

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 17th May, 2017

The House met at 9.30 a.m.

[The Deputy Speaker (Hon. (Dr.) Laboso) in the Chair]

PRAYERS

QUORUM

Hon. Deputy Speaker: Hon. Members, there is no quorum. May we have the Quorum Bell rung, please?

(The Quorum Bell was rung)

Can we extend the Quorum Bell for another five minutes?

(The Quorum Bell continued ringing)

Hon. Deputy Speaker: Okay Members, let us settle down. We can now start the Sitting.

BILL

Second Reading

THE KENYA TRADE REMEDIES BILL

Hon. Deputy Speaker: I am informed this morning that there are several microphones that are not working. You will be advised to use the nearest microphone that you can use when contributing. Hon. Ochieng, the Floor is yours. I hope your microphone is working and if not, please, move to the next one.

Hon. Ochieng: Thank you, Hon. Deputy Speaker. I beg to move:

THAT, the Kenya Trade Remedies Bill be now read a Second Time.

I am so happy and delighted to move this Bill this morning. It is a Bill that I have worked on for the last 12 years as a private core practitioner of law. I have worked with the Ministry of Trade, Industry and Co-operatives. In the last Parliament, I took Members of Parliament through this Bill twice in Mombasa and here in Nairobi. It is my pleasure because we are living at a time when globalisation has had its impact in the country and in the world over. We have seen how countries have responded to globalisation and liberalisation of economies. In

the last one year alone, we have seen Brexit and elections coming up with leaders that promise to be more nationalistic-looking than they have been before.

During our time, we have seen in America people saying that we need to look at what happens internally more than what happens outside. Therefore, this Bill seeks to ensure that our industries, our bread earners, our employers, the producers of products that make this country move; the guys who pay taxes that make this country grow, are protected from unwarranted unfair trade practices from our partners from abroad. This Bill implements our obligations under the World Trade Organization (WTO), the East African Community (EAC) law, the COMESA law and the interim agreements that we recently ratified in this Parliament, namely, the economic partnership agreements between us and the European Union. These agreements allow countries that are members thereto to have instruments internally and enable them to respond to unfair trade practices from their trade partners. For example, the issue of maize that we are facing in the country.

For a long time, this country used to produce enough maize and we used to export maize for a long time. But we are now being told that we are importing cheap maize from outside because we cannot produce maize in a cheaper way. The question that this Bill answers is what will happen the day Kenya is able to produce enough maize, but we still are swamped with a lot of maize imports from abroad? What happens with such situations? This Bill, for example, responds to questions like what happens when Eveready Company that produces batteries in the country is faced with a surge of imports from India, Thailand and all these countries to a level where it cannot compete with these products because they are selling cheaply. This Bill talks about three distinct areas that the country needs to respond to in case they happen. One is where the Government of China, for example, produces a bag of cement at Kshs600, but sells it here in Kenya at Kshs590. What is the economic sense? The Government of India produces cement at Kshs540 in India, but sells it here in Kenya at Kshs500. What is the profit? The profit is that once they are able to compete with the Bamburis and the Mombasa cement of the world, and then they are able to increase the prices in this country and recoup what they may have lost during the under-selling and push our guys out of the market. The moment you push out Bamburi in Mombasa and all those other cement manufacturers, you lose jobs and livelihoods.

In the dairy industry, we have a lot of imports of dairy products from Europe. In Europe, their level of subsidising the dairy industry is very high to a level where, if they were to bring their milk products here, we will not compete with them - be it Ilara or Brookside or whoever it is. They cannot compete because in the USA or Europe, a cow farmer is given Kshs200 every day to keep the cow. In Kenya, the Government takes money from the farmer just because he keeps cows. So, we cannot compete. The question is how, as a country, we can ensure that our industry is competitive and is not being wiped out by unfair imports from abroad.

In this Parliament, for the last three years alone - I have said this before and I will say again today - the Departmental Committee on Finance, Planning and Trade has approved more than Kshs4 billion to resuscitate the leather industry. As that happens, Ethiopia and Italy are watching. They will lower the price of their leather products that are coming to Kenya to a level where our leather industry can never pick up. In that case, we are allowed then, under this law, to put a safeguard measure, to put a duty upon products that come from, say, India, Ethiopia and Italy, until our leather industry is able to pick up and can compete with the rest of the world.

In any development discourse, policy and implementation, there is something called sequencing that is very important. In the last few months, you have seen us putting money in Mumias Sugar Industry and Pan-paper Mills, where Hon. Wangamati comes from. Webuye

Panpaper Mills will never ever pick up if this law is not there. The reason Panpaper closed is that we were having a huge surge in imports at that time that it could not keep up with imports from largely Egypt and Brazil. Those are countries that have huge forests, low production costs on their paper products and you cannot compete with them.

So, pumping money into Panpaper Mills hoping that you are going to revive it is senseless, if you do not sequence it well. Sequencing requires that you have a law first that will enable you to protect the industry before you start putting money in there.

There is a time when we saw interesting items like tissue paper being trans-shipped from Brazil into Egypt and under the COMESA rules, into Kenya. Those items were being sold at always less than the normal value. The reason was to wipe out any paper industry in Kenya so that they can take over. Unless you have the basic policy, legal and institutional framework that will enable you to intervene in times of rain, like when you want to revive Panpaper, you cannot move.

Last month, I saw my President at the Kenyatta International Convention Centre (KICC) buying textile products at Kshs600 and Kshs100. We are saying that those are from the Export Processing Zones (EPZs) and we are now opening them up. The idea is to try and revive and revamp the textile industry. You cannot do it if you have not sealed the loopholes for the cheap imports of textile products. You will never grow. You will be throwing good money after bad money if you keep on putting money in that industry, and you have not put in the safeguard measure. You have not put in the mechanism to prevent cheaper and fairly traded products of textiles into the country. This Bill seeks to give Kenyans the legal and institutional framework for intervening in those kinds of situations to enable us move on as country.

Employment is at the core of any Government's endeavor. Not just the Kenyan Government, but the Ugandan, Zambian and American governments. At the core of it is to try to reduce the level of joblessness and increase employment for the citizens. Everyone is trying to do that always. But if you do not have these kinds of policy instruments, people who have those instruments available for them are able to keep their jobs intact as you lose your jobs. I have said it here before and I will repeat it today. For example, we are now building a huge building next to Parliament. You will find that in that construction, all the tiles are being imported from China. I dare say that this is because of lack of a policy intervention. It will require as Parliament to know, before we undertake this kind of a project which will cost more than Kshs1 billion, what is being sourced locally and what will be sourced from abroad.

For example, if Saj Ceramics is producing tiles in the country, why would you be importing tiles from China? Most of the time, they will tell you that the tiles you are using have certain components that are not in your local ceramics. The Government would require that we stop that project first. Let us build the capacity of our local industries first so that they can supply that kind of a by-product. They would produce their tiles in China at Kshs60, sell here in Kenya at Kshs55, keeping people on jobs in China and make our people lose jobs in Kenya. This is what this law is trying to do.

The WTO and the EAC law require that before you intervene in those circumstances, you must have a law, an institution enabled to conduct the investigations and you must notify WTO, EAC or COMESA. So, this law creates the Kenya Trade Remedies Agency whose mandate is to get instances where we know that other countries are selling their products in Kenya in an unfair way; below the normal value, with the main intention of pushing our local products out of the market and taking over that market. At the end of the day, the consumers get more products for less, but this consumer is the same one who is being pushed out of work. So, they will not have

the purchasing power. It is cyclical that if you import at less than normal value, the price is lower, but the one who wants to buy has already been pushed out of work. The company he used to work for has gone down because of cheaper imports. It does not make sense. That is why we are saying that that institution should do investigations into how much cement is being imported in Kenya today and at how much. How is that impacting on our local cement production in the country?

Hon. Deputy Speaker, as I speak, assuming that wheat farmers from the Rift Valley - because that is where we produce wheat today and our production is below 50 per cent of our requirement in the country--- But assuming the wheat farmers had an issue with imports into this country today, they have nowhere to go. So, this law gives them somewhere to go. The law has established an agency, where they can make complaints and present their facts. As soon as that complaint comes in, the agency will be required to do investigations. It is allowed to travel to Pakistan, India or South Africa to check if what they are saying is their production is, indeed, their production cost.

The law and the agreements we have with WTO, EAC and COMESA allows us. Those other countries will be required by law to enable our agency to check what they are doing and how much they are using to produce. It will check whether they are under-cutting or under-selling. If they are under-cutting or under-selling, then you are allowed here in Kenya to place, in case of dumping, to put an anti-dumping levy or duty. In case the country concerned is subsidising the production of a product, say milk products, to out-compete the rest of the world, we put the counterfeiting measure to ensure that the difference between the subsidy and the normal operation cost is covered.

Where the trade concerned is normal and there is nothing wrong being done, for example, by Malawi or Sudan selling us sugar, the only problem is that the imports of sugar are in such huge quantities that it impacts on the local sugar companies. In Kenya, we have had a safeguard on sugar for the last nine years. The reason the sugar industry has not picked up is because we do not have an agency to monitor and enforce the terms of the safeguard.

We will have a situation that if we are going to protect the wheat or the sugar industry, the industry must tell us what we will be doing for the next five to six years to ensure that the product concerned is competitive and is able to compete with the rest of the world. There is nothing unique in Malawi or Sudan that makes their sugar cheaper than ours that we can never do as a country. That is what this law does.

I want to mention a few other products that have suffered the fate we are talking about here. There is Rivatex, KICOMI and other textile industries that went down because of a surge of imports such as *mitumba*. A law as this one will enable us put the required mechanism so that we can move on as a country.

I will not belabor the point, but request Members to take note of the fact that we need to produce jobs in the country. We need to sequence our development. We need to plan that where we put our money, we will protect that money until that money produces something for the country. We do not do so by always encouraging imports and discouraging exports. The countries that are at our level that we trade with almost at par such as South Africa, Egypt, India, Ghana, Zambia, China and Asian countries; all have these laws and the institutional framework for doing this. Sometimes, it is not because there is going to be an issue, but because you need a gun in your homestead so that in case there is a problem, you can use it for the right purpose.

If people know you have no protection or safety valve, they will always try to play games with you. Kenya is going to warn the rest of the world that it now has a mechanism. If anyone

wants to trade with us, they must be fair, follow the law and know we are watching them. Our country should not be used as a dumping site for cheap products which may be harmful.

With those many remarks, I want to tell the Members that this law is long overdue and it is needed like yesterday. I request them to support it. I request the Chairman of the Departmental Committee on Finance, Planning and Trade, Hon. Langat, to second.

Hon. Langat: Thank you, Hon. Deputy Speaker, for giving me this opportunity to second the Kenya Trade Remedies Bill, 2017. I want to congratulate my friend, Hon. David Ochieng, for a job well done. He has put so much energy and research to come up with a beautiful Bill, although it is quite long.

Kenya is seeking to industrialise and we have Vision 2030, which is only 13 years away. Therefore, we must industrialise and become the best in Africa by 2030. For us to reach there, we must encourage industrial growth and investors to increase investments in Kenya. That can only happen if we are willing to protect them against unfair trade practices. This Bill has, therefore, come at the right time when the Government is encouraging local manufacturing and production of goods. We have about three motor vehicle companies assembling their vehicles locally. They can only continue to manufacture and assemble here if their investments are protected against unfair imports. Therefore, this Bill supports local investors.

Many of our young people are unemployed. Jobs will be created if we encourage local investors and protect them, so that their businesses become sustainable. Unfair trade practices cause companies to close down. We have seen some companies choosing to import as opposed to manufacturing locally. This is because cheap imports are subsidised in their countries of origin. Companies therefore choose to import and stop manufacturing locally and that is why this Bill should be supported.

This Bill provides anti-dumping measures which will only allow good quality goods to be imported into Kenya and our locally manufactured goods will become competitive. Otherwise, if we allow dumping in this country, our locally manufactured goods will not be competitive and manufacturers will resort to cheap imports. Therefore, I support this Bill to the extent that it is encouraging fair trade practices and importation of quality goods to this country. It is also encouraging people to reap where they have sown. Some countries have also subsidised their agricultural goods and brought them to this country because we do not have subsidies. Members should support this Bill because it gives provisions and mitigation against subsidised goods being imported into this country.

It also allows the CS to impose anti-dumping duty on any goods dumped into this country. Dumped goods should be sold at the same price like other goods. Therefore, we need to encourage our farmers like the milk producers and maize growers. I want to thank Hon. Ochieng for having done a serious research and produced this Bill. It proposes to create the Trade Remedies Agency which will be dealing with the day to day administration. The Agency shall investigate and evaluate allegations of dumping and subsidisation of imported products into Kenya. It is good to have a standalone body which will be monitoring on a daily basis and receiving complaints and allegations of dumping.

I know we have the Counterfeit Agency and it seems something is wrong with it because despite its existence, we have not seen much. The agency shall also investigate and evaluate requests for application of safeguard measures on any products imported into Kenya. In other words, any Kenyan can request the agency to ensure that imported products have some safeguard measures. The agency will also advise the CS on results and recommendations of its

investigations for further action. Again, it will publish and disseminate manuals, give guidelines and decisions relating to its functions and perform such other functions as the CS may assign it.

In short, we will have a body, which will on a daily basis be reviewing, checking imports, exports and trade practices to ensure public interest is captured in the trade happening in the country. If we support this Bill, we will be supporting our businesses and investors. To an extra-large extent, we will be creating jobs and encouraging more foreign investors to come to our country. The local people will be encouraged to start businesses and create a competitive environment with the international community.

I do not want to belabour any more points, but I thank Hon. Ochieng and congratulate him. At the right time, my Committee will be proposing additional measures in terms of amendments to the Bill. This will strengthen and tidy the Bill up, so that it can be used to better our country.

With those few remarks, I thank the Member and wish him well. I also congratulate the substantive Deputy Speaker for having won the nominations in Bomet County and wish her well. I also wish well to the other Members who won the nominations.

With those few remarks, I second.

(Question proposed)

Hon. Deputy Speaker: Let us have Hon. Geoffrey Odanga.

Hon. Odanga: Thank you, Hon. Deputy Speaker for giving me this opportunity to contribute to the Kenya Trade Remedies Bill as brought to the House by Hon. David Ochieng, the Member of Parliament for the great people Ugenya.

This Bill is long overdue. We have seen our manufacturing industrial sector suffer a great deal. Right from the time of the agrarian revolution and the industrial revolution, we saw great countries that became so industrialised like Germany, France and Britain making great efforts to ensure that their industries were protected and that the goods which were being produced in their countries did not face undue competition from other parts of the world, so that their industries and economies could grow. Even at Independence up to around the 1980s, our industrial sector was flourishing and doing very well.

As the Mover of the Bill has already mentioned, the textile industry was doing very well in this country. People in regions like Western, Nyanza and the Coast were producing cotton and there were factories all over. Our people were employed and were, therefore, able to cater for their needs. They were also able to export.

Imports are still allowed in any country against consideration of the exports being done. But where the imports far outweigh the exports, it then brings in a lot of imbalances and cannot be very good for a growing country like Kenya. For that matter, the issue of dumping, as already cited, should be checked so that locally-produced goods do not face unfair competition from goods being brought into the country in form of imports. The prices must be checked. As such, I support the idea that such goods and items have to be taxed to ensure that the locally-produced goods can compete favourably.

Sugar-cane growing has been a big talk in this country for quite a long time. This sector that was the mainstay for quite a number of people in the sugar producing zones of Western, Nyanza, parts of the Rift Valley and the Coast. All those factories have gone to the dogs. The production is low. I do not think the factories that are coming up are intended for production of sugar. I look at it as if they are being constructed for purposes of getting cheap imports from

other countries of the world. They stock it here, brand and sell it here, much to the detriment of the sugarcane farmers. Some of them do not even have 1,000 acres of sugarcane and you wonder what they are doing to help the farmers. This kind of law - the legal framework that Hon. Ochieng' is bringing to this House - needs the support of all of us to protect our people. Our people are very enterprising when given an opportunity. It is the responsibility of any Government to make sure that it has protected its people, her factories, if they are there, so that manufacturing can flourish.

I beg to support the Bill.

Hon. Deputy Speaker: Let us have Hon. Michael Onyura.

Hon. Onyura: Thank you very much, Hon. Deputy Speaker. I also rise to support this Bill and like my colleagues before, I congratulate Hon. David Ochieng, who is my good neighbour and party leader of one of the newest parties in the country. It is a timely Bill that addresses a very a problem that is causing a lot of challenge in this country.

I was quite impressed when Hon. David Ochieng was moving the Bill and he said that it is something that he has been working on for a number of years even before he came to this House. It can be seen because it is a very detailed document of nearly 130 pages. It is quite comprehensive. It covers the establishment of an agency to carry out the responsibilities, duties and functions that are detailed there. The Bill also gives the appointments, laws and procedures that it will use. It is a good job done. I thank my good neighbor for that dedication and commitment.

For any country, national interest comes first. That also includes the welfare of citizens and protection of their economic activities and endeavours. This Bill provides the necessary legislative and legal framework in which that can be done so that where the Government feels it ought to take action, it will then have a structure, rules and processes to do that. This will protect us from having serial litigants rushing to court to say that the Government is doing something illegal or that it is not backed by law. It is a very good effort. The fact that among its benefits is to protect our industries, some of which are very young and fledgling, the Bill directly contributes to the creation and protection of employment. As we know, the rate of unemployment is a serious matter in this country. It is getting higher and higher. We should look at it as a very serious security risk. As we continue to increase the number of well-educated and properly trained youth who are jobless, there is a security risk in that as well.

One observation is that making such a good law is one thing. The challenge is the implementation and enforcement. That is where we have challenges. We have all manner of laws. I am sure that even some of the existing laws can mitigate some of the risks and offences that would arise from activities of dumping. But you find that nothing is happening. We have laws on counterfeits. We have laws on importation of poor quality products that are supposed to be enforced by the Kenya Bureau of Standards (KEBS) and other agencies. We have some fairly strong customs laws that can take good care of some of these issues, but those who are entrusted with the implementation and enforcement of these laws are not doing their jobs. I hope Kenyans who will be given the opportunity to implement this will be serious and dedicated so that we do not just have good laws in our statute books that do not help us.

Hon. Deputy Speaker, all in all, this is a Bill that will protect us from unfair trade practices and all the dangers that it has including flooding our markets with very cheap goods. The fact that the Government will now have a framework in which to levy taxes that will discourage dumping and also support the young and weak industries through subsidies will be of

great help to our country. This will help us to encourage our youth to be innovative and get into entrepreneurial activities. They need this kind of protection.

Hand-in-hand with this, I also hope rationalisation of our taxes will also be addressed. I have in mind one time when some people in the pharmaceutical industry were saying that they are discouraged from manufacturing in this country because of the high taxes that are levied on raw materials. They find it cheaper to import manufactured products rather than import raw materials and make manufacture here. I hope all the stakeholders or those who are in charge will make sure that even the rationalisation is all round including our taxes.

Another important thing is to ensure that we build enough capacity and specialisation for those who will be given the privilege to operationalise this Bill. I was just looking at some notes from the Mover which indicated that this is not a unique thing to Kenya. Many other countries are doing this. I do not think we are doing something that is out of this world.

I strongly support this Bill. Thank you for the opportunity.

Hon. Deputy Speaker: Thank you, Members, for your contributions. Before I call the next contributor, I want to recognise the presence of Muruguru Girls High School, from Nyeri Town Constituency, Nyeri County. You are all welcome in the National Assembly.

I would like to call Eng. John Kiragu, Member for Limuru. We are having a serious problem with our microphones this morning. Have you managed to get one that is near you? You can cross to the one that is in the next row.

Hon. J.K. Chege: Sorry, Hon. Deputy Speaker. I rise to support this Bill. As I do so, I want to recognise that this proposed Bill will be important for this nation mostly to support our industries and address the issues of unemployment in this country. But in doing so, it is also important to note that we have existing agencies like the Kenya Bureau of Standards whose role we cannot ignore in very similar assignments. But I still believe this Bill will go a long way in ensuring there is fairness in trade.

As you know, this country is facing a very difficult time with unemployment particularly among our youth. My constituency of Limuru is known for the production of shoes. It has been doing that for many years. But dumping of second hand shoes and even poor quality shoes has made the Bata Shoe Factory to be another distributor other than manufacturing. One can go to many industries in this country whether it is in the agricultural sector, automotive or textile and you will find that for a long time, this country has not dealt with this problem seriously.

This country has also to compete with the rest of the world. So, we are not saying that we want to restrict products coming to the country just because we do not want to compete with the rest of the world. What is important here is that even as we grow our industries, they should be given fair chance for them to grow and compete. We know that other economies around the world, whether it is the United States, China or Europe, have put in place measures to make sure that their industries are not killed by importation.

I believe this Bill will help not only to develop industries, but also to safeguard the loss of foreign exchange which we have to use sometimes when we are buying things which, in fact, have no value. We must know, for example, that this country previously made an effort to grow industries. I know there were restrictions in the past, but we did not sail through in some of our pledges in ensuring that unfair competition is not there. There was a time when the Kenya motor vehicle industry had grown to a point where the local content was significant. But over the years, we have lost that advantage and today we look like we are starting all afresh. I remember even in the railway sector, Kenya was a manufacturer of spare parts not only for Kenya, but also for

Uganda, Tanzania and as far as Zambia. But over the years, we did not ensure that that sector grows. Today, we are investing a lot of resources to establish these industries again.

In the sugar industry, and that goes for the agriculture sector, we have not been able to compete mainly because our industrial sector has not developed in a way we can manufacture some spare parts that are critical in driving some of these industries. Over the years, the cost of production of our products like sugar has gone up. Such a Bill will help to make sure that we grow industries that support our manufacturing, make sure that Kenyans have an opportunity for employment and this country can grow her industries, so that we can also contribute to the world market.

One of the challenges we have is that we have many agencies today, but how fair will they be in terms of investigation and assessment so that whatever judgement that comes from them would be one that would be fair for the sector? I know that many of the agencies have lived short of our expectations. My hope is that establishing such a remedy agency will work and will be one that can create additional value in making sure that the sector of trade gets what it deserves. I would imagine that when this Bill is finally passed, it will contribute to the growing of the Kenyan economy and make sure that our competitiveness in the world market is safeguarded.

I support. Thank you.

Hon. Deputy Speaker: Hon. George Omondi.

Hon. G.O. Omondi: Thank you, Hon. Deputy Speaker, for the opportunity to say a few things about this Bill. One, this is a very important Bill, but it will appear that this House is not giving it the importance that it deserves.

We keep on talking about the poor economy and the low income that our people enjoy in this country, but when such a Bill comes that can correct those problems, we seem not to be giving them enough attention. I would have expected this House to be full to discuss this Bill.

Secondly, I want to talk about the person who brought this Bill, Hon. Ochieng. It is very interesting that such brains in this House are not recognised. These are the people who are being frustrated in the parties and are now being kicked out. I do not know what would happen if such people are out of this House and this House is full of people who cannot bring such Bills to the House. These are the people who should be supported even by the people at home and the party leadership, so that they can keep on bringing such important Bills.

Talking specifically about this Bill, those who have studied economic history will appreciate that no country has developed without protecting her industries. If you look at the history of Europe, specifically England, there was a time it was a criminal offense to bring goods into England which were readily available in the country. I am talking specifically about the textile industry which made England to industrialise. It was a criminal offense, punishable by death, to take textile from the eastern parts of the globe, more specifically India and China, to England. Through their trade protection by that time, they managed to develop. Currently, we are being pushed that we are globalising and that we are opening up trade. There is no country that opens up trade. Even the present practices where we see the subsidies of agriculture in Europe and America are forms of trade protection. This is the only way any country can develop.

The other thing I want to talk about is the huge debt that the Opposition keeps on crying about. The Government insists that the debt ratio vis-à-vis the GDP is okay. What the Opposition is saying is that we are not exporting enough to be able to pay the huge debts which we are accumulating. How do we export enough to pay this debt? We can only do this by protecting our industries, manufacturing more and exporting more to earn more foreign trade. If you look at

even America which claims to be the most open economy, remember at the time of President Clinton, there was a crisis of importation of Russian Iron into the country. America basically went ahead and protected the industry. This is one of the open economies, but by opening her industry, she protected her iron industry. They did not want Russian goods into their country, so that their industry could generate jobs and foreign exchange.

It is only important that in this country, as we globalise and as we look at the WTO procedures, we get the right people who can protect us against any litigation that may come. I know we are members of the WTO and if we start protecting our trade, we will be accused of unfair trade practices. We need to put in place the right people here. We should have the right lawyers who can defend us as we go ahead to protect our industry. This is the only country where even very basic things are imported, which we can manufacture locally.

Recently, we talked about allowing milk products to be imported from Uganda. I do not see how this is going to help us. We can increase our milk production by protecting our industry. However, we need to do it very carefully. Do we need subsidies or do we go for direct protection? My point is that we can put correct people in place. We can have people with the right brains who can tell us what to do so that we do not run the risk of violating the WTO and other trade agreements that we have signed.

I support Hon. Ochieng's Bill. This should be debated and fast-tracked, so that it is signed by the Executive.

I support.

Hon. Deputy Speaker: Robert Mbui.

Hon. Mbui: Thank you, Madam Governor. Sorry, Hon. Deputy Speaker, for this opportunity to contribute on the Kenya Trade Remedies Bill, 2017 by my colleague and friend, the Member for Ugenya, David Ochieng.

The goal of any Government is to assist its people to have socio-economic development. When we attained our Independence, we set out to eradicate poverty, ignorance and disease. Issues of ignorance are handled by the education policy, issues of disease are under the health sector and issues of poverty are under the trade sector. This Bill basically tries to give solutions to some of the issues that we set out to achieve when we gained Independence from the colonialists. On the trade sector, we have to ensure that we create jobs for our people. How do we create jobs for our people? The most important in which we can do this is by ensuring that our local businesses and industries are protected and they thrive.

This Bill seeks to protect local businesses against unfair trade practices. Some of these unfair trade practices are dumping. Dumping is about importing low quality and low value items. We have seen that happen on a regular basis. It is one of the things that the greater nations or the bigger and powerful nations keep on doing because their industries are more developed. All the products they feel are not up to the standards of their citizens are exported to countries that are deemed to be economically inferior.

On the issue of subsidisation, governments subsidise the products that are coming out of their countries. When they are subsidised, their value goes down. It then becomes easy for the manufacturers in those countries to export the products to our nations, where unfortunately, our production costs are high. The goods from our industries are extremely expensive. There is also the other practice of excessive imports. This distorts trade imbalances. We also have perception by our citizens that imported products are better than local products. It is very important to ensure that our people are advised and educated on the importance of buying local manufactured goods. When you buy local, you build local.

I support this Bill. It proposes some remedies to these problems, the first remedy being the antidumping levy. If countries out the reproduce low quality items and they want to export them to us, and we know for sure that these items are not of the value that they are being sold at in our country, then, it is important for us to implement the antidumping levy. We put a levy on those goods so that by the time they are being sold in the local market, their prices are higher than the prices of similar locally produced goods. That way, Kenyans will not be excited to buy these imported goods because certainly their prices will not be as competitive as they are supposed to be when they are dumped here.

The other one is the anti-subsidy levy. If we investigate and find that these countries are highly subsidising production of items or commodities within their countries, and they do that for purposes of export and exploitation of our citizens, then we also need to consider the possibility of having an anti-subsidy levy so that we can also levy some serious duty on them and make the products less competitive than they seem to be.

We may also consider controlling the imports of locally available goods. It is important for any country to protect its industries. If we allow commodities that we can produce locally to be imported, it means that we are not building our people's capacity. It also means that we are unable to provide the jobs that are critical to eradicate poverty as we set out to do when we gained Independence. So, it is important that we do these things.

The Bill also proposes to establish a government agency for investigation and enforcement of the above. When I look at some of these issues, a case in point came to mind. Recently, we have been having a major problem with the prices of food in this country. The price of maize flour had skyrocketed to a point where Kenyans were unable to put a decent meal on the table. Suddenly, we find that there is an arrangement to import something very basic like maize from abroad.

There are agencies in this country that are tasked with the responsibility of ensuring that our Strategic Grain Reserve (SGR) is protected. What have they been doing all this time? What has happened to those years that we have been having surplus? What happened to the reserves that are supposed to have been there for such a time as this when we have drought? I think it is important that all Government agencies work together to ensure that we do not have a situation where we are importing, under pressure, items that are easily available, are locally produced and that we can access if we actually plan for it.

There are also trade imbalances that favour some nations at the expense of others. If you look at our country, you will find that we actually import a lot more than we export. As long as we have that kind of trade imbalance where we are exporting very little and importing so much, we will constantly remain at the level where we are within the world ranking. So, it is important that we start figuring out and thinking ahead so that we ensure that these trade imbalances are controlled and ensure that whatever we are importing is only what must be imported. This is because if we can produce it here, let us encourage the purchase of those items here. In order to do that, we also have to ensure that we build capacity. There is a lot of work that needs to go into this but I strongly support the idea. I feel that this is a step in the right direction and I think the honourable Member has actually started off a journey that will save this nation. We hope that by the time we finish our elections and come back as a government within the National Super Alliance (NASA), we shall be able to implement these things to benefit the people of this country.

Thank you for that opportunity, Hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Cyprian Iringo, you have the Floor.

Hon. Kubai Iringo: Thank you, Hon. Deputy Speaker for giving me this opportunity. First and foremost, let me congratulate you for the exercise which happened just the other day and I pray that you will be the next Governor of Bomet and the first lady governor in this country.

Having said that, let me support my colleague, Hon. Ochieng for having brought this Bill, which tries to bring some corrections or do some remedies as far as trade is concerned. The Bill also puts in the legal framework for the protection of the domestic industries and also oversees the unfair trading practises, especially with our superpowers or those other countries which have more than they require and us who have less than we require.

This Bill is timely because it is going to protect local industries from the onslaught they are getting from what we import especially the domestic industries and the agricultural sector, where we thrive most. In the process of protecting these industries, we will end up creating more jobs in our country. We shall also be able to utilise most of the resources we have. It will further help curb dumping because we are importing some items which are really not up to standard and which have been rejected in their countries of origin. An example is *mitumba* which are dumped here. Some clothes are brought here in big bales. Once they land here, some of them are sold but they are not worn for long because they were already used wherever they came from. At the end of the day, others are dumped here and we have nowhere to take them.

We have had cases where vehicles have been imported into this country and they are brought in dozens. Most of them end up just rotting in Mombasa or when they get up to up-country they are used for a short period because they had already outlived their purpose in their countries of origin. Dumping has also caused collapse of our industries.

When we were in school many years back, we used to have Rivatex. It used to produce clothes like school uniforms and uniforms for our disciplined forces, which were being sold everywhere. It was employing many people. We also had Mount Kenya Textiles which was based in Nanyuki. We also had KICOMI in Kisumu. All these are dead. They were using sisal as their raw material. We had a lot of sisal at the coast and other parts of the country. These firms are now neglected. We are crying that we do not have jobs and land for farming and other activities, but it is us who have not put our priorities right. We have neglected a very important industry like the clothing industry.

I commend the Government for bringing back motor vehicle assembly lines to the country because if we assemble more vehicles locally, we need to import less and make sure that we sell more of our products. This one will also create more jobs and increase our revenue. We have another constraint, especially on the production cost because most manufacturers, entrepreneurs or investors will go where the production cost is low.

In Kenya, we have problems with our production cost because of the raw materials and other inputs. For example, power is very expensive in Kenya and I do not know why. We need to check on the production cost of these items so that when we sell them, they compete well with the products which are coming from the Common Market for Eastern and Southern Africa (COMESA), East Africa or even from Europe and other places.

Therefore, if we bring the cost of production down, at the end of the day, we shall produce more and we shall market not only within but even without. With this protection law, we can get industries which will add value to our products. Instead of selling raw coffee for it to come back as Nescafe or with another name, we can add value to that product, sell more and create more employment opportunities.

I appreciate this Bill because it creates an enforcement agency which will ensure that these laws are followed to the letter. If there is any mischief or anything which goes against this law, the agency will do proper investigation, prosecute and punish those who break the law. If this is done, we shall go a long way in protecting local industries and making life cheaper for our country.

I thank the Government because it has gone out of its way to get some money to subsidise the value of maize. This will ensure that the price of maize flour goes down. There has been hue and cry in this country since the citizens were suffering because maize flour is a staple food in Kenya. I thank the Government for bringing down the price of Kshs90 per 2-kilogramme packet. This should come with proper arrangement. It should not be done as though it is an emergency. I find the Government to be alert, interested and ready to take care of its citizens.

I thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Let us now hear Hon. Patrick Wangamati.

Hon. Wangamati: Thank you, Hon. Deputy Speaker for giving me this opportunity so that I can also contribute to this important Bill that is before us. I want to congratulate Hon. David Ochieng for bringing it. I have gone through it and realised that he has done a lot of research. The Bill is very detailed and I congratulate him.

Hon. Deputy Speaker, it is important that this country gets the Kenya Trade Remedies Bill, as soon as possible. This Bill encourages Kenyans and businessmen in this country to prepare to go into industrialisation. There are crops we produce in this country in form of food. If we had industries and people who can add value to these goods, we could do well in this country. This is a very important Bill for us. It encourages Kenyans to start creating employment for our young men by starting these industries alongside other things that we import from other countries. It is important for this House to approve this Bill so that implementation can take off. This country needs to ensure that Kenyans enter into industrialisation and this type of trade so that our country can move economically and our people can benefit from this. It is good that Hon. Ochieng thought of this Bill. Now, I am happy that we have such kind of Members.

Finally, I want to congratulate you, Hon. Deputy Speaker for taking a bold step to vie for the position of governor. It is good for us to have women coming up and leading this country. I know you can do it.

I want to thank Members of Parliament who have gone through nominations everywhere in this country. People even think that the nomination process was bad, but since I have been in this country for a long time, I will tell you that this is the way to democracy in this country. I want to encourage those who have gone through and those who have lost to come together so that the 12th Parliament can be respected.

I thank you, Hon. Deputy Speaker. I thank Hon. David Ochieng and Members of Parliament who have positively contributed to this Bill. We are going in the right direction. I strongly support the Bill.

Hon. Deputy Speaker: Thank you, Hon. Wangamati for those remarks. Thank you for all the goodwill and best wishes messages. We still have a journey to go because we are not yet there. Send me best wishes for the remaining part of the journey.

Thank you.

I want to call upon Hon. Ronald Tonui who is from my county to take the Floor.

Hon. Tonui: Thank you, Hon. Deputy Speaker for this opportunity and as my incoming governor. We are looking forward to have you as our governor and we are proud of you.

I want to support the Kenya Trade Remedies Bill and also commend Hon. Ochieng for coming up with it. I believe this Bill is timely since it is trying to address the issue of protecting our industries from unfair competition from established industries outside this country. Our industries are relatively young and may not survive the external competition which in most cases is unfair. We need to ensure that that aspect of unfairness is addressed.

The issue of dumping also needs to be addressed. Large industries out there produce goods and sell them in their countries at the market price. They then export them to us after increasing the cost hence killing our industries. This is a very important issue to address. Countries in Asia and Europe are subsidising their dairy and farming industries. These subsidies are killing local industries in this country. This needs to be addressed. Therefore, this is a very timely Bill.

The relocation of industries from this country because of unfair competition and industries being well protected is well addressed in this Bill. That is why we need to support it. We also need to address other issues which affect relocation of industries from this country such as taxation. Taxation on industries in this country is high. We, therefore, need to relook into this matter so that goods from this country can be competitive.

The cost of imports for our industries needs to be addressed. It is not just the unfair competition but there are certain issues which ensure that the cost of our products is high. This will make foreign industries that are well established outdo our local industries. We need to relook at the cost of imports. If we do not address the cost of imports, then the cost of the end product will be high. We also need to address the cost of electricity.

It is unfair when we talk about clean energy all the time and say that we cannot use the type of energy which was used by the currently industrialised countries. They used coal to develop their countries. At this point in time when they are well off, they are saying that we need to use green energy. That disadvantages us, as a country. We need to look into those issues.

This Bill seeks to address employment creation. This is one issue which we need to address as a country. There are too many youths out there who cannot get employment. As we move around campaigning, people are telling us that we have not employed them and that we have not created jobs. How can we create jobs when our local industries are facing massive competition from cheap imports aimed at ensuring that no jobs are created in this country? This Bill seeks to address the issue of job creation. That is why we need to embrace and support it.

I also support the idea of building the Standard Gauge Railway (SGR), which is a very modern railway. It is a positive thing. I have heard very many people say that the SGR will be used to import things in an easier way. The Chinese will be able to export their goods to us because everything we have in our shops is made in China. The SGR will ensure that their goods reach our market in a fast and more efficient way. We need to re-look into the idea of encouraging exports from this country, so that we do not invest massively in infrastructure to benefit imports only. We need to ensure that our exports benefit from the funds we are investing in infrastructure.

I will encourage Hon. Ochieng, the owner of this Bill, to re-look into the idea behind the Kenya Trade Remedies Agency. I do not know whether it is a duplication of duty because we have the Competition Authority of Kenya, which tries to address unfair trade. The Competition Authority of Kenya can be expanded so that it can even deal with issues of imports and

competition. If you have two bodies which are doing similar work, it is duplication of duties. This is an unnecessary expense to the taxpayer.

I also wish that the Agency that is intended to be created will look into the issue of unfair trade practices internally, like issues of milk. Farmers in the villages sell a litre of milk at Ksh30, but the same litre of milk is sold in supermarkets at Kshs150. That is a difference of about Kshs120. The farmer who takes care of the cows throughout the year and provides the cow feeds – which are very expensive – gets Kshs30 only per litre of milk. Brokers are cashing in and getting around Kshs120. This needs to be addressed. I am not sure whether the issue of milk has been addressed. I have not read this Bill in detail; I have read it casually. If it has not been well captured, I hope it will be captured at a later stage.

Even though we support this Bill, there are industries in this country which are uncompetitive. We have a big problem with sugar right now. The price of a kilogramme of sugar in supermarkets is Kshs210, simply because we are protecting our uncompetitive sugar industry. The President was in Uganda last year to negotiate something to do with sugar, and there was real opposition, especially from sugarcane-growing regions. You are unable to supply us with good sugar. People are now suffering because of the rise in the price of sugar. This needs to be addressed.

If an industry is not competitive, it should not be overprotected. If Brazil produces sugar at a third of the cost of production in Kenya, we need to re-look into that aspect, so that we do not simply protect a few people at the expense of the majority of the consumers who are being forced to purchase some of these commodities at exorbitant prices.

I am happy because the owner of this Bill has benchmarked in other countries. Other countries have already initiated similar Bills. This is protecting their industries. I believe the countries that have been quoted, like South Africa and India, are model countries we need to borrow from.

There are small issues which are mentioned that need to be looked into, so that our people can enjoy some benefits, especially that of sugar. I can afford to buy sugar at a cost of Kshs210 per kilogramme, but a villager is forced to not take tea with sugar, simply because we are protecting industries which are currently very inefficient. We need to re-look at that issue, so that we do not protect local industries at the expense of the majority of Kenyans.

The trade imbalances which are also captured in this Bill are well addressed. We need to encourage our markets to be export-oriented rather than being import-oriented. That one is well captured because it will encourage creation of jobs.

Hon. Deputy Speaker: That is okay. Hon. Nelson Gaichuhie, you have the Floor.

Hon. Gaichuhie: Thank you, Hon. Deputy Speaker. Let me also join my colleagues in congratulating you for being nominated for the seat of the Governor for Bomet County. I hope you are all best as we go towards the general election. I also want to congratulate everybody else who was nominated.

I want to support the Kenya Trade Remedies Bill by Hon. David Ochieng. I know he has taken a lot of time to come up with the Bill. He was still doing a lot of work on the same Bill even before he joined Parliament. It is good that today the Bill is on the Floor of the House.

We support this Bill because Kenya is a country that would like to have many industries. We have seen so many industries shutting down because of bad trade practices that have been ongoing in the country, including dumping of cheap goods from abroad. The people have also not been very keen on the industrial sector. We also know that we have things that have been dumped in this country because we have not been protecting our industries. We need our

industries to grow. We will protect our industries with this Bill. We will even take care of goods that have been imported from countries that subsidise their products.

Maize flour was Kshs150 the other day but after we subsidised the importation of maize, it has gone to Kshs90. This is the same case with subsidised imports. We bring them at a very low cost at the expense of our industries. We will protect our industries with this Bill once it becomes law. Our industries will grow because we need to create jobs.

*[The Deputy Speaker
(Hon. (Dr.) Laboso) left the Chair]*

*[The Temporary Deputy Speaker
(Hon. Omulele) took the Chair]*

Hon. Temporary Deputy Speaker, I encourage Hon. David Ochieng to come to our Committee because we will look at this Bill in detail on Monday. If we need to consult and enrich the Bill, it would be good for him to be with us, so that we continue working on it. This is a Bill that will take care of our industries.

It is also good that we have very good trade practices in this country although we are complaining that we have seen very many industries closing down. I also want to thank the motor vehicle companies that have decided to come back to Kenya, like Volkswagen and Peugeot. It tells me that we do not have bad practices. It is only that we are not able to protect our local industries. If foreign industries are coming back to Kenya, it means that we need to protect local industries. With this Bill, we will protect our industries.

It is good that we will have this Agency, though we know that we have created many agencies. If we want to have a good trade remedy, we need to have an authority that will take care of our industries. I hope that if we have an authority, it will implement what the Bill says.

With those very few words, I support the Bill because it will develop Kenya. We will create jobs for our youth and make sure that Kenya moves in the right direction.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Let us now hear Hon. Ferdinand Wanyonyi.

Hon. F.K. Wanyonyi: Thank you, Hon. Temporary Deputy Speaker. I also want to take this opportunity to thank Hon. David Ochieng for coming up with this Bill. I want to declare that I was a businessman before I became a Member of Parliament. In the interest of our country, this Bill has come at the right time.

There is need for us to set up the Kenya Trade Remedies Agency. Currently, we have multiple agencies that deal with importation of goods in this country. I have in mind the Ministry of Trade and Industrialisation, the Customs and Excise Department that check on importation of products into this country. We have suffered because we seem not to be having a clear agent to distinguish items that are locally available.

You and I know the history of this country. Very many industries have closed down. You can name as many as 20. I have in mind the Rivatex in Eldoret, Pan Paper in Webuye, KICOMI in Kisumu, the Thika Textile Mill and the Leyland in Thika. Even General Motors (GM) is also trying to stay even. Many of these industries have closed down because of unfair importation of similar products that were supposed to be produced in this country.

At one stage, we encouraged Kenyans to consume local products. There was this slogan saying “Buy Kenya, Build Kenya.” That again disappeared. We are now importing, for example, basic food products like maize and sugar. It is just because we are careless as a country. I must admit we have been careless as a country.

One, we import the inputs of these products too late and yet most of the time, we rely on rains. Our agriculture is basically rain-fed. Therefore, the time of importation has been an issue. We import fertiliser from Europe but last year, we imported from China. We imported it too late. At one point we said the Ministry of Agriculture should not be involved in the importation of the agricultural inputs. They should do it. That is a careless way of doing things. That is why we had problems and poor yields.

I am in the Departmental Committee on Agriculture, Fisheries and Cooperatives and I have to declare my interest. We went to the South Rift and found that the so-called fertiliser that was imported at that time was substandard. So, we had very poor yields last season. Today, there are some mechanisms in place to import fertiliser, but I do not know whether it is from Europe or the Far East. The rains are late. Some of these things are because of our carelessness. Therefore, the agents here would be doing day-to-day work of checking on imports. Even those unscrupulous importers who import things that are locally available will also apply breaks.

You can imagine the textile industry that was doing very well during your heydays as a school boy. We were buying uniforms from locally produced textile that was very cheap. Today, we have *mitumba*; no wonder we have various skin diseases. We had, for example, a factory that was doing very well - Bata Shoe Company of Limuru. Today you go there it is just a shadow of what you and I know. So, we need these agencies very quickly to check on some of the imports and to protect locally manufactured products.

Look at the motor vehicle industry. We import a vehicle that is over seven years. When it gets here it breaks down and you are forced to import the spare parts for the vehicle, because you do not have an agent to vet what is supposed to be imported. So, we have been wasting a lot of foreign exchange in importing things that we would otherwise have been able to export. We even import batteries. Can you believe it? A car battery is imported from the Far East. What are we up to? We are jokers in the whole world. We are playing with our lives.

We have skilled labour force in this country because we have people who have done sciences and engineering. What do we end up with? They are on the streets looking for jobs. They could be doing some work instead of us wasting them to go overseas to look for jobs. We are not even short of anything, but we are being careless as a country. That is why we have problems today. That is why this country is a dumping site for most of the goods. Who cares? We are importing even spare parts for the SGR. You cannot believe it. We are importing spare parts from China to build these locomotives, when we had a factory in Industrial Area that was manufacturing railway sleepers. Today we are importing. We are importing nearly everything. No wonder nowadays we import sugar and maize, which is a staple food in this country.

Therefore, we should have this agency in the interest of our country to check and put a break on some of these practices that are not very necessary so that we can protect some of the factories here. Some of those factories, you and I know, will be able to offer employment to our people. We have a lot of unemployment. Some of us have a problem explaining to the youth what to do.

I just came from Kitale. I have over 20 boys who came to me looking for jobs. They are university graduates; some of them very qualified scientists. We should do something. We should have an agent. I want to thank Hon. David Ochieng for having come up with this Bill so

that we can do away with the multiple agencies we have today. We have the Customs Department, the Ministry of Trade and Industrialisation, the CBK and the KRA. Let us have a specific agent to check on some of these imports in the interest of the development and the future of Kenya that you and I love.

Last but not least, this is the cause of trade imbalance. If today you look at the trade imbalance between Kenya and China, Japan and Europe, you will realise that we are far below.

Hon. Temporary Deputy Speaker, we should be able to fast-track this Bill in order to put a break on some unnecessary importations, especially in the agricultural sector; which has been one of the areas we have been very careless.

With those remarks, I support the Bill.

The Temporary Deputy Speaker (Hon. Omulele): Very well spoken, Hon. Ferdinand. We noted that we are saying even us, as Members of Parliament who sit here, every grain of cereal that we have eaten today as we come to work is important. Every thread of clothe that we have on our bodies is important. We should start loving our country.

We shall hear the Member for Kaiti, Hon. Richard Makenga.

Hon. Makenga: Thank you very much, Hon. Temporary Deputy Speaker for giving me an opportunity to add my voice on the debate of this very important Bill, which has been brought to the House by my good friend, Hon. David Ochieng.

I support this Bill because it is meant to provide some legal framework to protect domestic industries from unfair competition from foreign industries.

For many years, this country has been used as a dumping ground for cheap goods. If you look at that critically, you will find that they are goods that can be produced locally. This Bill is, therefore, introducing some measures to curb dumping of cheap imports in this country. Dumping of cheap imports is one way of killing the morale of investors or people who may want to start local industries. Since cheap materials or finished products are brought into the country, such would-be investors realise that they will not be able to compete favourably. The passage of this Bill will bring sanity in the trading sector and tame individuals who think that they can create opportunities of making quick money by dumping cheap goods in this country.

My colleagues have talked about some industries which were doing very well in the early 1970s and 1990s. Those industries collapsed due to greediness of a few individuals. They connived to kill local industries. I am citing the local textile industry.

I come from Makueni County, which is a fairly dry area. At one time, we were one of the leading producers of cotton. Due to the collapse of the local cotton consumer industries, production of cotton in that county ceased. I feel very sad because that was one way of ensuring the livelihood for our people. They have resources like land, manpower and capacity to produce cotton. However, when these people killed the local factories, cotton production in Makueni ceased. Some private people even invaded and grabbed the ginnery from the local people. That was very unfair. In fact, the cotton industry was the only lifeline of the people of that area. People have not been able to sustain their livelihoods since the cotton industry was brought down.

Although globalisation has brought a big change in the world, the world has since become a global market. However, it does mean that everything that is produced in a certain corner of the world should enter into our local market unchecked. The proposed agency will be entrusted with the responsibility of ensuring that not all foreign products are brought into the country. I would, therefore, urge that once the proposed agency is put in place, it tries to be effective in terms of protecting our local industries by ensuring that imported products do not

unnecessarily compete with our local products. The agency will also be able to create awareness on cheap products that are meant to exploit the local industries.

If the proposed Agency works effectively, it will protect local industries and promote job creation. The Government will also benefit through taxation. People tend to think that when jobs are created they only benefit the people who are employed. The Government benefits more because the citizens pay taxes like Pay-As-You-Earn (PAYE). If a manufacturing company is established and it employs 1,000 people, there will be cross-cutting benefit because the workers and the Government will benefit from wages and taxation, respectively.

There are agencies which are concerned with safeguarding the quality of goods produced locally as well as those which are imported. I have in mind the Kenya Bureau of Standards (KEBS), which is concerned with ensuring that the standards of products brought into the country are maintained. However, KEBS does not have the powers of the Agency that this Bill is seeking to establish. Therefore, once passed into law, the Kenya Trade Remedies Bill will ensure that the work that is not being done by the existing agencies due to lack of powers is done by the proposed Agency.

For a very long time, Kenya has been an importing country. Curbing of dumping of cheap goods from abroad will encourage people to come and invest in Kenya and make this country an exporting country.

The anti-dumping measures will encourage people to invest in this country and make it an exporting country. That way, the question of trade imbalance will be addressed. This country should also make use of trading blocs such as the East African community (EAC) and the Common Market for Eastern and Southern Africa (COMESA). If we do that, we will encourage the production of goods locally thus improving inter-trade in our region.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Richard, are you done? You have completed. We shall have Hon. ole Kenta, the Member for Narok North.

Hon. ole Kenta: Thank you, Hon. Temporary Deputy Speaker. I want, first of all, to commend my colleague Hon. Ochieng for such a wonderful Bill. He has been bringing good Bills in this House. Indeed, such Members should be appreciated. We know that we need to protect our country from greedy people who are destroying it. We have become a paradise for entrepreneurs. We are now a country where a few people benefit at the expense of the majority. Let us look at the maize saga that is facing us today. How can maize from Mexico reach our port in a span of five days? How can a two-kilogramme packet of maize flour cost Kshs160 in an agricultural country?

We are killing our industries to satisfy our huge greed. That is a pathetic situation. We need to look at the systems of governance in this country. At independence, we were at par with the Asian Tigers economically, but now we are amongst the poorest countries on earth just because of the misrule that we have encountered over the years. When the Asian Tigers got independence, they protected their industries and labour force from external exploitation. As they say, Africa developed Europe. In fact, to be honest, Africa, especially Kenya is now developing China.

How can one justify importation of basic things like matchsticks in the 21st Century? We are importing cement, tiles and leather from China yet we have industries that produce these items. The passage of this Bill must be expedited so that we protect ourselves. There has been a

lot of dumping in this country. We have seen people going to our neighbouring countries to exchange family business interests with the national interests. We know of that issue that caused hullabaloo the other day in Uganda. If we need to make this country good for the future generation, we must think about it first before self.

Trade imbalances exist all over the place and they are encouraged by those in power because they are the ones who make decisions. There should be established an identification and reinforcement agency as is stated in this Bill. It will ensure that the goods that enter into this country are of good quality. It will also ensure that whatever we can produce locally is not imported. We need an agency that will ensure that we export more and import less. I will not unnecessarily criticise the system that is in place right now in Kenya because they have tried to revive factories and domestic industries.

However, my question is: why revive and not support it? Why would you revive Mumias Sugar Company and then import sugar? Why revive Rivatex and still import *mitumba*? How can you claim to build something and then destroy it at the same time? It is important that when we put billions of shillings into the revival of these industries, we must at the same time protect them from global exploitation. This is something that we must do. Enough is enough. We must build our industries, encourage our young people to remain in Kenya and build Kenya because the kind of brain drain we are experiencing is traumatising. We are losing doctors, engineers and every professional that we have trained using a lot of resources.

A Member just said that our country has not been experiencing rain. How do you have rain when you are destroying the environment? We have depleted our country's forest cover by allocating forest land to individuals for political expediency and political benefits. So, we must reclaim our forests. We should stop the menace that is land grabbing and other evils.

We should support this Bill because it is for the benefit of our people now and in the future. We must ensure that for us it is Kenya first before self.

The Temporary Deputy Speaker (Hon. Omulele): Very well. We shall have Hon. Sabina Chege, the Muranga County Women Representative. However, before you speak, kindly allow me to recognise the presence of students from Oshwal Academy, Nyali Constituency in Mombasa County. They are welcome to the House to watch the proceedings of Parliament. I can see their Member of Parliament Hon. Awiti very happy that they are here.

(Applause as Hon. Awiti waved at the students in the Public Gallery)

Hon. Sabina Chege, please, proceed.

Hon. (Ms.) S. W. Chege: Thank you, Hon. Temporary Deputy Speaker. Before I continue, I wanted to ask whether it is in order for the Hon. Member for Nyali to be raising hands in the House.

The Temporary Deputy Speaker (Hon. Omulele): He is excited. It is allowed to be a little excited but not overly so.

Hon. (Ms.) S. W. Chege: Thank you. At the outset, I support this Bill and I want to commend Hon. Ochieng for a job well done. This shows Kenyans that it is important to nominate and elect young people in this House because they have fresh ideas.

What caught my eye in this Bill is the issue of dumping in Kenya. An example is the Ministry of Education buying computers and bringing them here in Kenya. This is one of the areas that the agency needs to focus on because we have very old computers being brought to Kenya in the name of donations to schools.

The Agency will help us work on the issue of electronic waste management. Our domestic industries have been endangered. The Agency needs to focus on protecting the domestic industries and grow them. It is unfortunate that, today, we are speaking about *unga* because Kenyans are starving.

Last year and this year, we had low yields of maize and yet we exported the same. The situation has caught up with us and we are now importing maize. It is a sad situation.

We are now importing maize from other countries and this is very sad for our nation. Therefore, we need to put controls and measures in place. The ministry in charge would have focused and seen our grain levels were diminishing. It was, therefore, not advisable for this nation to export maize and wait for Kenyans to suffer so that we can import maize.

We have several industries which need to be looked into like the sugar industry which this Government needs to take care of. I want to commend the Jubilee Government for supporting Mumias Sugar Company. We need to increase production and cushion farmers. How do we entice our youth to be interested in farming? We grow coffee and yet we import it while we have the best coffee growing in Murang'a County and other counties in this nation. Why should we import tea while we should be having Kenyan tea on our shelves?

There was something circulating on the social media about plastic rice being sold in this country and some brands were mentioned. I am not very sure whether the rice was plastic or not. Why should we import rice yet we have Mwea rice which is enough for this nation?

This Bill has come at the right time. We need to cushion our farmers and industries and start manufacturing our own vehicles in Kenya. Once we cushion these industries, jobs will be created for our young people.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Lessonet, the Chair for the National Government Constituencies Development Fund (NG-CDF), I am sure you must be informing Members about the fate of the balance which was supposed to go to their schools. I think there will be an opportune time to do that in this House.

Hon. Sabina proceed.

An. Hon. Member: *Lipa hiyo pesa.*

Hon. (Ms.) S. W. Chege: Hon. Temporary Deputy Speaker, he is now shouting.

The Temporary Deputy Speaker (Hon. Omulele): We must have order Members. We should not make those interruptions. Let Hon. Sabina finish contributing.

Hon. (Ms.) S. W. Chege: Thank you, Hon. Temporary Deputy Speaker for your protection. We are speaking on a very serious Bill. As I was saying, the biggest time bomb we have in this nation is unemployment of the youth who are the majority voters in this nation. Any serious Government needs to come up with a strategy of making sure that young people are employed. The only way that can be done is through industrialisation.

Finally, I will speak about famine in this nation. Although this Bill does not touch on county governments, agriculture is fully devolved. We do not have maize and, therefore, there is food shortage. I challenge the governors of this country to take this function seriously, make sure they cushion our people, give them seedlings, fertilisers and help the farmers with the best practices and value addition so that we have enough food in this nation.

Thank you, Hon. Temporary Deputy Speaker. I support.

The Temporary Deputy Speaker (Hon. Omulele): Very well. The opportunity is now available for Hon. James Nyikal, the Member for Seme.

Hon. (Dr.) Nyikal: Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to support this Bill. Let me start by congratulating and appreciating Hon. Ochieng for the good work he has done. The level of details he has gone into is commendable.

The object of this Bill is the lifeline of our economy. This Bill seeks to protect the domestic industries and our trade. In the world, the relations of countries are about trade. All other things come second. This is linked to industries and countries are all inward looking and attempting to outfox each other in the areas of trade to benefit and create trade imbalances in countries which cannot protect themselves.

It is commendable for us to have this Bill at this time which carefully looks at the issue of dumping which is really sad. If you look at the electronic industry, you will find that all sorts of goods are being sold and if you buy an electronic item it might work for a day or a few months and when it breaks down. It is totally unrepairable. It may cost less than the locally manufactured ones because it is of poor quality but at the end it is extremely expensive. This equipment usually distort and kill our industries.

On the issue of subsidies, countries literally subsidise their industries whether in the agriculture or manufacturing sectors. In other words, they look for markets in other countries for their products. We have to protect ourselves from these unfair trade practices. We are targeting that by 2030 we shall be a middle-income country. There is only one way to become a middle-income economy and that is by improving our industries. There is great need to protect them. Today, in our country, most people who are in business are middlemen. There is nobody who encourages production because we have allowed our country to become a dumping ground and a market for subsidised goods.

A few years back, this country was doing very well. Members have listed industries which have died. We have to repeat it so that those who are in charge or tasked with them can realise that we are not doing well. Look at the shoe industry. We had Twiga Industry and Bata Shoe Company in Limuru. I have not heard about Twiga Industry anymore. I know that the Limuru factory is not working much because most of the shoes are imported. If you look at the textile industry, you will find there was KICOMI, Fine Spinners in Thika and RIVATEX in Eldoret. These industries have died and yet they were creating job opportunities. At the same time, we are happy that Kenyans are wearing second hand clothes while, as a country, we are almost sufficient in textile production.

Today, our children do not know what Eveready batteries are since that industry died. If you go to the market, you will find all sorts of imported batteries and dry cells. If you look at the motor vehicle industry, you will realise that we had motor vehicle assembling plants which were doing very well but we do not hear much about them anymore.

A few years ago this country attempted to seriously go into car manufacturing and we manufactured the Nyayo Car. Countries in South East Asia which started manufacturing at the same time with us are now exporting cars to us and yet ours collapsed.

Look at the sugar industry. It is a shame. We have sugar from other countries being imported and yet our industries are ailing and we are thinking of selling them off. That is our response as a country instead of protecting them. Even in the fish industry, not long ago there was uproar about fish being imported from China. All these are happening in the face of massive youth unemployment.

Whatever people may think, in the 1970s and 1980s, there was a major improvement in our public health which resulted in survival of children. We had a youth bulge and improved our education. They have good education but they do not have jobs. They do not have industries that can impart skills to them or employ them. Even those who are skilled do not have jobs and we have a huge brain drain. If you go to some American cities, even in the Silicon Valley, the brightest Kenyans who go there do not come back. In fact, they are given Green Cards on the table. They do not even look for them. They just pick the bright, young people and give them the Greed Cards. This Bill is, therefore, timely. I support this Bill.

I like Bills that are really practical. It establishes the Kenya Trade Remedies Agency. The only comment I can make about the Agency is that there is need for stakeholder involvement. People in trade and business need to be involved. In Clause 6 (f), there is a provision for three people to be appointed. I presume and hope that those positions will be used to involve the stakeholders.

One of the functions of the Agency is to investigate and evaluate all allegations of dumping and subsidisation of imported products in Kenya. All of us have been talking about *mitumba*, sugar and batteries. But you find that nobody has gone in, investigated that and found what the extent is and how it is affecting industries. The Agency is in the right way. It also indicates that it will initiate and conduct public awareness and training of stakeholders on its function and what it can do. I remember when there was an attempt to actually stop the *mitumba* importation. There was a big outcry, but we did not have the courage to educate our people. We just went back as all our industries died.

The powers of the Agency are impressive. It has the power to find the link between dumping, subsidy and the injury to our industry. It can establish whether there is direct loss of business and whether there is true loss of jobs. We can now clearly quantify and see what is happening to our industries. It has the powers and it has provided for safeguards. This is really impressive.

In conclusion, as we protect our industries, we also must be competitive. We must look at the area of corruption in industries like the sugar industry. Sometimes, those industries grind air. People see that so many tonnes of sugar were ground. They just cook figures, people are paid and yet, no sugar was produced. Obviously, our production costs will be very high.

I support this Bill and ask my colleagues to support it. We need to expedite this Bill so that it can come into effect.

The Temporary Deputy Speaker (Hon. Omulele): Let us have the contribution of Hon. Sunjeev Birdi.

Hon. (Ms.) Sunjeev: Thank you very much, Hon. Temporary Deputy Speaker. Today, I am a lady seeing the silver lining in the clouds.

This Bill is trying to help the other agencies in this country to get things right for a change. The issue of having goods coming into our country at a price which is lower than that of the local industry is killing the process of giving our youngsters some reasonable form of employment. Traditionally - if I can use that word - large organisations have been bringing their goods to our country at a low cost so that they can make a higher profit margin out of it, without

realising that those goods can actually be made or manufactured in our country as well. In that sense, I support this Bill.

There is something that caught my eye. This Bill talks about the duration and review of anti-dumping duties. It says that a review shall be carried out expeditiously and shall be concluded within 12 months of the date of initiation of the review. When the Bill gets to the Third Reading Stage, I intend to propose an amendment to that Clause so that we reduce the period of 12 months to six months. So many things can happen within those six months such that we will not be able to regulate the things on time. I say this because I have seen a few very huge local businesses which had noticed some overseas citizens running businesses like theirs in the outskirts of Nairobi. Those people are not registered in any way or capacity. You cannot find their pin numbers or anything in the system, but those people are making goods in large quantities and then flooding the market. At the end of the day, it is the Kenyan businessman who gets hurt because people will obviously look at the lower price. That is a serious thing that we should curb. In the world of economics, people try to do this to make more money; but not realising that they are actually hurting the economy. As I said, I will propose an amendment to the duration. It actually falls under the general requirements.

I am also very happy to note that the Agency will keep a register of the identities of exporters. This is a very good idea because, as we go on with our duties, we need to pinpoint who is doing what in a positive way for our country.

I also believe this particular Bill will help Kenya Revenue Authority (KRA) in many ways. By the time KRA has been alerted of something going on somewhere, the people about to be caught will certainly disappear and they will not be able to conduct proper investigations as to how those people got there. I am talking about people who open businesses illegally in our country. The Agency will be able to help KRA by going out, identifying and sorting the mess at the ground. This will help them.

This Bill is giving a huge responsibility. Just the other day, I was having a meal and I had never noticed this before but I saw it on the can which had fizz in it - it was actually a Coke - and at the bottom it read "Made in Kenya". That made my heart leap miles and miles. I was very happy to see that because businesses in this country are doing a good job, they should be assisted by passing such laws so that those unscrupulous businessmen and businesswomen can be put behind bars.

I have exhausted everything I wanted to say because so much more has been said before. I will sincerely and honestly urge the whole House to pass this Bill. I support the Bill.

The Temporary Deputy Speaker (Hon. Omulele): Well spoken. We shall now have Hon. Opiyo Wandayi, Member for Ugunja.

Hon. Wandayi: Hon. Temporary Deputy Speaker, thank you very much for giving me this opportunity which I have really been looking forward to, to make my voice heard in this very crucial Bill.

Firstly, I want to congratulate my good friend and neighbour, Hon. David Ochieng, for coming up with this very historic Bill, if I may call it so. This Bill has come at the most opportune moment in the history of this country. Before I delve into more details, I want to state that nations or countries, by nature, are inward-looking. Why do I say so? They are inward-looking because they are purposefully in place to protect the interests of the citizens over whom they are in charge. It is for that reason that you find many countries in the world, including America and Europe, putting in place mechanisms and policies to protect their industries and, by

implication, their people. It is no wonder that those countries and nations with weak internal systems that do not protect their industries or their people end up invariably as dumping grounds for goods and services from those countries which have taken the initiative to be protective.

Nothing illustrates this better than the agriculture sector. Most of the countries that we deal with globally have taken definite measures or steps to not only protect their agriculture industry or sector, but have actually gone a step further to heavily subsidise agricultural production. That is why you find that in countries like America, farmers are real business people. They venture into the business with the full knowledge that they have got guaranteed returns as a result of government subsidies. That is what is lacking in our context.

A while ago, you have seen the spectacle of this country importing maize from countries whose weather conditions are not any better than ours. Why does that happen? It is simply because the maize farmers in this country do not have the incentives to invest in maize production. Farmers, as I always say, are rational human beings; rational in the sense that they will invest their time, energy and money in a venture only if they are assured of returns.

I cannot support this Bill without really talking about the matter of the recent saga of maize importation. I, personally sit in the Departmental Committee on Agriculture, Livestock and Co-operatives. I can now say without any fear of contradiction that the lack of intention or motivation on the part of our Government to put in place mechanisms to protect our own production or our local industries is not for nothing. It is purely as a result of the desire of a few people to benefit at the expense of the country. If we had done much or enough to support our farmers in this country, we would not only be producing maize which is enough to feed the nation, but, indeed, even a surplus to export to other countries. But what do we see? We see a country that is perpetually food deficit; a country that is perpetually moving from one crisis to the other; artificial crises, if I may call them so. It is very sad, indeed, that about three or four months after a whole Cabinet Secretary (CS), somebody appointed by the President to be in charge of a very crucial docket of agriculture, came before the Departmental Committee on Agriculture, Livestock and Co-operatives of this House and, in the full glare of the media, confirmed to the nation that this country has got enough maize in the strategic reserve that will last for, at least, eight months. Then, one or two months down the road, here we are importing yellow maize which is meant for animals. In fact, even the process of that importation is extremely controversial.

The other day, I heard somebody, I think, called Patrick Mwangi. He must be the Principal Secretary (PS) in the Ministry of Transport. I was listening to him over the radio. He was saying that the maize which was supposed to have come from Mexico was, indeed, grown there, but it was stored in South Africa. Since when did Mexico start storing its maize in South Africa? For what purpose was it storing it in South Africa? That the maize, since it was in South Africa, could only take five days to be shipped from the Port of Durban to Mombasa. All these things do not add up! The fact of the matter is that we are in the grip of a very powerful cartel; a cartel that can only survive because of the protection it is assured from the very highest level. There is a cartel that is continually hoarding maize and other commodities in the high seas

waiting for the slightest signal to ship it in. As we speak, we are being told that about 30,000 tonnes of maize which was supposedly coming from Mexico has docked in the port of Mombasa and is being distributed to the millers to reduce the price of maize flour. You ask yourself this: If the maize that is being said to have been imported was, indeed, imported by private players, private business people, what on earth necessitated a whole CS leaving Nairobi at taxpayers' expense, going to the Port of Mombasa to receive maize which has been imported by private business people? Are we really being serious with ourselves? Something must be happening which we are not being told. It is time the Government and those who are involved in its running came out clearly to tell Kenyans exactly what they are up to.

Hon. Temporary Deputy Speaker, I seek your indulgence to add me two or three minutes to deal with this matter conclusively.

We cannot have a Government that is being run by cartels. Those cartels are all over. They are not only in the maize sector, but they are all over, even in the milk sub-sector. It is a whole cartel. The other day, they entered into some agreement with Uganda to be importing sugar, which is not even in that country. Uganda, itself, has no surplus sugar to export to anybody. They entered into some agreement that Uganda should export its sugar to Kenya and they export milk to Uganda. Those basically are pure private business agreements and then they involve the State. For how long is this country going to be run like a "banana republic"? Kenyans have a destiny with history. This country---

The Temporary Deputy Speaker (Hon. Omulele): Hon. Wandayi, what is it you want to exhaust? I will add you two more minutes.

Hon. Wandayi: Thank you very much, Hon. Temporary Deputy Speaker. I was just concluding by saying that there is no motivation on the part of those who run this Jubilee Government to make Kenya food-sufficient and, more importantly, to bring efficiency in the running of public affairs. If Kenyans are looking up to this Government for help, then they are mistaken. The only consolation that Kenyans have is that in the period of less than 90 days, they will have an opportunity to put in place a Government that can respond to their needs. It will be a Government that will take care of the interests of its citizens. Of course, that Government cannot be a Jubilee Government. It is my submission that, that Government can only be a Government led by the Rt. Hon. Raila Amolo Odinga.

I support.

The Temporary Deputy Speaker (Hon. Omulele): Very well. Hon. Wandayi. Is that what you wanted to exhaust? Very well. We should now have Hon. Mary Wambui, Member for Othaya.

Hon. (Ms.) Munene: Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to support this Bill. It is good for our country. It is not good to talk about somebody who is not here. The Government is doing a lot of things. We are happy today because we went to the shops and got *unga* at Kshs90. So, the Government is doing everything within its means to make sure that Kenyans do not starve. If this nation will lack food, then that is, indeed, a big problem. It is better to speak the truth and encourage the Government to develop our industries.

We know we have so many industries, but they are failing. However, that is not to say the Government is not doing anything; the Government is doing everything to help our industries. An example is the sugar industry where the Government has paid a lot of money to rescue a number of factories. It is sad that there are individuals who are just out to make the Government fail. We should deal with those individuals. We need to have more industries in this country so that our youth can get jobs. This is not a matter to be politicised. I am 100 per cent sure that on 9th August, the Jubilee Government will be sitting in power and so, we will not have any problem. We hope the people who are campaigning will do so in a peaceful way. We do not want to have any chaos or bloodshed in this country.

We know we used to have many industries like Rivatex, where I used to get materials to make clothes. The textile industry used to employ so many people in this country. I ask our Government to open up small industries in every corner of this country. Instead of buying leather from outside this country, we need to focus on our livestock industry. We can get hides and skins in this country for making leather. That means we can open shoe factories. We can buy our own instead of importing things which are irrelevant in this country.

The Kenya Co-operative Creameries (KCC) is doing a good job because it is employing so many people. If you go to the market, you will get KCC fresh milk and KCC yoghurt. Our country needs to feed itself adequately.

I support this Bill, but I just want to say one thing about what my colleague has said. I am a member of the Departmental Committee on Agriculture, Livestock and Co-operatives. I was part of the team that was in Mombasa to discuss how we can get cheaper maize flour. The Government sat down and discussed the plight of the ordinary Kenyan who does not have anything to eat. That is an important thing for the Government to do; that is, to think of where we can get food quickly for our people. As a mother, when you do not have food in your house and your children are crying, what do you do? You must go and find out where you can get food to feed your children. The Government has not done any wrong to import maize! It is proper that our country gets food. Personally, I can get Kshs200 to buy what I want. The ordinary *mwananchi* who is doing *kibarua* today finds it very hard to raise Kshs200. He is unable to afford maize flour which costs Kshs200. At least now, he or she can buy maize flour and cabbage and feed the children.

The Temporary Deputy Speaker (Hon. Omulele): Very well spoken with passion, Hon. Member for Othaya. We should now have contribution from Hon. Member for Kisumu East.

Hon. S.S. Ahmed: Thank you, Hon. Temporary Deputy Speaker. The Kenya Trade Remedies Agency (KTRA) is meant to be an independent agency which is mandated to investigate the dumping of good and also ensure commitment towards the WTO Trade Remedies Act. One of the objectives of this Bill is to protect domestic industries from foreign competition and unfair trade practices.

We have been to WTO meetings. We always find ourselves very disadvantaged because one or two members of staff at the Kenyan embassy in Geneva are always overwhelmed. They are also used to push for designs by certain Ministers who have no idea about what they are talking. The Trade Remedies Bill has been in the process of enactment for nearly 15 years now.

It has been frustrated over and over again by the Ministry because some officials there cannot entertain proposals that would mandate us to look at the issue of dumping critically and independently. They make their money from that. So, I am very proud that Hon. David Ochieng, who is a professional in that field, has finally got this Bill to reach this stage.

Hitherto, the situation has been shocking. There is a foreign country we were to negotiate with on issues to do with WTO. The country was supposed to fund the negotiations that were to be held in Mombasa. So, they were actually bribing us! They took us to Mombasa, gave us the money so that we could negotiate against them with regard to the terms that they wanted! But now, we are going to have an independent Trade Remedies Agency. I plead with my colleagues that we finalise this Bill. We shall no longer need to be sponsored just to protect the interests of some of our WTO partners who are actually our worst enemies.

There are times that I have gone to WTO, but I found out that it was a waste of time.

(Hon. Kabando wa Kabando consulted loudly)

Hon. Temporary Deputy Speaker, save me from my colleagues over here. I cannot concentrate.

The Temporary Deputy Speaker (Hon. Omulele): The Member for Mukurweini, please consult in lower tones.

Hon. S.S. Ahmed: Thank you, Hon. Temporary Deputy Speaker. So, we are embarrassed. When we go there, we find two people. There used to be one fantastic gentleman called Tom Mboya. Now I do not know who else is there. He would hold the flag of Kenya high as a one-man or two-man team versus teams from India, the United States of America (USA) and other places which had 30 to 40 people. So, this Kenya Trade Remedies Bill must go together with the strengthening of the World Trade Organisation (WTO) in Geneva. Without that, there is nothing which is going to happen here.

The other issue is that of the agency having good staff who are properly recruited in the way that is required for investigation and evaluation. What we do not want is for those staff who have been failures elsewhere to be dumped in that agency. I see no clause which gives them the power to arrest since they will be conducting investigations. I am asking my brother, Hon. David Ochieng, to listen. They will investigate and then they will take it to the police for action. This is not going to happen. There are other agencies and we have seen what happens. We wanted them to be given prosecutorial powers and the powers to arrest. So, we shall be looking at that and make some arrangements when it comes to my Committee. I hope we will do that.

On this particular agency, I wonder why we have nine people and out of those nine, four are Principle Secretaries (PSs). I would like to see the actual remuneration of those PSs. Putting them in the board does not mean that they will get paid. I think we need to make it very clear. There is representation because they are already PSs. That is what happens in those agencies. They go there and take amazing amounts of money. They get paid two times to do the same job. I would like to look at that and make sure that we are very clear in the Bill that PSs who are in that particular agency are there because they are members of the Government and they do not get paid for doing the same job they are doing.

The other issue is that of dumping. My colleague, Hon. Nyikal, talked about dumping of fish. It is very true. They were dumping Tilapia from China in Kisumu. We talked to our agencies and they said there is nothing they could do about it. We hope that, that particular

agency will be fast-tracked and they will be given the teeth to act. They should be given prosecutorial powers and support by the Government.

Coming back to the issue of subsidies, we are being told that we are subsidising the price of maize flour with the large millers who are purchasing some of the maize that has come from South Africa, when our farmers had extra maize. Instead of subsidising that maize so that they can recover their money, we were buying that maize at a throw-away rate of Kshs2,500. At that time, we were pleading with the Government to subsidise the maize of those farmers. They did not because there is a cartel. That is the situation now. As I speak, there is a meeting that is going on between the millers, who are split into two. There are the larger millers who supply less than 40 per cent of the market and there are the smaller millers who supply 60 per cent of the market. The so-called maize that has come has been distributed the wrong way. The larger millers, who have a 40 per cent market share, have been given 70 per cent of the maize that has come and the smaller millers, who have a 60 per cent market share, have been given less than 40 per cent of that maize. It is basically curtailing. They have given it to the larger millers because they want a kickback. It happened in 2010. It is happening now again. I hope that those cartels can be stopped. Those cartels are less than 10. They import the maize. There is one called Grain Bulk Handling. It offloads the maize. They are the importers, the distributors, the retailers and they mill the maize to flour and make bread with it and sell it in the retail market. We passed a Bill here on vertical integration. It did not happen. One of these guys came out clearly saying that he has imported so much maize. As it is, you will be shocked to know that within other two or three days from now – and I stand here to say that – there will be another ship bringing more maize because it is just outside our boundaries. What happens is when we have passed a Bill to subsidise something, the Government subsidises. But who is taking that subsidy? It is the corrupt officials who are going to take that money. The Jubilee Government must do something about it or else they will lose the elections. We hope that we will have a NASA government on 8th August 2017.

The Temporary Deputy Speaker (Hon. Omulele): We shall have contributions from Hon. Wesley Korir, Member for Cherangany.

Hon. Korir: Thank you, Hon. Temporary Deputy Speaker, for giving me the chance to contribute to this very important Bill. I join hands with all the Members of Parliament to support this Bill. I think it has come at the right time or even late. We should have done this long time ago. I thank Hon. Ochieng for thinking ahead for all Kenyans and doing his job as a Member of Parliament to safeguard the future of this country.

The first thing that any country that wants to grow or wants to move from a third world country to a developing nation and a first class nation needs to do is to find ways of empowering the people, make sure it creates jobs for the youth and find ways to make sure that the farmers are empowered to produce their own food. Unfortunately, our nation is not going that way. I have raised issues here before that our nation has become a nation of dependency on foreign countries. We have become a nation of depending on other people to do work and then we go and import the work. A government that cares about its people is one that makes sure that it becomes a self-sustaining country and a country that makes its own food and produces its own things. By doing that, you are able to create jobs for your people. Industrialisation has moved nations from third world countries to developed countries. What China did as a nation was because there was once a leader in China that thought and said: “We need to become a nation of industrialisation and a nation that cares about the industries that produce things and sell things to other countries.” As we go now, our nation does not envision that. Our nation is not going that

way. Our nation has become a nation that is run by cartels. I remember very well that His Excellency the Presidents once said that the problem he is facing as a president is the cartels that have been able to infiltrate into the nation's main ministries. That is happening even with the crisis of *unga* that we are facing right now as a country.

I am a farmer. I grow a lot of maize and the people of Cherangany grow a lot of maize. If you come to Cherangany right now – and I would like to invite all Members of this House to visit Cherangany one day – you will see for yourself how beautiful maize is growing in that area. We have been a maize growing area for decades.

My parents and grandparents grew maize. The number of bags we have produced has never reduced. We keep on producing. I want to tell you, this nation and this House one thing, that the problem we have been facing is not the beautiful nature of our maize as we grow, but it is when the time comes to sell our maize. We get so frustrated. The prices we get are always lower. Farmers are not motivated to grow maize next year. You have worked for the whole year waiting for maize to grow, but when it grows, you get so frustrated by the same Government that is supposed to help you get value for your sweat. Will you plant next year? If we were serious as a nation about the issues we are facing right now, we should be putting our farmers first instead of putting billions of money into Galana-Kulalu Irrigation Scheme. We should be putting those billions of money to encourage our farmers out there to grow more maize. As we speak now, one litre of milk in our market is retailing at Kshs160 and yet, the same farmer that produces milk from Cherangany - as the market retail price of milk is going up in the market - still get the same price of Kshs32 as he got last year. What is happening? Who is making money? Who is fooling who? If the price of milk of a farmer was growing to Kshs50 or Kshs60 or Kshs70, we would agree that the price of milk in the shop should go up. If the price of milk from the farmer is still the same, why is the price of milk going up in the market? It is because we have let our country to be controlled by cartels who decide how much they want to sell milk or *unga*.

I wrote a proposal on the establishment of a price controlled mechanism, a board that will sit down and decide the cost of production vis-a-vis the availability of those products and come up with the selling price the same way we have price controls for fuel. If we did not have price controls for fuel, the cartels would be killing this country. You would not be driving your car now because the price of fuel would be very high. That has been managed by a controlled mechanism that we have to control the price. If we want the best for this country, we must come up with ways of controlling those people. If we let these people be, they will control us and that is what is happening in this nation. We have let this nation be controlled by people and businessmen who go to China, get cheap things and bring them to this country. I have visited China and there are two production systems. There is production of things going to America and UK and there is a production system of things coming to Kenya and Africa. The quality of things coming to Kenya is the poorest. The quality of things coming to Kenya looks like those ones going to America, but it is not of the same quality. For example, if you buy an Iphone in Kenya the probability of getting a cheap fake Iphone is 90 per cent. That is why I do not buy phones from here because you will end up getting a phone that is cheap. It might even be expensive or look nice but, after two days, it is dead. We have trained our people to think of cheap things. Cheap is expensive. That is what we are struggling with and that is what is killing our nation. We want cheap things. Cheap is expensive and is costing us as a nation. We need to move a step forward. This Bill helps us to move in that direction.

The moment we will encourage our industries to grow, and I will bring an amendment and I will talk to Hon. Ochieng--- Part of the things we need to include as the function of this board and agency we are forming is to advise the Government and control what comes in. If something is produced in this country, it should not be imported from elsewhere. We should have an agency that decides what is imported and what is not imported. Before you import anything as a businessman, you should get a licence. If you are going to import matchsticks and yet we can produce matchsticks in this country, you should not be allowed to import them. Before we import anything, it has to be scarce; it has to be something that cannot be produced in this country. If we do that, we will have Webuye Panpaper running again. We will have the textile industry running again. Otherwise, no matter how much money we invest, no matter how many billions of shillings the Government puts into those industries, no matter how much money the President takes to Webuye Panpaper, as long as we are still getting cheap papers from China, those monies will go into waste. The first thing the Government should do is to stop the importation of those things. We should stop making this country a dumpsite for China. We should stop making people earn money through the sweat of Kenyans. When we do that by encouraging industrialisation, building more industries and making sure that people get jobs, the economy of this country is going to bloom and this country will move from a third world country. We will not be complaining about hunger and food shortage and yet, we have a country that can produce food. Qatar produces the highest amount of milk and yet it is a desert. This country enjoys the best weather and yet, we import things from a country that is a desert. I support this Bill and hope that when it comes---

The Temporary Deputy Speaker (Hon. Omulele): Hon. Wesley Korir, are you done?

Hon. Korir: No, Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Proceed.

Hon. Korir: Thank you, Hon. Temporary Deputy Speaker. I was saying that I hope and pray that when this Bill is passed--- We are at the mercy of the President. I hope the President is listening. When this Bill lands on his table, he will assent to it as quick as possible so that we can save this country. I hope he is listening and I hope he will do the right thing. There are Bills that have been done here--- I brought an amendment about the industries and the Company Act where 50 per cent of every company should be owned by Kenyans. What happened? It was not done the way it was supposed to be.

The Temporary Deputy Speaker (Hon. Omulele): You have done your job well, Hon. Wesley Korir. I am glad that I listened to you today. You are saying that the farmer in Cherangany today is surprised that the country is hungry and yet, he produces so much and he has always been producing. Well spoken. You have covered the subject that is facing us quite eloquently.

We shall now have contributions from Hon. Joseph Magwanga, Member for Kasipul.

Hon. Magwanga: Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to contribute to this very important Bill. First and foremost, allow me to congratulate Hon. David Ochieng for a well thought-out Bill. This Bill is timely given that it is trying to address very key and fundamental issues affecting this country. If we compared Kenya to a number of countries, it was much better in the 60s.

To make the matters worse, Kenya has become a net importer of literally everything, including a tooth-pick. It is really embarrassing to note that whenever Members of Parliament go outside the country, they go to shop. The kind of money we spend outside the country is so huge compared to what we spend locally. This Bill is key given that it is trying to address trade.

How can we stop Kenya from becoming a dumping ground for goods that are not even worthy? Some of them are even handwork of some Chinese children or Asian children. It is really unfortunate. Kenya should invest in innovation, so that we can do a lot of research to come up with ways of addressing some of these problems that are affecting this country.

Hon. Temporary Deputy Speaker, on a number of occasions, we have passed Bills in this House, but most of them are gathering dust in the shelves - which is really hurting. The Member who has just contributed has talked about some recommendations which have not been acted upon to date. This should be addressed. We advise the President that once the Bills have been debated in this House, let them be assented to, so that the recommendations are acted upon immediately. Kenya used to export tea, coffee, pyrethrum and other items. Currently, all those activities have collapsed. What are we supposed to do as a country? We need to subsidise most of those things, so that we can promote farmers locally to produce more at a cheaper cost. Why should we import tea? In Kenya, we take tea from United Kingdom (UK) or other areas because we have failed to subsidise the cost for our farmers and, hence, the cost of production become high. So, I recommend that the Government sets aside some resources to ensure that our farmers feel motivated and we produce more.

Secondly, World Trade Organisation (WTO) meetings always turn chaotic because people fight for space. Whenever you attend those meetings, each and every country fights for its own interests. What has our country been doing? As a country, we need to take a stern position that will cater for the interest of our country. In most cases, we normally attend those meetings and we leave without taking a position. As we are coming up with this Bill, whenever we send a delegation outside to attend such meetings, let us take a position that will promote our country to ensure that our youths get employment, and we raise more taxes to stop the importation of second-hand goods which normally end up in this country.

I know that we have had quite a number of industries in this country. For example, there were shoes factories. Our shoes factories collapsed. Ethiopia has already taken advantage of collapsing industries in Kenya and has come up with an enterprising shoe factory. Literally, we are importing nearly a half of our shoes from Ethiopia, and it is just next to our country. Look at even what we normally buy, for example, some shoes from other countries. Look at what we import from Uganda right now. We import chicken feeds, eggs and fish. It is really embarrassing to see Kenya calling itself a middle income country, but it relies on relief food. It is embarrassing in the 21st century. I want to call upon our Government to wake up and ensure that these Bills that have been brought to this House and passed are implemented to ensure that the country is safe from dumping, the way it has happened before.

You will agree with me that through subsidy, we will have good industries locally, and which will create employment for our youths. Currently, the unemployment rate is alarming. As a Member of Parliament, when you were campaigning during the party primaries, all the time the youths were surrounding you asking for *kitu kidogo*. How can we sort out this issue of *kitu kidogo*? The only way is to create employment opportunities for our youths to ensure that they are engaged. The only way is to fund agriculture. Once we do it, then we will do value addition that will ensure job creation in this country.

I beg to support this Bill. We need to put a lot of effort in development activities, so that we do not borrow loans to pay recurrent expenses.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Magwanga, are you done? I think he has completed. I will give this opportunity to Hon. Joseph Manje, Member for Kajiado. I would like to pronounce that there is a lot of interest in this Bill, but we have run out of the

time that is allocated to it. We are remaining with about three minutes for Hon. Manje to contribute and then we shall call upon the Mover to reply. I will ask the Members who still have interest in this to speak to him, so that he can contribute a little time. That way, they can have a say on it.

Hon. Manje.

Hon. Manje: Thank you, Hon. Temporary Deputy Speaker, for giving me this chance to contribute and support this very important Bill. I want to support the Kenya Trade Remedies Bill 2017, whose main objective is to protect the domestic industries from unfair competition from either the East or Western side. It is a very essential document at this point in time because we have to protect our industries. This will create jobs for our young people. We have to make sure that we create jobs in this country because we have so many people who are unemployed. We can only employ them by creating more jobs.

Also, we want to be a bit creative when it comes to creating wealth. We cannot create wealth if we are not protecting our industries. If we let them to be under unfair competition from the West, then we are going to kill them. When we protect our industries, we will increase innovation, which will stop our country from being a consumer country. By so doing, we are going to create more innovation in our country.

We have what we may call consumer mentality. We are losing patriotism, where we buy things from outside. We go to the shop and check whether things are imported or locally made. If they are imported, we tend to prefer them. If we want to grow, we will grow at the time we will buy what is Kenyan. We need to have the mentality of buying Kenyan to be patriotic. If you see a Kenyan driving, you will find that he or she is driving a Toyota from Japan, wearing a suit and a shirt from Oxford Street in London, maybe a tie from China, a shoe from India and a Samsung phone from Korea. What may belong to Kenya is only the body. Nothing else comes from Kenya, which means we have lost patriotism. If we re-think about that, that is the time we are going to grow as Kenyans.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Manje, you have very interesting things to say, but I want to notify you that you have just a minute to wind up.

Hon. Manje: Thank you. I was just trying to say how much we have deviated. The reason why we say we were at par with the Asian tigers is because we lost the game when we killed our industries by not protecting them. Remember the tea industry was employing so many people. We had the coffee and the pyrethrum industries. They were employing about 300,000 people every year. We lost it. We lost the coffee and sisal industries. We used to grow them in large numbers. We lost them because we did not protect them. This is the Bill that will protect us.

Lastly, it is a bit unfortunate at this point if we depend on the West to import things like food and foodstuffs. We grow fruits from places like Magadi and then we import juice. This is unacceptable at this time. It means our planners are not planning properly. We should solve this problem.

Thank you. I support this Bill.

The Temporary Deputy Speaker (Hon. Omulele): Very well, Hon. Manje. I now want to call upon the Mover, Hon. Ochieng, to reply.

Hon. Ochieng: Thank you so much, Hon. Temporary Deputy Speaker. I would request to give a minute each to Hon. Beatrice Nyaga, Hon. Maanzo, Hon. Ababu Namwamba and Hon. Okoth, before I give my final comments on this.

The Temporary Deputy Speaker (Hon. Omulele): We shall proceed in the order that Hon. Ochieng has called out the names. Who is first to go? Hon. Beatrice.

Hon. (Ms.) B.N. Nyaga: Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity. I want to thank my friend Hon. Ochieng for bringing this important Bill to this House. This Bill is intended to protect the domestic industry from foreign competitors who are dumping their materials in this country. Many years back, we had so many industries in this country, particularly the ones that used to produce textiles. We had the Mount Kenya Textiles, KICOMI, Rivatex and many others. They used to create a lot of opportunities for our youth but, today, we have many highly educated youth and they are not able to get jobs and yet, we are able to import low quality materials and products. So, it is important for the country to create jobs for our youth.

When we talk about building our economy, how do we do that when our industries are closing down? How do we build our economy when we are importing things from other countries?

Hon. Temporary Deputy Speaker, we are also importing things like tooth-picks and match-boxes. Surely, are we really serious? This is the high time we protect our industries so that we can protect our economy, the youth and be able to sustain ourselves. It is important for the Government to see to it that our industries are working so that we can be able to move forward.

Thank you for the opportunity Hon. Ochieng.

Hon. Maanzo: Thank you, Hon. Temporary Deputy Speaker, for giving me an opportunity to contribute to this very important Bill.

I also congratulate Hon. Ochieng for a job well done. I am sure this Bill will go through. I really want to urge the President to sign it into law because this will enable youths in this country to have jobs. We will protect our country and we will be rid of dumping of all manner of low-quality goods into this country at a very cheap price. It is high time Kenya now started trading and even exporting goods to other countries. It is already in show with a few industries, but they cannot succeed because we lack a framework like the one Hon. Ochieng has brought to this House - and which I support.

We have trade zones which we trade with. We have the East African Community which is very important. Those are our neighbours; who we should be trading with. There is need to create jobs for our young people in the country. The more we continue without creating jobs, the more we are at a risk of intolerance in future and lack of hope for our young people. Therefore, it is important that I support this Bill.

We support it all and I thank you for everything.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Ababu, the Floor is yours.

Hon. Ababu: Hon. Temporary Deputy Speaker, they say “failing to plan is planning to fail”. This country just needs to plan better so that we can confront the challenges that face us in a more prepared manner. This country also needs a huge dose of patriotism. When this country was debating the *Nyayo* car, I was a small boy in primary school. However, I remember the ridicule and the political games that were played around that project. Now, see the countries that dared to think and dream big! Sudan to the north of this country is already thinking and investing

in the production of aircraft. So, you must also be patriotic and give real meaning to the mantra of buying Kenya and being proud of what it is. So, I want to applaud this fine son of Ugenya who I want to wish resounding success on 8th of August because this Parliament and this country definitely need this kind of innovative mind. So, Hon. David Ochieng, may this Bill be among the many things that will give you the licence back to the 12th Parliament.

I support this Bill.

The Temporary Deputy Speaker (Hon. Omulele): The Hon. Okoth, the Floor is yours.

Hon. Okoth: Thank you, Hon. Speaker. I congratulate and acknowledge the great work that has been done by Hon. Ochieng and the opportunity to contribute in this last minute to this Bill.

The Trade Remedies Bill really opens our minds about what we need to do to protect our industries and to grow our economy so that we are not as disadvantaged in the global war competition environment. I think trade is actually one form of war if you do not think about it strategically as a country.

In Kenya, we need to look at it along with how we control dumping and fair practices against our industries. However, we also need to be strategic and make some choices. I would like to put it on record that people have talked about tooth-picks a lot. However, Kenya can produce more than tooth-picks. I think we can produce bicycles, needles, spoons, forks, wheel chairs, furniture, buttons, belts and underwear. We do not have to import second-hand underwear, socks and things like that. If we put a category of things and we say this can only be produced in Kenya and we will not import this, it will create jobs and force us to come up with an industry and really create jobs in our country.

We need to protect our industries from the importation of products such as tobacco and soda ash. Most importantly, I hope when the National Super Alliance (NASA) Government comes to power on 8th August, 2017, it will focus on a building and manufacturing culture as opposed to concentrating on an importation and consumption economy. We will do great things in agriculture in order to boost our food security. We will engage in medical tourism because we have qualified medical personnel. We will improve our financial services and strive to be a transport hub in this region. Thank you, Hon. Ochieng for this great proposal. Thank you, Hon. Temporary Deputy Speaker for allowing me to contribute.

Hon. Ochieng: Thank you so much Hon. Temporary Deputy Speaker. I thank all the Members who have supported this Bill. I am so glad that no one has spoken against the Bill. I believe this is the right way to go as a country. We need to decide that our interest lies in these five products so that we protect them sufficiently to enable us grow economically, industrially and health-wise.

Many Members have talked about so many things that must be done. I have noted them down. I am going to ensure that when we go to the Committee of the Whole House, amendments are also taken on board. We must distinguish between the statutory measures and other measures like anti-counterfeit because the goods we are targeting are not counterfeit. They are goods that are treated normally and are of good quality. We are just trying to see that trade goes on normally and does not affect our internal traders.

Hon. Temporary Deputy Speaker, thank you for allowing us to debate this Bill in the manner we have done. I hope that once it is passed into law, our industries will get a reprieve.

I beg to reply.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Members, for obvious reasons, I will not put the Question.

(Putting of the Question deferred)

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Omulele): Hon. Members, the time being 1.30 p.m., the House stands adjourned until today Wednesday, 17th May 2017 at 2.30 p.m.

The House rose at 1.00 p.m.