONAL ASSEMBLY BILL NO. 44 OF 2024);
(2) THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 4) BILL (NATIONAL ASSEMBLY BILL NO. 45 OF 2024); AND
(3) THE PUBLIC PROCUREMENT AND ASSET DISPOSAL (AMENDMENT) BILL, 2024 (NATIONAL ASSEMBLY BILL NO. 48 OF 2024)

INVITATION TO SUBMIT MEMORANDA AND NOTIFICATION OF PUBLIC HEARINGS

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and its Committees and Standing Order 127(3) of the National Assembly Standing Orders requires House Committees considering Bills to facilitate public participation;

AND WHEREAS, the Public Finance Management (Amendment) (No. 3) Bill (National Assembly Bill No. 44 of 2024), the Public Finance Management (Amendment) (No. 4) Bill (National Assembly Bill No. 45 of 2024) and the Public Procurement and Asset Disposal (Amendment) Bill (National Assembly Bill No. 48 of 2024) were Read a First Time on Wednesday, 13th November, 2024, and thereafter committed to the Departmental Committee on Finance and National Planning for consideration and reporting to the House.

IT IS NOTIFIED that—

- (1) The Public Finance Management (Amendment) (No. 3) Bill (National Assembly Bill No. 44 of 2024) is a Bill sponsored by the Leader of the Majority Party which seeks to amend the Public Finance Management Act, Cap. 412A, to provide for the financing of transferred functions between the two levels of government in accordance with Article 187 of the Constitution. The Bill provides that transferred functions shall continue to be funded from previous sources as contained in the approved budgets of the transferring level of government and that the cost of the transferred functions shall be based on the costing framework provided in the national and county government manuals. Additionally, the Bill provides that a transfer agreement between the two levels of government shall include a provision on acquisition, disposal and transfer of assets and liabilities. Further, that the transferring level of government shall be required to prepare cash flow projections based on revenue projections from various sources of revenue. Further, the Bill provides for the obligation of the accounting officer in a county government and the accounting officer in the national government to submit quarterly and annual financial and non-financial report in case of a transfer of function between the two levels of government.
(2) The Public Finance Management (Amendment) (No. 4) Bill (National Assembly Bill No. 45 of 2024) is a Bill sponsored by the Leader of the Majority Party which seeks to amend the Public Finance Management Act (Cap. 412A) to clarify the effective dates of the debt threshold requirement for the Cabinet Secretary National Treasury to ensure compliance; and provide a framework for implementation of accrual accounting in Government and risk management by the Public Sector Accounting Standards Board.
(3) The Public Procurement and Asset Disposal (Amendment) Bill (National Assembly Bill No. 48 of 2024) is a Bill sponsored by the Hon. Karim Karim, MP which seeks to amend the Public Procurement and Asset Disposal Act (Cap. 412C) to—
(a) provide for new definitions including "debarment", "foreign firm", "foreign funded procurement", "investigative agency", "joint venture procurement", "local firm" and "minor deviation";
(b) ensure that foreign procurement contracts that have not been subjected to provisions international procurement guidelines or laws, adhere to Kenya's procurement laws;
(c) mandate the Public Procurement Regulatory Authority to monitor and evaluate technology, knowledge and skills transfer programmes and provide annual reports;
(d) include a representative from the Law Society of Kenya as a member of the Public Procurement Regulatory Board ("Board");
(e) mandate each County Treasury to ensure that the procurement function prioritizes procurement of goods and services manufactured in that respective county;
(f) to allow the Authority, a public institution or any other person to refer actions that constitute offences under the Act to an investigative agency;
(g) enable investigations to proceed despite the fact that the issues under investigation are in relation to an issue that the Review Board is reviewing or has reviewed under the relevant provisions of the Act;
(h) limit the period that a person can be debarred from public procurement and approve any debarment done by an international agency recognized in Kenya;
(i) task an accounting officer to ensure that locally produced products or services are prioritized and technology, knowledge and skills transfer plans from foreign firms are prioritized in the procurement and asset disposal process;
(j) prescribe the threshold for procurement that shall be awarded to a local firm and to prescribe a penalty for any person who registers a firm on behalf of a foreigner for purposes of benefiting for a procurement that falls within a prescribed threshold;
(k) require procuring entities to set out in their standard tender documents specific goods, works and services to be undertaken by a local firm in joint venture procurement where a procurement is of a value exceeding one billion shillings;
(l) provide that a clarification of a tender shall not add any new document or information;
(m) provide additional forms of conduct of due diligence by an evaluation committee to include visiting contractor's offices, inspection of plant, equipment and completed works and confirmation of the validity of documents presented;
(n) prohibit citizen contractors who become successful tenderers from sub-contracting to foreign companies unless the knowledge, skill, good or service is not available in the country;
(o) obligate procuring entities to seek the advice of the Attorney-General before accepting bids from a foreign company;
(p) include a transfer of skills and technology plan as part of the tender documents;
(q) provide the process for issuing a letter and notification of award to the next lowest evaluated tenderer where a successful tenderer fails to sign the contract;
(r) provide for prompt and timely payments to a contractor upon completion of contractual obligation;
(s) obligate the Authority to ensure that priority is given to citizen contractors in the sub-contracting of tenders;
(t) provide for an offence for an accounting officer or his or her appointed representative who fails to ensure that the goods, works and services are of the right quality and quantity;
(u) give preference to procurement of locally skilled and unskilled labour;
(v) increase the maximum amounts for citizen contractors, to prohibit subcontracting of local procurement contracts to foreign contractors and to prioritise contractors from respective counties where a project is fully funded by the county government unless such services are unavailable;
(w) provides for the mandatory procurement of forty percent of goods and services from local manufacturers or local service providers;
(x) empower the Cabinet Secretary to prescribe the Preferential Procurement Master Roll;
(y) give the provisions of the Act to the Court of Appeal (Organization and Administration) Act and the Civil Procedure Act;
(z) provide for an offence of a contractor who submits substandard quality of works, goods or services and also a person who certifies substandard goods or works; and
(aa) provide for mandatory fines for instances where an offence results in a benefit or loss.

NOW THEREFORE, in compliance with Article 118(1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly hereby invites the public and stakeholders to submit memoranda on the Bills to the Departmental Committee on Finance and National Planning.

Written Memoranda should indicate the name of the person or organization submitting it, their contact details and the Bill that the submission relates to and should be addressed to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, First Floor, Main Parliament Buildings, Nairobi or emailed to cna@parliament.go.ke to be received on or before Friday 22nd November 2024 at 5.00 p.m.

A Public Views Template providing guidance on the form of submission to be received is available on http://www.parliament.go.ke

IT IS FURTHER NOTIFIED that the Departmental Committee on Finance and National Planning shall hold public hearings on the Bills on Friday 22nd November, 2024 and Saturday, 23rd November, 2024 at the Mini Chamber, 1st Floor, County Hall, Parliament Buildings from 10.00am to 5.00pm.

The Committee shall discuss the contents of the Bills and their implications during the hearings. Members of the public are invited to attend and share their views on the Bills during the sessions.

Copies of the Bills are available at the National Assembly Table Office or http://www.parliament.go.ke/the-national-assembly/legislation-and-bills.

S. NJOROGE, CBS CLERK OF THE NATIONAL ASSEMBLY 14th November 2024

For the Welfare of Society and the just Government of the People

# National News

Public service Last year the President scolded CSs who were clueless about their dockets, latecomers were locked out

## Ministers, PSs to sign fresh performance contracts

Ruto to preside over compulsory event slated for next Tuesday at State House

BY MOSES NYAMORI

President William Ruto has summoned Cabinet secretaries and principal secretaries to State House to sign fresh performance contracts on November 19.

They are expected to commit to a new set of ambitious targets for the government's priority projects amid pressure to deliver on pre-election promises.

The exercise, which is done annually, has more or less become a ritual with little to show for it. However, its proponents argue that it is part of Key Performance Indicator (KPI) for the public servants.

In a circular obtained by the Nation, Head of the Public Service Felix Koskei has ordered all CSs and

PSs to be "physically present" at State House for the signing of performance contracts.

The event, to be presided over by the Head of State, is a culmination of a month-long negotiation and validation by ministries of key projects to be delivered by June next year.

The CSs and PSs have, during the exercise, been supervised by Deputy Chief of Staff in the Executive

### Nov 19

When Cabinet secretaries and principal secretaries are expected to sign new performance contracts at State House in Nairobi.

Office of the President responsible for Performance and Delivery Management in Government, Mr Eliud Owalo, and the Secretary to the Cabinet Ms Mercy Wanjau.

"...the President will preside over the signing of performance contracts for all ministries for the financial year 2024/2025 at State House, Nairobi on Tuesday, November 19, 2024 at 9am," said Mr Koskei in the circular dated November 12.

"The Attorney-General, all Cabinet Secretaries and all Principal Secretaries must be physically present at the signing ceremony." Chairpersons and chief executive officers of State Corporations have also been invited.

Mr Koskei said the signing ceremony marks an important step towards achieving the country's development goals as well as enhancing the efficiency and effectiveness of public service delivery.

He described the exercise as a major management tool that fa-

cilitates timely implementation of priority commitments for public institutions while enhancing linkages between planning, budgeting and execution of their mandate.

"The performance contracts for FY 2024/2025 have incorporated commitments to deliver Kenya Kwanza administration's development agenda - Bottom-Up Economic Transformation Agenda (2022-2027).

The performance contracts have been successfully vetted and validated to ensure compliance with the 21st cycle performance contracting guidelines for FY 2024/2025," he said.

This will be the second time the President is leading his Cabinet to set goals after a similar one done last year in August where Dr Ruto scolded some ministers for being clueless about their dockets while latecomers were locked out.



President William Ruto at a past event. He will preside over the signing of new contracts at State House in Nairobi on November 19. WILFRED NYANGARESII/NATION

mnyamori@ke.nationmedia.com



### REPUBLIC OF KENYA THE NATIONAL ASSEMBLY THIRTEENTH PARLIAMENT - THIRD SESSION (2024)

IN THE MATTER OF ARTICLE 118(1) (b) OF THE CONSTITUTION  
AND  
IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF SESSIONAL PAPER NO. 6 OF 2024  
ON THE NATIONAL AVIATION POLICY

#### INVITATION TO SUBMIT MEMORANDA

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament;

AND WHEREAS Sessional Paper No. 6 of 2024 on the National Aviation Policy was submitted to the National Assembly and referred to the Departmental Committee on Transport and Infrastructure for consideration and reporting to the House;

IT IS NOTIFIED that Sessional Paper No. 6 of 2024 on the National Aviation Policy seeks to strengthen Kenya's position in the global aviation industry. Specifically, the Policy seeks to-

- (1) foster growth of the aviation business in Kenya to support job creation;
- (2) maximize contribution of the aviation sector to Kenya's economic growth and development;
- (3) enhance Kenya's connectivity nationally and internationally by ensure safe, secure and competitive access;
- (4) maintain aviation safety through robust, effective and efficient regulation;
- (5) promote high level of competition among airlines operating in Kenya while protecting the consumers and country's national interests;
- (6) provide a regulatory framework for aviation that reflects best international practice;
- (7) develop aviation infrastructure; and
- (8) Support aviation training institutions in preparing young skilled professionals.

NOW THEREFORE, in compliance with Article 118(1)(b) of the Constitution, the Clerk of the National Assembly hereby invites the public to submit memoranda on the Sessional Paper to the Departmental Committee on Transport & Infrastructure.

Copies of the Sessional Paper are available at the National Assembly Table Office, Main Parliament Buildings and on [www.parliament.go.ke](http://www.parliament.go.ke).

The memoranda may be forwarded to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to [cm@parliament.go.ke](mailto:cm@parliament.go.ke) to be received on or before Friday, 22<sup>nd</sup> November 2024 at 5.00 p.m.

S. NJOROGE, CBS  
CLERK OF THE NATIONAL ASSEMBLY  
14<sup>th</sup> November 2024

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**Annexure 4: Written submissions from the stakeholders**



THE NATIONAL ASSEMBLY  
OFFICE OF THE CLERK

P. O. Box 41842-00100  
Nairobi, Kenya  
Main Parliament Buildings

Telephone: +254202848000 ext. 3300  
Email: [cna@parliament.go.ke](mailto:cna@parliament.go.ke)  
[www.parliament.go.ke/the-national-assembly](http://www.parliament.go.ke/the-national-assembly)

When replying, please quote

Ref: NA/DDC/T&I/2024/087

10<sup>th</sup> December, 2024

**Mr. Allan Kilavuka**  
Managing Director and Chief Executive Officer  
Kenya Airways  
Airport North Road  
P.O. Box 19002-00501  
**NAIROBI**

**Eng. Liz Aluvanze**  
Chief Executive Officer  
Kenya Association of Airline Operators  
Aero Club, Wilson Airport, Lang'ata Rd  
**NAIROBI**

**Captain George Murimi**  
Chairperson  
Kenya Airline Pilots Association  
Airport North Road,  
**NAIROBI**

Dear *Sir*

**RE: REQUEST FOR SUBMISSION OF COMMENTS ON THE SESSIONAL PAPER  
NO. 6 ON THE NATIONAL AVIATION POLICY**

The Departmental Committee on Transport and Infrastructure is established pursuant to National Assembly Standing Order 216. The Committee is mandated to investigate and inquire into all matters relating to the assigned Ministries and Departments as it may deem necessary and as may be referred to it by the House.

The Committee is considering the **Sessional paper No. 6 of 2024 on the National Aviation Policy** (*copy attached*). In considering the Sessional Paper, the Committee is required to consult relevant stakeholders before submitting its report to the House. In this regard, the Committee invites you to make written presentations on the Sessional Paper for consideration.

We request that you provide hard copies of your submissions through the Office of the Clerk of the National Assembly, Main Parliament Buildings by **Friday, 20<sup>th</sup> December 2024**. You may share a soft copy of the submission via [cna@parliament.go.ke](mailto:cna@parliament.go.ke).

Our liaison persons on this subject are **Ms. Tracy Chebet Koskei** who may be contacted on tel. no. **0726416794** or email: [tracy.koskei@parliament.go.ke](mailto:tracy.koskei@parliament.go.ke) and **Ms. Clare Choper Doye** on tel. no. **0721938018** or email via [clare.doye@parliament.go.ke](mailto:clare.doye@parliament.go.ke).

Yours

*Sincerely,*



**SERAH M. KIOKO, MBS**

**For: CLERK OF THE NATIONAL ASSEMBLY**



**Kenya Airways Memorandum on Sessional Paper No. 6 of 2024 on the National Aviation Policy**

**Presented to:**

**The Departmental Committee on Transport and Infrastructure on 20<sup>th</sup> December 2024**

**Prepared by:**

**Allan Kilavuka**

**Group Managing Director & Chief Executive Officer**

**Kenya Airways PLC**

## Background

Kenya has had an Integrated National Transport Policy (INTP) that was adopted by Government in 2012. An updated version of the INTP was drafted in 2020. The policy covers the integrated transport system of the country including the six transport sub-sectors: road, rail, port and maritime, aviation, pipeline, and inland water. However, the policy only provided the broad vision for the aviation transport sub-sector with limited policy objectives. There was therefore a need to develop a specific National Aviation Policy to lay down the principles to underpin the development of a more efficient, competitive, environmentally sound, secure, safe, and economically and financially sustainable aviation sector.

The Cabinet of Kenya approved both the National Aviation Policy and the medium-term investment requirements for enhancing aviation infrastructure and other related services particularly for Jomo Kenyatta International Airport (JKIA) on 11<sup>th</sup> June 2024. This was the culmination of a process led by ALG Global Infrastructure Advisors in conjunction with the African Airlines Association (AFRAA), who were appointed by the Government of Kenya in 2021. This memorandum is presented pursuant to an invitation by the Clerk of the National Assembly vide letter ref NA/DDC/T&I/2024/087 dated 10<sup>th</sup> December 2024, received at the Kenya Airways Office on 13<sup>th</sup> December 2024.

## 1. Introduction

The Kenyan aviation sector has been declining, characterised by the turbulence experienced by the national carrier as well as loss of business at Jomo Kenyatta International Airport (JKIA) to other competing hubs. Kenya Airways (KQ) has been losing market share to its competitors over the last couple of years. Ethiopian Airlines (ET), which was slightly larger in size than KQ in 2010, has grown exponentially in recent years and outpaced KQ three times since then. From 2015 to 2018 all competing carriers in the region increased their market share: ET by 20%, Qatar by 12%, and RwandAir by 22%, all while KQ lost 4%.

Kenya has the potential to be the leading regional aviation hub because it has an ideal geographical location, a growing middle class and a rapidly growing economy. According to IATA Kenya's aviation industry contributes 4.6% of the Gross Domestic Product (GDP) and supports 410,000 jobs with the earnings from visits to Kenya increasing from Ksh. 87.1B in 2014 to Ksh. 157.4B in 2018. From 2015 to 2019, there was a steady increase in aircraft, passenger and cargo traffic. It is projected that over the next 20 years the Kenyan market could more than double in size, resulting in an additional 11.3 million passenger journeys, over 449,000 more jobs and a US\$11.3 billion boost to GDP by 2037. JKIA traffic is already relatively developed being the 7<sup>th</sup> busiest airport in Africa and so our forecast with a 20-year CAGR of 4.8% is in line with industry expectations. An enabling policy is a critical catalyst for this projected growth.

The National Aviation Policy should enable the national aviation industry to strengthen its position in the global market. The policy that should be adopted should include as part of the objectives being

- To foster the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation.
- To maximize the contribution of the aviation sector to Kenya's economic growth and development; and
- to enhance Kenya's connectivity at a national and international level by ensuring safe, secure, and competitive access responsive to the needs of business, tourism, and population.

Concrete strategies and measures are required to realize these objectives.

## 2. Recommendations for Enhancement of the National Aviation Policy

### a) National Aviation Policy should be Hinged on Vision 2030

The national aviation policy should be hinged on the Country's development blueprint, the Vision 2030. The aim of the Kenya Vision 2030 was to transform Kenya into a newly industrializing "middle-income country providing a high-quality life to all its citizens by the year 2030". Infrastructure sector is one of the foundations of the three

pillars -economic pillar, social pillar and political pillar- expected to provide cost effective world-class infrastructure facilities and services in support of Vision 2030. Although there has been a significant improvement of physical infrastructure facilities in the country since the Vision 2030 was formulated, there is still a huge deficit in infrastructure. Aviation infrastructure, especially at the main airport-JKIA-needs a lot of attention. Vision 2030 had planned for reconstruction of terminal two at JKIA, construction of Green Field Terminal, second runway and associated facilities at JKIA and all these need to be revisited and reprioritized. This, and the national carrier, are of national strategic importance and critical enablers for the broader economy and their expansion and modernization are more urgent now if Kenya is to keep pace with emerging trends and developments nationally, within the region and internationally. A world-class integrated transport system that is responsive to the needs of people and industry is imperative.

**b) National Aviation Policy to Drive the Ambition of Positioning Kenya as Aviation and Commercial Hub**

The policy should, through very concrete and time bound actions, lay a sound foundation for elevation of Kenya's position as a leading aviation and commercial hub in Africa. Central to the ambition to position Kenya as a leading aviation and transport hub in the region is:

- i. The need for capacity-unconstrained and efficient modern, world class international airports and a strong home-based national carrier.
- ii. The need for the designated national airline (s) and the main international airport (JKIA) to be mainstreamed to overall economic development of Kenya.
- iii. Modernization and full integration of air transport infrastructure and together with other modes of transport ie Rail and Road.
- iv. Establishment and operation of world-class Aircraft Maintenance, Repair and Overhaul (MRO) facilities for all modern commercial aircraft types. The tools and tool-kits used by the MROs should be exempted from Customs duty.
- v. Robust, viable and efficient Ground Handling Services: The number of Ground Handlers should be rationalized and limited to 3 (Against current 11 which has bloated and diluted the business) in order to create a health business environment and the national carrier, Kenya Airways, shall be the preferred ground handler for government flights, government facilitated foreign flights and national carriers designated under the BASA under reciprocal terms This would be in line with other progressive global aviation hubs.
- vi. State of the art aviation training facilities-The policy formulated to support grow Kenya as a leading provider of aviation training.
- vii. Enterprises engaged in aviation commerce (insurance companies, aircraft brokers etc) to be promoted through enabling legislation.
- viii. Simplification of rules and procedures for the aviation sector.
- ix. Domestic aviation infrastructure and airlines: the policy should support the continuous development of a vibrant domestic aviation industry that would deliver economic and social benefits to the Country. In this regard, it should prioritize the rationalization of the domestic aerodromes and the maintenance of the existing viable aerodromes in accordance with the applicable civil aviation standards to promote domestic aviation.

**c) Consolidation and Integration of Aviation Assets under a Special Purpose Vehicle (SPV)**

- The National Aviation Management Bill (2020) made the first major attempt, in recent years, towards consolidation of national aviation assets. The Bill was seeking to give effect to the recommendations of the Parliamentary report approved by the House on 17th June 2019, on the inquiry into the Kenya Airways' Privately Initiated Investment Proposal (PIIP) to Kenya Airports Authority prepared by the Departmental Committee on Transport, Public Works and Housing proposing, among other recommendations. The Bill had proposed to set up the Kenya Aviation Corporation with Kenya Airways, Kenya Airports Authority, the Aviation Investment Corporation as Operating Entities under the Corporation. The key principles guiding this included, but were not limited to, driving effectiveness and efficiency; Growth and sustainability; **Improving** <sup>3</sup>

**competitiveness of Kenya's aviation sector; Pooling and efficient use of resources;** and, promotion of increased employment opportunities, among others. Although the bill was not enacted, consolidation remains critical for

- Consolidation and integration of the aviation assets will bring significant tangible benefits for Kenya and its citizens. It will create jobs, support the economy, tourism, and business.
- This is the model that has worked and propelled the aviation sector in other countries like Ethiopia, UAE, Qatar, Turkey, Rwanda, among others.
- This arrangement will create a unique opportunity to expand aviation-related business and stimulate industry growth within special economic zones around JKIA.
- The new entity becomes a strategic national asset and is given as the most important mandate to support the GDP growth while being financially self-sustainable.

**d) Prioritize Incentivization of the Growth of the National Carrier and Modernization of its Fleet as a Policy Matter**

KQ operates in a very attractive and rapidly expanding airline market. It is one of the most high-growth potential airlines in the region. Pre-Covid, about 4.5 million passengers were arriving and transiting through JKIA aboard KQ and more than 60,000 tons of cargo was carried annually. This number could easily grow as Kenya benefits from a high touristic and business potential which as of today remains broadly untapped.

Among its competitors it is the only one that is privately owned and listed in the stock exchange. It does not benefit from airport revenues like some of its main competitors. This means that it is the only carrier that is not cross subsidised by other carriers in its main hub.

From a practical perspective, it means that every time a KQ plane lands in one of the foreign airports all KQ charges help to lower the costs of competing carriers. Owing to the fuel costs, handling services, maintenance and many other services that KQ buys in other airports, its costs are higher than the cost of competition. On the other end when competition planes are landing in Nairobi not a single dollar goes to KQ as KAA, and all the airport suppliers are not linked to KQ through any equity or exclusivity contracts. It means that in its own hub Kenya Airways is treated with the same rules as any foreign carrier.

KQ has a plan to expand its fleet from 2025 and grow the numbers from 34 to 60+ over the next ten years. This growth plan will also involve retiring or returning older aircraft and introducing newer technology aircraft, in line with the drive towards sustainability. KQ will require support to realize this strategy.

**e) National Aviation Policy to provide for “Fly Kenya Policy”**

**a. General Trends Across the World**

It is a common practice by many Countries to designate their national carriers for air travel for government employees. This is more so in countries where the government is a major shareholder or has significant influence over the national carrier. It is often implemented as a means to support the national airline and boost its revenue. The program aims to facilitate official travel for government officials and employees and can also help ensure cost efficiency and compliance with travel policies. Examples of such Countries include the USA, UAE, India, Turkey, Saudi Arabia, Malaysia, Zimbabwe, Libya, Iran and China.

In these Countries, the requirement for government employees to travel their national carriers may be anchored in Travel Approval processes; A collaborative arrangement with Travel Management Companies; Directives/Circulars and or Administrative Guidelines like the UAE Government Employee Travel Program; Policy; or, in law like Fly America Act of the United States of America.

The main purpose is usually to support the national airline of the Country. Other benefits of this arrangement include, to provide the national carrier with adequate business to sustain its operations; Promote its financial viability; Strengthen its global reputation; Promote growth and competitiveness of local aviation industry, including positioning the country as an aviation hub; Create employment opportunities in the Country; Helps project a positive image of the country's aviation capabilities, hospitality, and tourism offerings; Stimulate related sectors such as tourism and hospitality as well as showcase the country as a desirable destination for tourism, trade, and investment; Foster national pride; and, for national interest and strategic considerations, among others.

The only understandable exceptions in these circumstances include non-availability of the national carrier; Exceptional circumstances; Bilateral or multilateral agreements, open skies policies, or specific approvals from designated authorities. Even then, processes and guidelines are typically established to handle such exceptions, including documentation requirements and the responsible authorities for granting approvals.

#### **b. Kenya's Fly Kenya Policy**

The Cabinet of the Republic of Kenya approved the Fly Kenya Policy in 2016. This was done in line with the provisions of Section 155(3) (b) and 155(4) on Preferences and Reservations Scheme of the Public Procurement and Asset Disposal Act, 2015. This provision permitted preferential consideration for firms where Kenyans are shareholders. However, the uptake has been very slow with only 34 MDAs with active direct accounts with us so far and another 38 in discussions stage.

In the case of Kenya, Government is the single largest consumer of air travel services within and beyond Kenya. Between FY 2020/2021 and 2022/2023, the Government spent over Ksh. 54.77B on travel with 28% of this going to domestic travel and the rest (72%) going to international travel. This Ksh. 54.77B excludes expenditure on freight. Trends from figures obtained from the Office of the Controller of Budget show that the Government's travel expenditure increases every year. The domestic travel expenditure is not disaggregated and therefore it is not possible to tell precisely what proportion of it goes to air travel and ground travel respectively. On the other hand, foreign travel is exclusively air travel.

Kenya Airways flies to 44 destinations in 4 continents (36 in Africa, 4 in Middle East and Asia and 4 in Europe and USA), with prospects of an expanded route network to fly 74 destinations in 6 continents (55 being in Africa). Alliance membership and codeshare partnerships provide its customers with an expanded destination network. KQ is the only SkyTeam carrier in Africa.

The key benefits of Fly Kenya for Kenya Government include increased savings from the exclusive discounts for all MDAs on air fares-10% discount on Ksh. 20.37B estimated air travel spend; Improved visibility in air transport consumption; Benefits from better quality and more reliable service; Strong role in supporting KQ recovery and return to profitability; Kenya occupies a prime position in Africa and global aviation-There is a direct correlation between the health of a country's aviation sector and that of its national carrier. Targeted support will catalyze growth of the national aviation industry & further strengthen its position in the global market. In spite of its challenges, Kenya Airways has fortified its position as a market leader in Africa's aviation with prospects to do even better; Flexibility on tickets issued on KQ documents; A dedicated account manager; A dedicated Government servicing desk reachable 24 hours a day; Reports and statements on travel spend on demand; Priority booking and seating in case of flight disruptions; Training of Government staff on basic ticketing issues; Aircraft upgrade on demand; Service Level Agreement; and open possibility for charter services.

For the national carrier, strict implementation and adherence to the Fly Kenya Policy will enable it secure jobs for approximately 5,000 employees as well as ensure faster recovery from financial pressure-improved cash flow and faster recovery to support turnaround.

#### **f) Incentives to Mitigate High Operational Costs to Enhance Competitiveness of Local Industry**

The aviation sector, and specifically the airline industry, is under immense economic pressure from high operational costs due to elevated interest rates, crude oil price volatility, limited insurance options, forex fluctuations, persistent inflation and high interest rates. These cumulatively impact the competitiveness of the local industry players. As a result, the fuel prices have largely remained volatile for a while and aircraft parts. In 2019, fuel costs accounted for 41% of direct costs and that shot to 51% in 2023; It accounted for 26% and 36% of operating cost in 2019 and 2023 respectively.

Aviation industry is very competitive. The profit margins are very thin (hardly above 3 % of the total turnover). Well established airlines that enjoy government support and lower cost framework due to availability of liquidity and market size have an edge away from operators like Kenya Airways.

The National Aviation Policy should appreciate this complex scenario and offer tangible home-grown remedies. It would be prudent for the policy to include tax incentives for aviation fuel and spare parts and also establish a fuel hedging policy to manage price fluctuations. It should also have a stated commitment by the state to pursue reciprocal arrangements with other Countries where Kenya's registered airlines operate to within the framework of existing Air Service Agreements. Here below is what ensures in other jurisdictions:

- **Ireland:** Provides tax incentives for aviation fuel and aircraft leasing.
- **India:** Offers low-interest loans and subsidies for fuel, stabilizing operational costs for Air India.
- The Sri Lankan Civil Aviation Policy exempts designated airlines of foreign States, on the basis of reciprocity, from customs duties, excise taxes, inspection fees and other national duties and charges (which are not based on the cost of services provided on arrival), on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and other items such as printed ticket stock, air waybills, any printed material which bears the insignia of the respective airline printed thereon and usual publicity material distributed free of charge by that designated airline which are intended for use or used solely in connection with the operation the respective air service or servicing of aircraft of the designated airline.

#### **g) Convenient and Affordable Financing Mechanisms**

The aviation industry is generally cost intensive but with very low margins. Investment in aircraft, for example, requires fairly huge capitation. The local financial institutions have neither the products nor capacity for this magnitude of investment. Lack of low-cost financing mechanisms hinders KQ's ability to expand its fleet and remain competitive.

KQ has a plan to expand its fleet from 2025 and grow the numbers to 57 over the next ten years. This will constitute 27 wide-bodies and 30 narrow bodies. This growth plan will also involve retiring or returning older aircraft and introducing newer technology aircraft, in line with the drive towards sustainability. KQ will require support to realize this strategy by way of convenient and affordable financing. Government-backed financing options, including loan guarantees and direct funding, are critical in reducing financial burdens and facilitating fleet expansion. Here below is what ensues in other jurisdictions:

- **Brazil:** LATAM benefits from government-backed financing (e.g., loan guarantees) for fleet modernization.
- **Ethiopia:** Ethiopian Airlines accesses low-cost financing to build a competitive, modern fleet.

#### **h) Set up an Aviation Market Access Framework (AMAF) in the Implementation of the Bilateral and Multi-lateral Air Service Agreements**

International air services into and out of Kenya provide opportunities for development of employment, trade and commerce, investment and tourism in particular. One of the objectives of the policy is to enhance Kenya's connectivity at a national and international level. Liberalization of air transport is currently a key policy in almost all regional Economic Blocks as it is one of the priority issues in the African Union Agenda 2063. The national 6

Aviation Policy commits to the gradual and progressive implementation of the Single African Air Transport Market (SAATM) through the Yamoussoukro Decision.

In implementing Bilateral and Multi-lateral Air Service Agreements, it is critical to set up a predictable, data driven objective framework for consideration and grant of traffic rights. This should first ensure fair competitiveness and equal and open access in entering into air services arrangements with other States on the basis of reciprocity with a view to harnessing the economic, trade, commerce, tourism, religious and social benefits that flow from opening of new international aviation markets and/or expanding existing international aviation markets resulting in wider accessibility and connectivity.

Accordingly, applicable considerations for grant of new traffic rights or enhancement of existing traffic rights would include inter alia: –

- a) Potential for accessing new tourist markets and/or expanding existing international aviation markets that generate tourist/business traffic to Kenya;
- b) Creation of new city pairs with which Kenya has no existing direct air links.
- c) Promotion of JKIA as a hub airport while developing other local airports based on market demand.
- d) Reciprocal enhancement of traffic rights and/or commercial opportunities for carriers of Kenya.
- e) Expansion of international air services opportunities recognising that efficient and competitive international air services enhance trade, the welfare of consumers, and economic growth.
- f) Does not entertain anti-competitive practices like abuse of dominant position, predatory behaviour, capacity dumping.

This should be guided by evolution of demand and supply, that guarantees a favourable, fair market environment for the national carrier and other local operators. Most critical is fidelity to the principle of reciprocity as provided for in the Air Service Agreements.

### 3. Conclusion

With the right policy initiatives, Kenya's aviation can be the wheel that spins out economic opportunities by expanding the existing markets, opening new markets, driving productivity and improving competitiveness. An enabling air transport policy and regulation, safety, infrastructure rehabilitation, institutional strengthening, and the capacity building of the sector players are some of the imperatives for the establishment of a safe, functional, efficient, affordable, and reliable air transport network anywhere in the world. The key elements of Kenya's national Aviation Policy should be aimed at laying a sound foundation for elevation of Kenya's position as a leading aviation and transport hub in the African region.

For Aviation to play its much touted as a key catalytic role in economic development the aviation ecosystem has to be synchronized. They have a symbiotic relation with each other. The Airport has to grow in tandem with the airport which has to grow tandem with other auxiliary services.

This report has been prepared in response to the committee's request. Thank you for considering the insights and information shared in this document. We are available if any further clarifications are required.



Allan Kilavuka,  
**GROUP MANAGING DIRECTOR & CEO.**



THE NATIONAL ASSEMBLY  
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When replying, please quote

Ref: NA/DDC/T&I/2024/086

10<sup>th</sup> December, 2024

Mr. Humphrey Wattanga  
Commissioner General  
Kenya Revenue Authority  
KRA Headquarters, Times Tower, Haile Selassie Avenue  
**NAIROBI**

Dear Sir,

**RE: REQUEST FOR SUBMISSION OF COMMENTS ON THE SESSIONAL PAPER  
NO. 6 ON THE NATIONAL AVIATION POLICY**

The Departmental Committee on Transport and Infrastructure is established pursuant to National Assembly Standing Order 216. The Committee is mandated to investigate and inquire into all matters relating to the assigned Ministries and Departments as it may deem necessary and as may be referred to it by the House.

The Committee is considering the **Sessional paper No. 6 of 2024 on the National Aviation Policy** (copy attached). In considering the Sessional Paper, the Committee is required to consult relevant stakeholders before submitting its report to the House. In this regard, the Committee invites the Kenya Revenue Authority to make written presentations on the Sessional Paper for consideration.

We request that you provide a hard copy of your submission through the Office of the Clerk of the National Assembly, Main Parliament Buildings by **Friday, 20<sup>th</sup> December 2024**. You may share a soft copy of the submission via [cna@parliament.go.ke](mailto:cna@parliament.go.ke).

Our liaison persons on this subject are **Ms. Tracy Chebet Koskei** who may be contacted on tel. no. 0726416794 or email: [tracy.koskei@parliament.go.ke](mailto:tracy.koskei@parliament.go.ke) and **Ms. Clare Choper Doye** on tel. no. 0721938018 or email via [clare.doye@parliament.go.ke](mailto:clare.doye@parliament.go.ke).

Yours sincerely,

SERAH M. KIOKO, MBS

For: CLERK OF THE NATIONAL ASSEMBLY



KENYA REVENUE  
AUTHORITY

ISO 9001:2015 CERTIFIED

Office of the Commissioner General

**KRA/5/1002/5(11785)**

**23<sup>rd</sup> December 2024**

Mr. Samuel Njoroge  
Clerk of the National Assembly  
P. O. Box 41842-00100  
Main Parliament Buildings  
**Nairobi**

Dear

*Clerk,*

**REQUEST FOR SUBMISSION OF COMMENTS ON THE SESSIONAL PAPER NO  
6. ON THE NATIONAL AVIATION POLICY**

Reference is made to your letter Ref: NA/DDC/T&I/2024/086 dated 10<sup>th</sup> December 2024 requesting Kenya Revenue Authority (KRA) to provide a written presentation on the above mentioned policy.

Please find our submission enclosed for the committee's consideration.

Yours sincerely,

**Dr. Lilian Nyawanda**  
**FOR: COMMISSIONER GENERAL**

***Tuliba Ushuru Tuitagemea!***



ISO 9001:2015 CERTIFIED

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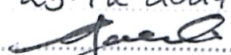
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**SUBMISSIONS TO THE DEPARTMENTAL COMMITTEE ON TRANSPORT  
AND INFRASTRUCTURE ON THE PROPOSED NATIONAL AVIATION  
POLICY 2024**

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**DECEMBER 2024**

KENYA REVENUE AUTHORITY  
Confirmed  
P.O. Box 46140-00100, NAIROBI  
Date: 23.12.2024  
Sign: 

## Abbreviations

GDP	Gross Domestic Product
CAA	Kenya Airports Authority
AIP	Aeronautical Information Publication
APSC	Air Passenger Service Charge
KCAA	Kenya Civil Aviation Authority
IDF	Import Declaration Fee
VAT	Value Added Tax
RDL	Railway Development Levy
AMO	Approved Maintenance Organization
MRO	Maintenance and Repair Organization
EACCMA	East Africa Community Customs Management Act

## 1.0 INTRODUCTION

The Departmental Committee on Transport and Infrastructure vide letter Ref: NA/DDC/T&I/2024/086 dated 10<sup>th</sup> December 2024 requested Kenya Revenue Authority (KRA) to provide written submission on Sessional Paper No. 6 of 2024 on the National Aviation Policy.

In this regard, we submit as follows:

## 2.0 GENERAL COMMENTS

1. The policy document needs review in order to correct grammatical errors and omissions.
2. Use of abbreviations - There is need to write abbreviated words in full, the first time they are used in the document and abbreviate, subsequently. This is to enable readers understand the document with ease.
3. Delete undefined terms such as *etc* appearing in section 1.1. Simply state or use phrases like “such as”, “include”.
4. Misalignment of critical issues/challenges with policy statements/interventions. The issues discussed under “critical issues” section are not adequately aligned with the policy interventions. While some critical issues have been addressed through policy interventions, others have not.

Further, there are policy statements/interventions proposed under the “critical issues” sections that we wish to address as follows:

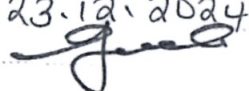
## 2.1 KRA's VIEWS AND COMMENTS ON THE NATIONAL AVIATION POLICY

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
<b>1. Introduction</b>	The aviation sector contributes \$ 1.5bn to the Gross Domestic Product (GDP) comprising \$ 740M from aviation itself \$ 515M through indirect activities. The statistics given are derived from the <i>Aviation Benefits Beyond Borders, September 2020</i> . There is need to update the statistics with more recent data where available.	Update the statistics with more recent data where available.	For better understanding of the contribution of the sector to the economy.
	This sector is supported by an extensive network of more than four hundred and forty (440) airports and airfields throughout the country, eighteen (18) of which are actively managed by KAA.	Use a definite number as this can be verified and add a reference date (Base date).	For certainty
<b>1.1 Strategic Policy Objectives</b>	<i>As a result, this document is intended to provide a primary...</i>	Amend to read as follows:  <i>As a result, this Policy document is intended to provide a primary...</i>	The document is not any other document but a policy document.
	In particular, the <i>National Aviation policy</i> commits to:	Amend to read as follows:  In particular, <i>the Government through the National Aviation policy</i> commits to:	Commitment can only be achieved through an institution but not through the policy itself.

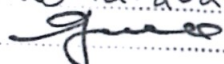
Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
<b>2. Governance</b>	Within the Ministry, duties and responsibilities are distributed among different <i>organizations</i> .	Amend to read as follows:  Within the Ministry, duties and responsibilities are distributed among different <i>institutions</i> .	Not applicable
<b>3.4 Economic Regulations</b>	Fees and charges for airports and air navigation services are published in the Aeronautical Information Publication (AIP). However, the Air Passenger Service Charge (APSC) is published in the National Primary Legislation. Despite the service being provided by Kenya Airports Authority (KAA) and Kenya Civil Aviation Authority (KCAA), Kenya Revenue Authority (KRA) is the Government body entitled to collect it.	Though the policy document does not explicitly state the problem that the current collection arrangement has, it is our recommendation that KRA continues collecting the revenue.	<ul style="list-style-type: none"> <li>• The APSC is imposed under the Air Passenger Service Charge Act cap. 475.</li> <li>• The Act gives the Commissioner the power to collect the APSC.</li> <li>• The Commissioner collects the Air Passenger Charge under an Agency arrangement.</li> <li>• KRA has the necessary administrative structures and technological solutions to collect the charge.</li> <li>• Over the last three financial years APSC collection has increased progressively from <b>Kshs. 8,184Bn</b> in FY 2021/2022 to <b>Kshs. 16,970Bn</b> in FY 2023/2024.</li> </ul>
<b>4.3 Cargo</b>	The Government will explore and implement as appropriate, the concept of cargo villages to improve the processing of air cargo in the country.	<ul style="list-style-type: none"> <li>• Airports are appointed Customs Areas under Section 12 of EACCMA, 2004. It is therefore imperative for KRA to ensure</li> </ul>	<ul style="list-style-type: none"> <li>• The establishment of a cargo village aligns with this mandate, as it would enhance operational capacity,</li> </ul>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
		<p>proper management and operations of these facilities.</p> <ul style="list-style-type: none"> <li>Any expansion of airport infrastructure requires KRA to provide adequate support, including deploying the necessary workforce to maintain efficiency in cargo handling and clearance processes.</li> </ul>	streamline cargo clearance and foster trade facilitation.
<p><b>4.5 Taxation</b></p>	<p>Kenya's aviation system is not built as a closed-circuit and taxes have a direct effect on the funding of the different civil aviation system entities. Kenyan industry players are exposed to multiple taxes including APSC, IDF, Import Duty, VAT, Income Tax, RDL...</p> <p><b>4.5.3 Policy statement</b></p> <p>The Government will put in place measures to continue ensuring that Kenyan designated airlines are not subjected to double taxation and to further ensure that excessive taxation especially on the sale and use of international air transport is avoided or reduced to the fullest practical extent.</p>	<ul style="list-style-type: none"> <li>There is need to provide taxation frameworks of the aviation sectors from other jurisdictions to support this argument.</li> <li>Exemptions and incentives to be determined in consultation with National Treasury to guard against unmitigated erosion of the tax base and should be domiciled in the tax statutes.</li> <li>The sector needs to propose to National Treasury, a taxation framework that would be suitable to the sector taking into account the revenue needs of the Government.</li> </ul>	To support the assertion of over taxation of the sector.
<p><b>4.6 Maintenance</b></p>	<p>In order to promote the development of the Approved Maintenance</p>	<ul style="list-style-type: none"> <li>Tax incentives to be addressed within the framework of the</li> </ul>	<ul style="list-style-type: none"> <li>The National Tax Policy (Chapter 3 and 4) recently developed by the</li> </ul>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
<b>and Repair Organizations</b>	<p>Organization (AMOs)/Maintenance and Repair Organization (MROs) industry the following initiatives should be put in place:</p> <ul style="list-style-type: none"> <li>• Consider the introduction of tax incentives for maintenance related activities.</li> <li>• Discount KCAA charges for the issuance of approvals.</li> <li>• Avoid excessive taxation on imported parts and systems.</li> </ul>	<p>National Tax Policy to ensure alignment with national economic priorities and fiscal sustainability.</p> <ul style="list-style-type: none"> <li>• Additionally, the negotiation of Bilateral Air Service Agreements (BASAs) to include representation from the National Treasury and KRA in view of tax provisions that may be contained therein.</li> </ul>	<p>Government recognizes the negative impact of tax incentives on the tax base.</p> <ul style="list-style-type: none"> <li>• The National Tax Policy therefore proposes the following to guide issuance of tax incentives: <ul style="list-style-type: none"> <li>i) Review the current tax expenditure and formulate a framework for granting tax incentive,</li> <li>ii) Develop and regularly review guidelines for granting tax incentives taking into consideration the costs, benefits, promotion of investment and cushioning Kenyans against economic shocks,</li> <li>iii) Comprehensively review tax incentives after every five (5) years to align them with the Government's agenda.</li> </ul> </li> </ul>
<b>5. Airports</b>	<p>Kenya has over four hundred and forty (440) aerodromes, comprising both state-owned and private facilities. Of the two hundred and thirty (230) public aerodromes, only eighteen (18) are actively</p>	<p>Provide how the other public aerodromes would be maintained and operated.</p>	<p>This will provide certainty on the maintenance and operational responsibility of the said public aerodromes.</p>

KENYA REVENUE AUTHORITY  
Confirmed  
P.O. Box 45 - 00100, NAIROBI  
Date: 23.12.2024  
Sign: 

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
	<p>staffed and managed by the Kenya Airports Authority (KAA).</p> <p>However, the maintenance, operational responsibilities and mechanisms for managing the remaining public aerodromes remain unclear.</p>		

KENYA REVENUE AUTHORITY  
 Confirmed  
 P.O. Box 2240 - 00100, NAIROBI  
 Date: 23.12.2024  
 Sig: 

### 3.0 CONCLUSION

KRA acknowledges the critical role of the aviation sector in economic development and trade facilitation and is committed to supporting the implementation of these recommendations and any other, to create a conducive environment for growth and compliance.



THE NATIONAL ASSEMBLY  
OFFICE OF THE CLERK

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[www.parliament.go.ke/the-national-assembly](http://www.parliament.go.ke/the-national-assembly)

When replying, please quote

Ref: NA/DDC/T&I/2024/087

10<sup>th</sup> December, 2024

**Mr. Allan Kilavuka**  
Managing Director and Chief Executive Officer  
Kenya Airways  
Airport North Road  
P.O. Box 19002- 00501  
**NAIROBI**

**Eng. Liz Aluvanze**  
Chief Executive Officer  
Kenya Association of Airline Operators  
Aero Club, Wilson Airport, Lang'ata Rd  
**NAIROBI**

**Captain George Marimi**  
Chairperson  
Kenya Airline Pilots Association  
Airport North Road,  
**NAIROBI**

Dear *Madam,*

**RE: REQUEST FOR SUBMISSION OF COMMENTS ON THE SESSIONAL PAPER  
NO. 6 ON THE NATIONAL AVIATION POLICY**

---

The Departmental Committee on Transport and Infrastructure is established pursuant to National Assembly Standing Order 216. The Committee is mandated to investigate and inquire into all matters relating to the assigned Ministries and Departments as it may deem necessary and as may be referred to it by the House.

The Committee is considering the **Sessional paper No. 6 of 2024 on the National Aviation Policy** (*copy attached*). In considering the Sessional Paper, the Committee is required to consult relevant stakeholders before submitting its report to the House. In this regard, the Committee invites you to make written presentations on the Sessional Paper for consideration.

We request that you provide hard copies of your submissions through the Office of the Clerk of the National Assembly, Main Parliament Buildings by **Friday, 20<sup>th</sup> December 2024**. You may share a soft copy of the submission via [cna@parliament.go.ke](mailto:cna@parliament.go.ke).

Our liaison persons on this subject are Ms. Tracy Chebet Koskei who may be contacted on tel. no. 0726416794 or email: [tracy.koskei@parliament.go.ke](mailto:tracy.koskei@parliament.go.ke) and Ms. Clare Choper Doye on tel. no. 0721938018 or email via [clare.doye@parliament.go.ke](mailto:clare.doye@parliament.go.ke).

Yours *sincerely,*



SERAH M. KIOKO, MBS

For: CLERK OF THE NATIONAL ASSEMBLY



**KENYA ASSOCIATION OF AIR OPERATORS [KAAO] COMMENTS ON  
THE SESSIONAL PAPER NO. 6 OF 2024 ON THE NATIONAL AVIATION  
POLICY**

**20<sup>TH</sup> DECEMBER 2024**



## ABOUT US

The Kenya Association of Air Operators (KAAO) is a registered National umbrella body which prides itself in being an authoritative and unified voice of advocacy for the Kenyan aviation industry. We represent over fifty (50) air operators who are engaged in various services such as scheduled and non-scheduled passenger and cargo flights, humanitarian/relief flights, Air Ambulance, General Aviation, Unmanned Aircraft Systems (UAS) Operators, Hot-Air Balloon Operators, Approved Training Organizations (ATOs), Maintenance, Repair & Overhaul Organizations (MROs) and Approved Maintenance Organizations (AMOs).

## ROAD MAP TOWARDS THE NATIONAL AVIATION POLICY

The Kenya Association of Air Operators (KAAO) has been at the forefront of advocating for Kenya to develop and implement a National Aviation Policy and we indeed laud the Cabinet for approving the policy on 11<sup>th</sup> June 2024.

We held various workshop forums with our members and other stakeholders to review the draft National Aviation Policy and submitted our feedback to the Ministry of Transport on 25<sup>th</sup> November 2022 with comments collated from over 40 representatives of various local and international airlines, aviation training schools, maintenance organizations, balloon operators, tourism companies, tax experts, pilots, fuel marketers and other aviation related associations and industry experts.

A second stakeholder engagement was held between the Ministry of Transport and its consultants, KAAO and other stakeholders on the 29<sup>th</sup> of November 2022 to review the recommendations submitted by KAAO vis a vis the draft National Aviation Policy. Subsequently, a Final Draft National Aviation Policy was presented to KAAO and its membership on 20<sup>th</sup> December 2022 after which we submitted our feedback to the Ministry of Transport on 28<sup>th</sup> December 2022.

Lastly, it is important to state that the Final National Aviation Policy (attached) has taken into consideration a majority of our previous recommendations.

## OVERARCHING THEMES REQUIRING FOCUS

**Kenya's aviation industry is projected to double in the next 30 years, the policy needs to address this from a strategic level, the specific actions and decisions that need to be taken now to position the Country for this significant growth.**

Kenya is and has been the natural gateway into East and Central Africa. The strong post Covid recovery in passenger numbers continues to propel the sector as a leading growth node for the Kenyan economy and the region at large. According to African Airlines Association (AFRAA), African airlines saw notable growth in Available Seat Kilometers (ASK) and Revenue Passenger Kilometers (RPKs) increasing by 10.6% in Q2 2024 as compared to Q2 2023. Today Eastern Africa represents 18.3% of the continents traffic as at Q2 2024, with domestic traffic constituting 44% of this. Further, East Africa is leading in non-domestic travel representing 40% of the continents

traffic. Looking at routes travelled, Nairobi – Mombasa is the 6th busiest domestic route in Africa after Johannesburg –Cape Town, Durban to Johannesburg, Abuja –Lagos, Cape Town - Durban, and Cape town - Lanseria. In terms of Intra – Africa routes, Nairobi - Entebbe is the third busiest, and Nairobi – Dar es Salaam is the fifth as at Q2 2024. Our JKIA airport is ranked Ninth (9<sup>th</sup>) busiest in passenger numbers in Africa. In freight, Nairobi is the third (3<sup>rd</sup>) busiest African airport.

Africa is 18% of global population but only 3% of global travel and trade. We must continue as a sector to grow and develop this and engage in actively creating a strong dynamic for the region. Kenya punches way above its weight in aviation matters, and we must jealously guard this privileged position that those who have gone before us have created and ensure that the policy **addresses how Kenya can stay ahead and take advantage of the growth through ambitious key asset developments such as airports modernization, maintenance facilities and capacity building.**

**The policy does not address the intermodal relationships between air transport and other modes, such as road, rail, and sea, as well as the connection between aviation and sectors like tourism and trade, which also have policies in place.**

To fully capitalize on growth, **the policy should define clear timelines and benchmarks for implementation, including meeting ICAO standards and a monitoring framework. Additionally, the role of key stakeholders must be mapped.**

#### SPECIFIC OBSERVATIONS

No.	Observations	Comments
1.	<p><b>Regulation &amp; Sustainability</b></p> <ul style="list-style-type: none"> <li>We need clarity on definitions for different players in the industry i.e., Recreational Flying, General Aviation, Commercial operations which would then help to define the regulations applicable to them.</li> <li>Document should detail the need to develop separate set of regulations for General Aviation/ Commercial Aviation, Domestic/International operations.</li> <li>Policy should define a pathway to self-regulation on a risk-based approach due to capacity challenges with the Regulator.</li> </ul>	<p>Recommended for adoption</p> <p>To be included</p> <p>To be included</p>
2.	<p><b>Security</b></p> <ul style="list-style-type: none"> <li>The policy should detail measurements and procedures against new emerging threats such as cyber-attacks or biological threats such as re-emergence of Covid-19.</li> </ul>	<p>Need to capture emerging threats such as cyber threats or biological threats like the Covid-19.</p>
3.	<p><b>Environment &amp; Sustainability</b></p> <ul style="list-style-type: none"> <li>Development of the full framework of the draft Civil Aviation (Carbon offsetting &amp; reduction scheme for International Aviation) Regs, 2022 to include the legislative and regulatory provisions, policies, adequate financial resource allocation, qualified personnel, and procedures (roadmap, timelines).</li> <li>The policy statement on use of Next generation of aircraft, SAF and engines, should be explicit around the need for an incentive regime for transition.</li> </ul>	<p>Need for the Carbon offsetting &amp; reduction scheme for International Aviation Regulations, 2024 to be promulgated.</p> <p>Needs to be captured</p>

4.	<b>Economic Regulations</b> <ul style="list-style-type: none"> <li>No clarity on criteria of private operators, balloon operations, helicopter ops etc.? Rules and regulations (refer to comment under regulation and sustainability bullet 2 and 3).</li> <li>The policy statement should include stakeholder consultation in the review of aviation charges (in line with International best practices).</li> </ul>	<p>Recommended for adoption</p> <p>Need to be included in Policy statement</p>
5.	<b>Governance</b> <ul style="list-style-type: none"> <li>The Policy lists Kenya as having only 11 other AOC holders other than Kenya Airways. Kenya has 80 AOC holders and several designated national carriers.</li> <li>Modern institutional frameworks should assure complete independence of the accident and incidents investigation body (AAID), by placing it on an independent board reporting directly to either the president or the parliament, bypassing any other ministry or public body. This is the only effective way to guarantee the impartial opinion of the investigators, independent from any decision that could affect another body within the government apparatus.</li> <li>The policy does not detail the governance of ground handlers; is it undertaken KAA, KCAA?</li> </ul>	<p>Amend to capture accurate data</p> <p>Should be adopted</p> <p>Ground handlers are regulated entities and the policy should include their governance structures</p>
6.	<b>Air Transport Market</b> <ul style="list-style-type: none"> <li>The Policy statement should detail Government's focus on regional (EAC) aviation integration first as we move towards implementation of SAATM.</li> </ul>	<p>To be included in policy statement.</p>
9.	<b>Regional and General Aviation</b> <ul style="list-style-type: none"> <li>There is a need for a proper definition of this category in the policy.</li> <li>Government should ensure that there is equitable access around regulations, taxes and incentives to encourage the growth of general aviation.</li> </ul>	<p>To be Included</p> <p>To be Included</p>
11.	<b>Taxation</b> <ul style="list-style-type: none"> <li>The matters under critical issues at 4.5.2 were partly addressed in the Finance Bill 2023. There is a need however, to embed a tax policy statement for the sector in line with ICAO recommendations on taxes and charges on aviation.</li> </ul>	<p>Policy statement should include tax policy statement.</p>

## CONCLUSION

We acknowledge that most of the recommendations we made to the draft National Aviation Policy have now been included in the Final National Aviation Policy. **We urge that as part of the debate towards adoption of the policy, specific focus be given to detailing short, medium and long-term priority items with clear implementation timelines and guidelines on responsibilities and accountability.**





# KENYA AIRWAYS RECOVERY STRATEGY

By Mwenda Mabura

## AIM

To apprise..... on the proposed interventions to achieve Kenya Airways Recovery.



## INTRODUCTION

# KQ MARKS A DECADE IN LOSSES

Kenya Airways (KQ) has reported its tenth consecutive loss after it completed a decade in the red territory with a record Sh38.26 billion full-year loss.

The airline has been in the hands of four different CEOs in the last 10 years as the strategy shifted from expanding fleet size to narrowing it down as the **accumulated losses hit Sh172.68 billion amid State bailouts.**

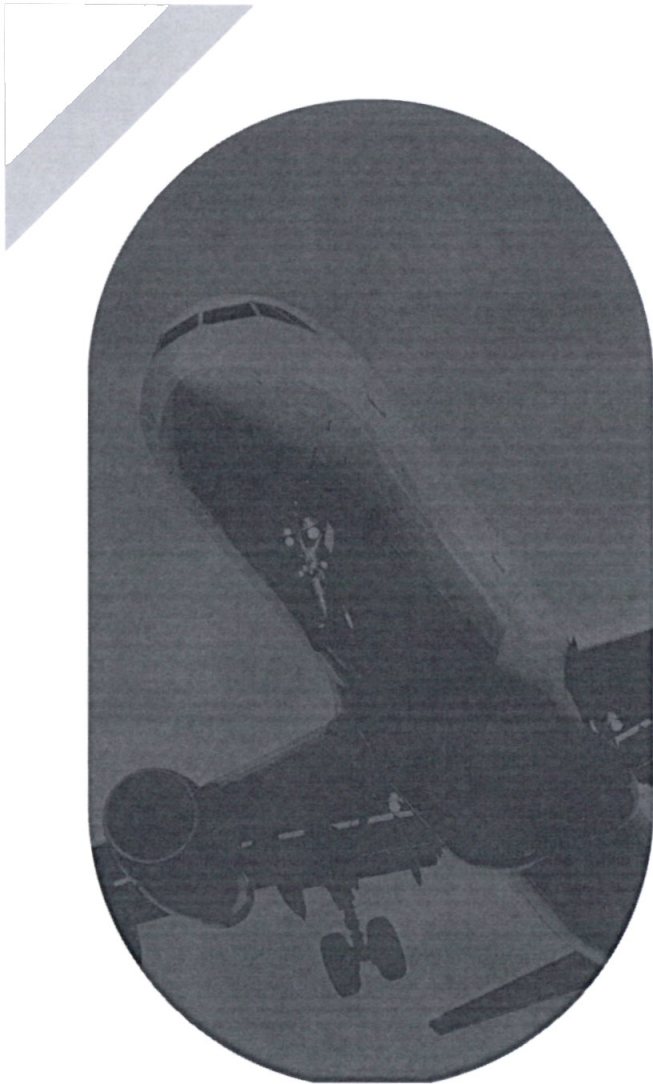
On 27<sup>th</sup> May 2022, an audit closing meeting was held with EASA [European Aviation Safety Agency]. It was found that Kenya Airways **was NON-COMPLIANT with the minimum EASA Part 145 requirements for a EASA Part 145 Maintenance Organisation.** Henceforth, Kenya Airways had to **surrender its EASA Part 145 Approval** for the following:

- Nairobi Line Maintenance AI Rating for: **Embraer 170/190, Boeing 737-600/700/800/900, Boeing 787-8/9**
- Mombasa Line Maintenance AI Rating for: **Embraer 170/190, Boeing 737-600/700/800/900**
- All Workshop C Ratings for **C6 (Equipment-Safety, Galley and Unit Loader Device)** and **C14 (Landing Gear)**

On the contrary, Ethiopian Airlines stated, in their vision 2035, they aim to **double their destinations from 131 to 207.** They also plan to **increase aircraft numbers from 140 to 271.**

Whereas losses could occasionally occur due to some unforeseen circumstances, KQ's loss-making trend has continued for a decade without any turn-around plan being given by the airline's management.





## SCOPE

- ❖ Introduction
- ❖ Kenya Airways Challenges
- ❖ Way Forward
  - Revamped Governance
  - Results Oriented Organisational Structure
- ❖ Kenya Airways Challenges
- ❖ Recommendations
- ❖ Conclusion

## SUMMARY OF KENYA AIRWAYS CHALLENGES

### **Leadership challenge & conflict of interest**

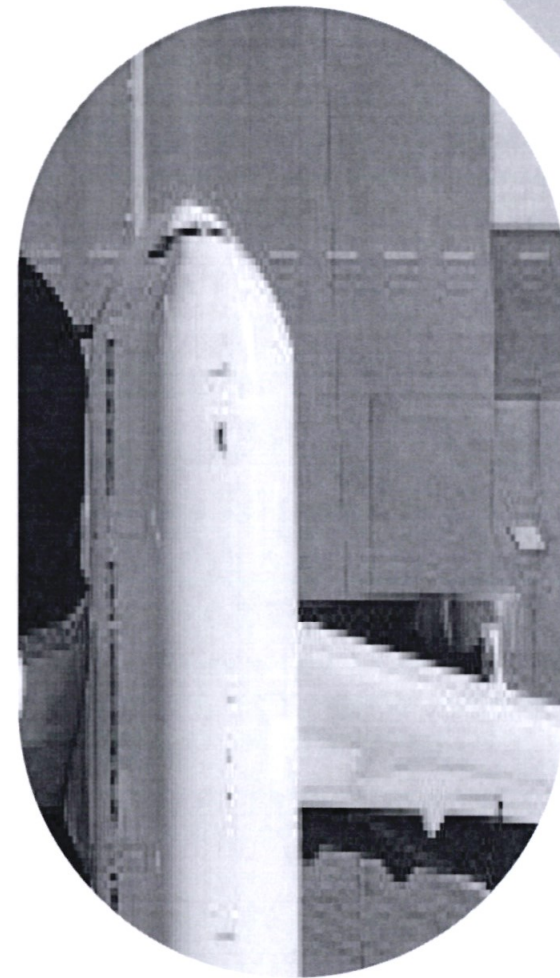
- Caused by lack of passionate, competent board members with the relevant aviation skills, stakeholders representation, and expertise.

### **Operational Inefficiencies**

- Irrational decisions around critical personnel by design.
- Inefficiencies in service outsourcing.
- Inefficient routing of aircrafts based on impulse rather than data.

### **Inadequate Customer care and service**

- Closed sales offices in Kenya and internationally.
- Understaffed and ineffective call centre.



# WAY FORWARD

The recovery plan should be driven by:

- Revamped Governance
- Results Oriented Organizational Structure
- Review of the mission etc.
- Harmonised operations
- Procurement & Maintenance

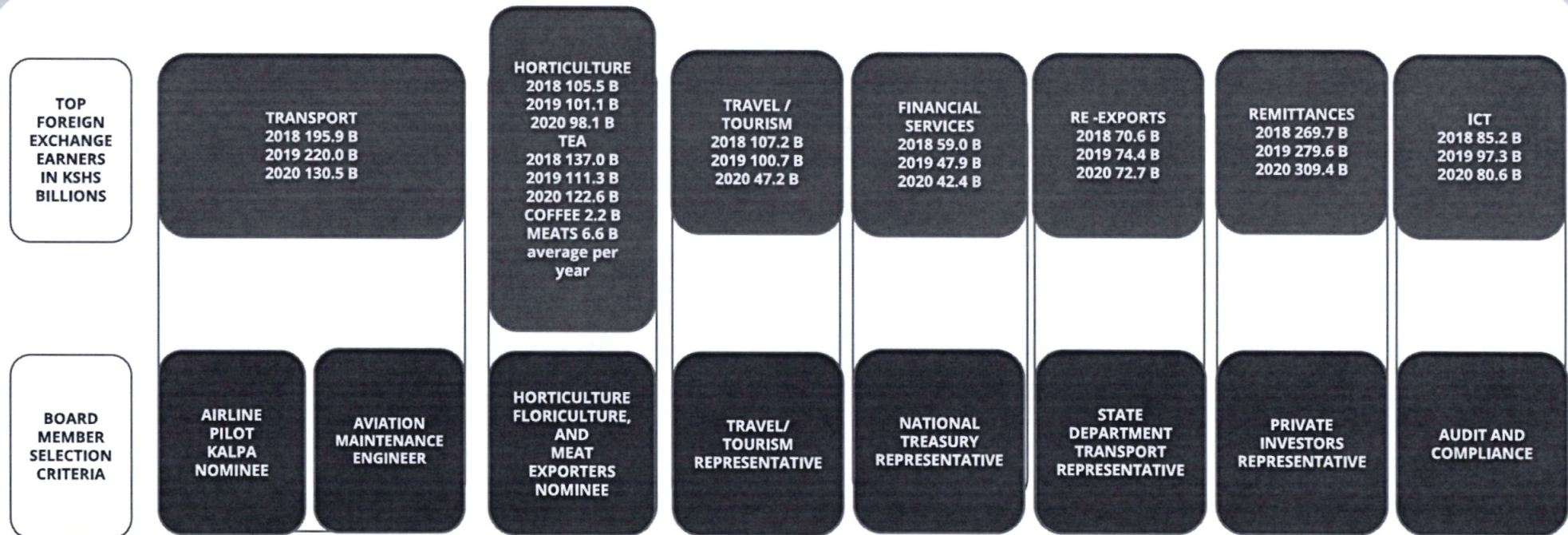
## REVAMPED LEADERSHIP [GOVERNANCE]

A new leadership team is needed both at board and management level. The company board should comprise of Aviation professionals and key relevant stakeholders other than investors approach only. Currently the board comprises of:

Board Member	Background
Chairman, Michael Joseph	Electrical engineering
Allan Kilavuka, CEO	Commerce and psychology
Phillip Wanjohi Wambugu, Haron Sirima	Economics, & Accounting
John Ngumi	Accounting
James David Kabeberi	Banking
PS Mohamed Daghar	International Relations and Development Studies,
Hakan John Wilson	Political science
Carol Armstrong	Art and Archaeology
Major General [rtd.] Michael Gichangi	Pilot with a strategy and aviation management background

**This should be aligned as follows to afford recovery**

## PROPOSED KENYA AIRWAYS GOVERNANCE



The proposed governance structure is based on case studies of some of the world's best airlines such as:

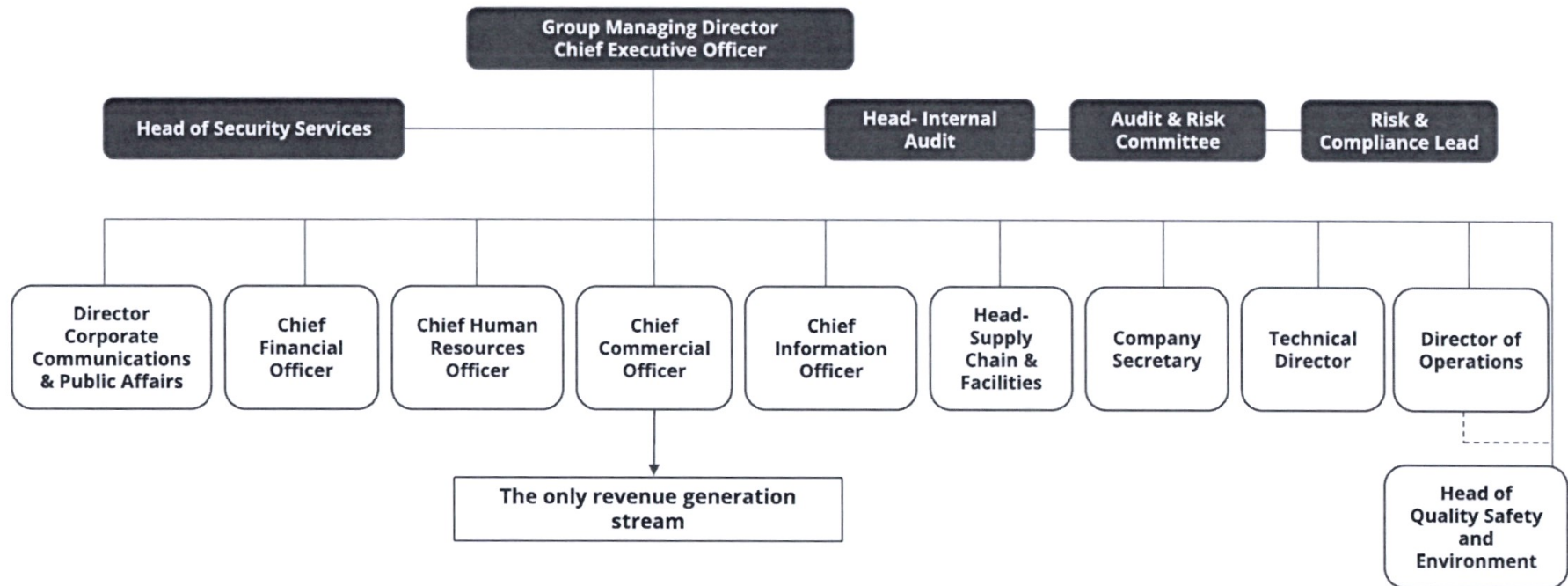
## AMERICAN AIRLINES – AVIATION EXPERTS AND STAKEHOLDER REPS [2022]

Board Member	Expertise	Other organisations/ bodies worked for that enriches American Airlines
<b>William Douglas Parker</b> Chairman & Chief Executive Officer	Piloting	American Airlines Group, Inc., American Airlines, Inc., Air Transport Association of America, Inc., International Air Transport Association, Vanderbilt University, SMU-Cox School of Business, Airline Passenger Experience Association, Inc.
<b>Adriane M. Brown</b> Independent Director	Youth Employment	Axon Enterprise, Inc., International Women's Forum, American Airlines Group, Inc., KKR & Co., Inc. American Airlines, Inc., Pacific Science Center, Jobs for America's Graduates, Washington Research Foundation, Greater Seattle Chamber of Commerce, eBay, Inc.
<b>Gregory D. Smith</b> Director	Horticulture	Ann & Robert H. Lurie Children's Hospital of Chicago, American Airlines Group Inc., The Museum of Science & Industry, Chicago Horticultural Society, Intel Corp.
<b>James F. Albaugh</b> Independent Director	Aeronautical Engineering	Fu Foundation School of Engineering & Applied Science, American Airlines, Inc., Willamette University, The National Competitiveness Center, American Airlines Group, Inc., Aloft Aero Architects, National Aeronautic Association, Howmet Aerospace, Inc., Belcan LLC, Smithsonian National Air & Space Museum
<b>Jeffrey D. Benjamin</b> Independent Director	Aerospace Engineering	Rackspace Technology, Inc., Hexion, Inc., American Airlines, Inc., Shutterfly, Inc., NRG Radio LLC, Involta LLC, Rackspace US, Inc. Hexion Holdings Corp., Sherwood Holdings Inc., Rackspace Technology Global, Inc., American Numismatic Society, ImOn Communications LLC, A-Mark Precious Metals, Inc., American Airlines Group Inc., EXCO Production Company (M) LLC, Higher Learning Technologies, inc., NRG Media, LLC
<b>John T. Cahill</b> Lead Independent Director	Manufacturing [Food Exports]	American Airlines, Inc., Colgate-Palmolive Co., American Airlines Group, Inc., The Kraft Heinz Co., Medical University of South Carolina Foundation
<b>Matthew J. Hart</b> Independent Director	Aircraft Leasing	American Airlines, Inc., Air Lease Corp., American Homes 4 Rent, American Airlines Group, inc.
<b>Denise M. O'Leary</b> Independent Director	Medical Tourism	Galvanize, Inc., Connect For Health Colorado, Smithsonian Institution, American Airlines, Inc., Project Canary PBC, Bonfils-Stanton Foundation, American Airlines Group, University of Denver, Medtronic Plc, University of Colorado Hospital Authority
<b>Ray M. Robinson</b> Independent Director	Transport/ Infrastructure	University of Denver, American Airlines, Inc., FROG Holdings, Inc., Spelman College, FTAI Infrastructure, Inc., Acuity Brands Inc., Aaron's LLC, The Golf Club at Bradshaw Farm, Georgia Aquarium, Inc., Citizens Bancshares Corp. (Atlanta), American Airlines Group, Inc., East Lake Foundation, Citizens Trust Bank (Georgia), Fortress Transportation & Infrastructure Investors LLC
<b>Marty H. Nesbitt</b> Independent Director	Tourism & Travel	Vistria Fund II LP, Chewy Inc., American Airlines, Inc. Help At Home LLC (Illinois), CareMetx LLC, The Museum of Contemporary Art (Illinois.), The Barack Obama Foundation, American Airlines Group, Inc., CenterPoint Energy, Inc., ForwardLine Financial LLC
<b>Susan Dana Kronick</b> Independent Director	Tourism & Travel	American Airlines, Inc., Hyatt Hotels Corp., American Airlines Group, Inc., Hyatt Corp

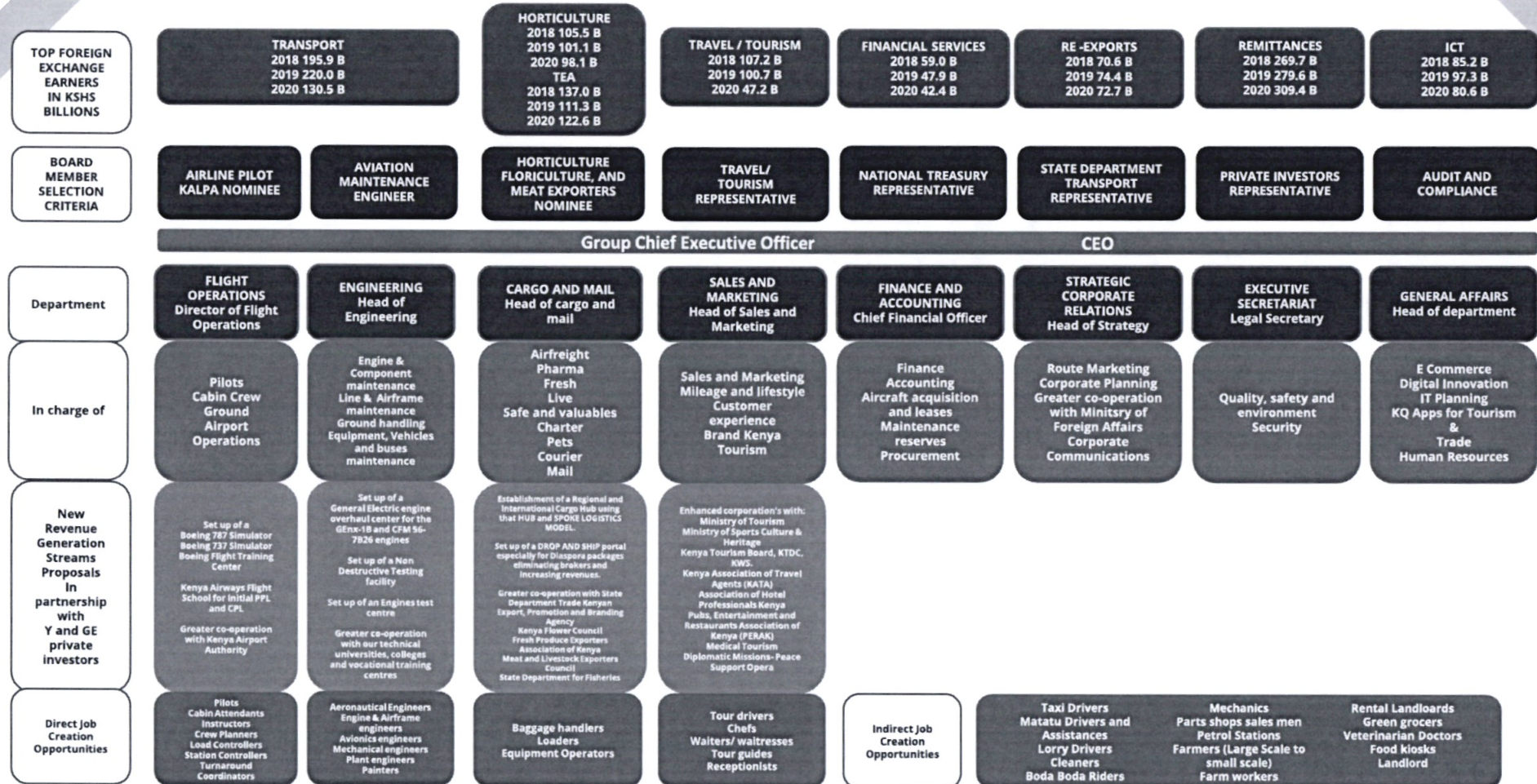
# FOCUSED ORGANIZATIONAL STRUCTURE

A new organizational structure should be established with direct emphasis on Kenya's economic drivers, KQ's core functions and revenue generation streams . Notably, the current structure mirrors a bank structure.

## CURRENT KENYA AIRWAYS MANAGEMENT STRUCTURE



# PROPOSED KQ ORGANISATIONAL STRUCTURE

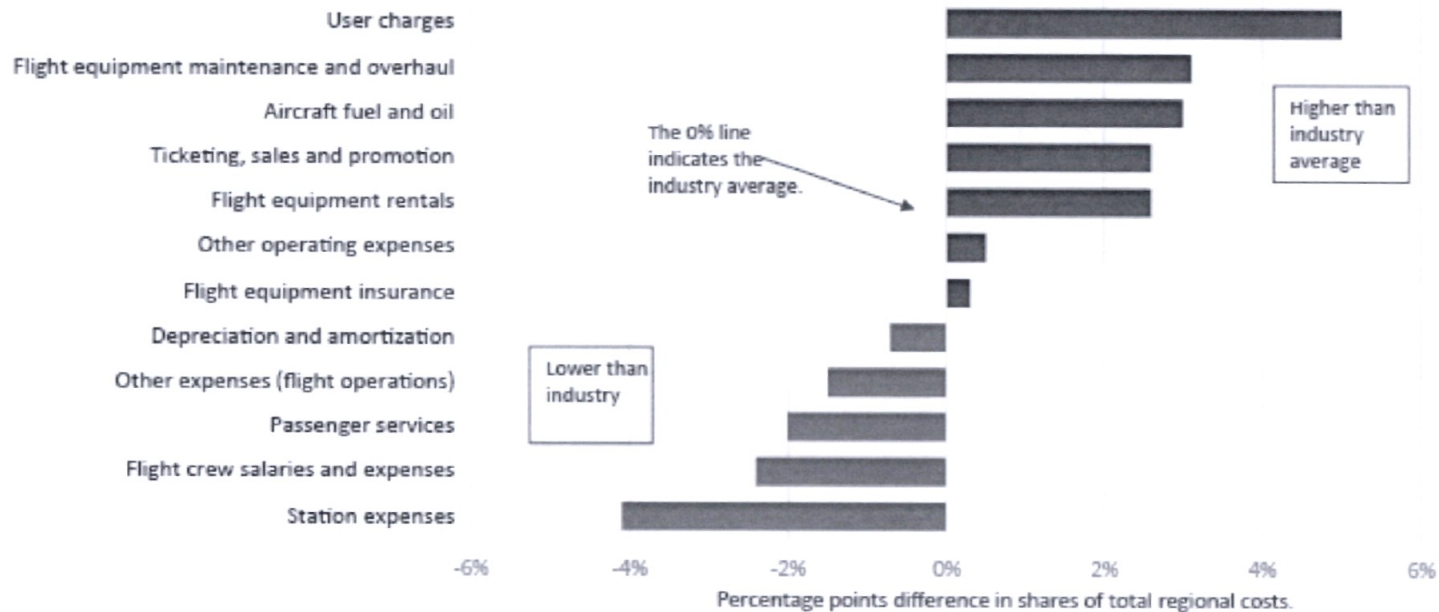


This proposed organisational structure is based....

## OPERATIONAL EFFICIENCY [REVIEW OF COST DRIVERS]

According to IATA ([www.iata.org/economics](http://www.iata.org/economics)) below are the real airline cost drivers at KQ and the difference in costs in comparison to industry standards. Higher than industry average costs drivers. KQ procurement processes should be based on objective decision making criteria while balancing competition, transparency and integrity.

### Differences in cost sources: Africa vs Industry



## REORGANIZATION OF THE AIRLINE'S FLEET TO ONE MANUFACTURER TYPE

This will reduce lease rates, costs of spares (discounts), transitional & recurrent training costs and time and certification nightmares across various platforms. For example:

- Domestic and Regional destinations to be serviced by the Boeing 737 -8 with a capacity of 145 seats.
- International and Regional destinations Boeing 787 - 8 and 787 - 9/10 series with a capacity of 234 / 296 seats.
- Ultra Long range (North America, Brazil, Japan and Australia) Boeing 777X with a capacity of 384 seats.
- Cargo - Boeing 777 Freighters with a payload of 102 Tonnes and any of our aging aircrafts to be converted to pure cargo only aircrafts gradually building our cargo fleet cheaply.
  - Cargo - Boeing 787 Freighter payload 50 Tonnes
  - 737-8 payload 22.7 Tonnes
  - 737-3 payload 18 Tonnes



# AIRCRAF OPERATIONS MAXIMIZATION

## AIR TRAVEL CONNECTIVITY FROM AFRICA TO THE WORLD: 2018

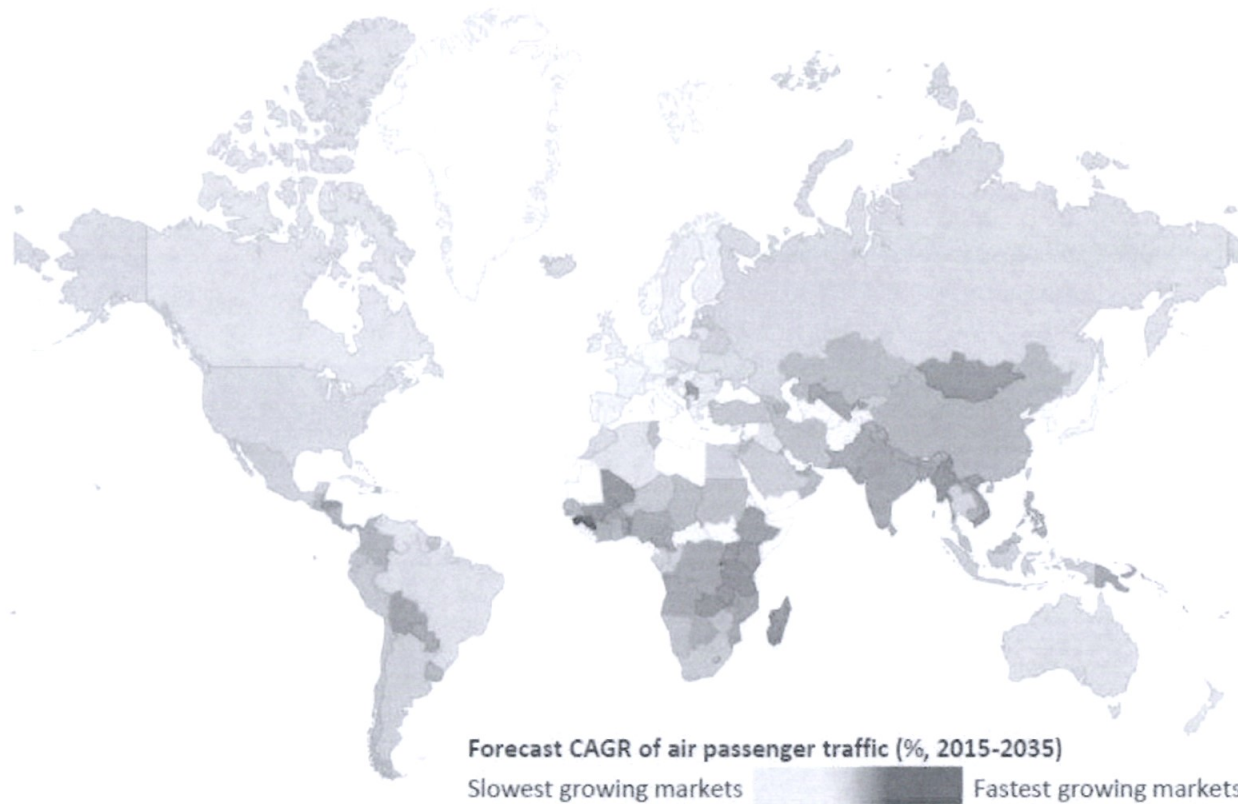


Source: SRS Analyser

[www.iata.org/economics](http://www.iata.org/economics)

Currently, the hub of air connectivity is in Europe. However, due to the growing population and geostrategic importance of Africa, a shift can be obtained.

## PROSPECTS OF AIR PASSENGER GROWTH

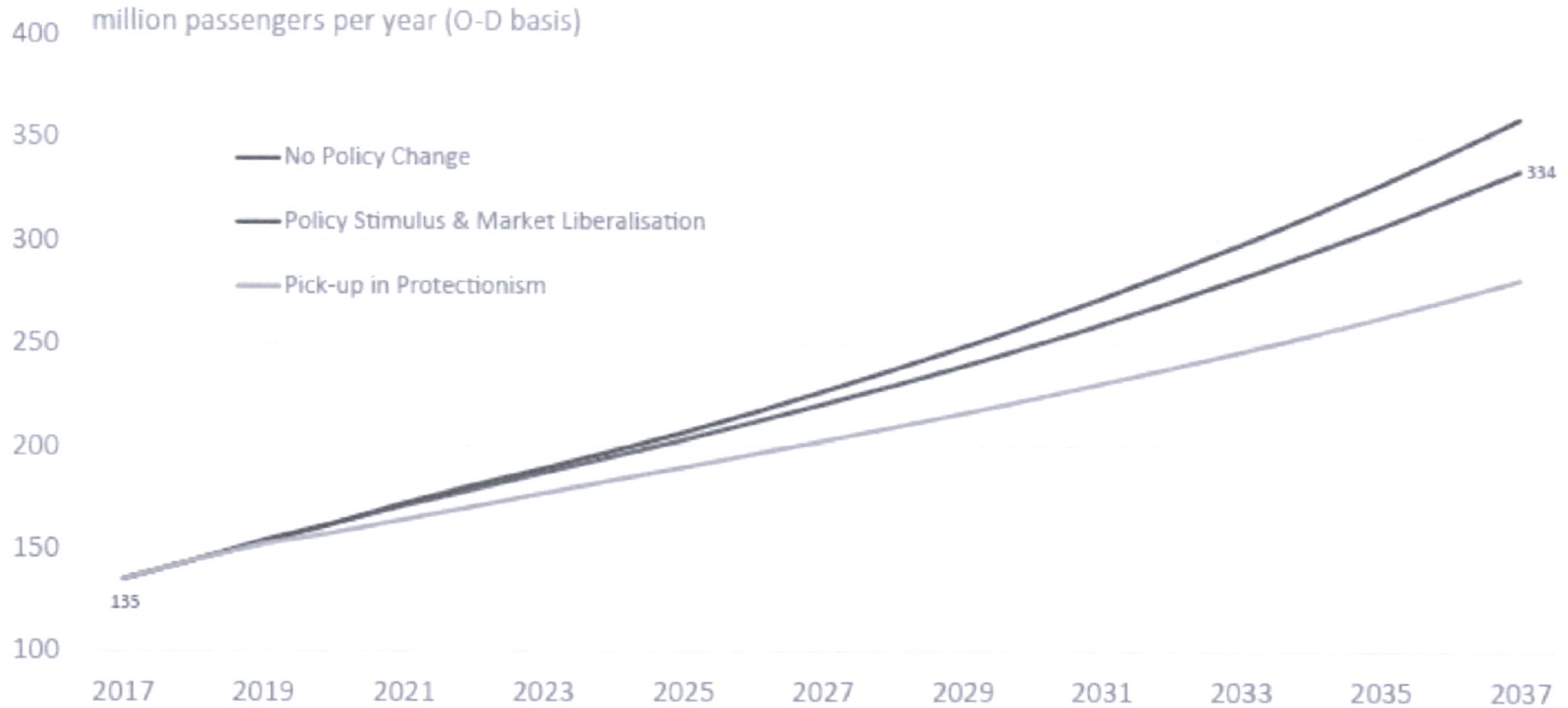


Source: IATA/Tourism Economics

[www.iata.org/economics](http://www.iata.org/economics)

There is a shift in the East and South because.....  
And this favours Kenya Airways and other African Airlines

## DEMAND FOR AIR TRAVEL IN AFRICA TO SOAR IN THE MIDDLE RUN



Source: IATA/Oxford Economics

[www.iata.org/economics](http://www.iata.org/economics)

## RECOMMENDATIONS.

It is recommended that:

- The proposed changes in governance and organisational structure is systematically adopted
- The fleet type be homogenous to accord ease in operations and maintenance
- Financial bailouts to provide a financial cushion

Due to the ongoing debt crisis in KQ and Kenya, I would recommend the use of a Diaspora Dollar infrastructure bond and also a local currency one as financing options for the revamping of the airline's operations. These can be issued to Kenyan Diaspora, pension funds, and local Kenyans to fund a new KQ terminal, second runway, and a bigger cargo center. This approach could potentially ease the strain on the taxpayer while still allowing Kenyans to own Kenya's assets.



## CONCLUSION

The benefits of having a safe, reliable and profitable airline is a key economic driver  
Kenya Airways can rapidly return to profitability if these recommendations are implemented





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When replying, please quote:

Ref. NA/DDC/F&NP/2026/37

21<sup>st</sup> January, 2026

Mr. Naphtaly Kipchirchir Rono  
P.O. Box 5923-00100  
NAIROBI

Dear Mr. Rono

RE: INVITATION FOR VETTING BY THE DEPARTMENTAL  
COMMITTEE ON FINANCE AND NATIONAL PLANNING

Following your nomination by His Excellency, the President, for appointment as Director General, Financial Reporting Centre, the Departmental Committee on Finance and National Planning hereby invites you for vetting pursuant to provision of Section 6(3) of the Public Appointments (Parliamentary Approval) Act, Cap. 7F, on **Monday, 2<sup>nd</sup> February 2026**, at the **Mini-Chamber, County Hall, Parliament Buildings** at **11.00 a.m.**

Kindly fill the attached questionnaire as required by the Public Appointments (Parliamentary Approval) Act Cap 7F and attach copies of your national identity card, academic and professional certificates and any other testimonials. The questionnaire should be returned on or before **Thursday, 29<sup>th</sup> January 2026**.

Further, you are required to bring along originals of the above documents and letters/certificates of clearance/compliance from the following institutions:

1. Ethics and Anti-Corruption Commission;
2. Kenya Revenue Authority;
3. Higher Education Loans Board;
4. Credit Reference Bureau;
5. Directorate of Criminal Investigations; and
6. Office of the Registrar of Political Parties.

The Liason Officer for this exercise is **Mr. Benjamin Magut, Principal Clerk Assistant**, who may be contacted on telephone no. **0712974966** or email address: **benjamin.magut@parliament.go.ke** and **ddc@parliament.go.ke**.

Yours



**JEREMIAH NDOMBI, MBS**  
**FOR: CLERK OF THE NATIONAL ASSEMBLY**