

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 13<sup>th</sup> August, 2009

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

Report of the Departmental Committee on Labour and Social Welfare on the examination of the 2009/2010 Estimates for the following Votes:-

Vote 15 – Ministry of Labour

Vote 42 – Ministry of State for Youth Affairs and Sports

Vote 18 – Ministry of Gender, Children and Social Development

Vote 41 – Ministry of State for National Heritage and Culture

Vote 35 – Ministry of State for Special Programmes

Vote 05 – Office of the Vice-President and Ministry of Home Affairs

*(By Mrs. Noor)*

## QUESTIONS BY PRIVATE NOTICE

### IRREGULAR REGISTRATION OF MTTI LAND

**(Mr. Joho)** to ask the Minister for Lands:-

(a) Could the Minister state why L.R. MBNI/14710 (measuring 9.084 hectares) is being register in the name of Mombasa Technical Training Institute (MTTI) instead of the Permanent Secretary, Ministry of Finance?

(b) Is he aware that the MTTI is just about to dispose of the land in favour of a third party even before the grant is registered?

(c) Could he consider revoking the said allocation and instead re-allocate the land to squatters already in occupation of the land?

**Mr. Speaker:** Mr. Joho is not here! Hon. Members, given that this is a Question by Private Notice, we will give indulgence and revisit it a little later on.

Next Question, Mr. Mungatana!

GOVERNMENT EXPENDITURE ON  
AGOA CONFERENCE

**Mr. Mungatana:** Mr. Speaker, Sir, I beg to ask the Minister for Trade the following Question by Private Notice.

(a) How much did the Government spend in preparing, organizing and catering for delegates in the just concluded African Growth and Opportunity Act (AGOA) Conference?

(b) Were the above expenses catered for in the Budget and if not, how was it financed?

(c) Could he indicate the concrete benefit that accrued to the country from the Conference?

**The Assistant Minister for Trade (Mr. Omingo):** Mr. Speaker, Sir, I beg to reply.

(a) The Conference has just been concluded and the Ministry is in the process of compiling and reconciling the records on the expenses incurred in preparing, organizing and catering for the delegates. I will be able to provide comprehensive details of expenditure on 10<sup>th</sup> September, 2009. Having said, that, I want to thank the hon. Members for also getting involved and supporting the cause of the Conference that was extremely successful.

(b) There was a budget provision of Kshs90 million to cater for the hosting of the AGOA Conference. This can easily be found in our Budget Estimates under the hospitality item. That can be found in our records.

(c) The AGOA Forum, also known as the Annual US Sub-Saharan Africa Trade and Economic Co-operation, is held alternately in Africa and the US. This was the third time it was being held in Africa and the first time in East Africa. Kenya was favoured to host it. The benefits accruing as a result of AGOA are as follows:-

One, the country's exporters to the US market were made aware of the conditions and standards they need to meet in order to access the US market. Two, the publicity of the Conference in Nairobi brought home to Kenyans the need to diversify the range of products to be exported to the US. Three, the Conference also brought together investors from the US in Kenya and, therefore, provided a chance for negotiations for joint ventures. Four, the positive publicity brought about by the Conference in Nairobi, especially in the international Press, portrayed the country as a good investment destination as opposed to what we see in the media, of war and turmoil. Five, the country also gained from the conference tourism and publicized Kenya as a tourist destination, particularly the event which was held in our Animal Orphanage in Nairobi where the guests were treated to an open campsite. Six, Kenyan Ministers for Trade and Agriculture got an opportunity to hold bilateral consultations with their counterparts to sort out barriers in Kenya's export to the US. Seven, the choice of Kenya to host the Forum enhanced appropriation of Kenya as a key nation in Sub-Saharan Africa, both in the US Congress and within the American Presidency. Political goodwill towards Kenya was, therefore, a major victory. Finally, it is expected that the full benefits of the AGOA Conference in Nairobi, like many other trade initiatives, will accrue in the future. The Conference was good for Kenya and the amounts of money spent to organize it should be viewed as an investment rather than a cost.

Thank you.

**Mr. Mungatana:** Mr. Speaker, Sir, we all know that AGOA is an agreement that allows Africa non-reciprocal duty and quota-free access to the US market. In particular, there are 6,500 products that are supposed to be able to access the US market in favourable conditions. This is supposed to last until 2015. The question that arises and what I was expecting the Assistant Minister to talk about it is: What is it that we have been able to secure? The AGOA is about America and Africa. What is it that Kenya was able to secure? For example, did we get the extension to beyond 2015? Have we been able to negotiate that to go beyond that? Have we been assured of fresh new markets? What we have seen is that the exports to the US have dropped from Kshs270 million to Kshs246 million. After the Government of Kenya has put in so much money for this Conference and for the catering of those delegates - he is telling us they have spent about Kshs90 million - what is it that we have gained or was it just another talk shop?

**Mr. Omingo:** Mr. Speaker, Sir, I want to inform my colleague here that we exposed Kenyans to that kind of forum and, perhaps, if you want to know the details of what we are benefiting from so far, we are taking advantage of only 20 items as opposed to precisely 6,900 items. Those are the items that we are supposed to benefit from America. That is the more reason why we took the advantage to publicize and let Kenyans know what they did not know. Sometimes, it is true that we have the information. But the consumption of the information is the issue. So, I thought that, that was one of the ways to publicize and make Kenyans understand where we are coming from. With that, I believe there was serious interest generated from Kenyans and a lot of networking and interactions took place. I believe that we need to grow beyond 100 items by the end of next year. That is when we will engage the USA to review where we are.

Thirdly, Mr. Speaker, Sir, the reason why we have delayed in getting the full benefits is due to non-availability of information. We wait for a whole year to review what we have done so far. But in our bilateral and consultative meetings, the Ministers from Africa agreed to form a peer review mechanism where we are going to meet bi-annually so that, by the end of the year during the final meeting, we can know where we have come from, where we are and where we intend to go. I believe that, by the end of next year, the product range will increase up to 100, if not more.

**Mr. Lekuton:** Mr. Speaker, Sir, the African Growth and Opportunity Act (AGOA) is certainly a very useful agreement that we have with USA. Could the Ministry extend that kind of initiative to the emerging giants such as China, so that we can have a range of products also going to Asia?

**Mr. Omingo:** Mr. Speaker, Sir, that is a wonderful proposal. We do agree that, that was an initiative by the American Government during President Clinton's time. It was inherited by the former President, Bush, and now, our own son Barack Obama, has taken it up. That is why we saw the Secretary of State visiting here. It is okay for any other Governments to enter into bilateral agreements with us. I think we are not restricted to only that market. Again, you know we are now living in a free market economy. I think yours is a good proposal and we can engage other markets which have got easier access and cheaper ways of doing business. That is because there are some limitations. For example, in America, transportation cost is a bit of a hindrance in terms of accessing that market. I think it is a good proposal and we are thinking East as well.

**Mr. Letimalo:** Mr. Speaker, Sir, could the Assistant Minister explain to the House how much the rural business community knows about AGOA? What was their rate of participation in the just concluded conference?

**Mr. Omingo:** Mr. Speaker, Sir, indeed, most of the people who have benefited from that kind of arrangement, other than the major vegetable and fruit exporters, are the small artifacts manufacturers or producers. In fact, if the hon. Member came to that forum, he would have seen that most of the exhibitors were small scale producers. There are challenges that they face in terms of volumes and cost of economies of scale and, as a Ministry, we are trying to put them together so that they can export in bulk. In fact, it was interesting to learn that small scale artifact manufacturers make nice leather shoes from fish skin. That is done by our local people. In fact, they are more involved. The only problem with our small scale entrepreneurs is volume, access and availability of information. But we will provide an opportunity to them.

Mr. Speaker, Sir, if you do remember, there was a lady who was in charge of small scale entrepreneurs in America. She spent a lot of time discussing and engaging small entrepreneurs and advising them on what to do, together with the Ministry. I think that is the way to go. As I said here yesterday, the only way to grow this economy is by targeting small scale entrepreneurs. They are very many.

**Dr. Khalwale:** Mr. Speaker, Sir, small African economies like Lesotho and Malawi enjoy a far much bigger share of the American market than a large economy like ours. During that trade fair, could the Assistant Minister tell us what he learnt about those two countries – as small as they are - that is making them have a better share than ours, so that we can learn and build on it?

**Mr. Omingo:** Mr. Speaker, Sir, that is a fairly different and specific question and, if he does not mind, I can come back with detailed information about our bilateral agreements. We divided ourselves into small groups of African countries to share our experiences. I did not come with that information but I can tell you that we learnt quite a lot in terms of small groupings that we got into during the AGOA forum. I do not have the exact deliberations that took place in the sectoral meetings and, if the hon. Member will indulge me on 10<sup>th</sup> September, I will be up to speed with the information he has asked me to give.

**Mr. Speaker:** Hon. Mungatana?

**Mr. Mungatana:** Mr. Speaker, Sir, there is a trend amongst Ministries to hold conferences every time. A lot of money is going towards conference facilitation and yet, the Assistant Minister himself has told us that, out of the Kshs6,500 possible products that we should export to the USA, we are only utilizing 20 products and he hopes that, by the end of the year, we should be utilizing 100 products.

Mr. Speaker, Sir, he also said that it is the small scale traders who are supposed to reach that market. The question that begs an answer is: What is the Ministry doing to build capacity among those small scale traders? That is because the Ministry of Trade is not giving them loans. The Ministry of Trade is not training them. The Ministry of Trade, in fact, charges them to exhibit in such conferences. The Ministry of Trade is not helping them in any practical manner. But they have millions for holding conferences to entertain those big guys who come to Kenya. I think that is repeated in other Ministries.

**Mr. Omingo:** Mr. Speaker, Sir, I thought my brother, hon. Mungatana, would be a little kind to me because I thought he knew how I have been from the very beginning.

But let me say this: The issue of charging is really not a hindrance. I want to give an illustration of how somebody went to Mathare slums to show people a film on how to live in a neat environment. There is a guy who came from Germany and charged Kshs5 per person to access the hall. He was asked: "You are supposed to be showing this film for free to the poor people! Why charge?" He answered: "When they pay for it, they want to pick something out of it." The charge, for example, for the small scale entrepreneurs was very minimal. I think that is the only way you can excite people to utilize what they have.

Mr. Speaker, Sir, as regards capacity building for small scale entrepreneurs - which my colleague did not want to understand or did not hear - I said that we are trying to train them to come together and do bulk acquisition of raw materials and bulk exportation of products. I want to encourage my friend, hon. Mungatana, to bring together the small scale entrepreneurs or business people who have honey in his constituency. We can package that honey and send it to America. That is part of the things that we can do.

Mr. Speaker, Sir, it is important to do conferences. Sometimes, seeing is believing. Some people who came here got a different image of Kenya than they originally had. So, let us not look at it negatively, my friends. Let us go out there, sensitize our small scale entrepreneurs, put them together using the devolved funds and let them create wealth where they are. It is possible. We have many intelligent Kenyans who can do that. What they want is leadership. From my Ministry, I want to promise you leadership.

Thank you, Mr. Speaker, Sir.

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

#### STALLING OF MT. KENYA ELECTRIC FENCING PROJECT

**Mr. Warugongo:** Mr. Speaker, Sir, I beg to ask the Minister for Forestry and Wildlife the following Question by Private Notice.

(a) Why did the electric fencing around Mt. Kenya stall even though construction materials are available at the site?

(b) When will the construction commence?

(c) Could the Minister indicate the measures he is taking to keep away wildlife, especially monkeys, from farmlands around the Aberdares?

**Mr. Speaker:** Is the Minister for Forestry and Wildlife in? We will leave that Question in abeyance for a little while.

#### ORAL ANSWERS TO QUESTIONS

*Question No.333*

#### LIST OF BANKS AUTHORISED TO OPERATE CDFC ACCOUNTS

**Mr. Nyamai** asked the Minister for Planning, National Development and Vision 2030:-

(a) to table a list of all banks with which Constituency Development Fund Committees (CDFC's) are authorised to operate accounts; and,

(b) the criteria that was used to select the banks.

**The Minister of State for Planning, National Development and Vision 2030**

(Mr. Oparanya): Mr. Speaker, Sir, I beg to reply.

(a) I would like to table the list.

*(Mr. Oparanya laid the list on the Table)*

(b) The following are the criteria used to select the banks:-

(i) proximity of banks to the offices of the CDFC; and,

(ii) preference is given to local banks as a way of promoting them.

**Mr. Nyamai:** Mr. Speaker, Sir, I thank the Minister for that answer. In his answer, he has said that Equity Bank is one of the banks where we are authorised to operate accounts. On 28<sup>th</sup> August, last year, Kitui West Constituency partnered with Equity Bank so that it could sponsor upcoming businesses which the CDFC had given contracts. We wrote to this Ministry and also the Ministry of Finance. Indeed, the CDF Board wrote to this Ministry requesting for the account to be opened. To date, the account has not been opened with Equity Bank. What should we do in order for this account for Kitui West Constituency to be opened at Equity Bank?

**Mr. Oparanya:** Mr. Speaker, Sir, there was a confusion because in accordance with the CDF (Amendment) Act, 2007, the CDF was moved from the Ministry of Finance to the Ministry of Planning, National Development and Vision 2030. Unfortunately, up to now, the custodians of the CDF are the District Accountants who fall under the Ministry of Finance. Because of this confusion, I have engaged officials of the Ministry of Finance. We are in agreement that any transfer of funds shall be done by the Ministry of Planning, National Development and Vision 2030. That is the position now.

**Eng. Maina:** Thank you, Mr. Speaker, Sir. The CDF is a big public fund. Has the Minister considered involving banks by negotiating with them so that when we open accounts, they should not be charged ledger fees like normal accounts? That way, most of the money will go to public use.

**Mr. Oparanya:** Mr. Speaker, Sir, unfortunately, I have not done that. We have assigned that responsibility to the various CDFC. They are supposed to discuss banking requirements with the local branches.

**Eng. Maina:** Mr. Speaker, Sir, I think the Minister has not understood my question. The banks will listen to the Minister if he calls and tells them that this is the money that he has. This is because it makes business sense. However, if a particular committee that handles Kshs10 million approaches the banks, it may not be offered the same rebate that could be offered to the Minister.

**Mr. Oparanya:** Mr. Speaker, Sir, the big Fund is with the Central Bank of Kenya and not with the local banks. I can assure the hon. Member that.

**Eng. Gumbo:** Mr. Speaker, Sir, I would like the Minister to clarify what, in the opinion of his Ministry, is considered to be “local banks”.

**Mr. Oparanya:** Mr. Speaker Sir, local banks usually--- Engineer Gumbo should know this. “A local bank” is a bank that is owned by locals.

*(Laughter)*

**Eng. Gumbo:** On a point of order, Mr. Speaker, Sir. The Minister is trying to mislead the House by deliberately being vague. To the best of my knowledge virtually, all banks in Kenya are owned by Kenyans. Could the Minister answer the question? There has to be a criterion for a bank to qualify to be called “a local bank.”

**Mr. Oparanya:** Mr. Speaker, Sir, a local bank should have majority shareholders being locals. There are some Kenyans who own shares in the Standard Chartered Bank but their shareholding is only 30 per cent. So, if locals own 50 per cent or more shares in a bank, then it becomes a local bank.

**Dr. Kones:** Mr. Speaker, Sir, considering the fact that this Fund is constituency based, and from the list that the Minister has laid on the Table there are some districts that do not have those funds, could he consider approving some SACCOs to provide banking facilities to the CDFCs?

**Mr. Oparanya:** Mr. Speaker, Sir, the answer is: “No”. According to the CDF Act, banking facilities can only be provided by a commercial bank. SACCOs are not commercial banks.

**Mr. Kiuna:** Mr. Speaker, Sir, what steps or measures has the Minister taken to make sure that all constituencies have the CDF managers? My constituency has not had a CDF manager for the last six months.

**Mr. Oparanya:** Mr. Speaker, Sir, I do not know whether the hon. Member is talking about the Fund Manager or the Constituency Manager. He should be specific. Which manager is he talking about? Is he talking about the Fund Manager?

**Mr. Kiuna:** Mr. Speaker, Sir, I am talking about the Account Manager from the CDF Headquarters.

**Mr. Oparanya:** Thank you, Mr. Speaker, Sir. That is the Funds Manager. I am not aware of that. I will have to check that with the Secretariat and establish why a Funds Manager has not been posted to his constituency. However, I know we advertised for eight vacancies, people applied for the jobs and interviews were conducted. Maybe, they are in the process of posting a Funds Manager in the hon. Member’s constituency. However, I will have to confirm that.

**Mr. Midiwo:** Mr. Speaker, Sir, could the Minister clarify to us whether it concerns him that the funds which he plans for, whether they are the CDF, Women Enterprise Development Fund (WEDF) or the Youth Enterprise Development Fund (YEDF) are banked in commercial banks that charge Kenyans commercial rates as opposed to the one or two per cent rates proposed by his Ministry?

**Mr. Oparanya:** Mr. Speaker, Sir, the various banks have boards that are supposed to take care of the funds. The boards have authority to discuss and agree with the various banks which interest rates they are supposed to charge. So, it is important that I take up the matter with the respective Ministries because the WEDF and the YEDF do

not fall under my Ministry. I will have to find out how those Ministries are dealing with this issue and then discuss it with the hon. Member concerned.

**Dr. Nuh:** Mr. Speaker, Sir, since these are not the only local banks in this country, could the Minister consider expanding the bracket of the banks that can service the CDF? What is the criterion or procedure for application for the banks that wish to join this lot?

**Mr. Oparanya:** Mr. Speaker, Sir, these are the banks that requested to be considered for the CDF activities. I am open. If other banks apply, we will consider their applications. However, the banks are not offered that opportunity. They must request for it! So, the banks the hon. Member has in mind have not applied.

**Mr. Speaker:** Yes, Mr. Kigen!

**Mr. Kigen:** Thank you, Mr. Speaker, Sir. This is a huge amount of money that keeps going to the banks. It does not attract any interest. Why can we not charge interest yet the banks are trading with it for a long time?

**Mr. Oparanya:** Mr. Speaker, Sir, Mr. Kigen knows that CDF money is not supposed to be disbursed to the constituencies and lie in a bank account. There are proposals that they give us. So, they are given that money so that they can apply it. If they have absorption problems, I am ready to offer them free services so that as funds come to their accounts, they are able to use that money immediately.

**Mr. Nyamai:** Mr. Speaker, Sir, according to Section 45 of the CDF Act, the Minister is only allowed to select the commercial banks. He is not authorized to choose which of the banks a constituency fund should open an account. Could he clarify how he comes in to decide to which bank CDF money should go among the ones he has listed here?

**Mr. Oparanya:** Mr. Speaker Sir, we do not dictate to constituencies on which banks they should operate in, but we give a general blanket. We have given five banks; Co-operative Bank of Kenya, National Bank of Kenya, Consolidated Bank, K-Rep and Equity. As a constituency, they are free to operate within the five banks because these are the ones that applied to be considered. However, we have received one or two other applications that we are looking at. Members can only go out of these five bank accounts if these particular banks do not operate within their constituency. If they want to operate outside these banks, they are free but they have to get permission from the Minister.

**Mr. Nyamai:** On a point of order, Mr. Speaker, Sir. When I asked what we need to do in Kitui West to transfer our account from National Bank to Equity Bank, the Minister indicated that there is a letter which is supposed to come from their office. Now he is saying that they do not restrict yet I asked him what we need to do in my constituency to move our account to another bank. He is contradicting himself.

**Mr. Oparanya:** I am not contradicting myself. The Constituency Development Fund Committee has to apply to the Minister to allow the movement from one branch or from one bank to the other or from one branch to the other, even if it is the same bank. There are financial regulations that have to be adhered to when you are moving your account. So, the mistake he has done is that he gave himself the authority of moving the account without coming via the Ministry.

**Mr. Nyamai:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Order! Order, Mr. Nyamai! This is not a market place!



## QUESTIONS BY PRIVATE NOTICE

**Mr. Speaker:** Let us go back to Mr. Joho's Question for the second time.

IRREGULAR REGISTRATION  
OF MTTI LAND

**(Mr. Joho)** to ask the Minister for Lands:-

(a) Could the Minister state why L.R. MBN/14710 (measuring 9.084 hectares) is being registered in the name of Mombasa Technical Training Institute (MTTI) instead of the Permanent Secretary, Ministry of Finance?

(b) Is he aware that the MTTI is just about to dispose of the land in favour of a third party even before the grant is registered?

(c) Could he consider revoking the said allocation and instead re-allocate the land to squatters already in occupation of the land?

**Mr. Speaker:** Mr. Joho still not here? The Question is dropped.

*(Question dropped)*

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): On a point of order, Mr. Speaker, Sir. When Ministers are absent to answer Questions, you invoke Standing Order No. 46. Am I in order then to request that when Members are absent to ask their Questions, that the same Standing Order applies?

**Mr. Speaker:** Mr. Lesrima, that is a legitimate concern but note that our Standing Orders permit the Chair to exercise discretion as to the magnitude of sanctions to mete out punishment depending on the circumstances of the antecedent. That prerogative is exclusive to the Chair. I do not see that there is a greater punishment to a member than dropping a Question which concerns his constituency and which pertains to a matter of national interest such as this one and disallowing its return for a period of six months. If we exercise the same sanction against Ministers, then we would be saying that you do not answer any further Questions for the next six months. That would be equal punishment. So let us be careful about this.

Next Question, Mr. Warugongo!

STALLING OF MT. KENYA ELECTRIC  
FENCING PROJECT

**Mr. Warugongo:** Mr. Speaker, Sir, although I do not have a written answer, I beg to ask the Minister for Forestry and Wildlife the following Question by Private Notice.

- (a) Why did the electric fencing around the Mt. Kenya stall even though construction materials are available at the site?
- (b) When will the construction commence?

(c) Could he indicate the measures he is taking to keep away wildlife, especially monkeys, from farmlands around the Aberdares?

**Mr. Speaker:** Where is the Minister for Forest and Wildlife? In Mr. Lesrima's sentiments, then the Speaker must pronounce that he is dropping the Minister!

*(Laughter)*

Hon. Members, this Question will be deferred to Wednesday next week but I will be covering this matter in my communication coming later on this afternoon.

*(Question deferred)*

### ORAL ANSWERS TO QUESTIONS

#### *Question No.230*

#### ISSUANCE OF TITLE DEEDS TO KESSES-KELCHIN FARM

**Ms. Chepchumba:** Asked the Minister for Lands-

(a) why the occupants of Kesses-Kelchin Farm (measuring 2,00 acres) have not been issued with title deeds despite having paid the required fees; and

(b) when the Minister will issue the documents.

**The Assistant Minister for Lands (Mr. Bifwoli):** Mr. Speaker, Sir. I attach a lot of importance to this House. That is why I cancelled my flight to Mombasa because I had two Questions to answer.

I beg to reply.

(a) Individual titles to individual shareholders have not been issued because the company farm has neither submitted a subdivision scheme for approval nor paid any fees. The approval for subdivision scheme will facilitate survey and subsequent issuance of title deeds. Wrangling and rivalry among shareholders could have occasioned the delay in submitting the subdivision scheme for approval.

(b) The Ministry will issue title deeds to the shareholders upon the finalization of the subdivision and survey of the farm. This has to be undertaken under the initiative of the company.

**Ms. Chepchumba:** Mr. Speaker, Sir, I am disappointed by the answer given by the Assistant Minister. Is it fair for him to subject my farmers to harassment? The farmers have been visiting land offices in Nairobi, Nakuru and Eldoret, without any assistance. What is he doing about this?

**Mr. Bifwoli:** This farm has a title deed. They bought the farm as a company and we issued the title deed to the company. So there is no way the Ministry can subdivide a farm that belongs to a company. It is upon the shareholders to decide.

**Ms. Chepchumba:** Indeed, it is not the Ministry which is supposed to subdivide the farm but the Assistant Minister should be aware that these farmers have never been issued with title deeds. Whether the problem is with the lands office in Eldoret, he should

liaise with the office to assist these farmers. Cognizant of the fact that we are talking about Vision 2030, is the Assistant Minister aware that these farmers cannot improve on their welfare because they cannot access credit facilities?

**Mr. Bifwoli:** Mr. Speaker, Sir, the title deed was given to the company. It is the prerogative of the company to initiate the sub-division of the farm to the shareholders. That is not within our mandate now. We issued the title deed in the name of the company. So, it is for the shareholders to initiate the sub-division, and not us.

**Mr. Speaker:** Fair enough, Mr. Assistant Minister! You have done very well!  
Next Question, Mr. Ruteere!

*Question No.078*

REHABILITATION OF NANYUKI-TIMAU ROAD

**Mr. Ruteere** asked the Minister for Roads when he intends to construct road bumps and rehabilitate the Nanyuki-Timau Road, which was cut off by residents at Mia Moja section ostensibly to slow down traffic.

**The Assistant Minister for Roads** (Mr. Kinyanjui): Mr. Speaker, Sir, I beg to reply.

My Ministry spent Kshs90 million in February, 2008, accruing from the savings realised from the Meru-Lora Road to carry out repairs on the Nanyuki-Lewa Road. Regrettably, the improvement of the road's condition has encouraged motorists to over-speed without due regard to the set speed limits. This has led to a drastic increase in the number of road accidents.

It is unfortunate that members of the public took the law into their hands and cut off the road at Mia Moja with the aim of slowing down speeding motorists. However, the destroyed section is still motorable. Wananchi should be encouraged not to vent out their anger against reckless motorists on the roads, which we are rehabilitating at a great cost to the taxpayer.

My Ministry has set aside Kshs11 million this financial year to ensure that that section is repaired.

Thank you, Mr. Speaker, Sir.

**Mr. Ruteere:** Mr. Speaker, Sir, I thank the assistant Minister for attempting to answer the Question. However, I think he is misleading the House that, that section of the road is motorable; so many accidents are happening almost every month on that section. At the same time, the section between Lewa and Nanyuki is almost impossible to pass through. When will the Ministry start repairing that section of the road?

**Mr. Kinyanjui:** Mr. Speaker, sir, we appreciate that the Kshs11 million set aside for starting the rehabilitation is not sufficient. However, my Ministry is in the process of getting funds to ensure that the road gets proper funding for the repair work to be done to be able to reduce the number of road accidents on that section.

Thank you, Mr. Speaker, Sir.

**Mr. Pesa:** Mr. Speaker, Sir, first of all, I doubt whether the Assistant Minister is answering the Question. The Question is talking about construction of bumps. Nevertheless, I would like him to tell this House the policy that the Ministry has for

identifying areas that require bumps. People take the law into their own hands because of the failure by the Ministry to construct road bumps.

**Mr. Kinyanjui:** Mr. Speaker, Sir, the issue of road bumps has been a big problem in almost the whole country. Whenever a road is done and it is smooth, motorists tend to overspeed. It has happened in Mombasa, in sections of Malindi and other places, including Nakuru. However, if the Ministry resorted to putting bumps whenever we have such issues, then we would not be serving the public. So, what we have done is to ensure that before road bumps are put up, we have a thorough survey to ensure that, that is the best way forward. However, we have embarked on a massive campaign to ensure that we sensitize the public, especially on the black spots and also ensure that we have in place road markings to sensitize the public on areas that are considered to be black spots.

Thank you, Mr. Speaker, Sir.

**Mr. Mwangi:** Mr. Speaker, Sir, while we commend the Ministry for a job well done in some parts of this country, could the Assistant Minister tell us why the contractor started repairing part of the Murang'a-Kenol Road and then removed the machinery?

**Mr. Kinyanjui:** Mr. Speaker, Sir, while appreciating the case of the hon. Member, it is clearly a different Question. However, the term period of the contractor is still on. It has not expired. I think it is a matter that we would like to follow up if, indeed, he has abandoned the site.

Thank you, Mr. Speaker, Sir.

**Mr. Nyambati:** Mr. Speaker, Sir, there are many roads in the country, where members of the public have taken to erecting bumps, including one of the roads in my constituency, namely the Nyamira-Kisii Road. What is the Ministry doing to ensure that bumps are erected on most of the roads where accidents happen?

**Mr. Kinyanjui:** Mr. Speaker, Sir, once again, I want to say that we resort to erecting bumps as a last resort, because we believe that it is probably not the best way to go about saving lives and avoiding accidents. We really try and liaise with the people involved, but when the design for a road is being done, all care is taken to ensure that when the speed limits recommended are actually adhered to, then accidents are not as many as they are. As we look at, for instance, urban centres, where the speed limit is 40 kilometres per hour, motorists going through such towns want to move at 100 kilometres per hour. So, it is inevitable that accidents will occur. So, once again, I would like to say that it is not the Ministry's policy to put road bumps. We only do that as a last resort. There are other measures that we are taking, including putting road signs. We hope that members of the public and motorists will obey them.

**Mr. Ruteere:** Mr. Speaker, Sir, while I appreciate that it is not possible to put road bumps all over, why is it that they put road bumps on road sections going through forests, where there are no people, and they do not put road bumps in sections running through market places, where there are people? An example is the section of the road going through Ruiru Forest.

**Mr. Kinyanjui:** Mr. Speaker, Sir, I appreciate the concern raised by the hon. Member, but clearly two wrongs do not make a right; if the said bumps have been put in the wrong place--- I do not think the Ministry would do that. We are also aware that members of the public have occasionally erected bumps illegally. This is a matter that we would like to take up. I hope we will be able to solve that matter.

Thank you, Mr. Speaker, Sir.

**Mr. Speaker:** Next Question, Mr. Olago Aluoch!

*Question No.348*

DELAYED PAYMENT OF DUES TO RETRENCHED  
SWAN INDUSTRIES WORKERS

**Mr. Olago** asked the Minister for Labour:-

(a) whether he could confirm that when M/s Swan Industries Limited in Kisumu was placed under receivership, the Receiver entered into a written agreement with the Bakery, Confectionery, Food Manufacturing and Allied Workers Union, under which redundant workers would be paid all their dues on or before 30<sup>th</sup> June, 2009;

(b) why the Receivers have not fully complied with all the terms of the agreement; and,

(c) what action he will take to ensure that the Receivers honour the agreement and pay the former workers.

**The Assistant Minister for Labour** (Mr. Ojamong): Mr. Speaker, Sir, we received this Question yesterday and we are in the process of getting a proper answer for the hon. Member, whom I have already talked to. So, I seek your permission, so that I can answer it on Tuesday, next week.

**Mr. Olago:** Mr. Speaker, Sir, it is true that the Assistant Minister has consulted with me, but the appointment of receivers for M/s Swan Industries Limited in Kisumu has got a lot of problems. So, I would request that the Assistant Minister does very thorough research and presents the report on Tuesday, next week, at 2.30 p.m.

**The Assistant Minister for Labour** (Mr. Ojamong): Mr. Speaker, Sir, I did not know the magnitude of the problem. Since the hon. Member has said that the problem looks very big, you could give us up to Wednesday.

**Mr. Speaker:** Fair enough! The Question is deferred to Wednesday, at 9.00 a.m.

*(Question deferred)*

Next Question, Mr. Danson Mungatana!

*Question No.QPM012*

RATE OF COMPLIANCE WITH FINANCE MINISTER'S  
DIRECTIVE ON OFFICIAL CARS

**Mr. Mungatana** asked the Deputy Prime Minister and Minister for Finance whether, following the directive that Ministers and top Government officials use one official car with an engine capacity of not more than 1800cc, he could:-

(a) state the rate of compliance with the directive and confirm how much savings are expected from the initiative;

(b) table the list of the Ministers, top Government and parastatal officials who have complied and those who have not complied and state whether escort cars will also be affected; and,

(c) state when His Excellency the President, His Excellency the Vice-President and the Rt. Hon. Prime Minister will start complying and lead by example.

**Mr. Speaker:** Is the Deputy Prime Minister and Minister for Finance not here! The Question will be deferred to Tuesday, next week.

*(Question deferred)*

*(Mr. Mungatana stood up in his place)*

**Mr. Speaker:** What is it, Mr. Mungatana?

**Mr. Mungatana:** Mr. Speaker, Sir, may the record read that this is the fourth time this Question is on the Order Paper? It has been before this House during Prime Minister's Time twice. It is before the House today. It was brought before the House last time. An Assistant Minister requested that it be brought up today, and that they would have an answer but they are not even present today. So, they are either dodging this matter, or the Government is not serious about its directive to cut costs. If they do not answer this Question, you should take the necessary disciplinary measures against them.

**Mr. Speaker:** Mr. Mungatana, what is the number of times this Question has come to the House, inclusive of today?

**Mr. Mungatana:** Mr. Speaker, Sir, this is the fourth time the Question has been on the Order Paper.

**Mr. Speaker:** The fourth time?

**Mr. Mungatana:** Yes, Mr. Speaker, Sir. That is why we are thinking that the Government is not taking this matter seriously.

**Mr. Speaker:** Fair enough! I just wanted that to go on record.  
Next Order!

## MINISTERIAL STATEMENT

### MINISTRY'S POSITION ON HERBAL MEDICINE

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, I would like to issue a Ministerial Statement on the Ministry's position on herbal medical practice.

Over the last few weeks, several reports have appeared in our media of cases where *wananchi* seeking medical care in certain herbal clinics have been duped. We have had incidents where women have been given herbal birth control pills---

**Mr. Olago:** On a point of order, Mr. Speaker, Sir. I hate to interrupt the hon. Minister, but Mr. Mohammed is improperly dressed and he has just walked out.

**Mr. Speaker:** Fair enough. If he is not in the House any more, we cannot deal with that matter.

Proceed, Mr. Minister.

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, the hon. Member is, perhaps, going to some herbal medical practice outside.

Mr. Speaker, Sir, we have had incidents where women have been given herbal birth control pills which have eventually ruined their health as well as that of the children they eventually give birth to. It is also true that we have bona fide herbal clinics which are doing commendable work and which need to be shielded from the quacks that spoil the name of this alternative health care delivery system.

As Akinyi Okulo, a writer in the *Daily Nation* Newspaper observed yesterday, we need to establish professional guidelines on herbal medicine and to ensure that both the practitioners and consumers of herbal medicine operate within the bounds of order, proper ethical standards and scientifically proven preventive and curative remedies.

Mr. Speaker, Sir, although the Pharmacy and Poisons Board performs this task for conventional medical care, there is no similar institution that covers herbal medicine or traditional medicine. The term traditional medicine describes medical knowledge systems which developed over the centuries within various societies before the era of modern medicines and these include herbal medicines, aryuvedic medicines, hunani medicine, acupuncture, spinal manipulation, South African Muti, Yoruba Ifa, *Miti Shamba* of Kenya as well as other medical knowledge and practices all over the globe.

The World Health Organisation (WHO) defines traditional medicine as the health practices, approaches, knowledge and beliefs incorporating plant, animal and mineral based medicines, spiritual therapies, manual techniques and exercises, applied singularly or in combination to treat, diagnose and prevent illnesses or maintain well-being.

Alternative or complementary medicine refers to a medicinal product derived from natural sources such as plants, animals, soils, minerals, vitamins and so on, in their processed form, finished and labeled. They are intended to be used in treating or preventing a disease, alleviating symptoms of a disease, diagnosing a disease, ascertaining the existence, degree or extent of a physiological condition and preventing or interfering with the normal operation or a physiological function whether permanently or temporarily and whether by way of terminating, reducing, postponing, increasing or accelerating the operation of that function in human beings as well as animals.

These may be products in the form of chromulated powders, extracts or stinctures. They may also be oils or plants derived from processes of extraction, fractionation, purification, concentration or other physical or biological processes.

Mr. Speaker, Sir, the Ministry of Medical Services is reviewing the existing legal instruments and drafting new laws to deal with overlaps, clarify responsibilities and make provisions for regulatory activities not covered in the present laws to ensure effective regulation in traditional or complementary and alternative medicines.

We note that inappropriate use of traditional medicines or practices can have negative or dangerous effects, and further research is needed to ascertain the efficacy and safety of several of the practices and medicinal plans used by traditional medicine systems.

Mr. Speaker, Sir, at the moment, all herbalists are licensed by the Ministry of Culture, but the products are not under any control. However, Sections 37, 38, 39 and 40 of the Pharmacy and Poisons Act is clear regarding misleading advertisements for medicines and also cures for certain diseases, and a schedule of the diseases and

conditions is provided, but the fines provided do not exceed Kshs30,000 or imprisonment not exceeding two years, as at the discretion of the court.

Mr. Speaker, Sir, it is because of these light sentencing that many so-called herbalists or doctors advertise in our newspapers, walls and streets without being visited properly by the law. Newspapers should also be warned not to carry advertisements that may mislead the public. The same warning should go to radio stations and other forms of communications that may mislead the public by falsely advertising practices which are neither curative nor preventive.

Under Cap.244, a drug includes any medicine, medicinal preparation or therapeutic substance. It is for this reason that the Government of Kenya developed a draft Bill on traditional herbal medicine and medicinal plants, Bill, 2008, which has been prepared by the Attorney-General and is awaiting Cabinet approval.

As well, we have a Sessional Paper on traditional medicine, 2009, that contains the following:

1. Domestication of cultivation of traditional medicines.
2. Safety, efficacy and quality.
3. Ethics in use and/or trade of medicines and plants.
4. Commercialization of the Intellectual Property Rights in traditional medicine as a roadmap towards full regularization of the practice in Kenya.

Finally, the Ministry is not happy with cases where unscrupulous people purporting to sell herbal medicinal products are, indeed, dispensing unauthorized and unregistered conventional medicines through “herbal” or “Chinese” clinics thereby misleading members of the public.

This is in contravention of Cap.244 of the Laws of Kenya, the Pharmacy and Poisons Board Act.

The Ministry’s officers in charge of inspecting clinics, pharmacies and chemists are, therefore, on full alert and anybody engaged in this fraudulent and unethical practices should fold up immediately or face the law sooner rather than later.

Thank you.

**Mr. Mungatana:** Mr. Speaker, Sir, it is good news to hear that there is a draft Bill on herbal medicine and a Sessional Paper that is supposed to come before this House. Many Kenyans are suffering. When will this draft Bill and Sessional Paper be brought before this House, so that we can pass them and solve this problem, once and for all?

**Mr. Speaker:** Mr. Minister, I think that is the only clarification sought.

**The Minister for Medical Services** (Prof. Anyang’-Nyong’o): Mr. Speaker, Sir, I am grateful to Mr. Mungatana. We shall do our best to bring the Bill as well as the Sessional Paper to the House, as soon as the Attorney-General can clear it and the process of taking the Paper to the Cabinet is complete.

The bottom line is that, Kenyans are going to seek help from herbalists and alternative medicine because they cannot afford healthcare in the formal sector. Even with cost-sharing, where in dispensaries people pay Kshs10 and Kshs20 in health centres and so on, once they enter, there is still some fee that they have to pay for certain services. This fee acts as a gatekeeper; keeping Kenyans away from accessing health care in the public sector. It is, therefore, very important that we deal with the issue of healthcare financing. The Bill we have drafted, which is currently at the Ministry of Finance for approval because it has financial implications, is a Social Health Insurance



Fund which will ensure that the poor and indigent have access to healthcare without costs acting as gatekeepers in public healthcare facilities.

**Mr. Speaker:** Fair enough!

*(Mr. Jirongo stood up in his place)*

What is it, Mr. Jirongo?

**Mr. Jirongo:** Mr. Speaker, Sir, I just need clarification from the Minister. I did not quite get what the hon. Minister said about spiritual therapy and whether it is classified as traditional medicine. This would help us know where to draw the line between religion and traditional medicine.

*(Laughter)*

**Mr. Speaker:** Order! I am afraid Mr. Jirongo, you are out of order. We have come to the end of that matter and indeed, I did indicate that after Mr. Mungatana stood as the only Member seeking clarification, that there was only one. So, I am afraid we came to the end of that issue.

Are there any requests for Ministerial Statements?

### POINTS OF ORDER

#### DELAY IN RE-OPENING OF PAN AFRICAN PAPER MILLS

**Mr. Sambu:** Mr. Speaker, Sir, last week I was promised by the Minister for Industrialization that he would issue a Statement on the prolonged delay in the re-opening of Pan African Paper Mills. This Statement was expected yesterday but we did not get it. I would be grateful if you gave guidance on this issue.

**Mr. Speaker:** Which Ministry is it?

**Mr. Sambu:** Mr. Speaker, Sir, it is the Ministry of Industrialization.

**Mr. Speaker:** Mr. Kosgey is here!

**The Minister for Industrialization** (Mr. Kosgey): Mr. Speaker, Sir, I actually met the hon. Member yesterday and told him that I will issue the Statement next week. I knew he would do exactly what he has done. I, however, warned him.

*(Laughter)*

**Mr. Speaker:** Order, Mr. Kosgey! When will you deliver that Statement?

**The Minister for Industrialization** (Mr. Kosgey): Mr. Speaker, Sir, next week on Wednesday.

**Mr. Speaker:** Mr. Sambu, I think you should be accommodating enough to accept that.

**Mr. Sambu:** Mr. Speaker, Sir, in the morning or in the afternoon?

**Mr. Speaker:** Mr. Kosgey, it has to be Wednesday morning because the afternoon is Prime Minister's Time.

**The Minister for Industrialization** (Mr. Kosgey): That is okay, Mr. Speaker, Sir.

**Mr. Speaker:** Fair enough! It is so ordered!

Mr. Letimalo, please proceed!

#### CATTLE RUSTLING AT KOMKALA/LOWANG'U RIVERS

**Mr. Letimalo:** Mr. Speaker, Sir, I rise to seek a Ministerial Statement from the Minister of State for Provincial Administration and Internal Security regarding raids on 30<sup>th</sup> June, 2009 and 9<sup>th</sup> August this year at Komkala River and Lowang'u respectively, in which a total of five persons were killed, seven were seriously injured and over 1,466 head of cattle stolen and driven towards Merti in Isiolo North.

In the Statement, I would like the Minister to address the following issues:-

(i) Why the Government has not to date not responded in both incidences by visiting the scene, collecting the dead bodies, taking the injured to hospital or pursuing the raiders.

(ii) Explain the apparent bias by the Government against some communities considering that the handling of cattle rustling at the border of Isiolo North and Samburu East Districts has been discriminative.

(iii) The steps the Government is taking to ensure that the stolen cattle from Samburu East and Laisamis Districts are returned in order to avoid revenge attacks from the affected communities.

(iv) Whether the Government could consider allowing pastoralists to graze their livestock in the parks in view of the severe drought currently being experienced in the country.

#### COMMUNICATION FROM THE CHAIR

##### GOVERNMENT MINISTERS' RELUCTANCE TO TAKE PARLIAMENTARY BUSINESS SERIOUSLY

**Mr. Speaker:** Hon. Members, before we move to the next order, I have this communication to make. Hon. Members, this communication has been necessitated by recent events that have taken place in the House.

Numerous points of order have been raised pertaining to, firstly, failure by Ministers to attend the sittings of the House to answer Questions asked by hon. Members.

Secondly, failure by Ministers to answer Questions even when they are present in the House when the Questions are asked.

Thirdly, unsatisfactory answers to Questions and, in some cases, apparent lack of seriousness by Ministers in answering Questions asked by Members or transacting other business of the House.

Similarly, this House has witnessed on a number of occasions failure by Ministers to deliver Ministerial Statements on the date they fall due.

Hon. Members, an illustration of the concerns I have expressed above is in the Question by Mr. Mungatana which appeared on the Order Paper on Tuesday 11<sup>th</sup> August 2009 and has appeared on the Order Paper this afternoon and Members witnessed what

transpired. The Minister was not present and no explanation was given as to why he was not present. The Question has appeared on the Order Paper four times. On each occasion, the Question has gone unanswered either because the Minister responsible was absent from the House or when present, was inadequately prepared to answer it.

Hon. Members, you will agree that this state of affairs is unacceptable and ought to be brought to an end.

Hon. Members, the Executive has an obligation to account to the people of Kenya through their Members of Parliament who represent the people of Kenya in this House. Erskine May in his book *Parliamentary Practice* states as follows:-

“Ministers have a duty to Parliament to account and be held to account for the policies, decisions and actions of their departments. Ministers should be as open as possible with Parliament; refusing to provide information only when such disclosure will not be in the public interest”.

This imposes an obligation on Ministers to be available in the House at all times to answer Questions, provide Ministerial Statements and respond to Motions and provide such other information falling within their respective mandates as they may be called upon by the House to provide.

Hon. Members, Ministers of Government, as representatives of the Executive are charged with the responsibility of transacting business of the Executive in this House. This is their cardinal duty and should not be viewed as an act of charity to the House.

The business of the House must, therefore, take precedence in the priority of engagements by Ministers. It cannot be subordinated to attendance of such functions as agricultural shows or foreign trips, unless on House Business or commissioning of development projects even though these are important functions.

Hon. Members, Questions, Ministerial Statements and Motions before the House constitute devices by which, under our democracy, Parliament holds the Executive to account. These devices are designed to promote good governance and uphold the doctrine of separation of powers. They serve as the necessary checks and balances between the various arms of Government. In addition, these devices foster a mutually beneficial relationship between the various arms of Government. They help the Executive to become aware of or to forestall situations of crisis that could arise. For example, on such varied subjects as cholera epidemic, a looming famine, a national, food security crisis, an energy crisis and others.

This House blows the whistle in order to draw the attention of the Executive to the existence of a particular situation which requires appropriate action or a remedial action. If a given Minister is absent from the House when an issue touching on his Ministry is being canvassed, he loses the benefit of listening to the views expressed in the House on that particular issue and by extension the Executive loses an opportunity to deal with the issue as articulated in the House. If hon. Members were to consult the official records of proceedings of this House as recorded in the HANSARD during the life of the present Parliament, it would become quite apparent that some of the crisis that now afflict our country were at one point or another the subject of a Question or a request for a Ministerial Statement. It is arguable that these events could have been forestalled, if the relevant Ministers had timeously attended to the concerns raised by this House.

Hon. Members, our Constitution under Section 17(3) provides that Ministers are collectively responsible to the National Assembly for all the things done by or under the authority of the President. Section 17(3) of the Constitution provides as follows:

“The Cabinet shall be collectively responsible to the National Assembly for all things done by or under the authority of the President or the Vice-President or any other Minister in the execution of his office.”

Ministers are collectively responsible to Parliament for the general conduct of the affairs of the Executive. Consequently, Ministers are called upon to step in on behalf of other Ministers who may be absent in the House in answering Questions or responding to Motions coming before the House. In this respect, it is worth noting and the Chair recalls that during the Ninth Parliament, Dr. Mukhisa Kituyi and Ms. Martha Karua, to name just two Ministers of the time, would on occasion answer Questions put to other Ministers when they were absent from the House at a given time. It would be appropriate if Ministers in the current Parliament emulate that worthy precedent.

Hon. Members, the Chair recognizes that events may occur which will necessitate Questions appearing on the Order Paper or other business to be put off or deferred for legitimate reasons. If such a situation is contemplated, the Minister or Assistant Minister concerned should notify the Chair accordingly as soon reasonably possible.

Hon. Members, I wish, in this regard, to reiterate that such notification should only be made to the Chair by the Minister or Assistant Minister concerned and not by the Permanent Secretary or by other technocrats in the Ministries. Communications to the National Assembly by Permanent Secretaries or other technocrats of Government can only be addressed to the Office of the Clerk of the National Assembly. As a matter of fact, we have got to a situation where even Permanent Secretaries appear not to be available and we have had correspondence addressed to the Speaker by personnel officers and other persons at that cadre. We deem this as contemptuous.

The Chair wishes, on behalf of this House, to put all Ministers on notice that the business of the House must be accorded priority and be attended to with the seriousness it deserves. Appropriate action as laid down in the Standing Orders will be invoked by the Chair in the event of default. In particular, all hon. Members will no doubt be aware that failure to answer a particular Question by a Member constitutes disorderly conduct under Standing Order No.46 which provides:

“It shall be disorderly conduct for a Member to fail to ask or for a Minister to fail to answer a Question listed in the Order Paper without the leave of the Speaker.”

Standing Order No.97, paragraphs 1(f) and (j) are also relevant. They provide that:

“Conduct is grossly disorderly if the Member concerned deliberately gives false information to the House or acts in any other way to the serious detriment of the dignity or orderly procedure of the House.”

The consequences of misconduct by a Member and the sanctions, therefore, are well known to all of us. If it becomes necessary and in the interest of this House, the Chair will reluctantly, but firmly and consistently invoke the sanctions provided for in the Standing Orders against offending Ministers. Beginning forthwith, notice is served that the Chair, as it is permitted to by our Standing Orders, will deal with this category of disorderly conduct by taking action that will culminate in *inter alia*:

(a) Restriction from transaction of business in the House.

I note that the Minister for Trade is taking that very seriously because this sanction was applied against him and is not very comfortable. In the Ninth Parliament it was.

(b) Removal from the House and the precincts of the Assembly.

(c) Naming of the concerned Member.

It will greatly assist this House and, I therefore, implore the Executive to assist the Chair so that it does not and, indeed, it is my sincere hope that it will not become necessary to take these actions.

I thank you.

**The Assistant Minister for Trade** (Mr. Omingo): Mr. Speaker, Sir, you will realize that I am not about to start challenging your ruling. I thank you for that guidance. However, you will realize as you pronounced your drastic action to be taken against us, without necessarily taking you back to the issue of coordinating the Executive functions which ordinarily is done by the Leader of Government Business, now that you are acting as the Leader of Government Business, would you, kindly, guide us in the direction as to how we can have someone responsible in the absence of the Leader of Government Business? We need to have someone accountable to this House as to the coordination of these functions so that we do not leave hon. Members and Ministers suffering if sometimes you are indisposed. We need to know where to direct these issues for ease of coordination, smooth law and easy running of this House.

**Mr. Letimalo:** Mr. Speaker, Sir, the Minister has not indicated when he will issue the statement that I sought.

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, today being Thursday, we will issue the Statement on Wednesday, next week.

**Mr. Letimalo:** Mr. Speaker, Sir, this very critical and urgent matter. As I speak now, the Government has already dispatched 500 police officers to flush out livestock from Shaba National Reserve. These animals are weak and certainly they will die. This issue requires an urgent response from the Government. I think the latest he can issue the Statement on Tuesday, if it cannot be done today because the Minister is not here.

**Mr. Speaker:** Prof. Anyang' Nyongo, that matter actually appears fairly urgent.

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, I agree it is urgent. But I am also taking cognisant of the fact that there is a Show in Mombasa and people are down there. There is also a seminar in Mombasa tomorrow where all hon. Members are required. So, we are having two very busy days; today and tomorrow and usually MPs are in their constituencies on Mondays. Monday is also a day when Committees of Parliament are held. So, I think to be realistic, the earliest opportunity, when all senses are taken into account, is Wednesday.

*(Mr. Letimalo stood up in his place)*

**Mr. Speaker:** Order, Mr. Letimalo. That appears reasonable, Wednesday next week at 2.30 p.m. It is so ordered!

Hon. Members with respect to the point of order raised by the hon. Omingo as to the need for a co-ordinating point in the absence of the Leader of Government Business, first, it is the opinion of the Chair that there is no vacuum in that regard. In the communication that I made pertaining to the position of Leader of Government Business,

I did incorporate in it that, in the interim, the two Chief Whips will ensure that Government business is transacted. As I have witnessed in the House, and indeed, all hon. Members may have done so, the two Chief Whips have dutifully interchanged and ensured that they are present to transact Government business.

Secondly and which is important, our Constitution as enacted and in existence today provides for an office within the Executive that will co-ordinate and supervise Government functions. So, as far as the Chair is concerned, there is no vacuum. If all officers in the Executive, inclusive of the two Chief Whips take their functions seriously, there ought to be no lapse whatsoever. At any rate, we must learn from the wise. They say that only losers blame excuses, winners rise beyond excuses. Indeed, I want to urge us all to be winners.

**Mr. Konchella:** Mr. Speaker, Sir, now that you have implied that the office of the Prime Minister Co-ordinates Government business in terms of Ministries, why ----

**Mr. Speaker:** Order, Mr. Konchella! The Chair has not implied anything. The Chair has been clear and explicit on what the position is both by Constitution, practice and otherwise. So, let us not have doubts.

Next Order!

### COMMITTEE OF SUPPLY

*(Order for Committee read  
being the Ninth Allotted Day)*

### MOTION

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

VOTE 16 – MINISTRY OF TRADE

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

**Mr. Speaker:** Minister for Trade, as you proceed and I appreciate that you have always taken your duties in this House very seriously, I want to give you credit for that. This House will continue to sit until 9.55 p.m.

Mr. Minister, please, proceed!

**The Minister for Trade** (Mr. Kimunya): Mr. Speaker, Sir, it is an honour to stand before this august House to present the 2009/2010 Estimates for the Ministry of Trade, Vote 16.

*[Mr. Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, as envisaged in Kenya's Vision 2030, trade is one of the key sectors in economic development of our country. The sector has been

growing rapidly since the introduction of trade liberation in the 1990s. The first medium term plan of 2008-2012 of Vision 2030 does expect that the Ministry of Trade would play a key role in ensuring that projects and programmes related to wholesale, retail, domestic and international trade are effectively implemented. The Ministry of trade has the mandate to formulate trade and investments policies and strategies and specifically it is responsible for the following: - The first one is trade development policies, promotion of retail and wholesale trade, development of micro as well as small business, fair trade practices and consumer protection, private sector development and international trade affairs.

By way of background, in order to execute its mandate, the Ministry operates through six key departments mainly; Internal Trade, External Trade, Weight and Measures Department, Kenya Institute of Business Training, Business Premises and Rent Tribunal and the General Administration and Planning.

Mr. Temporary Deputy Speaker, Sir, in addition, as part of executing its mandate, it also operates through five parastatals. These are: The Export Promotion Council charged with the responsibility of promoting our exports, Exports Processing Zones Authority which manages our EPZ, the Industrial and Commercial Development Corporation which handles investments, joint ventures and loans to small business, Kenya National Trading Corporation which clears and the Kenya Wine Agencies Limited.

In addition, as I said earlier, my Ministry is in charge of coordinating the Government of Kenya interaction with the rest of world on international trade affairs, including matters to do with and not limited to the World Trade Organization (WTO), East African Community in matters of trade, United Nations Commission on Trade and Development (UNTCAD), Common Market for Eastern and Southern Africa (COMESA), European Union Economic Partnership Agreement (EPAS), International Organization for Legal Meteorology to do with measurements (OML) and the United States through the African Growth and Opportunity Act (AGOA) among others.

Mr. Temporary Deputy Speaker, Sir, the strategic objectives and directions of the Ministry is focused to promote private sector development through enterprise and entrepreneurship development to improve the business environment and promote attractive investment climate, promote growth and development of wholesale as well as retail trade, broaden and deepen the export base as well as the markets, foster conducive linkages and collaboration mechanisms and enhance the Ministry's capacity for quality service delivery.

Turning to some statistics for the benefit of the House, I want to look at the performance and contribution by the trade sector to the economy. In 2008, the value of our domestic exports rose by 23 per cent while our total import rose by 27.4 per cent. Our leading export earners are the traditional horticulture, tea, articles of apparel and clothing accessories, soda ash which together amounted to 51 per cent of our total earnings. The total trade volumes increased by 26.9 per cent in 2008 compared to 13.95 per cent in 2007. The overall balance of payment widened in 2008 to a deficit of 42.6 billion from a deficit of only 33 billion in 2007, largely due to Kenya's slowed economic performance in 2008, coupled with a higher import bill.

Mr. Temporary Deputy Speaker, Sir, on our traditional markets, the Common Market for Eastern and Southern Africa (COMESA) was our leading destination for

Kenya's exports within the African region. In 2008, our exports grew by 29.2 per cent. The share that went to the COMESA was 68.5 per cent of the total exports to the African region. So, the COMESA represents for us a very significant trading bloc that took 68 per cent of our total exports to the African region.

With regard to the European community, our total exports to the European Union (EU) in 2008, were worth Kshs89.1 billion compared with 72.6 per cent in 2007. Our imports, however, increased to Kshs146.1 billion in 2008 compared to Kshs121.1 billion in 2007. I think the increase in our exports in 2008, despite the economic slowdown and the problems we had earlier in the year, shows that there is great potential for trading within Africa and Europe where we had increases.

Mr. Temporary Deputy Speaker, Sir, Asia continued to be a principal source for imports, with goods worth Kshs468 billion being imported from the region in 2008 compared with Kshs334 billion in 2007. The value of our exports to Saudi Arabia, again, grew by 93 per cent in 2008 compared to a growth of only 11.9 per cent in 2007.

On our export earning, our exports to Iran which dropped in 2007 more than doubled last year largely due to improved diplomatic relations which boosted our tea exports.

With regard to Asia and the Far East, our exports grew from Kshs46.2 billion in 2007 to Kshs57.2 billion in 2008. However, I would like the House to appreciate that this comes against an import bill of Kshs468.8 billion from Asia. This basically shows that we rely more on imports than Asia is able to absorb from us in terms of exports.

In terms of other markets, Kenya exported goods worth Kshs20.5 billion to the United States of America (USA) in 2008 compared with Kshs19.2 billion in 2007. The imports from the USA reduced from Kshs44 billion in 2007 to Kshs27.5 billion in 2008.

Mr. Temporary Deputy Speaker, Sir, for the benefit of the House and to see where we stand with our main trading partners, we have identified our ten leading export destinations so that even as we discuss the bilateral, hon. Members can appreciate the countries that are our real trading partners. Leading the pack of the top ten for 2008 is our neighbour, Uganda, with total exports of about Kshs42.3 billion. This was followed by the United Kingdom (UK), with Kshs37.9 billion worth. This accounted for slightly below 50 per cent of our total exports to Europe.

Mr. Temporary Deputy Speaker, Sir, we exported goods worth Kshs29 billion to our neighbour to the south, Tanzania. It was our number three trading partner in terms of our exports. The USA follows at number four, at Kshs20.5 billion. Egypt to the north is our number five trading partner with Kshs15.5 billion. We sold goods worth Kshs14.1 billion to Sudan, which is to the north west. This made the country our sixth largest export partner. The Democratic Republic of Congo comes in at number seven, at Kshs9.9 billion. Rwanda is number eight, at Kshs9 billion. The United Arab Emirates is number nine at Kshs7.6 billion and India is tenth at Kshs6.8 billion. I have given those figures and rankings so that even as we discuss trade or diplomatic relations, as a country, we should be very clear in terms of the people who trade with us and can create jobs in this country so that we enhance our relationship with those countries. So, as we meet them, as Members of Parliament, at least, we should know how to treat them as our trade partners. This is because it is trade that will create jobs and increase our domestic income and thus move our people from poverty into prosperity.



Mr. Temporary Deputy Speaker, Sir, on the Ministry's key achievements in the last the 2008/2009 Financial Year, I would like to report the following: First, wholesale and retail trade continued to be among the critical drivers of our Gross Domestic Product (GDP) growth. Wholesale and retail trade contributed 15.4 per cent of our GDP in 2007. This grew to 29.6 per cent in 2008. Again, that tells us the direction to go as a country in terms of trade within our GDP.

In terms of international trade arrangements, as a Ministry we continue to spearhead the multi-lateral as well as regional and bilateral negotiations to improve the market access for Kenya's exports. Kenya's exports have continued to grow at an average of 11.5 per cent annually, while the imports have been growing at 12.5 per cent in the last five years. In addition, Kenya did sign a bilateral agreement with South Africa on 19<sup>th</sup> September, 2008. As a result of this agreement, trade between the two countries is expected to thrive. We will be signing many more initiatives in the next one month.

Mr. Temporary Deputy Speaker, Sir, from a COMESA perspective, Kenya has continued to dominate the export market share again for intra-COMESA trade, accounting for over 25 per cent of all the intra-COMESA trade in 2008. To deepen the regional integration further, the Ministry co-ordinated the various national activities leading to the launch of the COMESA Customs Union on 9<sup>th</sup> June, 2008, in Victoria Falls Town, Zimbabwe.

With regard to the implementation of Kenya European Union Post Lome Trade Negotiations Programme (KEPLOTRADE), the overall objective of this programme has been to facilitate Kenya's integration into the multi-lateral trading system in the world economy through funding analytical studies in the different sectors of the economy to inform the preparation of negotiation proposals in the World Trade Organization (WTO), the COMESA, East African Community (EAC), the European Union (EU) as well as on the Economic Partnership Agreement. This programme appropriately called the "KEPLOTRADE" Phase II has been ongoing in the course of the year.

Over the last one year, the Ministry also under the Joint Loans Board Scheme, disbursed a total of Kshs45.615 million to 1,152 small-scale traders across the country. On National Trade Policy, I am happy to report that working together with key stakeholders, we developed a National Trade Policy to promote both the domestic and international trade. This policy is at discussion stage with stakeholders and hopefully, it will also get into Parliament to get the input from hon. Members.

Mr. Temporary Deputy Speaker, Sir, on youth entrepreneurship, the Ministry did co-ordinate the hosting of a Global Entrepreneurship Conference in 2008. On export promotion and trade fairs, again, the Ministry continues to participate in the promotion, with the last one being an expo held from June to September, 2008, in Zaragoza, Spain.

Mr. Temporary Deputy Speaker, Sir, on AGOA we had just had a very successful meeting which was the subject of a clarification this afternoon. The objective of that was to assess where Africa is in terms of the implementation of AGOA.

On Export Processing Zone, we continue with our programmes and those continued was the establishment of the Business Solutions Centres across the country. Three of those centres are operational in Siaya, Murang'a and Bungoma. In terms of fair trade practices, the Ministry has constructed a weight and measures approval tank to enhance the standards applied in the movement of liquid substances transported by

tankers and we will continue to identify other interventions to ensure that fair trade continues.

Kenya Institute of Business training continues to train micro, small and medium enterprises and currently its premises in Parklands is being constructed through the Ministry of Public Works at a cost of Kshs630 million. It is expected to be complete by 2011.

Mr. Temporary Deputy Speaker, Sir, we expect to carry out several programmes which we had the pleasure of discussing in detail with the relevant Departmental Committee on Finance, Planning and Trade. Basically, it is continuing with the things that we have been doing in terms of business centres, supporting our private sector, regional trade through COMESA countries, trade within the EAC, negotiations through WTO COMESA, AGOA and EPAS and facilitating the business to thrive within a better business environment. We will continue to provide support to our micro and small enterprises through training programmes and particularly for our youth.

Mr. Temporary Deputy Speaker, Sir, to enable the Ministry implement all these programmes, we did ask Treasury close to Kshs3.1 billion for Recurrent and Kshs3.6 billion for Development Expenditure. However, in the Printed Estimates we have been allocated Kshs1.59 billion for Recurrent Expenditure and Kshs688 million for Development Expenditure. Consequently, I would like the house to appreciate the challenges that we have in the Ministry in terms of achieving the objectives that we have set for ourselves. So, in case we have to come back during the Supplementary Estimates, the House will be looking at us from a sympathetic perspective.

Nevertheless, in order for the Ministry to achieve part of the stated objectives which are aimed at promoting trade and investment in the country, I will be requesting this House in Committee of Supply, to approve a total of Kshs1, 134,457,590 billion being 50 per cent of the total amount of Kshs1.59 billion and Kshs588.4 million for net Recurrent and Development Expenditure respective as shown in the Printed Estimates.

Mr. Temporary Deputy Speaker, Sir, all these funding will be applied towards the various issues that we have identified. Issues to do with general administration and planning which include the hosting of the AGOA Conference as well as the International Organization of Legal Metrology Conference that we will be having later in the year. We also have Kshs500 million again within the Development budget that will be applied towards the rehabilitation and development of business enterprises that were affected as a result of the post-election violence and Kshs3.8 million for refurbishment of some residential building. For regional co-operation, again we have some money to pay for our commitments to COMESA Secretariat as well as the court of justice.

As well as in terms of our---

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Minister, your time is up!

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I had the impression that I had to continue until 10.00 p.m. but I believe that we are agreeing with some of the things that we want to do.

I beg to move that the House listens to us and we get to the debate of this matter. I ask Mr. Onyonka to second.

**An hon. Member:** Hayuko!

**The Minister for Trade** (Mr. Kimunya): It seems I had the same assumption. So, my able Assistant Minister is ready and willing.

**The Assistant Minister for Trade** (Mr. Omingo): Mr. Temporary Deputy Speaker, Sir, it shows the spirit of teamwork. So, I stand to second the Motion on Vote 16 on the Estimates in my Ministry.

Mr. Temporary Deputy Speaker, Sir, we are now globally moving away from Cold War to diplomacy and trade. That is the more important reason why some of these Ministries will take the central role of having to build the economy in terms of attaining our Vision 2030 and creating employment and wealth.

I will start from a point of agonizing with the background that we could not get what we were supposed to get as a Ministry. The critical thing is that we need to lay emphasis on the key Ministries that are going to jumpstart the economy and push us to the next level of an industrialized country by 2030.

Mr. Temporary Deputy Speaker, Sir, I also take this opportunity to request and plead with hon. Members to also take a central role in actually appreciating the fact that we collectively have a responsibility of creating an environment for business to thrive. To the extent that I also plead and request my colleague Ministers to desist from making statements publicly, privately or otherwise that compromise the state of security in our country and erodes confidence either in potential investors or potential tourists who want to visit our country. I said here yesterday that trade and industry are key to jumpstart any economy to grow to whichever level. I want to repeat that the economies of the East only started by embracing trade and industry or investment in a small way. If we started that way, we would grow. I want to report here that we need to take advantage of what we have. With the little money we have in the Ministry, we also endeavour to have collective responsibility and that of giving value for money for the Kenyan taxpayers.

I also want to ask our leadership to embrace and access the information we have, particularly from the Export Promotion Council (EPC), where small-scale entrepreneurs are given market opportunities to export. That information is available. Whatever market you want to sell to your constituents through small and micro-enterprises they can access the market through the EPC. Let us utilize our facilities and the institutions that we have for purposes of benefiting our people.

Mr. Temporary Deputy Speaker, Sir, regarding AGOA as it was said here earlier, we have the opportunity to explore that market. But out of 6,900 items, we do not take advantage of more than 20 items. It is time that we also woke up and showed leadership by directing our people to take advantage so that they can create wealth. More often than not, let us also encourage people to move out there and start investing in a small way. Let us put them together in groups like women groups to be able to get artifacts and fill a container to export to the European and United States of America (USA) markets.

It is time that we, in the East African region forced that kind of interactive ability to be able to do intra-African trade. We heard the Secretary of State of USA mentioning that we deal within ourselves in a very small way. It is true that in an African context, an export is not an export until you export to Europe. You are not exporting unless you are paid in Euros or Dollars. I think we must change our mindset.

Today, the African foreign exchange cumulative staff in every other respective jurisdiction is a total of US\$650 billion. If we were starting small, from EAC, for example, grow to COMESA, then have an African Union where we have a single bank

that can keep that US\$650 billion, nobody is going to ask you for a lot of credit to export. They will know that you are credible and if you are a stakeholder in that bank, then you can trade freely because there is a constant level of credit level in terms market access and also financial access. Let us also encourage our people to take the facilities available to be able to create wealth and business. If you are leading a poor population, then you share all your burdens. But, I think together we should be able to grow in terms of creating wealth and employment for our citizens. If you are doing business and you have real money in your hands, then you are going to feed your people and eradicate diseases because your ability levels would have increased

With those few remarks, I beg to second.

*(Question proposed)*

**Mr. Kombo:** Mr. Temporary Deputy Speaker, Sir, I am responding on behalf of the Departmental Committee on Finance, Planning and Trade. At the outset, I would like to say that as a Committee, we had fruitful discussions with the Minister and his team. We were satisfied that Parliament should grant them their request.

*(Applause)*

In fact, at one stage, we were worried for the Minister that he was not being given enough because trade, as the Minister has said, is the key thing for us as a country if we are going to achieve Vision 2030 or even if we are going to do something about the Millennium Development Goals (MDGs). I think, for us, it must be trade, trade and trade. As we move on, we should urge the Office of the Deputy Prime Minister and Minister for Finance to spend more money in Ministries like this one. Sometimes we put a lot of money in the Ministry of State for Defence but quite honestly our interest must be in trade if we are going to move forward. So, as a Committee, we looked at what the mandate of the Ministry which is to promote trade, domestically, regional and internationally. Then we asked ourselves how they will promote trade. We were told that the Export Promotion Council (EPC) will be the body that will be used and then you look at the money given to the EPC and you ask yourself: How on earth are they going to promote trade around the world? Those were our main concerns. So, we are on the side of the Ministry that in future they should ask for more money.

I was very glad this afternoon listening to the Minister outlining the most important countries that we do trade with and Uganda was ranked as No.1. Then sometimes you look at our politics in the region and more recently the hullabaloo and the quarrel over Migingo Island. It could easily have derailed our trade with Uganda. Sometimes when we are quarrelling internally, we actually block the railway line that will take goods to Uganda. These are issues, as a country and as a people, that we must start appreciating all the time, that if we have a neighbour as big as Uganda in terms of trade, we should nurture that neighbor and ensure that our relationship with Uganda is absolutely on top. That is the only way we can deal with situations.

Mr. Temporary Deputy Speaker, Sir, we also looked at the Ministry's budget and what they were given. They have a number of contractual obligations with COMESA. Again, the Minister was talking about COMESA today. Then you find that they owe

COMESA a lot of money and yet he is proud to tell us that we are doing very well with COMESA. What about when COMESA will turn around and say: "You are not meeting your contractual obligations. We do not want to have any business to do with you" So, we would like to ask the Minister to ensure that the contractual obligations with COMESA, the PTA and others are met on time to make sure that we do not run into problems because those are the people we should be talking to as we increase the trade I was talking about earlier on.

Mr. Temporary Deputy Speaker, Sir, the Ministry is also very much involved with the EU, the EDF, the EPAs and all those. We found in this area that as far as the EDF monies are concerned, the Ministry keeps that entirely to itself. The information is not given to hon. Members to know what is happening with the EDF and EPAs. As a Committee, we urge the Ministry to make sure that, indeed, this information reaches hon. Members so that when they have programmes on EDF--- You will ask them and they will say they are in Bungoma or another region but when you ask an hon. Member for that area whether he knows anything about it, he tells us that he does not know at all. So, I would like to urge the Ministry to make sure that this kind of information is available to hon. Members and through them available to the grassroots.

The other area where we found again information lacking was the JLB. We understood that there are monies given out through the JLB but when you go on the ground and you talk to people, very few of them seem to know how that money is allocated and what goes on. So, again, we would like to take this opportunity to urge the Minister to make sure that this kind of information reaches the people who would make use of those loans that are given through the JLB.

We are now talking about devolution and if you look at their setup, they still have provincial trade development organization yet the movement is towards constituencies and districts which are now smaller. In our movement towards devolution, do we really need those provincial bodies or should they now be made to go under the constituency and district organizations? So these are questions that, as a Committee, we were asking in terms of devolution. What do we need to do?

I said earlier on that there are donor funds and I want to still go back to that. When you look at EPAs, the negotiators in EPAs with the EU are in the Ministry. Our investigations show that, in fact, the donors pay for our own negotiators. Our concern is that, as a country, if we are going to negotiate with somebody and that somebody is paying your negotiator, I think you find yourself in an awkward position. For us in the Committee we started wondering: Can we trust these negotiators because he who pays the piper calls the tune? If the person we are negotiating with is the one paying the piper, we are worried that we may not be getting a good deal. I am sure the Minister knows that the negotiations within EPAs and developing countries have got a raw deal. There are many issues that we are hoping will be re-negotiated. We would like as Parliament and as a Committee to get involved because sometimes in these negotiations, Parliament is totally ignored. Even when the interim signing was done, Parliament never heard of it. You just hear it on the periphery. So, we would like to tell the Minister that sometimes Parliament is his good ally and he should involve it a lot more to ensure that the ownership is for the whole country; after all, Parliament is the representative of the country.

With those few remarks, I beg to support.

**Ms. Odhiambo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this Vote. In supporting, I would like to indicate that, if we actually looked at global trends, especially with the global recession, we must, as a country, start thinking outside the box. We must be able to expand our horizon. If you look at the challenge that is before us in relation to the sectors that we have traditionally relied on such as agriculture and even tourism, the outlook is not good. Therefore, I wish to encourage the Ministry to take a leading role in pushing an expansion agenda for the country in relation to trade.

Mr. Temporary Deputy Speaker, Sir, we must not only think of the areas that we have traditionally traded in, but we must look for new areas. We must find our niche and excel in it. Looking at the example of Uganda which has been shown as our leading partner--- But the fact that Uganda is our partner is actually a showcase for expanding our partners. With the example that has been given of Migingo, Uganda was and still remains the aggressor in relation to Migingo. If, indeed, it is our leading partner in trade then, as a country, we may need to look at the possibility of trading with Guadalajara in Mexico, for instance, if we have not started doing that. That is because if they continue with the same sort of aggression, then actually we are putting the country at jeopardy. If you actually look at some of the problems or challenges that we are facing in relation to Migingo, it is not actually about the rock. It is actually about the fish products. Perhaps, this is the time for us to stop looking at getting the fish directly from the lake, but going into fish farming, for instance. That is, basically, a showcase for the country to think outside the box.

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

**The Minister for Tourism** (Mr. Balala): Thank you very much, Mr. Temporary Deputy Speaker, Sir. I beg to support this Vote. Trade is, fundamentally, the agenda of today's world order. We have not handled trade very professionally in this country. We have not invested a lot in making it a priority for our economy. I know trade, industry and tourism play an important role in our economy.

Mr. Temporary Deputy Speaker, Sir, there are three fundamental issues that need to be addressed in trade. One, the environment has to be friendly and able to facilitate for trade to flourish in any economy and any Government. Two, it is infrastructure. If you have no infrastructure to bring your goods and services to the market then, unfortunately, there will be a problem. Third, is security. Perceived and real security is very key to ensure that the security of investors and their investment is safeguarded.

Mr. Temporary Deputy Speaker, Sir, what is happening here is that we have a very interesting and flourishing tea trade. That tea is auctioned in Mombasa. It is the largest tea auction in the world in terms of exports. I know that India produces more tea, but majority of its tea is for local consumption. But the tea auction in Mombasa, which is very important worldwide, is an exchange for tea auctions in the entire continent. Why do we not create another exchange for flowers and another exchange for commodities? If we are first people who are advanced in flowers, then we should have a flower exchange down here in Kenya, rather than allowing the European or the Dutch auctions to dominate over the pricing of our products.

Finally, Mr. Temporary Deputy Speaker, Sir, I want to talk about those who represent the private sector in liaison with the Government. Worldwide, there is a famous chamber of commerce and industry. Here in Kenya, we have a political chamber of

commerce and industry. I was once the Chairman and tried to reform it. If you try to reform it, you will be taken to courts. There will be several court injunctions and nothing will get moving! I think this is the time that the Minister should take control over the Kenya Chamber of Commerce and Industry as an organization, come up with a new set of rules with a clear succession process, rather than a political one. A chamber of commerce is not a *Jua Kali* organization. Let us be clear. If we want to compete in the international trade, let us not think that the *Jua Kali* operators and *mboga* sellers will become members of the chamber of commerce, run that organization and move trade forward.

Mr. Temporary Deputy Speaker, Sir, nowadays, most of the members of the chambers of commerce and trade are people who are serious. There are people who are forced to be members because of the certificates of origin of exports. But the majority who have taken leadership of that organization are briefcase suppliers and people who just hover around to make sure they get connections using that organization. I think the Minister needs to take that head on and face the reality that our competition will only be addressed through a stronger private sector. I always believe that the Government's efficiency and response can only be supplemented or complemented by a stronger private sector. That is why organizations like the chamber of commerce, Kenya Private Sector Alliance (KEPSA), Kenya Association of Manufacturers (KAM) and others should be supported to bring us to the level that they are. They should keep the Government on its toes not necessarily just to poke it, but to be able to contribute positively.

Mr. Temporary Deputy Speaker, Sir, I am aware that tomorrow, there will be a Speaker's Round Table with the private sector at the South Coast. So, this is new thinking. Round Table for Prime Minister. Round Table for Parliament to interact with the private sector. That is really the way forward. We should understand that the engine of economic growth is in the hands of the private sector. It is not in the hands of the Government. The Governments should only be facilitating the private sector to move the economy forward. But, remember, the private sector is made up of people who are purely looking for profits. The Government should not abdicate its role in terms of sensitive issues like infrastructure, health and security.

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

**The Temporary Deputy Speaker** (Mr. Imanyara): If there is no one else to contribute, you can reply, Mr. Minister.

**The Minister for Trade** (Mr. Kimunya): There is, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Imanyara): He is not standing, so I---

**The Minister for Co-operative Development and Marketing** (Mr. Nyagah): I am sorry, Mr. Temporary Deputy Speaker, Sir. I came in late and I apologize.

Mr. Temporary Deputy Speaker, Sir, I wish to also add my voice by supporting the Vote of this very important Ministry. As we all know, the Ministry of Trade is very key in any economy. In fact, if you look at countries like Japan, the Ministry of Trade plays a very key role. It is one that is seen and recognized by all, as the driver of the economy. Without a strong Ministry of Trade and its allied Ministry of Industry and so on, any economy of any country would not survive. It is for that reason that I fully support the Vote of this Ministry. In fact, if it was me at the Treasury, I would add it more funds because of the key role that it plays.

Mr. Temporary Deputy Speaker, Sir, I would like to thank the Ministry because last week, it organized a very important part of its responsibility – to expand external trade.

Last week, we saw the Minister and his team play a key role in the AGOA Conference. They brought the whole world to Kenya. For a week, Kenya was the focus from a trade point of view. It is not easy to organise such a meeting. I would like to thank the Minister and his officers for making the conference a great success. It is not obvious to know where the opportunities are, but if you put businessmen and Government official together, chances are that the country will benefit.

In the old days, the role of diplomacy was laden with protocol issues and, therefore, very different from what it is today. I would like to thank the Minister and his team for the role they have played. They have influenced what our ambassadors do. For too long, our embassies played traditional diplomacy while the other countries played economic diplomacy. We have seen ambassadors from other countries being actively involved in trade activities in this country. In our case, the Ministry of Trade has played a key role in making our ambassadors start thinking about trade and investment diplomacy. Our ambassadors go out there to sell Kenya's products or create a conducive environment for investment in Kenya. This Ministry has played this role well. The Ministry's staff who are involved in both internal and external trade should be encouraged. I hope they will be allocated more resources next year. This is because it is important for them to be out there to sell Kenya. Who is better in selling Kenya than a team from the private sector led by able officers from the Ministry of Trade?

I have been involved directly in matters of trade through my Ministry. I have been involved in coffee issues recently. The Ministry of Trade has helped us a great deal and we are working very closely with it. This is because we recognise that in the Government we have to work together. As Government Ministries and departments, we need to work together because at the end of the day our aim is to sell Kenyan products. So, I would like to take this opportunity to thank the Ministry of Trade because it has assisted my Ministry in marketing, which my Ministry also undertakes. We will continue to work together.

Mr. Temporary Deputy Speaker, Sir, but more important is the role that the Ministry plays in bringing together KEPSA and KAM. The Chair will recall that in the old days, the Government used to treat the business community as an animal out there. However, today, the Ministry has played the role of bringing the private sector closer to the Government. The Government now recognises the private sector. My colleague has said that it is the private sector that generates the revenue that the Government so desperately needs for the various activities that it must undertake.

With those few words, I would like to fully support the Vote for this Ministry and request the Deputy Prime Minister and Minister for Finance to allocate the Ministry more money next year.

**Mr. Lessonet:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Vote for the Ministry of Trade.

We really need to do a lot in this country to promote trade. The USA Secretary of State talked about trading within ourselves when she visited this country recently. She meant trading among ourselves in Africa. To what extent has the Ministry supported the idea of trading amongst ourselves in East Africa, Africa and Kenya?



Mr. Temporary Deputy Speaker, Sir, this country should stop the importation of oranges and eggs from South Africa. We should stop importing products that are produced by our farmers. We lose opportunities of trading amongst ourselves in this country. First, this is because of lack of training. I wonder how much money the Ministry has set aside to train our traders in basic marketing and book-keeping. The reason why Africans have not excelled in trade is because they lack skills in book-keeping. We want this Ministry to be at the forefront right from the district level to train our shopkeepers in book-keeping. The shopkeepers should also be trained on how to make returns to the Kenya Revenue Authority so that they can also participate in the building of this economy by paying taxes.

It is my wish that as we support the Vote of this Ministry, it should be in the forefront looking for credit for our traders. We have many able Kenyans who would like to participate in trade, but they do not have capital. We would like the Ministry to identify the various sources of credit that may be availed to our traders at low interest rates. The Ministry should also work in partnership with the various commercial banks in this country so that they can also support traders.

If you look at the Nairobi City Council *askaris*, you will realise that they spend their energy the whole day chasing small traders for licences or business permits. These traders are always harassed by these *askaris*. What has this Ministry done to harmonise issuance of licences? We normally hear about single business permits. However, if you get down, you will realise that the licences are very many that even the traders are not aware of some of them. If somebody is running a chemist, for example, he will be required to get a licence from the City Council. He will also be required to get a licence from the Pharmacy and Poisons Board. Is it possible for this Ministry to harmonise these licences in order to improve trading environment?

Mr. Temporary Deputy Speaker, Sir, I beg to support this Motion.

**The Temporary Deputy Speaker** (Mr. Imanyara): It is now time for the Minister to reply because there is no hon. Member who wants to contribute to the Motion.

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I would like to start by thanking the hon. Members who have made very good contributions. I will start with Mr. Kombo, who spoke on behalf of the relevant Departmental Committee. We discussed useful issues with the Committee and he has raised them here.

I wish to assure the House that, indeed, the feedback we have received from the Committee is receiving attention from us, including the dissemination of issues on EPAS, the Joint Loans Board, and what is happening on the ground.

In terms of business centres, we want to get to the grassroot. We have already got three. At the regional level, we have the centres. Funds allowing, it will be our pleasure to have a business solution centre in every constituency, especially as we hope to convert our youth into people who can trade and get the value that you can obtain from whatever output that is produced within a given area.

Mr. Temporary Deputy Speaker, Sir, I also want to confirm to this House that the negotiations that are ongoing between Kenya and the EU, between Kenya and the USA, and between Kenya and other trading blocks, including within the COMESA region, are driven primarily by the interests of Kenya and East Africa.

We are now enjoined within East Africa. Whatever we do for Kenya, we do for East Africa. Whatever is done for East Africa, we make sure that it is good for Kenya. So, it is our primary consideration that the interests of Kenya and East Africa will prevail over and above the interests of whoever is financing our negotiators.

So, we thank them for helping us in building the capacity, but we try to make sure that, at any one point, our interests are recorded. That is why it has taken a bit long, in terms of finalising the EPA with the EU: We want to make sure that what we eventually sign is in the best interests of this country.

Mr. Temporary Deputy Speaker, Sir, I also want to record, again, for the House's benefit that, indeed, we have started interacting with Parliament, especially on EPA. I recall that earlier in the year, we actually had our workshop in Mombasa with Members of the Parliamentary Committee, where we went through exactly what is happening with the EPA. We hope to continue with dialogue. I am very encouraged.

Tomorrow and on Saturday, Parliament will be engaging with the wider private sector as part of our initiative to bring together the law makers and the private sector, so that people look at the private sector from different lenses than they have previously done. Different people look at it differently, but I am very happy that this House is now supportive of the private sector.

Mr. Temporary Deputy Speaker, Sir, Mrs. Millie Odhiambo-Mabona did raise the issue of diversification of our products, including diversifying fish farming. If we had fish being farmed across the entire country, perhaps, the issue of Migingo would not even have arisen, because there would be fish everywhere. I thank her for that insight.

Hon. Balala brought up the issue of the need for order and sanity at the Kenya National Chamber of Commerce, which we are working on with the various factions while respecting their legal personality. We are working to bring sanity to that organisation. The whole world, in terms of trade, should actually be dealing with the Kenya National Chamber of Commerce.

We saw a very strong delegation of the USA Chamber of Commerce coming to discuss business with us. They were asking for their Kenyan counterparts, and one wondered which faction would emerge. One day, you would find that there is a group in office. By the time you get to the office, you find that another group has broken into the office, thrown out the other group and installed itself in it. This is something that has to stop.

We are working on a new constitution for them and, eventually, we will have to come here for some legal mechanisms on how to bring sanity to that sector. It is important that we have some mechanisms that will bind traders from the grassroot level all the way to the national level, so that it can be called the Kenya Chamber of Commerce and Industry, rather than just have groups of people who want to usurp power from one another.

Mr. Temporary Deputy Speaker, Sir, I also want to recognise the input by Mr. Nyagah, and for highlighting the focus on Kenya through the AGOA forum that we had last week. I know that the issue is yet to be addressed fully through the Question that was brought to the House by Mr. Mungatana. But I want to assure this House and Kenyans that, indeed, the effort that we put in that one week was not in vain.

The more than 3,000 delegates who came to Nairobi had a very different impression of Kenya. This was very evident from the Americans: That, indeed, Kenya is

not the country that they read about. Kenya is not the country that has been highlighted in the media, with all the negativities. It is a country that is bursting with energy and vibrancy, where people want to do business. I am very happy that, that image was projected.

Mr. Temporary Deputy Speaker, Sir, we did highlight the need for team work, which we believe in. We will continue working with the rest of the Government in promoting Kenyan trade.

I wish to also recognise the contribution by Mr. Koech in terms of trading within Africa. I wish to confirm that, indeed, when the Secretary of State of the USA, Mrs. Hillary Clinton, was challenging Africa to trade within Africa I felt like flashing out the statistics and saying: “Yes! Six out of our top ten trading partners are actually within Africa.” Kenya is perhaps the only country that can pride itself in saying that six of its top ten export destinations are within Africa. We are leading in terms of trading within Africa, and go to the rest of the world to fill up the extra baskets. So, we are leading in that direction, and we will continue that way.

Mr. Temporary Deputy Speaker, Sir, I am also very happy that, indeed, we recognise the capacity gaps within the small enterprises, especially in terms of training, not just so that they can comply with tax computation but for them to use knowledge as a basis for doing business; traders should actually know, without having to feel their pockets, that they have made business profits through trading. We will continue doing this.

I believe there is much more that could be said about this. I am very happy for those positive comments and for the support. Hon. Members continue to agitate on our behalf, so that we can turn Kenya into a trading country. We do not have natural resources like the rest of our neighbours. The only thing we have is the entrepreneurship and trading acumen of our people.

Mr. Temporary Deputy Speaker, Sir, I believe that if we work together, we can turn Kenya into the trading hub for the region, just like Singapore has done without any resources; it made sure that she became the trading hub in her region, just like Dubai has done by concentrating attention on trade.

With our geographical position, history and hardworking population, and with the right business attitude, if we work together as Parliament, the private sector and Government, we can turn this country into the dream country that is envisioned in our Vision 2030, where trade, wholesale, as well as manufacturing, will drive the future of this country to create jobs for our people, create foreign exchange earnings for our country and, indeed, move our people from poverty to prosperity.

With those few remarks, I beg to move.

*(Question put and agreed to)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Hon. Members, we shall go into Committee on this Vote after we vote on the Question of the Vote of the Ministry of Tourism.

Minister for Tourism!

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

## Vote 46 – Ministry of Tourism

**The Minister for Tourism** (Mr. Balala): Mr. Temporary Deputy Speaker, Sir, I beg to move that The. Speaker do now leave the Chair.

Mr. Temporary Deputy Speaker, Sir, it is my pleasure to present to this august House the Estimates for Recurrent and Development Expenditure for 2009/2010 Financial Year for the Ministry of Tourism, which falls under the productive sector of trade, industry and tourism services.

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

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

In arriving at the Estimates, my Ministry considered the important economic growth role played by the tourism sector and towards the realisation of the Millennium Development Goals (MDGs) and achievement of Vision 2030. The mandate of my Ministry is to formulate, co-ordinate and administer policy with respect to tourism. My Ministry intends to execute this mandate to realise our vision of making Kenya the destination of choice and global leader in tourism. It is our mission to facilitate sustainable tourism for national development and posterity.

Mr. Temporary Deputy Speaker, Sir, the core functions of my Ministry is to provide policy direction and legal framework for the development of the tourism sector, develop new tourism products and diversify the source markets, increase earnings from tourism, maintain internationally acceptable standards in the tourism industry, liaise with the development Government organs to enhance safety and security for tourists, mobilisation of financial resources for the sector; liaise with other Government organs to reduce tourism resource use conflicts and, finally, development of tourism information management system and building research capacity.

In order to realize our vision and mission, my Ministry has developed a new National Tourism Policy and consolidated Tourism Bill which will soon be tabled in the House for deliberation and enactment.

Mr. Temporary Deputy Speaker, Sir, currently, my Ministry is working with the Kenya Tourist Board (KTB), the Kenya Tourist Development Corporation (KTDC), the Kenya Utalii College, the Catering and Tourism Development Levy Trustees (CTDLT), Bomas of Kenya, Kenyatta International Conference Centre (KICC), the Tourism Trust Fund (TFT) and all other stakeholders in the sector. The Ministry has embarked on a concise programme for development and promoting and marketing in the country both in domestic and foreign markets as the destinations of choice.

In this regard, my Ministry will continue to diversify tourism products and services and will work with all stakeholders to improve tourism attractions and facilities and upgrading tourism infrastructure.

Mr. Temporary Deputy Speaker, Sir, the tourism industry worldwide has become highly competitive and it is a very powerful economy worldwide. Kenya has over the

years relied on the traditional tourist source markets and tourism products. In cognizant of this, my Ministry has embarked on the diversification of tourists source markets and tourism products.

My Ministry has embarked on diversification of new tourism source markets, for example, Russia, Eastern Europe, Middle East, India and Africa. The diversification of products also leads to distribution of tourism wealth geographically across the country, thereby creating jobs and businesses in most parts of the country. It will also provide economic opportunities and its multiplier effect will stimulate growth in other sectors and facilitate the eradication of poverty as outlined in the Vision 2030.

Mr. Temporary Deputy Speaker, Sir, apart from the beautiful traditional beaches and wildlife safaris, Kenya is endowed with many tourist products that need to be developed. In this regard, my Ministry is focusing on various circuits among them western Kenya which has many attractive features like the Obama roots, the beautiful Lake Victoria, the Kisii and the Luo cultures, the fabulous bull fights of western Kenya and the only remaining tropical forest on the eastern part of Africa, the Kakamega Forest.

Other tourist products include the rich cultures in other regions of the country, adventure, sports tourism such as safari rally, golfing, scuba diving, our world renowned athletes and the Safari Seven rugby team, bird watching, historical and archeological attractions that abound in our country.

These products appeal to a cross section of visitors and encourage repeat visitors to the destination. I can assure the hon. Members of this House that these products are high yielding and the revenue generation per visitor will be greatly enhanced. Coupled with this development, the concept of home stays will be promoted to enable visitors experience first-hand Kenyan hospitality and culture.

Mr. Temporary Deputy Speaker, Sir, international tourism is highly vulnerable and sensitive to adverse publicity, terrorists activities and perceived insecurity over tourist destination. Most of these factors are unpredictable and mainly out of control. Domestic and regional tourism, therefore, comes in handy as a way of cushioning the sector from the ups and downs in the international markets.

Mr. Temporary Deputy Speaker, Sir, during our best year of tourism in 2007, we generated Kshs65 billion and the arrivals were about 1.8 million tourists. In 2008, we managed to generate Kshs52 billion with 729,000 tourist arrivals. My Ministry has embarked on a sustained promotion of domestic tourism to encourage the local population to avail themselves the opportunities the country has to offer.

Despite the fact that we are putting a lot of resources in domestic tourism, unfortunately the culture and attitude of Kenyans travelling at the same time during Easter, August holidays and December is congesting the sector. We will find a way of how we can spread throughout the country.

As I speak here, the Mombasa Show is being held today. People are very busy and there are quite a number of visitors at the Coast. Unfortunately, we have heard that tomorrow there will be strike by the Kenya Airways staff due to some problems or breakdown of negotiations. These are unfortunate circumstances which are coming up and they will derail tourism publicity and promotion and domestic tourism. I wish that strike can be suspended for the sake of the industry to allow it grow and somebody can facilitate amicable negotiations with the trade unions and Kenya Airways.

Mr. Temporary Deputy Speaker, Sir, security and safety of our destinations remain major determination factors for the success of the tourism sector. Kenya continues to be perceived as an insecure destination as result of the isolated incidents experienced in the past. Security and safety of visitors are of utmost importance in the industry and require proactive damage control mechanisms.

Benefits from tourism should accrue to the local community. This is an important objective of Kenya's sustainable tourism development. This arises out of the realization that sustainable tourism cannot be achieved without involvement of local communities.

Mr. Temporary Deputy Speaker, Sir, we acknowledge that there are instances where the benefits of tourism are distant and largely external to local communities. This has to an extent contributed to conflict between the local communities on one hand and tourism custodians on the other, thereby hampering sustainable tourism development.

To mitigate this, my Ministry is encouraging the establishment of small and medium enterprises within the sector with a view to ensuring that the benefits of tourism trickle down effectively to the tourist host communities. Such enterprises include beach operators, tour operators, inns and motels, individual tour guides, lodges, curio shops, taxi operators, among others.

National parks and reserves need to also be owned by the communities but management should be run by a competent authority such as the Kenya Wildlife Service.

Mr. Temporary Deputy Speaker, Sir, my Ministry will ensure that tourism enterprises are facilitated by availing accessible and affordable credit through the KTDC and the TTF. In addition, these entrepreneurs will be provided with necessary skills through specially designed courses of management and accounting.

We are also encouraging participation of local communities in tourism by forging partnerships and linkages with private sector operators. My Ministry acknowledges direct and indirect impact of tourism development on the environment. Towards this end, my Ministry is encouraging the establishment and promotion of the Eco-tourism Project which will encourage the tourism development consideration, environmental protection and cultural preservation. Lamu is a classic example which is a world heritage site renowned by United Nations Educational, Scientific and Cultural Organization (UNESCO).

Mr. Temporary Deputy Speaker, Sir, the tourism industry is very sensitive, highly selective and hence our tourism facilities require high standards if we are to compete effectively with other destinations. My Ministry, therefore, intends to embark on national classification of hotels and restaurants. The classification is meant to ensure that high standards are commensurate to international standards and value for money for our clients.

To ensure provision of quality services within the tourism sector, my Ministry trains manpower through the Kenya Utalii College. The institution has already been declared by the World Tourism Organisation as a centre of excellence in the sub-Saharan Africa. My Ministry is also in the process of establishing a campus in the Coast as an initial entry point to serve the industry and expand to a fully-fledged tourism academy in Vipingo.

Mr. Temporary Deputy Speaker, Sir, the tourism and hospitality sector is labour intensive. However, the demand for competent and qualified labour has outstripped the

supply by Utalli College and other recognized training institutions. This has led to the establishment of many unregulated tourism training institutions.

Through Catering and Tourism Development Levy Trustees and other Government lead agencies, my Ministry is in the process of harmonizing training to ensure that all these institutions are registered and that high professionalism is maintained at all levels.

My Ministry has realized the importance of meetings, incentives, conferences and exhibitions. Kenyatta International Conference Centre (KICC) plays a leading role in the development of this market segment. The facility requires a major facelift in order to reclaim its international standards and as a leading centre for conferencing within the region. We are at an advanced stage of developing a private/public sector partnership for expansion of conference tourism in Nairobi.

Mr. Temporary Deputy Speaker, Sir, on budget provision, I must start by assuring this House that my Ministry is fully committed to implementing all Government policies in reviving the economy and implementing Vision 2030. The importance of tourism to the economy is clear to all. In 2007, the sector generated Kshs65 billion. Last year, despite the global financial crisis and internal political disturbances, the sector still generated Kshs52.7 billion.

For the sector to realize the set goals of generating Kshs200 billion by 2012, adequate resources should be allocated to the sector to implement the flagship projects for the development and marketing programmes.

For my Ministry to operate efficiently and effectively, I have submitted a total budget of Kshs5.9 billion to the trade, tourism and industry sectors for the 2009/2010 Financial Year. Of this amount, only Kshs2.4 billion (41 per cent) was for the Recurrent Expenditure while Kshs3.5 billion was for Development Expenditure.

Mr. Temporary Deputy Speaker, Sir, my Ministry has been allocated only Kshs2.9 billion which is 47 per cent of my initial request. The allocation is disaggregated as follows: Kshs1.6 billion (55 per cent) for Recurrent Vote and Kshs1.3 billion (45 per cent) for Development Vote. My Ministry is also expected to raise Appropriations-in-Aid of Kshs278.5 million. The allocation this year is more favourable than ever before, with an increase of Kshs97 million in Recurrent and Kshs800 million in the Development Votes. This is mainly due to new allocations of Kshs800 million to upgrade beach hotels through Kenya Tourism Development Corporation (KTDC) which was not there in the previous years.

The following are the details of my Ministry's budget estimates for the year 2009/2010. Recurrent Estimates out of which Recurrent Vote allocation of Kshs1.6 billion: Sub-vote 460 is for the Ministry Headquarters and Planning and has been allocated Kshs333,449,384. Sub-Vote 461 – Tourism Services has been allocated Kshs1,700,802,716. The Tourism services comprise the Department of Tourism and State Corporations under the Ministry that renders services in the tourism industry.

The transfer to the State Corporations is as follows: The Kenya Tourism Board (KTB), Kshs800 million for marketing Kenya overseas and includes Kshs30 million for marketing domestically, the Bomas of Kenya, Kshs150 million for development of new facilities, Kenya Utalli College, Kshs96 million and Tourism Trust Fund (TTF), Kshs20 million for Recurrent Vote.

Mr. Temporary Deputy Speaker, Sir, Development Estimates is Kshs1.269 billion. During the current financial year, the Development allocation of Kshs1.269 billion transferred to State Corporations is as follows: The KTDC, Kshs800 million, for loans to be given to beach hotels in order to upgrade the beach destinations which have been run-down in the last 30 years. This is because the competition around Kenya is Zanzibar and Egypt with brand new hotels, yet Mombasa has old hotels.

We have the European Union (EU) Government Project; the Tourist Trust Fund. It ended in June 2008 but unfortunately, there were some projects which were to be done and Kshs160 million has been allocated to complete some of those projects which are pending.

We also have Kshs87 million for the Bomas of Kenya for new projects and Kshs22 million for a face lift of the hotel at Utalli College.

Mr. Temporary Deputy Speaker, Sir, I hereby reiterate my commitment and that of my officers in my Ministry that these funds will be put into proper use and assure Kenyans that they will receive value for their money for the services rendered by the Ministry.

I met the Departmental Committee on Finance, Planning and Trade and I was very happy to present the budget before them. However, this Ministry is the main pillar of our economy, yet it is underfunded from Kshs5.9 billion last year, to Kshs2.9 billion this year.

We have plans for Utalli College to have a branch at the coast. We have land there but unfortunately, the Kshs2 billion for building a new campus at the coast was not available. We asked for Kshs500 million so that it can be phased into four years but we did not get that either.

For KTDC, we asked for Kshs1 billion and got Kshs800 million. For KTB, we asked for Kshs1.8 billion for marketing but we got only Kshs800 million. That means we have a deficit of Kshs1 billion. For refurbishment of KICC, we asked for Kshs581 million but got nothing. We requested for Kshs260 million for the Bomas of Kenya and got Kshs237 million. To complete all pending projects at the TTF, we requested for Kshs330 million and got only Kshs160 million. For headquarters and other requirements for the Ministry, we asked for Kshs494 million but did not get anything.

Mr. Temporary Deputy Speaker, Sir, if all this amount is added, the deficit for the Ministry is Kshs3 billion. We find it very difficult to work. We are defeated by South Africa. South Africa spends almost US\$80 million to market itself. Egypt spends US\$100 million to market itself. Tunisia, a tiny country with six-month a year tourism, spends US\$48 million to market them. Unfortunately, we are not doing anything. That is why we cannot get our numbers to where we want.

Our plans in the next five years are to rise from one million tourists to three million tourists per year, with total earnings from Kshs52 billion to Kshs200 billion. These are the challenges we are facing at the Ministry of Tourism.

In conclusion, I wish to assure hon. Members that I will do my best to ensure that the funds allocated to my Ministry will be utilized with a high degree of accountability and transparency.

Mr. Temporary Deputy Speaker, Sir, I wish to assure hon. Members that our efforts to build a tourism industry of international repute have not gone unnoticed elsewhere in the world. In spite of the challenges of finances and all other challenges, we



are almost back on track. We are only 18 per cent down from where we were in the best year of 2007, with no resources, electricity problems, financial crisis overseas; you can see we have made all efforts to come back.

Let me take this opportunity to remind hon. Members that in 1994, International Tour and Travel Agency voted Kenya the best destination in Africa. The position was reasserted in 2000 when Kenya scooped the top world travel award as the best destination in Africa, beating South Africa and Egypt. Early this year, I won as the best Minister for Tourism in Africa for Kenya. Mid this year, the KTB was declared the best marketing board in Africa and yesterday, my Ministry was declared the best Ministerial stand among the competing governments at the Mombasa International Show.

Mr. Temporary Deputy Speaker, Sir, my Ministry will strive to maintain the leading role in all our endeavours. I now wish to request this House to approve Kshs1,436,626,050 for the financial year ending 30<sup>th</sup> June, 2010.

I beg to move.

**The Assistant Minister, Ministry of State for Defence** (Mr. Musila): Thank you, Mr. Temporary Deputy Speaker, Sir. I stand here to second this Motion. Let me start by congratulating the Minister for Tourism for the work that he has done to put our tourism sector in the world map. He just told us about the awards that the various bodies of the Ministry have won, including himself. No wonder that even before hon. Balala became the Minister for Tourism, when he was Mayor for Mombasa, he had distinguished himself as an ambassador of tourism. I think this was really a right decision for His Excellency the President to appoint him as the Minister for Tourism.

Having said that, Mr. Temporary Deputy Speaker, Sir, I want to decry the little amount of money that this Ministry has continued to be allocated by the Treasury over the years. Most of the countries where tourism is an income earner, governments give priority to those Ministries in terms of resource allocation. The Ministry of Tourism is one of the important sectors in our economy. It creates employment directly and indirectly in unprecedented numbers. I, therefore, call upon the Government, in future, to look at the Ministry of Tourism positively and give them sufficient funds for promotion of development. You heard the Minister say that he was allocated only 40 per cent of the money that he had requested.

Having said that, I want to say that it is very important that the Ministry continues to diversify the tourism products. The Minister has enumerated the various areas but I think there is still work to be done as far as certain areas are concerned. For example, in terms of sports, Kenya is a world known country in sporting and I do not think this has been properly exploited. Golf Tourism is one of the most important sports where the high paying tourists can come and play golf here. I know of some golfers who have come to Kenya. However, if this country was promoted as a golfing destination, we would get more tourists.

On conference tourism, Kenya is losing out to neighbouring countries as far as conference tourism is concerned. We have been let down very badly by the management of Kenyatta International Conference Centre (KICC). This monumental development for conferences has been run down for many years. I think it is high time that the Government invested more funds to put KICC into a world standard facility. As far as I am concerned, it is nowhere near an international conference center.

Over and above that, I think we should also invite private investors to put up private conference centers, so that we may tap the conference tourism because it is a very important sector of tourism.

We also have dwindling eco-tourism. It was taking off and the Ministry was doing a lot to promote eco-tourism but due to the environmental degradation that is taking place in this country, the Ministry will find it very difficult to promote eco-tourism at the moment. We have seen, for example, rivers drying like Mara River, among other rivers, all of which would impact negatively to the development of tourism. Therefore, again, we should call upon the other Ministries that have something to do with tourism, particularly the Ministry of Forestry and Wildlife and the Ministry of Environment and Mineral Resources, to put their acts together so that they assist this important sector to grow without adversely being affected by the situation.

The Minister talked about security. However, I want to say that by and large, Kenya is a safe destination. I think that this message should go across to all countries of the world that Kenya is a safe destination. We know that tourists consider their security to be very important before---

Mr. Temporary Deputy Speaker, Sir, I believe that I had 15 minutes because I was seconding.

**The Temporary Deputy Speaker (Mr. Baiya):** Order!

**The Assistant Minister for Defence (Mr. Musila):** With those few remarks, I beg to second and reserve my right to know what happened to my 10 minutes.

*(Question proposed)*

**Mr. ole Lankas:** Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support the Vote of the Ministry of Tourism. It has been said and it is true that this is one of the core Ministries. This Ministry is key to the attainment of Vision 2030. When we looked at the budget allocations of this Ministry, we noted that there was a reduction in the allocation, especially in the area of tourism promotion and marketing. This is an issue which I feel should be addressed in the Supplementary Budget to enable this Ministry carry out its core functions of promotion and marketing of this country as a tourist destination. It was also noted that the Ministry, in its estimates, did not disclose its Appropriations-in-Aid, especially from the fees and the rents which accrue from the KICC which is under the Ministry, and the Kenya Utalii Hotel and College. The Ministry needs to address this issue because it was not reflected in the estimates.

The other issue which I think is an omission is the branding of the “Kenya Initiative” which is now under the Ministry of Information and Communications. I think this should have been the other way round. It should be rightly under the Ministry of Tourism. I think this is an issue that needs to be taken up, so that the branding of Kenya is under this Ministry. Right now, I believe that it is not under the right Ministry.

It is true that there are overlaps of the functions of this Ministry in other Ministries. We are asking that certain Institutions under this Ministry have their roles overlapping. For example, the Kenya Tourist Board is one of them. The Domestic Tourism Services is another one. The roles of these institutions seem to overlap and yet they are all under this Ministry. I think there is need to review their roles so that those

overlaps can be addressed. There seems to be overlapping in their roles. That is an issue that we noted and needs to be addressed.

Mr. Temporary Deputy Speaker, Sir, it was also noted that we are losing a lot of revenue. Some tourists come here when they have already paid safari packages from their country of origin. This tends to deny our country a lot of revenue. When they come here, they go straight to some of the private camps. A very good example is a situation like Lamu town where we have many tourists. Lamu County Council, for example, rarely gets anything out of this industry. This is because tourists go straight to private homes. They deny the Government a lot of revenue. If all these revenues could be tapped, it would be helpful to our economy. I am urging the Ministry to look into this area very critically, so that we maximize the kind of revenue that is supposed to be generated from this industry.

Mr. Temporary Deputy Speaker, Sir, there is also a problem at our departure and arrival points at our airports because of congestion. This is an area where the Ministry of Tourism, together with the Kenya Ports Authority can look into, with a view of decongesting these facilities.

The other thing which has not been exploited by the Ministry is the issue of promotion of local tourists. Although the Minister captured this matter in his address, I think he needs to walk the talk. We are very happy of what he has said. Apart from Coast Province, Masai Mara and Samburu there are other areas with good tourist products or attractions and can be exploited. I think very soon, we are going to see other circuits in the country being developed. I want to give an example. We travelled with Ministry officials to Philippines on World Tourism Organization event. We were taken almost 300 kilometres on a tour to see an animal the size of a rat. They called it a Philippines Tasia. After reaching the destination, we were disappointed, but a lot of money went into the whole business. That shows how aggressive some countries can be in marketing their local products. What about our country with all the big animals and beautiful sceneries? I think if we aggressively address these issues of local tourism, there are a lot of products that would be exploited. Still on local tourism, I want to encourage the Ministry to see how it can introduce incentives to our local tourist markets maybe, by addressing the issue of rates into the game parks and other tourist attraction places. That can work as an incentive to our local tourism. In so doing, when we do not have foreign tourists, our local tourists can cushion us.

The other issue is working with other stakeholders. On this, I want to applaud the Ministry for winning international recognition. However, there seems to be a gap between you and other relevant Ministries and stakeholders. There are overlaps. For instance, the Ministry of Local Government is a trustee of some of the game reserves. So, I think if you co-ordinate with these Ministries, they will achieve more than what they have already achieved. I urge the Ministry of Finance to allocate more funds to this Ministry because it is very critical for the development of this country.

With those few remarks, I beg to support.

**The Assistant Minister for Public Service** (Maj. Sugow): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this very important Vote of the Ministry of Tourism.

I would like to take this opportunity to congratulate the Minister and his staff for a job well done. They have done their bit. Unfortunately, we, as a country, seem to like killing the goose that lays the golden egg. There are very critical Ministries that are very

important to the progress of the economy of this country. However, we do not allocate them sufficient funds. Unless we do so, we are not doing anything. For the little money that this Ministry has been given, it has done a commendable job. I believe that it can do better, given the right amount that it has asked for. They have been allocated 40 per cent of what they wanted. This is too little. Had it been allocated at least 60 or 70 per cent of what they had asked, probably, it would have achieved better results than what it is envisaged to achieve with only 40 per cent.

Mr. Temporary Deputy Speaker, Sir, I would like to echo sentiments expressed by my colleagues, especially hon. Musila, who were here before me, on the issue of diversification. The Minister also talked about it in his speech. I am glad that he mentioned several areas in which the Ministry is trying to diversify, especially introduction of new products. There are areas in this country where our fellow Kenyans do not know. A good example is North Eastern Province. It is as closed as it was during the days when it was called Northern Frontier Districts (NFD). The Ministry, together with its institutions, are doing very little to come up with products that are relevant in those areas. It does not mean that we do not have any attraction at all. For example, the hirola antelope which we attempted sometimes back to relocate to some of the so called "prime areas" originate from my constituency. Today, there is nothing going on to attract tourists in those areas. I urge the Minister to develop Lamu-Masalani-Garissa-Kora-Meru circuit. It is very important because there is a lot of potential in those areas. Conference tourism can grow in those areas. There is need to, therefore, enhance domestic tourism. By developing those circuits, many Kenyans would be interested to go to those areas they are not familiar with.

In the past, as a small child, I always associated tourism with wildlife. The two were inseparable until recently when I saw establishment of the Ministry of Tourism and that of Forestry and Wildlife. Wildlife is in the wrong Ministry as far as I am concerned. There is no way tourism activities can be separate from wildlife in this country.

Even the tourists who come here associate wildlife with that Ministry. This is creating a lot of confusion. Even today, if we want community sanctuaries to be established by the Kenya Wildlife Service (KWS), it is difficult to know which Ministry should carry out the exercise. It is very important that we harmonise these Ministries. I know there is a teething problem for the time being because of the bloated Cabinet. However, it is important that we go back to the drawing board to harmonise the roles of these departments. We should establish the relevant Ministries they fall under.

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

**Mr. Mwathi:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Vote and congratulate the Minister for the well-put message to this House on how the money applied for was not gotten. In actual fact, it is a pity that we expect a lot from this Ministry. This is the Ministry that is supposed to give us a chunk of revenue but we have denied it a lot of money. I will support the Minister's proposals in the Supplementary Budget, if at all they will be brought here in order to get the required funding.

Mr. Temporary Deputy Speaker, Sir, having said that, allow me to request the Minister to revisit the issue of travel advisories. I do not know why a Government would give travel advisories and yet, when we visit the same countries, we find that all the citizens there talk about Kenya being the destination to be in. They come privately although they are still given the negative travel advisories. There needs to be an image

building-exercise so that other countries do not start seeing us as a security threat to their citizens only in theory. Actually, the fact of the matter is that those people want to come to this country.

The other day I travelled in Delta Airlines, Air Lingers, KLM and Lufthansa. However, the greatest message I got is the issue of marketing of our products in terms of tourism. You will find that most adverts on those aeroplanes originate from Tanzania. I do not know whether the Minister is aware of this. I did not see any advert from Kenya. It is critical that we find ways of partnering and puncturing into that market. Imagine how many Delta Airlines aircraft are there in the United States of America (USA), all showing destinations in Tanzania. Where did we go wrong? Visit that area and see how you can puncture into that market. Let us put our map there by way of marketing our products in terms of tourism.

Mr. Temporary Deputy Speaker, Sir, the Government policy in terms of Visa fees and the time taken to process Visas in our embassies should be looked into. Where we have no travel advisories, it is only fair that we have a reduction in visa fees, so that those people can travel to Kenya and bring the much needed revenue.

I would like to touch on local tourism. In all ways I can and in all might – and I believe the whole House will – we will support local tourism. We should recognise the local resources that we have. I will give you an example. In my constituency, we have a swamp that is neglected but there is one bird that is said to travel all the way from Holland to lay eggs on that swamp. Once it is done and the offsprings are big enough, they take off and yet, the Government of Netherlands has for the last four years been trying to secure that area so that they can develop it in terms of even getting a resort and marketing it as a destination for the people from Holland. It has taken four years to get the first Kshs1.2 million. I think it is time the Minister visited that area. I am sure we will get revenue out of this. I am ready to offer help on that issue.

Mr. Temporary Deputy Speaker, Sir, let me talk about wildlife. I do not know how it happened that wildlife is lumped together with forestry. This should definitely be with the Ministry of Tourism, whatever it takes. If there is anything that can be done to have wildlife together with tourism, it will be supported for the simple reason that most tourists come to see wildlife. All the Ministry's money should be ploughed back to areas related to wildlife. The Ministry does not have many spectacular features other than wildlife. So, why should it be taken away from this Ministry? We support the idea that this should be in the Ministry of Tourism. Therefore, it should be the Ministry of Tourism and Wildlife.

With those few remarks, I beg to fully support this Vote.

**Mr. Midiwo:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion. First of all, I want to thank the Minister for trying in the last one-and-a-half years, to re-invigorate the tourism sector. It is unfortunate though that this should be a co-ordinating Ministry to many other Ministries, which my colleagues have alluded to, particularly wildlife and others that have got to do with natural resources.

Tourism is said to be our biggest foreign exchange earner. I do not think we have exploited that full potential. I want to beseech the Minister and his officers that the issue of villas which are all over the country, for example, in Laikipia, South Coast, North Coast, Malindi, Lamu and Naivasha--- The new thing about tourism is that we have tourists who come to this country and go straight to stay in villas, thus making the

Government collect zero cents from them. If the Ministry will co-ordinate this, the Government will triple that revenue and nobody will ignore it. The Ministry is being ignored today because that force is eating into its market.

The other issue is on hotel owners, particularly in Coast Province, where you go, have a band put on your wrist and you can drink and eat. In all these cases, people pay in Europe and America and come here to abuse our children on the beaches. That must change. This Ministry should expand what it gives to this country, because we depend on it. We want to provide the infrastructure. I urge the Minister to come up with ideas of making tourism accessible to our people. There is no country on earth where people have built beachfronts which are a couple of metres from the water and the local people are not allowed. There are people born and bred in Mombasa who have never seen a beachfront because a few private developers have grabbed land and made money, most of which is paid to their accounts in Europe. That is something that the Minister can help us on.

Mr. Temporary Deputy Speaker, Sir, the other issue is the Tourist Development Fund. Nothing has happened in the Western Circuit since this Fund was introduced by the NARC Government. With all that wealth and possibilities, nothing has happened. What is the Fund doing? I know a lake called "Kanyabwoli" in Siaya which is the freshest water lake. Around it is land owned by the Government, and yet there is no sanctuary. There is no reason for a tourist to visit this lake. Therefore, we could begin by nurturing tourism from within and expanding the places. Where do tourists go today? If you go to Mombasa today, other than basking in the sun--- There is no vacant hotel this weekend because all Members of Parliament will go there--- and the President and Prime Minister are there. We should give our people alternatives, so that there is no weekend that our visitors come, suffer, go and talk bad about us.

So, we have to do that. On that note, I would like to say that we have to formulate a policy to go the small hotels way with this fund. Give this to small people who are not asking you for hundreds of millions. These are people who create 40 or 50-roomed hotels where people get bed and breakfast and drive all the way from Nairobi to Laikipia. In our own mind, we are being enslaved by the fact that tourism is for big hotels. I do not think that is the right way to go. We need to really go micro, so that we can achieve the full potential of what we have because we can, but the resources are too limited.

Mr. Temporary Deputy Speaker, Sir, regarding security in our country, you cannot expect the Ministry of Tourism---

**The Temporary Deputy Speaker** (Mr. Baiya): Your time is up!

**Mr. Midiwo:** With those few remarks, I beg to support.

**Mr. Kombo:** Mr. Temporary Deputy Speaker, Sir, I also stand to support the Vote. I ask the Minister just to indulge me a little bit. I think there is a lot the Ministry can do to actually increase the volume of tourism in this country, both domestic and traditional.

Just to start with what Maj. Sugow said about North Eastern Province, I think the Ministry should be asking why people do not go to North Eastern Province. The answer is that the infrastructure is bad. So, what can the Minister do to persuade his colleague to make sure that the infrastructure to North Eastern Province is right so that we can get tourists going there? There are beautiful places there. Even if you just go to Marsabit, while flying, you are in a desert and all of a sudden, you see an equatorial forest. That is a wonder of the world and those are things that should be exposed.

Mr. Temporary Deputy Speaker, Sir, the Minister should think outside the box. Kenya is the only country that has beaches, grasslands, highlands, rift valley and the lake region. If you travel from the coast in a straight line, you can actually see these features but nobody talks about them. That is a wonder of the world and you can see it. When you are diversifying, as we said, these are the areas that you want to look at. How do you market these phenomenal features as you travel around?

Let me talk about rock climbing; Kenya has plenty of rocks. Even in Bungoma, we have rocks which people have never climbed. Why should it not be encouraged so that we have rock climbing? That is why I said indulge me today, so that we can think outside the box. The camel derby is one area that has not been pushed sufficiently. Again, it is a trail that one will enjoy phenomenally. The Minister should think of our athletes. Supposing we develop a major stadium in Eldoret and we have a major event in Eldoret in which we bring all our world class athletes there to participate in that event and you advertise for people to come and see the athletes in their habitats or original place of birth; it is a wonderful thing to do.

Mr. Temporary Deputy Speaker, Sir, people have talked about Kogelo. Recently, I heard that they are going to make a film on Obama and that it will be done in South Africa. So, there will be a Kogelo in South Africa and not Kenya. Look at those things. Why would film-makers want to go to South Africa and not Kenya? Those are the big questions that you want to be asking yourself. You will find that you are either charging very high fees or there is something wrong in licensing film-makers to come to this country.

Our founding President, Mzee Jomo Kenyatta-- In the United States of America (USA), all presidents have developed libraries. Kenyatta is legendary! Why do we not encourage the creation of Kenyatta Memorial Library in Gatundu so that people can actually visit? Instead of his body lying here in Nairobi protected, it should be moved to a place where tourists can visit and be able to see this legendary figure; how he lived, what he had and so on. There are plenty of cultures.

Mr. Temporary Deputy Speaker, Sir, the Luhyas, particularly the Bukusu have a wonderful circumscion culture and bull-fighting. That is why I said that you should indulge me a little bit so that we can travel together and you see that if you actually think outside the box--- The circumscion ceremony in Uganda is a major issue and people actually travel from the whole of Uganda to come and observe it. If you thought outside the box, there is a lot we can do. We should be like Italy, a country of 50 million people with 49 million tourists.

Thank you.

**Mr. Njuguna:** Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to contribute to this very important Vote. First, I take this opportunity to thank the Minister, the Assistant Minister and the Permanent Secretary for the total sacrifice and commitment that they have given to this Ministry which at one time was dead. The resolve and the untiring effort by the Minister and the entire staff must be maintained to realize the serious objectives needed in our country.

Reclaiming lost glory in this nation is a serious matter. We all realize that we were in a crisis situation in our nation and coming out of it has not been a small achievement. The Minister has talked about athletes promoting tourism in our nation. We have people like Nyandika Mayolo, Ben Jipcho and John Oruru and Wangila. What have

we done as a nation to recognize the efforts and sacrifices of these people? We recall that in the 1960s, Nyandika Mayolo ran bare-footed in Australia to bring out the image of this nation. A Bill must be drafted by the Ministry of Tourism so that this special talent is given special recognition and even to remember them and to reward them for the kind of sacrifice that they have done for our nation.

Mr. Temporary Deputy Speaker, Sir, security in the nation must also be improved. If we want to attract a bigger number of tourists, the Government must maintain a secure environment, conducive to making the tourists come into our nation. Frequent murders, as recently seen, would not be conducive to bringing that number of tourists that we are craving for. We have seen fires in villas and hotels in Mombasa. Investors will be discouraged. A fund must be created by the Ministry so that when those people are affected by that problem, they should be assisted to come back in business.

Concerning promotion and marketing of this sector, we have noted, from the speech given by the Minister, that he has done a bit in Australia, Europe and Asia. But not much has been done in Australia which has become very close to us. Our people go there and they can also be encouraged to come and tour our country. We have seen other bodies that are very important in the promotion of the tourism sector in this nation. They include Bomas of Kenya, Kenya Utalii College and others. Of concern here is the appointment of the people to manage those bodies. I urge the Minister to make sure that we do not see any exhibition of ethnicity, tribalism or regionalism. We want competent and qualified Kenyans to man these bodies.

Mr. Temporary Deputy Speaker, Sir, on expanding domestic markets, I would urge the Minister to think of visiting Central Province which he has not featured in his report. We have Mukurweini wa Nyagathanga historic Site and tourists can go to that place. We also have Kireita Natural Gas Centre in my constituency. The tourists have been willing to come to my place but the Minister has not given an exposure or permission to the tourists to come to this place.

With regard to the Kenya Wildlife Service (KWS), the Director and his entire staff must be commended for doing a good job. The number of cheetahs, leopards and even elephants has really increased. Poaching has come down and this is important because all the tourists who have been coming to this nation have been attracted to this very important sector.

With regard to tourists' flights to this nation, special flights must be made and incentives must be created. We need to think of making jet fuel available at a very special cost so that everybody from all corners of the world will be looking forward to coming to Kenya. I noted from the speech given by the Minister that last financial year, he was able to raise---

With those few remarks, I beg to support.

**Mr. I.M. Muoki:** Mr. Temporary Deputy Speaker, Sir, I would like, first of all, to congratulate the Minister; our Minister is very capable and there is no question about that and we would wish him to continue performing very well to the country's expectation. I would only like to make a few remarks so that we can give the Minister money quickly, so that he can start implementing these things from tomorrow.

As my colleagues have said, I think one key issue that we need to address is to look at tourism as a master plan in the country and you look at the whole country. As my colleague, Mr. Kombo said, Kenya is a very blessed country. We have the beaches,



plains, the mountains, the forests and the desert. Each of these features can be an attraction. We also have smaller features across the country which his staff needs to find out, even if they are very small. For example, there is a rock in Machakos where there is a footprint of a human being. There is another one in Bungoma. These things, small as they might be, can be attractions. I think one of the things that the Minister should do immediately is to instruct the staff to move and identify any potential sites; anything that can be of attraction; any activity that can be of attraction, be it athletics, animals or trees, anything that can attract because we are in a competitive world. When we are in competitive business, you need to devise measures like the business people will talk about cut-throat measures. We also need to come up with cut-throat measures in terms of our tourism in the country. Therefore, I would urge the Minister to really look at anything that can attract visitors to the country.

I would also like to touch on the issue of marketing. I think this is one issue which should be stressed. I have visited some of our foreign embassies and what you see on the display are photographs of Maasais, animals and maybe, that is about it and then a packet of Ketepa tea.

Mr. Temporary Deputy Speaker, Sir, I think the Minister knows that we have more than that in the country and, therefore, we need aggressive marketing around the world. The world knows what is going on. I remember there was one time I was out of the country and one visitor who had been to Nairobi was very disappointed because when he came to Nairobi, he was expecting to see a very good monument or photographs of Kipchoge Keino, Ben Jipcho and all the athletes who are winning now. He came all the way from the airport to the City Centre and there was none. I think those are some of the small things that can improve our tourism.

Mr. Temporary Deputy Speaker, Sir, a small country like Israel gets much more money from tourism because of her historic sites. When people visit there, whether they go as pilgrims or tourists, they leave money there. That money is from tourism. So, I am urging the Minister to really do aggressive marketing. There is also the issue of dissemination of information. I think we need to talk about tourism even in schools. That way, at any level or age, people know about tourism. Schools and colleges can introduce programs to teach that subject. That way, we will tackle the whole issue of tourism.

Mr. Temporary Deputy Speaker, Sir, I would also like to mention just one or two other issues. The Minister talked about the improvement of hotels and infrastructure. Mr. Minister, I just want to remind you: When you talk about Kenyatta International Conference Centre (KICC), there is a very potential hotel at the top – the Panoramic Hotel – which is a revolving hotel. If you develop that revolving hotel in the City, you can sit at the top there and see the whole country and even beyond. That is also an attraction. As people come for conferences at KICC, they can also use that facility and it will bring in some money. When we talk about tourism, whether it is a small hotel in the countryside or a big hotel in the City or at the Coast, we need that money! Whether the money goes to the local authorities, individual conservancies or to the main Ministry, any money coming to Kenya, Mr. Minister, will, definitely, help in terms of developing our country. That issue needs to be addressed.

Mr. Temporary Deputy Speaker, Sir, I would also like to mention that Maasai Mara is one of the wonders of the world, and you need to enhance it. Finally, I also want

to talk about Tsavo East, which borders my area. That area has not been exploited or developed. Therefore, Mr. Minister, as you do the other areas, look into that area too.

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

**Mr. Nyamweya:** Mr. Temporary Deputy Speaker, Sir, I would like to add on to what has been said, particularly with regard to the film industry. I was, at one time, the Chairman of the Kenya Film Commission and I learnt, in just that short time that in 2006, Nigeria made US\$64 billion just from the film industry. Yet Kenya, which is known worldwide for its best filming locations, was nowhere near there. But do you know why they go away? We have a problem with Immigration Department. We have a problem with Customs and we have a problem with everything else. If we were just to go out of our way and have tax exemptions for people in the film industry, they would not have gone to shoot an Obama film in South Africa. They could have done it in Kogelo itself! Now, imagine the number of people who are involved in just making one film. It is two plane loads – the equipment and everything else! If you gave them a tax exemption and waived their visa fees, the amount of money you will make in turn, surely, supercedes the little tax that you expect to collect. I believe that is one way of marketing ourselves in terms of tourism. That is because films are shown worldwide; everybody will see Nairobi and many other areas. Let us not just think about the elephants and so on. That has been done before. I have heard very wonderful contributions here about the natural features that this country has.

Mr. Temporary Deputy Speaker, Sir, the other day, I was somewhere in Europe and we paid an equivalent of about Kshs2,000 just to take a bus ride round the town. We were shown the town hall, museum, Parliament Buildings and State House. We paid Kshs2,000 each!

It is true that the Minister does not see this. We do not have to go to Treasury always to look for this money. As my colleagues have said, let us think outside the box. The money is there because people are willing to come to Kenya. Most of the time, we spend time degrading ourselves. We talk about how much we hate each other, who is being taken to The Hague and who is doing what. We should concentrate in building this country. We do not help ourselves when we go out there to speak to ambassadors and others that we are terrible or So-and-So has done this-and-that and so, we are corrupt. How do we help ourselves? Other people do not talk about themselves that way outside their countries. Even in the normal family setting - we may have disagreements in our homes - but once we have got visitors, we will show our unity. Really, that is what the Minister should do. He should not just leave it to the Minister for Foreign Affairs. All of us are ambassadors of this country when we go out. We can market this country when we go out.

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

**Mr. Ochieng:** Mr. Temporary Deputy Speaker, Sir, I would like to thank the Minister. His plea for more money for his Ministry is very crucial. This is because we know what the Ministry of Tourism can bring to this country.

I believe that the Ministry has a long way to go because there are issues to do with conference tourism which has not been tapped in this country. We have lost many conferences which go to Uganda on almost every quarter of a year. Uganda has facilities that can host more than 4,000 people at a go. I have been to one of them. People are

housed in one hotel and the halls there can hold many people. We do not have such facilities in this country. That is one area his Ministry should start looking at.

My colleagues have talked about many good areas the Minister could develop in terms of tourists getting to know that they are coming to Mombasa, Kenya. We have beautiful scenes, for example, in Nyakach where I come from. You can start a bird sanctuary or a hippo park in that constituency. This is because these animals are many there. I am worried at this juncture because Kisumu International Airport is coming up very fast. It will be completed in the next eight months. I do not know how the Ministry is prepared to take tourists down there when the airport is ready. What attractions are there for them to see if we do not have good hotels and scenes they can visit apart from Mombasa? The Ministry should focus on widening its portfolio in terms of putting up facilities that can attract tourists in those areas.

Kenya is a rich country in terms of good weather and food which is organically grown. Our food is rare. It is rare to find such food even in South Africa. We have good things such as a rich culture that can attract many tourists. Let us forget about concentrating our resources in Mombasa thinking that whenever tourists come to Kenya they have to go to Mombasa. Let us open up other areas in this country so that tourists can be attracted to them. We have Kapenguria where the seven freedom fighters were jailed. We went to Cape Town and visited the island where Nelson Mandela was jailed. I did not see anything important there, but that island attracts many tourists. I believe that if we open our old prisons where our freedom fighters were jailed, they would form part of our tourist attraction.

We have many facilities. We have an international airport in Eldoret which is lying idle. Had we developed a tourist attraction centre there, tourists would visit the place. Let us open up. We want to support the Minister and his Ministry. If this country is seriously in need of foreign exchange, we should pump more money into tourism. If we do that, we will reap more money from this sector.

Mr. Temporary Deputy Speaker, Sir, I beg to support this Motion.

**The Minister for Trade** (Mr. Kimunya): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to support the Vote of the Ministry of Tourism.

I wish to recognise the efforts being made by the Ministry, despite the difficult times we are in, in terms of our image and global constraints. Like any other Member of Parliament, I would like to say that, yes; Kenya is a very beautiful country, from the Coast to the Lake, and from the beaches to the wild animals. As Kenyans, we are fortunate. Every Kenyan should actually be proud to belong to such a beautiful country and promote it.

Mr. Temporary Deputy Speaker, Sir, I particularly want to appeal to the House. We all make several travels across the world. Perhaps, it is time we now worked together with Kenyans in the diaspora. If we only targeted one million Kenyans in the diaspora, there are more Kenyans out there than one million. Let us use them by turning them into our billboards. I know that there is an advertisement that has been showing in London.

If we only use Kenyans in the diaspora as our walking and talking billboards, and each of the one million of them just sends two friends to Kenya every year, we will actually have two million tourists coming to Kenya at no extra cost to us in terms of advertisement. We will have two million tourists coming to Kenya, courtesy of Kenyans

in the diaspora. If we appeal to them and use them, we will actually get double the number of tourists who come here; this will be in addition to the one million tourists that we already have. So, again, it is for the House and Kenyans to ensure that we use the resource out there to help bring more visitors to our country.

Mr. Temporary Deputy Speaker, Sir, I also want to say that between the Kenya Tourism Board (KTB) and the Export Promotion Council (EPC), there is a lot we can do to sell our tourism products out there; we need the support of the Ministry of Foreign Affairs. Those two bodies require special attention. They require special funding, so that we can promote tourism and Kenyan trade out there. That way, the future of this country will be certain.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Mr. Baiya): Mr. Minister!

**The Minister for Tourism** (Mr. Balala): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

I want to appreciate the sentiments of all my colleagues. It is not only a learning experience to share in all these comments but they are also quite a challenge to the Ministry; we should not assume that we can all do everything.

I note that I have been given responsibilities of being a Minister of Culture, a Minister of Sports, Minister of Security and a Minister of Wildlife and conferences. So, I take the opportunity to say: Yes, we can do it. We have the capacity, but we do not have the resources with which to implement our programmes.

I want to appreciate my colleague, who is a former Director of Tourism, Mr. Musila. He knows how much funding we require at the Ministry. Indeed, diversification of products is crucial.

Mr. Temporary Deputy Speaker, Sir, I agree with my colleagues that we can spread ourselves as far as North Eastern Province, but the perception of insecurity is a challenge. The issue of infrastructure is a challenge. The issue of organised local authorities to be able to offer the products themselves is a challenge. We, in the Ministry of Tourism, have a master plan of the country. We want to sensitize the entire system of Government to be able to incorporate tourism into their operations.

It is important for us to expand the products, not only in the North Eastern Province but in the entire northern Kenya region, which is inclusive of Turkana and Marsabit. We have a programme in Lake Turkana, Marsabit as well as in the Mount Kenya region.

Mr. Njuguna said that I have never stepped into Central Province. That is not correct. When I was appointed Minister for Tourism, my first trip was to launch a cultural activity in the Mount Kenya region. I went there personally to do the representation. I did not allow my Assistant Minister, who is from the Mount Kenya region, to do it.

Yes, we are giving support all over the country. My colleague from the departmental committee, Mr. Ole Lankas talked about the Appropriations-in-Aid (A-in-A). It is there. It is just that the format of the Ministry of Finance does not show it in the estimates, but the A-in-A is there. The A-in-A in the Ministry of Tourism is Kshs278 million while the A-in-A for the KICC is Kshs265 million. That is why this year, the KICC was not given a penny. They have been allowed to use the same money that they received, for their operations and expenditure.

Mr. Temporary Deputy Speaker, Sir, I agree with Mr. ole Lankas that brand Kenya needs to come to the Ministry of Tourism. The Film Commission that Mr. Nyamweya was talking about does not fall under this Ministry of Tourism. It is unfortunate that we cannot do much about that issue.

South Africa is beating us because of the tax breaks incentives and all those issues. Unfortunately, we are very shallow in giving incentives because of our economy. Sometimes, we get worried of abuse, but we can do that by way of offering small incentives like immigration facilitation and, visa exemption, among others.

The movie "Out of Africa", is a film that actually portrayed and sold Kenya to the world. Tourism opened up in the 1980s because of "Out of Africa" film. Why can we not use a film that could be done here to market Kenya? There are quite a number of films. The "Constant Gardener" was shot here and so many others. Unfortunately, we have not come up with proper incentive policies. I agree with Mr. ole Lankas that we need to harmonize some of these responsibilities. This will be done in the Tourism Bill which is coming very soon.

There is a problem at the arrival at the Jomo Kenyatta International Airport. We are talking with the Ministry of Transport and the KAA on decongesting the arrival counters. We are putting emphasis this time on local tourism. We have almost four to five months of a dip in our season. We call it low season. This is a time when we literally do not get any tourism both locally or foreign. We are trying to put a package together where we can reach the local tourism in this low season. So, we will rebrand the name from low season to the game season and make sure that we have a 50 per cent discount of everything. Local tourism will also now utilize and also a foreign tourist can take advantage. It will be a pleasure to take advantage.

Mr. Kombo talked about thinking out of the box. This Ministry has specialized in thinking out of the box. That is why so many things have been rolling out. We have been committed in the bull fighting in western Kenya. The World Tourism Organisation Day will be celebrated on 27<sup>th</sup> September, in western Kenya. We want to promote Nyanza and Western provinces. We need to go there.

The only challenge of domestic tourism is the attitude of Kenyans, which is that when there is a holiday, they will be busy eating *nyama choma*, drinking beer and sleeping the next day. That is the attitude problem. Let us try to remove this attitude and give incentives to people visiting other places.

Mr. Kimunya talked about the diaspora. When they come here, most of them go to their rural areas or stay in Nairobi. They do not drive around the countryside to see what we can offer. We want to see them visiting different parts of this country. We have a programe on rock art and rock climbing. Last weekend, we sponsored the camel derby with Mr. Lesrima. On 27<sup>th</sup> October, we will sponsor a cultural festival in Kitui District. We are also part of the Safari Sevens and supporting all our athletes. I believe we should have heritage tourism, which the Ministry of National Heritage should come and support us.

There are so many things that we want to do and co-ordinate. I agree that there are many villas coming up in Malindi, Lamu and Laikipia. We licence all villas. The budget is limited because we could not have logistics for our staff to go and monitor the villas in Malindi, Lamu and Laikipia and be able to license them, so that we, as a Government, could have revenue. I believe that there is a chance for the one to two star hotel chains to

come and invest in this country. That is why we are restructuring the KTDC to make sure they have funds to support small hotels in this country.

Mr. Temporary Deputy Speaker, Sir, a lot has been said, and it has been a learning experience. There are many things we are doing in Government. Recently, with the Ministry of Immigration and the Ministry of Finance, we managed to give a 50 per cent reduction on visa fees. A visa fee in Kenya is US\$50 and our competitors including Egypt charge only US\$20, Mexico and the Caribbean charge US\$25. We are in that range. I know many people are talking about Tanzania which charges US\$50. We do not necessarily compete with Tanzania. South Africa which is our major competitor charges no visa fees for Americans and Europeans. We are therefore, competing internationally not regionally. Therefore, let us appreciate that visa fees should not be taken as revenue for Government.

A serious Government should not depend on visa fees as part of their sustained programmes. I think the Government should even abolish visa fees. Why should people pay premium as a privilege fee to come into your country and you are in need of them? I believe it is a way of vetting, though there are other modern ways of vetting. This is the time we can encourage more people to come into the country by waiving the visa fees.

With those few remarks, I beg to move.

*(Question put and agreed to)*

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

#### IN THE COMMITTEE

*[The Temporary Deputy Chairman  
(Mr. Imanyara) took the Chair]*

Vote 16 – Ministry of Trade

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a sum not exceeding Kshs1,139,457,590 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30<sup>th</sup> June, 2010 in respect of:-

Vote 16 – The Ministry of Trade

*(Question proposed)*

#### VOTE R16 – RECURRENT EXPENDITURE

SUB-VOTE 160 – GENERAL ADMINISTRATION AND PLANNING

*(Heads 530, 624, 650 and 742 agreed to)*

*(Sub-Vote 160 agreed to)*

SUB-VOTE 162 – REGIONAL CO-OPERATION

*(Head 559 agreed to)*

*(Sub-Vote 162 agreed to)*

SUB-VOTE 165 – EXPORT DEVELOPMENT AND PROMOTION

*(Heads 737 and 796 agreed to)*

*(Sub-Vote 165 agreed to)*

SUB-VOTE 166- INTERNAL AND EXTERNAL TRADE SERVICES

*(Heads 731, 744, 745, 746, 750, 751 and 752 agreed to)*

*(Sub-Vote 166 agreed to)*

SUB-VOTE 167 – SMALL SCALE INDUSTRIES FIELD SERVICES

*(Heads 755 and 756 agreed to)*

*(Sub-Vote 167 agreed to)*

*(Vote R16 agreed to)*

VOTE D16 - DEVELOPMENT EXPENDITURE

SUB-VOTE 160 - GENERAL ADMINISTRATION AND PLANNING

*(Heads 530 and 742 agreed to)*

*(Sub-Vote 160 agreed to)*

SUB-VOTE 165- EXPORT DEVELOPMENT AND PROMOTION

*(Heads 737 and 796 agreed to)*

*(Sub-Vote 165 agreed to)*

SUB-VOTE 166 – INTERNAL AND EXTERNAL TRADE SERVICES

*(Heads 744, 745, 746 and 751 agreed to)*

*(Sub-Vote 166 agreed to)*

SUB-VOTE 167- SMALL SCALE INDUSTRIES FIELD SERVICES

*(Head 755 agreed to)*

*(Sub-Vote 167 agreed to)*

*(Vote D16 agreed to)*

*(Vote 16 agreed)*

*(Question put and agreed to)*

*(Resolution to be reported without  
amendment)*

Vote 46 – Ministry of Tourism

**The Temporary Deputy Chairman** (Mr. Imanyara): Let us go to the Ministry of Tourism so that we may report together.

**The Minister for Tourism** (Mr. Balala): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a sum not exceeding Kshs.1,436,626,050 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30th June, 2010 in respect of:-

Vote 46 - Ministry of Tourism

*(Question proposed)*

VOTE R46-RECURRENT EXPENDITURE

SUB-VOTE 460-GENERAL ADMINISTRATION AND PLANNING

*(Heads 701,715 and 798 agreed to)*

*(Sub-Vote 460 agreed to)*

SUB-VOTE 461- TOURISM SERVICES

*(Heads 535,538,540 and 541 agreed to)*

*(Sub-Vote 461 agreed to)*



*(Vote R46 agreed)*

VOTE D46- DEVELOPMENT EXPENDITURE

SUB-VOTE 460- GENERAL ADMINISTRATION AND PLANNING

*(Heads 701 and 715 agreed to)*

*(Sub-Vote 460 agreed to)*

SUB-VOTE 461- TOURISM SERVICES

*(Heads 535, 540 and 541 agreed to)*

*(Sub-Vote 461 agreed to)*

*(Vote D46 agreed to)*

*(Vote 46 agreed to)*

*(Question put and agreed to)*

*(Resolution to be reported without amendment)*

*(The House resumed)*

*(The Temporary Deputy Speaker  
Mr. Baiya in the Chair)*

**REPORTS**

Vote 16 – Ministry of Trade

**Mr. Imanyara:** Mr. Temporary Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs1,139,457,590 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30<sup>th</sup> June, 2010 in respect of Vote 16 – Ministry of Trade, and has approved the same without amendment.

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

**The Minister for Tourism** (Mr. Balala) seconded.

*(Question proposed)*

*(Question put and agreed to)*

## Vote 46 – Ministry of Tourism

**Mr. Imanyara:** Mr. Temporary Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs1,436,626,050 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30<sup>th</sup> June, 2010 in respect of Vote 46 – Ministry of Tourism and has approved the same without amendment.

**The Minister for Tourism** (Mr. Balala): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

**The Minister for Trade** (Mr. Kimunya) seconded.

*(Question proposed)*

*(Question put and agreed to)*

**ADJOURNMENT**

**The Temporary Deputy Speaker** (Mr. Baiya): Hon. Members, we have come to the end of today's sitting. Therefore, the House stands adjourned until Tuesday, 18<sup>th</sup> August, 2009, at 2.30 p.m.

The House rose at 7.45 p.m.