

PLANNING WEEKLY BLOG

County Aggregation and Industrial Parks Transforming Micro, Small and Medium Enterprises in Kenya

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The County Aggregation and Industrial Parks (CAIPs) are redefining small scale businesses in Kenya. These parks are changing the way farmers, traders, and local manufacturers conduct business by allowing them to transform raw produce to finished products, little ideas to lucrative business opportunities and local innovations to market solutions.

The cycle of selling raw unprocessed goods for pennies through myriads of brokers, travelling long distances to reach the markets, and encountering poor infrastructure limited entrepreneurship and discouraged business startups. The new industrial parks are not only encouraging business innovations but are also enabling the producers to turn to value addition to make profits at county level and compete at national and international markets.

The Micro, Small and Medium Enterprises (MSMEs) are well-known in Kenya as a source of employment, innovation, and industrial development. The CAIPs cut traditional barriers which interrupted growth by giving businesses an avenue through which they can process, package, and sell locally as well as have access to shared infrastructure like storage facilities, machinery, and structured workplaces. Business people are now able to focus more on developing competitive products and growing their businesses as opposed to worrying about logistics and infrastructure constraints.

In addition to providing physical infrastructure, these parks also foster innovation as they provide a platform where farmers, producers, traders, and manufacturers interact in a mutual ecosystem. Their close proximity promotes sharing of knowledge, business partnerships, and discovering of new business opportunities. The improved production patterns and improved supply chains developed around these hubs are beneficial to the communities where businesses are mutually supporting.

In Turkana, the recently launched regional agro-processing hub is rewriting the script for local traders. Formerly dependent on the raw commodity sales, these entrepreneurs now use modern facilities to enhance storage and processing of agricultural and animal products granting them seamless access to wider markets.

On the same note, Kirinyaga, the land of agricultural wealth, is using its industrial park to ease value addition and provide farmers with new sources of income to stimulate agribusiness entrepreneurship. For Kirinyaga, business fraternity, the CAIPs have acted as a gamechanger to the county development. The fertile agricultural land has attracted

many land buyers from far and wide due market expansion and conducive environment for doing business.

In Western side of the country, Busia County is another thriving hub for implementation of CAIPs. The county which is strategically placed on the Kenya-Uganda boarder trading routes, is using its industrial park to promote cross-border trade and small-scale production. The cost of operation has reduced through the sharing of infrastructure and the competing ability of the local businesses.

Uasin Gishu County in the Rift Valley is not left behind either. The county known for its common agricultural background is providing a platform for the farmers and manufacturers to expand their operations, improve products, and gain access to the market. Farmers can process their products in the parks, artisans and manufacturers can use sophisticated equipment, and youths can access new job opportunities.

This pooling of resources in addition to innovation promotes the formation of networks between businesses in communal areas that help to boost local economies. CAIPs are not merely infrastructural undertakings, they are talent, innovation, and entrepreneurship incubators.

Notably, the industrialization is being decentralized by CAIPs. Industrial development which only used to be concentrated in the big cities is now being developed through these parks. It has offered opportunities to rural and semi-urban regions allowing the common Mananchi (citizen), farmers, traders, youths, and artisans to be active participants in the economic transformation of the country. This broad-based policy is in line with the Government's Bottom-Up Economic Transformation Agenda (BETA) and the Fourth Medium Term Plan (MTP IV) 2023-2027 that focuses on the creation of local value and fair growth.

The examples of CAIPs demonstrate that strategic investment and wise planning can turn MSMEs into engines of national development. They are a new age of decentralized possibilities, improved local production, and creative cooperation, which brings together economic development. In Kenya, these industrial parks will be successful not only because successful MSMEs in the country are a local bonus, but because they are the key to a stronger and healthier national economy.

Parting Shot: IF RAW PRODUCE CAN BECOME PROFIT, WHAT ELSE CAN KENYANS TURN INTO GOLD?