

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 26th July, 2006

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

QUESTION BY PRIVATE NOTICE

DISBANDING OF ASTU AT ENDAU LOCATION IN KITUI

Mr. K. Kilonzo: Mr. Speaker, Sir, I beg to ask the Minister of State for Administration and National Security the following Question by Private Notice.

(a) Is the Minister aware that the Anti-Stock Theft Unit based at Endau Location in Mwitika Division of Kitui District has been disbanded without the knowledge of the District Security Committee and the local leaders?

(b) Why was the unit disbanded?

(c) Could the Minister restore the unit as the area has high incidence of cattle rustling?

The Assistant Minister, Office of the President (Mr. Kingi): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that the unit was disbanded. However, I am aware that the unit was relocated to Ngomeni area in Mwingi District after consultation with relevant Government machinery, including the District and Provincial Security Intelligence Committees.

(b) The unit was relocated after incidents of cattle rustling in Endau area were put under control. The role of the Anti-Stock Theft Unit is operational and not static. They are normally located in an area on a need basis. Once they accomplish their assignment, they are normally detached or relocated to other areas.

(c) There is no immediate intention to relocate the unit to Endau, since cattle rustling in the area has been firmly brought under control. In the last seven months, there have been only two incidents of stock Theft in Endau area. The incidents that may arise can adequately be handled by the local police at Endau Police Post.

Mr. K. Kilonzo: Mr. Speaker, Sir, I would like to request the Assistant Minister to consider bringing back the Anti-Stock Theft Unit to Endau. The reason why there have been few cases of stock theft is that, this unit has been able to move and respond when the need arises. Could he consider bringing it back?

Mr. Kingi: Mr. Speaker, Sir, I have no problem with that consideration as long as the hon. Member liaises with the District Security Committee and we are informed that there is need for that unit to be posted back to that place.

Mr. Midiwo: Mr. Speaker, Sir, the Assistant Minister has said that incidents of stock theft have reduced. He has been told by the hon. Member that the reduction was due to the presence of the Anti-Stock Theft Unit. The Questioner has also said that they were withdrawn without the

concurrence of the security team in the district. How does the Assistant Minister expect the people to go back and consult and yet there was no consultation in the reverse way?

Mr. Speaker, Sir, could the Assistant Minister restore the Anti-Stock Theft Unit in this particular location without going round the Question?

Mr. Kingi: Mr. Speaker, Sir, if the hon. Member heard my answer well, I said that the relocation was done after consultation with Government machinery including the District and Provincial Security Intelligence committees. We cannot do anything like that without consulting those committees. If need has now arisen which requires us to send the unit back to Endau, the hon. Member should liaise with the District Security Committee and when we are given this information, we will definitely send the unit back to that place.

Mr. K. Kilonzo: Mr. Speaker, Sir, during the first week of this month, the security committees from Kitui, Mwingi and Tana River districts met in Coast Province to discuss the issue of cattle rustling in our area.

The chairman of the District Committee who is the DC of Kitui brought up this issue and pointed out that it was removed without their knowledge. They wrote a letter requesting it to be restored. Now that the Assistant Minister says that a letter is required for that to be done and it has already been written, could he give this House assurance that within this month, he will return the unit to the area upon receipt of that letter?

Mr. Kingi: Mr. Speaker, Sir, I have said that if we are told that there is need for us to post that unit there, we will definitely do it. All that is required is for the hon. Member to liaise with the District Security Committee and send us that information. If that information is already there, we will definitely act on it.

ORAL ANSWERS TO QUESTIONS

Question No.352

MURDER OF MR. WALTER KIMUTAI NGETICH

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

(a) whether he is aware that Mr. Walter Kimutai Ngetich, (P/No.98002868) of the Ministry of Health (NASCOP) mysteriously disappeared on 19th April, 2005 and was subsequently found dead on 21st April, 2005;

(b) whether he is further aware that a murder suspect was arrested then released under unexplained circumstances before he was charged in a court of law; and,

(c) what he is doing to unearth the truth on the matter.

The Assistant Minister, Office of the President (Mr. Kingi): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Mr. Walter Kimutai Ngetich whose Personal Number was 98002868 was found dead on 21st April, 2005. His body was found along Likoni Road and was taken to the City Mortuary.

(b) I am aware that a murder suspect, one Joseph Magembe Omare, aged 17 years was arrested but was later released for lack of evidence vide Director of Public Prosecutions letter Ref. No.AG/CR/4682 of 18th July, 2005.

(c) Investigations into this matter are still going on vide file No.Embakasi CID/CR/151/411/05. Anybody with useful leads should record a statement with the police at

Embakasi Police Station.

Mr. Sang: Mr. Speaker, Sir, the Assistant Minister has said that anybody with information should volunteer it to the police. This is a sign of reluctance on the Government to act on this matter. The Government should look for the suspects and not to wait for people to volunteer information. We want an assurance from the Assistant Minister that the Government will be serious with this matter, carry out investigations and apprehend the suspects.

Mr. Kingi: Mr. Speaker, Sir, I do not know what is expected of us because when we ask for information, we want to use that information to help us pin down the suspects. The era of beating everybody in the locality where the crime was committed is gone. We want citizens of this country to give us the information that we require and we will use it to pin down the criminals.

Mr. Muturi: Mr. Speaker, Sir, the Assistant Minister has alluded to a letter by the Director of Public Prosecutions which appeared to have caused the suspect to be released. He went ahead to say that there is a file at the Embakasi Police Station which had been opened without disclosing to us which people have recorded statements. It is not enough that a file has been opened. Could the Assistant Minister tell us how many witnesses have so far recorded statements so that the hon. Member can know whether there is anything to expect or nothing at all?

Mr. Kingi: Mr. Speaker, Sir, quite a number of people have recorded statements including the deceased's brother, the landlord of the place where this person was residing and others.

Capt. Nakitare: Mr. Speaker, Sir, in the absence of the information from the public, does the Assistant Minister have access to a forensic laboratory where they can determine DNA from this suspect?

Mr. Kingi: Mr. Speaker, Sir, I think the answer to that question is known to everybody here. The answer is, no.

Mr. Sang: Mr. Speaker, Sir, this is a case of cover-up because the main suspect who was supposed to be charged, instead reported to the police. He stated in his statement that Mr. Ngetich had gone on official duty to Mombasa when records in the office do not indicate that Mr. Ngetich had been assigned any duty at all in Coast Province or Mombasa. He is the same man who was arrested and found to have washed Mr. Ngetich's car. He is the one who broke into the house which was full of blood. He is the one who opened the gate for the murderers to enter the house. That man was released under mysterious circumstances. This is a cover-up case. I wonder whether the Assistant Minister is aware that fresh investigations are being carried out. In that regard, I urge him to fully support the investigations so that the matter could be resolved for good.

Mr. Kingi: Mr. Speaker, Sir, we will give the support that is required. However, after investigations have been carried out and all the information that the hon. Member has given have been raised and the office of the Attorney-General says there is no evidence, we have to start afresh. That is what we have done in this case.

Question No.209

DISCRIMINATORY JOB RECRUITMENT OF
JOB APPLICANTS IN THARAKA DISTRICT

Mr. Kagwima asked the Minister for Planning and National Development:-

(a) why the Ministry in September, 2005 employed candidates who did not apply for jobs in Tharaka District leaving out the applicants and those who were interviewed; and,

(b) whether he could make available lists of the applicants and those employed.

The Minister for Planning and National Development (Mr. Obwocha): Mr. Speaker, Sir, I beg to reply.

This Question relates to the Participatory Poverty Assessment that was done in July, 2005.

(a) The research assistants (eight posts) and team leaders (two posts) were selected from a pool of non-successful applicants who had applied for positions in the Kenya Integrated Household Budget Survey (KIHBS) advertised in 2004. The Participatory Poverty Assessment is part of the KIHBS. The organisers felt that we should pick the candidates from there.

(b) In Tharaka District, 15 candidates were short listed from the KIHBS applicants. They were interviewed and ranked using a criteria developed for use in the districts that we had identified. The best ten candidates were picked from the 15 candidates. I have a list of the 15 candidates who were interviewed and ranked. The criteria that was followed was age, previous PPA training, level of education, knowledge of English and mother tongue, field work experience, availability over survey period and leadership qualities.

Lastly, the ten were Nicholas Gituma, Mark Mwiti Kamui, Rosemary Karoki, Gloria Kawira Kamunge, Japheth Muriithi Nkaabu, Isaiah Mutungi, David Marundi Mwenda, Jotham Mugendi, Reuben Mutegei and Isaac Nthiga. From that list, I note that there is no Odhiambo, Prof. Anyang'-Nyong'o and Mr. Raila. I do not know why the hon. Member has said that we picked those people from elsewhere.

Mr. Kagwima: Mr. Speaker, Sir, this Question was deferred because the Minister and his staff did exactly what the Minister is denying. The staff of the Ministry in Tharaka District advertised for those positions in 2005 and people applied and were interviewed, but the Minister picked the candidates from the list of 2004.

Mr. Speaker, Sir, the Minister should note that people were interviewed in 2005. While awaiting the results, the Ministry headquarters here in Nairobi decided to pick the candidates from the 2004 list. There is a difference of one year. Why did the Minister waste people's time by advertising and interviewing those candidates in 2005 and then use the list of 2004? That is what I am complaining about.

I will ask him the second question after he has answered this one.

(Laughter)

Mr. Obwocha: Mr. Speaker, Sir, if the hon. Member has a different list of the candidates who were taken other than the one I have read out, he should lay it on the Table so that we can compare them.

Mr. Maore: Mr. Speaker, Sir, the Minister wants to be believed but let him convince the House. The argument is that those posts were advertised in 2005 and people were interviewed. Could the Minister explain why he imagined of another pool that did not exist or make reference to the advertisement?

Mr. Obwocha: Mr. Speaker, Sir, I have said that the Participatory Poverty Assessment is part of the KIHBS. We received many applications when we advertised for the posts. We decided that instead of re-advertising for the posts, since that was a "son" of the "mzee", we take the candidates from that list.

(Laughter)

Mr. Kagwima: Mr. Speaker, Sir, it is very unfortunate that even after the Question was deferred last month, the Minister did not bother to go and check the facts. This is the same answer he brought to this House and we rejected it. The Chair asked him to go and look for a better

answer. It is unfortunate that, that did not happen.

Secondly, the Minister has said that there is no Odhiambo in that list. I do not want to be tribalistic, but there are three people in the list who do not understand that mother tongue. For example, where did Kamunge come from? That is not a local name. Let him answer that question.

Mr. Obwocha: Mr. Speaker, Sir, my local training of names tells me that "Kamunge" who used to be my lecturer in the university in the early 1970s came from Meru. If we use names to determine who does not understand---

Mr. Speaker: Mr. Kagwima, must all the residents of Meru be Merus? As your Chair, it is right and proper that hon. Members pursue interests of their constituents, but I also figure out that your constituents need not be your tribes people!

(Applause)

I think any Kenyan resident in your constituency is your constituent. We better behave that way as hon. Members!

Mr. Maore: On a point of order, Mr. Speaker, Sir. Just for the record, it is the Minister who read out the criteria that was followed. The local language is among the other criteria that was used. That was not mentioned by the hon. Member.

Mr. Speaker: But Mr. Maore, even with that, what would stop a Maasai from knowing Kimeru and speak it?

(Applause)

Mr. Obwocha: Thank you, Mr. Speaker, Sir. It is common knowledge that many Kenyans know many languages. I know many Merus who know Ekegusii.

Mr. Speaker: Anyhow, Mr. Minister, are you satisfied that those people were from that area?

Mr. Obwocha: Mr. Speaker, Sir, we recruited ten people and I do not know what language they understand. To me, the names of the ten people appear to be for Merus. If there is information to the contrary, we can take up the matter. We are transparent and we can act. This is our position.

Maj-Gen. Nkaiserry: Thank you, Mr. Speaker, Sir. The hon. Member asked this Question so that his constituents are not marginalised. The Ministry of Planning and National Development advertised the posts, but went back and used the list of 2004 instead of the 2005 list. This is a critical point.

Mr. Speaker, Sir, you have said that a Maasai would know Kimeru. The people of Nairobi are very close to Kajiado District and the Maasai could easily be marginalised by the communities which come from other districts. That is the problem of this Minister. He is planning to fail the country?

Mr. Obwocha: Mr. Speaker, Sir, I did not understand what Maj-Gen. Nkaiserry alluded to. I do not know if he wants to start a war.

Maj-Gen. Nkaiserry: Mr. Speaker, Sir, I said in my last remark, that the Minister for Planning and National Development should plan for this country to succeed. However, I think we are going backwards. If you look at the Economic Survey of 2004, you will see that this Minister is planning to fail this country.

Mr. Obwocha: Mr. Speaker, Sir, I have already told Maj-Gen. Nkaiserry, and the House that the KIHBS which this House discussed, was much bigger. We spent Kshs615 million to try and get the poverty index. The list was long, and the Participatory Poverty Assessment is a son of the bigger survey. We thought that there were many sons in that area and wondered why we could

not use them to conduct the survey. I assure Maj-Gen. Nkaiserry that currently, I am putting together a vision for this country up to the year 2030. So, I am not planning the country backwards.

Mr. Angwenyi: On a point of order, Mr. Speaker, Sir. Did you hear the hon. Minister say that the poverty index gave birth to a son? Is he in order?

Mr. Speaker: Did the poverty index give birth to a daughter?

Mr. Angwenyi: It cannot give birth to a living being. It is not something which is alive!

Mr. Speaker: Well, can we keep the semantics aside?

Mr. Kagwima: Mr. Speaker, Sir, two very funny things happened after the survey and that is why I raised this Question. First, the survey was not successful because those people involved in it did not understand the language that was being used. They were also afraid of going to the harsh areas of Tharaka. Secondly, the person on the ground, after advertising for the jobs, went around taking people's money, yet he did not employ them. Out of that, you can see that people lost money and the statistics are so much against Tharaka, that the poverty index has now been adjusted from 67.5 per cent to 63 per cent, reducing the CDF allocation to the population which was rated as 105,000 in 1999, and is now 99,000. Those three things have put us in a big mess. Could the Minister correct the situation by giving us the old figures; 67.5 per cent for the poverty index and a minimum of 120,000 on population so that the CDF allocation is properly accounted for?

Mr. Speaker: Mr. Minister, you have heard that you probably do not only have a son, but maybe, two sons and a daughter. So, can you respond to that?

Mr. Obwocha: Mr. Speaker, Sir, you will appreciate that we are addressing issues of corruption. If there were problems on the ground concerning the people who were carrying out interviews and if they were taking people's money, then I do not know about it. However, we can investigate that. With regard to the survey results, it is not only hon. Kagwima who is complaining about it, but also many other hon. Members. This is the first time it was done. I can assure this House that as we look for donor funds to repeat this exercise, not very soon, we are now aware of the kind of people we will send on the ground to collect information for the assessment of poverty index. Therefore, I can assure the hon. Member, at the moment, that the results we got are what we will use until we repeat the exercise in the near future.

Mr. Sambu: On a point of order, Mr. Speaker, Sir. Would I be in order to ask the Public Accounts Committee or the Public Investments Committee, whichever is relevant, to investigate this Minister because records were put together in 2004, and he paid money again for records to be done in 2005, knowing very well that he would not use them? Would I be in order to ask the House to order the Controller and Auditor-General and the watchdog committees to investigate him for misappropriation of funds for the 2004/2005 Financial Year?

Mr. Speaker: Yes, you are out of order.

Mr. Obwocha: Mr. Speaker, Sir, if he is asking me to agree to be investigated, I will say "no".

Mr. Speaker: Order, the two of you! Order! I said that Mr. Sambu is out of order.

Mr. Sambu: Why?

Mr. Speaker: Because the job of the Public Accounts Committee is not dependant upon your request. It is constitutional and mandatory. You cannot demand individually and neither can the Minister say "no" to investigations. Whether he likes it or not, it will happen. So, you are all out of order.

Mr. Kagwima: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: I thought you had finished. I tend to be sympathetic with hon. Kagwima all the time because the Questions coming from him indicate that there is something not quite right being done in Tharaka. I am really sorry about that.

Mr. Kagwima: Mr. Speaker, Sir, I am wondering whether the Minister is in order to say

that the people on the ground, who belong to his Ministry, caused a mess but the buck does not stop with him? I thought he is the one responsible. Who else would answer on behalf of his staff?

Mr. Obwocha: Mr. Speaker, Sir, that is why I said that we will investigate those people who were involved in corruption, if there were any. I assured the hon. Member that we will investigate the matter. Maybe, he did not hear me. I can assure you if that was the case on the ground, we will investigate it.

Mr. Speaker: Very well! Next Question, hon. Member for Butula. I understand you have an agreement with the Minister.

Question No.094

INTRODUCTION OF SCHOOL FEEDING PROGRAMME IN BUTULA CONSTITUENCY

Prof. Mango asked the Minister for Education:

(a) whether he is aware that out of 33,000 primary school children in Butula Constituency, 11,000 are orphans; and,

(b) what plans he has to institute a school feeding programme to enable those children perform optimally.

The Assistant Minister for Education (Mrs. Mugo): Mr. Speaker, Sir, I have agreed with the hon. Member that we defer this Question to tomorrow or Tuesday. I hope that is okay.

Prof. Mango: Mr. Speaker, Sir, that is already agreed.

Mr. Speaker: Very well. I will defer it to Tuesday next week.

(Question deferred)

Question No.411

RELEASE OF CHESONI REPORT
ON MWEA TRUST LAND

Mr. Karaba asked the Minister for Lands:-

(a) whether he is aware that the report by Justice Chesoni Commission on the controversial Mwea Trust Land established in 1990s has not been made public; and,

(b) when the report will be released.

Mr. Speaker, Sir, I have no written reply.

The Assistant Minister for Lands (Mr. Kamama): Thank you, Mr. Speaker, Sir. I seek the indulgence of the House to defer the Question because I have not received the relevant reports from the relevant offices so as to answer this Question appropriately. So, I seek the indulgence of this House, so as to answer the Question next week, Thursday.

Mr. Speaker: Very well.

What do you say, Mr. Karaba?

Mr. Karaba: That is okay, as long as the Question will be answered.

Mr. Speaker: Very well, we defer the Question to Thursday next week.

(Question deferred)

Question No.451

REVIVAL OF ITHANGA
MUTHESYA WATER PROJECT

Mr. Mbai asked the Minister for Water and Irrigation:-

(a) whether he is aware that two water pumps and pipes worth hundreds of thousands of shillings will go to waste as a result of the stalled Ithanga Muthesya Water Project; and,

(b) what urgent measures he is putting in place to revive the project.

Mr. Speaker, Sir, I do not have a written response.

Mr. Speaker: Hon. Members, I think this matter is becoming too much. The rules are very clear in the Standing Orders. An hon. Member is not only supposed to be provided with a copy of the written response, but the Clerk should produce copies, one for the hon. Member and others for any interested hon. Members. It has become a routine for us not to get written responses. I think that affects, adversely, the work of this House.

The Deputy Speaker, this morning, addressed that issue. I hope this is the last time we will remind hon. Members about the requirements of this House. So, can we have the order complied with?

The Assistant Minister for Water and Irrigation (Mr. Wanjala): Mr. Speaker, Sir, I am also concerned about that and someone must be punished for this. I had a written response ready, since morning.

So, whoever was supposed to deliver the answer from the Ministry, will have to answer some questions from me.

Mr. Speaker: Very good! So, you see what will happen is that you are answering to me and somebody answers to you. In the meantime, what do we do now that you have not answered to me?

The Assistant Minister for Water and Irrigation (Mr. Wanjala): Mr. Speaker, Sir, I have my answer here. It is unfortunate that the hon. Member did not alert me earlier because I would have photocopied it. I expected it to be here because I had it since morning.

Mr. Speaker: Mr. Mbai, would you be happy to continue without a copy of the written answer or shall I defer the Question until tomorrow?

Mr. Mbai: Mr. Speaker, Sir, you can defer the Question until tomorrow.

Mr. Speaker: Yes! I think you need to have a written answer.

Order, hon. Members! Order, Mr. Leshore! Let me repeat the following: Let us have written answers. This morning, Mr. Deputy Speaker made a special reference to the Ministry of Water and Irrigation as being the main culprit in non-compliance with the requirement to supply written answers. I take the undertaking by Mr. Wanjala seriously, that he will have somebody to answer that. Let us hope that it will happen today.

The Question is deferred until tomorrow afternoon! Meanwhile, you will give the hon. Member a copy of the answer that you have. You will go and negotiate with your officials as to whether or not they will give it to you.

The Assistant Minister for Water and Irrigation (Mr. Wanjala): Most obliged, Mr. Speaker, Sir.

Mr. Speaker: Thank you, Mr. Wanjala!

(Question deferred)

Next Question by the hon. Member for Makadara Constituency!

*Question No.208*GOVERNMENT DELAY IN RESPONDING
TO COLLAPSED BUILDING TRAGEDY
AT NYAMAKIMA

Mr. Ndolo asked the Minister for Local Government:-

- (a) why the Government delayed in responding to the tragedy that occurred following the collapse of a building which was under construction in Nyamakima area of Nairobi in January this year;
- (b) what disciplinary action has been taken against Nairobi City Council engineers who approved the construction works; and,
- (c) what measures have been put in place to guard against recurrence of such tragedies in future.

The Minister for Local Government (Mr. Kombo): Mr. Speaker, Sir, I beg to reply.

(a) The Government did not delay in responding to the tragedy. The Government responded swiftly to that tragedy by mobilizing all available equipment and resources to help rescue those trapped.

(b) No disciplinary action has been taken against Nairobi City Council engineers. However, we suspended three officers of Nairobi City Council - two planners and a building surveyor. Their matter is now in court.

(c) The Nairobi City Council has put in place a number of measures to guard against recurrence of such tragedies. Some of the measures are as follows:-

(i) The Nairobi City Council has now put in place measures to ensure that developers engage the professional services of registered architects, engineers and town planners, before their proposals are evaluated.

(ii) Contractors are now required to ensure safe construction practices are adhered to during the building construction, and shall remain so after the construction.

(iii) The registered professionals, particularly architects and engineers, are now being given conditional approval to inspect architectural and engineering designs undertaken by them, and sign an indemnity to take the responsibility for actions of negligence and/or omissions during construction and possible structural failures in future.

(iv) The project architects and structural engineers are now required to issue a certificate of good workmanship for all types of building, before the council can issue the mandatory occupation certificate to permit the use of the building.

(v) Regular enforcement operations are being undertaken to verify that developments that are under implementation have secured all the Nairobi City Council approvals. If found not to have complied, appropriate enforcement action is taken.

(vi) Mandatory statutory inspections of the implementation of the approved construction works are now being undertaken by the City Council of Nairobi.

Mr. Ndolo: Mr. Speaker, Sir, I thank the Minister for that answer. However, before that tragedy occurred, I personally had discussed that building with one of the Ministers. I informed him about the construction of a building that was going on. But he just took it lightly. The Minister has said that no action was taken against the two engineers. Could he tell this House why his Ministry did not take action against those two engineers who approved the construction of the building and

supervised it?

Mr. Kombo: Mr. Speaker, Sir, no action was taken against the engineers because it was found out that the plan for the building was granted on conditioned approval. One of the conditions that the developer was required to comply with was to submit structural engineering details for approval by the City Council of Nairobi. That condition was not satisfied. So, there was already a condition and the engineers had done their bit. The plan was for alterations and not for additional floors.

Mr. Manoti: Mr. Speaker, Sir, there is a problem at City Hall. Once the developers submit their plans for approval, it takes even up to six months! That results to a lot of corruption at City Hall. What is the Minister doing to assist developers to get their plans approved within a limited time, so that they can develop houses in this town?

Mr. Kombo: Mr. Speaker, Sir, I appreciate and sympathise with the Questioner. But I must say that, that matter has now been resolved. The delays were due to the rivalry between the political side of the Nairobi City Council and the officers. That has been resolved and the delays are no longer there.

Mr. Ogur: Mr. Speaker, Sir, why was the exercise of removing dead bodies and rescuing the injured abandoned early? A week later, a body was discovered in the collapsed building---

An hon. Member: That is what I wanted to ask!

Mr. Ogur: Oh! You wanted to ask the same question? Okay.

(Laughter)

Mr. Speaker: What is happening?

Mr. Ogur: Mr. Speaker, Sir, there was a small Israeli dog that failed to discover that dead body. Even the big dogs did not discover it! But the Minister allowed the experts to go away. The President said that we should retain those dogs and also buy our own dogs. Could the Minister tell this House whether we have bought the small and big dogs to assist us in such situations?

(Laughter)

Mr. Kombo: Mr. Speaker, Sir, I want to assure hon. Ogur that the Government has now taken steps to make sure that our ability to respond to emergencies is improved.

Mr. Mwandawiro: Bw. Spika, nimesikiliza jawabu la Waziri kwa makini sana. Ametoa orodha ya hatua ambazo zimechukuliwa kulinda Jiji la Nairobi ili lisipatwe na majanga. Ukweli ni kwamba, mitaa ya mabanda yamejaa hapa jijini. Hakuna mpango kabisa! Je, Waziri anaweza kutueleza ni lini Wizara itachukua hatua na kutekeleza sheria za jiji ili kuhakikisha kwamba jiji hili litakabiliana na majanga na kuhakikisha kwamba halitakuwa mtaa mkubwa wa mabanda katika Afrika?

Mr. Kombo: Bw. Spika, hilo ni Swali lingine. Kama Mhe. Mwandawiro anataka kuuliza tuko na mipango gani ya kumaliza mitaa ya mabanda, hilo ni Swali tofauti. Swali hili lilikuwa kuhusu nyumba ambayo iliporomoka.

Prof. Oniang'o: Mr. Speaker, Sir, foul smell continues to emanate from the scene of the fire tragedy months after the tragedy. Could the Minister assure us that, indeed, the bodies of the Kenyans who perished in the fire have been removed?

Mr. Kombo: Mr. Speaker, Sir, I hope that we have removed all the bodies of the people who perished in that building.

Mr. Lesirma: Mr. Speaker, Sir, given the fact that technocrats at City Hall may be under

capture by the "chair throwers", namely, the councillors, would it not be necessary for the Minister to enlist the services of the Chief Structural Engineer, Ministry of Roads and Public Works, to ensure that standards are enforced?

Members of the City Hall Planning Committee, namely, the councillors, are not going to appear in court. Instead, it is the civil servants who suffer. Could we get independent officers from the Ministry of Roads and Public Works to deal with this issue?

Mr. Kombo: Mr. Speaker, Sir, we worked very closely with the Ministry of Roads and Public Works on this matter. In fact, the investigating team was led by officers from the Ministry of Roads and Public Works.

Mr. Ndolo: Mr. Speaker, Sir, many buildings are coming up in eastlands which do not conform to the laid down construction standards. The Minister has told the House that his Ministry is putting in place measures to make sure that construction standards are conformed to.

What is he doing to ensure that all the buildings in eastlands which do not conform to the laid down standards are demolished before a disaster occurs?

Mr. Kombo: Mr. Speaker, Sir, there is a team going around eastlands already and looking at the various buildings. As soon as the report is brought to us, we shall take action.

COMMITTEE OF SUPPLY

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

MOTION

THAT MR. SPEAKER DO
NOW LEAVE THE CHAIR

Vote 16 - Ministry of Trade and Industry

*(The Minister for Trade and
Industry on 25.7.2006)
(Resumption of Debate
interrupted on 25.7.2006)*

Mr. Speaker: Is there anybody who is interested? Hon. Kagwima, you had concluded.

Mr. Angwenyi: Thank you, Mr. Speaker, Sir, for giving me a chance to contribute on this very important Vote.

Mr. Speaker, Sir, from the outset, I would like to commend the Minister for Trade and Industry. He has performed well above his predecessors. Two years ago, we attended a Ministerial Conference in Cancun and the Minister was able to organise all the delegates from Nairobi. We made a mark in the negotiations in Cancun. Six months ago, he again portrayed a good image of this country and this continent, when he chaired a session of the World Trade Organisation (WTO) Conference in Hong Kong.

Mr. Speaker, Sir, I would like to talk about the globalisation of trade. This country liberalised its trade terms in 1994 without setting up a proper system for liberalisation. As a result of that haphazard liberalisation, which was done in Calabash in Morocco, when hon. M'Mukindia went there with his Personal Assistant and committed this country to liberalisation, we have lost a

lot of our industries.

Our textile manufacturing industry has collapsed. We are importing a lot of textile products from countries which produce them cheaply.

Mr. Salat: On a point of order, Mr. Speaker, Sir. Are you aware that this debate is taking place in the absence of both the Minister and the Assistant Minister? None of them is here. Is that in order?

Mr. Speaker: So, what do you want me to do?

The Assistant Minister for Planning and National Development (Mr. Serut): Mr. Speaker, Sir, I am holding brief for the Minister for Trade and Industry.

Mr. Speaker: That is good enough. In fact, there are sufficient Ministers here.

Mr. Angwenyi: Mr. Speaker, Sir, the liberalisation of trade in this country without setting up proper systems has destroyed our industries and trade in general. I, therefore, would like to suggest that this Ministry revives the industries which have been destroyed through haphazard liberalisation. The Ministry should revive RIVATEX and Kikomi industries, so that we can create jobs for our people and have technological development.

The Industrial and Commercial Development Corporation (ICDC) used to support our indigenous industrialists and traders. The Kenya National Trading Corporation (KNTC) also used to help our people to engage in international trade. However, these two institutions have gone under. The KNTC has collapsed. What we have are trading companies that are not owned by indigenous Kenyans, and they are siphoning off lots of our foreign exchange, thereby destroying our economy.

Mr. Speaker, Sir, we used to have the Joint Loans Board which is not existing any more. I would suggest that the funds that were being allocated to the Joint Loans Board is given to the Kenya Industrial Estates, which has been revived. I thank the managers and the board of the Kenya Industrial Estates for reviving that parastatal, which is now providing services to Kenyans by developing small-scale industries.

Mr. Speaker, Sir, may I also suggest that this Ministry should develop training institutions that train our youth in international trade.

Recently, we went to China as Members of the Departmental Committee on Finance, Planning and Trade. I was surprised to find young people from Nigeria, Cameroon and even Mali in China trying to buy goods from China to go and sell in their own countries. If we train our youth, they will be able to conduct that kind of business. They would go to China or even to USA, and make money for themselves, provide employment for others and develop our economy.

Mr. Speaker, Sir, we know that the WTO negotiations may have collapsed. But we must set up systems to guard against the negative impact of that collapse. Very soon, we might find it difficult to export our tea, coffee or even sugar, unless we set up a system to export our produce. We could do that, for example, by adding value to our produce. I recently learned that Lipton company has established a factory to add value to our tea in Dubai. If this Ministry was serious, they could have negotiated with the Lipton company, and instead of setting up a value-adding factory in Dubai, they could have done it in Kenya where the tea comes from.

As you know, our tea is of very high grade. Normally, it is used for blending other inferior tea from other countries. But we do not get the value of our high grade tea because we export it raw to Europe for them to make money out of our tea. The same applies to coffee. Germany is the biggest exporter of finished coffee in the world. But Germany does not have one shrub of a coffee tree. They import all their coffee from other countries and high quality coffee from Kenya which they use to blend the inferior coffee from other countries and export it. That way, they reap from where they did not sow. Therefore, the Ministry of Trade and Industry should concentrate and focus on assisting indigenous Kenyans to develop factories where we add value to our produce and

reap maximum profits.

Mr. Speaker, Sir, we should address the issue of trade attaches in countries that are important to our country. We should have a very experienced trade attache', for example, in Pakistan, which is the biggest importer of our tea. We should have an experienced trade attache' in Brussels to take care of our exports to the European Union. The same applies to the UK. In fact, our diplomats should be people with a trade background so that they can promote trade between us and the countries they are posted to.

If you go through our balance of trade with most countries of the world, you will find that it does not favour this country. For example, the balance of trade between Kenya and South Africa is hugely in favour of South Africa and yet, we do not have a trade attache' in South Africa. South Africa cannot import tea from Kenya and yet, we import eggs from them. We should have reciprocal trade. If people cannot buy our agricultural products, we should not import their agricultural products either. Tit for tat is a fair game. In so doing, we can improve the economy of this country.

Mr. Speaker, Sir, I am sure that if we give this Ministry support by approving their Budget and demanding that they be allocated adequate resources, we can improve our international trade and balance of trade and eventually our economy.

Finally, I will ask the Minister to negotiate with the USA so that they can extend the AGOA agreement to make sure that it is indigenous Kenyans who benefit from that agreement, instead of foreigners who are stationed at the EPZs who take advantage of the AGOA agreement.

With those remarks, I beg to support.

Mr. Khamasi: Thank you, very much, Mr. Speaker, Sir, for giving me a chance to make a few comments on this Vote. First of all, I would like to join my friends in congratulating the Minister in the manner in which he moved the Vote. I would like to express my appreciation in the manner in which he has carried out his duties. I want to encourage him to continue because he is doing Kenya proud whenever he is involved in any exercise outside this country.

Mr. Speaker, Sir, my worry is when you look at the allocations. I think this will become a thing of the past when we set up the Budget Office. We are not allocating money where it is most needed. When you look at the Printed Estimates in the blue book, look at what is allocated to even other departments, not Ministries. For example, the NSIS and the Department of Defence have been allocated billions of shillings. The Office of the President is in its own class. One wonders whether we, the people who are running this country, know where we should invest our money. I believe the Kshs1 billion that has been allocated to this Ministry is too little and yet, we expect a lot from it.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

Mr. Deputy Speaker, Sir, I believe that when we set up the Budget Office, we will give this Ministry enough funds to turn around the economy of this country. I believe it is a very key Ministry. We need to look after it well in terms of funding so that we can see the results.

Mr. Deputy Speaker, Sir, I have a few things that I will ask the Minister to inform this House when he will be replying. What has happened to bilateral trade agreements that have been signed over a period of time? What has happened to these bilateral trade agreements? Where is the follow up on these agreements or is it a ritual whereby these agreements are just filed and put on shelves? I do not think we need agreements which have got no meaning since they cannot be followed up.

Mr. Deputy Speaker, Sir, the Exim Bank of India availed about US\$20 million for small and medium enterprises. I wonder whether this has been taken up since this is an area we need to develop and improve in terms of trade. When the Minister is replying, we would like to know what has gone on in that regard. We have yet to see the small books on district allocations and yet we are going into the Committee of the Whole House at some stage today.

I do not know whether the Minister thinks this Ministry is too small that he is not able to produce these books for us to be able to know the amount of money that the Joint Loans Board have been allocated. This is critical and when we go into the Committee of the Whole House, we shall demand that the Minister lays on the Table of the House these books. He should, in fact, distribute them for us to be able to know what he has done in terms of loan allocations to districts.

Mr. Deputy Speaker, Sir, the recent statistics have shown that 70 per cent of this country comprises of the youth and most of them are unemployed. I am not sure that by 2020 we shall be industrialised because this is the sector that will absorb a substantial percentage of this population. The Government should be working very seriously on a special fund which should be able to provide funding for this group of the population so that we can engage them. They can carry out trading activities and in so doing they may reverse the situation where the economic growth of 5.8 per cent is not felt on the ground. It is fairly somewhere above there where the ordinary Kenyans, youth and women do not feel that actually there is economic growth. If we had a special fund where we could get money for these people, it would make quite a substantial difference. It is necessary that this Ministry should help the Government to expand the economic growth of this country. The youth and women should be beneficiaries of these funds.

Mr. Deputy Speaker, Sir, for the benefit of not repeating what my colleagues have said, there are trade attaches in this Ministry. How are they appointed? Who do we look at before we forward their names to various countries in the world? It is necessary that if we have to improve our trade with other countries we must recruit the best officers that we have. It should not be a matter of appeasing certain individuals who have failed in certain fields and sending them abroad in these missions.

Mr. Deputy Speaker, Sir, it is necessary that we should recruit the best so that we can improve trade between our country and others.

With those few comments that I have made, I support this Motion.

Mr. Deputy Speaker: Mr. Ahenda, are you there?

Mr. Ahenda: Mr. Deputy Speaker, Sir, I am here.

Mr. Deputy Speaker: Okay, it is your turn now to contribute. I promised certain hon. Members that they will contribute to this Motion and you are one of them.

Mr. Ahenda: Mr. Deputy Speaker, Sir, thank you for keeping your promise. I did not know that you would keep that promise but I am very glad that you have done so.

Mr. Deputy Speaker, Sir, however, one person who has not kept his promise is the Minister for Trade and Industry, who I told that I was going to lecture him on some topical issues. He promised me that he will be present in this House but he is absent. His Assistant Minister is also not here.

Mr. Deputy Speaker, Sir, however, let me talk about trade. I wanted the Minister to, first of all, jog his memory and think of the definition of the word "trade". You cannot trade without making a profit. A trader will only flourish if he continues making profit. I have in mind the internal trade. When people talk of our trading partners, they forget that our internal trade is the biggest trading partner that we have and not Uganda, Britain or Tanzania. What are we doing to nourish and expand the internal trade so that we can get more from it before we go external?

(Dr. Kituyi was applauded as

he entered the Chamber)

Mr. Deputy Speaker, Sir, I am glad the Minister is just walking in. The internal trade has been far much abused, in that, our trade officers have merely become tax collectors. In fact, I would prefer the Minister to transfer all of them to Kenya Revenue Authority (KRA) where they can become tax collectors because they are very much preoccupied with collecting fees for trade licences without actually trading. The internal trade should have been expanded by the trade officers going out to the markets to see how traders are doing and what problems they are experiencing. There is a lot of internal trade that could be expanded countrywide so that it can flourish.

Mr. Deputy Speaker, Sir, I am a very disappointed person, in that, a lot of money was pumped into Uchumi Supermarkets Limited. It was stolen and then the Minister pumped another Kshs600 million into it which will also be stolen again. This is not trade. Pure and simple! When the Minister was talking about Uchumi Supermarkets Limited, I was very happy when he first said that its former directors should have been prosecuted for the loss of these millions of shillings. However, alas, he went again and gave them another Kshs600 million to steal again. Even if they are not the same directors, that is not trade. If you remember the case of Enron Company of the United States of America (USA), these directors of Uchumi Supermarkets Limited ought to have been locked up long time ago because their actions amounted to killing trade. The collapse of Uchumi Supermarkets will recur if the Minister continues giving its new directors money. You can change the faces but the system remains the same. If you change new directors, you will not have changed anything.

Mr. Deputy Speaker, Sir, branding and packaging are essential things that our traders need to do. Our internal and external trade will only flourish if we brand and package our products well. If a product is not of a superior quality, but well branded and packaged, it will fetch more value. Officials from this Ministry should be more concerned with branding and packaging of our products rather than harassing traders on issues of licences. They should inculcate this culture in our traders. If they did so, traders will appreciate it and internal trade will flourish. It appears as though our traders seem to be running more of charitable organisations because they make very little profit, despite the fact that, they keep on pumping more resources into their businesses.

Mr. Deputy Speaker, Sir, patenting is another major issue we need to consider. There are a number of laws that govern patenting. I do not even know whether the Ministry has come up with proper patenting laws to protect our products.

Once upon a time, there was an Export Promotion Council (EPC) in this country. However, I do not know whether it still exists. I will tackle it in a few minutes when I talk about external trade. At the moment, I would like to address myself to issues that concern the Kenya Bureau of Standards (KEBS). The KEBS has done very little to help traders. If anything, KEBS officers have frustrated the traders so much so that some of them are now afraid of those officers. I believe KEBS should be part and parcel of traders. They should tour the business premises to boost traders' morale. Traders should be looking for KEBS officers. This is because having a stamp of the KEBS on their products would actually enhance their trade.

Mr. Deputy Speaker, Sir, the Business Premises and Rents Tribunal is another department that has become more of a monster to the traders. The Minister should look into issues that concern that department. We want to see this department promoting trade. Traders should not runaway whenever they see officers from this department.

Let me now take a few minutes to tackle the issue of external trade. There is a lot of promotion done in other countries by the EPC, however, the system for our products to reach those markets is lacking. I have in mind the distribution, wholesale and retail of our products externally.

There is no need of spending a lot of money promoting, for example, Kenyan tea in Germany and yet, we do not have ways of pushing it into their market. Trade attaches in embassies would be wasting their money promoting such products if they do not create the supply chain to reach those countries where they are doing promotion of our products. We need to have a supply chain for all our products. That is the only way we can access external markets. This will also ensure there is continuous supply. If we do that, within a short time, external trade will flourish.

Some years back, I attended an external trade exhibition show in Germany. The Germans were very proud of Kenyan products, particularly Kenyan coffee and tea. However, after the show, the exhibitors packed up their things and came back. The supply chain was cut off. Therefore, the trade of our products collapsed as soon as the show ended. As of now, we do not have a steady supply of our tea and coffee in some of those external markets. If that could be looked into deeply by our trade officers, this would be very good.

Mr. Deputy Speaker, Sir, the Minister should assist traders in terms of weight and measures. I do not know whether there is a proper legislation governing traders with regard to weights and measures. However, something seems to be lacking and traders do not even know where to go to when they have complaints. The Ministry should check this issue so that those charged with the issue of weights and measures become part and parcel of the traders. Once they visit a trader's shop, it should be seen as a boost to them. I believe such visits would enhance their sales. Traders should not run away from such officers. That would also increase our traders' morale and boost their trade.

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

*(Mr. Kagwe and Mr. Mwiraria stood
up in their places)*

Mr. Deputy Speaker: I will, first, give the Minister the chance. Mr. Mwiraria, you will definitely have an opportunity to **[Mr. Deputy Speaker]** contribute to this Motion. That is a guarantee.

Proceed, Mr. Kagwe!

The Minister for Information and Communications (Mr. Kagwe): Mr. Deputy Speaker, Sir, I rise to support the Minister and address the issue of investors' confidence. We, as a nation, speak about attracting foreign investments as well as increasing domestic investments. For us to industrialise, we, as a nation, have to appreciate the work that has been done by the Minister and his team. We should appreciate that the perception of Kenya as an investment destination has, indeed, changed. The reason why that has changed is because the returns on investment in Kenya are some of the highest in the world. When companies invest, they do so basically to make profits.

Word should go forth from this House to every investor locally and internationally that returns on investments in Kenya are extremely high. Investors should re-locate to Kenya because this is where money is being made.

Mr. Deputy Speaker, Sir, this is particularly important when one considers that the work that is being done by the three governments in the East African Region is such that the industrial and trade market will no longer be one of just Kenya. It is one of a hundred million people who are all located in this region, and who continue to increasingly be empowered as far as consumption is concerned. It is not enough that we have one hundred million people. It is better that we have a hundred million people who have the capacity to consume goods and services.

Mr. Deputy Speaker, Sir, the move forward on industrialisation is based on the public/private partnership. This has continued to grow very strongly. We want to ask the Minister, and I will support him, to ensure that the private sector is involved at all levels of decision making

as far as making changes, both legislative and regulatory in the investment sector of this country.

Mr. Deputy Speaker, Sir, I would like to say here that the Information Communication and Technology (ICT) sector remains as the area where people should be going to invest. are concerned. The Indian sub-continent has two million people working in out sourcing alone. Business out sourcing and back office operations employ over two million people in India. We are doing everything possible in the Ministry of Information and Communications to ensure that the connectivity required to lay the foundation and environment in which out sourcing business can thrive, is put in place. Therefore, we will be working very closely with the Ministry of Trade and Industry to ensure that the ICT business grows. However, it is not enough that we sell Kenya as an ICT investment destination to foreigners only. At the moment, many Kenyans do not appreciate or understand how the ICT business works and what the ICT business is all about.

Mr. Deputy Speaker, Sir, today, if you talk to investors in Kenya and you ask them about a back office operation, including even hon. Members, particularly, the ones who are speaking, they might not know what a back office operation means.

(Laughter)

(Loud consultations)

Mr. Deputy Speaker: Can I ask that we have some order?

An hon. Member: Ask them what a "back office operation" is!

Mr. Deputy Speaker: Can we have some order and lower tones in consultations?

Proceed, Mr. Minister!

The Minister for Information and Communications (Mr. Kagwe): Mr. Deputy Speaker, Sir, I was educating hon. Members on the issue of a back office operation. It is very simple business where a client overseas saves money by employing officers here in this country and communicates with them by an efficient working telephone. That is all it takes! A couple of computers and hard working people and you have a back office operation for a company in London or a place like Sydney or elsewhere. The biggest advantage we have in Kenya is our people as far as trade and investments is concerned. Our huge cadre of educated people will provide the backbone on which we can industrialise our nation. However, I would, particularly, like to emphasise that the ICT business is where the world is going. We cannot be left behind on this issue.

I also want to congratulate our business people, particularly, our industrialists, for learning at last to ignore the issue of politics and not to fear. In particular, foreign investors tend to think that the minute they see some little difference in political parties; the minute there is a simple by-election in this country, they tend to believe that Kenya is on the brink of collapse. Politics is to Kenya what football is to the Brazilians. The fact that the Brazilians always discuss and talk about football, does not threaten the stability of Brazil. The fact that we are political animals in this country and tend to over-politicise our nation does not, at any time, threaten the stability of their business or their investments. What you find is that the minute there is a little by-election going on somewhere, investors tend to withdraw and think that they are threatened in some way or other.

Mr. Deputy Speaker, Sir, I would, therefore, like to use this opportunity to tell our private sector that Kenya is a politically mature nation. Differences thrive within the context of a stable nation. Those of us who argue, do so within the context of stabilising our country. I would also like to urge our Parliamentarians and my colleagues here in this House, to appreciate that the differences we have should be exhibited within the context of a stable environment in which investors can come and take advantage of. I just want to emphasise on that.

The breakdown of the Doha development round in the World Trade Organisation (WTO) is an issue that we hope the Minister is going to apprise this House. He should tell us the implications of the fall of the Doha development round. I have had the privilege of sitting as the Chairman of the Departmental Committee on Finance, Planning and Trade and we had predicted that as soon as the western world is asked to make some sacrifice to the developing countries, the WTO will be threatened. That is precisely what has happened.

Mr. Deputy Speaker, Sir, the minute you ask the French person to sacrifice his subsidy for a cow, where a cow is being subsidised to the tune of US\$2.50 per day and our fellow colleagues are living on less than US\$1 per day; a cow in Japan lives on US\$7 per day - as soon as developed countries were asked to sacrifice those subsidies and allow us to sell milk to Europe and sell rice to Japan, that is when problems began. Therefore, it appears with the fall of the Doha round of the WTO, developed countries will only deal with us provided they have something to gain; provided they are the winners in whatever negotiations we carry through; and provided it is their jobs that are being protected in Europe at the expense of jobs being exported from this continent.

Mr. Deputy Speaker, Sir, when you think about it, our country is not actually a net receiver of donor aid. In fact, Kenya is a net donee. If there is a donor, then there is a donee. A donee is people like Kenya because what we are donating to Western Europe is jobs. We are donating jobs to Europe when they are packaging and processing our tea and coffee. Therefore, I think that Kenyans should be encouraged in whatever way possible.

Mr. Deputy Speaker, Sir, As a Government, we have committed ourselves to encourage Kenyans as much as possible to make use of the raw materials that we have and to add value to our raw materials and in the process create jobs.

The case with the Doha round is the same case with the European Union/Afro-Caribbean Pacific (EU/ACP) negotiations. On the one hand, the Europeans say that the ACP countries contribute very little in the economy while on the other side, they want to continue negotiating packages or agreements that are to their advantage. We urge the Minister to be particularly vigilant in the discussions that are going to follow. We also urge Parliament, particularly the Departmental Committee on Finance, Planning and Trade to also be vigilant, as far as influencing or being influenced by foreign parliamentarians is concerned. In their meetings with other parliamentarians, they should emphasise on the importance of the development part of both trade and industry.

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

*(Several hon. Members stood up
in their places)*

Mr. Deputy Speaker: I think all of you have caught my eye. However, the next person will be Mr. ole Ntimama. We must respect age!

Mr. ole Ntimama: Thank you very much, Mr. Deputy Speaker. First of all, I would like to support this Vote by the Minister for Trade and Industry. I think it has been moved professionally and very well. I think I should congratulate the Minister for that at the outset.

It is important to realise that any nation is judged by the way the economy performs. It is not even higher power or politics. It is the state of the economy that shows whether the country is stable or not. The economy of this country is totally dependent on trade, industry and among other things, investment. We have been told that the economy of this country is improving. I refuse to believe that the economy of this country is improving at all. If it is improving, it is only improving because a few people are benefiting; because the wealth that is being generated by the trade for profits and investments is not trickling down to the people. It is not! If a few top people are benefitting, that could be an issue. The rich people; the people who have grabbed and stolen are the

ones who are enjoying the wealth of this country.

(Applause)

However, the poor people are not benefiting. How do you match the improvement of the economy with 67 per cent of the people in this country being recorded as living below the poverty line? How do you think the economy of this country has improved with the amount of unemployment that is going on now? Like I said and I want to repeat that the only people who benefitted are the super-rich, those who have stolen and the people who have been part of the scandals that have been going on in this country.

Mr. Deputy Speaker, Sir, in a way, I think trade is a very important business to follow up. We must say that, that is where we make profit and investments. The Minister for Trade and Industry has been doing a good job. I wish to congratulate him for standing firm on the issue of Uchumi Supermarkets. The collapse of Uchumi Supermarkets is one of the biggest corporate scandals in this country. We know very well that players in this scandal are people who sunk some other parastatals which were viable and profit-making. The same people who mismanaged these parastatals, caused the collapse of Uchumi Supermarkets. The Minister has done very well by using Government funds to rescue Uchumi Supermarkets.

Uchumi Supermarkets belong to this country. They belong to our local people. Some people are trying to sink Uchumi Supermarkets to establish another company elsewhere, so that they continue to "eat" and "eat". What are we doing to apprehend these people? We must see them being taken to court immediately. We must see their assets being seized. We have been hearing a lot about assets of these people being seized by the Government. If we let these people to continue stealing and do nothing to them, it will be a very serious matter.

Mr. Minister, you should continue with your efforts to net those involved in the collapse of Uchumi Supermarkets. You have the support of the people of this country. You have the support of the ordinary people and employees of Uchumi Supermarkets. So, you must move on, otherwise the Uchumi Supermarkets saga will just be another story similar to other stories that we have had in this country. We will not listen to stories any more. We want to see people who have stolen public resources facing the law. These are the people who have stolen from other state corporations and now they want to "kill" Uchumi Supermarkets. We know these people; everybody knows them. They enjoy their wealth by driving sports cars all over to show us how they have succeeded through stealing. These are some of the things that should be tackled. We must have credible people in this country.

Regional trade is another important issue. I do not know how we are fairing in this respect. We should be told how we are doing in our internal and regional trade. This country has been famous for many things in the past. We were better than our regional partners. Our economy used to grow steadily. Now, it is the economies of our brothers in the south and the north that are growing steadily. I do not know if our economy is stable and growing properly. I am also not sure if we are trusted by our regional partners, because of what we are doing to our economy. This question of sinking Uchumi Supermarkets and endemic corruption have affected every sector of our economy. I am not saying that our neighbours in the south or north are clean. But I am sure that they are very suspicious of Kenya. They may think that when we deal with them in trade, they may not do well. Our economic and political policies have not been properly laid down, so that we can prosper in regional trade. Our neighbours do not trust us. We may also not trust them, but I know for sure that they do not trust us at all. That is a very serious issue, indeed.

I also do not think that our regional co-operation will work. I personally think that it will collapse the way other regional initiatives have collapsed before. This is because our regional

partners are not going to accept corruption and other malpractices that are happening in this country. We tell them that we are brothers and should come together. How do we come together when we have not done anything about corruption in our country? We have lost the war on corruption. Take it from me or leave it, but this is a fact. Our Minister may probably think that I am not saying the truth. We have lost this war. What have we done about it? Nobody has been prosecuted. It is just wish-wash but nothing has been done. There is a lot of money being sunk into the Kenya Anti-Corruption Commission. They say: "Wait; we will do something", but they have not come up with anything at all. We should have seen a few people being prosecuted or assets being recovered.

Sometime back a Minister told us that a big team had gone to Great Britain to recover the money that was stolen. Where is it? Nothing has happened. The whole thing has fizzled out. We do not know what is happening. We understand that somebody was paid a lot of money to recover our stolen assets overseas. This money is also lost. We should be told how much money has been stashed outside this country and by whom. The British Government and other countries may help, but we tell them not to interfere because it is our business, and that they should not come to rule us. But the stolen money is in Great Britain. How do they not know that the money is there? The money is not in Kenya. It is in UK banks. How do we say that they do not know what is happening? They know by whom, from where and how much has been stolen. When they tell us what to do we say we have not been able to find out what is happening. This is because we want to cover up this matter. This issue of covering up corruption is not going to augur well for the economy and stability of this country. If corruption continues, our people will continue to be poor, and there will be no stability.

Some people are happy because they have won the just concluded by-elections. But what is important is the stability of this country. We even do not know what happened to our economy. But one day the truth will be known. When some people complain about misuse of Government resources, they end up being abused. The most important thing is that we must have credibility in this Government, so that people will trust it. Without trust, there is nothing anybody can do.

Lastly, I want to thank the Minister for standing firm in the Uchumi Supermarkets scandal. He should continue with his fight to rescue these Supermarkets.

With those few remarks, I beg to support.

Mr. Mwiraria: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity.

I stand to support this Motion. Before doing so, let me congratulate the Minister for being able to articulate the problems of not only Kenya, but also those of other developing countries in the World Trade Organisation (WTO). I was provoked by some of the remarks made by my friend, hon. ole Ntimama, who made some other good points. However, I disagree with him in his view that the East African Community and other regional organisations will collapse the way the old East African Community collapsed.

I do not want to repeat what was said by my colleagues. I want to make one plea to the Minister, namely that the time has come for Africa to think about its development. Today, we are seeing the second scramble for Africa by the developed world. This scramble is all about African resources. The Minister is aware, after his experience in the WTO talks, that the WTO was, in fact, established as an instrument to make developed countries even richer. I am glad that he has taken positions which have helped other developing countries to see that we stand to lose a lot if we do not think about the poor countries in our negotiations with the World Trade Organisation (WTO). Since Africa is the richest continent in the world in terms of resources, my view is that the Minister can, through his colleagues in the African Union, begin talking about development of resources in Africa. If we do that, we shall stop selling our resources as raw materials to other countries abroad like we are doing today.

Mr. Deputy Speaker, Sir, in Africa, Kenya should, perhaps, take the lead in trying to formulate an African policy. Are we, for instance, going to close our borders and look inwards? Are we going to begin developing Africa for Africa's own interests? At the moment, our resources are being taken out and once there, they are brought back in the form of cars, computers and so on, and yet we pay through the nose to obtain those products.

I am aware that when we started as an Independent nation, we had a policy which was boldly termed: Africanisation of Trade and Industry. Somewhere along the way, we lost that policy and we do not care any more. However, I want to put it to the Minister that if Kenya is going to industrialise, it needs to have an industrialisation policy which is not only led by the private sector, but also the Government through the financing of research on the items we can manufacture as a nation. It is only by doing that, that we can truly talk of industrialisation.

The time for Kenya and other developing countries to just reproduce items which we can easily import is over. The time has come for us to look ahead and see what we can manufacture. For instance, we could copy what India and China are doing. When are we going to have a scientific city where our people can begin thinking about the future development of this country? Even if it means having a copying system in place, how do we copy effectively and improve on the copies? We, therefore, need an industrialisation policy which the Government should use to lead the way; we cannot leave it entirely to industrialists. Of course, the private sector must be given the free hand that it requires in order to thrive.

Recently, we were told about the Youth Fund which is meant to support business among the youth in this country. While we want the youth to be supported in petty trade such as running of kiosks and so on, I would really venture to suggest that Kenya should begin supporting manufacturing among the youth. We have examples to copy from. If you go to India, you will find a small room of about 20 by 10 feet occupied by about 20 artisans and all of them seated on the floor. They do this because they are used to it. You will find each one of them making a little item, but at the end of the day they will have produced, say, a padlock. So, the time has come for us to begin thinking about what our youth can do and getting them trained.

Mr. Deputy Speaker, Sir, the Minister for Information and Communications talked about what Information and Communications Technology (ICT) can do in bringing about development. I believe that there is no question in anybody's mind that the service industry, particularly the ICT, is the most rapid developing sector. It offers immense opportunities for job creation and future development. I would really urge our Minister for Trade and Industry to look critically at this area and find out how Kenya can get a foothold in the manufacture of, say, spare parts. These days, most items are being made to the same standard. We are not supposed to be only a marketing nation where we buy mobile phones from all the countries of the world and market them here. It is important that we begin thinking about how we can be manufacturers, that is, how we can make items like mobile phones and the rest. We can only do that if we have a policy and proper training programme for our people and if the Government takes the lead. I am not saying that we should ignore the private sector. However, the Government must take the lead in showing the way on how to industrialise this nation.

India has done so well by establishing a telecentre where people from outside use services in India to reach the rest of the world, particularly the USA. This is an area that Kenya should pay special attention to. After all, most people in the world speak English. Kenyans speak English too; and better than some other people. We should, therefore, be able to offer those services more readily than some of our competitors.

Finally, Mr. Deputy Speaker, Sir, the Youth Fund should, perhaps, be used for value addition. There are things that the youth can make easily. In our agricultural communities, I see mangoes and other types of fruits rot every season. If we can teach our youth how make juices and

preserve them, they would be serving this nation in a big way.

With those few remarks, I beg to support the Minister and wish him well.

Prof. Anyang'-Nyong'o: Mr. Deputy Speaker, Sir, I am very happy to speak after my dear friend, hon. Mwiraria because he has said some things that I would want to draw the Minister's attention to.

Yesterday, I came into the House when the Minister was making his contribution, and so I missed part of his speech. However, I had the pleasure of getting the HANSARD of his speech and I read it very carefully.

While I commend the Minister for having contributed handsomely in the area of trade and trade negotiations, I would like to suggest, constructively, to him that in the area of industry, his Ministry has done very poorly for the very reasons that hon. Mwiraria has raised. If you look at the Minister's speech, the questions of research, development and manufacturing are only handled in two paragraphs. The rest of the speech is on trade matters.

Mr. Temporary Deputy Speaker, Sir, secondly, at this point in time, four years into the NARC Government - now NARC-Kenya Government - we are talking about preparing a national industrial master-plan. That, I think, is something that should have come in 2003, so that the Minister could have an opportunity of implementing that industrial master-plan. That is on page 19 of his contribution.

The issue of value addition is a critical point for industrialisation in this country. If you look at the economy of only one province in South Africa - Gauteng Province, it has a budget which is three times more than the Budget of Kenya. The economy of South Africa is, perhaps, 30 times bigger than Kenya! I do not know why. In South Africa, there is very little investment in manufacturing. Why? Because it is cheaper to import goods from outside rather than manufacture them in the country. So, investments are going into the service sector and real estate. If investments in an economy like that are going into the service sector and real estate, do you really think you can go into manufacturing in Kenya seriously? Unless, you do what my friend, Mr. Mwiraria said - revert to autarky--- If we implement what Mr. Mwiraria suggested, then the Minister wasted three years in World Trade Organisation (WTO) negotiations. That is because WTO is *ipso-facto* opposed to autarky. So, at this point in time, and I heard somebody in this House talk about globalisation--- Is it historically possible to develop through autarky? Whereas I clearly understand the logic of Mr. Mwiraria's contribution, it is not logically possible at this point in time to resort to autarky because of historical problems. Why do I say that? It is because of the world in which we live; a world where problems of trade cannot be solved the way WTO is going about it.

Mr. Deputy Speaker, Sir, let me say the following: If we begin from the point of view of value addition, and then respond creatively to our history, it shows that this country's biggest trade partners are in the Common Market for Eastern and Southern Africa (COMESA). It can only enhance contribution to that region by more value addition here. Let me give the Minister a good example of where we can begin in this country. We made that point in the economic recovery strategy for wealth and employment creation. In that strategy, we targeted arid and semi-arid areas for a good reason! That is where Kenya can get comparative advantage in getting value addition for its economy today. If we ignore arid and semi-arid lands, we are not going to improve our industrialisation.

Why do I say that? At the moment, the Republic of South Africa is manufacturing cars. The Mercedes Benz cars that you drive in this city, thinking that you imported from Germany, are actually made in South Africa under licence from Germany. They are demanding leather goods astronomically. Indeed, the production of hides and skins is actually domiciled in the Horn of Africa, part of which is northern Kenya. What South Africa is doing is opening up a huge cattle ranch in Sudan, so that they can get hides and skins to be used in their auto-industry. What could be

better for Kenya than to take advantage of that and produce hides and skins for the South African market? We should not export hides and skins directly. We should value-add them here and then sell to South Africa. We shall be expanding our outreach for the COMESA market, including South Africa. Rather than lament like Mr. Angwenyi was doing today, that we have a negative trade balance with South Africa--- South Africa has been begging us to have a bi-national commission to deal with that issue but, up to today, as I speak to you---

The Minister knows what effort we put to get that bi-national commission going on! But it is not going on. Yet, that is our most potential market for enhancing value addition in this country.

Let us begin with a concrete step. I am afraid the Minister's contribution in terms of industrialisation, research and development are too general. They are not specific. His speech on both research, development and manufacturing could have been given in the year 2000, 2001 and 2002. It is in no way responding to the conjuncture of today, that could tell us exactly how we are going to increase value addition, so that industrialisation can take place in this country. That is one of the major deficiencies that are in the Minister's proposals. But that can be improved if you look much more concretely at the historical conjuncture that we find ourselves in, in the COMESA region and Africa, in particular.

Mr. Deputy Speaker, Sir, the Minister, in his paper, refers rather generally to the Numerical Machining Complex. The Minister knows my passion about the Numerical Machining Complex. This is now the fourth year into the "NARC/NARC-(K) Government"! I am afraid that, that is something he should have taken up, when we spoke about it. Do you realise that in this country, we have the base for capital goods industry? The only other place which has it is Libya and South Africa. The Libyan one was bombed by the United States of America (USA), when they claimed that the Libyans were trying to manufacture nuclear weapons. So, it is only Kenya and South Africa which has that thing. But the Kenyan one is lying dormant because of lack of social imagination and what I call a mercantile attitude in the Government towards industrialisation. That is something that should be taken with the urgency it requires. That is because it is at the centre of political economy and industrialisation of this country.

In the 1990s, we lost a lot of our industrial capacity in this nation because of the Goldenberg scam. That sent interest rates sky-rocketing. That meant that anybody in the private sector who had borrowed money found it too expensive to service. So, many of our industries went under. It was called "de-industrialisation". In the economic recovery strategy for wealth and employment creation, our aim was to recover that lost ground by restoring an enabling environment in which that de-industrialisation process could be reversed. Very little attention has been paid to that economic recovery strategy for wealth and employment creation. Investors in the home market were coming to us; appealing that those things should be done. But, up to now, nothing has been done! When I was a graduate student, Prof. Robert Forsyth told me a very simple truth; that, no country on the face of the earth has ever industrialised without, first and foremost, developing the home market. When England went around looking for raw materials, it is because the English home market required that raw material as inputs. So, the first thing that we need to do is develop our home market. We should not think that we are going to developing by exports only. The home market must be developed. In that regard, the Ministry of Trade and Industry should help the Ministry of Finance and other Ministries by ensuring that income thrives at all levels in this country, to enable the development of the home market. That is not just the responsibility of the Ministry of Trade and Industry, but the Government as a whole.

With those few remarks, I beg not to support.

Mr. Wambora: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Vote. I had a chance, with the Minister for Trade and Industry, to attend a Common Market for Eastern and Southern Africa (COMESA) meeting in Lusaka in

December, 2004. I also attended a meeting with him in Hong Kong in December, 2005. Therefore, I have no doubt in my mind that the Ministry is endowed with good leadership. I saw him providing leadership in Lusaka for COMESA and the World Trade Organization (WTO) meeting in Hong Kong. He has taken advantage of the Africa Growth and Opportunity Act (AGOA) effectively. I have seen a lot of pro-active action in it.

However, I want to refer to one issue Prof. Anyang'-Nyong'o has mentioned about regional co-operation. It was in 1987 during the headship of my colleague here, Mr. M'Mukindia, when I was his Deputy Secretary there, when he told us to stop concentrating on Japan, Mauritius and elsewhere, but we begin to be a giant in the region. That is when the Ministry of Trade and Industry shifted its policy to be a regional power. Today, we are enjoying the advantages of that policy. Kenya today is a dominant force in the COMESA region. I think that is the way to go.

I want to point out five challenges for the Ministry and suggest the way forward in those areas. The first challenge is the budget. My colleagues have talked about the budget not being adequate. I notice that the Development Vote has been allocated Kshs615 million, which includes travel for external trade. The Recurrent Vote has been allocated Kshs2.3 billion. To me, a total of Kshs2.9 billion for a critical Ministry like this one, is insufficient. I consider tourism, trade and industry to be critical sector of the economy. The Ministry being an economic Ministry must, definitely, enjoy a bigger budget in order to stimulate growth. The budget is relatively low. That is one challenge. I am sure, in future, the Government should look into this. Now that we will have a Parliamentary Budget Office before the next Budget Speech, we shall, definitely, assist the Minister to get a bigger budget for his Ministry so that he can play the role he is required to play.

Mr. Deputy Speaker, Sir, the other challenge is what has been said again and again; value addition. However, I want to look at it from two different angles. We know, for instance, that our raw materials are going to Europe and elsewhere, without value addition. A good example is coffee. Kenya's coffee, Grade AA, gets only one quarter of what the Blue Mountain coffee of Jamaica gets. This is because of value addition for the Jamaican coffee. That is a big challenge for us. That also applies to tea, macadamia and hides and skins.

The other aspect of value addition is the focus. We shall never penetrate value addition as far as Britain is concerned. Yet, she considers herself the biggest exporter of tea, but she does not grow any tea. When you go to America you get British tea which is ridiculous, because she does not grow tea. We shall never penetrate value addition as far Germany is concerned, because they will never accept it. Prof. Anyang'-Nyong'o is correct about it. What do we do? We have two options. Let us concentrate on our region. Sudan and other countries in the region are ready for value added tea. Our Committee on Trade and Industry has just been to China and Singapore. We met officials in China and Singapore. They are ready for value added tea and macadamia. They are ready even to subsidise the importers of tea in China. What surprised me is that I saw Kenyan coffee being marketed by Singapore Airlines in the menu and giving advantages of it. However, when you travel by Kenya Airways, you will find that there is nothing like that. So, charity should begin right here at home. We should concentrate our efforts on China and Singapore and the COMESA member countries. Our solution is not in Germany or the United Kingdom. This is because they sell their coffee and tea to the United States of America.

The third challenge is restructuring of the Joint Trade Loans Boards. When I was the chairman of Micro-enterprise Support Programme which is now a trust, we could not give money to them at all. Most of the funds are sourced by the European Union. But it was not possible to give them money because their accounts have never been audited for the last ten years. That is where the action should start. Those whose accounts have been audited can qualify for funding from other sources other than the Government. This is because I think this basic Joint Trade Loans Board should be able to attract funds from outside the Government.

The fourth challenge concerns the prioritisation of the scarce resources which must be maximised. But even as we maximise, there is need for balancing. Even as we talk of diversifying our markets for our products, we must also know where to concentrate our market. Let us concentrate on the countries where we have comparative advantage like the East African Community and the COMESA, as well as countries which are ready to accept our value added products.

The fifth challenge is employment. This is the biggest challenge this country is facing this decade. We said it in the last decade and it has now come to pass. We have many young people graduating from secondary schools and universities, but they cannot get jobs. The unemployment level in Kenya is now one of the highest, and yet, we know the sectors known as tourism, trade and industry, in addition to agriculture, create a lot of job opportunities in this country. We need to create an enabling environment for investors. I have not emphasized this because it has been talked about by the previous speakers, especially Mr. Kagwe. That enabling environment has to be there, so that we can get more investors, both local and foreign, setting up more factories. This, in turn, means more job opportunities for our people. How do we get an enabling environment? We can do so, by deregulating the licensing regime, which I think this Vote has started to do. However, enough has not been done.

The other solution is what has been said, and I will not elaborate because I do not want to repeat what the previous speakers have said. Outsourcing is the best solution for middle level personnel and professionals. We can do jobs for American and UK companies from Kenya, as is happening with Kencall which has employed over 100 people already. But how about the low level personnel? This is an issue we raised when we started attending preparatory meetings of the WTO. We, as hon. Members, interact with bureaucrats both in Kenya, Uganda and Tanzania. We have been saying again and again, that let us also export labour. However, I am not for exporting professionals like we are doing now, because we need them badly. They include teachers and doctors. We are making a big mistake. It is a fact that we have excess labour in this country. This is what I am advocating that we export. They include the domestic staff and beauticians. The WTO rules allow this arrangement and we should take advantage of it.

With those few remarks, I beg to support.

Mr. Deputy Speaker: As a matter of fact, Mr. Salat was one of the hon. Members I promised to give a chance to contribute today.

So, Mr. Salat, you have the Floor!

Mr. Salat: Thank you, Mr. Speaker, Sir, for living up to your promise yesterday that those of us who stuck up to the adjournment time will be accorded a chance to contribute today.

Mr. Deputy Speaker, Sir, I also want to add my voice to this particular Vote, which every hon. Member agrees is very important. This Vote is important in the sense that its performance will add a lot of value to the lives of Kenyans. I have noticed that every speaker who has been given a chance to speak cannot fail to thank the Minister. He has been one of the key Ministers who are constantly updating the House on the performance of their Ministries. When you ask a Question, you are sure to get a proper answer from him.

Mr. Deputy Speaker, Sir, the performance of the Minister in terms of travelling outside the country is relevant to the Ministry. A few years ago when he represented the country in the World Trade Organization (WTO), he put Kenya on the world map and we are recognized because of his performance. In terms of regional trade, the Minister has continued to represent the country well. We know that because every time he returns back to the country, he makes an effort to bring a report to the House. So, we commend the Minister. He should not look back but continue providing the necessary service to this Ministry. I have said that this Ministry is key in evaluating the performance of this Government. We, therefore, encourage the Minister because if the overall

performance is positive, it will help to improve the lives of ordinary Kenyans.

Mr. Deputy Speaker, Sir, I would like to thank the Minister for one other thing which I have not heard from any other Minister; the scandal that we had about the so-called "investors"; the Artur brothers. He is the only Minister who came here and said that their presence in Kenya has hurt the country. I must thank him for that because he came clean. He never hid behind the formation of a Commission of Inquiry, but said that the impact of the presence of the Artur brothers in this country really hurt the country, especially his Ministry, which requires investor confidence for it to perform and for investors to come to this country. We need to have confidence. That confidence was breached by the presence of those two individuals because investments go hand in hand with security. So, when they downgraded the security of this country, the Minister came clean and said that it was an embarrassment to this country both internally and externally.

Mr. Deputy Speaker, Sir, I was looking at the Vote and I would like the Minister to travel outside the country to represent us. But when I tallied what they call "Foreign Travel and Subsistence and other Transportation Costs" and "Domestic Travel, Subsistence and other Transportation Costs", the total cost of travel, both domestic and foreign travel, is over Kshs100 million in this particular Ministry. I tallied the cost from all the departments which are under his Ministry and altogether, they came to over Kshs100 million. To me, if it can be justified that, that amount is going to bring value to Kenya, then I do not object it. But as we go into the Committee Stage, we would want the Minister to make us believe that there is value in this amount which has been allocated for domestic and foreign travel. I think that is quite a high figure to put for that particular item. So, we request the Minister to explain.

Mr. Deputy Speaker, Sir, the other issue which I want the Minister to address is about the Small Scale and Industrial Services. We have small traders like *Jua Kali* traders in this country and we have subjected them to that particular name. This is 2006, and we are heading towards 2007, yet we still refer to them as *Jua Kali* artisans. We expect them to be where they are, where nobody goes and to only provide services for the poor. We need to modernize the *Jua Kali* sector so that they can also contribute to the economy. So, we expect the Minister to modernize the sector so that we do not just know that they are *Jua Kali* artisans and they belong somewhere where they are not supposed to be. We need that issue to be addressed by the Minister.

Another issue I would like the Minister to address is about corruption. As we talked about the few cases of corruption in this particular Ministry because, I think, the Minister has been very transparent and forthright, he just needs to reign in on them. I congratulate him because there are only few scandals which hit the Ministry, like the one of the Kenya Bureau of Standards (KEBS), which almost ruined the good reputation of the Minister who has been doing so much work. But the report we have now is that the Kenya Anti-Corruption Commission (KACC) is reigning in on that particular scandal. We expect that those responsible will be brought to book. Sometimes we hear that suspicious deaths have occurred in this Ministry and we hope that they have nothing to do with this particular scandal in this Ministry.

Mr. Deputy Speaker, Sir, having heard Prof. Anyang'-Nyong'o speak, I would also like to concur with him that we also need to look inwards in terms of developing the Kenyan economy. The first step is to look at developing what is genuinely Kenyan. Where is it that we need to inject our resources? We need to inject our resources to areas that will benefit the common citizens. When I look at the departments within this Ministry, you find that we have the Kenyan Industrial Training Institute, Small Scale and Industrial Services, the KEBS, Training Monitoring, Industrial Property Tribunal and Regional Co-operation. When you come to ask the common *mwananchi* if they are aware of their existence and the benefits of those particular departments within the Ministry, you will find that most Kenyans are not aware. So, I would like the Minister to make sure that information and the relevance of those departments within the Ministry reaches the common

mwananchi; the small trader, so that they can also know what benefits those departments bring to them. Money is voted for those particular departments and we expect that they should be relevant even to the ordinary citizen in Lokichoggio and, moreso, in Bomet so that they can derive or get the full benefit from those particular departments.

So, Mr. Deputy Speaker, Sir, we would like to urge the Minister to continue with his overall performance. He should also ensure that the House is informed of his successes. I would also like to urge him to have a slogan. When I was young, we used to hear a slogan: "Buy Kenyan, Build Kenya". That is something that can make Kenyans know that if they invest or buy Kenyan products, they are building themselves. The Ministry should put up billboards in that respect. Most of the time, when you go to big stores like Nakumatt Holdings Limited, you will find most of the products there are imported goods.

So, we are actually helping other countries to develop their economies. We are not putting value to our own products. What I mean by "putting value" is to make Kenyans know that when they buy local produce, they build the Kenyan economy and promote employment creation. So, those are the simple areas that we overlook. We cannot create employment by buying products from China and other countries. We create employment by investing inwardly. That is why the Minister should ensure that all Kenyans know that when we invest internally, we build internally.

With those remarks, I beg to support.

Mr. Deputy Speaker: Mr. M'Mukindia, you may have the Floor, but I am sorry that you will not have your full ten minutes because I will have to call upon the Minister to respond at 5.00 p.m.

Mr. M'Mukindia: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity. I realise that there is little time left.

Mr. Deputy Speaker, Sir, from the outset, let me also congratulate the Minister and his staff for work very well done. I do not think any hon. Member of this House has any problem with the Minister who we are aware, has done a good job outside this country. I had opportunity to speak with him, having had the privilege of heading this Ministry many years ago, and shared some ideas with him as to what I think ought to be done or should be done.

As Mr. Wambora said, we need to have a look at the region as a centre of our interest. The Minister is doing very well in that respect. However, there is an area that still remains unattended to. That is why I wish to join Mr. Mwiraria in urging Dr. Kituyi and his team to re-look at the area of industrialisation.

Ten years ago, we developed a policy paper in which we aimed at achieving industrialisation status by the year 2020. I know that some people were not happy with that plan. I wonder why, four years down the line, since this Government came to power, nothing of the sort has come to Parliament for debate. We cannot get rid of poverty in this country unless we industrialise. That is, really, the bottom line. I hope that the Minister will do something before the end of next year so that we can, at least, leave some legacy of the Ninth Parliament as far as industrialisation is concerned.

Mr. Deputy Speaker, Sir, another issue I would like to very quickly comment on, is the kind of development model that we have. If you look at the history of Kenya in the past 20 years, say from 1985 to 1986, you will recall that we have gone through the so-called "Structural Adjustment Programmes (SAPS)"; some "medicine" given to us by the IMF and the World Bank, which, of course, more or less killed the "patient" rather than cured the disease. After the SAPS failed to work, new ideas came in. There were programmes like IRAFS. Now there is the Poverty Eradication Programme and the Millennium Development Goals.

For the last 20 years, this country has been moved from one prescription to another by the IMF and the World Bank, and none of these has worked. Kenyans have become poorer and poorer

by the day.

On the other hand, let us look at what China has done in the last 20 years. That country had its own development and industrialisation models. If we had adopted the same policies that China adopted in 1986, chances are that, today, our economy would be closer to China's.

Mr. Deputy Speaker, Sir, for 20 years, what have we done? We just keep listening to the IMF and the World Bank institutions which give us one prescription after another, and yet we are still where we were in 1986. Therefore, I would like to encourage the Minister and the Government as a whole, that time has come for us to have our own development model. The model that seems to work is the one that China, South Korea, Taiwan, Malaysia and Singapore adopted. These countries did not follow IMF or World Bank prescriptions. India never followed IMF and World Bank prescriptions.

Why do we insist on accepting such prescriptions by the West, when we know that it is not in their interest for Kenya to develop? We know for sure that it is not in the interest of the West that Africa develops. Obviously, once we develop, we will be a challenge to them, whereas they do not want any challenges. They would rather that we remain weak, so that they can control us for as long as possible.

With those few remarks, I beg to support.

Mr. Deputy Speaker: I now call upon the Minister to reply.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Deputy Speaker, Sir, I wish to donate the first five minutes to the Minister for Justice and Constitutional Affairs.

The Minister for Justice and Constitutional Affairs (Ms. Karua): Mr. Deputy Speaker, Sir, I rise to support this Vote and commend the Ministry for the good work that it has done. We know that, like most Government Ministries, before 2003, this Ministry had no profile. Kenyans did not know what the Ministry of Trade and Industry was supposed to do. The reason is simple: Previously, Ministers were there ceremoniously. Their work was being done by others. The majority of Ministers were not able to steer their Ministries as per the Government policy. The policy was on paper, and not in action.

Ever since Dr. Kituyi took over the leadership of this Ministry, now Kenyans understand the Ministry of Trade and Industry. They know that its role is to promote investments, both local and foreign; look for more trade opportunities, negotiate trade internationally, *et cetera*. We have seen the input of this Ministry and it is only fair that we vote in funds to enable it to continue giving services.

Mr. Deputy Speaker, Sir, it is very easy to criticise. Running a Government or a Ministry is not an academic exercise. It requires a practical approach. Therefore, I want to appreciate the work of this Ministry and indicate that it is surprising that those who have had opportunity to serve in Government, and have only been out barely six months, now find fault in the way things are being run.

I am not suggesting that they should appreciate and applaud everything that we do, but it sounds rather funny when policies that one has been party to are well implemented and the same policies are criticised because one is not in the driver's seat.

Mr. Deputy Speaker, Sir, I am urging colleagues in this House to offer constructive criticism that is above board to enable us to move forward. In that respect, I want to appreciate the very many hon. Members who have offered practical and good suggestions on how this Ministry should move forward.

Mr. Deputy Speaker, Sir, I want to applaud the Minister and his staff for the revival of Uchumi Supermarkets Limited. When we support our local enterprises to flourish, we are not only encouraging Kenyans, but we are also ensuring that our money circulates within the country for the development of our country.

Mr. Midiwo: On a point of order, Mr. Deputy Speaker, Sir. It is unfortunate that some of us in the Departmental Committee of Finance, Planning and Trade have not had a chance to contribute to this debate.

Mr. Deputy Speaker: What is your point of order?

Mr. Midiwo: Mr. Deputy Speaker, Sir, we have information to state otherwise over the issue of Uchumi Supermarkets Limited and the corrupt involvement of certain parties through the Ministry.

Mr. Deputy Speaker: Order! Order, Mr. Midiwo! You stood on a point of order, but you have not raised any. Could you refrain from interrupting hon. Members when they are on the Floor, for reasons other than genuine points of order?

Proceed, Minister!

The Minister for Justice and Constitutional Affairs (Ms. Karua): Mr. Deputy Speaker, Sir, may I urge you to invoke Standing Order No.88 and name the hon. Member for disorderly conduct, because he has deliberately interrupted debate? If you are not persuaded, I will proceed.

Mr. Deputy Speaker: Madam Minister, I suggest that you proceed.

The Minister for Justice and Constitutional Affairs (Ms. Karua): Mr. Deputy Speaker, Sir, I continue to applaud the Ministry and its officers for the revival of Uchumi Supermarkets Limited, which is a local enterprise. I am happy to shop and support the Uchumi supermarkets chain. Therefore, I call upon Kenyans to support our local enterprises, where we are assured that the profits are invested and utilised in Kenya. When we support only foreign enterprises, the profits are repatriated to build other countries, and not Kenya.

Mr. Deputy Speaker, Sir, I want to agree with the Uchumi slogan; "proudly Kenyan", and for that reason urge that we all support it. I also urge my colleague, Mr. Minister, to continue with the line he has been taking while negotiating on the WTO. We want issues that restrict trade for developing nations tackled, while opening our market to the industrialised nations and making us consumer nations. If our products received their true value, devoid of barriers that are put by industrialised nations, we would not require aid. What we require more is market for our products and fair trade, rather than increase in aid.

I look at our cash crops like coffee and tea and see that there is work that the Minister and our colleague, the Minister for Co-operative Development and Marketing, will have to do. They should look at the value addition done on those products in Europe. Our cash crops end up being gold for countries in the West when our poor farmers get less than half of the money reaped out of their sweat. This, therefore, is a very important Ministry, which can get our country out of poverty, by ensuring that we get value for money for our products.

I will wind up by commenting on the issue of corruption. Let those people who have been named in the Goldenberg and Ndung'u reports return what they owe the people of Kenya, be it assets, land or money. It is pointless to keep on criticising the war against corruption when we are participants in corrupt practices. Let us not have double standards. If we mean well for this country, let us support what is positive for Kenya.

I beg to support.

The Minister for Trade and Industry (Dr. Kituyi): Thank you, Mr. Deputy Speaker, Sir. I start by thanking hon. Members for the generous support and kind words that have been said about us. The only hon. Member who has said he does not support this debate spoke on an issue that I wanted to respond to. I wish hon. Anyang'-Nyong'o was here; I would have answered him on every issue that he raised.

Hon. Members: Answer him!

The Minister for Trade and Industry (Dr. Kituyi): Mr. Deputy Speaker, Sir, I will answer some of the issues.

While I have received very generous statements of solidarity and approval from hon. Members, I think it is only fair that I bring out to the attention of the House that much of the good work we are doing at the Ministry is team work. I may be the public face of the Ministry, but there are many competent officers who are unsung heroes. I may be the public face of Uchumi turn-around, but there are many officers who spent sleepless nights working on the issue. So, I wish to share that appreciation with the officers in the Ministry, negotiating officers, technical officers, managers and administrators who made it possible, with the most miserly of a budget, to get many things done.

An issue has been raised that there are some areas I have not shown their importance. In my understanding, when I present my Vote in the Committee of Supply, I come to justify why I should be given the money allotted to me. If I had sought money elsewhere, for things I think are very important and was not given, I would not come to Parliament and say why those things are important. If I have seen the critical importance of research and development for industrialisation, and I am given Kshs5 million for KIRDI to do research, I cannot come and wax eloquence about the importance of research. So, there are some areas, precisely because of under-funding, I have brought in a large case for them because I am not asking you to give me anything for them. So, I hope that the other agencies of the Government, the other Ministers; for instance, the Ministry of Finance and others, will see the mood of the House. There is a lot of important work to be done and we cannot do it when we come here and purport to be having a ministerial budget of 30 million dollars.

Mr. Deputy Speaker, Sir, through the efforts of my officers and myself, we got a grant of 22 million Dollars from the World Bank to start work on micro, small and medium scale enterprises. That budget is equivalent to the total recurrent budget of my Ministry for this year. In my language, we have a saying that: "He who feeds you can beat your wife in your presence." I would not stand here, proudly, saying that I am a Minister for Trade and Industry for Kenya and will plan what to do, yet I have to get most of the money for doing promotional work from donors who want to wail more than the bereaved. At the end of the day, it is a clear statement that the sky is the limit for what we are capable of doing. However, the limit of resources at our disposal restricts us, even from the dreams of what areas we can go into. I will just name some two areas without going into details because they are not substantially dependent on money allocated here. One is KNTC. When I became Minister, a Cabinet decision had been made, that KNTC would be disbanded.

The Government had no business with retail business and trade. I am happy that in the period I have been the Minister, I have been able to share the issue with the President of this country, and my Ministry is preparing a Cabinet memorandum, which is the first step towards an amendment to change the KNTC Act. This is our thinking: If we believe in affirmative action, it does not mean that we believe in affirmative action in domestic retail trade only. As circumstances grow, we have to look at how we can grow the Kenyan African entrepreneur.

I have been doing a lot of promotional work for the outward trade into the Great Lakes Region and into Southern Sudan. However, you will find that the average Kenyan manufacturer in Gikomba, making 10 wheelbarrows per day, does not have the logistical capacity and security resources to start exporting the wheelbarrows to Southern Sudan, yet there is some phenomenal market for his product in the region. What are we thinking of doing, now that the mandate to start establishing Kenyan African into domestic retail trade has been outlived by KNTC? But its capacity to be a warehouse and to be a lead agent for promoting Kenya to be a lead enterprise cannot run out of justification. Therefore, I will bring an amendment to the KNTC Act, to seek to transform KNTC into a Government trading house, which will be warehousing Kenyan small producers of manufactured goods and their products into the Great Lakes Region and into Southern

Sudan and in the other regional markets for Kenyan value added products. This, to me, is one of the concrete ways that you can move from the rhetoric of value adding to exactly creating an incentive for value adding. The argument that you have to look at value addition in the domestic market is something which Prof. Anyang'-Nyong'o and I knew when we were communists. I have outgrown it. You cannot, today, structure a 20-year industrialisation programme on the basis of a population of 30 million people, with 500 dollars per capita, GDP.

We have to build on the strength of where we are so far. We have started creating the infrastructure of outward bound trade that will account for 43 per cent of the export trade within the 22 COMESA countries; that we are the largest exporters of value added products in the COMESA; that we are continuing to bring down tariff and non-tariff barriers between this country and neighbours; that we are creating conditions for liberalising the right of establishment, liberalisation and trade of services, which creates conditions for us to domesticate that market. If we can keep consistence in our vision, politics and our enterprises, I see nothing wrong to budget that we want to make more *jikos* than we can possibly use in this country because we have neighbouring countries which are still harvesting peace, like DRC, where technologies which go beyond that of making a *jiko* is at least 20 years away. That makes sense to me.

Mr. Deputy Speaker, Sir, similarly, while we may celebrate the Numeric Machining Company - by international standards, it has fallen back quite a bit - the technology of late the 1980s and early 1990s does not remain cutting edge technology for too long. But the reality is that the true institutional programme we have gone through: The first challenge we faced was this: Although the money for starting NMC came from the Government, when NMC was formed, because the Government wanted to hide from donors by saying it was spending money on building a Nyayo car, the Government hid the car at the Railway Workshop and then nominally created an equity between Kenya Railways and the University of Nairobi. So, for me as a Minister, getting this from the Minister for Transport took me the first year. The second step was that we had to get the board of NMC, which was exclusively made up of a board of representatives of the University of Nairobi and Kenya Railways, to voluntarily hand over their baby to the Ministry.

The next phase is two-fold. You have a vision and want a nucleus of capital goods manufactured. But you are in a situation where the Government cannot put money to manufacture all of them. If the Government cannot raise more than Kshs5 million for Kenya Industrial Research Development Institute (KIRDI) to do research, and also cannot raise money to do serious capital goods manufacture, you look at public resources availability and possibilities of a strategic partner, with whom you can walk through the door. I am glad that we, as the Government, are rapidly going to remove our facilities at the Numerical Machining Complex (NMC) out of the facilities of Kenya Railways, which is now getting private. We will move our facilities to our own land, the 800 acres off Mombasa Road. We shall also continue to look at concrete proposals that have been received from potential partners, who are walking down the road with us on this matter.

Mr. Deputy Speaker, Sir, I wish to go back to some of the concrete things that hon. Members have proposed. I want to thank you for showing your solidarity on Uchumi Supermarkets. I want to tell doubting thomases that whatever voodoo economics they are following will not see Uchumi Supermarkets go down! About 50 per cent of the solution to problems affecting Uchumi Supermarkets is the patriotism of Kenyans who are going to say: "We want to shop at Uchumi Supermarkets!" The experience that we have had over the past one week, even the first two days alone--- The five hypes sold more than what the 17 Uchumi shops were selling for two days in December last year. That return of the clientele is critical for the turn-around of Uchumi Supermarkets.

Secondly, we have not given money back, like my friend from Kasipul-Kabondo Constituency alleged. He said that some thieves were there, they stole money and have now given

it back. It is not operating that way. We had a dilemma! The dilemma was this: In the United States of America (USA), they have Chapter 11 on bankruptcy, where a bankrupt company can go to court to stop its creditors from raiding it. It, therefore, trades under protection, without being put under receivership. In Kenya, the Companies Act (1948) is a very archaic piece of legislation. It does not provide for protective bankruptcy. Therefore, what we have attempted to graft is, in effect, a protective bankruptcy without a statutory provision for it. But, for that, I want to thank the creditors, suppliers, landlords, workers and all the stakeholders who have shown solidarity. I want to assure them that we have separated clearly between what it would take to turn around Uchumi Supermarkets to start a trading enterprise, and walk down the road towards its equity being traded again in the Nairobi Stock Exchange. We have separated that from a forensic exercise of finding out who is to blame for what. Those who are interested and excited about who was responsible for what, can go on. We will try to assist them with as much as they want to know. I would like justice to be done. But, more importantly, there is no greater justice than the social justice for the survival of the great icon of Kenyan enterprise, called Uchumi Supermarkets.

Mr. Deputy Speaker, Sir, Prof. Anyang'-Nyong'o asked me what is the value of an industrial master plan, when we are going towards an election. First of all, I want to tell him that he must know the answer because he participated, together with me, in the initial phase of preparing this industrial master plan. Secondly, I would like to inform him that Kenya does not run on an electoral calendar. Kenya needs a vision of a future that is not dictated by the short-term exigencies of political terms in Parliament.

(Applause)

Maybe, I can also tell him that I might not be the Minister for Trade and Industry at that time, but I could be part of the Government that will be implementing it even after the next general elections.

Mr. Deputy Speaker, Sir, I want to say something about the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) generally. A Ministry of Trade and Industry negotiates market access. We open doors, but if there are no Kenyan entrepreneurs to walk through those doors, they will come from India and walk through those doors. They will smile all the way to their banks. The critical challenge we have now is how to nurture and harvest Kenyan entrepreneurship. I want to challenge my colleagues that, rather than mourn about the resources that are available to us, it is necessary that we also become innovative. There is no money to rehabilitate the industrial estates and sheds that are in our constituencies. Today, each constituency has more money than all the districts in the days when those industrial sheds were started. My officers will be available to give technical assistance and equipment, if hon. Members---

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! Could you allow the Minister to make his contribution?

Mr. Minister, please, proceed!

The Minister for Trade and Industry (Dr. Kituyi): I would be glad that my officers, who are professionals from Business Training Institute (BTI), Kenya Industrial Training Institute (KITI), the Department of Internal Trade, Kenya Industrial Estates (KIE) and ICDC are available to help nurture entrepreneurship. However, the constraints of resources within our Ministry do not allow them to do what they are intellectually capable of. Why can hon. Members not use some of the resources under the Constituency Development Fund (CDF) to host workshops on enterprise

development in their areas? Why can they not use some of those resources to start building industrial sheds, which we can rehabilitate? We have reclaimed back quite a bit of land that we had before and with a development budget of Kshs1 billion, there is increased capacity that we can promise. However, there are some things that we are trying to do. We have reversed the earlier policy which we inherited, which reduced the number of trade officers. They were clustering districts together for trade and industrial officers. I want to assure hon. Members that we are already, systematically, going back to having one trade officer for every district.

Similarly, I want to respond to the issue raised by Mr. Muturi, about whether we can have some co-financing from the local authorities, before we can access the District Joint Loans Board (DJLB) monies. Whereas the resources that we have are meagre, we have two or three cases - like Turkana District - where the local authorities have made contributions to the DJLB funds. It is not a necessary requirement, but we encourage, where resources survive from Local Authorities Transfer Funds (LATF), that they be put at the disposal of DJLB, in order to add to production. But, even more importantly, since most of the recoveries are recycled, an encouragement to those who borrowed to pay back and boost the kitty for every given area. But, otherwise, we want to encourage that we all look at innovative ways. Since we have decentralised the resources of development out of the hands of Central Government, we cannot go back to the Government and tell it to do things, and yet the resources were taken away. I think that, that is the reality that we have to live with.

Mr. Deputy Speaker, Sir, there has been talk about affirmative action. My Ministry voted with action on affirmative action. We are the first Ministry in this Government which opened dedicated offices - not desks - exclusively to service the interests of women entrepreneurs. They are staffed with very competent officers who avail the best information we can give in a way that is gender friendly. We challenge other institutions, even Parliament and other Ministries, to follow suit. We would be very interested to strengthen our relationship with you. But you know again, there is a reality that we face. Between the Business Facilitation Centre funded by IFC up the hill and Techno-Serve, they have more resources that they put into youth entrepreneur development than the Ministry. I cannot stand here and pretend that we are going to do things which other organisations, with resources from outside the country, are doing better than us. But I am glad that the House has seen the potential of this Ministry and its parastatals to do good, if the requisite resources were availed.

Mr. Deputy Speaker, Sir, before I finish, I want to say two or three things. This country cannot grow properly without having affirmative action in the availability of development financing. Even with all the talk about liberalisation and privatisation, if Kenya disposes of Uchumi Supermarkets, KIE, the Industrial Development Bank (IDB) and EBK, foreigners will finance development activities. They will use those resources to give contracts to foreigners. It is critically important that the work being done to turn around IDB, and the work being done to give a new impetus to KIE and ICDC, must get patriotic support as the basis of affordable credit to Kenyan entrepreneurs, whether it is in road construction, constructing factories or exporting to neighbouring countries. There is no alternative to having domestically and politically controlled credit line for domestic enterprise development. We can sing up to tomorrow, but if we cannot finance it, those who will finance it will determine those who will benefit from it.

Similarly, the Export Processing Zone is an idea that has been important. It is not an end in itself. We have a vision to go way beyond export processing. We are looking at the possibilities of special economic zones. How can we target specific products, create a proper environment under which you can nurture Kenyan talent and entrepreneurship? We have an initiative in my Ministry through the Export Processing Zone (EPZ) and KIE for business incubencies. But when we do not have the resources requisite for doing it, we may not talk about it enough for people to have

ideas. But we are sitting on ideas whose time is now. Unfortunately, much of the time we are relegated to looking to non-governmental agencies to give life to those aspirations.

Mr. Deputy Speaker, Sir, although I am glad that the hon. Members are encouraging us to do things, it is important also to mention that sometimes the good work that we do for entrepreneurship requires energies across the board between different Government agencies. This morning I said in this House how our officers intercepted importers of counterfeits worth more than Kshs10 million. The owners of the counterfeits tried to bribe the police officers who were also involved with up to Kshs1 million. These officers refused and blew the whistle about the counterfeits. The importers of the counterfeits were taken to court, were found guilty and they were fined Kshs200,000 and the counterfeit goods were handed back to them.

Unless the courts are operating at the same platform as the rest of the agencies, we are frustrating officers who want to do good work. My officers went to Keroche and locked a store because it was producing adulterated poisonous stuff. The owners went to court and got an injunction. The court sent police officers to supervise as the padlocks of my officers were cut and removed.

Mr. Deputy Speaker, Sir, my officers were complaining about the merchandise in Nakumatt because some of it was contraband. Nakumatt went to court and got an unlimited injunction not to be inspected. How can you have an injunction to stop standard officers from inspecting what you are selling to Kenyan consumers? This kind of madness is beyond the purview of my Ministry.

Similarly, we promote investments and we say that it is now simple to come to Kenya. We have published rules about the Kenya Investment Authority. When you go there, you are told that you are qualified automatically and you are entitled to certain visas and when you go to the Immigration Department, you are told that there are no visas. They tell you to forget about visas because they do not want you. Unless the Immigration Department is ready to keep the promise of the Kenya Investment Authority, we look foolish.

Similarly, a certain source of arbitrariness has to go out of the management of public affairs. While it might be right, for example, to say that we do not want to encourage new investments around Maasai Mara, we should allow these to mature over time, so that no Government agency will be processing applications for investments and issuing licences, and then see on television that this has been banned overnight.

Lastly, I wish to apply myself to the matter that has been mentioned of the tea picking machines. First of all, the Permanent Secretary in the Ministry of Labour and Human Resource Development has been unfairly criticised as if she was responsible for a decision she announced. It was a Cabinet decision to re-open dialogue about the machines to obviate an industrial action. Secondly, I personally negotiated in Nagoya with the largest importer of green tea in Japan for Finlays to start exporting green tea to Japan. For their purpose, they need those machines. It beats every logic to tell the world that an industry which is employing 70,000 people will lose 80,000 jobs if it mechanises. *Aguementum ad ignotum*, the reality is that there is no historical precedent where a trade union movement can defeat the progress of technology.

With those many remarks, I beg to move.

(Question put agreed to)

*[Mr. Deputy Speaker left
the Chair]*

IN THE COMMITTEE

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

Vote 16 - Ministry of Trade and Industry

The Temporary Deputy Chairman (Mr. Khamasi): Hon. Members, we are now in the Committee of the whole House to consider the Vote of the Ministry of Trade and Industry. We will strictly apply Standing Order No.142 in that regard.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT a sum not exceeding Kshs1,011,467,350 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2007, in respect of:-

Vote 16 - Ministry of Trade and Industry

(Question proposed)

VOTE R16 - RECURRENT EXPENDITURE

SUB-VOTE 160 - GENERAL ADMINISTRATION AND PLANNING

Head 530 - Headquarters Administrative Services

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, I just want to get a general comment from the Minister on Sub-Head 002 - Information Communication Technology Unit. What does this Unit do? The gross expenditure is only Kshs3 million. What is this money supposed to do?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, the Ministry of Trade and Industry, like other Ministries, has embarked on a programme of deepening e-governance. This entails among other things computerisation and acquiring the skills and also the management of, perhaps, the best designed ministerial web-page in this country. The modest resources are meant to cater for what we are able to do. We would have done much more if we had more money than that.

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, in as much as I appreciate what the Minister has said, looking at the various Items, there is nothing that shows that there will be any designs. It is just things like domestic travel and subsistence and other transport costs, foreign travel and subsistence, printing, advertising and information supplies and services. This is such a paltry sum. I wonder whether what the Minister has said can be captured under this kind of allocation.

An hon. Member: Any other comment?

Head 742 - Business Premises Rent Tribunal

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, I would also like to get a general comment from the Minister on Head 742. This is indicated as the Headquarters. What became of the proposal that this outfit was going to be decentralised? Has this been reflected in the allocation?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman,

Sir, whereas we desire that the work of the Business Rent Tribunal be decentralised, with the resources that we have, we have started with the step of being mobile and going out to the district. There has been a very significant reduction of the backlog of cases because of this efficient outreach work ethic. When we have sufficient resources and we can expand the employees of the tribunal, we should be able to decentralise.

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

(Sub-Vote 160 agreed to)

SUB-VOTE 162 - REGIONAL CO-OPERATION

Head 559 - Regional Integration

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, once again, on this Head, is it an indication that the Ministry of East African Co-operation is now also headquartered in the Ministry of Trade and Industry or what is this? Is it a sub-ministry?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, the regional integration initiative that is domiciled in my Ministry is COMESA, and payment is to our officers and our contribution to the permanent staff of COMESA. We are the Ministry that pays the cheque on behalf of the Kenyan taxpayers.

Mr. Oparanya: Mr. Temporary Deputy Chairman, Sir, on Head 559, Item 2210800, hospitality supplies and services, there is a significant increase from Kshs461,136 to Kshs16,820,000 and, it is also projected to increase next year, but the following year, 2008/2009, it reduces drastically to Kshs852,000. I would want to know what those items are and why there is a significant increase and, subsequently a significant decrease.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, like I said, there are two components here; our representation at regional organisations and our contribution to the budget of regional organisations. First of all, you have to see that we have arrears of payments from previous years, which are carried on as backlog to the new financial year. Because of those payments, it increases what we have to make available. Similarly, in the coming financial year, Kenya, after Djibouti, is slated to be host of both Council [**The Minister for Trade and Industry**] and Summit of COMESA. These are expenditures we did not have when we convened the top organ meetings in Rwanda and Sudan the last time. So, the increase reflects enhanced requests by the Ministry.

(Head 559 agreed to)

(Sub-Vote 162 agreed to)

SUB-VOTE 163 - KENYA INDUSTRIAL RESEARCH

Head 644 - Kenya Industrial Research Development Institute

Mr. Salat: Mr. Temporary Deputy Chairman, Sir, I would like an explanation from the Minister on Head 644, Sub-Head 000, Item 2630100, on the current grants to Government agencies and other levels of Government. You realise that the approved estimate for 2005/2006 was Kshs125,496,456, and for this current financial year, it is Kshs205 million and it increases

consistently even for the financial year 2008/2009. Could he explain which agencies are these?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, there is a new line of Government resource allocation which is being channelled through KIRDI that has not been there before, and that is why there is a doubling of allocation as grants to other Government agencies. We have been requesting for certain grants for KIRDI, which have not been forthcoming, and with the Government that has witnessed such a growth in public resources, we were able to get substantially more than we ever got from KANU.

Mr. Salat: Mr. Temporary Deputy Chairman, Sir, the Minister is not coming clear. Could he be more specific? Could he name these Government agencies and what are these other levels of Government?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, what I will try to say is the following: Over the years, and I even mentioned here about the resources for research, the Kenya Industrial Research and Development Institute (KIRDI) has been having a standing application to Government for more resources. Now, as part of the new Government grants to different Government agencies, KIRDI has been given this grant. Together with the one line item that other grants are going to other Government agencies, KIRDI has received this Kshs100 million in addition to what it normally gets. That is why you are seeing that substantial increase.

The Temporary Deputy Chairman (Mr. Khamasi): I accept that explanation since it is a good one. Mr. Muturi, do you want to ask a different question?

Mr. Muturi: Yes, Mr. Temporary Deputy Chairman, Sir. On page 648, Head 741, Kenya Industrial Property Tribunal (KIPT), could the Minister tell us whether this tribunal is functional so that we can provide for all these other costs? I can see they are very modest but I just want the Minister to allay fears that this tribunal is not moribund. Secondly, on page 649, there is the Kenya Industrial Property Office, (KIPO) the first Item which is "Current Grants to Government Agencies" and other levels of Government. I understand that the KIPO is the sole repository of all the information on patents, copyrights and things like these. Are these grants for purposes of this body spreading out and being accessible and advertising itself to Kenyans because they are the ones who are supposed to really benefit from its existence? I have asked this question so that we do not have everything that they do, including Maasais in their traditional regalia, being patented in South Korea.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, the KIPT does not only exist but it is in the competent hands of your village mate and former classmate, a gracious lady called Lillian Wanjira, who [**The Minister for Trade and Industry**] you have reason to know because I saw you together as classmates at university.

(Laughter)

Mr. Temporary Deputy Speaker, Sir, so, I cannot understand why he doubts that it exists.

An hon. Member: What relation does he have with that lady?

The Minister for Trade and Industry (Dr. Kituyi): I do not know what relationship exists between them but I know that it exists.

(Laughter)

The Temporary Deputy Chairman (Mr. Khamasi): Could you address the Chair?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, I wish to address you and confirm that the KIPT does exist and is very competently run by a

gracious lady.

Mr. Temporary Deputy Chairman, Sir, on the issues of the KIPO, it is important to understand that the computerisation of the recording of patents, utility models in this country and the public awareness about how to get trade marks and patents for their intellectual property is taking so much more required resources than we were able to use even as of now. The resources we have are modest. We could have done a lot more. The work for example of popularising to Kenyans conditions so as not to replicate a situation where a *kiondo* patented in Korea requires more resources for this awareness and this is what we are trying to do through the KIPO.

(Heads 644, 741 and 767 agreed to)

(Sub-Vote 163 agreed to)

SUB-VOTE - 165 EXPORT DEVELOPMENT AND PROMOTION

Head 737 - Export Promotion Council

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, on page 649, Head 737, Export Promotion Council (EPC) Headquarters, there is a constant allocation of Kshs82 million plus. Could the Minister inform the House whether with this constant allocation, there is a chance that the Council will ever be known in the rural areas because all these are concentrated at the headquarters?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, the main mandate of the Export Promotion Council (EPC) is enhancement of outward-bound trade. The other agencies of the Government, and even of the Ministry, are supposed to be the main ones to sensitise about the data base available at the EPC on how to access foreign markets. Much of the money they use, is actually for promotional work outside the country. Domestic promotion is not part of the mandate of the EPC, except to identify markets for new products. For example, horticultural farmers in Kerio Valley, who have not only been beneficiaries, but also continue to be significant players in the growing export trade in the rural export villages.

*(Eng. Toro and Mr. Muchiri
consulted loudly)*

Mr. Arungah: On a point of order, Mr. Temporary Deputy Chairman, Sir. Could you, please, protect me from Eng. Toro who is holding a *baraza* here? I am unable to listen to what the Minister is saying.

The Temporary Deputy Chairman (Mr. Khamasi): Order, Eng. Toro! Could you, please, give Mr. Arungah peace?

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Temporary Deputy Chairman, Sir, how can one person hold a *baraza*?

The Temporary Deputy Chairman (Mr. Khamasi): Order, Eng. Toro! Let us listen to what is going on.

(Heads 737 and 796 agreed to)

(Sub-Vote 165 agreed to)

SUB-VOTE 166 - INTERNAL AND EXTERNAL TRADE SERVICES

Head 165 - Investment Promotion Centres

Mr. Syongo: Mr. Temporary Deputy Chairman, Sir, I appreciate that, in the circumstances, all we can really do is to approve these Heads. However, for the record, this House should not, as was done---

The Temporary Deputy Chairman (Mr. Khamasi): Mr. Syongo, you are wrong! It is not mandatory that we approve these Heads! You can reject them!

Mr. Syongo: Mr. Temporary Deputy Chairman, Sir, I understand that, if I may, by your indulgence, complete my sentence.

The Temporary Deputy Chairman (Mr. Khamasi): Which page are you referring to?

Mr. Syongo: Mr. Temporary Deputy Chairman, Sir, page 650, Head 165 on Investment Promotion Centres. There is a total sum of Kshs86,500,000 for Item No.2630100. As much as I would like to support it, it is important for the House to note that this sum is definitely not adequate. So, even as we approve it, it is important that we make that point. This agency requires more money.

The Temporary Deputy Chairman (Mr. Khamasi): Mr. Syongo, that is a policy matter. You should have finished with that when you were contributing. The Minister has got nothing to do with it. Are there any more inquiries?

Head 752 - Foreign Trade Services

Mr. Lesrima: Mr. Temporary Deputy Chairman, Sir, on page 654, Head 752, there is an Item on Rentals of Produced Assets and another one on Other Operating Expenses---

The Temporary Deputy Chairman (Mr. Khamasi): What is the Item number?

Mr. Lesrima: Mr. Temporary Deputy Chairman, Sir, it is Item No.2210600, Rentals of Produced Assets. The other one is Item No.2211300, Other Operating Expenses. I would like to know what these "Other Operating Expenses" are. I would also like to know who is getting the scholarships under Item No.2640100.

The Temporary Deputy Chairman (Mr. Khamasi): Mr. Lesrima, are you sure the Minister is with you? Is that on page 654?

Mr. Lesrima: Yes, Mr. Temporary Deputy Chairman, Sir.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, there are two different issues. First of all, on the question of Rentals of Produced Assets, we, as a Ministry, have a situation where we are in the process of upgrading the quality and the level of entrepreneurship awareness of the persons we post as trade attaches. In some of the areas where we are opening new stations, there is an interim phase where they have to rent places to stay before they settle down. We are in the process of opening new commercial attache offices in Dubai, the Democratic Republic of Congo (DRC) and Sudan. These are the anticipated rental expenditures. Similarly, when we are doing promotional trade, through the Ministry of Trade and Industry, the Department of External Trade has officers apart from the parastatal concerned, who also travel abroad, and these are the costs they incur.

As part of capacity building for technical officers in trade negotiations, we get some grant support from different institutions but there is some co-financing that has to come from the Government for purposes of training our own officers.

Mr. Lesrima: Mr. Temporary Deputy Chairman, Sir, the explanation on "Other Operating

Expenses" amounting to Kshs8 million - "Miscellaneous" is not clear. What are these "other operating expenses"? The other ones are clear.

The Temporary Deputy Chairman (Mr. Khamasi): Mr. Minister, I thought you touched on that!

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, in a normal Vote details, when the "other" is so overwhelming that it looks like your purchase of helicopters, you can question it. However, creative conditions like the return of disabled members of the families of officers abroad and such other contingent conditions can be lumped together with such a modest amount of money as "others".

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, on pages 654 and 655, Head 752, the reason I have referred to both pages because one is headed "Foreign Trade Services - Headquarters" and the other one on page 655 is-headed---

The Temporary Deputy Chairman (Mr. Khamasi): What Head?

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, it is Head 752, Foreign Trade Services where it is indicated as Item 141-0500 - "Other Property Income; Kshs850,000". I am just curious as to what it is that the Ministry, even in as much as they are being allocated a paltry sum, it looks like also what they get as Appropriations-in-Aid (A-in-A) because this is shown as A-in-A is so meagre. What is the difference between "Foreign Trade Services" and "Foreign Trade Services - Headquarters?"

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, there are two different components of foreign trade services. One is our establishment abroad, for example, Kenya's Permanent Mission to Geneva. While we have an Ambassador in Geneva, three-quarters of the Kenyan staff at the Geneva Mission are officers of the Ministry of Trade and Industry; trade negotiators. Similarly, our personnel in Brussels at the Economic Partnership Agreement Negotiating Team. Some of the time they have to come and take instructions at the headquarters. Also, facilitation of officers here who are overseeing their work, for both Nairobi-based work and travel out there, some of the time, we are hosting technical negotiations, as leaders for the region on the issues of foreign trade negotiations in Nairobi. That is why we split between expenses that are incurred in Nairobi and those that are incurred abroad.

Head 744 - Department of Internal Trade

Mr. Syongo: Mr. Temporary Deputy Chairman, Sir, on page 651, Head 744, Item No.262-0100, Membership Fees and Subscriptions to International Organisations, ordinarily, the subscriptions are annual and the previous financial year, a sum of Kshs1 million was allocated. However, as you will see, this current financial year, next year and the year after, no sum is provided for. Does that mean that we are withdrawing from these international organisations without which we cannot operate within the global system?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, it is just a matter of budget rationalisation that servicing of international obligation has been transferred to the Department of Internal Trade.

(Loud consultations)

The Temporary Deputy Chairman (Mr. Khamasi): Order! We are voting, and so you must consult quietly!

*(Heads 165, 731 744, 745, 746, 750,
751, 752 and 788 agreed to)*

(Sub-Vote 166 agreed to)

SUB-VOTE 167 - INDUSTRIAL TRAINING SERVICES

*(Heads 754, 768, 786, 787, 791,
792 and 793 agreed to)*

(Sub-Vote 167 agreed to)

SUB-VOTE 168 - SMALL-SCALE INDUSTRIES FIELD SERVICES

(Heads 755, 756 and 790 agreed to)

(Sub-Vote 168 agreed to)

The Temporary Deputy Chairman (Mr. Khamasi): Hon. Members, we will now turn to Development Expenditure.

DEVELOPMENT EXPENDITURE

SUB-VOTE 160 - GENERAL ADMINISTRATION AND PLANNING

(Head 530 agreed to)

(Sub-Vote 160 agreed to)

SUB-VOTE 163 - KENYA INDUSTRIAL RESEARCH

(Head 644 agreed)

(Sub-Vote 163 agreed to)

SUB-VOTE- 165 - EXPORT DEVELOPMENT AND PROMOTION

Head 796 - Export Processing Zones Authority

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, I am on page 374, Head 796, Exporting Processing Zone Authority, Item 311-0500. There are only three Items under this Head. I am referring to the second Item - Construction of Civil Works. Last year, there was no provision for this Item, but this year and the year after there is a provision of Kshs50 million. I just want to know whether the Ministry is the one which will construct these facilities for the Export Processing Zones Authority. The second Item is on research, feasibility studies, project preparation and design and has a provision of Kshs5 million. I do not know what kind of studies these are.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, there are two different components to this particular Item. First of all, it is just a limited state of

industrial warehousing or built-up space which belongs to the Export Processing Zones (EPZs) Authority. A lot of the Export Processing Zones are actually gazetted, but they still belong to the private sector. However, because of the substantial estate in Athi River, and in order to be able to optimise the use of that space, we want to expand on what is already under construction.

Mr. Temporary Deputy Speaker, Sir, secondly, as part of the business incubation programme, we are building special facilities in order to start incubating small Kenyan businesses in form of blocks. We did not have money to do that in the last financial year. We, however, hope that we shall have the money now and in the future.

Head 737 - Other Operating Expenses

Mr. Lesrima: Mr. Temporary Deputy Chairman, Sir, on page 374, there is Head 737, Item 2211300 which is entitled: "Other Operating Expenses, Kshs10 million". What is this? This is actually at the discretionary powers of the Accounting Officer because all the other expenses are detailed here. Are there more details for this particular Item or does the Accounting Officer just wake up in the middle of the year and say that he or she will pay medical expenses? Is there something else in addition to this?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, I wish to submit the answer I gave on the earlier issue because these things are *mutatis mutandis*.

The Temporary Deputy Chairman (Mr. Khamasi): Are you okay, Mr. Lesrima?

Mr. Lesrima: I am not happy!

(Heads 737 and 796 agreed to)

(Sub-Vote 165 agreed to)

SUB-VOTE 166 - INTERNAL AND EXTERNAL TRADE SERVICES

Head 744 - Department of Internal Trade

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, I would like to focus on page 375, Head 744, Department of Internal Trade. Just like I raised this matter in my contribution yesterday, you can see that there is a sum of Kshs43,500,000 which is entitled: "Subsidies to Small Businesses, Co-operatives and Self-employed". I am raising this issue because the Minister, even though he had promised me yesterday that he would respond to this matter, should tell us today how this is going to be done to the satisfaction of every Kenyan.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, I want to make an undertaking to this House that my Ministry is going to publish the district books to show the fairness in the allocation of these resources.

The Temporary Deputy Chairman (Mr. Khamasi): Is that a satisfactory answer to you, Mr. Muturi?

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, it is quite unfortunate that the Minister is now saying that he will publish the district books to show allocations. The practice has been, including last week and the week before, that as we debate we should be having those district allocations so that we do not raise questions. We would be able to see, for example, Kakamega, Mbeere, Wajir or Kirinyaga has been allocated this or that amount of money. Now the Minister is simply giving an undertaking. If you recall, last week and the week before, there was hue and cry

about the skewed distribution of this kind of Government resources.

The Temporary Deputy Chairman (Mr. Khamasi): Dr. Kituyi, I think what hon. Muturi is raising is valid. In fact, it has been a subject of debate in this House. When you present your Vote, you should at the same time present the district allocation books.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, there are a number of things here. First of all, this amount of money is 100 per cent a European Union (EU) grant. It is an Appropriation-in-Aid.

I want to promise this House that the criteria certified by the donor will not be about inter-regional equity and parity in the allocations. Having said that, because it is like a programme in which we have projects in different areas, it was not originally in the frame in which one can say that we are appropriating taxpayers money and so we have to show every distribution. However, for purposes of transparency, we will do what one would normally expect us to do with money coming from the Exchequer. This particular money is not from the Exchequer.

The Temporary Deputy Chairman (Mr. Khamasi): Mr. Minister, could you tell hon. Members when you are going to present the district allocation books?

The Minister for Trade and Industry (Dr. Kituyi): As soon possible, Mr. Temporary Deputy Speaker, Sir. Maybe, next week.

The Temporary Deputy Chairman (Mr. Khamasi): I will then put the Question.

(Loud consultations)

Order! Mr. Lesrima!

Mr. Lesrima: Mr. Temporary Deputy Speaker, Sir, on page 375, Head 751, Item 2211300 - Other Operating Expenses-there is a figure of Kshs22,175,980. It disappears the following year. What is that?

The Temporary Deputy Chairman (Mr. Khamasi): Mr. Minister, did you get that?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, I am waiting to see if I will be given the specifics. But I know that it must be a one-off expenditure. It is not a recurrent Item on the development budget. But as soon as I get the details, I can get back to that.

The Temporary Deputy Chairman (Mr. Khamasi): Mr. Ahenda, do you have any issues to raise?

Mr. Ahenda: On a point of order, Mr. Temporary Deputy Chairman, Sir. Is it in order for you to tell hon. Members to keep quiet and they continue making noise?

The Temporary Deputy Chairman (Mr. Khamasi): Order, Mr. Ahenda. We do not make noise here!

(Loud consultations)

Order! I have advised hon. Members that we are voting on a very serious matter and, therefore, we need silence when I call out the Heads. I am not going to entertain people consulting loudly when I am calling out the Heads!

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, I will as well dispose of the other matter. As part of the expansion of our trade offices around the world, we need to substantially purchase equipment, particularly furniture for the offices. That is why it is a one-off Item.

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, on page 375, Head 746 - Kenya

Institute of Business Training, Item 3111100 - the only one there - there is an allocation of Kshs5 million this year. It was not there last year. Next year, it will rise to Kshs5.46 million. The year after, it will rise to Kshs6.4 million and so on. It is titled: "Purchase of Specialised Plant Equipment and Machinery." An amount of Kshs5 million to purchase specialised plant equipment and machinery looks like a big joke! Could we hear from the Minister?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, if we lived in a society where trade-driven growth was taken seriously, we would also not be looking at this level of estimates. But the truth is: As part of popular demand, including from hon. Members, we are trying to revamp public institutions for business training.

Mr. Temporary Deputy Speaker, Sir, or primary institution is the Business Training Institute, which requires specialised equipment for training purposes.

Mr. Muturi: Which ones? Computers?

The Minister for Trade and Industry (Dr. Kituyi): Partly, this includes computers. But there are other materials for training. You are welcome to visit the institution at the rise of the House. The gracious lady who runs it is seated closest to you on the Civil Service Bench. You can go and see how it operates. It is here in Highridge.

*(Head 165, 744, 745, 746,
751 and 788 agreed to)*

(Sub-Vote 166 agreed to)

SUB-VOTE 167 - INDUSTRIAL TRAINING SERVICES

Head 792 - Directorate of Industries

Mr. Syongo: Mr. Temporary Deputy Chairman, Sir, under Head 792, Item 2640300, Subsidies to Small Businesses, Co-operatives and Self-employed, last year, Kshs230 million was allocated. This year, a sum of Kshs130 million has been allocated.

Mr. Temporary Deputy Chairman, Sir, could the Minister explain exactly how that is being administered and who are the target beneficiaries, especially after the virtual of the virtual collapse of the Kenya Industrial Estates (KIE)?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, there are a number of different Government agencies that support small enterprises. One of them is the Special Programme on Micro, Small and Medium Enterprises which is a growing facility, substantially underwritten by the World Bank grant of US\$22 million. Part of what we see is a shift of resources away from that line Item into supporting that as institutionalised in the grant agreement with the World Bank.

Secondly, the support on small enterprises has only partly been done through the Kenya Industrial Estates (KIE). While we look to go that route, particularly for value-adding enterprises, we do not tie all support to the KIE. I agree with the hon. Member that the KIE has the potential to do much more than it is being used to do now, because of a deficit of the resources available to us.

Mr. Syongo: Mr. Temporary Deputy Chairman, Sir, along the same line, could the Minister undertake to give to this House a detailed breakdown of that sum on district basis?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, while I will bring the detailed account of this, I hasten to add again, that if you look at the details, this is a programme that started slow last year and it is going to come to full-swing this year. It is the mainstream World Bank programme. So, again, it is not subject to the automatic equation of regional parity as one would expect. However, I will, definitely, seek to bring that

information to the House.

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, the Minister's explanation notwithstanding, that particular component on the same Item is not like the previous one which we have dealt with and I think he convincingly explained that it was Appropriations-in-Aid (A-in-A).

This particular Item is not an A-in-A. This is because the A-in-A component of this expenditure is listed below and it does not include Kshs130 million. There may be some other explanation to this Kshs130 million and the previous Kshs230 million. Next year and the year after, it will go down to Kshs32 million and Kshs33 million, respectively.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, there are two different issues here. The first amount we talked about earlier was a European Union (EU) grant. Percentage of it, is A-in-A. This is a World Bank grant. The other component is out of public revenue.

Head 795 - Kenya Industrial Estates

Mr. Salat: Mr. Temporary Deputy Chairman, Sir, on page 377, Head 795, Item 4110200, Domestic Loans to Non-financial Public Enterprises, I would like the Minister to explain why in the last financial, year an approved amount of Kshs52 million was allocated. However, this financial year, in the Estimates, there is no allocation. Does it mean that it was a one-off thing that had to be dealt with?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, is he asking me whether I had money last year or why I do not have it now?

Mr. Salat: Mr. Temporary Deputy Chairman, Sir, under Head 795, Item 4110200 - Domestic Loans to Non-Financial Public Enterprises, last year, it was allocated Kshs22 million. This year, it has not been allocated any money and even the projection for the next financial year does not have any allocation.

Was this one Item required then that we do not require it in the next financial year?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, the support to Non-Financial Public Enterprises has been consolidated under the other programmes, including the one partially funded by the World Bank. That is why it disappeared from the line items of the Kenya Industrial Estates (KIE).

Head 792 - Directorate of Industries

Mr. Syongo: Mr. Temporary Deputy Chairman, Sir, on page 370 Head 792, the last item on that page; Item 1320200 - Grants from Foreign Governments/Grants from International Organizations, this year, the Ministry will receive Kshs27,500,000 as grants from foreign governments and Kshs7,893,300 as grants from international organizations.

In the light of the explanation that the Minister gave us in respect to Item 2640300, where he indicated that part of that money is actually grants, my understanding is that this is where foreign assistance is. It is indicated clearly as Appropriations-in-Aid (A-in-A). I would like the Minister to explain this particular issue, which appears to be an anomaly.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, we have different areas which have different foreign donors. For example, in industrial training, the development of an industrial masterplan is substantially funded by the Japanese Government. The programme on export promotion, particularly into America, is substantially funded by the US Government. They are different components. So, when you look at industrial training, that component is not financed by the same donor that finances export promotion work.

That is why you cannot force it into the other, but that is where the appropriation is.

Mr. Salat: Mr. Temporary Deputy Chairman, Sir, I would like to query the same issue that my colleague has pointed out to the Minister. When we go to other Ministries, whenever there is an A-in-A, it is clearly indicated which organization funds it.

Mr. Temporary Deputy Chairman, Sir, for example, if it is from the World Bank or OPEC, it is clearly indicated. Why are we now being given a generalized description as "Grant from foreign governments" or "Grant from international organizations" without specifically being told who are those friends of ours whose identity is not given? We have friends out there and we would like to congratulate them, but we do not know who they are!

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Chairman, Sir, I have already congratulated them on your behalf. But if there is any particular one that you feel suspicious about, I wish to assure you that the detailed account of which grant is from where is available in Part 3 of the details.

*(Heads 791, 792, 793 and 795
agreed to)*

(Sub-Vote 167 agreed to)

SUB-VOTE 168 - SMALL-SCALE INDUSTRIES FIELD SERVICES

Head 755 - Weights and Measures - Headquarters - Administrative Services

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, I would like to refer to the only Item under Head 755; Item 3111500, Rehabilitation of Civil Works. What civil works are being rehabilitated with Kshs5 million this financial year and another Kshs5 million in the next financial year?

Is the Government so broke that it cannot allocate Kshs10 million to the Weights and Measures Department to do the rehabilitation of these civil works once and for all?

The Minister for Trade and Industry (Dr. Kituyi): Mr. Temporary Deputy Speaker, Sir, after years of neglect of key public institutions, there has been a major need for rehabilitation and expansion. One of the areas where my Ministry has embarked upon to reverse the rot of the KANU period, is the rehabilitation of the [The Minister for Trade and Industry] Kenya Industrial Training Institute in Nakuru. That is the provision made under the Item in reference.

(Head 755 agreed to)

(Sub-Vote 168 agreed to)

(Vote D16 agreed to)

(Question put and agreed to)

*(Resolution to be reported
without amendment)*

(The House resumed)

*[Mr. Deputy Speaker
in the Chair]*

REPORT

Vote 16 - Ministry of Trade and Industry

Mr. Khamasi: Mr. Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs1,011,467,350 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2007 in respect of Vote 16 - Ministry of Trade and Industry, and has approved the same without amendment.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

The Minister for Justice and Constitutional Affairs (Ms. Karua) seconded.

(Question proposed)

(Question put and agreed to)

ADJOURNMENT

Mr. Deputy Speaker: Hon. Members, it is now time for interruption of business. Therefore, the House is adjourned until tomorrow Thursday, 27th July, 2006, at 2.30 p.m.

The House rose at 6.30 p.m.