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USAID's

**KENYA EXPORT
DEVELOPMENT SUPPORT
(KEDS) PROJECT**

**QUARTERLY REPORT
ON PROJECT ACTIVITIES
(July-September 1993)**

**DEVELOPMENT ALTERNATIVES, INC.
Contract No. 623-0249-C-00-2021-00
15 October 1993**

KENYA EXPORT DEVELOPMENT SUPPORT (KEDS) PROJECT

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The Kenya Export Development Support Project (KEDS)

I. EXECUTIVE SUMMARY:

During the third quarter of 1993, the Public Sector Component concentrated on developing the operational capabilities of the Export Promotion Programmes Office (EPPO). During the quarter, program highlights included:

Continued refinement of the EPPO computer network, including finalization of hardware and software, while undertaking the redesign of the database;

Unsuccessful attempts to bolster the EPPO staffing;

Finalization of the Scope of work for the complex *Export Competitiveness Study*, and beginning of the first phase, the examination of Kenya's environment;

Ongoing involvement with the Export Promotion Council to promote public-private sector dialogue; and

Holding of a Mombasa seminar on *Export Policy & Infrastructure*.

The Private Sector Component continued its work with the KEDS client associations, the Horticultural Crops Development Authority (HCDA), the Fresh Produce Exporters Association of Kenya (FPEAK), and the Kenya Association of Manufacturers (KAM). Achievements during the quarter included:

Building our corporate database up to 178 exporting firms and completing on-site interviews with 55 firms as Phase II of the Baseline Study;

Coordinating support to FPEAK including regular participation in Board and Subcommittee meetings, monthly computer-aided Newsletters, and continued work developing a draft Code of Practice;

Drafting with HCDA a detailed *Export Crop Manual* which should be completed next quarter;

Supporting FPEAK and HCDA participation in the exhibition *Opportunities for Growth in Horticulture*, a British-sponsored trade show/exhibition in Nairobi; and

Support for the first-ever KAM Information Booth at *Kentex '93* International Trade Show, and preparation for a similar show in Uganda in October.

Next quarter's work plan for the Public Sector Component includes: Final programming and system-building of EPPO computers; A major publicity drive to publicize the EPPO and the revised DVR regulations; and ongoing implementation of the competitiveness study. On the Private Sector Component, KEDS plans: Firm-level Program outline and launch; Completion of the *HCDA Export Crop Manual*; Participation in the *Uganda International Trade Fair*; and institutional strengthening assistance to KAM, HCDA and FPEAK.

II. PUBLIC SECTOR COMPONENT

This component is under the direction of Adrian Strain, the KEDS Export Promotion Advisor (EPA). The activities of the Public Sector Component of the KEDS project are centered on the development of the Export Promotion Programmes Office (EPPO). Over the last quarter the following activities have been undertaken:

A. EPPO Institutional Development

KEDS completed the EPPO procurement and installation of computers and peripheral equipment. The EPPO managerial staff had been trained already in basic software programs including Wordperfect, Lotus 123, dBase, PageMaker and SPSS. An orientation for familiarization was provided when the computer system was installed at EPPO and a start was made on the redesign of the EPPO databases to take account of the extensions of the Duty/VAT Remission (DVR) facility.

The KEDS EPA has expressed concern throughout this quarter that the additional responsibilities given to the EPPO in the June Budget Statement have not been reflected in the provision of additional staff and other resources. Even before the recent policy changes, the existing staffing was considered inadequate to perform most of the policy advocacy and DVR administrative work. It is unfortunate that during this quarter the EPPO staff has actually been reduced, which seriously jeopardizes the efficient operation of the Office.

B. Policy Reform

1. Key Policy Changes in Quarter (documents in annex)

The policy changes this quarter included changes in import tariffs and minor adjustments to the exchange rate regime.

The maximum import tariff was raised in mid July to 50% and the number of tariff bands increased from 6 to 7 as a result of Parliamentary pressure leading to an amendment to the 1993 Finance Bill. In an effort to contain the widening budget deficit, the tariffs were increased further at the end of September so that the maximum tariff became 62% and the minimum became 12%.

At the end of July, the Central Bank of Kenya (CBK) revised its Customs valuation ruling so that a weight of 75% (instead of 25%) of the valuation of imports for Customs purposes (including duty assessment) was assigned to the higher interbank exchange rate while the balance of 25% was assigned to the official CBK rate. At the same time, a vigorous mopping up of excess domestic liquidity was undertaken. Higher liquidity ratios were imposed on the commercial banks (up from 10% to 12% in August) while high discount rates were maintained throughout this quarter on short-term Treasury Bills (effectively equivalent to an annual interest rate of over 70%). The result was a strengthening of the shilling exchange rate against the dollar and a sharp contraction in the exchange rate differential as between the interbank rate and the CBK rate. At the end of September the differential between the two exchange rates stood at only some 5% and

falling. This means that exporters can effectively realise over 90% of their foreign currency earnings (after allowance is made for bank charges), as the 50% of the export earnings surrendered to the CBK for shillings can now be converted back into dollars at little loss.

C. Special Studies & Their Seminars

1. Competitiveness Study

A Scope of Work has been approved for a *Kenya Export Competitiveness Study*. This study will provide a comprehensive review of Kenya's export environment, looked at from the standpoint of Kenya's competitiveness as an export site when compared to other Southern and Eastern Africa countries. The detailed design of this complex study was completed this quarter and the first phase put in hand. This will consist of investigations inside Kenya, a phase which should be completed by the end of October 1993. The Study is planned to continue well into 1994, culminating in strategic recommendations and national seminars in the areas of: Legal & regulatory issues; Institutional & procedural constraints; and cost & quality of factors of export production.

D. GOK Private Sector Dialogue

1. Export Promotion Council (EPC) Activities

Considerable effort was made this quarter to work closely with the EPC on matters to do with export policy development. The KEDS EPA has now been formally coopted as a member of the EPC technical panels on Banking, Manufacturing, Horticulture, Textiles, Energy and Tourism, while the KEDS Export Development Advisor (EDA) also sits on the Manufacturing and Horticulture panels. The Chief of Party (COP) acts as their second. The Policy Advisor and the Chief of Party have worked with the EPC on preliminary plans to declare 1994 the Kenya Export Year, which would involve policy/administrative changes as well as a series of promotional activities.

2. Mombasa EPPO Seminar on Export Policy & Infrastructure

The EPPO with KEDS assistance organised a seminar in Mombasa in September on export incentives and infrastructural facilities. The seminar is part of EPPO's (and KEDS') outreach programme to publicise and invite dialogue on the tax based and non-tax based export incentives and infrastructural facilities available to exporters.

The first day of the seminar was devoted to an explanation of the new developments in the various export incentives, including duty/VAT remission, manufacturing under bond and in the export processing zones, together with the new forex retention and import documentation requirements. Attention was also given to the operation of the Customs & Excise Dept. The second day of the seminar focused on infrastructural availabilities and constraints, with presentations on the activities of the police, the operation of the seaport and airport, road and rail transportation and postal and telecommunications services.

The seminar was officially opened by the Minister for Finance and was attended throughout by an Assistant Minister for Finance, who undertook to bring the recommendations of the meeting to the attention of the highest authorities. These recommendations are being studied in the Treasury to assess their desirability and practicability. An agenda and a list of seminar attendees is attached in Annex 5.

E. Other Activities & Accomplishments

The KEDS EPA was appointed a member of the Interministerial Working Party set up by the Office of the President to examine investment and export incentives for the horticultural industry. Various recommendations have now been made.

The KEDS EPA during this quarter has been active in the design of the new forms required for the administration of the expanded DVR facility. There are now nine of these forms (as compared with the previous two) dealing with particular applications and the original two forms have also been amended substantially.

III. PRIVATE SECTOR COMPONENT

The firm-level program is under the direction of Karen Potter, the KEDS Export Development Advisor. She is assisted by the Chief of Party, Paul Guenette, who is responsible for the institutional programs.

A. PEMU & Firm-level Programs:

1. Baseline Survey - Phase II

Baseline Surveys I & II: The PEMU Baseline Survey of export firms consists of two phases.

- The first phase was a self-administered questionnaire providing quantitative data on Kenyan exporters drawn primarily from KAM and FPEAK membership. Implementation of that phase was completed in February 1993, and a final report was released in early May 1993. However, we continue to request that new business contacts complete this questionnaire for addition to our database and will do so throughout the Project's life. To date we have received 178 responses.
- Phase II was administered between May and July 1993 among a sub-set of 60 targeted exporters gleaned from Phase I respondents. It involved a more detailed questionnaire requesting qualitative, as well as more detailed/complex quantitative, information and was conducted via personal interviews at the exporters' facilities. The results of Phase II will assist KEDS in developing eligibility criteria for firm-level support, identification of potential candidate firms, and development of specific types of KEDS support programs.

The questionnaire for Phase II was pre-tested in early May; and following minor revisions, interviewing commenced in late May. A total of 55 firms were interviewed in Nairobi, Mombasa, Naivasha, Nakuru, Kisumu and Koru by end-July. Analysis of the data is now complete and a final report is due in October.

B. KAM, HCDA, FPEAK Institutional Support Activities

The following support activities have been completed:

1. FPEAK:

a. Institutional Development:

- Delivery and installation of a computer and printers, and other office equipment has been completed on the premises of FPEAK. KEDS also provided training in the use of computers, WordPerfect and Lotus. Additional training is planned early next quarter in preparation for the

institutional support assistance in publishing, market information and resource library management.

- FPEAK Code of Practice - As a result of the KEDS sponsored Pesticide Seminar in late March, a sub-committee was formed in May to draft a maximum residue level (MRL) Usage and Practices Code for producers and exporters. This has been expanded to a broader "Code of Practice" for FPEAK. The purpose of the Code is to encourage exporters to "achieve high quality and maintain the market reputation of Kenyan exports of fresh produce." The Natural Resources Institute of the U.K. will contribute toward further development of this Code.
- National Horticultural Conference - KEDS supported FPEAK's initiative to organize a National Horticultural Conference on 27 July. (See program in Annex 4.) The Minister of Agriculture opened the Conference which was sponsored by ABN-AMRO Bank. For this Conference, KEDS acted in an advisory capacity; planning and implementation were done by FPEAK. Resolutions arising from the Conference were consolidated into a formal paper and subsequently presented to appropriate GOK ministries.

b. Training Seminars:

- KEDS supported and participated in the one-day workshop entitled "*Procedures Manual for Horticultural Export Quality Assurance for Developing Countries.*" The seminar was organized by the U.K.'s Natural Resources Institute in conjunction with FPEAK and HCDA. The one-day workshop was held September 27th in Duduville. Subsequent discussions between KEDS and NRI resolved that a follow-up meeting will be held in early November following the field testing of the manual. At that time, KEDS will continue its work with FPEAK to "Kenyanize" the manual to generate an FPEAK Code of Practice.

c. Trade Fairs:

- Opportunities in Horticulture Seminar/Exhibition - KEDS supported the participation of FPEAK in this three-day exhibition sponsored by the British High Commission September 29 through October 1 at the Norfolk Hotel in Nairobi. KEDS support included guidance in designing, decorating and staffing the booths, as well as preparation of display-quality graphics.

d. Other Activities:

- International trade and industry publications subscribed to by KEDS for FPEAK have begun arriving. KEDS has purchased racks and boxes for the orderly arrangement and display of these resources. Initial reactions are very positive; the materials are being accessed by exporters.

- With KEDS' guidance, FPEAK continued to produce the monthly, computer-generated member newsletter which it began in May, sending out approximately 125 copies in July, August and September; KEDS provides editing/publishing/circulation assistance. All newsletters include important information on recent policy and budget matters, FPEAK Board issues, and news of training opportunities for horticultural exporters. The newsletters provide a crucial service to the membership that tangibly demonstrates the benefits of FPEAK membership and thereby encourages more commitment and involvement by exporters.

2. HCDA:

a. Institutional Development:

- HCDA Crop Manual - The manual will have three components when completed: production; post-harvest handling; and promotion. It will cover 20-25 crops, include grades/standards information on major export markets presented with photographs and graphics, and will be disseminated to farmers, HCDA extension officers, exporters, importers and Kenyan overseas Embassies and Consulate.

Phase I of the HCDA Crop Manual was completed in July. This included review and evaluation of existing information, desk research for designated export products, compilation of technical data, and development of preliminary written drafts. All work was undertaken by an HCDA management task force under the direction of STTA consultant, Jonathan Greenham, and KEDS staffer Simiyu Wambalaba.

Phase II was completed in August and September. This phase entailed continued research and draft text writing, in Kenya by the HCDA task force and in the U.S. by the short-term consultant.

Phase III is now underway. This phase of the effort involves final drafting of the manual, editing, layout, production, duplication and distribution. The short-term consultant returned to Kenya 27 September to begin this phase, which should be concluded in November.

- During the quarter, 12 managers from HCDA were trained in WordPerfect.

b. Training Seminars:

- KEDS supported and participated in the one-day workshop entitled "*Procedures Manual for Horticultural Export Quality Assurance for Developing Countries.*" The seminar is reviewed and reported on under the FPEAK portion of this report on page 6. Following the field testing of the manual, KEDS will feed useful program elements into an updating of the HCDA Export Crop Manual.

c. Trade Fairs:

- Opportunities in Horticulture Seminar/Exhibition - KEDS supported the participation of HCDA in this three-day exhibition sponsored by the British High Commission September 29 through October 1 at the Norfolk Hotel in Nairobi. KEDS support included guidance in designing, decorating and staffing the booths, as well as preparation of printed HCDA hand-outs.

d. Other Activities:

- International trade and industry publications subscribed to by KEDS for HCDA have begun arriving. KEDS has purchased racks and boxes for the orderly arrangement and display of these resources. Initial reactions are positive; the materials are being accessed by exporters.

3. KAM:

a. Institutional Development:

- Work continues to support and strengthen KAM's Export Sector Committee. The KAM participation in the Nairobi-based international trade show *Kentex '93*, was organized through this Committee. All planning meetings involved representatives of this 18-member committee which represents all 250 of KAM's exporting manufacturers.

b. Training Seminars:

- There were no technical training seminars during the quarter.
- Plans are underway to sponsor the KAM Chief Executive and Vice Chairman to attend a 2-day training workshop in Uganda in October; the training topic is *Trade in the PTA*.

c. Trade Fairs:

- *KENTEX '93* - KEDS supported the participation of the KAM Export Committee in *Kentex '93*, "Kenya's first business and industrial trade exhibition." KEDS participation included sponsorship of the booth's design and decoration, management guidance as to the management and staffing of the booth, suggestions for printed hand-outs for the booth, a guided "walk-through" of the show to spotlight how to "walk" a trade show.
- Plans are well along for the support of KAM to attend the International Trade Fair in Kampala, Uganda October 29-November 8, 1993. KEDS has been active in planning KAM participation, participating in the KAM Export Sector Committee meetings and has agreed to support the transport of materials to Uganda for the KAM booth. KEDS will also financially support KAM staff travel and per diem to staff the booth.

d. Other Activities:

- KEDS prepared a detailed step-by-step guideline on the planning and organization of seminars including a suggested timeline. This document has been shared with KAM, FPEAK and HCDA for future reference. It is based on KEDS' collective experience in implementing several seminars and workshops over the past year and reflects our "lessons learned".

IV. PROJECT ADMINISTRATION

A. Contract

1. Short-term Technical Assistance:

During the quarter, we developed and refined scopes of work for the largest study thus far performed under KEDS, an estimated 14 person-months of effort. We nominated individuals, cleared their salary rates with REDSO Contracts Office and obtained Project Officer approval for the work. The study, a Kenya Export Competitiveness Study, is detailed under the Public Sector Program Report.

Preliminary work (Pending/not yet approved) was performed regarding several other pieces of short-term technical assistance, including:

- 2-day visit from DAI Corporate Treasurer & Controller;
- Increase of Computer programming skills for EPPO Computer System;
- 4 person-month Institutional Strengthening for KAM, HCDA, FPEAK; and
- 1.5 person-month for Export Finance Manual development for KAM.

2. Monitoring & Evaluation:

The KEDS Project continued to discuss an approach to monitoring and evaluation which will provide valuable reporting data and enable USAID and the KEDS team to evaluate the project's progress, and provide insight into the dynamics of Kenya's nontraditional export sector in order to better focus project resources. Team members participated on meetings with Project Officer, Migwe Kimemia, and Private Enterprise Monitoring and Evaluation Officer, Mary McVay. A revised format for the Quarterly Report was developed (This report is the transition report) which more closely mirrors the Project Implementation Report which is completed by USAID/Kenya for USAID's head office in Washington. Beginning in January 1994, the KEDS technical advisors will draft their technical reports for the KEDS Advisory Committee meetings using this format. Technical reports will then more easily be assimilated into Quarterly Reports for USAID.

B. Procurement

A review of the procurement situation follows:

1. PEMU:

During the quarter we took delivery of the second of our two project vehicles, a Land Rover Discovery. This now completes our major purchases.

2. FPEAK:

The computer, printer and other commodities were installed in the premises of FPEAK. This completes the equipping of our client institutions KAM, HCDA, and FPEAK. KEDS has installed software and onscreen menus on the computers, including

onscreen tutorials for improving software skills. Officers in all three institutions (HCDA, KAM and FPEAK) will receive refresher training in Wordperfect and Lotus 123 in October, in anticipation of the KEDS work on institutional strengthening. Commodity inventories were provided to receiving institutions, noting terms and conditions of the transfer, and recommending insurance procedures. These inventories have been signed by the receiving institutions and are on file at the KEDS office. KEDS installed equipment at KAM, HCDA, and FPEAK as follows:

	<u>KAM</u>	<u>HCDA</u>	<u>FPEAK</u>
Dynex Computers (386 SX, Color Mon)	3	4	1
Wire Printer	1	1	1
Laser Printer	1	1	1
Software (WP, 123, AntiV, Dbase)	1	1	1
Computer/printer tables	3	3	2
Fax Machine	1	1	1
Photocopier	1	1	1

3. EPPO:

Local procurement took place to resolve the problem caused by an incorrect delivery from the U.S. KEDS installed the computer system in EPPO and continues to work on systems development. A laptop computer and small printer were purchased for the KEDS Advisor to replace the earlier machines which he had been using but which were reclaimed by the responsible office. A desktop photocopy machine was ordered for the Director of Fiscal and Monetary Affairs, the office with direct line responsibility for the EPPO.

C. Liaison with Other Organizations

In order to best fulfil the terms of the KEDS Contract in pursuit of project objectives, KEDS Project personnel from both the Public and Private Components spend a significant amount of time meeting with other organizations to ensure that our programs complement, rather than conflict with, other similar programs. During the past quarter, some of these other organizations included:

1. The Kenya Exporter Assistance Scheme (KEAS)

KEAS is funded by the World Bank; KEAS runs a firm-level cost-sharing program similar to that which KEDS will soon implement. We matched our list of companies with that of KEAS to identify "overlap" companies, and coordinated our support efforts for Kenyan manufacturers to attend the international trade fair in Uganda in October. Next quarter we will consult with KEAS for guidance in refining criteria for our firm-level program.

2. Kenya Management Assistance Program (KMAP)

At a KMAP workshop entitled *Export Import Trade* on August 30, 1993, Mr. Guenette presented a summary of the KEDS Project and participated in a discussion of

trade issues. The KEAS Scheme was represented by Mr. Buckley, who also contributed to the discussions.

3. The Japan External Trade Organization (JETRO)

Several meetings were held with JETRO's Kenya staff to coordinate programs. JETRO has added KEDS to the distribution list for *TradeScope*, a monthly publications detailing Japan's import market. JETRO has requested that Mr. Guenette participate in next month's JETRO workshop entitled *Exporting Kenyan Cut Flowers to Japan*.

4. The Export Promotion Council (EPC)

As noted in the Public Sector Component section of this report, several organizational meetings were held with the EPC, and an exchange of correspondence took place. This culminated in the KEDS' EPA and EDA being assigned to appropriate industry panels, seconded by the KEDS COP. Overall coordination with the EPC continues.

D. Annual Leave

The summer months have brought annual leave for some of the KEDS team. Adrian Strain returned from R&R in mid-July. Paul Guenette departed in July for a month of R&R in the U.S. Karen Potter left on R&R in early September; she is due to return in late October.

V. KEDS WORK PLAN FOR THE FOURTH QUARTER OF 1993:

A. Public Sector Component

The activities planned for next quarter include:

- Final programming and system-building of EPPO computers and other equipment;
- A major publicity drive to publicize the EPPO and the revised DVR regulations through mail and press;
- Ongoing implementation of the competitiveness study.

1. Equipment:

The computers and other equipment provided to the EPPO under the KEDS project are likely to require considerable commissioning effort. While a secure computer room will be set aside to house these, 3 external monitors are to be connected to the Director of the Fiscal & Monetary Affairs Dept., the Chief of the EPPO Division (when appointed) and the KEDS/EPA. It may also be necessary to provide a local area network link between these new computers on the 12th floor and the computers to be used by the audit and other units located on the 2nd floor. The usage of the computers by the EPPO staff will require considerable supervision in the near future.

2. EPPO Newsletter and Publicity:

It is hoped that the design and content of the first EPPO Newsletter will be prepared during this coming quarter so that publication of a regular series can commence. Additional publicity efforts will center around the publication of brochures dealing respectively with export incentives policies as a whole and the detailed requirements (including the new requirements) of the duty/VAT remission legislation on the other.

3. The Competitiveness Study:

This study is a comprehensive study of Kenya's export environment, looked at from the standpoint of its competitiveness as an export location in comparison with the Republic of South Africa, Tanzania, Uganda and other countries in sub-Saharan Africa. The study will lay the foundation for much of the subsequent KEDS policy research and advocacy agenda. There is now a need for Kenya to reassess the appropriateness of its export policies on a comparative basis and to reexamine its infrastructural and environmental competitiveness both to avoid being relatively disadvantaged in the eyes of international export-oriented investors and to ensure that its domestic exporters continue to compete on reasonable terms. The outcome of the study will be an improved understanding of Kenya's overall export environment looked at from a competitive perspective. The study will identify critical competitive constraints and thereby guide future KEDS policy component activities. It is hoped to complete the field research before the end of the year.

B. Private Sector Component

The activities planned for next quarter include:

- Finalization of the Private Sector Phase II Report;
- Drafting of Firm-level Program outline and eligibility criteria;
- Completion of the *HCDA Export Crop Manual*;
- Participation by KAM in the *Uganda International Trade Fair*;
- Institutional strengthening assistance to KAM, HCDA and FPEAK; and
- Further refinement of the *Quality Assurance Manual* for horticulture.

1. Baseline - Phase II

Our short-term consultant, Zeddy Syongoh (Deloitte & Touche) has completed the analysis and a draft report with extensive tables. We have reviewed the draft and returned it to him with comments. Paul Guenette has edited the *Summary of Findings and Implications* section of the report. A final report should be completed by end October.

The results of Phase II will assist KEDS and the EDA, Karen Potter, in developing eligibility criteria for firm-level support, identification of potential candidate firms, and planning of specific types of support programs.

2. Direct Firm-Level Support Program

Following development by KEDS EDA Karen Potter of the aforementioned firm-level eligibility criteria and the modalities of the Export Development Fund, Ms. Potter will release this information to KAM and FPEAK registered exporter members and to any inquiring firms with an invitation to contact KEDS for further discussions should they qualify. KEDS will commence direct firm-level support in the fall and will assist up to 55 firms over the remaining life of the Project in accordance with the Project Paper objectives.

3. HCDA Crops Manual

Phase III of the *HCDA Export Crop Manual* will be completed next quarter. This includes: final compilation of technical information; transition-writing, and finalizing drafts by the task force and the consultant; identifying photographic requirements; developing promotional themes; field testing of data for accuracy and relevance to Kenyan situation and practices; and finalizing editor/publisher arrangements. This effort is being led by short-term advisor, Jonathan Greenham (DAI) and PEMU staffer Simiyu Wambalaba, in conjunction with the HCDA task force.

4. Uganda International Trade Fair

KEDS is providing financial and management support to the KAM Export Sector Committee to facilitate participation in the Uganda International Trade Fair. The Fair will be held in Kampala, Uganda from October 29 through November 8 at the Lugogo Show Ground. The organizers for the event are KAM's sister organization, the Uganda Manufacturers Association (UMA). KEDS financial support will cover transport, set-up and maintenance of the KAM Information Booth. KEDS has closely coordinated in this endeavor (via KAM) with the Min. of Commerce and Industry, KE: A, KEAS and UMA.

5. Institutional Strengthening: KAM, HCDA & FPEAK

KEDS has planned to deliver institutional strengthening measures next quarter to the three client institutions, namely KAM, HCDA and FPEAK. The strengthening will be in the areas of: Market information systems and dissemination; newsletter publication and distribution; and resource library management. The assistance will be delivered with the help of short-term expatriate Tom Klotzbach (Fintrac), assisted by Kenyans Danny Fernandez and Katherine Kariuki (Deloitte & Touche).

5. *Quality Assurance Manual for Horticulture*

Following the September workshop presenting a draft manual developed by Britain's Natural Resources Institute (NRI), a meeting was held at KEDS offices. NRI agreed to continue to collaborate with KEDS following the testing of the manual in Kenya. A meeting will be held early in November to determine how best to proceed in order to "kenyanize" the manual. The next step will be for KEDS to assist FPEAK to adapt the quality system into the FPEAK Code of Practice,

FOURTH MEETING OF THE ADVISORY COMMITTEE FOR THE
KENYA EXPORT DEVELOPMENT SUPPORT PROJECT (KEDS)
(August 19th, 1993)

AGENDA

1. Opening remarks by the Chairman (Prof. T.C.I.Ryan, Economic Secretary) and correction and signing of the minutes of the last meeting.
2. Matters arising from the minutes.
3. Review of the first year of the KEDS Project by Paul Guenette, Chief of Party.
4. Report by Adrian Strain (Export Promotion Adviser) on the past and planned activities of the Public Sector Component.
5. Report by Karen Potter (Export Development Adviser) on the past and planned activities of the Private Sector Component.
6. A.O.B.

MINUTES OF THE FOURTH MEETING OF THE ADVISORY COMMITTEE
FOR THE KENYA EXPORT DEVELOPMENT SUPPORT PROJECT (KEDS)
(August 19th, 1993)

PRESENT

Prof. T. C. I. Ryan	Economic Secretary (Chairman)
A. A. Strain	KEDS Export Promotion Adviser (Secretary)

M. O. Abuom	Dept. of External Trade, Ministry of Commerce & Industry (DET, MC&I)
O. Ajumbo	Export Promotion Programmes Office (EPPO)
Ms. L. Chege	Horticultural Crops Development Authority (HCDA)
M. K. Cherwon	Central Bank of Kenya (CBK)
P. C. Guenette	KEDS Chief of Party
T. Hobgood	Chief, Private Enterprise Office, USAID
S. M. Ita	Chief Executive, Export Processing Zones Authority
Ms. F. K. Kadasia	EPPO Administrator
C. Kahumburu	Export Promotion Council
A. K. Kandie	Chief Executive, Investment Promotion Centre
S. D. Kameri	Dept. of Fiscal & Monetary Affairs, Ministry of Finance
M. Kasanga	Chairman, Fresh Produce Exporters Association of Kenya (FPEAK)
J. M. Kiama	CBK

K. Kamanu	Kenya Association of Manufacturers (KAM)
M. Kimemia	KEDS Project Officer, USAID
K. Kobayashi	DET, MC&I
J.W. Kuria	Chief Executive, KAM
Ms. L. Laboso	FPEAK
E. S. Maturu	EPPO
M. A. S. Mulandi	Managing Director, HCDA
E. Muigai	EPPO
M. N. Ngaruiya	EPPO
Ms. K. Potter	KEDS Export Development Adviser
K. Toh	Chief, Office of Programme & Economic Analysis, USAID

AGENDA ITEM 1. OPENING REMARKS AND SIGNING OF THE MINUTES

The minutes of the last meeting were adopted without alteration and signed.

In his opening remarks, the Chairman noted that since the last meeting the dialogue between the GoK and the IMF/World Bank had resumed and that these organisations fully supported the GoK in carrying out its substantial liberalisation of the foreign trade regime which was put in place just before and during the Budget Statement. In particular, the foreign exchange retention accounts had been reinstated at the 50% level and import licensing had been abolished except for a small number of listed goods.

The GoK had also embarked on a programme of liquidity reduction and exchange rate management which had already resulted in a sharp fall in the annualised inflation rate and in a halting and indeed reversal of the decline in the exchange value of the shilling. This had necessitated the toleration of very high discount rates on Treasury Bills which in turn had sharply squeezed the cost of capital for commercial investment, particularly working capital. To ensure the sustainability of this programme, the GoK had negotiated agreements with the IMF/World Bank on procedures for handling weak financial institutions and on quantified benchmarks to monitor progress on privatisation.

AGENDA ITEM 2. MATTERS ARISING

There were no substantive matters arising from the minutes of the first four agenda items. The USAID representative confirmed that assistance to the EPZA was still on hold. Mr. Strain acknowledged the receipt of information relevant to the Competitiveness Study from the IPC, KAM and CBK. Ms. Potter had no further information on the reasons for non-response by companies receiving the Baseline Study questionnaire.

With reference to the minutes on manufacturing under bond and within the export processing zones, the meeting was of the opinion that considerable effort was still needed by the EPPO in the matter of sensitising lower level officials in the Customs, Police, Immigration and other export facilitating agencies on the critical importance of exports and the need to minimise clearance delays. The meeting was assured that seminars along these lines were included in the EPPO publicity programme, funds permitting. The issue of corruption and malpractice was also raised. The EPPO had disciplined some officers but it was pointed out that the exporters concerned tended to be reluctant to be specific in their allegations, so that follow up was limited. After some discussion, it was AGREED that at the next meeting there would be an agenda item devoted to specific suggestions from the participants on how to reduce malpractice and increase sensitisation in respect of their particular areas of export operations. The Chairman stressed the need for the maximum degree of specificity in the papers to be submitted on this topic and invited the USAID to pass on any such complaints which came to them through their own channels.

AGENDA ITEM 3. REVIEW OF THE FIRST YEAR OF THE KEDS PROJECT

The KEDS Chief of Party, Mr. Paul Guenette, presented a brief survey of the progress made in the KEDS project as a whole during the first year just completed. In the light of the four year life of the project, progress to date had been significant and this had been accomplished within the envisaged time frame. The long term expatriate team, their Kenyan counterparts and the project facilities were all in place and operational at an early date and a substantial amount of short term technical assistance had been provided to both the public and private components for both studies and direct training.

In the coming year, the focus of the public sector component would continue to be oriented towards the development of the EPPO in accordance with the manpower and other resources provided to it by the Ministry of Finance. Similarly, much of the work of the private sector component would focus on continued institutional development but this would be supplemented by the launch of the firm level assistance programme on the basis of the extensive contacts already made with exporting companies in the first year.

In the discussion which followed, Mr. Guenette assured the meeting that both the public and private components of the KEDS project had from the start maintained close links with the consultants managing the Kenya Export Assistance Scheme (KEAS) in order to minimise duplication and to maximise cooperation. The KEDS team were fully conscious of the need to provide continuity of direct and indirect exporter assistance to the extent possible within the framework of their own project when the KEAS project comes to an end.

Returning to the context of the earlier discussion, the meeting emphasised the need for the KEDS project to devote more attention in the coming years to the sensitisation of relevant officials and businessmen, both to inculcate an "export culture" and improve the delivery of trade facilitation services. Furthermore, Mr. Guenette was urged to ensure that the definition of "non-traditional exports" was broad enough to encompass a wide spectrum of product/market diversification.

AGENDA ITEM 4. REPORT ON THE ACTIVITIES OF THE PUBLIC SECTOR COMPONENT

The KEDS/EPA, Mr. Adrian Strain, presented a report on the development of the EPPO and its activities since the last meeting in April. He noted that the EPPO had been given substantial additional responsibilities relating to the administration of the duty/VAT remission (DVR) facility in respect of indirect exporters, essential goods producers and suppliers of products for aid funded projects and the Armed Forces. Furthermore, the abolition of export compensation after September 1st would entail a much greater demand for the original DVR facility by direct exporters. However, despite the major increase in the EPPO work load, the EPPO staffing had actually decreased as officers had been transferred without replacement.

Mr. Strain expressed dissatisfaction with the present state of the Manual of Audit Operational Procedures (MAOP), as, apart from textual and structural deficiencies, it did not address the new DVR regulations. Short term technical assistance was still needed for its revision and for the continued management of the audit process generally.

On procurement, Mr. Strain reported the very recent delivery of the delayed computers and other equipment ordered for the EPPO but he pointed out that its location for security reasons on the 2nd floor of the Treasury Building was not convenient as the main EPPO offices were on the 12th. floor.

Turning to policy work, Mr. Strain referred to the active contribution of the EPPO to the preparations for the Budget Statement and to its initiatives in respect of the de facto monopolisation of Kenya Airfreight Handling Ltd., the improvement in quality inspection of processed fish exports and the encouragement of jua kali exporters. On publicity, he reported on the first of the regional outreach seminars to be organised by the EPPO (in Kisumu in June) but pointed out that the delay in the procurement of the EPPO computers etc. had forced a postponement of the EPPO publicity drive.

On the assumption that adequate EPPO staff would be provided in time, Mr. Strain presented a detailed programme for the coming quarter. He anticipated that the Competitiveness Study, whose Scope of Work was about to be finalised, would commence around the middle of September to be completed in February, after which conferences/workshops would be arranged to discuss the findings. Work would also start on some of the trade policy, incentives and infrastructural studies listed for EPPO action in an internal document. A major publicity effort would also be mounted, based not only on seminars but also on the publication of revised User's Guides and the EPPO Newsletter. Short term technical assistance would be provided to the EPPO both to improve the design of its various databases and to revise the MAOP/improve the management of the auditing function. Preparations would also be made for the holding of the postponed conference/workshop on financial policy and export banking towards the beginning of 1995.

In the ensuing discussion, concern was expressed by most members that the present staffing and accommodation resources of the EPPO would not enable it to administer efficiently the larger number of additional applications expected under the expanded DVR programme, let alone to perform these scheduled and important policy/publicity tasks. Indeed, the USAID representative stressed that the rapid provision of additional resources to the EPPO was essential for the effectiveness of the whole KEDS project. The Chairman assured the meeting that he was fully aware of the need to expand EPPO resources as quickly as possible but he pointed out that the EPPO expansion had to be set within the framework of the current reorganisation of the whole Ministry of Finance, as it had not yet been decided which Departments would move outside the Treasury Building and which would be relocated within it. Furthermore, he noted that the procedure for the appointment of economists in particular to the EPPO was complex and necessarily time consuming. It included employment through the Public Service Commission, deployment through the Department of Personnel Management in the Office of the President and then posting by the Office of the Vice President & Ministry of Planning & National Development. However, the EPPO Administrator stated that arrangements had been made already for the immediate assignment of 2 economists. Moreover, she considered that the changed situation might well result in the immediate upgrading of the EPPO Division into a full Department, as relocation outside the Treasury Building would be easier if the EPPO controlled its own vote.

In respect of the in-house policy studies, it was AGREED that the EPPO would examine the impact on exporter finances of the current arrangements for security bonds. It was widely felt that these were ineffective as well as costly and the Chairman assured the meeting that this matter was already scheduled for re-evaluation.

AGENDA ITEM 5. REPORT ON THE ACTIVITIES OF THE PRIVATE SECTOR COMPONENT

A report on the activities of the PEMU was presented by the KEDS/EDA, Ms. Karen Potter, covering the same period from April onwards.

Ms. Potter reported that although the Phase I Baseline Study Report had been released in May, the practice continued of requesting all new business contacts to complete the questionnaire as a matter of course and this had raised the number of responses to 175. The survey for the Phase II Baseline Study, which involved detailed interviews with a carefully selected group of 55 companies located throughout the country had been completed in May/June and the final report was expected in September. She also presented to the meeting the new KEDS brochure which had already proved its usefulness at seminars and other company contacts.

Turning to institutional development, Ms. Potter reported that most of the equipment had been installed in KAM and HCDA but not yet in FPEAK where some staffing/management issues still had to be resolved.

In conjunction with the Phase II Baseline Study interviews, the PEMU had organised a seminar in Mombasa in June which had been attended by some 35 KAM members, which was used to publicise the objectives and activities of the KEDS project.

The recent organisational changes in HCDA had necessitated an updating of the Needs Assessment Review of September 1992 to establish their impact on the KEDS support programme and this had been completed in May. While detailed recommendations were made on management and operational issues, the original support programme remained valid. Ms. Potter also reported on the completion in July of Phase I of the HCDA crop manual covering some 20-25 crops. She emphasised that this was a multifaceted project which would materially contribute to the institutional development of the HCDA.

Ms. Potter reported that considerable effort had been devoted to FPEAK during this period. FPEAK had been assisted with the preparation for its Annual General Meeting, in developing a Strategic Action Plan, in drawing up a Code of Practice to encourage exporters to achieve high quality standards, in the design and preparation of its monthly Newsletters, etc. The PEMU also assisted in an advisory capacity with the organisation by FPEAK itself of the National Horticultural Conference at the end of July.

Turning to the activities scheduled for the coming quarter, Ms. Potter said that following the finalisation of the Phase II Baseline Study report in September, the PEMU will be in a position to embark on its programme of firm level support in October which is aimed ultimately at some 55 companies.

For the institutions, Ms. Potter reported that, starting also in October, the senior management of each institution will be trained by consultants in the development of market information systems and in the preparation of publicity material, using the computer skills already learned. Furthermore, the PEMU is developing reference material for the institutions in respect of financial management in the Kenyan context which will be distributed at a seminar in October to be funded on a cost sharing basis. At the same time, a seminar planning guide will be finalised.

Other activities planned for the coming quarter included an educational walk through for the KAM members of the KENTEX '93 trade show being held in Nairobi at the end of September and the completion of Phase III of the HCDA Crops manual with technical assistance support.

In the ensuing discussion there was some concern to ensure that the PEMU publicity material reached as wide a circulation as possible and it was AGREED that later insertions into the KEDS explanatory foldout covering eligibility criteria would be translated also into Kiswahili. The Chairman also requested that the PEMU liaise closely with the Japanese Adviser working in the trade information area in the MC&I on ensuring the best use of written information such as journals.

There were no further specific concerns about Ms. Potter's report but the discussion reverted to the need for the KEDS project to assist the GoK and the trade associations in inculcating a dynamic "export culture" in both the private and public sectors. The role of the Export Promotion Council (EPC) was reviewed in this context and it was recognised as the most appropriate body to take the initiative here. The EPC representative pointed out that close relations already existed with the EPPO and with the KEDS/EPA and it was AGREED that the EPC would prepare a paper for the next meeting with KEDS assistance containing suggestions as to strategies for managing cultural change in this direction in the near term.

AGENDA ITEM 6. A.O.B.

The Japanese Adviser working with the MC&I AGREED to present a paper to the next meeting on the development of information services at the DET.

The next meeting was scheduled for THURSDAY, JANUARY 20th and the Chairman reiterated his request that issue papers be given to the Secretary in time for distribution at least a full week prior to the meeting.

NAME OF CONTRACTOR. DEVELOPMENT
ALTERNATIVES, INC
APP 72-111/21014
REQUISITION NBR 615-0249-3-10126

#3704

KENYA EXPORT DEVELOPMENT SUPPORT PROJECT
CONTRACT NO 623-0249-C-00-2021-00
REPORTING PERIOD: AUGUST 1 - 31, 1993
SUBMISSION NO: 18
SUBMISSION DATE: SEPTEMBER 30, 1993

CATEGORY	BUDGET AMOUNT	INCEPTION TO LAST PERIOD	THIS PERIOD	CUMULATIVE AMOUNT	REMAINING AMOUNT
SALARIES	\$732,808	204,683.29	12,871.84	217,555.13	515,252.87
INDIRECT COST	\$654,233	192,660.23	11,567.58	204,227.81	450,005.19
TRAVEL/TRANS	\$313,186	62,831.64	30.35	62,861.99	250,324.01
ALLOWANCES	\$281,209	76,332.26	4,398.44	80,730.70	200,478.30
OTHER DIRECT COSTS	\$136,548	54,399.15	1,773.65	56,172.80	80,375.20
SPECIAL FUNDS COSTS	\$1,020,000	5,256.44	105.30	5,361.74	1,014,638.26
SUBCONTRACTORS	\$3,308,147	779,596.24	42,178.29	821,774.53	2,486,372.47
LOCAL CURRENCY REFLWS	(\$200,000)	0.00	0.00	0.00	(200,000.00)
SUBTOTAL	\$6,246,131	1,375,759.25	72,925.45	1,448,684.70	4,797,446.30
FEE	\$312,320	68,787.97	3,646.28	72,434.25	239,885.75
TOTAL	\$6,558,451	1,444,547.22	76,571.73	1,521,118.95	5,037,332.05

The undersigned hereby certifies that (i) the fiscal report and any attachments have been prepared from the books and records of the Contractor in accordance with the terms of this contract, and to the best of my knowledge and belief, that they are correct, that the sum claimed under this Contract is proper and due, that all the costs of contract performance (except as herewith reported in writing) have been paid or will be paid currently by the Contractor when due in the ordinary course of business, that the work reflected by the costs above have been performed, that the quantities and amounts involved are consistent with the requirements of this Contract, that all required Contracting Officer approvals have been obtained, and (ii) appropriate refund to AID will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of this Contract.

BY 
PAUL C. GUENETTE
TITLE: Chief of Party
KEDS Project



FPEAK NEWSLETTER

JULY 1993

FOR MEMBERS OF THE
FRESH PRODUCE EXPORTERS ASSOCIATION OF KENYA

Volume I, No. 3

NATIONAL HORTICULTURAL CONFERENCE

The National Horticultural Conference will be held on the 27th July 1993 at the Safari Park Hotel. The Minister for Agriculture, Livestock Development and Marketing has kindly agreed to come and open the Conference.

Good News! ABN-Amro Bank have very kindly agreed to sponsor the Conference fully and our thanks to them.

The occasion will be a very useful one as all those concerned with the industry have been invited to attend. These include representatives from ministries, banks, donor agencies, forwarding agents, airlines, NGOs. This will be a full day Conference with lunch. A cocktail at the end of the Conference will provide an opportunity for informal discussions.

Please mark your calendar to attend this very important forum where we shall be able to exchange views and ideas and discuss challenges for the future.

CODE OF PRACTICE

The Code of Practice committee has been meeting and it has come up with the attached draft Code of Practice for exporters. We would very much appreciate your comments on the draft to reach our offices by July 31, 1993.

A general meeting of all exporters will then be called to discuss and approve the paper. We shall let you know the date in due course.

EXPORTERS DIRECTORY

The deadline for sending information has passed and we are now proceeding with the publication with the assistance of KEDS. Those who did not respond to our several requests for the forms to be completed and sent to us will not appear in the directory which will be given to enquiring importers, Embassies, High Commissions etc. However, the directory will of course be updated from time to time, so please send in information for inclusion in the next edition.

LEGAL FUND ACCOUNT

We are pleased to report that most exporters have paid the Kshs.2,000/- to the legal fund account. Our thanks to them. For those who have not done so, please send your cheques with the attached coupon.

PACKAGING FACTORY

There is a new packaging company called 'All Pack' with the latest packaging technology. If you are interested contact them directly in Athi River at Tel: 22604/5 or 22369 or mail to P.O. Box 30500 NBI.

CESS

Note that with effect from 1st May 1993 Horticultural Crops Development Authority are now charging 17 cents per kg. of which 5 cents is to be paid to the Association.

EXPORT DEVELOPMENT SERVICES

For your information the above company is holding a series of seminars to promote trade in Eastern and Southern Africa sub-region. For more information contact them at telephone 222932 or fax 225087. Upcoming seminars include:-

Export Procedures and Documentation:
28-29 July 1993.

Quality Standards for Horticultural Exports Seminar:
2-6 August 1993.

LIBRARY

The Japanese External Trade Organisation (JETRO) has provided the following brochures from a series entitled "Access to Japan's Import Market" for our library:-

1. The Japanese Market for Fresh Vegetables
2. Japan's Frozen Shrimp Market
3. Japan's Tomato Puree/Paste Market
4. Japan's Nut Market
5. The Japanese Market for Cut Flowers
7. Japan's Cacao-related Produce Market
8. Japan's Chicken Market

Another publication that we have recently begun to receive is Gourmet Retailer, an international monthly update on food and beverage trends, new products and market tips.

Please make use of the library. We do not see much of you and we have a lot of useful information in the FPEAK offices. We have been listing new additions in our newsletters.

REMINDER!

FPEAK encourages member participation in Association management. If you are interested in participating or contributing to any of the following Working Committees, please contact your FPEAK office:

Marketing Committee
Code of Practice
FPEAK Constitution Reform

We need posters, photos or any other suitable materials to decorate our new offices. If you have any, please send us.

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FPEAK NEWSLETTER

AUGUST 1993

FOR MEMBERS OF THE FRESH PRODUCE EXPORTERS ASSOCIATION OF KENYA

Volume I, No. 4

NATIONAL HORTICULTURAL CONFERENCE HELD

A successful Seminar organized by FPEAK and sponsored by ABN-AMRO Bank was held at the Safari Park Hotel on 27th July 1993. The Guest of Honour was Hon. S. Nyachae the Minister for Agriculture, Livestock Development & Marketing. The Seminar attracted 235 participants.

In his opening speech the Minister informed participants that the Government acknowledges the great contribution of the horticultural industry and therefore is committed to cooperate with exporters to see that the various constraints hindering the rapid expansion of the industry are looked into. He further asked participants to let the Government know what these problems are and his Ministry would take up the matter.

He reminded the participants that the Government was liberalising import policies such as duty/VAT. Exporters are eligible for DUTY/VAT Remission on importation of packaging material. He also reminded exporters to observe new EEC maximum residue levels (MRLs). The Minister further informed the participants of the need to produce high quality products for the competitive world market and said that his Ministry provided experienced technical personnel to assist in achieving the right

standards. He invited the participants to an open discussion with him and several "hot" questions were put forward, all of which the Hon. Minister dealt with firmly and openly.

The following papers were presented (copies available at the FPEAK Office):

Messrs. D.H. Gray and H. Wainwright
(NRI): *Marketing Changes & Challenges.*

Messrs S. Biron and J. Greenham
(KEDS): *Market Intelligence, Information Requirements and Systems.*

Mrs. Mutahi of ABN-Amro Bank:
Financial Opportunitiles and Systems.

Miss M. Nyachae: *The Kenyan Situation and the Role of Fiscal and Export Policies in Horticultural Exports.*

Mr. J. Chepkwony: *The Role of Infrastructural Development In Competitiveness in the Market of Horticultural Produce.*

Mr. J. Kimani Mwangi: *The Kenyan Farmer's Experience In Horticultural Farming.*

During the discussion period, members asked government representatives questions on topics as diverse as Documentation, Bureaucracies etc. However, it was generally noted that the level of representation by the Ministries were officers who could not give concrete answers. Resolutions passed in the conference are attached. FPEAK is grateful to the ABN-Amro Bank for their generous sponsorship of Luncheon and Cocktails as well as the conference itself.

AIR FRANCE CARGO

Air France has written advising on the following changes: The reduction of export capacity by 25%, and frequent changes in the programme will not allow them to establish a standard allocation for 6 months. Instead, exporters will be advised on allocation at the beginning of each month for the following month.

New Rates:

Flowers (To France and near Europe) FRF 12.50/Kg; Fruit & Veg. (To France) FRF 8.00/Kg; Fruits and Veg. (To near Europe) FRF 9.20/Kg. Costs are prepaid in US\$ or on charges collect without c.c. fees.

Mr. J. K. Mulwa, Chairman, and J. Chepkwony have met with Air France (Reg'l Cargo Mgr. for E. Africa) and are negotiating ways to improve the situation. Progress will be communicated to members.

CODE OF PRACTICE

Members should recall receiving (with their July Newsletter) a copy of the draft Code of Practice. The proposed Code, an FPEAK exporter program, is envisioned as a way to "consistently achieve high quality and maintain the market reputation of Kenyan exports of fresh produce." The response to the draft sent out with the last Newsletter has been very poor. If you did not receive a copy of the Draft and/or would still like to comment please contact the office quickly.

INQUIRIES FROM DUBAI

COLEACP has forwarded a number of inquiries from companies wishing to import fruit vegetables and flowers from Kenya. Details available from the FPEAK Office. We strongly suggest that exporters already trading in that area or wishing to do so follow up on these opportunities.

EXPORTS INCREASE BY 10%, FLOWERS LEAD

DETAILED REPORT AVAILABLE AT FPEAK OFFICES

<u>Category</u>	<u>Tons Jan-Jun '92</u>	<u>Tons Jan-Jun '93</u>	<u>% Change</u>	<u>% '93 Exp</u>
Cut Flowers	10,267.3	12,746.5	+24.1%	38.8%
French Beans	7,904.9	7,453.3	- 5.7%	22.7%
All Asian Vegetables*	4,600.2	4,812.2	+ 4.6%	14.6%
Avocados	3,198.7	3,774.7	+18.0%	11.5%
Mangoes	1,214.3	1,341.6	+10.5%	4.1%
All Others	<u>2,695.5</u>	<u>2,749.8</u>	<u>+ 2.0%</u>	<u>8.3%</u>
TOTALS:	29,880.9 tons	32,878.1 tons	+10.0%	100.0%

* Includes: capsicum, okra, aubergine, karella, mooli, dudu, chilies, valone, guwar and other Asian vegetables.

Source: HCDA Archives

UPCOMING TRADE SHOWS*

M.O.F.E.L. CONVENTION: This Fruit & Vegetables Convention & Exhibition is being held at Nice, France 22-24 September. M.O.F.E.L. is held every two years. In 1991, 274 exhibitors took part including producers, wholesalers, importers, exporters and service companies. It is obviously an important occasion not to be missed by members trading in France. For full details contact the FPEAK office.

KENTEX: In Nairobi, 29 September - 2 October, 1993. Largely focused on manufactured goods but a good opportunity to learn about trade shows, i.e. see how displays are set up and decorated to attract/educate the public, how products are displayed, how booths are manned, etc.

ANUGA SHOW: At Koln, Germany, 9-14 October 1993. Held every two years, it alternates with the SIAL show (Paris). ANUGA is one of Europe's biggest fresh produce shows. KETA is sponsoring a booth.

Dutch Flower Show: November 3-8, 1993 there is the Aalsmere Exhibition, the leading Commercial Flower Exhibition.

*Information on these and other shows is available in your FPEAK office. Come by!

HCDA SPONSORED SEMINAR ON SEAFREIGHT TECHNOLOGY

HCDA, in collaboration with the National Resources Institute of the U.K., sponsored a two-day workshop on seafreight technology on 3-4 August 1993 at ICIPE in Duduville. The seminar attracted 50 participants.

Mr. Robert Heap of the Shipowners Refrigerated Cargo Research Association (SRCRA) led discussions of the logistics of sea transportation, the role of sea transport in world trade, the importance of product management for sea transport, specifications for a sea transport container, and the components for the successful sea transport of fresh horticultural produce.

There is tremendous potential to increase the exports of fresh produce (particularly Avocados, mangoes, passion fruit) through the mastery of refrigerated container technology, but it is evident that the Kenya Ports Authority needs to improve equipment and facilities for handling refrigerated containers in order for Kenya to realize this potential.

FPEAK LIBRARY

The following documents are available at the growing FPEAK Library. Stop by to access some of this helpful information. If you haven't yet, **You Don't Know What You're Missing!**

NB. These are for reading at the office - not taking away.

Please turn over for the list.

FPEAK LIBRARY

1. Tropical Produce (Marketing News)
2. Co-operative News (International) Vol.5/No.1/1992
3. Co-operative News (International) Vol.6/No.2/1993
- 4-8. Access to Japan's Import Markets:
 - Japan's Frozen Shrimp Market
 - Japan's Cacao-related product market
 - Japan's Chicken Meat Market
 - The Japanese Market for Fresh Vegetables
 - Japan's Tomato Puree/Paste Market
 - The Japanese Market for Tropical Fruits
 - Japan's Nut Market
 - The Japanese Market for Cut Flowers
9. Export Opportunities
10. Produce Report April 1993
- 11-20. News Bulletin CBI: December 1991; June 1992; January/February 1992; March 1992; April 1992; May 1992; September 1992; February 1993; June 1993.
21. The International Floriculture Quarterly Report, March 1993
- 22-30. KEDS International Market Surveys for Selected Kenyan Horticultural Products:
 - Overview Report for the Kenyan Horticultural Market Surveys Series
 - U.S. Market Survey for selected Kenyan Fresh and Processed Produce
 - European Market Survey for selected Kenyan Cut Flowers
 - UK Market Survey for selected Kenyan Fresh and Processed Produce
 - German Market Survey for selected Kenyan Fresh and Processed Produce
 - Netherlands Market Survey for selected Kenyan Fresh and Processed Produce
 - Middle East Market Survey for selected Kenyan Fresh and Processed Produce
 - Hong Kong and Singapore Market Surveys of selected Kenyan Fresh and Processed Horticultural Products
 - Japan Market Survey for selected Kenyan Fresh/Processed produce and Cut Flowers
 - French Market Survey of select Kenyan Fresh and Processed Horticultural Products
32. Institutional Needs Assessment for KEDS Assisted Organizations: FPEAK
33. Tropical Produce (Marketing News)
34. Kenya Horticultural Subsector Survey (KEDS)
35. Proposed European Community Pesticides Maximum Residue Levels
36. The International Report Fresh Fruit, Vegetables & Ornamental Crops
37. The Gourmet Retailer July 1993 Vol. 14 No.7



FPEAK NEWSLETTER

SEPTEMBER 1993

FOR MEMBERS OF THE
FRESH PRODUCE EXPORTERS ASSOCIATION OF KENYA

Volume I, No. 5

HORTICULTURAL SEMINAR 28-30 SEPT. 1993

The British High Commission will hold a Horticultural Seminar "Opportunities for Growth in the Horticultural Sector in East Africa." The Seminar is sponsored jointly by Natural Resources Institute and The Tropical Africa Advisory Group in conjunction with the British High Commission.

The seminar will address the needs required to meet the increasing demand from Europe for year round high quality fresh produce and environmental & technical pre-requisites for achieving this. Speakers will focus on harvesting, processing, refrigeration and cold storage, packaging and transportation to end markets.

The Seminar will run concurrently with an Exhibition. Please watch the mail for an invitation to the seminar and stop by to see the FPEAK booth, prepared by FPEAK's Marketing Committee.

Please note that the seminar is by invitation; if you are interested please contact the office quickly.

HORTICULTURAL EXPORT QUALITY MANUAL

There will be a workshop to examine a proposed Procedures Manual for Horticultural Export Quality Assurance for Developing Countries. The workshop is planned for Duduville, Nairobi on 27th September 1993 organised by The Natural Resources Institute (U.K) in conjunction with the Horticultural Crops Development Authority and the Fresh Produce Exporters Association of Kenya. The manual is designed to assist exporters in developing countries to establish systems which will enable maintenance of proper quality assurance in order to meet the increasing customers demands and legislative requirements of the European market.

H.C.D.A. are handling the invitations. Attendance is by invitation only.

DID YOU KNOW..? It takes 18 to 22 months for a pineapple plant to produce a single 4- to 5-lb. fruit? About a year later, the plant will produce a second fruit, smaller than the first.

FRUIT TREE SEEDLINGS AVAILABLE

The following are available Fruit Tree Seedlings at the National Horticultural Research Centre in Thika. Please note that you must first go there to make an order, then collect the seedlings later.

NAME (Variety)	PRICE (KSH/Seedling)
1. Avocadoes (Fuerte, Haas)	15.00
2. Mangoes (Apple, Kent, Vandyke)	20.00
3. Passion Fruit	10.00
4. Bananas (Dwarf Cavendish)	10.00
5. Macadamia Nuts	15.00

FPEAK RESOURCE LIBRARY

The FPEAK Resource Library grows by the day. An exciting and new inclusion are the Produce Marketing Association publications which include 1993 Membership Directory & Buyer's Guide, Freshline a weekly magazine, and Fresh Produce Journal, a European weekly magazine. These subscriptions were purchased for FPEAK by the KEDS Project. We have also by the courtesy of KEDS received copies of the International Report: Fresh Fruit, Vegetables and Ornamental Crops.

We also have recently added some very good articles on the following subjects

1. *Export Statistics for Kenyan Fresh Produce Jan-June 1993 Compared to Jan-June 1992* (by KEDS).
2. *Making Your Own Natural Pesticides; Endangered Wildlife.*
3. *Safe use of Pesticides* by GILAP.
4. *Sustainable Solutions?* (Asia's green revolution can be exported to Africa). Nick Cater reports; African Farming October 1992.

5. *Sea Transportation.*

6. *A Question of Conditions* (Changed rules are emerging between nations that provide development aid to Africa and those that receive it. The level of assistance for agriculture and agro-industrial projects is affected. Dr. David Morgan; African Farming Oct. 1992.

7. *Germany Packaging Recycling Requirements.*

GENERAL INFORMATION

Upcoming Shows/Exhibitions/Trade Fairs/Conventions

SEPTEMBER (Flowers)

- 17-18 Great Autumn Flower Show, Harrogate U.K
- 17-19 Flomart, Padova Italy
- 19-21 Fleur '93, Utrecht Holland
- 26-29 Int. Wholesale Markets Equipment & Services Exh.- Birmingham U.K.
- 30-3 Int. Flower Fair, Stockholm Sweden
- 30-3 Plantec, Frankfurt Germany

OCTOBER (Flowers)

- 10-12 Fleur '93, Utrecht Holland
- 13 Scotgrow, Ingliston Scotland
- 14-17 Iberflora, Valencia
- 20 Eurogro - To be announced
- 23-26 PMA Convention Symposium Washington D.C.

NOVEMBER (Flowers)

- 3-8 Dutch Flower Show, Aalsmeer Holland
- 26-28 Horti-Azur, Nice France

The KEDS Project Has a Directory of world-wide Shows and exhibitions which provide more details, if you are interested please call on them at their Norfolk Towers office.

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FRESH PRODUCE EXPORTERS ASSOCIATION OF KENYA.

P.O. Box 2224
NAIROBI
Kenya
Tel: 445795/444

DATE: 7th July 1993

*Jonathan Greenham
40 KEDS Project*

NATIONAL HORTICULTURAL CONFERENCE

This year's National Horticultural Conference is being organised by Fresh Produce Exporters Association (FPEAK) on Tuesday 27th July 1993 at the Safari Park Hotel. The Minister for Agriculture Livestock Development and Marketing, has kindly agreed to officiate on this occasion.

This Conference is very kindly sponsored by ABN-Amro Bank who have also offered to host a cocktail party immediately after the end of the Conference.

An outline of the provisional programme is as follows:-

08.00 a.m. - 09.00 a.m.	Registration
09.00 a.m. - 09.30 a.m.	Opening by Hon. Minister of Agriculture, Livestock Development and Marketing
09.30 a.m. - 10.30 a.m.	Marketing challenges and opportunities
10.30 a.m. - 11.30 a.m.	Coffee Break
11.00 a.m. - 12.00 noon	Information Technology ? 1hr
12.00 noon - 01.00 p.m.	Financial Opportunities and Systems
01.00 p.m. - 02.00 p.m.	Lunch
02.00 p.m. - 03.00 p.m.	The Kenyan Situation and Fiscal Policy
03.00 p.m. - 04.00 p.m.	Infrastructure and Constraints
04.00 p.m. - 04.30 p.m.	Coffee Break
04.30 p.m. - 05.00 p.m.	General Discussions
05.00 p.m. - 05.30 p.m.	Resolutions
05.30 p.m. - 07.30 p.m.	Cocktails

You are invited to attend or send a representative.

To help with arrangements on the day, please confirm your intended attendance to our Office, at telephone 448297, 445795, Nairobi. Ask for Rebecca or Grace.


D. H. Gray
Vice Chairman

EXPORT POLICY & INFRASTRUCTURAL SEMINAR
White Sands Hotel, Mombasa september 9 - 10

AGENDA

September 9th

- 08.15 Registration.
09.00 Introduction and seminar arrangements.
09.15 Speech by Hon. Keah, Assistant Minister for Finance.
09.45 Vote of thanks.
09.50 Arrangement of working parties.
10.15 Duty/VAT Remission Facility, regulations and procedures.
12.00 Manufacturing Under Bond, regulations and procedures.

12.45 LUNCH.

02.00 Export Processing Zones, regulations and procedures.
03.00 Forex Retention Accounts & exchange control regulations/procedures.
04.15 The role of Customs in trade facilitation.
05.00 Role of the Export promotion Council.
05.15 The objectives and operations of the Kenya Export Development Support (KEDS) Project and of the Kenya Exporter Assistance Scheme (KEAS).
05.45 Discussions by working parties and formulation of recommendations.

September 10th

- 09.00 The role of the Kenya Police in trade facilitation.
09.30 Operations and facilities of the Kenya Railways Corporation.
10.15 Operations and facilities of the Kenya Ports Authority.
11.45 The development of road transport in the Mombasa region.

12.45 LUNCH.

02.00 Availability and reliability of air cargo space by Kenya Airways.
02.30 Operations and facilities of the Kenya Airfreight Handling Ltd.
03.15 Operations/facilities of Kenya Posts & Telecommunications Corporation.
04.15 Discussion and recommendations of the working groups.
05.15 Reports by Chairmen of the working groups.
06.00 Closing remarks by Hon. Keah.
06.30 Networking meeting with refreshments.

EXPORT POLICY & INFRASTRUCTURAL SEMINAR
(White Sands Hotel Mombasa, September 9-10th.)

NAME.	ORGANIZATION	TELEPHONE	FACSIMILE	EXPORT ITEM.
1. L.W. NDEERI	M.O.C & IND	333555 NRB		
2. B. KALYAN	MOMBASA TRADER MFRS LTD.	433406/1	433775	TEXTILES
3. MAENOOD ESSA	NYALI FOODS LTD.	471354	314576	HORTICULTURE
5. DILIP SEAH	UMOJA RUBBER	221453	313235	RUBBER SANDALS
6. MISOFERO ALERAJAB	KISMER CO.	221974	228490	HANDCRAFTS
7. RAJIV SEAH	UMOJA RUBBER	224630	313235	RUBBER SANDALS
8. MUTISYA J.K.	H.C.D.A.	313442	313442	FRUITS VEGES
9. J.H. MWANDAMIRO	H.C.D.A.	313442	313442	"
10. M.K. CHERNON	C.B.K.	60000	226431	BANKING
11. D. MULI	B.P.C.C. LTD.	485501/8	485151	CEMENT
12. S. CODAMALLA	STEEL AFRICA LTD.	433090	433835	GCI SHEETS
13. J. ANYOKA	MABATI ROLLING	315222	315223	CRC
14. V.V. RAMASWAMY	STEEL AFRICA	433011	433835	GCI SHEETS
15. K. MOFAYKSEI	MIN. OF COMMERCE	333555		
16. RAJESH R. PATEL	DOSEI & CO. LTD.	315412	314527	STEEL PRODUCTS
17. LALAL MOH'D	AL- AZIZ	316675	316819	
18. F.K. IKAMBA	RAILWAYS	221211		SERVICE
19. L.E. OBBANDA	IPC	221401	336663	
20. AMANT MODASLA	CABLES & PLASTICS	491968	494485	HOUSE HOLD ITEM
21. PATRICK MUTEHI	K & A	822950	822078	
22. T. ESMALJEE	CABLES PLASTICS	491968	494485	PLASTICS HOUSE/HCI
23. E. MUGAI	TREASURY	338111	55474	-
24. K. KUTI	C.S.L.	433726	434486	SHEETS
25. JITIN SEAH	EGATEL	316816	316949	TEXTILES
26. LEHAN E.P.	MAGASH	314596	311552	EXPORTERS
27. GULAM ABBAS	MAGASH	"	"	"
28. MOH'D RAZA	"	"	315522	"

29.	P.M. MATHAI	K.P. & T.C.	313620	314331	
30.	MURTAJIB	KR	822171	822480	
31.	KETAN SEAH	PACKAGING	495524	315864	
32.	KIRTE S. VARLA	KALUMWORKS	491400/1	493099	
33.	M.B. BARADEHA	"	"	"	
34.	ERIC KATANA	"	"	"	
35.	MADENA SALIM	"	"	"	
36.	ZIPPORAH JULIUS	"	"	"	
37.	B.S. IYER	"	"	"	
38.	KR. PAGEA	"	"	"	
39.	P.M. MUTHOKA	E.P.C.	228534	218013	
40.	AJUL SEAH	APPAREL AFRICA	312898	229711	GARMENTS
41.	ERIC HALES	EAPI LTD	227552	227551	PACKAGING
42.	JOSEVA ARONI	"	"	"	"
43.	RAJNI VORI	D.C.K. VODJEE	313692	316625	CONSUMER ITEMS
44.	HESESE MELITA	NISEA PRINTERS	315845	311094	MANUFACTURER
45.	A.A. ILANO	CUSTOMS	715540	-	-
46.	F. KADASIA	EPPO (TREASURY)	338111	333463	
47.	J.O. GARA	EPZA	712800	713704	ADVISOR
48.	TOM HOEGOOD	USAID	331160		
49.	CONSTANCE KALELA	BOMBULU	471704	473570	HANDICRAFT
50.	JOSEPE MANDARIO	"	"	"	"
51.	I. ALLENKAI	VACULUG	542751	545532	RUBBER
52.	S. ANJAWALLA	A.C.I. LTD	225316	314655	COTTON
53.	D.D. MTEGI	K.A.H.L.	822171	822808	
54.	M. KIMENIA	USAID	331160		
55.	T. NAZDEAZU	ROLLERS	30083		
56.	MARID KAMANU	K.A.H.	300225	-	
57.	M. BRIMIAN	KEAS	330387	330370	
58.	PRAVIN SEAH	KENYA SUITING	494418	495778	SEWING
59.	KARVIN MALDE	BRUSH MFRS LTD	(02) 544529/30	555838	BRUSHES SAND PAPER
60.	KARVIN MALDE	BRUSH MFRS LTD			

61.	TAJEEAI .M.F.	K.S.M.	494418	49578	SECS
62.	FRANCIS KIVULLI	AFRICAN MAR. &	221651	313168	SEMP REPAIR
63.		GEN. ENG. CO.			
64.	PAUL M. OSURI	CUSTOMS & EXCISE	225811		
65.	J.B. MIYUMO	CUSTOMS & EXCISE	228647		
66.	DSEWAR	BPPL	492662		CEMENT
67.	J.N.A. TECU	CUSTOMS & EXCISE	314044		
68.	V.S. OMUKOKO	MIN OF TRANSPORT	722200	726362	
69.	DAVID VISRAM	INTER CITY EXP.	223319	223319	GENERIC
70.	HIZAH MOH'D	MAZASH ENT. LTD	314596	311552	EXPORTER
71.	P.N. NAJIRRIA	MARCIZ	228610	311864	ALUMINIUM
72.	PAUL GUENETTE	KEDS PROJECT	221106	220839	NON-EXP
73.	F.M. KINYEKI	K.P.A.	312211		NON-EXP
74.	K.E. BHATT	SAL	433011	433835	
75.	T. OKELLO	SAL	"	"	
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Technology showcase at KICC



HIGH REPUTATION: KICC will host Kenya's first International business and Industrial trade exhibition.

7/6

The Standard, Thursday September 30, 1993

By a Correspondent

In the exhibition hall with Blackwood Hodge and Galshott and the range of products and services on offer will be wide.

Add to this a motivated and highly targeted audience of potential purchasers and you have, argues Campbell Clause, a very significant business opportunity.

"One of the key areas in which Kentex '93 can score over rival shows is in its invitation only visitor policy. We have a very extensive and focused database compiled from trade associations such as the Chambers of Commerce and the Kenya Association of Manufacturers and from diplomatic and trade missions, which enables us to get the right people through the door."

Our aim is very specifically commercial which means the drama groups and school parties stay out."

It is the ability to gather under one roof seller, product and buyer which is at the core of the trade show and exhibition's enduring success.

While the benefits for the buyer in seeing and comparing available goods and services are clear, exhibitors also gain in terms of learning what the customer really wants by exposure in a competitive environment.

Following the international trend towards increasingly specialised trade exhibitions, Kentex '93 is built around the themes of security and communications building construction and low cost housing, water resources and management and export development.

It is the second major international standard exhibition staged by ECO. Last October saw the high, successful Hotel and Catering Suppliers' exhibition, also at the KICC and several more

show ventures from medicine to motors are in the pipeline.

The two-year-old company offers the complete range of services necessary to exhibition organisation, including a standshell

system, catalogue production, advertising and promotion of all sorts.

Charles Campbell Clause saw a space in the market for such services. He explains: Trade fairs are not a new concept in Kenya. The ASK Nairobi show and provincial town shows across the country, for example, have been going on for years.

"What I do believe is new is, first of all, the emergence of more specialised, well targeted shows and, secondly, the approach to organisation and promotion which, for Kentex '93, is reminiscent of European trade fairs and certainly incomparable anywhere in Africa. Buyers today operate in a truly international market, and in Kenya nothing less than international standards will do".

Certainly the concept has attracted some leading players in Kenyan business. Finance and administration manager, Ben Malooza, from Blackwood Hodge, who are showing an extensive range of generators at Kentex '93 says.

"We have traditionally exhibited at the Nairobi Show, but have found increasingly that the audience is too general and thus the business generated disappointing. We firmly believe that exhibitions like Kentex represent an important way forward for promoting specialised equipment such as ours."

Telecommunications experts, Wilken, are practising what they preach at Kentex '93 and supplying a telephone to every stand in the KICC hall and also a fax line. Wilken's Gustav Martin says: "It will be a PADX system, with which one has the ability to log all calls made, and restrict calls, if desired to between the exhibition stands, to Nairobi only, or alternatively to give full international dialling facilities."

Wilken hope to exploit the rapidly increasing security market across the whole region with, amongst other things, their home and office security systems and two-way radios. Solar powered hot water systems and interrupted power supply (UPS) devices will also feature on their stand.

With only a month to go before Kentex '93 opens, Charles Campbell Clause says: "There is no doubt business is currently operating in very adverse conditions. Any means of gaining competitive edge in such circumstances is a significant opportunity."

"As the world market becomes a reality, more and more products become available and there is a consequent need for information about them to be brought to the market."

"Exhibitions are the most cost-effective way to achieve this."

If you would like to know more about Kentex '93 or about forthcoming trade exhibitions, contact Event and Conference Organisers on Nairobi 446862/1 or fax 443267.

It is a corporate cliché often quoted and much beloved of marketing and publicity departments that when times are hard and budgets under pressure, that is when you can least afford to cut spending and effort on marketing and publicity!

The inference, clearly, is that in a depressed and highly competitive market, it is those whose effort and vision set them apart who will survive and thrive.

The forthcoming Kentex '93 business and industrial trade exhibition is a forum for just such vision and endeavour. Starting yesterday and to run up to October 2 at the Kenyatta International Conference Centre, Nairobi, the exhibition will show the best machinery, equipment and technology available in Kenya today.

Staged by Nairobi-based Event and Conference Organisers Ltd (ECO), Kentex '93 will be Kenya's first international business and industrial trade exhibition, and will take place against an undeniably volatile and depressed economic background.

Says ECO's founder and managing director, Charles Campbell Clause: "Competitive advantage at a time like this matters like at no other time. To exhibit and promote your goods in a targeted audience of prospective buyers makes very sound commercial sense."

This is a message which seems to have struck a chord with several of Kenya's leading companies, as well as international names from elsewhere on the continent. Barclays Bank and BMW of South Africa will rub shoulders

Galsheet to your roof

Galsheet Kenya Limited is the market leader in provision of functional, attractive and above all, cost effective roofing sheets and accessories. Galsheet began at Old Kajou Road by providing the market with safe and economical galvanised roofing products. Observing that some customers preferred colourful roofing, "Resincoat" was introduced to the market to provide attractive, long lasting and maintenance free roofing material. The variety of use of "Resincoat" material is only lim-

ited by imagination. "Resincoat" is now produced at our ultra modern plant on Old Mombasa Road.

Another technological breakthrough is "Woodgrain", a metal sheet strikingly similar to wood in appearance. "Woodgrain" combines the beauty of natural wood with the strength, malleability and durability of "Resincoat" sheets.

Galsheet has been very innovative in coming up with new products to keep pace with the increasingly selective and competitive market.

BMW's success in SA

BMW South Africa is generally regarded as one of the most successful companies in the South African motor industry, the country's second largest industrial sector after mining.

While in terms of sheer volume the 16,000 cars BMW SA produces annually only rates it as about the 6th largest of the country's and most successful in the top-end, luxury car segment of the local market where BMW products have now become the accepted standard for quality, success and technological leadership.

The diaries experts

We are manufacturers of Kenafrik diaries — desk and pocket diaries 1994 — wall and desk calendars 1994. We also manufacture: PVC gifts and promotional items, Office stationery, personal organ-

isers, conference folders, badges, bags advertising giveaways and business gifts made to client choice.

We export our products to all PTA member countries.

The Standard, Thursday September 30, 1993



KENITAL SOLAR ENERGY

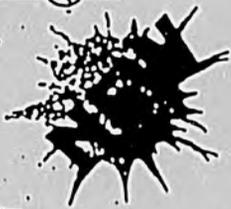
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■ A Division of the KENITAL GROUP ■

Arguing's Khodak Rd. P.O. Box 55517 Nairobi, KENYA Telephone & Fax: (+254-7) 567518, 562295, 562583



How many times has your institution, office or household experienced sudden power failure in the middle of an important business overseas call, fax message or telex, or in the middle of an important meeting or in your house just when you are watching a very interesting programme on the T.V.? How many times have you been frustrated, experienced losses, the least of them being time during working hours just because the power went off with no warning, stopping your relevant activities at that very moment?



POWER BACKUP SYSTEM

In our constant effort to provide powerful ideas which work, be them solar, wind, hydroelectric or others, here we present to you our most recent original idea in the industry.

USE for Offices, Home, Security, Camps, etc.

- Reliable. Ideal for Security Systems
- Gives you absolute autonomy
- Wide range from 500 VA to 5.0 KVA and over
- More than 10 years lifespan
- Up to 24 hours backup and over
- Excellent value
- Fast Battery Recharge
- Ideal where generators are already in use

We have designed these PBSs based upon the same principle as the UPSs used for computers. Rather than limited autonomy and few minutes available, with a PBS you can have your office/home loads (such as lights, security systems, telephone switchboard, telefax, telex, typewriters, computers, etc.) run from a minimum of 30 minutes to as long as you want (even 24 hours and more) until the power comes back or when the most crucial activities have been carried out.

Our PBSs are connected on standby to the main power supply, and provide immediate backup for your critical operations, according to your choice, be it only lights, or all the machines described above. The very moment power is cut or fails for whatever reason, you will not be affected as the flow of power will continue to these appliances, leaving you enough time to manage such power autonomy switching off and on such appliances accordingly. For instance, if you have purchased a 1,500 KVA system which has 2 hours autonomy and wish to

Increase it to 3 or 4 hours, you can choose whether to leave your fan on throughout, to switch off unneeded lights, photocopy machines or computers and use them only when necessary.

We have worked out some basic configuration kits which could be used for households and offices, as follows:

UNIT	300 Amps	400 Amp	600 Amp
500 VA	3 hours	6 hours	10 hours
750 VA	2 hours	4 hours	7 hours
1.0 KVA	1.5 hours	3 hours	6 hours
1.5 KVA	1 hour	2 hours	3 hours
2.0 KVA	30 mins.	1 hour	1-3/4 hrs
2.5 KVA	25 mins.	50 mins.	1-1/4 hrs
5.0 KVA	15 mins.	45 mins.	1 hour

* The above autonomy period can be increased by increasing the number and capacity of batteries.

KENTEX SUPPLEMENT

Swan's sweet story

SWAN Industries Limited was established in 1977 and commenced production in early 1978 making high boiled sweets using ultra modern continuous automatic and high capacity German equipment.

At the time, this was the first plant of its kind in black Africa.

Due to high quality products in the market in sufficient volumes and at very competitive prices, instant marketing success was achieved and very soon Swan sweets were at No 1 position. Professional staff was employed to maintain this position and back up the M.D. who is a confectionery technologist qualified from Germany. A plant to manufacture toffees and caramels was installed in 1980 and further expanded in 1988. Today, Swan are also market leaders in toffees. In

1982, high tech machinery was installed to produce bubble gums and soon brands like "Jojo" and "Rally" became household names not only in the domestic market but also in neighbouring export markets.

Export success has been achieved as far as Yemen and Mauritius against international competition. In 1991, the production facilities were moved to a new, more spacious purpose built factory on Sabuni Road in the industrial area of Kisumu and further expansion in the field of chewing gums was initiated. Currently, the company directly employs 150 employees and exports almost 50 per cent of its output to the PTA region.

Swan Industries Limited are one of the leading and biggest sugar confectionery manufacturers in

Kenya. They make a range of plain high boiled sweets, filled and chocolate centred high boiled sweets, plain and centre filled low boiled toffees lollipops, cough sweets, bubble gums, candy coated ball gums, chewing gums, chewing gum chiclets, baking powder and icing sugar. These are all sold under "Swan" trade name and "Ringo", "Jojo", "Tofir", "Rally" brand names.

The packaging range is also well diversified to cater for wholesalers, supermarkets, kiosks and street vendors and there are products for all category of consumers whether urban based or rural based, and for all different income groups. Further more, product size and packaging is designed for very good profits to all levels of business from the distributor to retail vendor.

Power leads in electronics

SOME of the world's leading brand names in electrical equipment will be represented at this week's Kentex '93 exhibition at the Kenyatta International Conference Centre.

Nairobi-based electrical engineers, Power Technics Ltd, Merlin Gerin and O. B. Lighting amongst others they represent in Kenya, will be showing electrical switchboards, motor control panels, process control panels, power factor correction banks, cable support systems, trunking systems and lighting fittings.

Managing director, Naresh Mehta, says, "We are particularly pleased to be exhibiting quality

locally manufactured light fittings. We assemble Thorn fittings and can therefore place very high quality products in the market at a price competitive with that of much inferior Chinese fittings."

Much of Power Technics' technology is unique to Kenya, and their computer numerically controlled (CNC) cutting machine for sheet metal is the only one of its kind in East and Central Africa. Thus the company was attracted by Kentex '93's focus on export development. Says sales manager, Rajesh Mehta, "We already export to Tanzania, Uganda, Zambia and the Seychelles. Kentex is a real opportunity to

expose the whole region to this technology."

Employing 140 people at their Chogoria Road premises, Power Technics have captured some of Kenya's most significant recent contracts, including Barclays Plaza, Le Meridien, Posta Sacco, the Village Market shopping centre at Gigiri, and security printer De La Rue on the Thika Road.

Naresh Mehta comments: "We believe there is a huge regional potential for our skills, technology and quality products. Kentex '93 is a forum without parallel on the continent for us and other Kenyan businesses to exploit that potential."



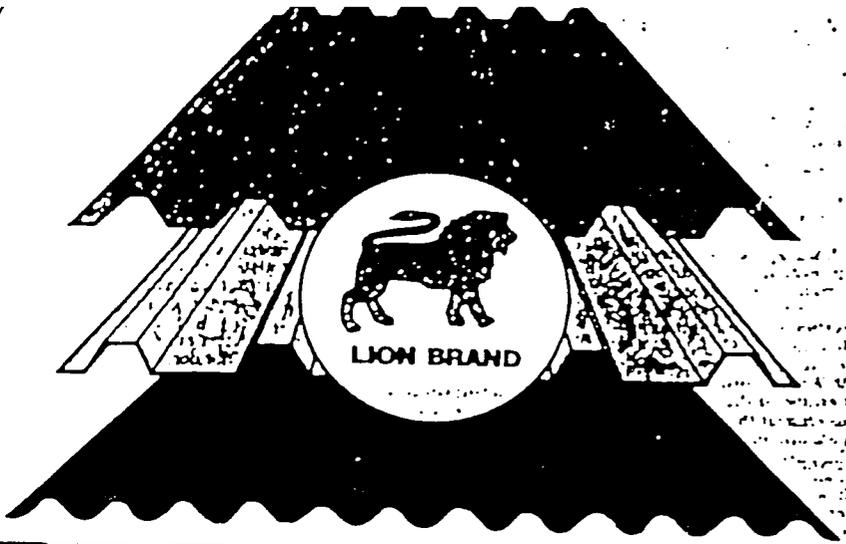
If you want the sharpest most true to original colour separations you've really got to come and see some of our work because seeing is believing. We'll show you how we use the latest technology to ensure our colour separations are perfect.

Whether it's brochures, posters, annual reports or any design work that needs the very best colour separations come to the very best colour separator!

PREPRESS

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Tel: 442702, 442424, 442566
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The Standard, Thursday September 30, 1993



For all your requirements of :

- 'GALVANISED IRON' SHEETS •
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• KENTEX 93 – K.I.C.C. • 29/9/93 to 2/10/93. •

power technics ltd

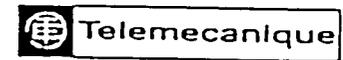
Manufacturers of:-

- Electrical Switchboards
- Motor Control Centres
- Process Control Panels
- Distribution Boards
- Power Factor Correction Banks
- Cable Support Systems
- Trunking Systems
- Lighting Fittings.
- Precision Sheet Metal Works

DISTRIBUTORS OF:



MERLIN GEAR



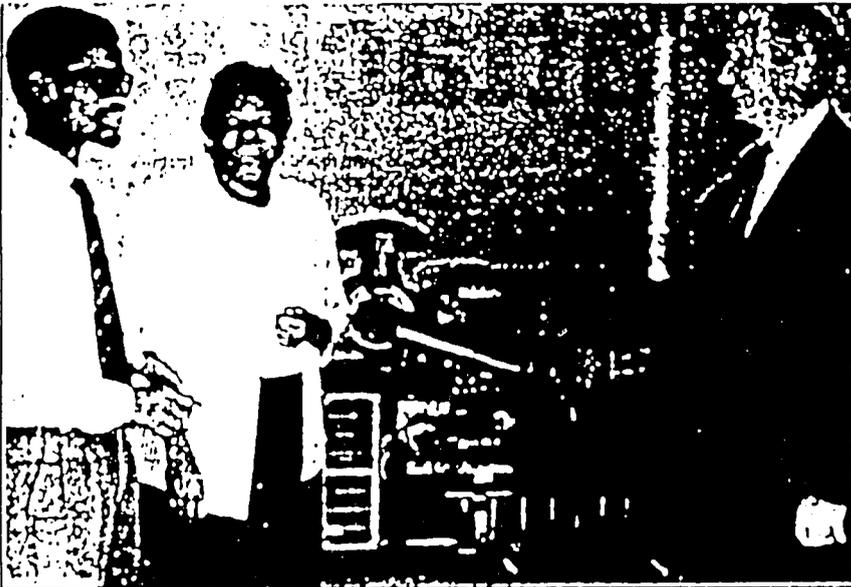
GE Lighting



For enquiries contact:
Tel: 557378/542476/552115
Tlx: 24233 POWTECH KE
Fax: (02) 542270
Chogoria Road
P.O. Box 49197, Nbi,
Kenya

KENTEX '93
EXHIBITION
STALL NO B7A/B

BUSINESS AND FINANCE



Hospital installs generator

BLACKWOOD Hodge (Kenya) recently installed a 110KVA F. O. Wilson generator at Gertrude's Garden Hospital in Nairobi.

The generator will provide alternative power within seconds in case of a power failure especially in the Intensive Care Unit.

Blackwood Hodge will be displaying F. O. Wilson 27 KVA and 15 KVA generating sets at the 1993 Kenya Exhibition to be held from September 29 to October 2 at the Kenyatta International Conference Centre.

The generating sets are manufactured in the UK and are suitable for hospitals, institutions, industrial and domestic use.

Blackwood Hodge was formed in 1949 and are major suppliers of earth moving equipment.

THANK YOU: Mr P. Shaw (right) and Mrs Diana Barwa receive the generator from Mr G.K. Mangoll of Blackwood Hodge. — Picture by Standard Correspondent

New team for Lillian Towers

By Rose Nzoka

NAIROBI Safari Club (Lillian Towers) is now under a new management team headed by the new general manager and director of development for East Africa, Mr Herb White-way.

Mr White-way, who heads the Commonwealth team in Nairobi, has 24 years business experience, having worked his way up from front desk clerk to Regional Director of Development, western Canada. The group manages more than 30 hotels in Canada.

Exporters cautioned on pesticides

By Patrick Mwangi

BUYERS of horticultural produce from Kenya are now more selective in the choice of farmers they buy from in order to meet stringent pesticide legislation recently effected by the European Community, a British horticultural consultant Mr

John Love, said on Monday. "You can no longer afford to buy from just everybody—you have to exercise greater control than the past", Mr Love told a seminar of horticultural

exporters in Nairobi. He emphasized the importance of good raw material control and inspection by the exporters, saying that the farmers had to be taught how to apply pesticides to avoid high residues of the chemical in produce which lead to infection.

How To Buy A COMPUTER

Check List

- Is the supplier locally based?
- What sort of warranty will you get?
- Does the company have qualified staff?
- Is the company committed to doing honest business?
- Are you getting the best price?
- Is the system you are buying in stock? (In 3-8 weeks is too vague)



Diamond Systems

- Locally based + joint venture with a USA based manufacturer.
- Full year locally supported warranty.
- We employ a fast growing team of qualified engineers & customer support staff.
- We are committed to "providing things honest, not only in the sight of God, but also in the sight of men"
- We advertise our prices so that you can compare.
- Nearly all the components we use to make your computers are in stock.

November 6

... a m and on at 5 p.m. Mrs Akata, a leading Mombasa lawyer said the proceedings of the trade fair would go towards various charitable activities in the Coast Province.

The women's lobby group has more than 150 members who are all professionals and business-women.

State of the art Digital communication

BUSINESS TIMES

HORTICULTURAL EXPORTS TOP Sh4.3b, SAYS NYACHAE

THE Minister for Agriculture, Livestock Development and Marketing Mr Simeon Nyachae, yesterday said horticultural exports in 1992 exceeded 140,000 tons and earned the country Sh4.3 billion.

The Minister said this placed the industry third after tourism and tea. The United Kingdom (UK) imported 16,808 tons of fresh produce out of the total 140,000 tons making it the largest importer of the produce.

The Minister was speaking during a seminar and exhibition on opportunities for growth in the horticultural sector in East Africa at a Nairobi hotel. He said horticultural sector plays a very vital role in the economies of East African countries.

In Kenya, the Minister noted horticultural brings a substantial amount of foreign currency, provides job opportunities, source of nutritious food for the rising population as well as raw materials for the processing

By EVANS LUSENO

industries.

The seminar which will run for three days is co-ordinated by the Tropical Agricultural Advisory Group of the Department of Trade and Industry, United Kingdom, in liaison with the British High Commissioner in conjunction with the Natural Resources Institute and the Overseas Development Administration, UK.

However, Mr Nyachae said the remarkable growth in the horticultural industry is attributed to the very dynamic private sector which has developed substantially over the years and profitably marketed a wide range of horticultural products to diverse international markets.

He said that it was gratifying to note Kenya has set the pace in the production and marketing of

horticultural produce in the East African region.

"Due to the spirit of mutual co-operation from the good old days of the famous East African Community, we have continued to host various delegations from our neighbouring countries to Kenya who have been eager to learn the intricacies involved in sustaining the horticultural industry over the years," he said.

The Minister, who was accompanied by the British High Commissioner to Kenya Sir Kieran Prendergast and the Permanent Secretary, Mr W. P. Wambura, said there is a large potential for increasing the production of a large variety of horticultural products not only in Kenya but also within the entire region of East Africa.

Mr Nyachae said the availability of good agricultural land for horticultural farming has become a major constraint since most of the suitable land available is already under crop

production.

The Minister called for intensive farming methods in order to increase productivity of this limited resource. He said the Government is ensuring the supply of inputs through prompt licensing of fertilisers, chemicals and flower-planting materials.

He, however, explained that sometimes farmers have experienced shortage of seeds mainly due to delays in their importation. He said research should be enhanced as it plays a vital role in the industry in such areas as fertiliser treatments, pest control, diseases and husbandry, post-harvest handling as well as market opportunities.

He said Government research services for crop production are generally longer established, more fully staffed, have a budget and more comprehensive facilities than those agencies responsible for post-harvest technical and market research.

Egypt agrees to support water projects in Kenya

By TIMES Reporter

Egypt has agreed to support Kenya's water development programmes that include gravitation of Bura's irrigation water, reclamation of Yala Swamp and damming of Nyando River to power generation and transfer of water to Baringo, Nakuru and Elgeyo-Marakwet districts for irrigation purposes.

Briefing the press in his office after returning from an eight-day official tour of Egypt, the Minister for Land Reclamation, Regional and Water Development, Mr Darius Mbela, said it was sad that Egypt, despite her desert conditions, could manage to feed her population of 60 million people while Kenya which is more endowed with water resources had to resort to

food imports occasionally.

He said Kenya will make more comprehensive and practical her irrigation policy in order to facilitate agricultural and industrial development. He said an immediate identification of appropriate irrigation systems that could be obtained from friendly countries such as Egypt will be done.

Office of the President

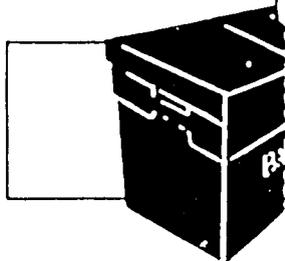
DEPARTMENT OF DEFENCE

TENDER NOTICE

TENDERS are invited for supply of the following items to the Armed Forces for the period ending December 31, 1994.

- 000/423 (08) 93/94 - Supply of welding rods.
- 000/423 (09) 93/94 - Laundry and drycleaning services Nairobi/Thika units.
- 000/423 (10) 93/94 - Supply of printing press materials (miscellaneous items).
- 000/423 (12) 93/94 - Supply of printing press materials (paper products).
- 000/423 (15) 93/94 - Supply of marine paints.
- 000/423 (16) 93/94 - Supply of Army uniform materials.
- 000/423 (17) 93/94 - Supply of Kenya Navy Dockyard materials.
- 000/423 (18) 93/94 - Supply of timber.
- 000/423 (19) 93/94 - Tailoring of Kenya Army and Kenya Airforce ceremonial uniforms.
- 000/423 (20) 93/94 - Tailoring of Armed Forces mess kit uniforms.
- 000/423 (21) 93/94 - Supply of water treatment chemicals.
- 000/423 (22) 93/94 - Tailoring of Kenya Airforce working dress and jackets.

VOTING



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Nyachae calls for intensive farming

By FRANCIS MARDUKHA

Kenya earned Sh4.3 billion last year from horticultural exports, the Minister for Agriculture, Mr. Simeon Nyachae, said yesterday. Mr. Nyachae was officially opening a seminar and exhibition on opportunities for growth in the horticultural sector in East Africa sponsored by the British High Commission, the UK Department of Trade and Industry and the Natural Resources Institute of the UK.

The Minister said the United Kingdom imported 18,808 tonnes out of the 140,000 tonnes of fresh produce Kenya exported last year, taking the largest share of the overall market.

He attributed the remarkable growth in the horticultural industry to "a very dynamic" private sector which has developed substantially over the years.

Mr. Nyachae said the private sector had profitably marketed a wide range of horticultural products on diverse international markets.

"It is gratifying to note that Kenya has set the pace in the production and marketing of horticultural produce within the East Africa region," he said.

The Minister said the horticultural sector was very important to the economies of the East African countries.

Participants to the two-day seminar were from Kenya, Uganda and Tanzania.

Mr. Nyachae said there was still a large potential for increasing the production of a variety of horticultural products in East Africa.

There were also substantial export opportunities for the region's produce, he added. However, the Minister said availability of land for horticultural farming had become a major constraint since most of the suitable land was under crop production.

"There is, therefore, a great need for the use of more intensive farming methods to increase productivity."



Company boss visits ScanAd

Mr. Low Blaise (second right), the regional director of Linatex Worldwide, chats with, from left, ScanAd's executive creative di-

rector Andrew White, managing Director Bharat Thakrar and deputy managing director Alfred Amulyoto, when he made a review visit to ScanAd, the Linatex Worldwide affiliate in Kenya. Mr. Blaise said he was impressed with ScanAd's recent performance in

Narok trader to get Sh1

By NATION Reporter

The High Court yesterday ordered the Narok County Council to immediately pay Sh2,144,690.10 in special damages to a local businessman, Mr. John Kang'ethe Kiongers, for loss of business.

Mr. Justice Frank Shikela also directed the council to pay interest and costs of the application to

the businessman. Mr. Kiongers had been awarded Sh1 damages earlier this year.

Mr. Kiongers had applied for an order of mandamus compelling the Town Clerk to pay him Sh1,960,430 damage after his Maasai Heritage Store was demolished in December 1991.

On July 20, the Judge had awarded Mr. Kiongers Sh1 dam-

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The plots comprise of residential and a few commercial plots measuring 40'x20' and 50'x100'

Nation, Tuesday September 28, 1993

Fruits exports earn

Sh2.5b

By SAMUEL KOGATI
Exports of fresh fruit, vegetables and cut-flowers/bulbs brought in more than Sh2.5 billion last year, overtaking coffee in foreign exchange earnings, the secretary and chief executive of the Export Promotion Council, Mr Peter Muthoka, said yesterday.

Mr Muthoka said 80,000 tonnes of processed horticultural produce worth Sh1.8 billion were also exported, making horticulture the highest foreign exchange earner after tea in the agricultural sector.

However, Mr Muthoka warned exporters of agricultural produce that with the creation of the European Community Market, the African, Caribbean and Pacific (ACP) countries had lost preferential treatment from traditional European markets.

He said exporters to EC countries would face growing competition, increasing consumer demand and stringent legislation.

Mr Muthoka was opening a one-day workshop on horticultural exports and related topics at Dukerrville Conference Centre.

He warned that exporters to the EC would also be required to ensure that all produce conformed to the "due diligence" concept.

Residue of pesticides in excess of a set minimum would result in total rejection and return or destruction of a shipment at the expense of the exporter.

The circumstances, Mr Muthoka, called, for growers and exporters to co-operate to ensure that pesticides are used correctly, safely and effectively and to adhere to recommended pre-harvest intervals.

He warned that only exporters who provide quality produce at competitive prices would remain in business.

Mr Muthoka described as "moves in the right direction" the abolition of import licensing, liberalisation of foreign exchange controls and the introduction of retention accounts.

Continued on page 2

pg Standard, Monday, September 13, 1993

The Standard Monday Sept. 13, 1993

Exports call

MOMBASA—Kenya manufacturers and exporters have been called upon to make full use on the incentives provided by the Government's duty/VAT remission facilities to boost the exports. This call was made by the Minister for Finance, Mr Musalia Mudavadi, in a speech read on his behalf by his Assistant Minister, Mr Mathias Keah, during a seminar held at a Mombasa hotel.

KEDS/EPPD

Seminar

9-10 Sept 93

KA offers special rates to visitors

VISITORS to the Kentex '93 exhibition at the Kenyatta International Conference Centre at the end of the month are being highly attractive rates by Kenya Airways and several of Nairobi's top hotels.

Kentex '93 is set to attract visitors from East, Central and Southern Africa, who will see the very best equipment, machinery and technology available in Kenya today.

Between September 29 and October 2, out-of-town visitors to Kentex will qualify for special rates from the Hotel InterContinental and Nairobi Safari Club, among other. Sarova will be offering their preferential rates as part of an incentive package with Kenya Airways, the exhibition's sponsor and official carrier.

KEDS sponsored:

KAM Export booth

Reception

Walk-Through

BROOKE BOND

Record Half Year Results

BROOKE BOND Kenya Limited's interim pre-tax profit for the first six months of this year increased more than four times over the same period last year. The company last week announced a remarkable profit of Sh775 million for the trading period ended June 30, 1993. During the corresponding period last year, the company earned Sh179 million.

The profit after tax increased from Sh127.4 million last year to Sh541 million this year. The board has declared an interim dividend of Sh10 per share (equivalent to 100 per cent on the par value of Sh10 a share), which will be paid next month. "Maintenance of this level of dividend will be subject to continued good performance in the second half of the year," said a statement issued last week by a director of the company, Mr C.A. Ouda. (see full results elsewhere in this issue).

The exceptional performance, which was also reflected in the growth in earnings per share from Sh5.14 to Sh21.69, was attributed to increased volumes of tea and flowers. Ouda said although hard currency tea and flower prices remained relatively at 1992 levels, the devaluation of the Kenya shilling magnified the increase in shilling revenues and profits. Moreover, the company earned more revenue from coffee as a result of higher price of high quality Kenya beans. "The dollar equivalent of the profit attributable to share holders using end June exchange rates was 69 per cent higher than in 1992," he said.

The directors of the company are cautious about the prospects for the second

half of the year, particularly because of the existing fluctuation in the exchange rates. "Performance will depend on crop volumes and world demand for our products. At present, growing conditions and market prices remain favourable," the statement said.

BAT

Prices Up Again

B.A.T. KENYA Limited has once again increased the prices of cigarettes and tobaccos, only three months after the last increase effected soon after the budget on June 10. No reasons were given for the latest increase, which was effected last Thursday.

The new prices pushed the retail cost of popular filter cigarette brands by Sh5 to Sh10 per packet. Sportsman and Sweet Menthol now cost Sh36, up from Sh30 a packet, while the cost of Embassy Kings, Mild and Superior Mild went up from Sh35 to Sh40 a packet. State Express Filter Kings, which was priced at Sh50 a packet, now costs Sh60, while the cost of John Player Gold Leaf was raised from Sh40 to Sh50.

The lower priced Crown Bird and Nyota cost Sh28, up from Sh24, while among plain cigarettes, Score and Crescent & Star are priced at Sh16, an increase of Sh2 a packet. The same margin was loaded on Safari brand, which now costs Sh14.

The price of pipe tobaccos was increased by Sh10 to Sh28. The price of Wills Legation Navy Cut (50gms pouch) went up from Sh144 to Sh170, Player's Sundowner (50gms) from Sh132 to Sh160 and Sweet Nut medium (25gms) from Sh48 to Sh58.

KENTEX '93

Unique Show Coming

IN A depressed and highly competitive market, it is those whose effort and vision sets them apart who will survive and thrive.

The forthcoming Kentex '93 business and industrial trade exhibition is a forum of such vision and behaviour. Scheduled for September 29 - October 2, 1993, at the Kenyatta International Conference Centre, the exhibition will show the best machinery, equipment and technology available in Kenya today.

The exhibition will be staged by the Nairobi-based Events and Conference Organisers (ECO), and will be Kenya's first international business and industrial trade exhibition. Notably, it will take place against an undeniably volatile and depressed economic background.

But ECO's managing director, Charles Campbell Clause, believes that competitive advantage should be harnessed during the tough trading times more than ever before. "To exhibit and promote your goods to a targeted audience of prospective buyers makes very sound commercial sense".

Many leading companies including Barclays Bank of Kenya, Blackwood Hodge and Power Technicians have already confirmed their participation in an exhibition that will be packed with a wide range of goods and services on offer.

Following the international trend towards increasingly specialised trade exhibitions, Kentex '93 is built around the themes of security and communications; building, construction and cost housing; water resources and management; and export development.

FRESH PRODUCE SUPPLEMENT

Horticultural economic sector expands yearly

By GEORGE DWUON

One of the fast growing sectors of Kenyan economy is that of horticulture, which now ranks third behind tea and coffee in agricultural exports.

According to a recent research carried out by two Government officials - Dr Kang'ethe Gitu and Mr Ephantus Muniki - the horticultural sector now accounts for 21 per cent of the total agricultural exports and 13 per cent of the total domestic exports, earning about Sh2.2 billion by 1990. It is expected that horticultural production will top 2 million tonnes by the year 2000 and earn Sh13 billion annually in foreign exchange.

Horticulture is also a major source of income for farming families and provides employment to 1.8 million people compared with 1.6 million and 1.3 million engaged in coffee and tea production respectively.

For majority of the horticultural crops, two or more can be grown in a year, making them relatively labour intensive. The dynamic growth in the horticultural sector is influenced by the increasing local consumption, a growing tourism industry and expanding exports to European markets.

A recent research identified about 40 types of horticultural crops produced in Kenya and at

least 50 per cent of them are exported. Such development has a positive impact on the farmers' income, tax revenues and foreign exchange earnings.

Most of the increases expected in horticultural production will come from land intensification, application of better husbandry practices and introduction of high yielding varieties.

Because of the perishability of most horticultural crops and determination of their prices by forces of supply and demand, co-ordination of marketing is necessary, especially export marketing.

Although the largest producers are able to handle their own marketing directly, small and middle sized farms can not engage in direct exporting on their own account. Hence if Kenya intends to increase the annual growth, there is need to improve marketing efficiency.

The subsector only recently emerged as a foreign exchange earner, although the export of horticultural products dates back to 1930s. It was only during the 1960s and 70s that it was greatly diversified in terms of products, markets and participants.

The main institution powered with the functions related to the co-ordination, regulation, control, advice, technical and extension services, information dissemination and export promotion is the Horticultural Crops Development



Freshly picked spray carnations being off-loaded at the reception area at the Sulmac Nalvasha farm for treatment to improve their vase-life before being sent to the main grading hall for grading, sorting and packing

Authority, established by the government in 1967 and reorganised in 1986.

The waiver by the Government of duty and taxes on imported

packaging materials used in the industry in 1991 encouraged improved packaging.

The main export crops are French beans, pineapples, man-

goose, avocados, pawpaw, passion fruits, Asian vegetables including okra, dudhi, karela, subzergines, turia and walors, cut flowers such as carnations, roses, statice and

orchids.

In 1990, for example, Kenya exported 14,472 tonnes of flowers.

TURN TO PAGE XI

Industry expands

FROM PAGE X

valued at Sh866 million. This was about 60 per cent of the total export for that year. The main countries that import Kenya's horticultural produce include the United Kingdom, France, Netherlands, Germany, Belgium, Switzerland, Saudi Arabia and Italy.

According to the Fresh Produce Exporters of Kenya and several individual exporters, one of the biggest problems facing them is the lack of cargo space. Given the fact that horticultural produce has to be sold while still fresh, exporters have to compete with time if they expect to market their products.

The association contends that horticultural exports could be Kenya's highest foreign exchange earner if the industry's potential was fully exploited.

This is in view of the existence of inexhaustible market for the products in Europe, America and Japan. But a number of issues need to be addressed to ensure continued demand for Kenyan fresh produce in the World Market.

These are quality, standardisation, equipment, cargo space and jet fuel. It should be realised that quality is the most important denominator for good market. So to attain the standards required in the world market, the whole production process must be qualitative. It must start from the preparation of farms to the choice of seeds, including tending, upto to harvesting.

The process is tedious and requires a lot of cooperation from all those involved in horticultural production and export.

The standardisation of horticultural products is based on their average quality in relation to the different types of producers, namely individual large scale farmers, cooperative farmers and small scale farmers and exporters.

The standards of goods are set by the market which is influenced by the production and export requirements. Farmers and exporters must therefore aim for high standards.

To achieve high quality and standard of the produce, the

farmer and the exporter must be assisted by the use of efficient modern equipment. This can only happen if the prices of the equipment are made affordable to those concerned.

It has been established that the huge cost of production has raised the prices of Kenyan exports so high that they can not compete with those from other countries. This is evidenced in the high cost of jet fuel - which is higher in Kenya than other countries - , fertilisers and farm machinery. Because of the high cost of fuel, most airlines try to avoid the Nairobi route, preferring Johannesburg, Cape Town and Pretoria for route connection. This has given Kenyan exporters undue disadvantage in exporting their produce. The government should look into ways of rectifying the situation.

But the biggest problem facing the exporters is the cargo space. The situation is made worse by such things as bureaucracy and poor airport facilities. Most airlines only allow little space for cargo from Nairobi or Mombasa. He suggests that the Kenya Airways, being the national flag carrier, should find a lasting solution to this problem by acquiring spacious carriers at the airports and also computerise cargo handling.

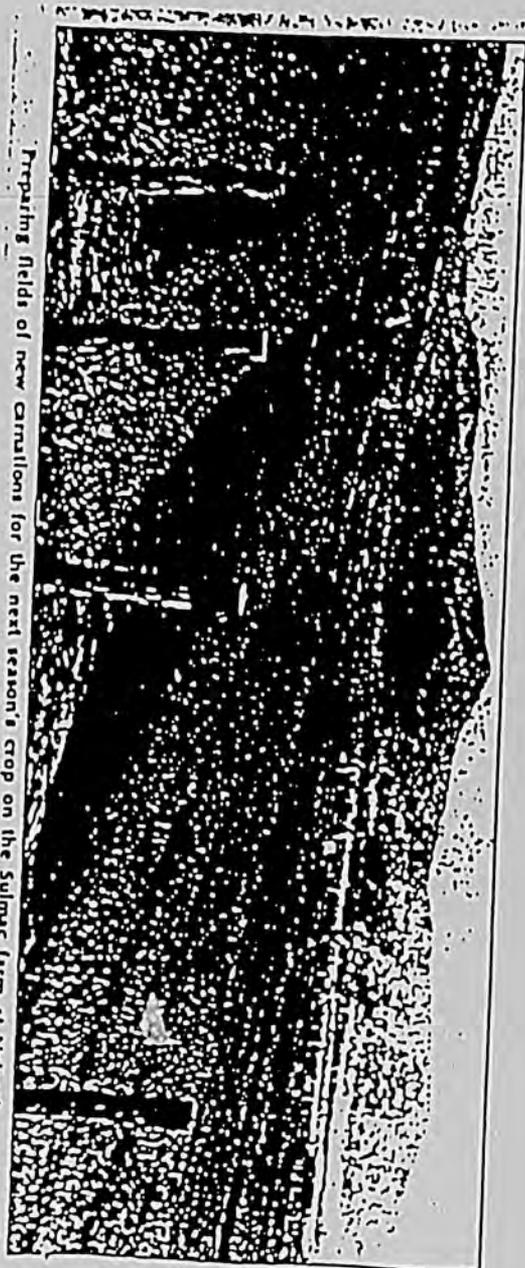
Despite numerous problems in the extremely tricky business of exporting, Fresh Produce Limited has within a short time grown rapidly into one of the medium sized companies in the industry. The company is clear illustration that the magic word in the export business is quality.

The company's boss Mr. Kiprono Kitony is a man of strong will and great determination. In the early days of his company's operations, he lost substantial amounts of money transporting produce to the airport only to fail to secure cargo space.

Today, Fresh Produce Limited is a medium sized horticultural produce exporter that has grown by leaps and bounds. The company started by exporting mainly to France in 1990. Although France

TURN TO PAGE XI

Preparing fields of new ornamentals for the next season's crop on the Sulmac farm at Nairobi



Nation, Wednesday, August 25, 1993



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Nation, Wednesday, August 25, 1993

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THE ECONOMY

EXPORTS

Broken Promises

Government goes back on its word to prop up the sector

The export drive that was the government's catchword for several years seems to have lost steam during the first half of this year, although the government announced measures to boost the sector in the last budget.

Although it is still too early to judge whether the half-hearted support for the sector will boost exports, there is widespread feeling among exporters that policy makers have sidelined the export drive and concentrated on sectors which are not important forex earners.

However, key players in the exports sector say it is thriving, and that major plans to revive interest in it are in the pipeline. The key players argue that most of the work is being done behind the scenes, with most exporters said to be reaping handsome profits from their exports following the successive weakening of the Kenya shilling.

The export promotion advisor for the Kenya Export Development Support programme (KEDS) - a United States Agency for International Development (USAID) programme - Ms Karen Potter, last week said the programme's projects were on schedule, and it was now concentrating on developing the second phase of the programme which involves direct monetary support for qualifying companies.

One of the two consultants of the Kenya Exporter Assistance Scheme (KEAS), a parallel export promotion programme to KEDS, Mr Michael Brennan, last week said the export drive was in full gear, although he said there were "a few bureaucratic bottlenecks" at the Central Bank and treasury which needed to be ironed out to facilitate smooth exportation of goods.

Brennan said Kenyan commercial banks should develop export financing along the lines of the pre-shipment finance facility which was earlier run by the Central Bank, but which, however, failed after it was reported to be benefiting a few well connected

there is widespread feeling among exporters that policy makers have sidelined the export drive and concentrated on sectors which are not important forex earners.

exporters through the so-called political banks. "Such a scheme can be actively handled by commercial banks and not Central Bank," Brennan argued.

Currently, 135 companies have benefited from the KEAS programme, with 256 projects already approved. The programme has expended over U.S \$1.1 million (Sh88 million at current inter-bank rates), with about \$300,000 (Sh24 million) still awaiting allocation to export oriented companies before April 1994. Brennan, however, indicated the possibility of an extension of the scheme if the government found other sponsors. The Export Promotion Council (EPC), a government supported initiative, was also understood to be in the frontline in the export drive.

However, critics maintain the government has not done enough to boost the sector in the recent past. They point out that the government sent out conflicting signals to the sector when it scrapped retention accounts for traditional and non-traditional exporters were scrapped earlier this year, only to re-introduce them after the exporters complained.

A leading critic of the government on its erratic and unpredictable policies towards exporters has been the Kenya Association of Manufacturers (KAM), which maintains that the government has not really committed itself to boosting exports.

In a recent report to the government containing recommendations on how to revitalise the sector, manufacturers dismissed the measures outlined by the minister of finance

during this year's budget to promote exports, which they said fell short of their expectations.

"From KAM members' point of view, the programmes are only currently facilitating exports, not encouraging (them)," the statement says. In the case of the Duty/VAT remission scheme designed to promote exports, the manufacturers say that whereas the programme is "supposed to remove the burden of direct import duties and VAT on raw materials when processing for export", all other constraints, including direct and indirect taxes, have been ignored.

The report adds that the Duty/VAT remission scheme can only be helpful where exports have a ready market abroad, or if there is a ready domestic market to offset local costs. "But for those industries concentrating on exporting, the pricing competition advantage is not there unless they operate from (the) EPZ (or) manufacturing under bond (MUB)", the report argues.

The manufacturers assert that the export drive will only succeed if manufacturers are given incentives to make Kenyan products have a competitive edge in international markets. To do this, the manufacturers contend, the government should encourage exporters by assuring manufacturers for export of a ready domestic market. The government should also streamline export procedures and remove bureaucratic bottlenecks at the exit and entry points.

The report adds that the government should give direct support and cash incentives to exporters by, for instance, exempting them from corporation tax in respect of any export monies accruing from the export business.

Although it is unlikely that the government will implement the manufacturers' recommendations considering its indifference to such noble counsel, it should at least try to effect some of the proposals that do not involve monetary expenses such as reducing bureaucratic bottlenecks that have hampered exports in the past, and reducing the time entrepreneurs' take to process documents through the maze that is treasury and Central Bank.

The government may also consider increasing the retention amount for the exporters to a more morale boosting 75 per cent compared to the current 50 per cent. Perhaps these measures would be the first steps towards the revitalisation of the export sector.

Nation: Wednesday August 4, 1993

Daily Nation

12 Wednesday 4/8/93

BUSINESS AND

Expert:

Use sea

**to export
fruits**

By LILIAN MOUTA

Horticultural exporters were yesterday urged to use the sea as it was the cheapest means of long-distance transport.

Mr Henry Wainwright from the Natural Resources Institute in the United Kingdom said transport costs had increased recently and profits for exporters had been adversely affected.

He said exporters had to find other means of transport to maintain the same profit margin.

Mr Wainwright said that the consumer prices in developed countries had also fallen. He was speaking at ICIPF, Duduville where a two-day seminar on sea transport is taking place.

Mr Wainwright said that the ships had been improved to cater for modern means of transport requirements such as refrigeration.

He advised Kenyans to take advantage of the facilities available in sea transport since the horticultural crops exported were bulky and needed a lot of space.

He said air space was almost saturated with less bulky exports and it was twice as expensive as the sea transport.

Mr S.B. Rotich, who opened the seminar, said horticultural products had earned the country Sh4.7 billion in the last financial year, this was the second highest foreign currency earner in agricultural sector.

Mr Rotich said the horticultural exports had grown from 1,460 tons in 1968 to over 67,363 ton in 1992.

51

K.P.
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Wednesday, August 4, 1993

Resource
Transportation
(Saw)

Kenya Times Wednesday August 4, 1993

BUSINESS TIMES

KENYA WINS PRAISE IN EXPORT MARKETS

By EVANS LUSENO

KENYA has gained good reputation in the foreign markets due to the continuous supply of highly quality horticultural produce, the chairman of the Horticultural Crops Development Authority (HCDA) Mr S. B. Rotich, said yesterday.

Mr Rotich was addressing participants at the ongoing conference on Sea Transport for horticultural crops at Duduville centre Nairobi. The conference is jointly sponsored by HCDA and the Natural Resources Institute of the United Kingdom.

The HCDA chairman said horticultural industry is faced with constraints which are hindering its expansion and which if not overcome, Kenya's produce could face stiff competition from other Africa, Caribbean and

Southern and Central America producers.

He said further expansion of the industry will depend on the ability to seek new methods of transportation as airfreighting capacity is limited at the moment. "Sea transport is seen as one that would go along way in easing this problem. Over 2,500 tonnes of horticultural produce have been exported by sea," he said.

He said that the Government attaches great importance to establishing sea for horticultural produce and had to call in experts for the second time to deliberate on the issue.

Mr Henry Wainwright, a

participant said that because of the increasing competition in export markets and the downward pressure on prices, exporters of fresh horticultural crops are looking at new ways of reducing their costs of transport.

He said sea transport offers the opportunity to provide a competitive means of transporting horticultural produce to export markets.

Mr Wainwright said a sea transport seminar had to be organised to present technical information and organisational needs to enable Kenya expand the sea freight of horticultural exports and identify the problems and prospects for sea freight of horticultural produce.

At yesterday's session, Mr

Wainwright from the Natural Resource Institute (NRI) reviewed the recent developments in the marketing trends of horticultural crops and how sea transport could be used to exploit these trends. "Tropical fruit form the group of commodities with potential for sea transport from Kenya," he said.

Mr Robert Heaps, from the Shipowners' Refrigerated Cargo Research Association (SRCRA) in the United Kingdom in his presentation, discussed the role of sea transport in world trade, the importance of product management for sea transport, the specifications for a sea transport container and the components for successful sea transportation of fresh horticultural produce.

Aid might resume in November

From Arnold Raphael, LONDON, Wednesday.

KENYA is at last on track for the resumption of Western aid in November — two years after its suspension.

High-level sources in Washington said today recent developments in Nairobi were "greatly encouraging" and that Finance Minister Masalia Mudavadi's statements on the closure of political banks and the enforced departure of the Governor of the Central Bank had been "quite inspiring. It demonstrates that the Government can act decisively when it wants to."

The sources said last week's dramatic events in the banking sector, coupled with other recent measures such as the revival of external retention accounts and abolition of import licences, ensured that "Kenya is on target for

Page 12 — Col 6

Aid might resume in November

From Page 1.

the resumption of Western fast-disbursing aid. We are much more optimistic about Kenya than we have been for a considerable time."

The sources added, however, that the reform process had still some way to go but were reasonably confident that sufficient progress would be made to enable the World Bank, the IMF and the Western bilateral donors to convene a meeting of the Kenya aid club in Paris in November.

Wasted

"We have to say, however, that Nairobi has wasted a lot of time in the past two or three months. Some of the banking malpractices, for example, could be put right almost overnight."

"The institutions (World Bank and IMF) are still concerned about corruption in the banking and related sectors. Special exemptions for certain banks, although legal, are not in the interests of a properly managed economy and must stop. A major concern is that the money supply must come down."

Restore

The sources stressed that "above all, the pace of reform must not slacken. Those reforms in place must stick. There must be no backsliding. We are aware of the wider, and perhaps painful, political repercussions of the reform programme. But there is really not much more that needs to be done."

"We are confident that the institutions and the bilateral donors will restore balance of payments support for Kenya, and could well make new pledges. Everyone wants to bring this unhappy chapter to an end as soon as possible. It is up to Nairobi", the sources commented.

US looks to Africa for trade

THE United States hopes the nations of Africa will become "increasingly important trade partners," so an economic "renaissance" can be sparked all across the continent, a senior U.S. Commerce Department official told the U.S.-Africa Chamber of Commerce July 22.

In a speech at the group's first summit meeting in Washington, James V. Hackney, counsel and senior adviser to the secretary of commerce, said "Trade with the United States, partnerships and joint ventures, open markets and international agreements, over time, ... can energize an African renaissance comparable or even greater than those unfolding in Asia or Latin America today.

"It is African entrepreneurship that will be the critical link between political freedom and economic growth — the engine that generates the resources needed to educate and house and to bring health care to millions of Africans across the continent," he added.

Reviewing current trade bo-

ST. WASHINGTON, July 22 (AP) — Wednesday.

tween the United States and Africa, Hackney said: "We export more to Africa than to all of the NIS (Newly Independent States) combined — \$3,400 million vs. \$2,800 million. We export more

to southern Africa than to all of Eastern Europe." He added that the U.S. government hopes these figures point to the beginning of an upward trade trend.

In addition to trade, he explained, "sustainable growth, driven by a thriving private sector, is essential to the achievement of the commonly held objective of greater prosperity in Africa."

He quickly warned, however, that "U.S. government resources are limited, and Africa's needs are vast. Thus it is our aim to expand our private sector commercial relationships with Africa in order to ease the pain of economic reforms, increase growth and reduce the burden of debt."

BUSINESS AND FINANCE

Scheme's suspension 'caused heavy losses'

HORTICULTURAL exporters suffered massive loss of foreign exchange when the Government temporarily suspended Retention Account Scheme. A cross-section of exporters attending a two-day National Horticultural Conference at a Nairobi hotel on Tuesday expressed disappointment over the government's inconsistent policies, which adversely affected their operations. The exporters, however, did not say how much they lost as a result of the scheme's suspension. The conference was opened by the Minister for Agriculture, Livestock Development and Marketing, Mr Simoon Nyachae. It was organised by Fresh Produce Exporters Assoc-

By Hussein Mohammed
The Foreign Exchange Retention Accounts were suspended early this year after being in operation for just a month. The exporters and those from other sectors were allowed a 100 per cent retention of their export earnings prior to the withdrawal. The reasons given by the Government for the suspension was abuse of the scheme by a number of exporters who were reported to be hoarding the hard currency thereby restricting its circulation. When it was reintroduced, the retention was restricted to 50 per cent and the period of

suspension limited to 90 days. The exporters also cited a number of constraints restricting the growth and development of the horticultural industry. They included air cargo space, freight rates, high costs of exports, packaging costs, poor infrastructure, handling services and quality control. Several recommendations to the Agricultural Ministry were compiled with a demand for 100 per cent retention account high in the priority of incentives proposed by the participants. They observed that there was stiff competition from rival countries who enjoyed a wide range of incentives including a 100 per cent retention.

BUSINESS AND FINANCE

Exports earned Kenya Shs 4bn

KENYA earned a substantial Shs 4.3 billion from horticultural exports in 1992 financial year, according to the Minister for Agriculture, Livestock Development and Marketing, Mr Simeon Nyachae.

The sub-sector's (horticultural) export earnings had increased from Shs 1 billion in 1985 to Shs 4.3 billion last year, he said.

Represents

This represents 20 per cent of the country's total agricultural export earnings that year. The minister said the sector had made a remarkable growth and was now third in foreign exchange earnings after tourism and tea.

The minister made the remarks yesterday during the official opening of "1993 National Horticultural Conference" at a Nairobi hotel. The conference which brought together major players in the sub-sector is sponsored by ABN-AMRO bank.

The rapid growth was realised because of the dynamism of the

By Hussein Mohammed

private sector which the minister said marketed a wide-range of horticultural produce.

He however observed that there is still potential for production and export of horticultural products.

But the minister doubted whether infrastructure and the incentives offered were likely to make the sector expand as expected.

The Government is aware of the constraints hindering expansion, Mr Nyachae said and assured the participants that the problems would be looked into.

I would like to assure you that my ministry will take up issues that you feel are the paramount for further expansion of the industry," promised the minister.

Scrutiny

This year marked the beginning of the single European Community market which means that Kenya and other African,

Caribbean and Pacific countries (ACP) no longer enjoyed preferential treatment from the traditional European markets as their export produce will be subject to close scrutiny, Mr Nyachae added.



Mr Nyachae

Exporters to EEC must ensure that their produce meet the market requirements, especially in relation to Maximum Residue Limits (MRLs) which must be adhered to, he advised.

Regarding tariffs and duty, the minister noted that the Government was committed to increase incentives to exporters. He advised the participants that such corrective measures depended on what recommendations they would propose.

The minister said the prices of jet fuel may be reduced to boost exports.

Conference

The conference was also addressed by Dr Henry Wainwright from the National Resources Institute (NRI), United Kingdom. He stated that the volume of imports into the EEC market had grown but the prices had declined over the past five years.

The future of Kenya's horticultural exports to Europe will depend on the country's ability to cope with the operating legislation and quality demands especially those concerned with food safety, pesticide use, phyto-sanitary regulations and packaging waste. Mr Wainwright said.

Nation: Wednesday, July 28, 1993

Freight rates hurt exports, says Nyachae

By KEN OPALA

The Government believes freight rates for horticulture exports are too high and is holding consultations to make them competitive.

The Minister for Agriculture, Livestock Development and Marketing, Mr Simeon Nyachae, said the high charges hampered the development of the horticultural industry.

He said: "We are trying to find out why and we will make the necessary adjustments to make the rates competitive enough."

He was responding to questions by participants of a one-day 1993 National Horticultural Conference held at Nairobi's Safari Park Hotel.

The seminar was organised by the Fresh Produce Exporters Association of Kenya and sponsored by the ABN-AMRO Bank.

The Minister conceded that Kenya's freight rates compared unfavourably to its international competitors and cited Tanzania whose rates were "slightly lower than ours."

The Government, he said, was looking at all parameters, including the tax system, to establish why the charges were relatively high.

A participant, decriing the high rates, also complained that the Government was reviewing the charges "irregularly" without giving exporters enough time to make adjustments.

Mr Nyachae said the horticultural industry played a leading role in the development of the

economy.

"Export earnings have increased from just over Sh1 billion in 1983 to Sh4.3 billion in 1992 and the industry now stands third in foreign exchange earnings after tourism and tea," said the Minister.

He attributed the growth to "a dynamic private sector which had developed and profitably marketed a wide range of horticultural products to diverse international markets."

However, he said there was still a large potential for increasing the production and export of vegetables and fruits.

He cautioned the exporters that recent changes in global politics threatened to marginalise products from the poor nations.

"From now onwards, fruits and vegetables exported to any of the European Community (EC) countries will be subject to pesticides residue analysis at point of entry," he said.

Mr Nyachae said that all exporters to the EC market would need to ensure that the produce was safe to handle and eat.

He at the same time said regulations governing packaging and the material used were on the way.

"Germans have already put up legislation governing the package to be used in imports of horticulture produce," he said.

He asked farmers and exporters to work together to ensure that standards were adhered to.

Single market to affect ACP exports

By TIMES Reporter

KENYA is one of the African, Caribbean and Pacific (ACP) states that will be affected by the establishment of the European Common Market which now means they will no longer enjoy the preferential treatment they were accorded by their traditional European markets for horticultural exports.

The European Economic Community (EEC) is also instituting new regulations on maximum residue limits (MRL's) which shall require that exports of agricultural produce be subjected to strict scrutiny of banned chemicals and chemical residue levels.

Now there are also requirements that packaging materials used in the packing of horticultural exports must be convertible, for example, in German, among other European countries.

Growers and exporters of cut-flowers and foliage, have not been spared either. They will be expected to prove their export markets that they have followed Good Agricultural Practices (GAP) which are environmentally sound.

These are some of the issues raised by the Minister for Agriculture, Livestock Development and Marketing Mr Simoon Nyachae, at the 1993 National Horticultural Conference sponsored by AUN AMRO Bank.

These are some of the factors that are going to affect the export of horticultural produce in Kenya and many other countries who are all competing for the sophisticated markets in Europe.

Addressing participants on the "marketing changes and challenges", Mr D.H. Gray advised on the importance of a promotional campaign in markets abroad to improve Kenya's image.

He said that most of the time products from Kenya did not bear out the pride of coming from Kenya. Such promotional campaigns, he said, should involve pamphlets, posters, adverts, exhibitions and code practices.

Growers and exporters, he said, should also visit their markets abroad to establish what exactly their needs are. He also expressed the need to diversify product exports and markets so as to boost earnings.

Transportation, packaging and the production process, he said, were all important to the marketability of the produce. Techniques chosen in these process should ensure good results, he said.

Value can also be added to the fresh produce through processing, freezing, juices, prepacks and repacks, he said adding that there is also the need to enhance training of staff that will handle quality improvement, marketing and other commercial undertakings.

In a paper presented by Mr J. Chepkwony, the competitiveness of the world market is noted as the driving force for the enhancement of quality, production and distribution and giving better incentives to the producers and exporters.

Achieving efficiency in the handling services, enforcing high quality standards and easing the licencing procedures are also some of the factors that could contribute to a greater competitiveness in the international market.

African nations urged to develop local technology

By TIMES Reporter
ATTORNEY-GENERAL

Amos Wako yesterday called for the promotion of domestic technology as a way of building up a strong base for leap-frogging towards industrial development.

This, he said, will only be achieved if industries in Africa have access to technology within the continent and from foreign countries through appropriate technology transfer arrangements.

Mr Wako regretted that little attention was paid to the generation of minimum level of indigenous technology which he noted was necessary in absorption of technology from foreign sources and their adoption in gaining comparative advantage in the market.

Mr Wako was officially opening a two-day African Regional Industrial Organisation (ARIPO) and European Patent Office (EPO) roving seminar at a Nairobi hotel.

"There is an urgent need in Africa to adopt policies as well as administrative and institutional support that are geared towards the promotion of technology transfer within the continent and from outside the continent," Mr Wako said.

However, in the transfer of technology, the major problem in Africa is to choose technology that is appropriate to the requirements out of the world store, he noted, and said the solution was to get as many alternatives as possible.

He observed that research and development institutions in Africa should be fully involved in the development of indigenous technologies and the adoption of appropriate foreign technology.



Mr Amos Wako Addressed participants

Patents in the transfer of technology should work within the countries granting it, he said, and noted that patents played a vital role in furthering the research of the institutions and could strengthen capabilities for technology transfer.

Mr Wako, however, noted that most patents were foreign-owned and called for ways and means of ensuring "the monopoly rights granted to foreign patents do not result in exclusive benefits to the patent owner alone, but that the African countries concerned must derive some benefits as well".

He observed that patent protection and patent information had not received the priority they deserved in Africa. Quoting paragraph 154 of the Lagos Plan of Action, he asserted: "Lack of information is one of the most serious obstacles to the selection, acquisition and use of appropriate technology options."

He called for a machinery to assess and promote the acquisition and dissemination of information.

IMES

GOVT MAY REDUCE DUTY ON FARM INPUTS — NYACHAE

THE Government is considering waiving or reducing duty on agricultural inputs.

Addressing a horticultural conference at a Nairobi hotel yesterday, the Minister for Agriculture, Livestock, Development and Marketing, Mr Simeon Nyachae, also said that the Government was also reviewing freight rates which he said are higher than in neighbouring countries.

Both considerations, he said, would be incentives to farmers to enhance their production and to boost Kenya's export capacity of horticultural produce.

The Minister also admitted that there was a communication breakdown between his ministry, the Ministry of Finance and the Pesticides Control Association of Kenya (PCA-K) over the reduction or waiver of duty on certain chemicals used in agriculture.

He said the major problem has been in the identification of pesticide chemicals that are used in agriculture because some of them have dual purpose. But he said the three parties were still

By OCHIENG OLDO

trying to work out a policy on pesticide chemicals used in agricultural production.

Mr Nyachae was responding to a question by one of the delegates over the insensibility to the role of chemical products in boosting agricultural produce, hence the refusal to grant them duty waiver or reduction.

The proposal to waive or reduce to a minimal level duty on agricultural inputs has been made to the cabinet, upon the realization that agriculture is an important sector to the economy in terms of earnings and the need for self-sufficiency in food production, the Minister said.

He also noted that there was a general laxity among agricultural officers charged with improving agriculture in the country. But he said farmers too needed to enhance their production capacity through the use of agricultural inputs.

Horticultural crops, he added,

have a relatively high value and were therefore, of great importance to an economy short of high potential arable land, and that horticultural crops are labour intensive, hence would provide job opportunities to several people. They can also be produced by small scale farmers in various agro-ecological zones.

These attribute, the minister noted, would help the country overcome some of the economic problems it is currently facing such as shortage of foreign exchange, and unemployment.

The horticultural industry has shown remarkable growth during the past decade, the Minister noted, with export earnings increasing from about Sh1 billion in 1985 to Sh4.3 billion in 1992 making it the third largest earner of foreign exchange.

But there is still a large potential for increasing the production and export of a large variety of horticultural products.

Apart from this, the export market for Kenya is still under-exploited, posing greater opportunities for enhancing exports, he



Mr Simeon Nyachae

said. He said the Government was aware of several constraints affecting the growth of horticultural production and that his ministry was willing to take up recommendations on solving them.

The one day conference was sponsored by ABN AMRO Bank and was organised by the Horticultural Crop Development Association and the Fresh Produce Exporters Association of Kenya (EPEAK).

Banker advises against poor marketing

HORTICULTURE is a sensitive trade which cannot be run from the office desk, an ABN AMRO Bank, said yesterday.

The bank official in a paper presented at the horticultural conference held at a Nairobi hotel said the bank's services are focused mainly on exporters of horticultural goods because the bank has grown through financing horticultural trade.

The bank official said the major assets of the bank as the financiers of international trade is its extensive branch network that now stands at 2000 branches world wide. "The obvious advantage is that we all speak the same language and are able to offer assistance in the respective countries" said the bank official.

The official said it was through the bank's networking that it is able to ascertain the reliability of certain buyers on behalf of its clients. He said ABN AMRO Bank offers the usual range of corporate products to horticultural exporters, which include the dual product return which is associated with the rate of return that the bank expects from the exporter's business.

He said the bank, unlike other financial institutions, does not categorise for the exporters what different facilities will cost but leave that to the exporters themselves.

For the mode of costing to work to the exporters advantage, the official said, it is necessary for the exporters to utilise two facilities, one which should be foreign currency dominated,