

**Industry Overview**

Manufacturing in Kenya is one of the most developed industries after agriculture, which is the country's backbone. The industry grew by 3.1% in 2012 while its contribution to the country's gross domestic product (GDP) stood at 9.2% in the same year. Despite several challenges which have slowed down local manufacturing, key among them being the high cost of operation, several entities have entered the market, making it increasingly attractive and competitive. Fast moving consumer goods in Kenya have also gained popularity, especially with the urban population. Middle income earners have raised their consumption patterns to increasingly accommodate such goods as soft drinks and processed foodstuffs. Kenya's tilt towards fashion and trends has also made cosmetics popular with the youthful population, and the sector has flourished locally. So much has the demand for cosmetics grown that local entrepreneurs are carving a name for themselves with self-branded products such as hairdresser Tony Airo. Flame Tree Group is involved in the aforementioned market segments, and this report will demonstrate their successes and failures.

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