<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRIVING INVESTMENT IN EAST AFRICA</td>
<td>03</td>
</tr>
<tr>
<td>ABOUT THIS REPORT</td>
<td>05</td>
</tr>
<tr>
<td>TWIGA FOODS</td>
<td>06</td>
</tr>
<tr>
<td>AFRICAN QUEEN</td>
<td>10</td>
</tr>
<tr>
<td>BIO FOOD PRODUCTS LTD</td>
<td>13</td>
</tr>
<tr>
<td>BLOWPLAST LTD</td>
<td>18</td>
</tr>
<tr>
<td>WHO WE ARE</td>
<td>22</td>
</tr>
</tbody>
</table>

This publication was produced by the USAID East Africa Trade and Investment Hub for the United States Agency for International Development.

Photo Credits: © USAID East Africa Trade and Investment Hub
Driving Investment in East Africa

East Africa is Africa’s fastest growing region and one of the fastest growing economic blocs in the world. The African Development Bank projects gross domestic product (GDP) rates to grow between 5 and 6 percent for the rest of the decade, easily outpacing the overall African growth rates averaging 4 percent, and the worldwide GDP growth rate of 3.1 percent. Much of this growth is being driven by East Africa’s vibrant private sector in agriculture and industry.

Industrialization is the next frontier for economic growth and empowerment in the East African region. To bolster this process, governments have passed policies and reforms to improve business environments and increase investor confidence. The results speak for their efforts. According to the 2017 Private Equity Sector Survey, more than $2.7 billion in funds were raised from 2007 to 2016 to invest in East Africa. Over 110 private companies in the agribusiness, financial services, and manufacturing sectors received funding during this period. Development finance institutions, other fund managers, and insurance companies within North America and Europe are leading this funding drive, supporting East African economic growth plans.

However, not all Eastern African businesses have been able to take advantage of this growth, often being hindered by an inability to raise capital to support their expanding enterprises. While multinational firms can leverage their vast international resources to find investment capital, and micro firms benefit from a wide range of government and donor micro

Deals Closed by Country

Ethiopia $56.8M
Kenya $61.6M
Tanzania $29.7M
Madagascar $1M
Uganda $18.4M
Rwanda $2.6M

1. As projected by the World Bank.
lending and innovative financing schemes, East African entrepreneurs in the “missing middle” who typically seek capital on the commercial markets struggle to access funding. The United States Agency for International Development (USAID) East Africa Trade and Investment Hub (the Hub) is helping these rapidly growing firms to find finance and meet international standards for increased export trade.

As of March 2019, USAID Hub-assisted firms have secured $169.1 million in funding from various investors, exported $593.4 million in duty-free goods to the U.S. under the African Growth and Opportunity Act (AGOA) and created 46,734 new jobs. Behind these numbers are firms like Twiga Foods, which tripled its workforce after closing a $6 million funding round, and African Queen, which funneled its $4 million equity investment into business expansion throughout Uganda.

To catalyze investment in these mid-size companies, the USAID Hub provides assistance to both the capital seekers and capital providers, working with either the funder or company during a particular transaction. The USAID Hub assists financial institutions to obtain the data they need to make an informed funding decision, overcoming a major obstacle to lending and investing in a market with perceived high risks. The USAID Hub also provides technical assistance to firms to improve their investment-readiness and to meet requirements laid out by funders. These efforts have resulted in 38 closed transactions over four and a half years.

The USAID Hub’s interventions have added to the number of strong private enterprises in Eastern Africa that are investment-ready and have scalability—attributes that are fundamental to attracting private investment. American companies are benefiting too, increasing their size and competitiveness as more East African businesses receive funding. U.S. investors gain greater access to a growing market of companies and consumers ready to purchase U.S. goods. A $15 million deal for a pharmaceutical firm in Tanzania, for example, translated into increased sales for U.S. medical devices firm, Medtronics. As the Tanzanian business uses its investment to expand across East and West Africa, it purchases more health products from Medtronics.

The following case studies illustrate what these funds can achieve: job creation, new technologies, expanded operations, improved services, and more. Each transaction that the USAID Hub facilitates transforms firms, but also transforms lives, fueling East Africa’s economic growth and enhancing the region’s self-sufficiency. In this dynamic market, both East African nations and the U.S. stand to gain through increased access to funding for missing middle companies.

### Deals Closed by Sector

- **Agribusiness** $76.8M
- **Cotton, Textile, and Apparel** $34M
- **Financial Services** $24.4M
- **ICT & Logistics** $17.5M
- **Healthcare** $15M
- **Home Décor and Fashion Accessories** $1.4M

USAID Hub-assisted firms are at both the startup and growth level with funding needs ranging from $100,000 to $10 million. The USAID Hub focuses on companies in the agribusiness, financial services, healthcare and sectors that are contributing to increased export and intra-regional trade and/or adopting new technologies.
About this Report

Private companies in East Africa can serve as catalysts for socio-economic transformation in their communities, countries and region. The following case studies track how four East African companies delivered on this promise with the close of investment transactions facilitated by the USAID Hub.

The report highlights five key metrics that measure impact:

01. **Export Trade**
   Increased direct or indirect cross-border trade within the region, continent and globe.

02. **Employment**
   Increased employment opportunities post-investment due to the businesses’ expansion.

03. **Gender Inclusion**
   Inclusion of women and youth (ages 18-35) post-investment.

04. **Financial Inclusion**
   Increased access to financial and credit services.

05. **Technology & Innovation**
   Utilization of technology and innovation to improve business operations and increase profitability.
Twiga Foods

Mobile platform revolutionizes path from farm to fork

SECTOR
Agribusiness

INVESTMENT
$6 million in 2016

Export Trade

Employment

Gender Inclusion

Financial Access

Technology Innovation

Simplifying Supply Chains to Increase Opportunities for Farmers and Vendors

Twiga Foods (Twiga) began in 2014 with a simple mission: to improve the lives of Kenyan farmers. To do so, the company developed a mobile e-commerce platform that simplifies the farmer to vendor value chain, making produce markets more secure, reliable, and fair. The platform eliminates middle men and formalizes transactions in the agriculture sector to benefit rural farmers and urban retailers alike. The formalized transactions create opportunities for farmers and vendors to gain access to credit which allows them to expand their businesses. Additionally, Twiga provides agronomic support to train farmers on agricultural best practices to ensure higher yields and quality produce.

After a successful pilot in 2016, Twiga wanted to scale its operations and therefore sought out investors for a Series A fundraise. However, to attract investors the company needed a strategic and operational plan which illustrated the steps it intended to take to expand the business.

Utilizing the USAID Hub to Support the Fundraising Process

Twiga reached out to the USAID Hub for support in developing a robust growth strategy to supplement the fundraising process. The USAID Hub delivered a strategic and operational plan which included milestones and objectives for implementation. Twiga Foods used these materials throughout the fundraising process to give debt and equity investors confidence in the business plan and to meet critical conditions needed to achieve financial closure. The round closed in July 2017 raising $6 million with a mix of debt and equity investors.
“Twiga eliminates informal brokers and provides a one-stop formal market connecting farmers directly to retailers.”

Grant Brooke, Co-Founder / CEO, Twiga Foods

AWARDS

Most Promising Company of the Year Award 2018, Africa CEO Forum

The World’s Most Innovative Companies 2018, Fast Company

Best Overall Start-up 2014-2015 award, 1776 Challenge Cup Start-up Competition

ACCOLADES

Battle of the Start-ups, Mobile World Congress 2018

Google Developers Launchpad Accelerator 2017

Standard Chartered Business Banking Recognition Program 2017
Providing Gainful Employment

The strategic and operational plan the USAID Hub developed alongside the company’s strong management prepared Twiga to nearly triple its workforce. In 2016 the company had 123 employees; today, it has a 357-person workforce (of which 97 percent are between the ages of 18 to 35 years old). In only a few years, Twiga has amassed 75 collection points, 11 depots, and a new fully licensed, export-grade, distribution facility. These operations service the 8,500 farmers and 5,500 vendors currently on the e-commerce platform.

“"We leveraged the USAID Hub’s work to gain funding and forge impactful partnerships. With their help we have grown and expanded our business even further.”

Mahia-John Mahiani, CFO, Twiga Foods

Empowering local farmers

Twiga works with farmers producing a variety of fruits and vegetables (e.g., avocados, bananas, carrots, mangoes, onions, papaya, potatoes). The mobile trading platform matches supply and demand, eliminating exploitative middle men. The platform monitors market trends to set fair prices for farmers and vendors while allowing seamless payment processing through mobile technology. Using a Data Management System, Twiga can monitor the business in real-time and track transaction records to better predict customer supply and demand trends, optimize inventory management, and inform lending decisions for working capital for vendors.

Twiga addresses several challenges for farmers, including: producing high-quality harvest, minimizing post-harvest losses, and lowering high transportation costs.

The company provides agronomic support to farmers through Farmer Engagement Programmes. In monthly meetings, experts train farmers on improved agricultural practices and farming techniques to help them achieve higher yields and control factors, such as pests and diseases, that may adversely affect their crops.

To minimize post-harvest losses, the platform allows farmers to track harvest supply and demand, perishable good storage, and transportation from farmers to retail vendors.

Finally, Twiga staff transports the harvested produce to ensure that the product reaches the consumer on time, with minimal damage.
Improving the Quality of Produce on the Market

The agronomic support Twiga provides farmers significantly improves produce quality. To ensure this quality is maintained, Twiga monitors produce quality through the integrated platform. The company traces each product through the mobile app which allows Twiga to address product quality issues at the farm level. Improved produce quality benefits both farmers and vendors as end consumers are often willing to pay higher prices.

Facilitating Financial Inclusion

An estimated 98 percent of agricultural produce in Kenya is sold informally, meaning that proper record keeping is often lacking. As a result, farmers struggle to access credit facilities. Twiga enables farmers to create a transaction history with the receipts for each transaction on its mobile platform. Farmers can easily access and use these transaction logs as financial records to obtain credit from financial institutions.

“Working with Twiga is a breath of fresh air. Brokers used to take advantage of me. They would harvest more bananas than was agreed and pay late or less than what was agreed. At times, they would pay in installments when they pleased. Sometimes I could not get a broker to buy the bananas from the farm and I was forced to transport the bananas to the local market at Kagio town which is far. Now, I just sit and wait for Twiga to come harvest and take the bananas. The best part is I always get my money within three days.”

Mary Kamau, farmer from Kagio, Kenya
**African Queen**

**Woman-founded enterprise expands with institutional capital**

**SECTOR**
Distribution

**INVESTMENT**
$4 million in 2016

**Export Trade**

**Employment**

**Gender Inclusion**

**Financial Access**

**Technology Innovation**

---

**Serving Marginalized Communities and Supporting Small and Medium-sized Businesses**

In 2017, African Queen distributed $13.6 million worth of high-quality commodities to schools, restaurants, hotels, and retailers throughout Uganda. The import and distribution company reduced the cost of goods for consumers, expanded markets for international companies, and made it easier for businesses of all sizes to thrive.

Sophy Nantongo incorporated African Queen in 1993 with only $3,000 to her name and a high school education. Now, 25 years later; Mrs. Nantongo delivers globally recognizable brands using sales force automation technology, a new fleet of trucks, and a 235-person logistics team. African Queen remains true to its origins and operates under the same business concept today as when the company first began: distribute consumer goods, such as food and beverages, personal care (hair and skin), stationery, and home care, to an underserved yet expansive consumer market.

Ascent, an East African focused private equity firm, met Mrs. Nantongo in 2014. At that time, African Queen was an up-and-coming business with a desire to expand domestically and eventually regionally. To scale the business, African Queen needed to restructure operating procedures and invest in new technology to increase sales volumes, contain costs, and improve profitability. It also needed to institute proper management and governance structures to allow for continued growth and sustainability.
Expanding the Business Based on USAID Hub Recommendations

Ascent approached the USAID Hub for due diligence support in analyzing African Queen’s internal processes and growth strategy. Ascent viewed a partnership with African Queen as an attractive investment but needed the USAID Hub’s support to bring the transaction to fruition. Ultimately, the USAID Hub’s recommendations laid the groundwork for Ascent and African Queen to accelerate growth and transition from a small, local operation to a large, national player in the Ugandan distribution industry.

With the support from the USAID Hub, Ascent and African Queen closed an investment deal of $4 million in February 2016.

Strengthening the Company Leadership

In alignment with the recommendations made by the USAID Hub, African Queen now operates as a robust commercial enterprise with the oversight of a Board of Directors and a Managing Director who redefined African Queen’s operating and management procedures. African Queen’s improved management and governance allows them to better engage with fast-moving consumer goods conglomerates who insist on professional distributors for their global and regional brands.

The new management team drives a strong customer-centric mentality which enables African Queen to offer improved service to wholesale clients as well as to new retail clients. The strategic shift resulted in African Queen becoming the market leader in distribution. The leadership plans to continue pursuing retail customers as it expands throughout Uganda and prepares for a regional expansion.

Creating Jobs and Broadening its Reach

From 198 employees pre-investment in 2015, African Queen grew to 219 employees (38 percent women and 70 percent youth) post-investment in 2017. Similarly, its fleet grew from 48 vehicles to 70 vehicles post-investment. African Queen retired its auto rickshaw fleet and old trucks in favor of fuel-efficient vehicles that reduce its carbon footprint. Further, the company expanded its consumer base in Uganda (see map) and is laying the groundwork for regional growth.

Improving Competitiveness and Efficiency Through Better Use of Technology

African Queen transformed its operations to achieve greater efficiency and transparency based on the USAID Hub’s recommendations. Using sales force automation, the company maps distribution routes with customer locations, demographics, and purchasing behavior. The data helps African Queen determine distribution schedules for maximum efficiency and analyze retailer trends so that it can better target customers for cross-selling.

Gaining Partners and Customers

African Queen shares its data and insights with partners to help inform their distribution strategies. This route intelligence allows African Queen to negotiate preferential product prices and continue to gain new retail partners.

The company also uses technology for order fulfillment. It improved its inventory management by creating a communications system that extends all the way from its field sales team to its depot managers. Every member of the African Queen logistics team now has access to customer orders and company inventory. This results in improved inventory management that includes accurate inventory recordings, inventory optimization, faster order-processing, reduced lost revenue, better purchase planning, reduced-order lead times, and online order...
tracking, African Queen can now run its operations more efficiently, leverage its working capital better, and rationalize costs to generate higher margins.

**Investing in Employees**

African Queen trains its sales staff and equips them to capture orders through electronic gadgets for processing, anywhere and at any time. As a result, staff are free to work offsite and no longer must commute to depots or headquarters daily. This creates better work-life balance for sales staff and transfers employment from urban areas to peri-urban or rural areas.

**Reducing Cash Transactions for Safety and Efficiency**

By using mobile payments, African Queen reduced incidences related to cash payments (e.g., money loss, theft, attacks on field sales team). Additionally, digital transaction history allows African Queen to determine which of its retail customers are suitable for credit-line offers. Those retailers can grow more quickly with the credit African Queen provides, which in turn, allows them to employ more people and expand the territories they cover.

**Expanding Trade Throughout the Region**

African Queen is committed to providing high-quality consumer goods to its growing market of retailers. Its technology-enhanced feedback loop guarantees that its retail partners benefit from consumer insights. Furthermore, African Queen’s credit-line offers allow its retail partners to grow alongside the company. Because of its attention to detail and demand for best practices and high-quality goods, African Queen and its partners have a reputation for being “best in class” and are well positioned to expand their quality offerings to the underserved consumers in Central and Northern Africa.

“The USAID Hub conducted a process mapping review of African Queen to help us establish how the company can improve its entire value chain. They also made recommendations on how the company could leverage ICT and automation in inbound and outbound logistics to increase efficiency and thereby improve overall profitability. Most of the recommendations made have been implemented and we have seen better margins through improved operational efficiency. We are also able to reach a broader set of customers in rural and underserved areas.”

David Owino, Managing Partner, Ascent

“The recommendations that came from the USAID Hub helped us transform our business; particularly in terms of refocusing on high margin brands, sales automation, reorganizing our workforce and inventory and channel management. Because of their work, we are positioning the company to win by leveraging better on our ICT and innovation.”

Innocent Bagumira, Managing Director, African Queen
Empowering Farmers and Promoting Consumer Health through High-Quality Products

Bio Foods Products Ltd. (Bio Foods) is a Kenyan agribusiness that works with dozens of local farmers to produce high-quality dairy products for East African retail and hospitality customers. Bio Foods trains farmers on animal health and handling and supports farmers in making technological investments to improve their processes. The company is the only Kenyan dairy processor that applies strict World Health Organization (WHO) quality standards to manufacture hygienic yogurt, milk, and specialty milk products.

In 1991, Binoy Zachariah founded a dairy plant to manufacture yogurt. Twenty-five years later, he sought capital to transform the business into a technology-driven dairy processor. The Blue Link BV (TBL), a Dutch private equity fund operating in the Netherlands, Pakistan, and Kenya, was a strong match based on its prior investments and expertise in the dairy sector in other regions.

Leveraging Transaction Facilitation Services to Give Investors Confidence in the Business

TBL asked the USAID Hub to conduct in-depth research on the dairy processing sector in East Africa and analyze the company’s key operations. The USAID Hub’s transaction team developed a product and consumer growth strategy analysis that was instrumental to TBL’s final investment decision.

Following the $6 million transaction, TBL used the USAID Hub analysis to restructure the business and position it for accelerated growth. The management team launched new products, improved customer
engagement, partnered with farmers, and expanded regionally.

**Growing Demand and Investing in Distribution**

Because of the growth strategy developed by the USAID Hub, Bio Foods acquired new production equipment to increase capacity and expand its reach. Pre-investment, Bio Foods only serviced Nairobi and Mombasa. Today, Bio Foods supplies all major metropolitan towns across Kenya and other towns throughout the region (e.g., Tanzania, Uganda, Rwanda). As of 2018, Bio Foods products are sold in over 800 shops and outlets combined.

Additionally, the growth strategy included investments in marketing to spur more demand for its products in the retail and hospitality space. To service the increased demand, Bio Foods scaled its workforce (143 employees in 2016 to 249 employees in 2018). This increase is a direct result of the company’s increased production, expanded distribution, and diversified product lines. The new workforce consists of 50 percent women and 70 percent youth (ages 18-35). New and former employees are trained and introduced to new technology, production methods, and management systems.

**Empowering Farmers to Drive the Economy**

Bio Foods partners with 10 large farms and over 30 smallholder dairy farmers. Given TBL’s wealth of experience with dairy farms in Pakistan, the investment firm leveraged their expertise to train these farmers on feed optimization, animal health, disease management, and safe handling of milk. Bio Foods also supports farmers in scaling their operations by paying above-market prices and offering loans so that farmers can invest in new equipment such as milking machines, storage tanks, and cooling systems.
Promoting Food Safety and Safeguarding Consumer Health

As a market leader in the dairy industry, Bio Foods employs European quality standards that test for bacterial content and counts, presence of antibiotics and inhibitors, aflatoxin levels, and other impurities. The company trains staff from all retailers on proper handling and storage of dairy products in addition to supplying branded refrigerators to shops and outlets to improve shelf life and reduce the risk of contaminants.

Bio Foods actively engages with consumers through social media and in-store campaigns to increase brand awareness and educate consumers on the importance of quality dairy products.

Innovating Beyond Status Quo

In response to the USAID Hub’s recommendations, Bio Foods diversified its product offering and launched a variety of new products, such as the fruit-at-the-bottom yogurt, barista milk, lactose free milk, eggless mayonnaise, and cooking cream. Bio Foods also expanded beyond dairy and now produces items that complement the portfolio such as jam and honey. These new product lines draw in new customers and increase existing customers’ loyalty.

Maintaining Environmental Integrity


Considering the heavy water usage during production, Bio Foods has a water treatment plant that ensures that waste from the factory is safely discharged into the Nairobi sewage system. The company also plans to install solar energy and solar heating systems within its factory to reduce non-renewable energy consumption.

“By engaging and investing in farmers, we are transforming the dairy sector and promoting modern dairy farming practices. This delivers development impact through the modernization of farm operations, better utilization of technology, and higher earnings for farmers.”

Joachim Westerveld, Managing Director, TBL
I began dairy farming in 1998 with one cow. Now, I have a fully commercialized dairy farm that hosts 100 cows and produces over 500 liters per day.

In the past, I sold milk to the local dairy cooperative. As my farm grew, the dairy cooperative did not have enough capacity to absorb the increasing quantities that I was producing. As a result, I was forced to dispose of the excess milk, leading to significant financial losses.

I was introduced to Bio Foods in March 2018 and was on-boarded as a supplier because of the quantity and quality of my milk. It is comforting to know that all my milk will be purchased and that I will be paid on time. Logistically, it is easy for me as well; Bio picks up the milk straight from my farm and transports it to their factories. This saves me time and money.

Partnering with Bio Foods has many benefits. We have a dedicated farm development manager who visits the farm monthly and trains my staff on cattle feed quality, animal handling (e.g., cleanliness, hygiene), animal health and disease management, medicine administration, and the milking, cooling, and handling of milk. They also provided my farm with a free testing kit to check the quality of milk based on their standards. If there is a decrease in quality, the Bio team is quick to advise us on the appropriate corrective measures. The Bio team also facilitated the acquisition of a milk cooler through a 50 percent loan which I have since repaid through monthly installments.

Recently, my staff toured the Bio Foods factory in Nairobi. It was an eye-opening experience for my team, and it gave us insight into the entire production process. We now better understand how the milk we make ends up in supermarkets.

I am very optimistic about my partnership with Bio Foods. I invest in my farm with confidence knowing that Bio Foods has the capacity to absorb the increased milk production. I am excited to continue to grow my farm, earn more money, and employ more people. Exciting times lie ahead, and I am confident that Bio Foods will continue to support me along the way.

CASE STUDY

“Bio Foods is going to be a game changer in the dairy sector and will push other players to improve on the quality of milk and dairy products they supply to Kenyans”

Nelson Nyamu is the proprietor of Kalia Farm located in Tala, Machakos County, Kenya.
Before I discovered Bio products I experienced health issues when I drank milk products; I would feel sick and get bloated. I thought I was lactose intolerant and stopped consuming milk completely. A friend encouraged me to try Bio yogurt, and I have not looked back since. I now consistently buy and use their milk, yogurt, and cooking cream and I no longer experience discomfort. I love the high quality of their products. The yogurt is not too sweet or overly processed. It is smooth and creamy, and they use real fruit for natural flavor.

I also love how innovative they are; they always have new and exciting products like the Barista milk for coffee. Who knew there was a specific type of milk for coffees? Fruit-at-the-bottom is also new and interesting; like a healthy, fun dessert.

“Bio products are the closest to natural milk. I never bother to try products from other companies. There is absolutely no comparison.”

Emily Mutua is a customer who uses a variety of Bio Foods dairy products.
Supporting Industries Across Africa through Affordable Packaging Solutions

Blowplast Limited (Blowplast) is the market leader in packaging solutions for local and international enterprises in a wide range of industries, including petrochemicals, lubricants, edible oils, cosmetics, paint, pharmaceuticals, juice, and dairy. The company started as a business-to-business packaging manufacturer. Today, Blowplast is an award-winning enterprise that promotes regional trade across 18 African countries and produces quality plastic products for businesses and end-consumers alike. Thanks to its regional expansion into Uganda and Madagascar and the acquisition of new technology, Blowplast is revolutionizing the packaging sector and expanding the possibilities of inter-Africa trade.

In 2016, Blowplast founder, the late Suriyakant Shah, assessed opportunities locally and regionally to expand his business. Having previously partnered with a local investor bringing industry-specific expertise, he sought to replicate that success by including a partner with experience in expansion strategies, regional trade, and financial acumen. Mr. Shah identified Kibo Capital Partners (Kibo Capital), a sub-Saharan Africa focused private equity firm, as a preferred investment partner.

Using the USAID Hub Facilitation Services to Better Understand the Market

During the transaction, Kibo Capital approached the USAID Hub seeking pre-investment due diligence support. The USAID Hub supported the deal by conducting an analysis of the plastics packaging industry (e.g., trends, market outlook, industry benchmarking against other emerging markets). In addition, the USAID Hub conducted an analysis of the company’s market positioning vis-a-vis its competition.
and developed a growth strategy to map out Blowplast’s expansion plans.

The transaction support offered by the USAID Hub laid the foundation for Kibo Capital to pursue the investment opportunity. Today, nearly two years post-investment, Blowplast expanded its manufacturing capacity into two new countries and continues to consistently innovate to streamline operations, diversify the product offering, and serve regional markets.

Building a Strong Management Team
Under the Board of Directors’ guidance post-investment, Blowplast recruited key management staff to improve operations, champion expansion programs, and refocus business opportunities. The company also restructured its leadership, further separating the roles and responsibilities of the management team and the Board. After implementing these changes, Blowplast is a stronger business that is better equipped to deal with organizational changes.

Supporting Regional Investment, Trade, and Development
In alignment with the growth strategy designed by the USAID Hub and with the capital injection from Kibo Capital, Blowplast opened new production facilities in Uganda and Madagascar. These facilities created additional capacity for Blowplast to target markets across Eastern, Central, and Southern Africa and contribute to regional economic development. Blowplast’s expansion contributes to economic development in the region through job creation in Kenya, Uganda, and Madagascar in addition to its direct investment, taxes, and duties paid. Further, it fosters knowledge sharing along with skills and technology transfer within these countries’ plastic industry.

“When we came in as investors, we were impressed by the shareholder base which consisted of the founder, family members, and external shareholders. To bring the business to the next level, we needed to add to this mix and bring in some new voices and styles. We needed to diversify the leadership team so that different ideas, skills, and expertise could complement each other for the benefit of the business.”

Christoph Evard, Partner, Kibo Capital Partners
Investing in Technology to Grow the Business

Because of the USAID Hub’s competitive landscape analysis and recommendations, Blowplast decided to heavily invest in new technology, machinery, and process improvements to optimize its operations, increase profitability, and effectively compete in the industry. The new investments include blow and injection molding and thin-wall technology capabilities. These innovations increase its manufacturing capacity and allow Blowplast to produce lighter, cheaper, and more durable packaging solutions at lower operating costs.

The company follows the Kaizen principles for process improvements and efficiency. These principles enable Blowplast employees to closely monitor the entire production process, identify bottlenecks, and monitor problem areas. Blowplast now benefits from lower production costs because of better machinery utilization, waste reduction, efficient energy use, and appropriate resource allocation.

The benefits from implementing these changes are passed on to customers through less expensive and more diverse packaging products.

Adopting Smart Energy for a Cleaner Environment

Blowplast recognizes renewable energy and resource efficiency are part of industrial environmental stewardship. The company is currently setting up its own solar power plant which will provide 90 percent of Blowplast’s electricity consumption. The large up-front investment will eventually lead to a reduction in energy costs and will boost profitability against the backdrop of rising fuel and electricity prices. The use of solar energy could also allow Blowplast to trade carbon credits.

Furthermore, to increase efficiency the company uses LED lighting, which reduces energy use per lumen and recycles waste water for production and drinking purposes. These initiatives, in conjunction with the implementation of Kaizen principles, reduces resource use, reduces power consumption via monitoring each machine power consumption, and minimizes raw material wastage throughout its facilities.

Most importantly, Blowplast continues to push the reduction of plastic usage by supporting recycling efforts and experimenting with degradable polymer replacements. These innovations are likely to be an important driver of Blowplast’s growth in the coming years.

Changing the Narrative by Uplifting Communities

Creating employment opportunities for women enables them to have more access to financing which, in turn, gives them more independence and better access to necessities such as healthcare. Blowplast identified an opportunity to improve its host community by offering women gainful and decent employment throughout its operations. The company targets 50 percent female employment for casual and unskilled laborers and sets apart specific roles for women such as labelling and packing. Prior to Kibo’s investment, Blowplast had 950 employees; the company now boasts a 1,120-person workforce that includes 20 percent women and 33 percent youth (ages 18-35). Blowplast also offers a free and healthy lunch to create a more productive and motivated workforce.

“We have completely turned around the business using technology and Kaizen principles; now, our factories run on auto-pilot. This frees up management time to be more strategic in searching for new growth and expansion opportunities.”

Sanjay Brahmbhatt, Managing Director, Blowplast
Blowplast Limited believes corporate social responsibility is an intrinsic duty. Over the years, the company implemented various initiatives to support community development and environmental conservation such as:

- Establishing a health and HIV test camp for its employees annually.
- Organizing an annual blood donation drive to benefit the Kenya national blood bank.
- Launching tree planting campaigns and events within the community.
- Building new classrooms and contributing to annual student awards at Daystar Mulandi Primary School.

We supply humanitarian aid and emergency relief goods in addition to providing end-to-end global logistical support to NGOs and aid agencies. Before partnering with Blowplast, we imported specialized plastic products from other international markets. We chose to switch to Blowplast because they are an innovative local company providing high-quality products quickly.

Given our clients are relief and aid agencies, quality and speed are critical. With Blowplast, we have never had an issue with quality; they quickly adopt our product designs and develop molds for production. Blowplast delivers on our orders in a timely fashion, so that we can promptly deliver our products when a disaster strikes.

CASE STUDY

“We are a global operation with offices in Kenya, Uganda, Sudan, DR Congo, India, Turkey, and the USA. It is exciting that we can supply Kenyan-made relief goods across the globe.”

Himanshu Dixit is the Regional Director of Techno Relief Group, a Blowplast customer.
Who We Are

The USAID East Africa Trade and Investment Hub (the Hub) is a regional mechanism for innovation that enables the private sector to increase trade, attract investment, create jobs and reduce food insecurity. The Hub accomplishes this by promoting two-way trade with the United States (U.S.) under the African Growth and Opportunity Act (AGOA), providing targeted investment facilitation, supporting adherence to intra-regional and international trade agreements and standards and removing barriers to regional trade in staple foods. A stable, business-friendly Africa provides economic opportunities for U.S. companies and workers and reduces irregular migration and violent extremism.

Regional Scope of the USAID East Africa Trade and Investment Hub

As of March 2019, the USAID Hub has facilitated:

- $593.4 Million in supported exports through the African Growth and Opportunity Act (AGOA)
- $169.1 Million of new private sector investment
- 4,465 export buyer-seller linkages
- 937 food security producers and organizations supported
- 46,734 new jobs (full and part-time)
- 128 trade and investment missions
- 26 policy and regulatory reforms
- 1,703 firms receiving capacity building assistance to export