

## Frontière Lens | September 2025

### From pressure to practical steadiness

Inflation is contained and rates are edging down, but tolerance for missteps is thin. Boards are judged on whether they plan for AGOA risk, keep price promises, and treat data and customer interruptions as licence issues, not IT or operations problems.

### CEO Signal Board

|                                       |                                                                                                                                                                                                                                                                                                      |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economy</b>                        | <ul style="list-style-type: none"> <li>• Inflation 4.5% in August within CBK target.</li> <li>• Policy rate 9.50% after August cut. Next MPC meets 22 Sept.</li> <li>• Central Bank of Kenya</li> <li>• GDP grew 4.9% in Q1 2025. 2024 full-year 4.7%.</li> </ul>                                    |
| <b>Infrastructure &amp; Stability</b> | <ul style="list-style-type: none"> <li>• Planned power interruptions continue in multiple counties. Draft rules would compensate customers for extended blackouts</li> <li>• Port and corridor efficiency remain variable watch items.</li> </ul>                                                    |
| <b>Trade &amp; Investment</b>         | <ul style="list-style-type: none"> <li>• EU–Kenya EPA in force since July 2024.</li> <li>• AGOA authorisation set to expire end-September unless extended. Firms lobby for short renewal.</li> </ul>                                                                                                 |
| <b>Civic Temperature</b>              | <ul style="list-style-type: none"> <li>• June–July protests raised investor concern. This week, university lecturers launched a nationwide strike before a court-ordered pause</li> <li>• Scarcity signals - water, land, food staples, and youth jobs - remain reputational flashpoints.</li> </ul> |
| <b>Data &amp; Cyber</b>               | <ul style="list-style-type: none"> <li>• ODPC stepping up engagement and governance reforms, including Malabo Convention consultations and a new data governance policy process.</li> </ul>                                                                                                          |

### What this means for reputation

- **Trade preferences are reputational.** Buyers and employees judge readiness for an AGOA gap as much as the balance-sheet impact.
- **Public trust is brittle.** Youth-led protest networks organise fast on WhatsApp, X and TikTok. Companies that look tone-deaf on prices or tax pass-throughs take heat quickly.
- **Outages are licence issues.** Planned power cuts and any prolonged disruption trigger expectations on service, restitution, and safety.

- **Price trust is fragile.** EPRA fuel changes and FX pass-through need plain-language explanations before customers ask.
- **Data handling is a board topic.** ODPC visibility is rising and stakeholders expect breach drills and transparency.

## CEO-90-Day Moves

We recommend that proactive organisations consider:

### 1. AGOA scenario and buyer assurance

**Owner:** CFO with IR and Sales

**Next 21 days**

**Why:** AGOA's renewal risk sits on a short clock. Silent exposure will be punished faster than a transparent plan.

**What to do**

- Build three tariff scenarios for US orders and margins, with switch rules to EU via EPA and regional buyers.
- Issue a one-pager to staff, investors, and US buyers on exposure, buffers, and delivery continuity.
- Pre-agree price bands and shipment staggering if preferences lapse.

### 2. Price and pump pass-through you can defend

**Owner:** COO with Corporate Affairs

**Next 21 days**

**Why:** Fuel price reviews shape logistics costs and customer trust.

**What to do**

- Prepare explainer FAQs linking EPRA reviews to your price moves and delivery windows.
- Publish a fairness frame that shows who carries what share of the cost across suppliers, staff, management, and customers.
- Train frontline teams to use the same language in call centres and branches.

### 3. Outage and continuity posture

**Owner:** COO with Legal and Comms

**Next 21 days**

**Why:** Planned cuts are public. Draft compensation rules raise expectations for transparency and fair handling of interruptions.

**What to do**

- Map site-by-site outage calendars, critical loads, and customer impact thresholds.
- Define continuity steps you control (backup supply, rescheduling, flexible staffing) and the trigger logic to deploy them.
- Draft customer and staff notices ready to send 24 hours before and after interruptions, referencing Kenya Power's restitution rules where relevant.

#### 4. Corridor map for Mombasa–Nairobi and Western

**Owner:** External/Trade Engagement & Logistics

**Next 30 days**

**Why:** Dwell-time swings and corridor delays can flip order reliability and invite unofficial costs.

##### **What to do**

- Name contacts at KPA, KRA, Northern Corridor Coordination mechanisms, county security desks, and community leaders.
- Stand up a rapid signal channel for theft alerts, diversions, and port advisories.
- Publish honest ETAs and re-routing rules for priority orders.

#### 5. ODP-PC-ready data posture

**Owner:** CISO with DPO and HR

**Next 21 days**

**Why:** Enforcement visibility is increasing and stakeholders expect drills, not policies.

##### **What to do**

- Run a breach tabletop once this quarter. Prepare regulator and customer templates and FAQs.
- Re-confirm registration status and records of processing.
- Brief ExCo on the new data governance policy process and Malabo consultation.

#### 6. Workforce and campus engagement pack

**Owner:** CHRO with Public Affairs

**Next 60 days**

**Why:** Sector strikes spill into supply chains and local sentiment. Lecture-hall closures and protest aftershocks raise risk of disruption.

##### **What to do**

- Prepare site briefings, alternative staffing plans, and liaison points with unions and county officials.
- Publish a short ‘commitments’ note on safety, transport, and flexible work during disruptions.

## **Sector snapshot**

### **Horticulture and agriculture**

Protect cool-chain reliability with outage calendars and honest ETAs. Use EPA marketing for seasonal windows. Lean into the EU EPA with a story about quality, traceability and fair prices for growers. Be transparent if FX forces pack size or format shifts for domestic goods.

### **Apparel and light manufacturing**

Run AGOA scenarios with US buyers and share EPA back-up routes to the EU. Prepare a staff and buyer narrative on AGOA uncertainty and the plan for orders to Europe or the Gulf if US preferences lapse. Keep union leaders in the loop early.

## Financial services and fintech

Explain rate-cut transmission to SMEs and households. Disclose stress on clients tied to US preferences and fuel costs. Show board and public how you handle mobile money disruption and data-privacy duties.

## Tourism and hospitality

Keep messaging practical on safety, service continuity, and booking flexibility during planned outages. Align to the green-energy story and the diaspora market. Prepare a calm posture if protest days affect transport or parks.

## Energy and infrastructure

Tie investor messaging to Kenya's renewable base while recognising grid constraints. If your project touches land or water, put county-level consultations and faith-leader outreach on the record.

## Tech and digital

Evidence ODPC compliance, incident drills, and vendor due diligence. Reference the national data governance work

## Narrative to use with boards and investors

Kenya's macro picture is steadier than sentiment suggests. Inflation sits within target and the central bank has eased again. Growth is holding near 5 percent, though execution risks remain. The next 90 days centre on trade preferences, price trust, outage resilience, and data governance. Credibility is earned by showing you model AGOA futures, explain price moves before they are questioned, keep customers whole during interruptions, and bring ODPC-ready discipline to data. Firms that do this and report it simply are more likely to retain buyer and investor confidence, protecting licence through the cycle.

## Potential Tripwires and Responses

These thresholds should trigger communication and engagement. Frontière Advisory will work with your internal teams to get these responses established and implementable:

### AGOA lapse or last-minute change

|           |                                                                                                                                                                        |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trigger   | No renewal by the effective deadline or material change to coverage.                                                                                                   |
| Data feed | US Congress trackers and trade ministry advisories.                                                                                                                    |
| Response  | <b>24 hours:</b> Issue buyer FAQs and price bands<br><b>48 hours:</b> Switch shipments per scenario rules<br><b>7 days:</b> Brief investors on mix and margin impacts. |

### Kenya Power disruption beyond plan

|         |                                                                              |
|---------|------------------------------------------------------------------------------|
| Trigger | Nationwide outage longer than 6 hours or two national outages in one quarter |
|---------|------------------------------------------------------------------------------|

|                  |                                                                                                                                                                                                                                                                 |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Data feed</b> | Kenya Power advisories and site telemetry                                                                                                                                                                                                                       |
| <b>Response</b>  | <b>24 hours:</b> Issue customer and staff updates on outage impact and continuity steps<br><b>48 hours:</b> Communicate rescheduled service or delivery plans<br><b>7 days:</b> Evidence recovery progress and any restitution measures offered by the utility. |

#### Port congestion or corridor delay

|                  |                                                                                                                                                                        |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trigger</b>   | Terminal advisory of persistent congestion or median dwell time deterioration                                                                                          |
| <b>Data feed</b> | KPA, corridor observatory dashboards, carrier alerts                                                                                                                   |
| <b>Response</b>  | <b>24 hours:</b> Re-sequence orders and share revised ETAs<br><b>48 hours:</b> Convene corridor contacts and brief/listen<br><b>7 days:</b> Publish a recovery update. |

#### EPRA fuel price swing

|                  |                                                                                                                                                                      |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trigger</b>   | Pump price change above KSh2 per litre in a single review cycle                                                                                                      |
| <b>Data feed</b> | EPRA monthly notices                                                                                                                                                 |
| <b>Response</b>  | <b>24 hours:</b> Update logistics surcharges and customer ETAs<br><b>48 hours:</b> Publish pass-through explainer<br><b>7 days:</b> Evidence on-time delivery rates. |

#### ODPC notice or suspected breach

|                  |                                                                                                                                                   |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trigger</b>   | Notifiable incident or formal ODPC inquiry                                                                                                        |
| <b>Data feed</b> | SOC alerts, ODPC channels.                                                                                                                        |
| <b>Response</b>  | Notify per law, issue plain-language FAQs and restitution steps within <b>24 hours</b> of going public<br><b>7 days:</b> Publish progress update. |

#### Civic disruption affecting staff or sites

|                  |                                                                                                                                                                                             |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trigger</b>   | Confirmed protest route near operations or lawful industrial action impacting staff                                                                                                         |
| <b>Data feed</b> | County notices, court rulings, credible media                                                                                                                                               |
| <b>Response</b>  | <b>24 hours:</b> Activate safety and transport plan<br><b>48 hours:</b> Brief staff, customers, regulator (if relevant) and buyers<br><b>7 days:</b> Share attendance and delivery metrics. |

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