

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

**Tuesday, 25th July, 2006**

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

PRAYERS

### PAPER LAID

The following Paper was laid on the Table:-

The Report of the Departmental Committee on Administration of Justice and Legal Affairs on the Witness Protection Bill, 2006.

*(By Ms. Ndung'u)*

### NOTICE OF MOTION

ADOPTION OF REPORT ON  
PROPOSED AMENDMENTS TO THE  
WITNESS PROTECTION BILL

**Ms. Ndungu:** Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, this House adopts the Report of the Departmental Committee on the Administration of Justice and Legal Affairs on the proposed amendments to the Witness Protection Bill, 2006, laid on the Table, today, Tuesday 25th July, 2006.

**Mr. Speaker:** I do not think that is the right procedure. Is it? A report of a Committee on a Bill, automatically will be considered by the House, together with the Bill. So, we cannot have a separate Motion, Ms. Ndung'u!

**Ms. Ndung'u:** I am sorry, Mr. Speaker, Sir. I had been advised that, that was the procedure.

**Mr. Speaker:** To guide the House, ordinarily, so far, when a Bill has been referred to a Committee of the House, the Committee will look at it, prepare a report and table it, in the same way Ms. Ndung'u did. Hopefully, during the course of the debate on the Bill, the Chairman or any Member of that Committee will then apprise the House on the recommendations by the Committee on that day. Naturally, it may also follow that as a consequence of that report, amendments will be made to the Bill and presented to the Clerk for onward transmission to the Speaker and Attorney-General.

That is the way we have been doing it. Therefore, that is the way we should do it.

**Ms. Ndung'u:** Thank you, Mr. Speaker, Sir. I withdraw the Notice of Motion.

*(Notice of Motion withdrawn)*

**Mr. Speaker:** Thank you. However, you will be entitled to apprise the House on your Report!

### QUESTIONS BY PRIVATE NOTICE

#### FINANCIAL SUPPORT FOR WOMEN FOOTBALL TEAM

**Mr. Kombe:** Mr. Speaker, Sir, I beg to ask the Minister for Gender, Sports, Culture and Social Services the following Question by Private Notice.

(a) Is the Minister aware that the National Women Football team is experiencing financial constraints and was due to start residential training on 15th June, 2006, but has not yet started?

(b) In view of the fact that the team is due to travel to Cameroon on 28th July, 2006, what is the Minister doing to prepare the team for the match?

**The Assistant Minister for Gender, Sports, Culture and Social Services (Mr. Onyancha):** Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the residential training of the national Women's team was postponed from 15th June, 2006 to 9th July, 2006 due to technical rather than financial constraints. Earlier on, the team received adequate residential training as it prepared for their match against Djibouti.

Furthermore, some of the players are students who had academic assignments to complete. As such, the players continued to train with their respective clubs before assembling on 9th July, 2006 to begin their residential training. Since the team members are familiar with each other and have received adequate residential training, I am satisfied that the 19 days training for their match against Cameroon was sufficient. (b) The Ministry, in liaison with the Kenya Football Federation (KFF), facilitated the team's 19 days residential training at the Moi International Sports Centre, Kasarani. In addition, the Ministry purchased air tickets to enable the team to travel to Cameroon. The allowances for the players and officials have also been met by the KFF. As I speak now, the team has actually played and it is waiting for their return match in two weeks time, on 5th August, 2006.

**Mr. Kombe:** Mr. Speaker, Sir, it is true that the game was bad but is the Assistant Minister satisfied with the results of the match which was as a result of ill-training?

**Mr. Onyancha:** Mr. Speaker, Sir, Kenya was playing against one of the best teams in Africa. In fact, Nigeria is the best followed by Cameroon. The results against the Djibouti team which was seven goals to nil, is something that attests to the training of our women football team.

**Mr. Kombe:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to answer a different question? I asked him whether he is contented with the results of the Kenya versus Cameroon game. I did not ask about Kenya versus Djibouti. Is he in order to give results for Djibouti?

**Mr. Onyancha:** Mr. Speaker, Sir, I am satisfied with the performance, given that Kenya was playing against one of the best teams in Africa. We are waiting to meet Cameroon in the next two weeks. I hope the Member of Parliament will be there to cheer our ladies.

**Ms. Ndung'u:** Mr. Speaker, Sir, our team lost four goals to zero to Cameroon because the Cameroonian team was able to bring back six of their professionals from other countries. Kenya has four professionals playing outside the country. Could the Assistant Minister assure us that on the return match our foreign based professionals will be brought back to ensure that we beat Cameroon during the return match?

**Mr. Onyancha:** Mr. Speaker, Sir, as a Ministry, we are prepared to do our best to ensure

that our ladies perform well. We shall also look at that request that the Member of Parliament has made.

**Mr. Speaker:** Very well! Next Question.

**Mr. Kombe:** Last question, Mr. Speaker, Sir.

**Mr. Speaker:** Sorry! There is no time. Will you proceed, Mr. Salat or I call the next Questioner?

TAKEOVER OF KENYA TIMES MEDIA TRUST BY TIMES NEWS SERVICES LIMITED

**Mr. Salat:** Mr. Speaker, Sir, I beg to ask the Minister for Labour and Human Resource Development the following Question by Private Notice.

(a) Is the Minister aware that the Times News Services Limited is in the process of taking over the Kenya Times [Mr. Salat] Media Trust Limited?

(b) Is he further aware that the Kenya Times Media Trust Limited has for the last four months not paid employees their salaries?

(c) What steps is the Minister taking to ensure that the workers' salary arrears and statutory deductions and taxes are paid as follows:-

(i) NSSF	-	Kshs 8,450,000
(ii) NHIF	-	Kshs 6,400,000
(ii) KRA	-	Kshs75,150,000
<b>Total</b>		<b>Kshs90,000,000</b>

**The Minister for Labour and Human Resource Development (Dr. Kulundu):** Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that the Times News Services Limited is not only in the process of taking over the Kenya Times Media Trust Limited, but has already taken over. The proof of this fact is that, in May 2005, ten employees launched a complaint demanding their terminal benefits. The District Labour Officer, while investigating this case, visited the offices of the Kenya Times Media Trust and found out that the name had been changed to Times News Services Limited. This clearly showed change of management. The second proof is that five employees of Kenya Times Media Trust have already been issued with termination letters and have already been paid their terminal benefits.

(b) I am not aware that the Kenya Times Media Trust has for the last four months not paid employees their salaries. No employee has reported to my Ministry a case of non-payment of salaries. The only case reported to my Ministry is that of non-payment of terminal benefits. If there are any employees that have not been paid their salary for four months, I request that they report to the District Labour Office at Nyayo House, 16th Floor, for immediate action.

(c) My Ministry, through the District Labour Officer, issued a 14-day notice for prosecution to the Managing Director of Times News Service with effect from 5th July, 2006 which was not complied with. My Ministry is in the process of preferring court charges against the company in order to recover the terminal benefits on behalf of the aggrieved employees.

**Mr. Salat:** Mr. Speaker, Sir, while I appreciate the Minister's very detailed reply, as of Thursday this week, officers from the Ministry of Labour and Human Resource Development visited the offices of Times News Services. In part "b" of the Question, I asked the Minister whether he is aware that employees of Times Services Limited have not been paid their salaries. It is only on Friday last week after those officers visited the offices that they were given a half of their salary. What is the Minister doing to ensure that this particular Media house pays its employees---

*(Loud consultations)*

**Mr. Speaker:** Order! I request the hon. Minister for Planning and National Development to consult in low tones. You are disrupting the proceedings of the House. You can whisper to your colleague.

Proceed!

**Mr. Salat:** Mr. Speaker, Sir, what is the Minister doing to ensure that the employees of Times Services Limited are paid their salaries in full?

**Dr. Kulundu:** Mr. Speaker, Sir, it is true that these workers were paid part of their salaries. If I read through this document maybe it will take a lot of time. Suffice it to say, the employees will appear before the Industrial Court and whatever the award, they will be paid their salaries and benefits promptly.

**Mr. Muturi:** Mr. Speaker, Sir, the NSSF is a parastatal that falls within the Ministry of Labour and Human Resource Development. In the hon. Member's Question, there is reference to a sum of Kshs8,450,000 which forms part of the statutory deductions to the NSSF and which has not been paid by this company. A further sum of Kshs6,400,000 which is a statutory deduction for the NHIF has also not been paid by this company. What is the Minister doing to ensure that those statutory deductions are recovered? What legal action has he taken?

**Dr. Kulundu:** Mr. Speaker, Sir, let me first of all make a correction. Let me go into details of what each employee was given.

**Mr. Speaker:** Order! This is a Supply Day. We do not have the time for it. Just Table it.

**Dr. Kulundu:** Mr. Speaker, Sir, the total figure is Kshs832,197.50. The total figure for the others is Kshs382,093.50. The Labour Commission has given authority to the Provincial Labour Officer, Nairobi, to prosecute the employer immediately for failure to pay wages when due and non-payment of terminal benefits to the employees. I hereby table this document to prove that the figures quoted by the hon. Member are slightly exaggerated.

*(Dr. Kulundu laid the document  
on the Table)*

**Mr. Salat:** Mr. Speaker, Sir, besides the employees who are Kenyans not having been paid their dues, is the Minister aware that a certain individual who is not Kenyan is working for this company purportedly as an expatriate without a legal work permit?

**Dr. Kulundu:** Mr. Speaker, Sir, the issue of foreigners working in this country is one that would best be dealt with by the Department of Immigration. Since Mr. Salat seems to have answers to this Question, I will gladly pass them over to the Minister in charge of immigration.

AWARD OF CONTRACT FOR  
SAGANA-MARUA ROAD

**Mr. Muriithi** Mr. Speker, Sir, I beg to ask the Minister for Roads and Public Works the following Question by Private Notice.

(a) When was the contract for the construction of Sagana-Marua Road awarded and to which firm?

(b) How much of the road works has been done?

(c) Is the damages clause being applied in accordance with the terms of the contract if the contract period has expired?

(d) If the answer to part "c" is in the affirmative, how much damages have been levied to date?

**The Assistant Minister for Roads and Public Works** (Eng. Toro): Mr. Speaker, Sir, I

beg to reply.

(a) The contract for construction of Murang'a-Sagana-Marua Road was awarded to Kirinyaga Construction Company Kenya Limited on 3rd January, 2003. The works commencement date was 16th August, 2003.

(b) To date, 37 per cent of the works have been done. The works which have been undertaken include shoulder rehabilitation, drainage works and pavement layers. The total length of the Black Top to date is 17 kilometres of which 7.7 kilometres is surface dressing. The remaining 9.3 kilometres is dense bitumen macadam.

(c) The liquidated damages clause has not yet been invoked because the contract period has not yet elapsed. The works commencement date was 13th August, 2003 and the contract period is 36 months expiring on 13th August, 2006.

(d) Since the answer to part "c" is not in the affirmative, no damages have been levied to date. My Ministry has in the meantime, issued the contractor with contractual notifications of slow progress of works and requires him to propose measures to expedite progress. However, the original contract sum of Kshs486,258,820 is being revised to Kshs980,773,690.60 after the Cabinet approved the design period of the road to be extended from seven years to 15 years.

**Mr. Muriithi:** Mr. Speaker, Sir, the Assistant Minister has attempted to answer this Question to the best of his ability. I use this road quite often while going home. The Assistant Minister is telling us that the Ministry will double the current cost. Bearing in mind that the earlier cost was based on seven years price and that the increased contract price is for 15 years, is this adjustment relevant to the construction task?

**Eng. Toro:** Mr. Speaker, Sir, there is a lot of relevance to the additional cost. After the adjustments and the proposals were given to the Cabinet, it was realised that the cost of certain items were grossly underestimated. So, the Ministry has to come up with new costs so that, that road could be completed. It is not surprising that the adjustments could even be higher than the current cost of Kshs980 million that was approved.

**Mr. Maore:** Mr. Speaker, Sir, if you listened to the answer given by the Assistant Minister, you will realise that the Government is the problem with this contract. It is the Government that varied the designs from seven years to 15 years hence doubling the amount. Has the Minister signed the new contract? When will it commence?

**Eng. Toro:** Mr. Speaker, Sir, the new adjustments approved by the Cabinet were also signed by the Treasury in March, 2006. After the Treasury signed the adjustments, it was found that what was given to the Cabinet was based on the old rates when the contract was awarded in 2002. The Government inherited from the previous Government, the contract with all its misgivings. The contractor deliberately underquoted the contract in 2002 so that he could be awarded the contract but he has been unable to perform. That is why we have reviewed the rates to conform with the market rates.

**Mr. Muriithi:** Mr. Speaker, Sir, the Assistant Minister is trying his level best. Considering the fact that, that contractor has done 17 kilometres for the last three years, based on the original contract cost, it appears as if he is only doing 5.7 kilometres per year. Could the Assistant Minister tell us how many years that contractor will take to reach Marua after the variations are done?

*(Applause)*

**Eng. Toro:** Mr. Speaker, Sir, the contractor has been very slow. We have addressed his slowness about four times. He applied to be given an extension of 27 months which the Ministry is considering. In view of the fact that we are re-examining the rates that were quoted and which were low, if the Ministry accepts the new rates for bitumen macadam and asphalt concrete, then we will

look into the extension of time and award time accordingly. However, there is a section of that road from Murang'a to Sagana which the contractor is working on. So, the 17 kilometres are from Sagana towards Karatina. However, he is also working on the road from Murang'a to Sagana.

### ORAL ANSWERS TO QUESTIONS

#### *Question No.351*

#### WITHHOLDING OF REPORT ON BOMBOLULU GIRLS SCHOOL TRAGEDY

**Mr. Rai** asked the Minister of State for Administration and National Security:-

(a) whether he is aware that Bombolulu Girls Secondary School was burned down on 25th March, 1998;

(b) whether he is also aware that a public inquiry was conducted by a 13-member commission which sat for 30 days; and,

(c) why the Government has not released the findings to the public.

**The Assistant Minister, Office of the President** (Mr. Kingi): Mr. Speaker, Sir, the answer to this Question cuts across two Ministries, namely, the Office of the President and the Ministry of Education. I require some time to harmonise the information with my counterpart in the Ministry of Education. I, therefore, request the Chair to allow me to answer the Question on Tuesday next week.

**Mr. Speaker:** I think the only part that was left on this Question was the laying of the Report on the Table. Was it not? It was the Report that was being awaited!

**The Assistant Minister, Office of the President** (Mr. Kingi): Mr. Speaker, Sir, that is what I need to discuss with my colleague because the Report has not been laid on the Table officially.

**Mr. Speaker:** Have you discussed that with the hon. Member?

**The Assistant Minister, Office of the President** (Mr. Kingi): Yes, Mr. Speaker, Sir.

**Mr. Speaker:** Mr. Rai, will Tuesday next week be okay with you?

**Mr. Rai:** Mr. Speaker, Sir, it will be okay because I am asking this Question for the fourth time in this House.

**Mr. Speaker:** Very well!

*(Question deferred)*

#### *Question No.495*

#### IMPLEMENTATION OF PAC REPORT ON PROCUREMENT OF PASSPORT ISSUING EQUIPMENT

**Mr. Speaker:** Mr. Ojode's Question is deferred to Thursday!

*(Question deferred)*

#### *Question No.453*

GOVERNMENT EXPENDITURE ON GOLDENBERG  
COMMISSION OF INQUIRY

**Mr. Ochilo-Ayacko** asked the Attorney-General:-

- (a) how much the assisting counsel and commissioners of the Goldenberg Commission of Inquiry were paid;
- (b) who negotiated the payments; and,
- (c) whether he could justify the payments.

**Mr. Speaker:** Mr. Ochilo-Ayacko, I have a letter from the Attorney-General informing me that he will be out of the country from today. The letter says that he will be back on 30th July, 2006. The Attorney-General would like the Question to be deferred until next week. Mr. Ochilo-Ayacko, is that okay with you?

**Mr. Ochilo-Ayacko:** Mr. Speaker, Sir, I want it to be noted that the Attorney-General has requested for the Question to be deferred twice. Let this be the last time this Question is being deferred. It appears as if the Attorney-General has a tendency of disappearing when this Question appears on the Order Paper.

**Mr. Speaker:** Anyway, he has written a letter to me indicating that he will be away until 30th July, 2006. So, I order that the Question appears on the Order Paper the week immediately after 30th July.

**Mr. Ochilo-Ayacko:** Mr. Speaker, Sir, could you defer this Questions to a specific date? This is because this Question has been deferred twice for the same reason. If it is not deferred to a specific date, it may disappear.

**Mr. Speaker:** Well, I have just said immediately after 30th July, 2006. Mr. Ochilo-Ayacko, as you know, that is a clerical job and the Clerks-at-the-Table will do it. I have directed that the Question be placed on the Order Paper immediately upon the Attorney-General's return. I think he will be here on 30th July, 2006. I suppose that the first Tuesday will be 1st August, 2006. So, the Question should be placed on the Order Paper any time from 1st, 2nd or 3rd August, 2006. Is that okay?

**Mr. Ochilo-Ayacko:** Yes, Mr. Speaker, Sir.

*(Question deferred)*

*Question No.331*

WAIVER OF INTEREST ON ADC LOAN  
TO SIBOTI CO-OPERATIVE SOCIETY

**Capt. Nakitare** asked the Minister for Agriculture:-

- (a) whether he is aware that the Agricultural Development Corporation (ADC) is demanding over Kshs34 million from Siboti Corporative Society owing to the society's failure to honour a loan agreement between them and the corporation;
- (b) whether he is further aware that members of the said society were displaced during the 1992 and 1998 land clashes and hence have been unable to utilize their land which would enable them to repay the ADC loan; and,
- (c) whether he could table the initial loan due, amount paid so far and waive the interest that has accrued from the loan to enable the members settle what is outstanding and get on with their lives.

**The Minister for Agriculture** (Mr. Kirwa): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the ADC is demanding Kshs15,799,860 from Siboti Co-operative Society owing to the society's failure to honour a loan agreement.

(b) I am further aware that most members of the society do not reside in the farm but in another farm in Kitale owned by the same society.

(c) The initial loan due after discounting is Kshs16 million and the amount paid so far is Kshs200,140. The ADC had in 2005 waived interest from the initial debt of Kshs34 million to Kshs16 million.

**Capt. Nakitare:** Mr. Speaker, Sir, I am humbled by the answer given by the Minister. However, I am perturbed by the fact that the cost of that farm was Kshs4 million. That was the money owed to the British Development Bank through the ADC. That money was sanctioned by Sir Henry Masinde Muliro, the then hon. Member of Parliament. The members had paid Kshs3 million and remained with only Kshs1 million to complete the transaction. There was no development on the farm during the 1992 tribal clashes and after the clashes. Could the Minister ask the ADC to waive the Kshs16 million that is not reflected in the balance sheet? Could he order that the members of that society pay Kshs1 million that remained to complete the transaction so that they can own that land? The land---

**Mr. Speaker:** Order, Capt. Nakitare! I would like you to read Standing Order No.35(3) which says that a Question shall not be a pretext for a debate. You are just debating! Could you now let the Minister answer your question?

**Capt. Nakitare:** Mr. Speaker, Sir, could the Minister---

**Mr. Speaker:** Order, Capt. Nakitare! If I allow you to continue like that, you will take the whole of Question Time asking one Question! Could you now ask your Question?

**Capt. Nakitare:** Much obliged, Mr. Speaker, Sir. Could the Minister waive the Kshs16 million? Could he revert to the remaining Kshs1 million that is being reflected in the books of accounts?

**Mr. Kirwa:** Mr. Speaker, Sir, I have said that we have already waived over Kshs16 million and remained with a balance of Kshs16 million. The facts presented by the hon. Member are not correct because the money was borrowed in 1987. That money accrued interest of up to Kshs36 million of which the members of that society paid Kshs2 million and remained with Kshs34 million. The ADC, in consultation with the society, agreed to a figure of Kshs16 million. The society wrote later on to accept that figure.

**Mr. Omamba:** Thank you, Mr. Speaker, Sir. The Government should be blamed for the tribal clashes. Could the Minister consider writing off the debt that is disturbing the Saboti people?

**Mr. Kirwa:** Mr. Speaker, Sir, debt waiver is considered on individual merit. If there is any specific issue in mind, we shall consider it.

**Capt. Nakitare:** Mr. Speaker, Sir, could the Minister consider the loss of development on that farm from 1992 to today, caused by the tribal clashes which were a machination of the Government, to waive the money that is remaining?

**Mr. Kirwa:** Mr. Speaker, Sir, if that request is brought forward by the society, we will look into it. However, I have said that the society accepted to pay Kshs16 million after a waiver of Kshs16 million.

*Question No.115*

NON-PAYMENT OF SALARIES/  
ALLOWANCES TO KBS EMPLOYEES

**Prof. Oniang'o** asked the Minister for Labour and Human Resource Development:-



- (a) whether he is aware that employees of Kenya Bus Services (KBS) were not paid their salaries for April, May and June, 2005;
- (b) whether he is further aware that in addition, the employees were sent on unpaid leave and are now facing untold suffering; and,
- (c) what measures he is taking to ensure that the employees are paid their salaries and allowances.

**The Minister for Labour and Human Resource Development (Dr. Kulundu):** Mr. Speaker, Sir, I beg to reply.

(a) I am aware that about 700 employees of KBS have not been paid balances of their salaries for April, May and June, 2005 amounting to about Kshs8 million.

(b) I am also aware that on 11th June, 2005, the above employees were sent on compulsory unpaid leave because the Kenya Bus Services (KBS) Ltd was experiencing financial problems.

(c) The affected KBS employees, through their union; the Transport and Allied Workers Union, reported a dispute against the management to the Provincial Labour Officer, Nairobi, in May, 2005. Efforts made by the Labour Officer to have the matter settled through reconciliation did not bear any fruit as the management of the KBS failed to honour an agreement reached on payment.

The union reported a trade dispute to me on 31st August, 2005, and under the powers bestowed upon me by Section 7 of the Trade Disputes Act, Cap 234, I appointed an investigator on 31st October, 2005. I released my report to the parties on 23rd March, 2006, with the recommendation that all the affected workers be paid their salaries, including wages for the period they have been on compulsory leave. The management have to-date not honoured my recommendation.

On 13th July, 2006, I referred the matter to the Industrial Court for final arbitration vide Case No.68/2006.

Thank you very much, Mr. Speaker, Sir.

**Prof. Oniang'o:** Mr. Speaker, Sir, this is a very serious matter. I would like the Minister to tell us which Kenyan labour law he is following when he allows over 700 Kenyan employees to stay out of their jobs [**Prof. Oniang'o**] without pay for more than a year. I would like him to quote that law and also to tell us why it has taken that long to solve this matter.

**Dr. Kulundu:** Mr. Speaker, Sir, Prof. Oniang'o being a well schooled person should know that when matters are in court, we do not comment on them, and this particular matter is in court. There are other cases which have even taken seven years before being settled. So to me, one year is not enough.

**Prof. Oniang'o:** On a point of order, Mr. Speaker, Sir. Is he in order to insinuate that I do not know the law and that this issue is *sub-judice* when what I am asking has nothing to do with what the Industrial Court is going to deliberate on?

**Dr. Kulundu:** Let us wait for the court to determine this case. I am right in saying that you are commenting on matters which are before the court.

**Mr. Mwandawiro:** Bw. Spika, inasikitisha sana kuwa hadi sasa Wizara ya Leba inaendelea kuwepo wakati wafanyakazi wanaendelea kupata taabu kila mara kwa kisingizio kwamba kampuni imefilisika, mambo yako kortini na kadhalika.

Bw. Spika, je, ni mikakati gani Wizara ya Leba imepanga kuhakikisha wafanyakazi hawataendelea kunyanyaswa nchini kwa sababu ya kisingizio kimoja ama kingine milele?

**Dr. Kulundu:** Mr. Speaker, Sir, the Ministry of Labour and Human Resource Development intervenes in labour issues where retrenchment is floated as a means of getting rid of workers. If I may inform the hon. Member of the general cases that have occurred before, for example, in May, 2006, the Kenya Tea Development Agency (KTDA), which is the association of

big tea plantations in Kericho, wanted to lay off 70,000 workers and because of our intervention, this did not happen at all.

Mr. Speaker, Sir, it is only 29 employees who flouted my order that the strike was unlawful and went on strike. They were arrested by the police and may not be working.

**Mr. Mwandawiro:** Jambo la nidhamu, Bw. Spika. Je, Waziri amelielewa swali langu?

**Dr. Kulundu:** Mr. Speaker, Sir, I understood the question. We are doing something about it. We cannot leave Kenyan employees at the mercy of employers.

**Mr. Speaker:** Next Question, Mr. Mbau!

*Question No. 066*

OUTBREAK OF ANTHRAX IN  
MARAGWA DISTRICT

**Mr. Mbau** asked the Minister for Health:-

- (a) whether he is aware that there was an anthrax outbreak in Maragwa that affected about 1,000 residents;
- (b) whether she is further aware that those affected were transferred to Murang'a District Hospital as Maragwa does not have adequate facilities and doctors; and,
- (c) when the Ministry will put up essential facilities such as a theatre, mortuary and wards at Maragwa District Hospital.

**The Assistant Minister for Health** (Dr. Kibunguchy): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware. Out of 517 people who were screened, 29 were found to have cutaneous anthrax.

(b) Three people were admitted to the Murang'a District Hospital.

(c) My Ministry has allocated Kshs2 million for the construction of a theatre and Kshs2 million for a ward in the 2005/2006 financial year. The construction of the theatre [is currently 50 per cent complete while the construction of a 48-bed capacity ward is 10 per cent complete. Funding for the mortuary will be considered in this financial year.

**Mr. Mbau:** I want to thank the Assistant Minister for those allocations, this is a good gesture. We have been calling this health facility a district hospital whereas it has all the features of a rural health centre. I wish to urge the Assistant Minister to categorically confirm whether any money has been provided in the current financial year to put up a mortuary. I would also like to remind him that the 10 per cent completion of the 48-bed capacity ward has not began at all. Even though he is informing us that it is 10 per cent complete, it has not began! Can he confirm to us that a provision for the construction of the mortuary has been made this financial year so that we can, at least, upgrade this facility to a district hospital capacity instead of a health centre?

**Mr. Speaker:** Order! Order, Mr. Mbau! You are sitting right in front of Capt. Nakitare. You should have heard what I told him! The amount of time you have taken asking your question is enough to allow another two hon. Members to ask questions! So, could you be precise?

**Mr. Mbau:** Mr. Speaker, Sir, I am asking the Assistant Minister to confirm whether, indeed, a provision has been made for the construction of a mortuary in this financial year.

**Dr. Kibunguchy:** I would like to confirm to the hon. Member that the ward project I said was 10 per cent complete is actually at the tendering stage, and that Kshs1.5 million has been set aside for construction of the mortuary.

**Capt. Nakitare:** Mr. Speaker, Sir, I would like to know from the Assistant Minister what steps he is taking to contain anthrax since it is an animal to human transmitted disease?

**Dr. Kibunguchy:** Mr. Speaker, Sir, anthrax is not a big problem in this country. This was

an isolated epidemic that was quickly and decisively brought under control. In fact, we are talking about an epidemic that occurred in December, 2005 and it was brought under control. I would like to confirm that anthrax is not a big problem in this country.

**Mr. Mbau:** Mr. Speaker, Sir, once again, I want to thank the Ministry for confirming that it has set aside Kshs1.5 million for construction of a mortuary. However, the Assistant Minister told the House that the construction of the ward was 10 per cent complete when, indeed, the project was at the tendering stage, I can only hope that the construction of the mortuary will begin as soon as possible.

**Mr. Speaker:** That is only a comment, you do not need to respond.  
Next Question!

*Question No.273*

CONSTRUCTION OF MUNYU DAM

**Mr. C. Kilonzo** asked the Minister for Water and Irrigation:-

- (a) when the proposed Munyu Dam would be constructed;
- (b) whether he is aware that the dam was to provide a second canal to the lower parts of Thika District and Yatta plains for irrigation; and,
- (c) whether the Government could classify this project as a poverty alleviation strategy and fund it urgently.

**The Assistant Minister for Water and Irrigation** (Mr. Wanjala): Mr. Speaker, Sir, I beg to reply.

(a) My Ministry has already identified the site for Munyu Dam. The Ministry, through the Water Resources Management [The Assistant Minister for Water and Irrigation] Authority, has budgeted Kshs6 million for detailed investigation, planning and design works. Implementation of this project will be done after the designs are complete. The designs will then be used for resource mobilization and allocation.

(b) I am aware that the dam is to provide a second canal to the lower parts of Thika District and Yatta plains for irrigation, among others.

(c) I agree that the project should be classified as a poverty alleviation strategy.

**Mr. C. Kilonzo:** Mr. Speaker, Sir, I would like to thank the Assistant Minister for the answer. The biggest problem we have with Government is that it keeps on doing studies, investigations and designs. That exercise was done on two previous occasions. Why can the Ministry not look at the previous designs and investigation reports and start the project as soon as possible?

**Mr. Wanjala:** Mr. Speaker, Sir, immediately hon. Members from that area raised the issue of having a dam constructed in that area---

*(Mr. Mungatana was applauded as  
he walked into the Chamber)*

Mr. Speaker, Sir, hon. Members are congratulating Mr. Mungatana for flooring "Mr. Tinga" in the just concluded by-election for Nakuru Town Constituency.

**Mr. Speaker:** Order! Order! This is a serious place. If you want to raise issues that really do not matter, go and say it in the stadium. It is in the stadia that people have learnt to say anything they please, in whichever language they want; not here. So, will you concentrate on your business?

**Mr. Wanjala:** Thank you, Mr. Speaker, Sir. I was saying that immediately hon. Members

from that area raised the issue with the Government that they wanted a dam, the Government moved in very fast. Even the Minister for Water and Irrigation was on site on 14th February, 2006. That is why we factored the Kshs6 million in this year's Budget, for detailed investigations, planning and design works for the project. We can only source funding for the project after we get the design.

**Mr. Gitau:** Mr. Speaker, Sir, the project was supposed to be implemented in the late 1980s. That was the time when funds for most projects were re-directed to other projects like the Turkwel Gorge Electricity Project. Is it possible for the Ministry to now implement that project without any further delay?

**Mr. Wanjala:** Mr. Speaker, Sir, it is true that such things used to happen. That is why this Government came to power. I want to assure the hon. Member that once the design works are ready, implementation of the project will commence immediately.

**Mr. Ndolo:** Mr. Speaker, Sir, it is not only in Yatta where there is a problem of building dams. Budalangi experiences perennial flooding. When will the Ministry build dams in Budalangi?

*(Laughter)*

**Mr. Wanjala:** Mr. Speaker, Sir, the Government has already sourced Kshs6 billion for construction of three dams up-stream to contain flooding in Budalangi. I want to assure the hon. Member that I am in charge and in control of matters in Budalangi.

**Mr. C. Kilonzo:** Mr. Speaker, Sir, what is most amazing is that Ministers and Assistant Ministers give priority to their own constituencies. The Assistant Minister has already allocated Kshs6 billion for construction of dams in his constituency. Could he consider re-allocating part of that money to this project?

**Mr. Wanjala:** Mr. Speaker, Sir, this project was initiated only when leaders in that area came up with the proposal. **[Mr. Wanjala]** Flooding is a problem that the people of Budalangi have lived with for quite some time. It has been perennial. That is why the current Minister and his predecessor worked very hard to source for this money.

**Mr. Speaker:** Very well! End of Question Time!  
Next Order!

## COMMITTEE OF SUPPLY

*(Order for Committee read  
being Fifth Allotted Day)*

## MOTION

THAT MR. SPEAKER DO NOW  
LEAVE THE CHAIR

Vote 16 - Ministry of Trade and Industry

**The Minister for Trade and Industry** (Dr. Kituyi): Mr. Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair.

Mr. Speaker, Sir, while I will endeavour to explain some of the things that my Ministry does and justify the budgetary request that we have made in this Committee of Supply, my Vote

has fallen on a historical significant date, barely 24 hours since the collapse of the Doha Round of Negotiations under the World Trade Organisation (WTO), which presents us with an immediate challenge that is of public interest and common interest to the Members of the National Assembly. So, at the end of my presentation, I will hazard a few remarks about what it portends; this collapse of the most development-friendly negotiation in multilateral trade rule-making.

The mandate of the Ministry of Trade and Industry is to formulate industrial development strategies with specific responsibilities for intellectual property and patent policies, which include quality control, consumer protection, development of micro, small and medium enterprises, and oversee the operations of 13 parastatals.

On the issue of growth in export and import trade, the total export earnings of this country expanded by 13.7 per cent during the year 2005, while the import bill grew by 18.2 per cent. The trade deficit rose from Kshs149 billion in 2004, to Kshs186.5 billion in 2005. The appreciation of the Kenya Shilling and increase in the price of petroleum products accounted for this change of fortunes. Africa, as a destination, dominated Kenya's exports accounting for 49.3 per cent of our total exports, while the European Union accounted for well over 25 per cent. The Middle East countries were the leading source of our imports, supplying 25 per cent of our total imports, which registered a growth of 6.6 per cent last year. The value of Kenya's exports to COMESA increased by 19.7 per cent, accounting for 36.6 per cent of our total exports in 2005. The bulk of Kenya's total exports accounting for 47.6 per cent was destined for Uganda while imports from the COMESA Region increased by 4.9 per cent. The balance of trade between Kenya and Egypt registered a surplus of Kshs2.65 billion in 2005, substantially increasing from a mere Kshs491 million the previous year.

My Ministry has spearheaded negotiations with the US Government, that led to Kenya becoming the first African country to qualify for access to the African Growth and Opportunity Act (AGOA) facility. The Ministry has also negotiated the extension of the Third World country sourcing of fabrics under the AGOA. As a result, the turnover at the Export Processing Zone Authority increased by 34.2 per cent in 2003 and up to 63 per cent in 2004. Mr. Speaker, Sir, under the National Export Strategy, the Ministry of Trade and Industry is implementing the National Export Strategy, which outlines strategies to improve the country's export functions and earnings. The Ministry will soon be launching the Private Sector Development Strategy which has taken a substantial amount of time to prepare, with a lot of consultations among all stakeholders across the borders. The Private Sector Development Strategy provides a framework for enhancing private sector growth and competitiveness. It will, in turn, contribute substantially to the growth of wealth and employment.

The Kenya-European Post Lome Trade (KEPLO) is a facility under my Ministry for providing enhanced capacity for ongoing economic partnership agreements negotiations between our country as part of the ACP and the European Union. The Ministry, through the Internal Trade Department, will continue to restructure joint loan schemes to make the facilities more accessible and relevant to the present credit requirements of small scale traders. The Ministry also facilitates enhanced cross border trade. In this regard, I am glad to announce that in our last council meeting of the East African Community last week, we agreed on some facilities to fast track and simplify cross border trade, particularly at retail level between communities living along the international borders.

My Ministry will continue to review and strengthen the roles played by both Kenya Bureau of Standards (KEBS) and the Kenya Industrial Property Institute (KIPI) and make them more effective in carrying out their regulatory roles in quality control, patent and trade mark registration. My Ministry will also continue with the efforts of restructuring our investment promotion institutions in order to enable them to shed the cumbersome and unnecessary bureaucratic

procedures which have in the past hindered investments. Progress has already been made in restructuring the Kenya Investment Authority into a one-stop-shop with regard to investment. My Ministry also recognises the important role played by the micro and small scale enterprises in our economy. The Ministry intends to restructure and strengthen both the Kenya Industrial Estates and the Industrial Commercial and Development Corporation (ICDC) so that they are able to extend affordable credit to the micro and small scale enterprises.

Mr. Speaker, Sir, my Ministry takes cognisance of the fact that industrial development in any economy depends on the strength and ability of public institutions to innovate and apply those innovations. It is in recognition of these facts that the Ministry will continue to support the Kenya Industrial Research and Development Institute (KIRDI) to play a leading role in innovations and share the same with the relevant stakeholders. My Ministry is also actively researching for a strategic partner to work with in turning around the numerical machining complex, enabling it to become a viable manufacturing entity and the basis for capital goods manufacture. With proper planning and financial support, the complex has the potential to significantly contribute to the growth of the manufacturing industry in this country. We will continue to review our involvement in the shareholding of our commercial enterprises such as the Kenya Wine Agencies Limited (KWAL) and the East African Portland Cement Company (EAPCC), within the framework of the Government's policy on privatisation.

The manufacturing sector, though faced with a number of constraints in the current calendar year, 2005, registered intensive growth in outputs in all areas. Real value added growth grew by 5 per cent in 2005. The good performance can partly be attributed to a stable micro-economic environment that prevailed during the year, improved access to credit and increase in export demand, particularly in the East African Community and the COMESA market area. Manufactures also took advantage of the Government's policy incentives like tax exemptions for some inputs and reinforcement of anti-dumping measures. The growth in this sector, however, did face certain challenges which include: Poor infrastructure such as roads and railways, the appreciation of the Kenyan Shilling against the major international currencies, high cost of energy, persistent insecurity, diversion of transit goods or goods designated as exports into the Kenyan market. The sales from the Export Processing Zones accounted for 4.7 per cent of our total turnover in the manufacturing sector compared to 5.4 in the previous year. This was due to increased domestic sales. The total number of employment in the manufacturing sector increased in 2005 to 247,500, up from 242,000 in the previous year.

Now, may I turn to core programmes and activities of the Ministry in the coming financial year. During the 2006/2007 Financial Year, my Ministry will undertake the following activities: Operationalised export development strategies, which as I mentioned, have taken a lot of consultations and time to put together. It will also continue to offer leadership and strengthen COMESA as a regional market.

Mr. Speaker, Sir, I wish to mention here that it is of critical importance that Kenya must offer leadership in the creation and strengthening of the Common Market for Eastern and Southern Africa (COMESA), which is not only the largest common market area in the whole of Africa but, as I mentioned earlier, it accounts for 50 per cent of Kenya's total export to the whole world. While there have been questions raised in this House before, about Kenya's relationship with Egypt, it is reassuring and heartening that, in the year under consideration, Kenya's export to Egypt grew to a surplus of more than Kshs2 billion. But that does not mean that we should sit on our laurels. We should constantly continue to address those factors that inhibit our competitiveness and enhanced access to the market that we so painstakingly helped to negotiate and strengthen. (ii)

Participation in selected trade fairs in strategic markets is also one of the things that we consider important in the coming Financial Year.

- (iii) The adoption of new technologies to improve product design and packaging.
- (iv) Bringing to this House the Anti-Dumping Bill which has been a long pending important piece of legislation.
- (v) Continue spearheading the fight against counterfeit substandard and dumped goods in the Kenyan market.
- (vi) To rationalise and optimise commercial representation and trade missions outward bound.
- (vii) To enhance Kenya's participation in preferential market such as COMESA, the East African Community, the European Union, AGOA and new emerging markets for our country around the world.
- (viii) Realisation of the operations of the Joint Loans Board Scheme to improve accessibility of credit to small scale entrepreneurs, particularly in the country-side.
- (ix) Continuous enforcement of the development of standards, quality assurance, testing and calibrations of instruments, and to ensure the use of accurate weighing and measuring equipment in all trade practices.
- (x) Promote entrepreneurship and competitiveness of the micro, small and medium enterprises.

Mr. Speaker, Sir, when launched, the Private Sector Development Strategy will provide the mechanism to strengthen private-public partnership and the implementation of all the identified areas of industrial and commercial broad.

Additionally, the Ministry is working towards a consolidated industrial and trade policy in order to give the sector a long-term perspective. On the basis of that policy, we expect to mobilise efforts towards concrete industrial development of our country.

My Ministry's budget allocation for the 2006/2007 Financial Year is extremely modest. In order for my Ministry to achieve the above stated objectives and core functions which are aimed at promoting trade and industrial development investment, I am requesting this House to approve an expenditure of a mere Kshs1,608,508,700 in the Recurrent Expenditure, and Kshs414,426,000 in the Development Expenditure for the Financial Year 2006/2007.

*(A mobile phone rang)*

**Mr. Speaker:** Order! Where is that again now? Who is it? Where is that phone?

*(Laughter)*

**Hon. Members:** Front Bench! Front Bench!

**An hon. Member:** And Back Bench!

**Mr. Speaker:** Honestly, who is it? Okay! You switch it off! If I discover you, you will go home now!

*(Laughter)*

**The Minister for Trade and Industry (Dr. Kituyi):** I hope I am not the one, Mr. Speaker, Sir.

**Mr. Speaker:** I suspect it is you!  
Okay! Proceed!

*(Laughter)*

**The Minister for Trade and Industry (Dr. Kituyi):** Mr. Speaker, Sir, the funds allocated under these Heads will be spent mainly on salaries and allowances for the headquarters staff, maintenance of vehicles, travelling and accommodation expenses, purchase and maintenance of equipment and payment of telephone bills and refurbishing buildings, among other expenses.

Mr. Spaker, Sir, the amount of Kshs251,829,000 in the Recurrent Expenditure and Kshs3 million in the Development Expenditure has been allotted for the following purposes: Out of the funds allotted under Trade Subsector Budgetary Allocation, there is a Recurrent net expenditure of Kshs891,536,412 and Kshs111,800,000 under Development Vote. The Trade subsector will be spending that money on trade negotiations within the framework of SPEU and recognition of the importance of regional markets such as COMESA and EAC. The Ministry will meet its obligations in terms of contributions and active participation in trade development and facilitation activities.

My Ministry appreciates the importance of market access and, to that end, the Ministry will be involved in aggressive marketing and promotion in order to take full advantage of the importance of the American market under the African Growth and Opportunity Act (AGOA). My Ministry also spends funds on trade development, external trade promotions and consumer protection services. Further trade negotiations will be linked to poverty reduction and development.

Under the Industry Sub-Sector, an amount of Kshs465,142,864 has been allocated to Recurrent net expenditure and Kshs299,626,000 has been allocated to Development Expenditure. Those funds will be largely spent on the implementation of the Private Sector Development Strategy (PSDS) Action Plan.

Mr. Speaker, Sir, the other critical areas which my Ministry will fund during this current Financial Year include the preparation of a national industrial master plan, which will include potential industrial projects. The Government's major role in the industrial sector will be industrial policy development. The Ministry will work closely with the private sector, which we recognise as the engine for industrial growth, largely through accessing appropriate technology, rehabilitation of ailing industries, expansion of growing industries and bench-marking of key local industries to international standards.

The Ministry will also fund the implementation of Micro, Small and Medium Enterprises (MSME) competitiveness project, under the Multicountry Joint IDA/IFC Development Pilot Programme for Africa. Development of livestock-based industries in Arid and Semi-Arid Lands (ASALs) will also be undertaken. My Ministry will also contribute funds towards industrial research and investment-related parastatals such as KIRDI, Kenya Industrial Property Office (KIPO) and Kenya Investment Authority (KIO) for purposes of promoting research and investments.

Mr. Speaker, Sir, I would like to mention a number of achievements from our Ministry over the past year. We provided leadership in multi-lateral and regional trade negotiations leading to the success in safeguard measures on sugar and wheat flour imports from the COMESA region, to facilitate restructuring and give temporary protection to vulnerable Kenyan farmers.

The Ministry also commenced implementation of the MSME competitiveness project after receiving a grant of US\$22 million from the World Bank. The Ministry abolished excessive and cumbersome business licences as part of the innovations for improving the business environment. Those reforms are still on-going. We completed the preparation of the Private Sector Development Strategy, which is to be launched soon. Several trade fairs and market surveys were successfully concluded, including the Expo 2005 in Haiti and Japan, where Kenya emerged among the top participants and, by far, the leading country from the developing world.

In conclusion, Mr. Speaker, Sir, I wish to assure you, and the House, that the main positive contributions that I have stated will not cause any complacency on the part of our Ministry. As it



were, trade and industry sub-sectors are highly sensitive to weak infrastructure, negative publicity, insecurity and inadequate financing. For that reason, we intend to work even harder to strengthen those sub-sectors and linkages to the relevant Ministries and Departments of the Government for sustainable development and employment creation. In so doing, we will continue to urge others to move forward in a concrete way to fight poverty.

Last but not least, I wish to assure hon. Members that my Ministry will do its best to ensure that funds allocated in the current Financial Year will be utilised to the highest degree of accountability and transparency, in order to ensure that our Government brings about comprehensive economic change for Kenyans, as they rightly deserve.

Mr. Speaker, Sir, I did mention that early yesterday morning, Doha round negotiations which have been going on since November, 2001, ended prematurely. It has been one of the main setbacks in world trade rule-making for the past decade, if not more. That represents a challenge for us in two important ways. The absence of a democratic multi-lateral forum for negotiating rules of trade forces weak and vulnerable countries to confront much more powerful countries in bi-lateral negotiations where ability and manoeuvrability is very constricted. We are going to face a period when the dictates that were pushed down our throats, like the infamous days of structural adjustments, will start rearing their ugly heads again. Similarly, the collapse of the Doha negotiations coincides with a critical phase in the negotiations of the economic partnership agreement with the European Union, in the post-Lome negotiations. The failure of Doha emboldens Brussels to come much more aggressively in forcing Africans to open up their markets in the so-called reciprocity as part of the new agreement.

Mr. Speaker, Sir, a lot of the critical challenges that infringe on the use of agriculture, particularly export agriculture, as the growth engine of our economy, are totally dependent on how well we structure our negotiations for external market access.

With those very many remarks, I beg to move. I request hon. Obwocha to second the Motion.

**The Minister for Planning and National Development (Mr. Obwocha):** Mr. Speaker, Sir, I beg to second the Vote of the Ministry of Trade and Industry.

I would like to congratulate the Minister and his staff, first, on taking up the issue of Uchumi and, manner in which they have handled the issue. This is an issue that concerns very poor Kenyans including the employees. I would like to encourage the Minister to get the Uchumi Board of Directors and all the concerned parties to take that route, so that this issue is fully resolved.

Secondly, we need to talk about the issue of regional integration. The bigger we are, the better. Currently, one of the countries in the East African Community, namely, Tanzania is in Southern Africa Development Community (SADC). All these countries should be members of the COMESA. As it stands now, COMESA has a population of 350 million people. The Gross Domestic Product (GDP) of the COMESA region stands at US\$150 billion. If we had access to the COMESA market, as a country, we would be moving in the right direction.

Mr. Speaker, Sir, the Minister has talked about the development of the small and medium enterprises. We want to encourage his Ministry to move fast on this because I believe this is the direction of eradicating poverty. Eventually when the CDF has finished the business of construction of health centres, dispensaries and schools, we should be able to transform the Fund into a revolving Fund in each constituency, so that people can borrow money and address poverty at that level. The sooner the small and medium enterprises are set up at that level, the sooner we will be addressing the issue of poverty.

The Minister has just concluded with the issue of the collapse of the World Trade Organisation (WTO) talks. This is a sad issue. I am sure the Minister has been articulating the issues of value addition. We want WTO to address the issue of tea and coffee. We cannot increase

the prices to our farmers if this issue is not resolved. I would like to encourage the Minister to pursue this agenda to its logical conclusion. It is important for this country to address the issue of value addition, so that our farmers can get value for their crops. On the issue of export promotion, our commercial attaches are doing a good job, but we need to do more than this. We should open our trade avenues in our foreign missions.

Mr. Speaker, Sir, in seconding this Vote, I would like to appeal to the Minister to look into some of these issues. We need to have a regulatory framework to protect our consumers. This is very important.

The Minister has said a lot and with those few remarks, I beg to support the Motion.

*(Question proposed)*

**Mr. Speaker:** Hon. Members must know, and this should have been from the Minister and the Whips of the House, this Vote must be sustained for two days. If we cannot proceed with this Vote today, the whole of what will have been done today will account for nought. It will be a lost day. So, I hope we are not going to lose our days; our valuable time which we have. Just be aware of that!

**Capt. Nakitare:** Thank you, Mr. Speaker, Sir. With diligence, I stand to support this Motion.

As a House, we should support the Kshs1.6 million allocation to the Ministry of Trade and Industry. We should have an industrial vision. The Ministry of Trade and Industry is a kingpin of this country. When we talk about transportation, trade is involved. Communication in this country is pathetic. It falls under other Ministries, but it also affects trade and industry. In agriculture, trade is involved.

Under the African Growth and Opportunity Act (AGOA), which mushrooms from the Ministry of Agriculture, trade is involved. Since Independence, our country has never been strict enough to produce Kenyan, buy Kenyan and promote Kenyan. I understand the constraints that the Ministry of Trade and Industry has faced in previous times.

*[Mr. Speaker left the Chair]*

*[The Temporary Deputy Speaker  
(Mr. Khamasi) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, we blame the management of the Kenya Wine Agencies Limited (KWAL) for the collapse of the parastatal. The agency is supported by the Government. But what is the root cause of its problems? Is it that the Ministry of Finance does not support the agency? Is it that traders do not buy wines and whiskies or is it the middleman who has caused it to collapse? The ICDC has been a pivot in the industrialisation of this country. The Industrial Development Bank (IDB) was introduced to support Kenyans. The bank made money here and from overseas and all it could do was to buy Treasury Bills. The money never reached the common man and, therefore, the trader did not benefit.

We talk about multi-lateral agreements. When you look at the wider scope, a bigger magnitude of trade is done by small-scale traders. They are the ones who are the engine of Kenyan trade.

In the recent times, we have seen the introduction of *Jua Kali* industry. But what is it? *Jua Kali* was formed by experienced artisans who quit their jobs to go and work under scorching sun to earn and promote Kenya's industry. How do we support them? How is Kshs1.5 billion going to

support micro-industries? Unfortunately, I did not hear the Minister mention anything about this crucial industry. Why do we have to look at the World Trade Organisation? What do we benefit from there? We have to look at ourselves and build Kenya: "Buy Kenyan and build Kenya". We do not have to look at the outside world. Why do we have to look at countries like Jamaica and countries that support multi-laterals? Why do we not look at the *Jua Kali* sector and nurture it? The Kshs1.5 billion must circulate around Kenya to build Kenya and make the country recognisable.

Recently, for example, a farmer set out to manufacture wine out of pawpaw using primitive technology in Kakamega. Now, we have pawpaw wine even in overseas shelves. Is this not trade? Is this not an industry? Is this not something that we should support? We can produce wine and whisky from pawpaw, pineapples and anything that is sweet, including sugar-cane. The Ministry of Trade and Industry has to come out as the principal body to manage such enterprises. I do not see how we can put this Ministry in the background when we need money from overseas.

In this country, we do not have long-term strategies. You spend money to make money. You cannot keep money in the pocket and expect to get profit out of it. We have to make use of this Ministry to improve our strategic reserves, like Botswana which has US\$8 billion in reserve yet Botswana is a desert. They buy food from overseas and yet, Kenya, a productive country is a beggar. What a shame! We have to promote local industries. We have to give our people the morale to work. We can invent things through this Ministry. Our women and men out there who have technology can even invent computer chips the way Robert Knowes invented computer chips that run computers all over the world. We are muzzled. We are not given time to use our brains.

I would like to see the Ministry of Trade and Industry do anything to bring in foreign exchange. How can a farmer export his produce without passing through the Ministry? We used to have trade and supplies where we used to monitor foreign exchange. We knew how much we had and we knew how much we were going to spend to order material from outside. That theory died in the 1990s. Our country does not even know how much we have in foreign exchange reserves. We are only being told that we have to borrow so much. For how long are we going to remain beggars? Kenya has matured. Surely, 43 years after Independence and we are still wobbling like a toddler? This is the time we have to tell the world that we are able to produce. Soon, we are going to exploit oil and we do not want to be like Nigeria. We have the economy. Agriculture is the structure, it is our pillar and fountain. So, when we do any other industrial manufacturing or invent something new, we shall be supplementing what we already have.

With those few remarks, I beg to support.

**Mr. Musila:** Thank you, Mr. Temporary Deputy Speaker, Sir, for this opportunity. I want, first of all, to say that I support this Motion. In doing so, let me start by congratulating the Minister for Trade and Industry for being in the forefront in protecting indigenous people of this country in matters relating to trade. I know he has performed very well in WTO negotiations, and in every respect. I know that he has been fighting to ensure that Africans get their fair share in world trade.

But, perhaps, closer home, let me congratulate the Minister personally for the action he has taken to revive the Uchumi chain of supermarkets. Had it not been for the Minister and, of course, his staff, Uchumi would have gone forever. However, I want to tell him that, that is not enough. We would like to see the truth surrounding the collapse of Uchumi revealed and the perpetrators punished.

Mr. Temporary Deputy Speaker, Sir, I say this because if you recall, after the Minister issued his statement here, I likened the collapse of Uchumi Supermakets Company Limited to the case of Enron of the United States of America (USA) where clearly insider trading was allowed to interfere with its operations and as a result it went under. We want to see the Minister going that extra mile to ensure that the perpetrators of this crime are punished and this will deter any would-be troublemakers in this troubled industry. I also want him to take action on tax evasion by

Nakumatt Holdings and other supermarkets. While Uchumi Supermarkets Company Limited was paying its taxes faithfully, the others were not doing so and this is what led to its downfall.

Mr. Temporary Deputy Speaker, Sir, having said that, let me talk on a very important matter of industrialisation. Nairobi, Mombasa and Kisumu cities plus all other urban areas are awash with job seekers. The only solution to this problem is by deliberately starting a policy of rural industrialisation. The Government must work hard towards this policy so that we have industries spread out all over the country in order that young people seek employment there. That is the only way we will ensure that we do not have so many slums as we do in this country. The Ministry must discuss this matter with the Ministry of Finance to ensure that those investors who put up industries in the rural areas receive very generous incentives including tax holidays and free duty and equipment. I am sure with the rural electrification programme that is now going on, it is time the Ministry made a difference in rural industrialisation.

Mr. Temporary Deputy Speaker, Sir, however, perhaps an even more critical issue here is indigenous persons getting into industries. We know that in the name of private investments, local Kenyans do not own anything in this country. We know of countries with very strict policies whereby investors are invited and made to ensure that a bigger percentage of their investment involves the indigenous people. I want to request the Minister, because I know he is for the indigenous people to ensure that a policy is devised to involve the indigenous people in industrialisation.

Mr. Temporary Deputy Speaker, Sir, a lot of Kenyans have shops but they cannot develop due to lack of support from the Government in terms of loans. We want to see a deliberate policy to involve the Kenyan African in industrialisation so that they can prosper. We had a very successful Kenyanisation programme during those days after Independence where Kenyans got into business. However, today those people pretending to be partners in industry are actually there as window dressers. Some of them have contributed nothing but they are just put there. We want Kenyans to be given money to be able to get into industry so that they can benefit like any other people.

Mr. Temporary Deputy Speaker, Sir, on that note, I want to address another very important issue of the small-scale traders. What has gone wrong? We used to have what were called joint board loans in every district where the small-scale traders could access loans so that they could improve their businesses. This was a very worthwhile project. I know someone will say it exists but I know it does not exist in the way it used to because I was in the Provincial Administration then and I know how many business people we helped to get loans. In fact, some of them succeeded. So, I am appealing to the Minister again in the spirit of developing the African trader to quickly revive this fund so that every small businessman in every district can access it without the need for security. We have got problems particularly in hardship areas where there are no title deeds. We want the Government to be able to give small-scale traders loans. I want to request the Minister to look very carefully at the *Jua Kali* sector because it has created a lot of employment but we think it is not enough.

Mr. Temporary Deputy Speaker, Sir, the Industrial and Commercial Development Corporation (ICDC) used to give loans to business people particularly Africans. We do not know what has happened. This is an example of some of the institutions which were deliberately "killed" but I do not want to go back to history. Let us look forward. I want to urge the Minister to revive joint board loans for small-scale traders under the district programmes. The Minister should put a minimum of Kshs50,000 loan and I am sure it will make a lot of difference. The Minister should ensure that the ICDC disburses bigger loans to those businessmen who have proved themselves so that they uplift their standards.

In a nutshell, I am saying that this Ministry holds the key to reducing unemployment and poverty in this country. There are so many ways that the Ministry can improve the living standards

of our people from the *Jua Kali*, dukawallah and all other sectors. As of now, the Ministry is only servicing those who have made it. Those who have not made it are mainly Kenyan Africans and they are waiting for the Minister for Trade and Industry to assist them in the manner I have described.

With these few remarks, I beg to support the Vote very strongly.

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, thank you for giving me a chance to make my humble contribution to this Vote of the Ministry of Trade and Industry.

Mr. Temporary Deputy Speaker, Sir, I acknowledge that there have been significant improvements in our export trade particularly with the Common Market for Eastern and Southern Africa (COMESA) and other African markets. This is in spite of the very high cost of doing business in this country which is an impediment to the growth of the economy and particularly industrialisation, distributive trade and transport.

Mr. Temporary Deputy Speaker, Sir, I want to awaken the Minister not to be complacent. I know in his speech he said that he is not going to be complacent simply because of these nominal improvements which are due, essentially to the amazing commitment of the private sector to the growth of this economy. I thought the Minister would have started by saying that his Ministry is under financed. As Mr. Musila has mentioned, this Ministry is very important and it is amazing that the Minister is adequately comfortable with a Kshs1.6 billion Recurrent Expenditure compared to nearly Kshs2.3 billion for the Ministry of Foreign Affairs. The Development provision for this Ministry is just Kshs400 million against, for example, nearly Kshs1 billion for the Ministry of Foreign Affairs. Having served in that Ministry for nearly 18 months, and having led nearly 16 external trade delegations, I can say with confidence in this House, that one of the challenges that this Ministry has to deal with is under-funding in terms of policy reforms, rationalisation and revitalising of its key institutions.

Mr. Temporary Deputy Speaker, Sir, the area of trade policy is crying out for rationalisation and reforms. This Ministry does not even have a legal department to undertake what is clearly a major challenge. This Ministry has got a plethora of laws affecting trade and other things. Some of them, with serious internal conflicts, competing within themselves and even conflicting with international agreements and conventions that this country has signed. Look at the institutional framework, for example, we have a Directorate of External Trade (DET) and an Export Promotion Council (EPC). If you look at their mandates, they are definitely competing with one another. As a result, we have a team of trade attaches all over the globe. In the days of Kenya's external trade, those attaches would be reporting to one particular institution. The Minister must, therefore, deal with this situation. Do they report to the department of DET in the Ministry or should that be in charge of policy, so that operational issues are dealt with by the EPC? These are issues that we cannot answer casually. They need capacity and resources to rationalise them, so that we have a clear policy on external trade.

Last month, I think it was on my birthday celebration, we all saw police officers hitting Kenyan investors called hawkers. These are Kenyans trying to make a breakthrough to become the big tycoons of Kenya. However, our police officers, whom we pay with our taxes, beat them up and destroyed their investments. This is because we have no consistent and serious internal trade policies. In all fairness, how can we, with the unemployment that we have in this country, allow such a thing to happen? As we drive along our major highways, we see beautiful furniture that would sell for millions in any market globally. They are being sold by the roadside and we collect tax? This is simply because we do not have policies that will encourage the makers of such good furniture to have capacity to trade in sound and comfortable premises where they can get customers.

Mr. Temporary Deputy Speaker, Sir, if you look at municipalities such as Kakamega and

Kisumu, there is not a single piece of land available for industries for development of commercial properties. This is because there is no coordination between the Ministry of Trade and Industry in spite of we having passed the Investment Promotion (Amendment) Bill and, therefore, creating the Investment Promotion Authority (IPA). There is no coordination between the local authorities and the Ministry of Trade and Industry. If we promote investments and get investors, where do they plant their investments if, for example, they want to go into industry or mega trading businesses? Do they have to look for land in the villages? Whom will they negotiate with? Which is the authority that would help them if we have allocated all the industrial and commercial properties within our municipalities to the extent that there is none left? Who is ensuring that there is continuous availability of such property?

I would like to challenge the Ministry of Trade and Industry to take its job seriously because I support Mr. Musila, that this is the Ministry that holds the key to the economic revitalisation of this country and the creation of employment opportunities for our people.

We have another major problem.

Today, our exports, especially to Europe and the Far East, still remain basic raw materials exported in bulk. Even those we have processed like tea, we still are contented exporting tea in bulk and yet, we have certain markets that are demanding, to our advantage, for example, that we complete the value addition process, so that by the time those products reach those markets they are ready to go to the supermarkets for consumption. A typical example is fish. Another example is tea. Sudan and Pakistan want complete consumer ready packed tea. However, we are quite contented. We do not have a single policy to allow investors to go that extra mile, so that we can deliver packed tea ready for the supermarkets for Sudan and Pakistan.

Mr. Temporary Deputy Speaker, Sir, I am glad the Minister talked about the Kenya Industrial Research and Development Institute (KIRDI). However, there is no connection between KIRDI and its target service consumers who are the small and micro-enterprises. The primary mandate of KIRDI should be technology transfer. They do not have any idea whatsoever about the concept of technology extension services. The Kenya Bureau of Standards (KEBS) also have beautiful ideas and well equipped laboratories which can help improve the quality of our products and the quality of the manufacturing processes of our basic raw materials, if only they could transfer the ideas to small and micro-enterprises. Nothing of that sort is going on.

I mentioned earlier that in December, 2004, we passed the Investment Promotion (Amendment) Bill. As I speak now, it is now one-and-a-half years, since that Bill was passed. The institution, which holds enormous potential for our country in terms of attracting investors and spreading it out through out the country in the Investment Promotion Authority (KIPA).

Mr. Temporary Deputy Speaker, Sir, for all intent and purposes, that institution is completely dormant because they have no financial capacity. They do not have a budget at all. So, what were we creating for countries like Malaysia and Mauritius, who stole the idea of the Kenya External Trade Authority (KETA), for example, have utilised it better for themselves and we are now borrowing from them, and yet, the idea came from us. It is the same with the KIPA. The ideas have been developed here and other people are now using those ideas better than us, not only to attract direct foreign investment and promote indigenous investment of their economies, but they are now going the extra mile of encouraging cross border investments, so that they can spread out their economic influence in the territories that surround them.

I would like to challenge this Ministry, and I believe this House will support them fully in terms of revitalising this economy through their mandate, if only they can come up with a proper policy paper.

With those few remarks, I beg to support.

**The Minister for Science and Technology** (Dr. Wekesa): Thank you, Mr. Temporary

Deputy Speaker, Sir, for giving me a chance to support this Motion. First of all, I would like to commend the Minister for Trade and Industry for a brilliant performance in the Ministry. We have read in the Press about his performance in the World Trade Organisation (WTO) meetings. He has been recognized as one of the best Trade Ministers in Africa. This must be a credible performance on behalf of this country and we would like to support him. Indeed, I would like to say very clearly that this is a very important Ministry. It cuts across all Ministries. In my own Ministry of Science and Technology, there are many areas we can co-operate with the Ministry. It also cuts across the Ministry of Transport, Ministry of Agriculture and others. It is one Ministry that touches every other Ministry. Therefore, I would suggest that possibly as we move forward, next year, we should allocate enough funds for this Ministry to enable it to do all the things that they are not doing today.

Mr. Temporary Deputy Speaker, Sir, I heard a colleague say that we have trade attaches everywhere. However, I want to disagree with my colleague and friend who we worked very well in the Departmental Committee on Agriculture, Lands and Natural Resources. Recently, I have been travelling a lot and one thing that I hear from many of our embassies is that they want trade attaches. The importance of trade attaches cannot be over-emphasised. Without having trade attaches, we will not be able to sell Kenyan goods. We will not even be able to persuade investors to invest in Kenya. Therefore, while I support the proposal that the Ministry should be allocated more funds, I am also thinking that this will enable the Ministry to create offices in our embassies so that matters of trade can be fully looked after.

Mr. Temporary Deputy Speaker, Sir, let me now turn to the issue of investments. Two months ago, I was in Dubai and I heard a very interesting thing; that any investor who wants to invest in Dubai must identify a local person. Before you can form a company to trade in anything, some of the directors must be local people. Trade in that country is booming. I think we could borrow a leaf from there. We must have mechanisms where we encourage investment. We can link those investors with our own people and make sure that we train our own people so that they can be partners in trade with investors.

Mr. Temporary Deputy Speaker, Sir, I also want to commend relevant Ministries for making it possible even for trade in the region to succeed. Currently, the Government is addressing the issue of the bureaucracy involving the registration of companies and issuance of licences to potential investors. This is the way we should go. We should make it much easier for any investor to invest in this country by reducing any bureaucracies involved in the registration of companies.

I also agree with the hon. Member for Saboti when he talked about transport and other infrastructural arrangements. Trade cannot be smooth without having proper roads and transport facilities and air communication. We also need to address those areas so that we can make it possible for investors to invest in our country.

Mr. Temporary Deputy Speaker, Sir, we are living in a technological era. I just want to refer to an issue that impressed me. Many years ago when I was at school, a small country, Ireland, had problems of unemployment. I think that was in the middle 1960s that I visited Dublin. I was there recently and I found that this country is one of the most progressive countries in the European Union. Talking to the people there, I found that they have taken technology as the engine for development, creation of jobs and trade. I saw many people from India and China. I think for us to move forward, we must recognise that we are no longer living in that age; we are in a technological age. We should, therefore, work closely with the recent developments in technology to improve our trade.

Mr. Temporary Deputy Speaker, Sir, the other issue I want to talk about is business in Sudan. As Kenyans, we should be pro-active. Sudan is an area that is open. If you go to Sudan now, you will find that the Japanese and Ugandans are there and yet this country has had very good relations with Sudan. I want to urge the Minister for Trade and Industry to really open up these

areas and encourage Kenyans to take up jobs and business in Sudan.

Mr. Temporary Deputy Speaker, Sir, coming back home, in Trans Nzoia, Kitale Town has remained very dormant for a long time. This is in my area. Probably when I am dead, they will say: "We had an hon. Member called Dr. Wekesa and he did nothing." I just want to tell my colleague that we can do something in Kitale. We have land there. We have offered Namandala Agricultural Development Corporation (ADC) as an export promotion zone. I think the Minister has said that he is going to do something about it. For my own private reasons but mostly for the benefit of people in Trans Nzoia, I am urging the Minister to consult the parastatals within his Ministry to ensure that an export promotion zone is established there.

With those few remarks, I beg to support this Motion.

**Mr. Moi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. I will be very brief in my contribution.

Since the time of the Roman Empire, the Constantinople and the British Empire, it was trade that made these empires great. They became vibrant because of trade, and we should take a cue from them. I would like to thank the Minister for his good performance in the World Trade Organisation (WTO) talks. It is very unfortunate that these talks collapsed. This should not have been a surprise, because the United States of America (USA) and its allies always protect their people and farmers from Third World countries. Until they change their attitude, I do not think anything good will come out of such talks.

Much has been said about the collapse of Uchumi Supermarkets. One thing about the collapse of Uchumi Supermarkets that confirms to me is that the Government has no business being in business. That is a fact. Now, through the rescue plan by the Government, we are pumping more of taxpayers' money into Uchumi Supermarkets. It is prudent that immediately it stabilises, the Government should offload its shares in Uchumi Supermarkets to the general public through the Nairobi Stock Exchange. The Government should divest completely from Uchumi Supermarkets.

Secondly, on the issue of trade, we have to protect our local industries and farmers. One way of protecting them is by giving them accessibility to overseas markets. I say this because my eyes and ears are on the tea industry. We have problems with the introduction of tea picking machines. But it is a fact that unless we introduce these machines, we will price ourselves out of the international market. We cannot stand in the way of technological progress. We cannot do that, no matter how much we try to stop it. We will just be hindering ourselves. If you look at the tea industry, you will see that it has employed people to carry those machines. It has employed hundreds of people to run new factories built by investing money to the tune of Kshs1.2 billion. The machines have opened up markets in Japan for the tea industry. It will be very unfortunate if we tell our tea factories to shut down. If we do that, we will send wrong signals to investors who would like to come to Kenya to take advantage of the use of modern technology and good agricultural climatic conditions.

We know that there is debate on the issue of use of DDTs to fight malaria. We must again look at this in the light of the horticultural and flower industry. The Western World and traditional markets overseas have threatened to shut out Kenya's exports out of their markets if we attempt to use DDT. We have got flowers which are grown locally. We should look at pyrethrum instead of DDT, because hundreds of thousands of livelihoods will be affected if DDT is used.

A colleague of mine has mentioned about having trade attaches. We have had some very good trade attaches all over the world. In particular, I remember a certain Mr. Kihara in Canada. Unfortunately, he was recalled to Nairobi. He was a very able young man. I think the Minister should take note of that and post overseas young, vibrant and business-oriented officers as trade attaches to promote Kenya and encourage foreign investments.

In conclusion, I would like to say that Kshs1.6 billion is certainly not enough for a Ministry



as important and vibrant as the Ministry of Trade and Industry. I would like to plead with my colleagues to consider allocating more resources to this Ministry. This is because this Ministry is key to the development of this country.

With those few remarks, I beg to support.

**The Minister for East African Community** (Mr. J. Koech): Thank you, Mr. Temporary Deputy Speaker, Sir.

First, I would like to thank my colleague, Dr. Kituyi, for his budget proposal. I also want to congratulate him for coming up with very clear policies on trade and industrial promotion in this country. I also want to thank him for his negotiational abilities in different international organisations for the benefit of this country. I know this fact because I was with him in many fora to negotiate the establishment of the East African Community. Most of these policies and negotiations have helped to strengthen trade between us and other African countries. It has also increased trade volume by our people.

In our country, population is growing fast, and we have many well-trained young people. It is good to note that Kenyans are good in taking up training opportunities. You will find that many of our young people want to do good university degree courses. Our youth are very good and enterprising. The only way in which we will be able to employ them, and make use of their potential, is by expanding our trade and manufacturing industries. Many people in this country fight for employment opportunities in the Government sector. But the Government employs less than a million people, yet everybody in this country wants to get a job in the Government sector.

Sometimes people join the Government, so that they can get jobs for their own people. This is fighting for something which is not possible. We should expand our manufacturing industries and increase our trade opportunities. In this way, we will create gainful employment for our people. This is because adults in this country, who are looking for employment, are over 15 million. The majority of them will not be able to get jobs, unless we invest in manufacturing industries. We must think seriously about this issue.

I am happy that the industrial sector has created more employment opportunities in the last few years. I am happy to hear that about 250 people were employed by manufacturing industries. I hope that we will increase employment opportunities by giving incentives to local entrepreneurs to start informal business. We should encourage our small traders. I remember that there used to be some courses for small-scale business entrepreneurs. Such courses should be offered on a weekly basis, so that our traders do not have to go very far for such training. Such courses will allow small-scale entrepreneurs to have entrepreneurial skills and know how to improve their businesses. In that way, we will be able to create employment for many people.

When the NARC Government pledged to create 500,000 jobs per year, people engaged in a lot of criticism. They asked: "Where are the 500,000 jobs?" Kenyans were made to think that the Government was to offer the 500,000 job opportunities. Honestly, the Government cannot give 500,000 jobs. This is because there are only about 1000 jobs available in the Government. So, how can it give 500,000 jobs? The number of Form Four leavers every year is about 300,000. The number of people that can be employed by the Government is a tiny proportion of this figure. So, unless we come up with very serious job creation policies, we will not be able to create enough employment for our people. I have found out that in the East African Community, business is expanding very fast. Our business people are moving into the neighbouring countries to sell their produce. Kenya has, indeed, become a big beneficiary of the East African Community. These will, of course, generate further employment opportunities for our people. However, there is one thing that is worrying. When we talk about success in the industrial sector, export business and so on, whose success is it? The indigenous African still has a lot of problems. Therefore, it is high time we came up with very clear policies that will help develop the indigenous people. These are people

who are willing to invest here and they will not take their capital outside this country.

For a long time, many people have been making a lot of money in this country. In fact, when they get profit, they repatriate the money to their home countries because they have connections all over the world. So, instead of Kenyans benefiting from economic growth, it is other countries which are doing so. We should come out deliberately to address this issue about indigenous entrepreneurs. We need to provide our young people with jobs to do.

One of our colleagues talked of local authorities. We should have co-ordination between the local authorities and the Ministry of Trade and Industry. There are so many areas in our country that are potential for good business. When I travel from Nakuru to Kericho, I normally pass near a market centre called Chepseon. A lot of business goes on here. However, there are no plans to ensure that the people doing trade in this market carry out their business in a smooth way. The potential there for business is very good. We need to tap such potential and promote it so that the indigenous people can also benefit.

Sometime back, the Kenya Government started Kenya Industrial Estates. These estates had turned out to be centres of excellence for quite a good number of our people, especially the indigenous Africans. I know that in Nakuru, our former Speaker, the late hon. Kiprono had established a very nice business of manufacturing milk cans. When the business closed down, the dairy industry was also affected. What I see in the local areas after the revival of the dairy industry is that farmers have a lot of milk, but the type of cans they use to store the milk are pathetic. I do not think that the plastic cans that they use are good. However, the cans that used to be manufactured in Nakuru in the past were very good. There were so many other good things that were manufactured in the industrial estates. So, I hope that the Minister for Trade and Industry will endeavour to revive the industrial estates and people availed some capital with low interest rates so that they can develop. Unless we do it deliberately, the black man with *nywele ngumu* will always have a lot of problems. We need to be serious on this issue of developing industrial estates.

Mr. Temporary Deputy Speaker, Sir, I am happy with the way the Minister and his officers are working. They have ensured that the investment climate is very good and that has attracted foreign investors. However, what about ourselves? How are we going to develop this country? The majority of graduates who are going to leave universities are not assured of getting jobs! They come to see us so many times. They tell us that we are in Government and so we should be able to give them jobs. People are now going to look at the Government with a view of it providing them with jobs. We should be able to create jobs through the incentives that we give people in terms of financing. By creating a conducive environment for investment we should enable them to put their entrepreneurial skills into use.

I have seen a good number of traders who are doing good work. Sometimes you will not realise that there are Kenyans who are selling goods to Canada. Some people are also selling products to Germany and Britain and this is because of the network that they have established. How I wish that such a network involved more Africans. I believe that we can manage. For instance, we could use our commercial attaches in the export business. The Ministry of Trade and Industry should also work hand in hand with my Ministry so that we can assist the people of this country, especially the young people.

**Prof. Oniang'o:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to support this Motion.

I would like to congratulate the Minister, but in the same breath not to spoil him by overpraising him. We are aware that this is a key Ministry although the money they have might not be enough. However, money is never enough and it is a question of prioritising and seeing how you can achieve the best in the shortest time possible.

The Minister has shown us that his Ministry has continued to perform well internationally,

for example, under the World Trade Organisation (WTO). His Ministry has really flown our flag high. He has shown us that he can equally do well locally given the way he handled the Uchumi saga. We, however, still need to do more locally.

It is sad that more than 40 years after Independence we are still talking of such concepts as Africanisation and Kenyanisation. Surely, we must be going backwards; something is very wrong here. We must, therefore, do something straightaway. The Ministry of Trade and Industry depends on so many other sectors. It depends heavily on the infrastructure. Those of us who travel to the rural areas of this country know that our roads are in a deplorable state. We know that we have never constructed a single inch of railway line since Independence. What has really gone wrong? You cannot industrialise the rural areas unless you have proper infrastructure in place. People have to transport their goods, communicate with others and stay connected with other countries. Unfortunately, this Ministry is handicapped. It is a question of whether it is the chicken or the egg which came first. Should it be trade first or infrastructure? Clearly, there is not much that can go on unless other sectors perform well too. Mr. Temporary Deputy Speaker, Sir, Kenya is a rich country. I get embarrassed each time we say that we are poor and go begging from the outside world. Foreigners tell us that we could be as good as Dubai. Why do people pass through our airport to go to Dubai? Why should they leave our country to go to other countries and yet we are strategically placed? We should be providing those services that they go to seek elsewhere.

With regard to industrial parks, we had promised to create them in our major public universities. We have the top brains like engineers and technologists of international repute in our universities. Recently I was invited to attend a professors' luncheon at the Jomo Kenyatta University of Agriculture and Technology (JKUAT). This is a university full of innovation and it is recognised internationally. In fact, they sell their services to neighbouring countries.

They are now trying to engage in industry partnerships with other universities. They put to me one complaint, and I hope the Minister for Trade and Industry will be told, that scrap metal is exported every week from this country. They would like to get the scrap metal and use it to manufacture products that can be used both locally and abroad. The university that I am talking about is holding its graduation ceremony today. If you go there, you will be very much impressed. One other request that they put to me is that the Kenya Railway Corporation has a foundry which is unused and yet there are business people who are interested in taking the foundry. If the university is given the foundry, I am sure they will make good use of it and propel Kenya forward. We need to utilise our universities. It does not take a whole law to create industrial parks. We want to give incentives to our lecturers so that they can produce goods for export.

With regard to the new Ministry of Youth Affairs, I am aware that the youth are now forming groups. However, what will they be doing when they get loans from the Ministry? We should encourage them to venture into industrial world in the rural areas. We know that there are women entrepreneurs, but nobody talks about them. There are so many Kenyan women who keep flying out of the country to do business. We also need to give them incentives. If we [concentrate on the development of youth and women entrepreneurs, we shall definitely go a long way. We have to make sure that we prioritise our objectives because Kshs1.6 billion is not a lot of money. Today, the WTO's conditions have outlived their usefulness. We even do not have Kenyan lobbyists. When I visited the USA the other day, I tried to look for a trade attache in New York. I tried to call the Washington's office line, but it never went through! How are we going to do trade when even our telephone lines cannot put us through to people we want to trade with? I want to support the sentiments of one hon. Member; that we need commercial *attache's*. Visitors come here and tell us that Kenya can take only five years to industrialise, if we put our priorities right. I hope that the Ministry will now put its priorities right. The term of this Parliament is almost over but I know that, next year, if the Minister continues with the enthusiasm and vigour that we have seen lately, we can

go a long way.

With those few remarks, I beg to support.

**The Assistant Minister for Education** (Dr. Mwiria): Mr. Temporary Deputy Speaker, Sir, thank you for giving this opportunity to support this Motion and congratulate the Minister. I also support those who have said that this Ministry needs much more than Kshs 1.6 billion.

The point has been made very strongly that we need to support groups in the rural areas. I have in mind the *Jua Kali* people, women groups, youth groups and the many unemployed university graduates who could do with some support. Those are some of the small things that should have been done. One wonders why we have taken so much time, especially with supporting the *Jua Kali* sector. There are plots set aside for development of the *Jua Kali* sector. But, in some cases, there are conflicts because some people have grabbed them.

We have not sat with university graduates to advise them on how they can come together and use their skills to organise themselves into consulting organisations and sell their own resource or knowledge learnt in universities in form of trading skills. It is going to be very difficult to support disadvantaged groups, who are the majority in this country. If we do very little and open our markets to every Tom, Dick and Harry - unscrupulous business people, tax evaders and those who sell substandard goods - we will be making it very difficult for indigenous Kenyans to survive. That is because they will face competition from those who take advantage of the desperate condition of most Kenyans to bring in everything. They also take advantage of every connection they have in the Government, or people working in strategic positions, to evade paying taxes. That makes it very difficult for those who do not have those connections to compete. That is very demoralising to potential traders. We will not be doing enough if we are not going to give the small-scale trader a chance to do business, even with the Government. We should award them tenders for procurement of goods and services. We cannot do that effectively, if we do not deal with the greedy people. Those are the people who want to do virtually everything. They may be well-established in business, but they want to pick every other small opportunity, and we let that to happen. Sometimes, it is not even for them. They do it for their wives and children. It is high time affirmative action was taken to decide who should have access to small Government business opportunities. Until we do that, we should not argue that we are opening up trade frontiers to everybody.

Mr. Temporary Deputy Speaker, Sir, we should think of ways of limiting the greedy people from *nyakuaring* virtually every business opportunity. There are ways of supporting local manufacturers in terms of imports and exports. The Government can come in more strongly and ensure that local manufacturers are given more support. The point about affirmative action cannot be over-emphasized. I am talking about affirmative action on African Kenyans. If you go to South Africa, they have a programme whereby businesses are opened to South Africans. They have been doing that for the last five years. There are programmes of preparing Africans to join well-established corporations; businesses that allow Africans to come in are given incentives by the Government at a certain stage. I think it is unfortunate that we have never thought about that. But, also, in terms of the people who are employed in companies, we should insist on certain percentages. Diversification must not just target indigenous Africans. It should go beyond Africans of certain communities because there are certain communities that are more established in business. If we want to have businesses that are acceptable to majority of Kenyans, we should have an affirmative action targeting those who are marginalised; from a socio-economic point of view.

Mr. Temporary Deputy Speaker, Sir, it is also important for us to think about unique opportunities that we have not exploited. I have in mind, for example, sporting opportunities. We have done one or two marathons. But being a country that is known for its great sporting prowess, there is much more we can do in terms of organising high altitude training facilities for foreigners

who would like to come and train in Kenya. That does not have to be in Eldoret alone. It could be done in other places. We should also try to make sporting events much more commercial. That could be done at all levels, including schools, universities and so on. We could make our football clubs and other sporting programmes much more professional than they are. Of course, people must have incomes and employment opportunities from sports. But the environment must be there, especially for those who would like to come from foreign countries and take advantage of our training opportunities.

Mr. Temporary Deputy Speaker, Sir, there are other areas that we need to consider seriously. Livestock breeding areas should consider the leather tanning industry. The leather tanning industries in most industrialised countries have gone down because they are very expensive to maintain and are labour-intensive. We could exploit the opportunities in those countries. But, again, the Government must come in, in terms of helping those who want to do it.

Prof. Oniang'o has made a point about science, technology, research and development. But in terms of research and development, it is not just a question of getting universities to do it. We should spend much more money in research and development. That takes me to the Nyayo Pioneer Car Project that some people made fun of. Actually, although he did not have many good ideas, that was not a bad one. But it needed to be supported. I think we should be prepared to support that kind of industry to ensure that, even if it takes that long to realise the benefits, we should be prepared, as a country, to put in more money as long as it is guided by professionals who know where we are headed to.

Again, in terms of research and development, we need to look at the budget of the Ministry of Trade and Industry. How much of that is going to employ people? If you go to Finland, about 70 per cent of the budget of the Ministry of Trade is allocated to research and development. The idea is to research on opportunities that are likely to create employment, as opposed to employing people. Numbers, sometimes, do not make a difference in terms of long-term planning. But, again, we cannot claim to support our indigenous workers if we cannot put enough bricks to block those who are exploiting them. We should seriously deal with those who are pretending to be trading in this country, while they are exploiting our workers. They are not only exploiting them, but also bringing in foreigners even for tasks that do not require the kind of people we see coming to work in this country. If we are not employing our people, then we are not also preparing future entrepreneurs. It is important that we do insist on certain minimum working conditions for many of the companies that are doing a great deal in exploiting our own people.

Mr. Temporary Deputy Speaker, Sir, also important is the need for us to take advantage of the Kenyans diaspora; in Europe and the United States of America (USA). We should give them support in terms of creating opportunities for them to invest in this country. We should also find out for them in terms of what we can do with them out there. We should organise linkages with our own business sector much more aggressively than has been the case.

Many hon. Members have already made the point about the need for a rural marshal plan that would be labour-intensive. Also mentioned was the issue about advisory opportunities that are available. Are these very well-disseminated? Do many people know about the various advisory centres that are available to the business people? What are we doing about visa regulations for those that would like to come and invest in this country? What are we doing to support Kenyans who want to go and invest in other countries? Are we ensuring that the requirements by those countries are relaxed?

*[The Temporary Deputy Speaker  
(Mr. Khamasi) left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

Mr. Deputy Speaker, Sir, in terms of trade attaches, I agree absolutely that we should send out more of them. But with regard to them, as well as Ambassadors in key countries, we need to identify people who are not only professional diplomats, but those that have an appreciation for business and can play a big role in terms of enticing and telling us more about business opportunities as opposed to their getting these jobs just because they are politically-connected. They must bring value to more Kenyans.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to support.

**Maj-Gen. Nkaiserry:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Vote. I stand to support the Vote with several reservations. First, national interests are very critical for this country. One of them is the economic well-being. This Ministry is key in the revival of the economy.

The second reservation concerns national security. The Minister has done a tremendous job to improve our economy. He has been criss-crossing the world attending very important meetings which would bring trade to this country. Unfortunately, that effort is being hampered by insecurity. We all know what happened at the Jomo Kenyatta International Airport (JKIA) recently, and the Minister is a key witness. Thirty per cent of the fresh food sold in the London market goes through the JKIA. But what will happen if that airport is downgraded? We will lose that trade completely. This is because of this Government! This Government has been in power for the last four years. Dubai is a very small country. It is very hot. Mombasa is a lucrative City for tourism. If we made it a free port, we would be on top of the world. What is the Government waiting for? Why can they not take actions in that direction?

Mr. Deputy Speaker, Sir, recently, the Minister came forward to rescue Uchumi Supermarkets Limited. However, I am appalled that the Government has not taken appropriate action against the hostile and unscrupulous traders who wanted to take over Uchumi Supermarkets Limited, and yet it knows them. Why should the Government allow our economy to be killed by people who we know? They exist in our midst! We have an example of Enron Technology. A few months ago, those people who made Enron Technology go down were taken to court. What are we waiting for in order to take action against those who wanted to stage a hostile take-over of the economic backbone for our poor people?

Mr. Deputy Speaker, Sir, trading within our region will be of paramount importance to our country. It is a pity that, for the last 40 years, the road between Isiolo and Moyale has not been constructed. As a result, we are losing tremendous amounts of trade with southern Ethiopia. It is good that our goods are going all the way to the eastern part of the Democratic Republic of Congo (DRC).

Last week, we passed the Vote of the Ministry of Roads and Public Works. However, priority was never given to the sources of economic growth for this country. These are the critical issues. We can talk and praise ourselves, but we are not addressing serious issues which would improve the economy of this country. We have an organization called Kenya Industrial Research and Development Institute (KIRDI). We also have the railway workshop. What is the Government doing about it? Why can KIRDI not take over the railway workshop, so that we can improve the economy of this nation?

During my time in Kenya Armed Forces, the KANU Government used to talk about the *Jua Kali* industry. The NARC Government came to power on the promise of creating 500,000 job opportunities every year. The most important vehicle of doing so would have been the *Jua Kali* industry. The Government should have set aside, at least, Kshs3 billion or Kshs4 billion to go towards this industry, which is being pocketed through Anglo Leasing and other scams. Are we

really trying to improve the economy of this country? Are we just representing voters here? Do we have the interest of this country at heart? Do we want to help the youth of this nation? The Minister was lamenting here about employment creation. This Government promised Kenyans that it will create 500,000 jobs every year. One of the ways to do so, is by improving the *Jua Kali* sector. By doing so, many of our young people would be employed.

Mr. Deputy Speaker, Sir, the East African Portland Cement Company reaps resources from my constituency. Recently, it took donations worth over Kshs6 million to Southern Sudan. It could have instead built three secondary schools in my own constituency where it gets the resources. Do we really want to improve the economy of this nation by supporting the economy of another country? We are killing our own people!

**The Minister for Trade and Industry** (Dr. Kituyi): On a point of information, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Maj-Gen. Nkaiserry, do you wish to be informed?

**Maj-Gen. Nkaiserry:** Yes, Mr. Deputy Speaker, Sir.

**The Minister for Trade and Industry** (Dr. Kituyi): Mr. Deputy Speaker, Sir, I wish to inform the hon. Member that the decision of making a grant of cement worth Kshs4 million to Riak Machar was not done collectively by the Board or management of the East African Portland Cement Company. Since then, the Managing Director has been suspended and is under investigation over that.

**Maj-Gen. Nkaiserry:** Thank you, very much, Mr. Deputy Speaker, Sir, for giving the Minister that opportunity.

Mr. Deputy Speaker, Sir, the importation of goods which are available in Kenya is a way of killing the economy. Why would a country like ours allow what we can produce here to be imported? The Minister should address this issue critically.

Many hon. Members said that it is very important that we have trade attaches in our embassies. Indeed, I support that because it would reduce most of the trips made by people from Nairobi and hence, save this country a lot of money. We should target the East African and the Great Lakes regions, and also southern Ethiopia and Southern Sudan, so that the trade can improve our economy.

Mr. Deputy Speaker, Sir, I would like to point out that even though the Minister is a very able person, I would like him to address a very fundamental issue here which borders on corruption, and that is nepotism. The Minister must carefully address the issue of nepotism within parastatals which fall under his Ministry. By doing that, this country will move forward in terms of the improvement of the economy.

With those few remarks, I beg to support.

**Mr. Arungah:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to support this Motion. This Ministry deals mainly with two areas: trade and industry. In the area of trade, I would like to commend the Minister, just like my colleagues have done, for the job that he has done in leading negotiations in various forums internationally. What is often forgotten is that the Minister is surrounded by a very able team that has always supported him in the course of doing his work.

Mr. Deputy Speaker, Sir, I would like to thank the Minister, in particular, for successfully negotiating for the extension of safeguard measures in the sugar industry because, as you know, many farmers in Western Province depend on sugar and the extension is going to go a long way in supporting their livelihoods. I know that the Minister was instrumental in negotiating the African Growth and Opportunity Act (AGOA) facility, which has been useful in supporting various farmers in this country. Unfortunately, we have a situation where this country has a potential to produce more than 300,000 bales of cotton but although this facility was negotiated, the country has not

taken advantage to urge farmers to produce enough so that it can take full advantage of the opportunity offered by AGOA. But I am hoping that with the passing of The Cotton (Amendment) Bill the other day, this will facilitate the country's farmers to access and make better use of this facility. The Ministry has done a very good job in sensitizing the business community in terms of availing to them information about trade opportunities in East Africa, in the COMESA region and, indeed, in the rest of the world.

Mr. Deputy Speaker, Sir, with regard to the promotion of trade, my colleagues have talked about commercial attaches. I will not repeat what they have said. Having commercial attaches is one thing, but we must facilitate them to be able to function properly. We must give them working telephone lines and transport, including giving them the information they need. I have had the opportunity to visit some of those countries and some of the attaches I talked to have no idea where to source whatever materials that may be required in their respective countries. I would like to suggest to the Ministry that each commercial attache must justify their stay in each station. For example, there is a trend in this country where various officers are being subjected to performance contracts. I would like to urge the Minister to insist that if a commercial attache goes to a place and the trade level stood at Kshs "X" billion, he must be able to increase that by a certain percentage in a given time so that he can justify his presence in a given station. We do not want to take people out there just to enjoy themselves.

Mr. Deputy Speaker, Sir, if I was to debate the Vote of the Ministry in the context of the people of Khwisero, I would be inclined to oppose it. At the end of the day, if this Ministry was scrapped, my people of Khwisero would probably not feel it unless the Minister can explain how we are benefitting from his Ministry. The only benefit we used to get from this Ministry was many years ago when the Ministry used to send some money to the District Loans Boards and my people would go and borrow from time to time. I think it is now more than ten to 15 years and this facility does not exist. Therefore, the people we are claiming we want to support have no access to credit. I would like to urge the Minister, now that he has been given almost no money, that he must find other ways of helping our people, even if it means he has to negotiate with a bank or talk to the Minister for Finance to provide a special fund and make it available at district level so that the farmers and traders in our communities can have access to credit which will enable them to carry on with their businesses.

The Minister said that there are about 13 parastatals under his Ministry. I would like to single out one of them; The Kenya Wine Agencies Ltd (KWAL). We have brews in this country which our forefathers have been consuming with varying degrees of danger, for example, *chang'aa* and *busaa*. The KWAL has facilities to collect all the *chang'aa* that is brewed in this country, process it and make it safe for our people to drink the same way it is done in Uganda and Tanzania. We are made of the same flesh and skin. Ugandans are taking *waragi* while the Tanzanians are taking *konyagi* and they are safe, but we have left our people to consume those dangerous drinks. Instead of the KWAL importing their raw materials from elsewhere, they could source them right from the coast to the border in Busia by collecting all those dangerous stuff, process it, make it safe for the consumption by our people and get tax revenue from it. I would like to urge the Minister to look into that possibility because we need to support our people at the grassroots level.

Mr. Deputy Speaker, Sir, in the area of industry, like my colleagues mentioned, if you go to a place like Dubai, there is nothing there except a desert. I would like the Ministry to look seriously into the concept of the Export Processing Zones (EPZs) because we are strategically placed as a country and we have a wonderful port in Mombasa. All we need to do is to go out of our way to attract people to come and start manufacturing there. Instead of the old-fashioned way of depending on duty collection, we should let people come here and set up companies in the EPZs and our people will be employed there. So many people will come from the region to negotiate



deals with the manufacturers there. Simply from the arrivals, hotel facilities will increase, more food will be sold and our farmers are going to benefit. Even though the Ministry has been given Kshs400 million, which is nothing, as far as I am concerned, the Ministry should not just sit back. They should take the opportunity to sensitize people and reach out to them because the issue of industry is directly under their purview.

Mr. Deputy Speaker, Sir, as I complete giving my contribution, I would like to talk about the issue of Uchumi Supermarkets. I would like to commend the Minister for the effort he put in to rescue Uchumi Supermarkets. Uchumi is a national name and we should be proud of it. But I would like to urge the Minister that, as he rescues Uchumi Supermarkets, because he talked earlier about coming out with policies, he should introduce a legislation where in some cases, we are able to protect some of our commercial enterprises against bankruptcy. We know that given time and a sensible rescue plan, companies or commercial enterprises that may be in trouble should be given time to sort out themselves instead of us hurrying to wind them up with the consequences of our farmers or suppliers losing a lot of money.

With those few remarks, I beg to support.

**Mr. Deputy Speaker:** Mr. Muturi, I will double up His Excellency the Vice-President and Minister for Home Affairs' time and then come to you and double up your's.

**The Vice-President and Minister for Home Affairs** (Mr. Awori): Ahsante, Bw. Naibu Spika, kwa kuniruhusu nichangie kidogo juu ya bajeti ya Wizara hii, kwanza ninampongeza Waziri kwa kuiwasilisha Hoja hii kwa njia nzuri.

Bw. Naibu Spika, tumesema mengi [**The Vice-President and Minister for Home Affairs**] kuhusu kuufufua na kuuimarisha uchumi, lakini jambo muhimu kwanza kwa kila Mkenya ni kuipenda nchi hii. Sisi Wakenya ni kana kwamba tunaichukia nchi yetu. Tunapotembelea nchi za ng'ambo na kukutana na wageni, tunaitusi nchi yetu kwa sababu mtu mmoja au wawili wamekosea kwa njia moja au nyingine. Inafaa mtu akiyatembelea mataifa yaliyostawi ajigambe na nchi yake.

Serikali imeanzisha sera nzuri ambazo zinatarajiwa kutuwezesha kuufufua uchumi wa nchi hii. Waziri wa Biashara na Viwanda ametembelea nchi nyingi ulimwenguni. Amezungumza mambo mazuri katika mkutano wa WTO na kwingineko. Tumerahisisha sana utaratibu wa kufunguliwa kwa kampuni nyingi na wageni wanaotaka kuleta raslimali zao humu nchini. Lakini, jiulize: Ni nani anayefaidika? Utaona kwamba nchi hii inafaidika kwa kiasi kidogo tu kutokana na kuajiriwa kwa wafanyakazi katika kampuni hizo. Wanaofaidika sana ni wageni wenye raslimali.

Bw. Naibu Spika, wakati umefika wa kubadili fikira zetu na kuiga mifano kutoka nchi zilizostawi. Nchini Afrika Kusini, utajiri ulikuwa umethibitiwa na wageni. Nchini Saudi Arabia, hali ilikuwa hivyo hapo awali. Lakini, Serikali za nchi hizo zilikata shauri kutajirisha watu wao. Wakasema: "Njoooni, tumetengeneza mazingira bora ya kuweka raslimali, lakini, mkija, ni lazima mtafute mzalendo ambaye atakuwa mshirika wenu." Pili, serikali za nchi hizo zilizitambua sekta fulani za chumi zao ambazo zilihitaji ushirikiano wa kibiashara na nchi jirani. Barani Afrika kuna biashara nyingi sana tunazoweza kuzifanya na tufaidike. Kwa nini bado tunaenda Ulaya na kwingineko, na kuziacha nchi kama Nigeria, Rwanda na nchi nyinginezo barani Afrika?

Ningetaka kumwomba Waziri, ambaye amefanya juhudi kubwa ili kuufufua uchumi wa nchi, aanze kuyazuru mataifa barani Afrika. Kwa sababu, ukiangalia, utaona kwamba nafasi nyingi zinazohusiana na nchi hii kiuchumi zinapatikana katika bara hili. Hii ni kama ajali tu. Siyo kwamba tumeweka harakati nyingi za kufanya biashara na Waafrika wenzetu. Ni kweli kwamba barabara na reli zetu haziko sawa. Lakini, tusitarajie Waziri wa Biashara na Viwanda kuzirekebisha kwa sababu hiyo siyo kazi ya Wizara hii; ni kazi ya Wizara nyingine.

Kuanzia sasa, inafaa tukipeleka mabalozi katika mataifa ya Kiafrika, wasiwe mabalozi ambao kazi yao ni kunywa mtindi na kupiga gumzo. Inafaa tupeleke mabalozi kamili ambao ni wafanyibiashara. Trade *Attaches'* watakuwa wakiwasaidia mabalozi hao katika kazi zao. Miaka

iliyopita, mabalozi kutoka nchi zilizostawi walikuwa na majukumu ya kuzitafutia nchi zao nafasi za biashara ugenini. Hivyo ndivyo tunavyostahili kufanya ili tuweze kuziendeleza nchi zetu Barani Afrika.

Bw. Naibu Spika, nilizungumza hapa juu ya sekta ya Jua Kali. Ukizitembelea ofisi za Serikali, utaona viti kutoka Dubai na kwingineko. Sasa, tunataka tujenge maabara ya Jua Kali katika sehemu zote nchini ili tuwafundishe maseremala na mafundi wengine jinsi ya kuboresha bidhaa zao ili tuanze kuviuza katika nchi za ugenini. Kila tunapowahitaji wageni walete raslimali zao humu nchini, Serikali huwapa motisha. Lakini hatufanyi hivyo kwa Wakenya.

Wahenga walisema kwamba ukarimu huanzia nyumbani kwako. Inafaa tuanze kufanya hivyo na tuzipende bidhaa zetu. Mapema miaka ya 1970, katika sehemu ya Viwandani kulikuweco na viwanda vingi sana vilivyokuwa vikisimamiwa na Wakenya. Lakini, Wakenya hawakuwa wakizinunua bidhaa hizo zilozokuwa zikitengenezwa na Wakenya wenzetu. Walikuwa wakinunua bidhaa kutoka kwa viwanda vya wageni. Hiyo ni kwa sababu tunajidharau. Hatufikiri kwamba Mwafrika anaweza kufaulu.

Siyo kwamba tunataka kuipatia Wizara pesa nyingi au cho chote kile. Tunachotaka ni kuwepo kwa sera ambazo zitatuwezesha sisi Waafrika wenyewe kuufufua uchumi wetu. Kulikuweco na sera moja ambayo ilizitaka Wizara za Serikali kuwapendelea Wafrika zinapotoa kandarasi, hata kama bei za bidhaa zao ziko juu kwa kiasi kidogo ya bidhaa za wageni.

Bw. Naibu Spika, tulipoanzisha Kenya Industrial Estates (KIE), tulinuia kuwapendelea Wakenya. Kwa hivyo, ningependa Waziri afanye juhudi ya kuleta pamoja KIE na Export Processing Zones (EPZs). Waziri alikwenda Amerika akapata AGOA lakini ni nani anayefaidika na AGOA? Ninamwona mkubwa wa EPZs ambaye yuko hapa, na anasikiliza ninayoyasema. Ningependa tuziweke maanani shughuli za EPZs na KIE, ili tuweze kuendeleza uuzaji wa bidhaa zinazotengenezwa na mashirika hayo.

Vile vile, tungependa Wizara hii ishirikiane na Wizara ya Kilimo kuona kwamba kilimo pia kinaimarishwa kwa sababu kilimo na biashara huenda sambamba. Tunataka kilimo kiimarishwe ndiyo tuendeleze ukuzaji wa pamba ambayo itatuwezesha kuviendeleza viwanda vya EPZ ili tupate faida. Kwa sasa, viwanda vya EPZ vinapeana ajira tu kwa Wakenya. Kila mara, tunasikia kwamba watu wetu wananyanyaswa.

Bw. Naibu Spika, mwisho kabisa, ningependa kusema kwamba, tunapaswa kufahamu kwamba bila ya teknolojia hatutaweza kuendelea. Kwa hivyo, ningependa kuwashauri wafanyakazi katika mashamba makubwa ya majani chai nchini, ambao wanapinga matumizi ya vyombo vya kuvunia majani chai, wasilitilie mkazo jambo hilo. Tukilitilia jambo hili maanani sana, tutapoteza pesa nyingi sana tunazopata kutoka kwa mataifa yanayoipenda chai yetu.

Kwa hayo machache, ninaiunga Hoja hii mkono.

**Mr. Odoyo:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute after His Excellency the Vice-President and Minister for Home Affairs. Some of the issues I wish to raise concerns the good work being done by this Ministry. While we appraise the Minister, I wish to put this into perspective: He has a budget of Kshs2 billion out of a possible Kshs400 billion for the Government of Kenya. In effect, the importance of this Ministry is not truly reflected in the allocation it has received. It has received 0.5 per cent of the national budget of Kenya. While we talk about the virtues of the Minister, in reality, what can he do with 0.5 per cent of the national budget? The 0.5 per cent is Kshs2 billion which is composed of Kshs1.6 billion for the Recurrent Expenditure and Kshs400 million for the Development Expenditure. In effect, one can say that almost 80 per cent of the money will be going into Recurrent Expenditure and only 20 per cent to Development Expenditure.

When we speak of Korea and Kenya having been at par economically we forget that, in reality, at one point, Korea decided that the bulk of its money would go into development and the

lesser of it to recurrent expenditure. Today, this Ministry and the rest of the Government spend more than 75 per cent of its money on recurrent expenditure and less than 25 per cent on development. So, if we do not invest in the productive sectors such as agriculture, trade and tourism, how do we expect to improve our infrastructure like roads and generate revenue to meet our basic requirements like health and education?

I believe that this Ministry has, indeed, a competent team, right from the Minister, PS and the heads of departments. However, we have to be sincere in agreeing that the capacity which has been availed to them in terms of resources is totally inadequate to have any effect. I speak with confidence because I was once a district head officer in the same Ministry and I worked in Kitui. I believe, Mr. Deputy Speaker, at that time, you were in Nyeri and you kept in touch with me. You used to call me and we would speak when you were the PC there. So, I wish to state that while things change, they also tend to remain the same. The Vote Heads that were there 30 years ago are remain the same while, today, we have international issues to deal with such as the WTO, AGOA, COMESA and the East African Community. I have not seen anywhere, in the Vote Heads, an indication that this Ministry will be responding to the international issues through correct Vote Heads. The Minister may very well be criss-crossing the world, but that may be in his own personal capacity rather in an institutional capacity for the well-being of the Ministry.

*(Applause)*

This country will not grow unless we put institutions in place. Therefore, I wish to request the Minister to institutionalise the good work he is doing so that we have collective memory when he moves on to do other things like crossing the Floor. His good work needs to be continued.

I wish to point out two particular areas; internal trade and external trade.

**Mr. Khamasi:** On a point of order, Mr. Deputy Speaker, Sir. I think you heard, clearly, what the hon. Member for Nyakach is trying to imply on the part of the Minister for Trade and Industry; that the Minister is basically trotting around the globe for his own personal gain. Could he please, substantiate that allegation?

**Mr. Deputy Speaker:** Mr. Odoyo, when you make such a statement, what are you up to?

**Mr. Odoyo:** Mr. Deputy Speaker, Sir, I am, in fact, praising the good work that is being done by the Minister. Let me add a little bit more.

Mr. Deputy Speaker, Sir, it is on record that the Minister has been praised by none other than the World Trade Organisation (WTO) fraternity.

**Mr. Deputy Speaker:** But the issue there is the word "personal". That is what Mr. Khamasi is challenging you to either withdraw or show evidence that the Minister travels on personal business!

**Mr. Odoyo:** Mr. Deputy Speaker, Sir, I believe---

**Mr. Deputy Speaker:** I know that you have very good points. I do not want to interrupt you. So, you might as well apologise, withdraw and then continue contributing! Otherwise, you will not be able to make the useful contribution that you are making!

**Mr. Odoyo:** Mr. Deputy Speaker, Sir, he has blown the issue out of context. I said that the Minister's personal driver acts at a personal level. I said that, that needed to be institutionalised.

*(Applause)*

That is to say that the good work he is doing at a personal level should also be reflected through the institutions that are being created within the Ministry.

**Mr. Khamasi:** On a point of order, Mr. Deputy Speaker, Sir. I think Mr. Odoyo is trying to

be semantic. He is still speaking about the same thing that I have challenged him to substantiate. We all know that the Minister for Trade and Industry is doing a pretty good job for this country and it is not personal. Could he substantiate?

**Mr. Odoyo:** May I apologise, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** He has apologised. However, you cannot apologise before withdrawing!

**Mr. Odoyo:** I have withdrawn, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Then continue!

**Mr. Odoyo:** Mr. Deputy Speaker, Sir, the Provincial Trade Office is the same as it was 50 years ago. They still see their role as purely issuing out licences. In fact, they are becoming obsolete in view of the single-licensing and permit requirement that is coming on board. Their role in other areas like training in Micro and Small Enterprises (MSEs) has become almost non-existent. I wish to bring the District Trade Joint Loans Board (DJLB)--- In the latest Kenya Gazette, the Permanent Secretary and the Minister have gazetted new members of DJLB in a certain district. DJLB is dead, and yet it was the bedrock under which Africanisation was based. It was also where rural commercialisation and manning of the rural sector was based. I wish to request the Minister, at his own time, to bring a Bill to this House that combines small scale enterprises and small scale retailers. Those people employ the bulk of our people. They also provide a very valuable service, be they *kiosks* and other services. We need to support those people.

Mr. Deputy Speaker, Sir, I went to Turkey and found out that they have a taxation measure called MSE Tax. When you buy anything, there is an indirect tax that goes to Micro and Small Enterprises (MSEs). That tax is controlled by the Ministry of Trade. That is because they realise how important that sector is to their economy. Today, this Ministry's plans are still geared towards large enterprises. It was the same 30 to 40 years ago, when I was a humble Assistant Trade Officer and Economist in that Ministry.

Mr. Deputy Speaker, Sir, time has come when the Minister, while undertaking the WTO factors--- He has done a good job by briefing this House. Indeed, at one time, the Minister was touted to become the Director-General. I commend him for turning down that opportunity because we would have lost a very able Minister. I request him to continue in his technical capacity at that level.

However, I want to fault him that, up to date, we do not have an international brand. Anybody involved in international trade and politics knows that brands rule the world. We need to have a brand. We may have a brand in tourism, but we do not have a brand beyond tourism. I went to London, New York and Berlin and found white Egyptian cotton shirts being sold; both short and long sleeved. Egypt has cotton as a brand. Why is it that we have not reached a point where we have Kenyan tea as a brand, being sold in supermarkets as Kenyan tea? The same should be done for coffee. He may have achieved the same with flowers, and I commend the Minister for that. However, our main traditional brands like coffee and tea are not there in the supermarkets abroad. They should be there. I request the Minister to consider Kenyan tilapia fish as a brand!

*(Laughter)*

These are opportunities that we can make use of to sell our country. I want to thank hon. Khamasi for congratulating me on that point.

Mr. Deputy Speaker, Sir, the next point which I want to raise has something to do with national capitalism or imperialism. We, as a country, should be getting as much out of Sudan---

**Mr. Deputy Speaker:** I regret such a good point is coming from you.

**Mr. Odoyo:** Mr. Deputy Speaker, Sir, I was interrupted.

**Mr. Deputy Speaker:** You know why you were interrupted. But you did a good job!

**Mr. Muturi:** Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to say one or two things on this Vote.

I join my colleagues who have congratulated the Minister, not just for the way that he presented this Ministry's Vote, but for the various achievements that he has made for the last three and a half years that he has been in charge of this Ministry.

I wish to start by pointing out the issue of the district joint loans boards. My understanding is that a certain contribution is expected from every local authority in order to gazette such a board. As you all know, most of our local authorities are on the brink of bankruptcy. They would actually have been technically insolvent if they were trading entities, were it not for the regular inflows of the Local Authority Transfer Fund (LATF) and the Local Authority Development Fund (LASDEF). As long as there will be a requirement that local authorities make some contributions towards the kitty that will enable each district to be gazetted as a joint loans board, then there is a danger that some districts will for a long time to come remain without those boards.

I say this because my own district is served from Embu District Headquarters and, naturally, quite a number of traders in Embu will apply for those loans that are meant for small-scale business people. I would like to appeal to the Minister to review the rationale of that requirement. If, indeed, it must be there, then the Minister for Trade and Industry should liaise with the Minister for Local Government. As you know, they come from the same political party, so that either the contributions of the local authorities can be deducted from the source at the Ministry of Local Government, either as an aspect of LATF or LASDEF as the case may be.

**The Minister for Trade and Industry** (Dr. Kituyi): On a point of information, Mr. Deputy Speaker, Sir. The Minister for Local Government and I are divided by common party.

**Mr. Muturi:** Mr. Deputy Speaker, Sir, I assume that, that was on a light note. Nevertheless, I welcome the information.

With regard to small-scale contractors, up to around 1982 or thereabout, there used to be a National Construction Company, which was a training ground for African entrepreneurs who were interested in the business of construction. As we speak, a lot of emphasis is being put on infrastructural development. I am afraid there is a danger of most of our public resources continuously going into the hands of multinationals or other foreigners who are trading in Kenya. There may be need for the Kenyan Industrial Research Development Institute (KIRDI) to think of ways of bringing together local entrepreneurs under one umbrella and teaching them some of these local business tactics.

Mr. Deputy Speaker, Sir, I want to join my colleagues who have talked about the foundryworks, which is owned by a small parastatal called the Numerical Machining Complex (NMC). I know the Minister has had a very keen interest in the operations of NMC, but I would want to know from him what is happening in that small corporation. Perhaps, it is an area where, through collaboration between NMC and various universities and other research bodies, we could see some developments that could be of national importance.

Mr. Deputy Speaker, Sir, many of my colleagues have talked about the need for commercial attaches. But we must realise the fact that a lot of these people are seconded from mainstream Civil Service, and not all of them have got the acumen for commerce. Indeed, in a lot of places that I have visited outside this country, the so-called commercial attaches are mere joyriders enjoying allowances that go with postings outside the country. While I do not oppose that suggestion, there is need for the Ministry of Foreign Affairs to liaise with the Ministry of Trade and Industry to ensure that the people they appoint are those of known track records in the area of commerce, and not just every civil servant that is available.

Mr. Deputy Speaker, Sir, we have seen in this country a lot of foreign trade exhibitions,

say, Iranian Trade Exhibition at KICC. We have also seen exhibitions by Turkey. My friend, hon. Odoyo, has just talked about the Turks. Even Turks are exhibiting their goods here. If Kenya were to do a trade exhibition, at what venue will it be? I am trying to root for something called the Kenya National Trading Corporation (KNTC). In as much as I know people have said that Government should not trade, there are these emerging opportunities in areas such as Southern Sudan. How will Kenyan local *Jua Kali* artisans access the market in Southern Sudan if there is no umbrella body like the KNTC, through which whatever products they come up with, will access those areas? I am urging the Minister to think about how that can happen in order to promote Kenyan goods in our neighbouring countries.

*(Applause)*

Mr. Deputy Speaker, Sir, there is the area of trade protocols. My take on this is that, although I know the Minister has regularly and quite comprehensively been briefing this House about---

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Hon. Members on my right-hand corner, could you, please, consult in low tones?

Proceed, Mr. Muturi!

**Mr. Muturi:** In as much as the Minister has continuously briefed the House, there is need for that kind of information dissemination mechanisms to be expanded, so as to reach the widest spectrum of the Kenyan populace.

Mr. Deputy Speaker, Sir, as the Minister for Finance read the Budget here, he made proposals by way of Notice of Motion that several trading licences were going to be abolished. Indeed, I have seen the list. The idea is to make sure that people have definite places where they should go, without having to be told, go for this licence go for the other; a multiplicity of licences. Is it not possible for the Ministry of Trade and Industry to liaise with the Police Department and other arms of Government, such that when there is this kind of move, in order to give incentives to our traders, they may stop harassing traders who may be starting business? As long as those licences are there, notwithstanding the fact that the Minister has published repeal laws, you will find the Kenyan policeman still harassing small businessmen in the villages.

Mr. Deputy Speaker, Sir, I note that the Ministry has a small allocation of Kshs43.5 million for the Department of Internal Trade. What worries me is that, that money is supposed to be subsidies to small businesses, co-operative societies and the self-employed. That is contained on page 375 of the Printed Estimates of Development Expenditure, but when you move to the next page, you find there is an allocation in the Directorate of Industries of Kshs130 million which, again, is to go to subsidies to small businesses, co-operative societies and the self-employed. My worry is this: It is a very small sum, but in order to promote equity in the country, could we be told by the Minister, when he replies, how he proposes to identify those self-employed, co-operative societies and small businesses which will benefit from this kitty, so that at least we have a fair distribution of the national cake?

With those few remarks, I beg to support.

**The Assistant Minister for Information and Communications** (Mr. Wamwere): Bw. Naibu Spika, shukrani kwa kunipa nafasi hii nami nichangie kidogo Hoja hii juu ya Wizara ya Biashara na Viwanda.

Kwanza, wacha nianze kwa kusema ya kwamba biashara haihusu tu wafanyabiashara

wakubwa, bali inahusu pia wafanyabiashara wadogo sana kama vile wachuuzi ambao naamini ya kwamba wana haki ya kuishi na kujitafutia mapato, lakini hawapewi nafasi hiyo na Wizara ya Serikali za Mitaa. Katika jiji hili la Nairobi na katika miji mingine mikubwa ya nchi yetu, kila baada ya siku chache utakuta kuna vita vikali kati ya askari wa mji, wakipambana na wachuuzi wakijaribu kuwakomesha wasifanye kile wanachofanya ndio waweze kuishi.

Bw. Naibu Spika, sijui ni nani ambaye ana wajibu wa kutetea wafanyabiashara hawa wadogo. Sijui kama ni Waziri ambaye tunajadili bajeti ya Wizara yake au ni mhe. Kombo, lakini kwa kweli, huyo Mheshimiwa Mbunge amevuruga sana wafanyabiashara hawa wadogo. Amewavuruga sana na amewanyima usalama, na unashindwa hakuna pahali ambapo utakwenda na usikutane na hawa wachuuzi. Hakuna! Na unashindwa wachuuzi hawa tunataka kufanya nini nao? Tunataka kuwaua? Tunataka wafanye nini ndio tukubali ya kwamba wana haki ya kufanya hiyo biashara yao ndogo? Naamini ya kwamba hili ni swala nyeti, lakini muhimu na ambalo linastahili kushughulikiwa na Wizara hii ikishikiriana na ile Wizara ya Serikali za Mitaa. Sio haki kila siku tuwe tunalia shida hiyo hiyo bila ya kuitafutia utatu.

Bw. Naibu Spika, pia ningetaka kusema ya kwamba tunaelewa ya kwamba biashara katika wakati huu inatawaliwa na moyo wa soko huria na kile kinachotajwa siku hizi kama utandawazi, lakini wengine wanasema ni "utandawizi". Ninaongea juu ya uwekezaji kutoka nje, na majuzi tu nilikuwa naongea na ujumbe mmoja kutoka Uchina na tukaingia katika mazungumzo juu ya utandawazi na namna tunavyoweza kujilinda kutokana na utandawazi ambao umegeuka na kuwa "utandawizi". Nilishangaa Wachina wakiniambia kwamba wamekubali kuwa na utandawazi katika uwanja wa biashara na soko huru. Hata hivyo, walisema hakuwezekani kuwa na soko huru katika siasa na utamaduni. Ukiangalia namna utamaduni wetu umeathiriwa na wageni kutoka nchi za magharibi, utashindwa ni biashara gani tunayofanya nao. Ikiwa leo wasichana watatembea uchi wa mnyama kule New York, kesho wanawake wetu watavua nguo na kutembea uchi. Ni huzuni tunaambiwa kwamba huu ndio utandawazi na biashara. Ni lazima Wizara hii itufanulie kama biashara ni kuathiri utamaduni au siasa zetu. Kama Wachina, ni lazima tuhakikishe ya kwamba wakati tunakubali utandawazi katika uwanja wa biashara, tusiukubali katika tamaduni na siasa zetu. Tusipofanya hivyo, tutaingiliwa na ubeberu mpya na tunaweza hata tukatawaliwa tena na wakoloni.

Bw. Naibu Spika, katika kukubali tuwe na wawekezaji kutoka nje, ni lazima tufahamu kuwa hawa si miungu. Tusiwaabudu wageni mradi tu wamekuja na pesa. Kama unadhani ninalitia jambo hili chumvi, kumbuka juzi watu wawili waliingia hapa nchini kwa kisingizio cha wawekezaji wa kigeni. Utashangaa ni akina nani waliowasujudia na kuwapigia magoti. Hii ni kwa sababu walikuwa na pesa. Hata shetani akaja hapa kesho akiwa na bunda la dola, utashangaa namna tutakavyomkimbilia na kumpigia magoti, tukimwambia tufanye biashara pamoja. Ni lazima tuwe waangalifu. Kuna wawekezaji na "wawekezaji". Wengine ni bandia, "wawekezaji hewa" na kadhalika.

Sidhani tumesahau vile tulivyoathirika kutokana na "uwekezaji hewa" wa makampuni kama yale ya Anglo Leasing na Goldenberg. Hawa wote walikuwa ni "wawekezaji hewa", watu ambao wanaendeleza ufisadi badala ya kuwekeza rasilimali kutoka nje. Ni lazima Wizara hii iwe angalifu sana, kuchunguza ni akina nani wanaokuja nchini na jina hilo la uwekezaji. Ni lazima wawekezaji wote wapigwe darubini kwa sababu wengine ni wakora na wahuni. Lakini kwa sababu wana ngozi nyeupe na wanaongea Kiingereza, hatuwachunguzi hata kidogo, na wanaweza wakafanya chochote katika nchi hii. Hivi majuzi, mamluki wawilli tunaozungumza juu yao karibu wachukue nchi hii. Tulikuwa tunakutana nao barabarani na wanatusongeza kando wakisema: "Kaeni kando, sisi ni wawekezaji." Lakini walikuwa ni mamluki! Kwa hivyo, Wizara hii ni lazima ifuatilie na ishikilie kwa dhati jukumu lake la kuhakikisha kwamba kila anayekuja kuwekeza hapa, amepigwa darubini na imehakikishwa ya kwamba ni mwekezaji halisi wala sio bandia.

Bw. Naibu Spika, jambo lingine ningetaka kusema ni kwamba kukubali uwekezaji kutoka nje hakumaanishi tusimiliki viwanda vyetu. Kuna watu ambao wanaamini kuwekeza ni kuwapa wageni uchumi wetu. Hakuna nchi ambayo inaweza kuhifadhi uhuru na uhai wake, ikiwa haitamiliki viwanda vyake. Ni lazima wananchi wawe na nafasi ya kumiliki viwanda vyao. Hatuwezi kuwapa wageni uchumi wetu wote ulivyo kwa jumla kwa sababu tupate ajira na tuukuze uchumi wetu. Hakuna nchi nyingine ambayo inaweza kufanya hivyo. Kuna viwanda vingine ambavyo tunaweza kuwaachia wageni kwa sababu hatuna uwezo wa kuviendesha. Lakini kiwanda chochote kile ambacho tuna uwezo wa kuviendesha, tusimpatie mgeni akimiliki au akisimamie.

Bw. Naibu Spika, jambo lingine ningetaka kusema ni kwamba uwekezaji kutoka nje sio kufuga utumwa. Ninasema hivyo kwa sababu utakuta katika mashamba au viwanda vingine ambavyo vinashikiliwa na wageni, wageni wamekuwa watundu sana na wanawafanyia wafanyakazi wetu dhuluma ya aina yoyote ile, na hawana ulinzi. Wizara ya Leba ililala zamani na wafanyakazi hawana mtu wa kuwatetea viwandani na katika mashamba. Sasa, Wizara hii haiwezi kulala kama mwenziwe wa Leba, au sivyo wafanyakazi watakufa. Ni lazima ichukue jukumu, hata kama si jukumu lake, la kutetea wafanyakazi na kuhakikisha ya kwamba wanatendewa haki.

Katika mashamba ya maua, ukienda pale na utazame mfanyakazi aliyeajiriwa kazi na umlinganishe na mwingine aliyeko mlangoni akitatufuta kazi, utakuta kuwa sura ya yule ambaye anatafuta kazi ni bora kuliko ile ya yule ambaye ameajiriwa. Unashindwa hii ni kazi ya aina gani? Watu wanafanywa watumwa! Wanapewa mishahara midogo. Wakiumia kwa madawa, hawalipwi chochote au kupewa madawa. Hili ni jambo la kushughulikiwa. Ukienda kwa mashamba ya maua na mikonge, utaaibika kama Mkenya. Hapa ningetaka kutofautiana na mhe. Makamu wa Rais kuhusu swala la mashamba ya majani chai. Mimi naamini, kama kuna watu 80,000 ambao watakosa kazi kwa sababu ya kutumia mashine hizo kuchuna majani chai, mashine hizo haziwezi kutufaa. Ni lazima, kabla ya kuziweka, tutafute---

**Mr. Deputy Speaker:** Bw. Wamwere, muda wako umekwisha!

**The Assistant Minister for Information and Communications (Mr. Wamwere):** Bw. Naibu Spika, kwa hayo machache, naomba kuunga mkono.

**Mr. Lesrima:** Mr. Deputy Speaker, Sir, I want to make a contribution by congratulating the Minister for his good leadership in multi-lateral and regional trade negotiations since he took over the Ministry.

I would like to say that at the constituency level, the good activities of this Ministry and parastatals at the grassroots level are sometimes not really heard of. It is important that the Ministry spends some resources as we devolve funds. There are so many funds being devolved, the Constituency Development Fund (CDF) being one of them, to see how we can take advantage of the activities of this Ministry to industrialise and develop trade and business at the grassroots level. I am not blaming the Ministry when I talk like this. I am only saying that we need more public relations. We need to hear more of the good things that they do. However, we understand that their budget is very small. It is very sad to note that nearly 50 per cent of their budget is donor-funded, yet we want to industrialise. Our target was 2020, but I think we have now changed it to 2030. I do not know why we have moved forward that deadline. I would want to see Kenya becoming an industrial country. So, this Ministry deserves a bigger Budget. We should harness our own resources to realise our budgetary objectives. This is a challenge for the newly formed Fiscal Analysis and Appropriation Committee of this House, to which I am a member.

The other issue is that this Ministry has a role in building capacities of our traders. It has training institutions under it. But when you look at the way it has structured its budget, you will see that these institutions are under-funded. The Kenya Industrial Training Institute got only 2 per cent of its budget for training. I think this institute was part of the core business of the Ministry. The Kenya Institute of Business Training got 20 per cent. It has tried. We need to put more resources



into capacity building activities.

We used to have joint loan schemes in my constituency. I understand that now this facility has been regionalised. So, if a Samburu wants a trader officer, he should go to Nanyuki District. This will be a very expensive trip, because he or she will have to be accompanied by an interpreter due to language barrier. We want joint loan schemes to be supported and sustained by the Ministry. This is because sometimes in the far-flung northern districts the only available financial facility is provided by the Government and the Kenya Commercial Bank. The Minister for Finance should also introduce here the Micro-finance Bill since other financial institutions will not operate in these rural areas in the near future.

We used to have the Kenya Industrial Estates under this Ministry. The Kenya Industrial Estates can assist a lot in business incubation as it did in the 1970s. Some of the successful companies, like Kuguru Foods and Haco Industries, came out of the Kenya Industrial Estates. I hope that the Ministry will re-establish the Kenya Industrial Estates at the constituency level and link it to youth polytechnics. I understand that there is some US\$22 million, but I do not know whether it is meant for minor industrial estates. But this initiative is not in my constituency. So, I do not know where this money from the American Government is going. If it is meant for business incubation, then we want it to be used in our livestock-based industries.

The Kenya Industrial Research Development Institute is doing a good job. I understand that it can convert cow hides and goat skins into clothes, but we have not heard very much about its activities in Samburu District. It should support small Kenya Industrial Estates there. The reason why I am emphasising that the Ministry should get interested in establishing facilities at the constituency level is because in that way, we can support infrastructure development such as electricity supply and telephones and internet provision. If this is not done, the Ministry of Energy will wait for another 10 years before it gets in the use wind power to drive industries. So, this Ministry should be interested in supporting development activities at the constituency level.

A lot has been said about the Numerical Machining project. I know that the technology is now out of date, but I think it is a very important facility for Kenya to demonstrate that we can manufacture aircraft spare parts. This project requires very little money, not more than Kshs90 million, to upgrade its technology.

On trade attaches, the Minister should appoint officers who are interested in business. They should have some experience in business. It is not enough to have a doctorate degree in trade; one must have a hands-on experience. There are opportunities to do business in Africa. I visited Congo Brazaville and the Democratic Republic of Congo. These countries import meat from Chad and milk from France. Why can we not get meat from Samburu and export it there? Maybe it is because Dr. Kituyi does not know how to sell meat. We want to know areas where we can sell our beef, for example, in Mauritius and Saudi Arabia. The trade attaches in those countries should be people who are interested in doing cattle business.

With regard to the question of accessing markets, I want to congratulate the Minister for the good job that he has done. Those of us who come from the pastoralist areas would like to get opportunities to sell, say, jewellery from the Maasai, Turkana, Pokot and Rendille. These jewellery is very popular in the Western world, but you will find that it is sold by people who do not come from pastoralist areas. The pastoralists have not been able to access that market. So, we would like to see the Ministry organise public forums in order to expose us to the opportunities out there.

Mr. Deputy Speaker, Sir, with those remarks, I beg to support.

**Mr. Kagwima:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to join my colleagues in supporting this Motion.

Mr. Deputy Speaker, Sir, this Ministry is in charge of regulating trade and ensuring that Kenya achieves the target of being an industrialised country by the year 2020. To be able to do that,

we need to put in place and ensure that we review our plans on a regular basis. That will help us to find out whether we are on course or not. The allocation we are talking about here is too little. I am not sure whether we are attaching the required importance to this Ministry. From this Ministry's budget, we are talking about Kshs143 million for traders in the rural areas. If we already have 75 districts in the country; and probably more others will be created, what will Kshs100 million do to benefit all these districts? As you all know, our banks are not bothered about supporting the small traders, let alone making money available for them. The traders who start *biashara* require to be educated and guided so that they can know where to start from. Perhaps, the direction that we are taking now is not the right one. People will continue selling their livestock or open more shops, but after only six months all these investments will go down. I know that some other people might make the mistake of presenting their title deeds to banks only for their businesses to collapse after six months. It simply means that they will have to lose their *shambas*.

The Ministry, therefore, requires to play that role of regulating, guiding and educating our small traders. We need to discuss with our banks so that as people borrow money, they are given a breathing space in the name of grace period. Really, if you start a business today, you will not be able to make instant profit. One would be very lucky to make profit in the first and second months of doing business. It will just be good coincidence. Along the way, one person must incur losses. The Ministry needs to start renegotiating with the financiers and other banking institutions so that business people who take loans are given a grace period. We could even charge for the training of the business people once we put in place a training period, whatever name you give it, for them. We should, therefore, not allow people to borrow money and expect them to repay it with interest at the end of the same month. They cannot make profit and carry on with business that way. So, the Ministry has a major role to play in terms of regulating, guiding and educating people.

The Ministry of Trade and Industry needs to liaise with other Ministries, including the Ministry of Agriculture, so that farm produce such as greengrams and bananas are semi-processed and value added to them. We should add value to our produce before we take it to the consumers. If we do that, we shall be making more money for the farmers. But the Ministry is just there alone. It cannot make any impact if it does not liaise with other Ministries. The Ministry requires to work very closely with the Ministry of Energy. If the Ministry requires to set up an industry, the Minister will consult his colleague at the Ministry of Energy and tell him: "We require electricity in these areas so that we can put up industries for residents and investors!"

Fortunately, this country has enormous resources. Even where you come from, Mr. Deputy Speaker, Sir, some areas many not have quarry stones. But you have the soil that can be compacted into beautiful bricks that have the same strength as quarry stones. If the Ministry assisted the people living in those areas, they could make bricks and create employment. The sale of bricks would fetch money for the owners of the quarries. People will also save on transport. There is soil that is lying en masse in those areas. If we had electricity in those areas, we could convert the soil and make building blocks and bricks. Therefore, the Ministry should set up a department to liaise with other Ministries. That way, the regulatory and promotion law will be properly achieved. I am sure we could achieve our target of industrialisation by 2020, only if we stayed committed to the same.

Mr. Deputy Speaker, Sir, this country has a lot of resource in terms of manpower. The Ministry requires qualified personnel in the area of industries. We can use the same personnel to ensure that the development, supervision and improvement of existing industries is properly done. Even if you want to train the current ones, let us train them to the level that they will be useful in terms of the development of industries. People in the technical fields may not think that the Ministry of Trade and Industry is important. But we can come up with terms that could attract them. The reason why our goods are not competitive in other markets is because we are using people who are not properly trained. We are using people who are living in the old era, without

applying modern technology. We need to upgrade ourselves, so that we can produce competitively.

Mr. Deputy Speaker, Sir, going back to what Mr. Muturi said, the Ministry needs to liaise with the Ministry of Foreign Affairs. It should not only rely on trained *attache's*, but even the ambassadors and high commissioners. The Ministry requires people with reasonable knowledge about trade and economics. We have moved from the era of the cold wars, where countries like Russia and America were fighting to impress the world. We are now in the era of trade. We need our ambassadors and high commissioners to have knowledge of trade and economics, so that they can show our people areas where they can benefit. They should also market our goods in their respective countries. They should not just sit in those countries and spend the money that we could use here. We need qualified people, even if it means recruiting them from the private sector. We need the Ministry to influence the Ministry of Foreign Affairs, so that the ambassadors and high commissioners are people with reasonable knowledge about trade. That way, they can market this country. I am sure we can earn quite substantially if our representatives out there sold our country to the foreigners. We have enormous resources.

Finally, I urge the Minister to request for more money next year---

**Mr. Deputy Speaker:** Order! Mr. Kagwima! You will have one minute, if you wish to continue tomorrow. Have you finished?

**Mr. Kagwima:** Yes, Mr. Deputy Speaker, Sir.

#### ADJOURNMENT

**Mr. Deputy Speaker:** Very well. Hon. Members, I have noted that there are four hon. Members, two from either side of the House, who have been very consistent this afternoon! They have been trying to catch the Chair's eye. But, unfortunately, because of time, it is not possible to contribute now. But I promise that if you try tomorrow, you will catch my eye.

Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until Tomorrow, Wednesday, 26th July, 2006, at 9.00 a.m.

The House rose at 6.30 p.m.