



**KENYA EXPORT DEVELOPMENT SUPPORT**

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**PRIVATE SECTOR  
BASELINE SURVEY  
PHASE II**

**Development Alternatives, Inc.  
USAID Contract No. 623-0249-C-00-2021-00  
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**KENYA EXPORT DEVELOPMENT  
SUPPORT (KEDS) PROJECT**

**PRIVATE SECTOR  
BASELINE SURVEY  
PHASE II**

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- Appendix II: Questionnaire used for this survey
- Appendix III: List of Firms interviewed for this survey

# KEDS PROJECT BASELINE SURVEY PHASE II

## SUMMARY OF PRINCIPAL FINDINGS

### AND

## THEIR IMPLICATIONS FOR THE KEDS PROJECT

### I. THE PRINCIPAL FINDINGS

#### A. Priority Areas For The KEDS Project

This survey confirms the findings from the Baseline Survey Phase I that the horticultural (agricultural) sector be the first priority area for the KEDS Firm Level Assistance Program. The agricultural sector is characterized by the following features:-

- It is more dynamic and aggressively export-oriented;
- It has considerable growth potential with far-reaching positive ripple-effects on the sub-systems which support it in the form of contract and non-contract outgrowers, etc;
- The agricultural sector has the greatest potential for increased employment of women, either directly by the exporting firms themselves, and/or through their non-contract and contract outgrowers;
- The sector has already well-developed and viable linkages with its chief export markets and regular export customers;
- It is positively more inclined to accept and accommodate changes in policy initiatives, business environment, customer preferences, and is more open to new ideas and challenges; and
- The Agricultural/Horticultural sector earns all its export sales revenue in hard currency and is financially sound and secure.

The medium-sized manufacturing sector firm is confirmed as the second priority area for the KEDS Project firm-level component. Although as a sector they are less dynamic and less export-oriented than the agricultural sector firms, they show proven latent dynamism which only needs to be encouraged to exploit the existing export opportunities in the PTA, other East Africa/Africa and in the case of ready-to-wear cotton garments<sup>1</sup>,

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<sup>1</sup> Garments per-se are not directly assisted by the KEDS Project in accordance with U.S. Legislation. They are cited in this study, however, as they form an important element of the manufacturing sector.

Europe and North America.

## **B. Chief Export Products**

For the Agricultural Sector, cut flowers, fresh fruits and vegetables, in an expanding assortment of varieties, form the most important export products. Key among these are French Beans, Mange Tout or Snow Peas, Avocado, Mangoes and Passion Fruit. An assortment of Asian vegetables are the other important addition to the range of fresh fruits and vegetables.

For the Manufacturing sector firms, a wide range of manufactured consumer products, chemicals and ready-to-wear garments are the chief export products. An increasing amount of fish and fish products are also being exported (though these could as easily be categorised as agricultural products)

## **C. Chief Export Markets**

The chief export markets differ, not surprisingly, by sector. They are as follows:

- Europe, The Middle East and increasingly, the Far East, North America and Other Africa are the chief export market for the agricultural sector.
- PTA and Other East Africa, and in the case of cotton ready-to-wear garments, Europe and North America form the chief export markets for the manufacturing sector.

## **D. Main Constraints Facing Export Marketing**

For the agricultural sector the main constraints facing exporters are:-

- Inadequate quality control and inappropriate production technology;
- Inadequate or lack of workable GOK Export Incentives/Assistance schemes;
- Poor road-networks in producing areas;
- Lack of export financing arrangements;
- Lack of pre-pack and overnight cold storage facilities in an isolated, environmentally clean area near the airport; and

- Inadequate marketing information and infrastructural support system.

For the manufacturing sector, the main constraints facing export marketing are:-

- Inadequate marketing information and infrastructural support system.
- Lengthy and cumbersome export documentation procedures which often compel the manufacturing sector to readily accept payments in local Kenyan currency for export shipments;
- Poor quality control/assurance and outdated or inefficient production technology, including machinery and equipment maintenance; and
- Inadequate marketing information and infrastructural support system.

## II IMPLICATIONS AND RECOMMENDATIONS FOR THE KEDS PROJECT

In order to accomplish its stated mission, the KEDS Project should be involved (or in most cases, continue to be involved) in a number of areas; some areas KEDS can significantly influence, others (such as Kenya Railways reform) are beyond its control and it can only lend its support to a broader call for reform. Nonetheless, the study identified a need and justification for KEDS programs in the following areas:-

### A. Marketing

Through the private sector institutional support (technical training programs) and firm-level programs (cost-sharing of targeted assistance), provide training to exporters in export marketing and product development targeted as follows:

- Export processing and marketing procedures;
- Chief export markets, their demand patterns, market size and competitors' strengths and weaknesses in the respective chief export markets;
- Export products quality specifications, competitive product quality and price offerings, consumer preferences, and user patterns in chief export markets.

Through the private sector institutional support and firm-level programs, provide sources of regular, relevant and timely marketing information as well as effective marketing infrastructural support. Facilitate more active and frequent participation by priority sector

firms at international trade fairs and at relevant seminars and conferences in their chief export markets or focused on their chief export products. The KEDS Project is working on market information and dissemination programs in the fall of 1993. International trade shows assistance in happening as this report goes to press (including KAL to Uganda International Trade Fair; October/November 1993).

## **B. Transport/Cargo Handling Facilities**

Given the fact that increasing exports require increasingly cost-effective modes of transport, it is not surprising that many respondents called for improved road, rail, air and sea transportation. Our study concludes that though it is not an integral part of KEDS' program, KEDS should support various bilateral GOK/USAID initiatives to:

- Upgrade and maintain all-weather road networks into the key horticultural growing areas;
- Upgrade rail transport dependability to haul inland cargo; and Upgrade Moi International and Kisumu airports to handle international cargo transport aircrafts, the latter in view of the increasing value and export potential of lake fish and fresh produce from Western Kenya.

## **C. Quality Control and Production Management**

Quality control programs are the duty of a company's production management team. This study concludes that KEDS should:

- Support various efforts to establish modern quality control laboratories and training facilities;
- Provide assistance in quality control training for technicians and managers, for those firms who want to set up their own quality control systems; and
- Provide training assistance in production techniques and required technical skills for production technicians in machinery/equipment maintenance.

The KEDS firm-level program intends to facilitate in-house training for manufacturers through its cost-sharing program. For horticulture businesses, KEDS is working with HCDA to produce an Export Crop Manual and with Britain's Overseas Development Administration's Natural Resources Institute (ODA/NRI), and with HCDA and FPEAK, to develop a Quality Assurance Manual. The KEDS Project will then "Kenyanize" the

manual into an FPEAK Code of Practice, in association with the Kenya Bureau of Standards. Technical training such as machinery maintenance may be best accessed through KEDS' proposed Firm-Level program of support to the International Executive Service Corps (IESC).

#### **D. GOK Incentives/Assistance Schemes**

The study found an alarming lack of awareness of GOK export incentive programs, and much dissatisfaction with existing programs, particularly among manufacturers. The study recommends that KEDS assist the GOK to:

- Streamline the present incentive systems making them simpler to implement, and make proposals for improved export incentives and exporter assistance schemes, in close liaison with KAM/FPEAK;
- Simplify the export documentation procedures and instruments;
- Once in place, create and maintain informed awareness and working knowledge of the operational GOK export incentives and export documentation procedures; and
- Promote regular institutionalized contact between the relevant GOK offices and their exporting firms and/or representative organisations counterparts.

These recommendations support the general program of the KEDS Public Sector Component, including the refinement and improvement of incentive programs, an extension/public relations program to publicize incentives and procedures, and regularization of business contacts. Key elements in the KEDS program will be the institutional strengthening of the Export Promotion Programmes Office (EPPO), its staffing (EPPO is drastically short of personnel at a time when their duties and responsibilities are increasing; this situation is untenable over the long-term), office facilities (EPPO is currently split and under-equipped), computer systems (KEDS is implementing), auditing functions (KEDS is planning short-term technical assistance), and extension/public relations programs (this is planned, though it is a function of personnel).

#### **E. Finance**

Although it is difficult to separate a firm's simple lack of capital from that firm's legitimate complaints as to the difficulties of raising capital, the study concludes that the area of export finance needs attention. It recommends that resources permitting, KEDS work on the feasibility of an export financing or funding scheme, either by setting up an

independent institution or incorporating a program into established commercial banks and financial departments to provide:

- Improved export finance programs (pre-shipment) and financial services;
- Export finance guarantee scheme/revolving fund; and
- Investment capital for export product development, production equipment and processing.

The KEDS Project plans several financial programs in the first quarter of 1994, including: a public sector workshop on finance, particularly the banking and insurance sectors, and a private sector Export Finance Manuals and seminar for exporters of manufactured goods.

#### **F. Management Training**

In the area of management training and management assistance, this study identifies a need for KEDS to provide management training in the following areas:

- Marketing, finance, production, product quality control and machinery/equipment maintenance;
- General management and organizational development skill to overcome the potentially inhibiting practice of over-centralising the key export business activities around the CEO's; and
- Farm Management including crop husbandry and handling of produce and chemicals, for further extension to outgrowers through KEDS sponsorship of the HCDA Crop Manual and the FPEAK Code of Practice.

KEDS has already begun a series of technical seminars for horticultural exporters (Pesticides and the E.C in 1993; March 1993). The Quality Assurance Manual and FPEAK Code of Practice will offer needed training opportunities. An export finance manual is planned for exporters of manufactured goods. KEDS, in conjunction with the HCDA, is developing an extensive crop manual for producers, processors and exporters. Further technical trainings will be held with business groups. KEDS will offer tailor-made in-house training through our firm-level program.

**KENYA EXPORT DEVELOPMENT SUPPORT PROJECT  
FIRM LEVEL ASSISTANCE PROGRAMME  
FINAL REPORT: PHASE II SURVEY**

**1.0 BACKGROUND AND INTRODUCTION**

- 1.1 Between mid-November 1992 and mid-February 1993, 393 questionnaires, to be self-administered, were sent out to an equal number of private sector enterprises under the auspices of the Kenya Association of Manufacturers (KAM) and the Horticultural Crops Development Authority (HCDA).
- 1.2 A rate of return of 35% was achieved by the cut-off date yielding 136 completed questionnaires from the firms whose responses were analysed to form the basis of the Private Sector Baseline Report (Phase I) of March/April 1993. KEDS Project now has 178 questionnaires on file and database.
- 1.3 In order to obtain more indepth quantitative and qualitative information through face-to-face interviews, the Phase II survey was proposed as, an immediate follow-up to the self-administered Baseline survey of November 1992 to May, 1993.
- 1.4 This report forms the comprehensive report on the outcome of the Phase II follow-up survey which was conducted from late May to July 1993.

**2.0 PHASE II SURVEY OBJECTIVES**

The objectives of the Phase II survey interviews were specifically:-

- 2.1 To further refine the sectoral Profiles generated by Phase I survey in order to help identify and define the priority business sector(s) for KED's project assistance,
- 2.2 To assess first-hand, the management and production capabilities of the firms interviewed, as representatives of the more export-oriented private sector firms in Kenya,
- 2.3 To identify and define priority export constraints for KEDS in order to facilitate the drafting of Export Development Fund (EDF) eligibility criteria.

- 2.4 To identify potential candidates for firm-level assistance based on the in-depth personal interviews.
- 2.5 To determine whether the companies use any GoK export incentives such as Duty/VAT Remission, and if not, why not,

### **3.0 METHOD AND EXTENT**

3.1 The information required for the purpose of meeting the objectives of the Phase II survey were gathered through personal interviews with the Chief Executive Officers (often in consultation with their respective functional managers) of the respondent firms using a structured questionnaire technique. The questionnaire consisted of both open ended and closed ended questions. (See copy in Appendix II)

#### **3.2 The Original Target Sample Size and Structure**

At the commencement of the Phase II survey a total of 60 respondents were targeted, with 51 having participated in Phase I Baseline Survey and 4 being entirely new prospective respondents of Phase II Survey. The respondents (both originally targeted and actual) fell under three broad categories as follows:-

- a. Manufacturing
- b. Agricultural
- c. Both Manufacturing and Agricultural (Both Mfg & Agricultural).

#### **3.3 The Actual Sample Size and Structure of Respondent Firms**

A total number of 55 firms effectively participated in the Phase II Survey. The remaining originally targeted firms were either not willing to grant an interview or not willing to disclose sufficient information required for purposes of the survey and were therefore eliminated. Out of the 55 effective sample size;

- Manufacturing firms were 26 or 47.3%
- Agricultural firms were 21 or 38.2%
- Both Mfg. & Agricultural firms were 8 or 14.5%

Table 3.1: Distribution of Respondent Firms By Location/Sector

Location/ sector	Manufacturing		Agricultural		Both mfg. & Agricultural		Total	
	Number	%	Number	%	Number	%	Number	%
Nairobi	17	65.4	17	81.0	2	25	36	65.5
Mombasa	5	19.2	2	9.5	2	25	9	16.4
Kisumu	3	11.5	0	0	1	12.5	4	7.3
Naivasha	0	0	2	9.5	2	25	4	7.3
Nakuru	1	3.8	0	0	1	12.5	2	3.6
BASE	26	100	21	100	8	100	55	100

- The majority of respondent firms (36 or 65.5% of total sample size) were located in Nairobi with Manufacturing and Agricultural having equal representation of 17 in number (47% each of Nairobi-based respondent firms).
- Mombasa based firms accounted for 16.4% of the total sample size. However, within Mombasa, Manufacturing represented more than half of the respondent firms.
- The high number of Agricultural sector respondent firms based in Nairobi reflects the fact that although horticultural exporters grow their produce outside Nairobi, they have their operational headquarters in Nairobi, due to the importance of proximity to the exit, J.K.I. Airport.

### 3.3.2 Distribution of Respondent Firms By Ownership/Sector

Wholly-Local Private-Owned firms accounted for 61.8% of respondent firms, followed by Mixed Local-Foreign Private-Owned firms at 29.1%. In the Phase I Baseline survey, the Wholly-Local Private-Owned firms accounted for 66% of firms which responded to the self-administered questionnaire.

Of the Wholly-Local Private-Owned respondent firms in the Phase II Survey, 18 of them, or 53% fall under the Agricultural Sector, 12 of them or 35% are in the Manufacturing sector and 4 of them, (12%), qualify as both Manufacturing and Agricultural sector.

Judging from the relative enthusiasm and general willingness to participate in the KEDS Project surveys, a point can be made that Wholly Local private owned firms are the most promising targets for export development initiatives.

The survey results do not provide any firm evidence to explain why there was comparatively lower response rate from "Wholly Foreign" Private owned and "Mixed Local - Foreign" owned firms with public shares. It is worth noting, nevertheless, that most of the foreign owned firms in Kenya, other than those in the Agricultural sector, were set up primarily to satisfy domestic market demand on import substitution basis.

Until the reversal of policies on foreign exchange allocation for importers, the original business rationale probably made the two categories of firms complacent with local sales. Such firms did not feel the necessity to enter into export business to earn foreign exchange because under the old policy, the GOK allocated importers their required foreign exchange regardless of whether or not they earned it.

The proposition put forward in Phase I Baseline Report that Wholly Local, private owned firms form the core target recipients of KEDS Project assistance is further validated by the Phase II survey results.

Although the firms have been categorized into

- Manufacturing
- Agricultural, and
- Both Manufacturing and Agricultural,

Table 4.11 (on page 16) clearly indicates that the companies under the Both Manufacturing and Agricultural sector sell products which could place them under Agricultural category, making it possible for an alternative distribution of firms by sector into only two groups as follows:-

● Non Agricultural Manufacturing	26
● Agricultural only	29
● Total	55

Table 3.2: Distribution of respondent firms by ownership & sector

Ownership/ Sector	Manufacturing		Agricultural		Both Mfg. & Agricultural		Total	
	No.	%	No.	%	No.	%	No.	%
Wholly Local (Private Owned)	12	46.2	18	85.7	4	50	34	61.8
Mixed Local- foreign (Private owned)	10	38	3	14.3	3	37.5	16	29.1
Mixed Local- Foreign (with public shares)	1	3.8	0	0	1	0	2	3.6
Wholly Foreign (Private Owned)	3	11.5	0	0	0	0	3	5.5
BASE	26	100	21	100	8	100	55	100

### 3.3.3 Number of Shareholders of Firms by Sector

Given the already established relevance of size and type of ownership in respect to the overall efficacy of the respondent firm, the table below gives further insight into the issue of ownership.

Table 3.3: Number of shareholders by sector

No. of shareholders	Manufacturing	Agricultural	Both Mfg. & Agricultural	Total
	(% firms)	(% firms)	(% firms)	(% firms)
1 - 3	53.8	71.4	37.5	58.2
4 - 6	30.8	23.8	0	23.6
7 - 9	0	0	12.5	1.8
10+	7.7	4.8	25.0	9.1
QNA	7.7	0	25.0	7.3
BASE	n = 26	n = 21	n = 8	n = 55

By far, the majority of the respondent firms in the Agriculture only sector have few shareholders ranging in number from 1 - 3. The majority of these and those in the two other sectors with similar number of shareholders are in fact family-owned enterprises.

#### 4.0 THE PRINCIPAL FINDINGS OF PHASE II SURVEY

##### 4.1 EMPLOYMENT

Employment is one of the key goals and areas of interest of the KEDS Project. Accordingly, in Phase II survey, a deliberate attempt was made to gather the pertinent information to measure the sectoral behaviour patterns of employment, by gender and category/sector.

The information gathered included the following:-

- Sectoral Employment levels by gender and employment status.
- Sectoral Employment by gender and category (i.e. managerial Vs non-managerial).

Although an attempt was made to try to determine the level of indirect employment i.e. employment by third parties contracted by the various firms, the information which follows refers to direct employment only. Otherwise for purposes of this survey, the 3 levels of employment status were defined as follows:-

- A. Full-Time-Permanent (F.T.P.) This included employees on company payroll and who enjoyed all the statutory benefits e.g. membership of the National Hospital Insurance Fund (NHIF), the National Social Security Fund (NSSF) and any company-operated medical and/or pension schemes;
- B. Full Time Temporary (F.T.T). This included employees who are used regularly but are not yet in the company payroll,
- C. Temporary - Casual (T.C) - To include employees engaged purely on an ad hoc basis to meet short- term and often unexpected erratic increases in demand for labour.

#### **4.1.1 Sectoral Employment By Status and Gender**

The results of this survey brought forth some interesting albeit inconsistent differences in the relative employment and preference levels for men versus women by the three sectoral classes of respondent firms:-

- The concentration of employment levels is between 1 - 50 employees. This reflects on the size of the majority of respondent companies which ranges from small to medium.
- On the gender issue, more firms tended to prefer males than female employees. One of the reasons some respondents (especially manufacturers) gave for their reluctance to employ women in their production departments is that women are not suitable for night-shift work because of the nature of their family responsibilities and other social reasons.
- Given the labour-intensive nature of the Agricultural/Horticultural sector, firms operating under this sector category expressed their preference for women employees who are keener and better at produce harvesting, grading and packing.
- For detailed scrutiny, see tables 2, 3 and 4 in Appendix I.

#### **4.1.2 Sectoral Employment of Management Staff By Gender** (Ref: Table 5: Appendix I)

Analysis of the sectoral employment of managerial staff reveal a number of interesting points:

- a. At low numbers of management staff engaged, manufacturing sector firms engage more women managers (46.2%) than male managers (23.1%). The reverse is the case at management staff numbering six and above. This suggests that smaller manufacturing firms have a tendency to employ more women managers to support their senior managers who in many cases consisted of directors who were also family members.
- b. Although small firms engaging 1-5 managers in the Agricultural and the Both Mfg. & Agric. business sectors did not show the bias in favour of women managers, the proportions for female verse male managers engaged were quite high as Table 4.1 indicates.

Table 4.1: Proportions (%) of Firms Engaging Male/Female Managers Numbering:-

Number of managers	Manufacturing		Agricultural		Both mfg. & Agricultural	
	% FIRMS EMPLOYING		% FIRMS EMPLOYING		% FIRMS EMPLOYING	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
1 - 5	23.1	46.2	52.4	42.9	50	62.5
6 - 10	23.1	3.8	23.8	9.5	12.5	12.5
11 - 15	15.4	0	4.8	0	12.5	0
16 - 20	11.5	0	4.8	0	25	0
21 +	27.0	3.8	14.3	4.8	0	0

One possible explanation for this tendency is that in many of the family-owned businesses, the directors carry out much of the management function. Immediately below them are secretaries who, on top of their normal secretarial duties, also perform the day-to-day office administration work. The rest of the employees are otherwise engaged in direct production and basic clerical work in the factory or office. Such respondents insist that senior secretaries are part of management.

As companies become bigger, there is a tendency towards employing more male than female managers. This point is also brought out in the table above.

### 4.1.3 Sectoral Employment of Non-Management Staff By Gender

As is the case with the employment of Management staff, the small companies with total non-management staff levels of 1-50 employees have a tendency to employ more women than men. The exception to this rule are companies engaged in Both Manufacturing and Agricultural business. Again for the bigger companies employing more than 50 non-management staff, the reverse is the case. i.e. they tend to employ more men than women.

Table 4.2: Proportions (%) of Firms engaging various numerical levels of Male/Female non-management staff

Range	Manufacturing		Agricultural		Both Mfg & Agric.	
	Male	Female	Male	Female	Male	Female
1 - 50	38.5	77	62	71.4	75	12.5
51 -100	15.4	11.5	23.8	4.8	0	0
101 - 150	19.2	0	0	0	0	0
151 - 200	0	0	4.8	0	0	0
201 - 400	15.4	0	0	0	25	0
401 - 600	7.7	0	0	4.8	0	0
600+	3.8	0	9.5	9.5	0	0

The Baseline survey report suggests that the employment of women is growing, with the greatest growth in real terms being in the large companies. This Phase II survey suggests that this picture should be viewed with caution. The larger firms which operate both night and day shifts have a tendency to favour male employees. A number of such larger companies specifically mentioned that they would not allow women employees on night shifts.

As much of the work in agricultural sector firms takes place during the day, firms in this sector have the greatest potential for increased female employment. This point was validly made in the Phase I Baseline Survey Report page 27, where it was noted that female employment by the Agricultural only 11 firms increased from 27% to 37% between 1990 and 1992.

## 4.2 THE CHIEF EXPORT MARKETS AND EXPORT MARKETING PARAMETERS

### 4.2.1 The Chief Export Markets Defined

This study was designed to exclude exporters of Kenya's traditional exports namely: Tea, Coffee and Pyrethrum.

The definition "Chief Export Markets" therefore refers specifically to the export markets for those products usually referred to as "non-traditional exports" and reflects KEDS Project's mission.

From the survey results, the chief export markets for the three exporting sectors under study are clearly established to be as follows:-

- **PTA and Rest of Africa** for the Manufacturing sector exporters,
- **Europe, and the Middle East** for the Agricultural sector exporters, and
- **PTA and Europe** for the Both Manufacturing and Agricultural sector.

It will also be noted that the **Far East and North America** have been featured by a number of respondent firms, suggesting the existence of export potential in these areas.

Table 4.3 below gives the percentage number of respondent firms who have been chiefly exporting their products to these regional markets.

Table 4.3: The relative ratings of export markets by sector

	Manufacturing	Agricultural	Both Mfg. & Agricultural
EXPORT MARKET	PERCENTAGE (%)	PERCENTAGE (%)	PERCENTAGE (%)
PTA	61.5	9.5	50.0
Other East Africa	38.5	0	0
Other Africa	34.6	14.3	12.5
Middle East	7.7	38.1	0
Europe	23.1	95.2	37.5
North America	3.8	14.3	12.5
Far East	3.8	9.5	0
BASE	26	21	8

- The dominance of PTA for Manufacturing sector and Europe for Agricultural sector is consistent with the findings from the Baseline Survey.
- The Middle East, North America and the Far East are emerging as important export potential areas for Kenya's Agricultural products exporters.
- For the Manufacturing Sector exporters, Other East Africa and "Other Africa" are important additional opportunities for entry.

For detailed relative ratings of the chief export markets by sector, reference should be made to Table 33 in Appendix I.

#### 4.2.2 Currency In Which Exports To PTA Are Paid For

Contrary to the belief that Kenya's exports to PTA countries are paid for mostly in UAPTA, this survey has revealed that most exporters to PTA countries are paid in hard currency as the table below shows. A very significant number of exporters also claimed that they are paid locally in Kenya Shillings, revealing the fact that many PTA businessmen come into the country with hard currencies which they convert into Kenya Shillings, before purchasing their merchandise. On further enquiry into this rather unorthodox practice, a number of respondents explained that they are inclined to accept payment in Kenya Shillings to circumvent the slow and

cumbersome export documentation procedures to which they and their customers are subjected if they have to be paid in hard currency. For now, most Kenyan exporters do not seem to mind this. However, given that they need to earn their forex requirements to finance their imports, this practice is likely to diminish.

Table 4.4 Currency in which exports to the PTA are paid for

CURRENCY	Manufacturing		Agricultural		Both Mfg. & Agricultural		Total	
	NO.	%	NO.	%	NO.	%	NO.	%
UAPTA	4	25.0	0	0	0	0	4	25.0
FOREX	14	87.5	1	50	3	100	18	92.5
LOCAL (KSHS)	6	37.5	2	100	2	67.7	10	41.5
BASE <sup>2</sup>	16	100	2	200	3	100	19	100

#### 4.2.3 Regular Export Customers For Kenya's Exporting Firms

The majority of respondent firms interviewed had more than one type of regular export customer. The predominant type for all sectors, however, is the wholesale distributor as claimed by 61.5% of Manufacturing sector exporters, 100% of Agricultural exporters, and 75% of Both Mfg. & Agricultural sector exporters.

The other important types of export customers are as detailed in Table 4.5 below:-

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<sup>2</sup> Most exporters are paid in more than one currency. The base is calculated out of those who export to the PTA only.

Table 4.5: Regular export customers for Kenya's exporting firms<sup>3</sup>

TYPE OF CUSTOMER	Manufacturing		Agricultural		Both Mfg. & Agricultural		Total	
	NO.	%	NO.	%	NO.	%	NO.	%
Direct Consumer	19	34.6	2	9.5	3	37.5	24	43.6
Wholesale Distributors	16	61.5	21	100	6	75.0	43	78.2
Retail Distributors	5	19.2	6	28.6	2	25.0	13	23.6
Agents	8	30.8	5	23.8	0	0	13	23.6
BASE	26	100	21	100	8	100	55	

#### 4.2.4 Whether or Not Exporters Have Ever Exhibited in Their Regular Export Markets

One important means of forging a close and productive business relationship with customers is through exhibitions. Exhibitions at trade fairs and shows not only give the exporters the opportunity to expand their business potential through new business contacts, but also to promote and enhance their product(s)' image through their already existing distributors or agents. Joint exhibitions with agents/distributors in their home markets help to cement business relationships. This can be an important determinant of export success.

From the Phase II Survey, it seems that relatively few exporters have ever exhibited their products in their chief export markets. For example:

- While 61.5% of Manufacturing sector exporters consider the PTA as their chief export market, only 34.6% of them have ever exhibited their products in the PTA,
- Whereas 95% of the Agricultural sector exporters consider EUROPE as their chief export market, only 61.9% have ever exhibited their merchandise in Europe, and

<sup>3</sup> Most respondents have more than one type of regular export customer

- 50% of Both Mfg. & Agricultural sector respondent firms claimed that the PTA is their chief export market against 37.5% who have ever exhibited in the PTA countries.

Based on these survey results, it is confirmed that KEDS project is justified to facilitate more active participation at shows and exhibitions for Kenyan exporters, either directly or through the institutional strengthening of KETA, KAM, HCDA, or FPEAK.

For more details, see Table 36 in Appendix I.

#### 4.2.5 Source, Type and Relative Access to Regular Market Information

##### 4.2.5.1 Relative Access to Export Marketing Information by Sector

More Agricultural sector exporters have access to regular marketing information from their chief export markets than exporters in the other sectors.

Exporters in the manufacturing sector get the least regular marketing information from their export markets as the table below shows.

Table 4.6: Relative access to export marketing information by sector

	Manufacturing	Agricultural	Both Mfg. & Agricultural
Respondents who get regular marketing information	43.3%	90.5%	62.5%

##### 4.2.5.2 Source of Regular Export Marketing Information

Informal discussions with the respondent firms confirm the above data and further suggested, that while manufacturing sector exporters deal with their export customers on an ad hoc basis, the Agricultural sector exporters in particular have developed very strong and very close formal as well as personal relationships with their regular customers who are also their chief source of regular marketing information. Neither KETA nor HCDA featured in this survey as a source of regular export marketing information.

Table 4.7: Source of regular marketing information

	Manufacturing	Agricultural	Both Mfg. & Agricultural	Total
	% firms	% firms	% firms	% firms
Trade Offices	27.3	15.8	40	22.9
Directly from customers	54.5	73.7	0	57.1
Magazines and Business journals	27.3	10.5	0	14.3
KETA/HCDA	0	31.6	20	20.0
Sister Company	27.3	5.3	0	11.4
Agent/Importer	27.3	36.8	80	40.0
Personal visits	72.7	15.8	40	37.1
Auction	18.2	15.8	0	14.3
Embassies	9.1	0	0	2.9

#### 4.2.5.3 Marketing Information Considered Most Important

There are considerable differences in the weighting given by the different sectors to various types of information.

- Among the Agricultural sector exporters, for example, the types of information considered most important by most respondent firms are listed the Table 4.8 below.

Table 4.8: Types of marketing information considered most important by Agricultural sector firms

INFORMATION CONSIDERED MOST IMPORTANT	% RESPONDENTS CLAIMING
● Pricing Information	81
● Market Demand & Supply Information	81
● Competitive Information	70

These are the kind of definitive and strategic marketing information required by an already active exporter.

- The manufacturing sector respondents on the other hand placed considerably more weight on the more exploratory, primary marketing information as the table below shows:

Table 4.9: Types of information considered most important by Manufacturing sector firms

INFORMATION CONSIDERED MOST IMPORTANT	RESPONDENTS CLAIMING	
	NUMBER	%
● Competitive Information	17	65.4
● Potential vendors/agents	15	57.7
● Supply & demand information (of importing country)	13	50.0
● Legal requirements	10	38.5
● Pricing Information	9	34.6
● Sales promotional opportunity/agency	6	23.0

The above information confirms the earlier evidence that Manufacturing sector firms basically export on an *ad hoc* basis. Most of them have no specific distributors or agents with whom they do business and there is no evidence of either formal regular communication or business links having been developed with their export customers, or of any established regular export business going on with their "chief" export markets.

- The third sector, i.e. Both Mfg. & Agricultural, exhibited characteristics which were common to both Agricultural Only and Manufacturing Only respondent exporters as follows (see Table 4.10):

Table 4.10: Types of information considered most important by the Both Mfg. & Agricultural sector firms

INFORMATION CONSIDERED MOST IMPORTANT	RESPONDENTS CLAIMING	
	NO.	%
• Competitive Information	6	75.5
• Demand/Supply (Market Survey)	6	75.5
• Legal Export Requirements of importing country	3	37.5
• Promotional Opportunities/agents	3	37.5
• Potential vendors/agents	1	12.5

#### 4.2.6 Chief Export Products Defined

From this survey, the products which respondent firms considered to constitute their chief exports by sector were established as follows (*Table 4.11 on next page*):

Table 4.11: Chief export products by sector

Manufacturing			Agricultural			Both Mfg. & Agricultural		
	No.	%		No.	%		No.	%
Chemical products	12	46.2	Fresh fruits	16	76.2	Value added agric. products	18	62.5
Various manufactured goods	10	38.5	Fresh vegetables	12	57.1	Fresh veges.	2	25.0
Garments and leather products	5	19.2	Cut flowers	6	28.6	Fresh fruits	1	12.5
Value added agricultural products	3	11.5						
Fish & fish products	2	7.7						
n = 26			n = 21			n = 8		

- Among the Agricultural sector firms, the export activity is centered around fresh fruits and vegetables and cut flowers.
- Among the Manufacturing sector firms, the export activity is spread out into numerous product areas with chemicals and assorted manufactured goods being the predominant product areas.
- Among Both Mfg. & Agricultural sector firms, the export activity is centered around value-added agricultural products and secondarily fresh vegetables.

For more a detailed breakdown of chief export products by sector refer to Table 42A in Appendix I.

#### 4.2.6.1 New Export Markets Entered Since Baseline Survey

As the table below clearly demonstrates, within the short span of hardly six months since the Baseline Phase I Survey was conducted, a significant number of respondent firms extended their export marketing activities into new markets.

Refer to Table 34 in Appendix I for more details.

Table 4.12: New export markets that respondents have entered since Baseline Survey

	Manufacturing	Agricultural	Both Mfg & Agricultural	Total
PTA	11.5%	0.0%	0.0%	5.5%
Other East Africa	7.7%	4.8%	0.0%	5.5%
Other Africa	19.2%	33.3%	12.5%	23.6%
Middle East	3.8%	14.3%	12.5%	9.1%
Europe	11.5%	14.3%	37.5%	16.4%
South Asia	7.7%	4.8%	0.0%	5.5%
Far East	3.8%	4.8%	12.5%	5.5%
North America	3.8%	4.8%	12.5%	5.5%
Other Markets	0.0%	14.3%	25.0%	9.1%

- This high level of initiative and activity most probably reflects the anxiety caused by firm level response to the GOK Policy pronouncement which effectively put a stop to further reliance on Central Bank for forex allocation to importers coupled with the launching of the Retention Accounts as a compensatory incentive to the private sector to earn their own forex requirements.
- Faced with these realities, respondent firms who have to import some of their inputs made frantic efforts to increase their export business as a means of survival and enhanced profitability. While responding to these new challenges, some respondent firms had to abandon some of their previous export products. Most of them however, simply added new products to their existing product portfolio as the tables (4.13, 4.14) below demonstrates.

Table 4.13: Whether or not respondents still export to the chief export markets mentioned in Q17a

	Manufacturing		Agricultural		Both Mfg. & Agricultural		Total	
	NO.	%	NO.	%	NO.	%	NO.	%
Still export	19	73.1%	19	90.5%	4	50.0	42	76.4
Have stopped exporting	3	11.5%	1	4.8%	2	25	6	11
Was not interviewed in PHASE 1 but are still exporting the products they started with	14	15.4%	1	4.8%	2	25	7	13
BASE	26	100	21	100	8	100	55	100

Table 4.14: New export products that respondents have added since baseline survey

Products	Manufacturing		Agricultural		Both Mfg. & Agricultural		Total	
	NO.	%	NO.	%	NO.	%	NO.	%
Manufactured goods	2	7.7	0	0	2	25	4	7.3
Fresh fruits	1	3.8	5	23.8	0	0	6	10.9
Fresh vegetables	0	0	1	4.8	1	12.5	2	4
Cut flowers	1	3.8	1	4.8	0	0	2	4
Fish & Fish products	2	7.7	0	0	0	0	2	4
BASE	26	100	21	100	8	100	55	100

#### 4.2.7 Level of Awareness of Various GOK Export Incentives

As Table 49 in Appendix I demonstrates, there is moderate spontaneous and prompted awareness of the various GOK Export Incentives among the respondent firms.

Those incentives/assistance schemes which enjoyed the highest spontaneous awareness levels were as shown in the table below:

Table 4.15: Level of spontaneous awareness of GOK Export Incentives

Export Incentive	Manufacturing	Agricultural	Both Mfg. & Agricultural	Total Firms
	% FIRMS	% FIRMS	% FIRMS	% FIRMS
Forex Retention	61.5	81.0	50	67.3
Export Compensation	69.2	38.1	87.5	60.0
Duty/Vat Remission	65.4	47.6	37.5	54.5
EPO	34.6	19.0	25.0	27.3

For more comprehensive details of spontaneous and prompted awareness levels see Table 49 in Appendix I.

#### 4.2.7.1 GOK Export Incentives Being Used (since Baseline Survey Phase I)

The Forex Retention was clearly the most heavily, most prevalently used GOK incentive scheme at 80% overall, followed by Duty/VAT Remission at 40% overall and Export Compensation at 36.4% overall. (N.B. Export Compensation was abolished in September 1993). The relative level of use of selected GOK Incentive/Exporter Assistance Schemes by sector are as follows.

Table 4.16: GOK Incentives being used by exporters

EXPORT INCENTIVE	MFG.	AGRIC.	BOTH MFG. & AGRIC
	% FIRMS	% FIRMS	% FIRMS
Forex Retention	73.1	90.5	75.0
Export Compensation	34.6	42.9	50
Duty/Vat Remission	50.0	9.5	62.5
EPPO	7.7	0	0

The rest of GOK Export Incentives and Exporter Assistance Schemes including KETA Services were considered virtually insignificant or irrelevant by most respondent firms as Table 50 in Appendix I shows.

#### 4.2.7.2 Most Favourite GOK Export Incentive

By far, the most favourite incentive is Forex Retention at 60% overall, followed marginally by Export Compensation at 12.7% overall.

Table 4.17: Respondents' most favourite GOK Export Incentives

	Manufacturing	Agricultural	Both mfg. & Agricultural	Total
Forex Retention	46.2%	81.0%	50.0%	60.0%
Export Compensation	19.2%	5%	13%	13%
Duty/VAT Remission	4%	5%	0.0%	4%

**Note:** A significantly high number of respondents (21.8%) did not bother to answer this question. They angrily asserted that there were no such thing as GOK Export Incentives. They claimed that the only incentive for exporting is the Forex Retention Scheme which was NOT a GOK Incentive but a right for the exporters who earned it in the first place.

#### 4.2.8 Constraints Facing Export Marketing

Respondents were generally aware (both spontaneous and prompted) of a wide range of what they considered as constraints facing the export marketing firm in Kenya. Naturally, there are differences in the level of awareness of various constraints, depending on respondent firms' export business sector. For example,

Among the Manufacturing sector firms, (negative) GOK Export Policies/Practices scores the highest spontaneous awareness level at 50%, followed by others as below:

- GOK Export practices 50.0%
- Lack of Export Financing 30.8%
- Lack of Forex 26.9%
- Slow, cumbersome Export Documentation 23.1%
- Lack of GOK Export Incentives 23.1%

Among the Agricultural sector respondent firms, Lack of Transport/Cargo Space and High Transport/Cargo Space costs scored the highest spontaneous awareness level at 57.1% each followed by others as below:

- Lack of Cargo Space/High cost 57.1%
- Slow, cumbersome Export Documentation 33.3%
- High Packaging Costs 28.6%
- Lack of Export Financing 28.6%
- (Negative) GOK Export Policies/Practices 23.8%
- Lack of Storage (Bulk/Cold) Facilities 19.0%
- Lack of Imported Materials (Inputs) 19.0%

Among Both Mfg. & Agricultural sector firms, four constraints scored equal levels of spontaneous awareness of 25% each. These were:

- (Negative) GOK Export Policies/Practices
- Slow, cumbersome Export Documentation
- Lack of Export Financing
- Lack of Forex
- Lack of Imported Materials (Inputs)

The relative level of awareness of the various constraints facing export marketing firms broadly reflected the degree of seriousness with which the respondent firms were affected by these constraints. (See Tables 46 and 48 in Appendix I).

Of the various constraints facing the exporters, the following **GOK Topics** emerged as the most critical:-

- (Unfavourable) GOK Export policies/Practices
- Slow/Cumbersome Export Documentation
- Lack of GOK export Incentives
- Poor Roads and Telecommunication

Of the 19 suggested categories of "Constraints" into which respondents' spontaneous answers were categorized, it is noteworthy that the single category receiving the highest percentage of spontaneous mention was "GOK Export Policies Practices" which received 20 mentions from 55 firms (36.40%).

**Only 23 of 55 firms (42%) when prompted, claimed an awareness of EPPO.**

### **4.3 INSTITUTIONAL CAPACITIES AND CONSTRAINTS OF RESPONDENT FIRMS**

The institutional capacity of any given firm has a direct bearing on its overall efficiency as a service-rendering enterprise. The underlying assumption here is that firms are in business on an on-going basis.

A firm's institutional capacity not only gives it the ability to cope with the present demands on its services but also gives it the manipulative ability and staying power to deal with the inevitable effects of and requirements for change, in order to cope with future threats and opportunities.

Under this section of the report, we present and examine some of the institutional capacity-related variables and limitations obtained from the Phase II Survey.

#### **4.3.1 Level of Technical Skills Required at Firm Level**

##### **4.3.1.1 Required Skills Vs Access To Training on Required Skills**

It will be recalled that:

- 81% of Agricultural sector firms interviewed had permanent employees numbering 1-100,
- 46% of Manufacturing sector firms interviewed had permanent employees numbering 1-100, and,
- 62% of Both Manufacturing and Agricultural firms interviewed had permanent employees numbering 1-100.

If we extend the range of the number of permanent employees to 1-150, the table below gives the detailed picture as obtained from the survey.

Table 4.18: Firms Employing Various Levels Of Permanent Staff By Sector

Range: No. Of Employees	Manufacturing	Agricultural	Both Mfg. & Agricultural
	% OF FIRMS	% OF FIRMS	% OF FIRMS
1 - 50	30.8	66.6	50.0
51 - 100	15.4	14.3	12.5
101 - 150	15.4	4.8	0
1 - 150	61.6	85.8	62.5

The conclusion that can be made from Table 4.18 above is that;

- Most exporting firms in the Agricultural sector are smaller, in terms of the number of permanent employees, than their counter-parts in the other two sectors i.e. Manufacturing and Both Manufacturing and Agricultural.

Now, let us consider the relative number of employees who require technical skills to perform their normal duties, as summarized in the table below. For purposes of comparison we shall use the same class intervals as used above to describe various levels of employees who require technical skills.

Table 4.19: Number of Employees Who Require Technical Skills

Range: No. Of employees who require technical skills	Manufacturing	Agricultural	Both Mfg. & Agricultural
	(% OF FIRMS)	(% OF FIRMS)	(% OF FIRMS)
1 - 50	65.4	71.4	75
51 - 100	8	10	13
101 - 150	8	0	0
1 - 150	81	81	88

(Refer to Table 6 in Appendix I)

Note that coincidentally the proportion of firms who require, technical skills for employees numbering 1-150 are all in the 80% area for all sectors. Finally, the table below gives proportions of firms who have access to the required technical skills against those who do not have access to training in such technical skills.

Table 4.20: Relative Access To Required Technical Skills

HAVE ACCESS/DO NOT ACCESS	MANUFACTURING	AGRICULTURAL	BOTH MFG & AGRICULTURAL
	(% FIRMS)	(% FIRMS)	(% FIRMS)
Have Access	80.8	81	50
Do Not Have Access	19.2	19	50

(Refer to Table 7 in Appendix I)

In conclusion, we see that;

- A higher proportion of firms in the Manufacturing and Agricultural sectors have access to training in the technical skills their employees require to do their jobs than the proportion of firms in the Both Mfg and Agricultural sector.
- Among the Agricultural sector firms who employ up to 150 staff, the proportion who required technical skills and those who have access to the required skills are almost equal at 80%.
- There is a wider gap between required skill level versus level of access to the required skills among the Both Mfg. & Agricultural sector firms. In other words, in this sector, more firms recognise the need for their employees to have technical skills than have access to such Technical skills. But the number is very small in this category (8).

#### 4.3.1.2 Source of Required Technical Skills

In the interview questionnaire, the three possible sources of training in the technical skills required by employees of the respondent firms were defined as:-

- Own company personnel,
- Outside non-company consultants,
- Both own company and outside non-company consultants.

The results of our enquiry into the source of the required skills are as tabulated below:

Table 4.21: Who provides training on required technical skills

	MANUFACTURING	AGRICULTURAL	BOTH MFG & AGRICULTURAL
	(% OF FIRMS)	(% OF FIRMS)	(% OF FIRMS)
• Own Personnel	42	28.6	25
• Outside non-company Consultants	11.5	19.0	0
• Both own and outside non-company consultants	26.9	38.1	37.5
• Unwilling to answer the question	19.2	14.3	37.5

It will be noted that:

- Agricultural sector firms have the highest proportion of their members who use outside non-company consultants and both own company & outside non-company consultants to train their employees on the required technical skills.
- Manufacturing sector firms have the highest proportion of their members who rely entirely on their own personnel to provide training in the required technical skills.
- Both Manufacturing and Agricultural sector firms have the highest proportion of their members who expressed unwillingness to respond to this enquiry.
- While high dependence on own company personnel to train employees in required technical skills can be construed to mean self sufficiency/competence and therefore a measure of high capacity level, in this regard it could also mean unwillingness or inability to adapt to and adopt new ideas/technology from outside non-company consultants, hence, unwillingness or inability to change with the times. In this respect, high dependence on "own company personnel" as is the case with the Manufacturing sector firms can be an incapacitating attribute. Furthermore, most respondents did not hesitate to add that the kind of required training is on-the-job, especially for machine operators.

#### 4.3.1.3 Levels of Expressed Need/No Need For Assistance in the Required Skills

- Agricultural sector firms have the highest proportion of their members, at 76.2%, who expressed the need for assistance in acquiring the technical skills needed by their employees. At the same time, they also have the highest proportion of firms within the same sector who have access to training in required technical skills. These high proportions are consistent with the fact that more Agricultural sector firms use outside non-company consultants than firms in the other two sectors.
- Both Manufacturing and Agricultural sector firms have the highest proportion of their members (50%) who claimed that they do not need any training assistance in the technical skill required by their employees. The negative expression can be interpreted to mean that firms in this sector are self-sufficient in this area. Given, however, that they had the highest proportion of their members (50%) who said that they do not have access to the required technical skills, the logical conclusion is that firms in this sector suffer from self-deception and undue complacency. This attribute is definitely an incapacitating one. Note that the manufacturing sector also suffers from this characteristic although to a lesser degree. In contrast, the Agricultural sector firms come out as more open, ready-to-learn and ready-to-change organisations. They do seem to have the right kind of attitudes to cope with the ever-changing world of business, technology, and consumer preferences.

Table 4.22: Whether or Not Respondent Firms Need Training Assistance in The Technical Skills Their Employees Require.

Need/Do Not Need Assistance	Manufacturing	Agricultural	Both Mfg. & Agricultural
	(% Firms)	(% Firms)	(% Firms)
Need Assistance	57.7	76.2	50
Do not need Assistance	42.3	19.0	50
No Response (QNA)	0	5	0

#### 4.3.1.4 Specific Areas of Technical Skills Where Training Assistance is Needed.

The most important areas of Technical skills where (training) assistance is needed are as given below:-

For Manufacturing Sector Firms:-

- Equipment Maintenance (38.5%)
- Quality control/Assurance (19.2%)
- Financial Operations/Management (7.7%)

NB: As high as 42% of the firms interviewed in this sector declined to respond.

For Agricultural Sector Firms:-

- Quality Control/Assurance (42.9%)
- Product Handling including raw materials, in this case e.g. Pesticides (19%)
- Crop Husbandry/Specialized Farming/ Production techniques (14.3%)
- Financial Operation/Management (9.5%)

NB: 24% of firms interviewed in this sector declined to respond.

For the Both Manufacturing and Agricultural Sector Firms:-

- Equipment Maintenance (37.5%)
- Quality Control/Assurance (12.5%)
- Specialised Production Techniques (12.5%)
- Personnel Management (12.5%)

**Note:**

1. 50% of the firms interviewed in this sector declined to respond.
2. Given the small sector sample size of 8, 12.5% is equivalent to one responding firm only.

Overall, Quality Control/Assurance and Equipment Maintenance are the primary areas where training assistance is needed. If we take "Product Handling including raw materials" and specialised Production/Farming Techniques/Crop Husbandry" to be closely related to Quality Control/Assurance, then this area is the most critical area where assistance in training is needed.

#### **4.3.2 Formal Departmentalization of Firms or Lack of It**

Is the question of whether or not a firm is formally departmentalized a critical issue in assessing its institutional capacity? From the perspective of the school of scientific management, departmentalization is an essential and imperative pre-requisite for organisational efficiency and effectiveness. It allows for division of labour, and hence specialization. It allows for delegation of duties and functions with clear structural relationships and a well-defined chain of command, authority lines and span of control. All of these ensure focused orderliness in the organisational planning and control for the pursuit of its set objectives. The scientific management theory was first elucidated by F.W.Taylor in "The Principles of Scientific Management", Harper and Brothers, 1911.

The conceptual framework of Scientific Management was given its structural dimensions by architects of Bureaucracy as envisioned by Max Weber in "The Theory of Social and Economic Organisation", Free Press, 1947.

Max Weber depicted "Bureaucracy" as the ideal type, and even if "Bureaucracies" may not be ideal in the sense of being functionally perfect, they are ideal in the sense of describing a unique type of organisation structure, one that has withstood the test of time and remains the most important model or prototype for comparative purposes.

In spite of the initial and continuing ramifications of the serendipitous or accidental discovery of Elton Mayo, et al, at the Hawthorne studies, and the subsequent development of the "Human Relations" school which have alerted and drawn the attention of both management theorists and practitioners to the inescapable reality that the human sub-system and its dynamics do have fundamental effects on organisational efficiency and effectiveness, to date, "bureaucracies" or essentially structured departmentalized organisations remain the general characteristic of modern industrial societies, the single most important differentiating factor between primitive and modern human organisations.

##### **4.3.2.1 Whether or not Respondent Firms are Formally Departmentalized**

As the table below indicates, given that most were family-owned, surprisingly high proportions of respondent firms have formally departmentalized structures, with the Manufacturing sector firms taking the lead with 84.6% of them who are formally departmentalized. 11.5% positively said they were not departmentalized.

Next in order were firms falling under the Agricultural sector, with 71.4% saying they are formally departmentalized, and 19% saying they are not. 75% of firms falling under the Both Mfg. & Agricultural sector said they are formally departmentalized. Overall, 78.2% respondent firms said they are formally departmentalized, 16.4% said they were not and 5.5% or 3 out of the 55 firms interviewed avoided answering the question.

See Table 11 in Appendix I.

Table 4.23: Whether or Not Respondent Firms are Formally Departmentalized

	Manufacturing	Agricultural	Both Mfg. & Agricultural
	(% Firms)	(% Firms)	(% Firms)
Formally departmentalized	84.6	71.4	75
Not Formally departmentalized	11.5	19.0	25
Unwilling to answer (QNA)	3.8	9.5	0

#### 4.3.2.2 Reasons Why Certain Respondent Firms are Not Formally Departmentalized

Among the nine firms who responded that they were not departmentalized, the most commonly stated reason is "Company is too small", followed by "Functions are integrated around the CEO's office", as the table below indicates.

Table 4.24: Why Respondent Firms are Not Formally Departmentalized

	Manufacturing	Agricultural	Both Mfg. & Agricultural	Total
	(% Firms)	(% Firms)	(% Firms)	(% Firms)
• Company too small	100	100	100	100
• Functions integrated around the CEO's Office	33.3	50	50	44.4
• Family business-no need for departments	33.3	0	0	11
• Not willing to answer (QNA)	33.3	50	0	33.3

For full details see Table 15 in Appendix I.

It may appear difficult, at first sight, to come up with any sound conceptual theory to explain the surprisingly high proportions of respondent firms which are not formally departmentalized beyond the information conveyed by the table above.

One reason formally given by only one respondent, however, holds the key towards developing such a conceptual theory, as informal discussions with a number of respondents after ending the formal interviews later revealed. According to this theory, formal departmentalizing with a set chain of command and delegation of duties and authority in a hierarchical order brings about discontent and unproductive, almost unnecessary ill-feelings among the director/managers in a family business. Where the director/managers consisted of a father and his sons for example, the father had the title "Chairman", and the sons were all quite happy to be "directors" often with equal share holding. In the case of Asian-Kenyan owned businesses, as applied in this case, no female members of the family are allowed to feature either in the firms' organisational structure or management process at all!

The other important phenomena, again in the case of Asian-Kenyan family owned businesses is that there are no clear cut areas of responsibilities "formally" assigned to particular directors/managers. They all did everyone else's job and a kind of an informal matrix organisational structure evolved. In spite of all these, there is no question whatsoever of which "director/brother" or cousin was calling the shots. The only difference is that this fact must be only silently accepted by all.

#### 4.3.2.3 Level and Extent of Overlapping Responsibilities among Respondent firms

In the table below, the existence of an informal matrix organisational structure is proved beyond any doubt by the high proportion of firms where manager(s) perform more than one duty or function. Asked whether or not any respondent managers/directors perform more than one functional duties,

- 61.5% of the Manufacturing sector respondent firms answered in the affirmative,
- 71.4% of respondents firms in the Agricultural sector did the same and,
- 62.5% of Both Manufacturing and Agricultural sector firms also affirmed.

A high proportion of respondents were sensitive enough to avoid answering the question.

Table 4.25: Whether or Not Any Respondent Manager(s) Perform More Than one Responsibility

	Manufacturing	Agricultural	Both Mfg and Agricultural	Total
	(% Firms)	(% Firms)	(% Firms)	(% Firms)
● Perform more than one responsibility	61.5	71.45	63	66
● Do not perform more than one responsibility	15.4	10	13	13
● Not willing to answer (QNA)	23.1	19.0	25.0	22

#### 4.3.2.4 The Departments That Respondents Have and The Number of Employees in Each

At Tables 12, 13 and 14 in Appendix I, the number of "departments" which respondent firms claimed to have and the number of employees in each of the departments are detailed. Given the high level of "responsibility overlap" between the directors/managers and given that departmentalization in the formal sense hardly exist in quite a number of the respondent firms, no attempt is made to examine the data in any depth.

It is adequate to observe that the most commonly mentioned departments to be in existence by any significant proportions of respondent firms are:

- Production
- Marketing/Export Marketing
- Finance
- Purchasing
- Administration
- Quality Control/Assurance
- Operation/Transport/Dispatch

### 4.3.3 EXPORT MARKETING WITHIN RESPONDENT FIRMS

#### 4.3.3.1 Existence or Otherwise of an Export Marketing Department

The existence or otherwise of an Export Marketing Department in those respondent firms who claimed to be formally departmentalized was specifically investigated as some measure of degree of commitment or weight given to the Export Business by the firm. Table 4.26 below provides the answers.

Table 4.26: Existence or otherwise of an export marketing department

	Manufacturing	Agricultural	Both Mfg & Agricultural
● Number Formally Departmentalized	22%	15%	6%
● Percentage of sector Sub-Total	84.6%	71.4%	75.0%
● Percentage who have Export Marketing Department	54.5%	60%	16.7%

- Overall, just about half of respondents claimed to have an Export Marketing Department. The key to the reasons behind this low number of respondent firms with Export Marketing Departments is to be found in Table 17 in Appendix I which gives reasons why respondent firms do not have an Export Marketing Department as being:-
- The company is too small/whole company is Export oriented.
- Export Marketing function done within the CEO's office.
- Export Marketing part of the Marketing Department.

#### 4.3.3.2 Persons Responsible for Export Marketing Function

As is demonstrated by Table 18 (see Appendix I) which is summarized below, the CEO of a good number of respondent firms are themselves responsible for Export Marketing function especially among Agricultural sector and the Both Mfg. & Agricultural sector firms. This is an important point and goes to confirm the Baseline Survey Phase I results which established the Agricultural sector in particular to be more aggressively export marketing oriented.

Table 4.27: Person Responsible For Export Marketing Function

	Manufacturing	Agricultural	Both Mfg & Agricultural	Total
	(% Firms)	(% Firms)	(% Firms)	
CEO	23.1	38	37.5	30.9
Marketing Manager	34.6	23.8	25.0	29.1
Agent/Third Party	7.7	4.8	0	5.5
BASE	26	21	21	55

- Note that these figures specifically refer to respondent firms who do not have a formal Export Marketing Department, and are calculated against respective sector sub-totals and total sample size of 55 in the case of the Totals column.
- On the basis of the available information so far, the survey investigation into the existence of a specific export manager among respondent firms and to whom such a manager reports etc. as detailed in Table 20, 21, 22 and 23 (Appendix I) is rendered insignificant. The important fact is that the CEO's and/or the Marketing Managers are chiefly in charge of export marketing.

#### 4.3.4 Comparative Assessment of the Quality of Management of Respondent Firms

The "quality" of management of a firm has considerable influence on the style and overall efficacy of its operations. Even at this late stage in the development of management as a subject of study and practice, expert opinions continue to clash as to the definition of quality management. Is it for example, the ability to accomplish given tasks at the lowest cost/least time, or is it the ability to motivate others to accomplish given tasks? Another area of conflicting expert opinion is whether good managers are born (the Trait Theory) or made (the Conditioning Theory) through formal education and specialised training.

In the case of the latter, it is generally accepted that both individual traits and formal education and training contribute towards making quality managers and at this stage it is not very important to argue over which one contributes more than the other.

The next important issue essentially relates to the question of an appropriate "yardstick" for comparative assessment of the quality of management of the respondent firms. Given the "qualitative" as opposed to "quantitative" nature of the quantum "management quality", we have no choice but to be content with equally "qualitative" comparative assessment yardsticks.

For purposes of this study, three yardsticks were used as follows:-

a) Basic Education Level of Managers

Three grades were applied as :

- i) Attainment of at most an "O" Level certificate of education
- ii) Attainment of at most an "A" Level certificate of education, and
- iii) Attainment of at least a Bachelor's degree at University.

b) Working Experience of managers

The working experience of managers was measured and analysed in two lots:-

- i) Total working experience, and
- ii) Working experience within the respondent firm.

c) Use of and willingness to use and pay for Non-company Management Consultancy

This "yardstick" was used to give some indication of the propensity of the firms' management to acquire new skills and therefore their relative openness to change and improvement.

#### 4.3.4.1 Basic Education levels of managers

Table 24 in Appendix I charts out the comparative basic education levels of managers in various firms analysed by sector. Lifting the relevant data applicable only to five key managers deemed to be most relevant to the export marketing function, the table below illustrates some interesting but rather inconclusive differences.

Table 4.28: Basic Education Level of Selected Managers<sup>4</sup>

MANAGER	MANUFACTURING			AGRICULTURAL			BOTH MFG. & AGRICULTURAL		
	"O"	"A"	UNIV	"O"	"A"	UNIV	"O"	"A"	UNIV
	% firms	% firms	% firms	% firms	% firms	% firms	% firms	% firms	% firms
Marketing	23	15.4	34.6	14.3	4.8	33.3	25.0	12.5	37.5
Export marketing	7.7	11.5	23.0	14.3	4.8	4.8	0	0	25.0
Finance	19.2	19.2	38.5	38.1	19.0	28.6	0	50.0	25.0
Production	15.4	19.2	30.8	28.6	9.5	33.3	12.5	12.5	37.5
Quality control / Assurance	15.4	7.7	3.8	9.5	0	9.5	0	25.0	0
BASE	n = 26			n = 21			n = 8		

KEY: "O" represents Ordinary Level of education  
 "A" represents Advanced Level of education

a) Basic Education of Marketing Managers

Respondent firms in each of the three sectors have more or less comparable proportions of university-educated Marketing Managers at mid-thirties percentage point. However, the Manufacturing sector respondent firms have more of their members employing "O" Level and "A" Level educated marketing managers. (Note: Many CEOs in Agricultural sector firms are personally responsible for the Export Marketing function. Their basic education levels were not specifically determined. It will also be recalled that in many firms the Export Marketing function was part of the Marketing Manager's responsibility. (It would be misleading therefore to compare the data on Export Marketing Managers *per se*).

Table 4.29 below summarises the relative basic educational background of Marketing Managers in the various sectors.

<sup>4</sup> The difference between the data and n (100%) represents those not willing to disclose information

Table 4.29: Basic education level of Marketing Manager

SECTOR	O' Level	A' Level	University
	Percentage (Firms)	Percentage (Firms)	Percentage (Firms)
Manufacturing	23.1	15.4	34.6
Agricultural	14.3	4.8	33.3
Both Mfg. & Agric.	25.0	12.5	37.5

**b) Basic education of Finance Managers**

The Agricultural sector respondent firms have the highest proportion of their members employing Finance Managers with up to O' Level certificate of education.

Manufacturing sector firms on the other hand have the highest proportion of their members employing Finance Managers with a university degree.

Table 4.30: Basic education levels of Finance Managers<sup>5</sup>

SECTOR	'O' Level	'A' Level	University
	Percentage (Firms)	Percentage (Firms)	Percentage (Firms)
Manufacturing	19.2	19.2	38.5
Agricultural	38.1	19.0	28.6
Both Mfg. & Agric.	0	50.0	25.0

**c) Basic education of Production Managers**

As was the case with the Marketing Managers, all the three sectors had more or less equal proportions of respondent firms employing Production Managers with at least a university degree. However, in this case, it is the Agricultural sector at 28.6% that had the highest proportion of respondent firms engaging "O" level Production Managers. Table 4.31 on the next page summarises the results:

<sup>5</sup> In most Asian-Kenyan-owned businesses interviewed, the Finance Manager was invariably a member of the family

Table 4.31: Basic education levels of Production Managers

SECTOR	O' Level	A' Level	University
	Percentage (Firms)	Percentage (Firms)	Percentage (Firms)
Manufacturing	15.4	19.2	30.8
Agricultural	28.6	9.5	33.3
Both Mfg. & Agricultural	12.5	12.5	37.5

d) **Basic education of Quality Control/Assurance Managers**

As clearly demonstrated below, this is the weakest area for all respondent firms irrespective of sector. A closer examination of the basic education levels perhaps explains why the Production/Quality Control & Assurance related areas were also the same areas where there is the greatest expressed need for technical skills training assistance.

Table 4.32: Basic education levels of Quality Control/Assurance Managers

SECTOR	O' Level	A' Level	University
	Percentage (Firms)	Percentage (Firms)	Percentage (Firms)
Manufacturing	15.4	7.7	3.8
Agricultural	9.5	0	9.5
Both Mfg. & Agric.	0	25	0

4.3.4.2 **Working Experience of Managers**

Tables 25 and 26 in Appendix I give a comprehensive analysis of the lengths of working experience of the full range of managers engaged by the respondent firms. Once again, however, for purposes of this part of the report, we confine ourselves to four key managers of greatest relevance to the export marketing business.

### a) Working experience of Marketing Managers

The **Manufacturing** sector respondent firms have a fairly large proportion (34.6%) of their members with marketing managers having relatively less experience in the range 1 - 5 years. Since this same sector firms report relatively low proportions of managers with longer experience either within the firm or in total, the conclusion to be made is that the Manufacturing sector has the least experienced Marketing Managers.

The **Agricultural** sector has the most experienced marketing managers, most of them gaining their experience within their present firm. It will be noted that a relatively low proportion (4.8%) of the respondent Agricultural sector firms had marketing managers with 1- 5 years of total experience, compared to 28.6% with total working experience lasting 11 years and above. No wonder they are better at the export business!

Marketing Managers in the **Both Mfg. & Agricultural** sector firms have relatively longer working experience, much of it gained outside the company. Thus, although as high as 62% of this sector's respondent firms claimed that their marketing managers had total working experience of 11 years and above, an equally high proportion of 75% of the same sector firms claimed that their marketing managers had between 1 - 5 years of working experience within the firm. Many of the respondent firms only recently recruited Marketing Managers with long experience.

The table below will help demonstrate the points made above.

Table 4.33: Working experience of Marketing Managers

SECTOR	1 - 5 years		6 - 10 years		11 years and more	
	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM
	% (Firms)		% (Firms)		% (Firms)	
Manufacturing	11.5	34.6	7.7	7.7	7.7	19.2
Agricultural	4.8	19.0	14.3	14.3	28.6	19.0
Both Mfg. & Agric.	12.5	75	12.5	12.5	62.5	12.5

**Note:** In the experience range 6 - 10 years, all sector respondents reported equal proportions of Marketing Managers with same length of experience within the firms and in total, suggesting that they started their careers with the same firms they are working with today.

**b) Working experience of Finance Managers**

As the table below demonstrates, Finance Managers in general have longer years of total working experience.

Table 4.34: Working experience of Finance Managers

SECTOR	1 - 5 years		6 - 10 years		11 years and more	
	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM
	% (Firms)		% (Firms)		% (Firms)	
Manufacturing	3.8	30.8	11.5	26.9	65.4	19.3
Agricultural	19.0	52.4	14.3	4.8	33.3	14.3
Both Mfg. & Agric.	25.0	62.5	0	25.0	62.5	0

- Although significantly high proportions of Finance Managers in all the three sectors have short experience within the firms they are presently working for, they have obviously longer years of total working experience as shown in the totals column, under 11 years plus of experience.
- The Manufacturing and Both Mfg. & Agricultural sector firms apparently employ older and more experienced Finance Managers, although a quarter of the latter sector have managers with a total length of working experience ranging 1- 5 years.
- The Agricultural sector firms have relatively more youthful Finance Managers when total experience is combined to range from 1 - 10 years, with most of them having gained their experience within their present firms. Some of them are the sons of the company CEOs.

**c) Working experience of Production Managers**

The length of working experience for Production Managers is as tabulated below:-

Table 4.35: Working Experience of Production Managers

SECTOR	1 - 5 years		6 - 10 years		11 years and more	
	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM
	% (Firms)		% (Firms)		% (Firms)	
Manufacturing	3.8	38.5	26.9	23.1	34.6	7.7
Agricultural	9.5	38.1	4.8	23.8	42.9	9.5
Both Mfg. & Agric.	0	62.5	12.5	12.5	75.0	12.5

There are unique similarities in the proportions of Manufacturing only and Agriculture only firms on three points:-

- Firstly, the proportions of Manufacturing only firms and Agricultural only firms having production managers with working experience of 1 - 5 years gained within their present firms are equal at 38%.
- Secondly, the proportions of firms in these same sectors who have production managers with working experience of 6 - 10 years gained within their present firms are again equal at 23%.
- Thirdly, the proportions of firms in the same Manufacturing only and Agricultural only sectors who have production managers with total working experience of 11 years and more are closely similar around a median of 38%.

The consistency of similarity between Manufacturing only and Agricultural only firms on the key issue of production management experience, as revealed by the survey results is worth noting, especially given that these two sectors are also shown to be the more export oriented.

The Both Mfg. & Agricultural sector firms have more of the longest serving Production Managers in total years of experience. None reported having a Production Manager with below 5 years experience and even though 62.5% claimed that their Production Managers have had 1 - 5 years working experience within the firm, a correspondingly high proportion of 75% have Production Managers having total working experience of 11 years and above. This clearly proves the fact that they gained their experience elsewhere before joining their present firms.

d) **Working experience of Quality Control/Assurance Managers**

It will be recalled that in terms of basic level of education, this is the weakest management area for all sectors. The table below presents the case of working experience of Quality Control/Assurance Managers of the respondent firms, analysed by sector and length of working experience.

Table 4.36: Working experience of Quality Control/Assurance Managers

SECTOR	1 - 5 years		6 - 10 years		11 years and more	
	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM	TOTAL	WITHIN FIRM
	% (Firms)		% (Firms)		% (Firms)	
Manufacturing	7.7	7.7	3.8	3.8	11.5	7.7
Agricultural	4.8	19.0	19	4.8	19.0	0
Both Mfg. & Agric.	12.5	0	0	0	0	0

- Quality Control/Assurance is once again proved to be the weakest area among respondent firms from all the three sectors in terms of management experience.

4.3.4.3 **Level of usage of Non-Company Management Consultancy services by Respondent Firms**

This is the third yardstick used for comparative assessment of the quality of management of the respondent firms as already explained.

a) **Usage of outside non-company management consultancy services**

From the summary table below, it will be seen that 47.3% of the firms interviewed have used non-company outside management consultancy services which were defined to exclude the routine services of external audit firms.

The manufacturing sector had the highest proportion of their members who have ever used such services at 53.8%, followed by both Mfg and Agricultural sector firms at 50% and Agricultural sector firms at 38.1%.

Table 4.37: Usage of outside non-company management consultancy

	Manufacturing	Agricultural	Both Mfg. & Agricultural	Total
Have ever used	53.8	38.1	50.0	47.3
Have never used	46.2	61.9	50.0	52.7
BASE	n=26	n=21	n=8	n=55

- On the basis of the above statistics we can remark that the management of the Manufacturing and the Both Mfg & Agricultural sectors are relatively more exposed than the Management's of Agricultural only firms.

b) Specific Areas of Management consultancy used before

- From those firms who claimed to have used outside non-company management consultancy services before, the table below gives some of the specific areas where such services have been used by each sector. More comprehensive details are at Table 28 in Appendix. I

Table 4.38: Some Specific Areas where consultancy services have been used

	Manufacturing	Agricultural	Both Mfg. & Agricultural	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
● Marketing	7.1	12.5	25	11.5
● Export Marketing	21.4	12.5	25	19.2
● Finance	57.1	12.5	25	38.5
● Production	35.7	37.5	50	38.5
● Quality Control/Assurance	14.3	37.5	25	23.1
● Data Processing	21.4	37.5	0	23.1
● Farm Management	-	25.0	-	7.7
● Security	14.3	25.0	0	15.4

Note:

- Once again Finance, Production and Quality Control/Assurance emerge as the key areas where there is greatest "felt" need for assistance and where therefore consultants are used most.
  - Export Marketing in particular and marketing in general emerge as areas where external non-company assistance is needed. This suggests that respondent firms implicitly recognize that lack of marketing skills is a constraint but do not hire consultants to help them overcome its incapacitating effects on their business in general and export business in particular.
- c) **Whether or not Respondent Firms would like to have outside non-company consultancy services.**

This was the subsequent question put to all the firms interviewed irrespective of whether or not they have ever used such services before.

The respondent firms overwhelmingly answered to the affirmative.

- All 8 respondent firms in both Mfg and Agricultural sector said they would like to have such services,
  - 95.2% of firms in the Agricultural sector said the same, and
  - 88.5% of respondent firms in the manufacturing sector also said so.
  - Only 2 out of 26 firms in the Manufacturing sector said they would not like to have such services.
  - One firm each from the Manufacturing and Agricultural sectors declined to respond to the question.
- d) **Whether or not respondent firms are willing to pay for Outside Non-Company Management Consultancy Services.**

This question was posed to further test the management of respondent firms' real willingness and readiness to use and pay for outside consultancy services. The table below speaks for itself:-

Table 4.39: Respondents' willingness/unwillingness to pay for management consultancy services

WILLINGNESS TO PAY	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
Yes are willing to pay	53.8	57.1	100	61.8
Not willing to pay	19.2	14.3	0	14.5
QNA <sup>o</sup>	26.9	28.6	0	23.6
BASE	n=26	n=21	n=8	n=55

- The results in the above table strongly support the previous one: all firms in the Both Mfg. & Agricultural sector would like to have and are willing to pay for outside, non-company consultancy services.
- More Agricultural sector firms than Manufacturing sector firms would like to have and are willing to pay for non company outside consultancy services.

v) **Specific Areas where Consultancy Services are Needed**

- A Comprehensive list of all areas where outside non-company consultancy services are needed is given at Table 31 in Appendix I.
- The nine key areas where outside consultancy services are needed with overall frequency of 45% and above are as given in Table 4.40 below:-

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<sup>o</sup> QNA includes those who declined to respond to the question as well as those who said they did not need such services.

Table 4.40: Specific Areas where Consultancy Services are Needed

Area of consultancy	Manufacturing	Agricultural	Both Mfg & Agricultural	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
1. Marketing	52.2	60.0	50.0	54.9
2. Export Marketing	60.9	60.0	75.0	62.7
3. Purchasing	43.5	55.0	37.5	47.1
4. Finance	65.2	55.0	25.0	54.9
5. Personnel	43.5	50.0	37.5	45.1
6. Production	73.9	70.0	50.0	68.6
7. Quality Control/ Assurance	56.5	65.0	50.0	58.8
8. Research & Development	52.2	50.0	37.5	49.0
9. Data Processing	47.8	50.0	25.0	45.0

From the above table, the following points can be validly made:

- It is clearly established that Production, Marketing/Export Marketing and Quality Control/Assurance are the areas where most firms need assistance/outside non-company consultancy services.
- The Manufacturing Sector is hard pressed to have such services in Production, Finance Marketing/Export Marketing and Quality Control/ Assurance, in that order.
- The Agricultural Sector have the greatest need for management consultancy services in the four key areas of Production, Quality Control/Assurance, Marketing/Export Marketing and Finance/Purchasing.
- Both Manufacturing and Agricultural Sector has the greatest consultancy need in two closely inter-related key areas namely Marketing/Export Marketing and Production/Quality Control/Assurance.

### 4.3.5 Comparative Firm level Production Capacity Utilization

#### 4.3.5.1 Installed versus Actual/Utilized Capacity

Over capacity or excess installed capacity above utilized capacity is an important determinant of a firm's ability to take advantage of rapid increases in the sales demand for its products. In this respect, excess installed capacity is therefore a desirable asset which can enable the firm to realize more sales and therefore more profits under fast growth market demand conditions.

On the other hand, under-utilization of installed capacity ties down valuable capital and hence is a liability. However it may as well reflect inefficient production management and/or technology which leads to idle capacity.

Table 4.41 below gives the comparative levels of production capacity (expressed as a percentage of installed) currently being utilized by sector:-

Table 4.41: Production capacity currently being utilised by respondents

% (Range) of Capacity Utilized	Manufacturing	Agricultural	Both Mfg & Agric	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
1 - 20	11.5	0	0	3
21 - 40	23.1	23.8	25.0	23.6
41 - 60	19.2	33.3	37.5	27.3
61 - 80	11.5	14.3	12.5	12.7
81% and above	34.6	28.6	25.0	30.9
BASE	n=26	n=21	n=8	n=55

The following points are observed from the table above:

- As high as 34.6% of the Manufacturing sector firms are operating at 40% installed capacity and below, compared to 23.8% for the Agricultural sector.
- Just about one third of the Agricultural sector and Both Mfg and Agric. sector firms operate at between 41-60% installed capacity, compared to about one fifth of Manufacturing sector firms operating within the same capacity levels.
- More manufacturing sector firms (34.6%) operate at 81% and above capacity levels

than either Agricultural sector firm (28.6%) or Both Mfg and Agric. sector firms (25%).

- Manufacturing only (46%) and Agriculture only (43%) have more of their members operating at the higher capacity levels of 61% and above, than the Both Mfg and Agricultural sector firms (37.5%).

The important conclusion to be made is that most firms, notwithstanding sectoral differences, are operating at actual capacity levels well below installed capacity. This explains the high level of concern and expressed need for external management consultancy services in the four key areas of:

- Production
- Marketing/Export Marketing
- Quality Control/Assurance, and
- Finance.

#### **4.3.5.2 Constraints Inhibiting Maximum Capacity Utilization**

Having established the fact that most firms are operating at well below their installed or maximum capacity levels, let us now examine the nature of constraints inhibiting maximum capacity utilization as given in the table below:

Table 53 in Appendix I gives the full details while the summary table below includes only those constraints with a frequency of at least 20% within any particular sector.

Table 4.42: Constraints inhibiting maximum capacity utilization<sup>7</sup>

Constraint	Manufacturing	Agricultural	Both Mfg & Agric	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
● Raw Materials cost and lack of	23.1	4.8	25	16.4
● Unstable demand/ unfavourable competition	50.0	38.0	25	41.8
● Unfavourable weather conditions in export markets	-	29	12.5	12.7
● Transport/Cargo related problems	-	66.7	-	25.5
● Lack of Export Financing	15.4	-	25.0	10.9
● Poor Production Practice Technology affecting product quality and quantity	19.2	9.5	-	-
BASE	n=26	n=21	n=8	n=55

From the above table, the following points are established:-

- Unstable demand/Unfavourable competition is the single most critical constraint inhibiting maximum capacity utilization among manufacturing sector firms.
- Transport/Cargo space related problems is the single most critical constraint inhibiting maximum capacity utilization among Agricultural sector firms.
- Baseline survey results are hereby corroborated.
- There is not one single most critical constraint emerging for the Both Mfg. & Agricultural sector firms.

<sup>7</sup> Most respondents gave more than one type of constraint as inhibiting maximum capacity utilization.

#### 4.3.5.3 Whether or not Respondent Firms are able to meet increased Sales Demand

The answer to this question is well covered from the previous information which clearly establish that most firms currently operate at capacity levels well below installed maximum and can therefore meet increased sales demand. Accordingly, the table below confirms the already obvious answer.

Table 4.43: Whether or not respondents can meet increased sales demand

	Manufacturing	Agricultural	Both Mfg & Agric	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
Can meet increased Sales requirement	76.9	76.2	50.0	72.7
Cannot meet increased Sales requirement	15.4	23.8	37.5	21.8
Unwilling to answer (QNA)	7.7	0	12.5	5.5

Note:

- When questioned further to state whether or not they can meet increased sales volume requirements without upgrading their present machinery, most respondents averaging 75% confirmed that they could do so with their current production and packaging Machinery and Equipment (For details see Table 57 in Appendix I).
- Slightly higher proportions of respondents (averaging 89%), also confirmed their ability to meet required quality standards with their current production and packaging machinery and equipment.
- Having so claimed, a good proportion of respondents across the sectoral boundaries, and averaging between 23%-50%, were quick to add that although they could meet both quantity and quality standard/requirements with their present machinery, they still needed to upgrade, in order to remain competitive and meet future requirements. (See Tables 56 and 57 in Appendix I).

#### 4.3.5.4 Use of Third Party Production Capacity

##### a) Whether or not Respondent Contract out part or Whole of Their Production

In spite of most respondents operating at below their maximum capacity levels, a very high proportion do contract part or whole of their production to third parties. This data however must be carefully interpreted.

For most firms in the Agricultural only and Both Mfg and Agric. sectors, third party production of fresh export produce and/or fresh raw material inputs, especially from their contracted farmers are considered **part of their installed capacity**.

It is important to have this point in mind while examining the table below.

Table 4.44: Whether or not respondents contract part/whole of their production

	Manufacturing	Agricultural	Both Mfg & Agricultural	Total
Contract Part/Whole of production	11.5	42.9	25.0	25.5
Do not contract any part of production	84.6	57.1	62.5	70.9
QNA	3.8	0	12.5	3.6
BASE	n=26	n=21	n=8	n=55

**b) Percentage of Production Contracted Out**

Table 59 in Appendix I gives out the detailed comparative analysis of the amount of respondents' production which they contract out to third party contract/non-contract outgrowers.

The main highlights of the table are summarised below and are self-explanatory.

Table 4.45: Percentage of production contracted out

% production Contracted Out	Manufacturing	Agricultural	Both Mfg & Agric.	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
1 - 20	92.3	57.1	87.5	78.2
61 - 80	0	19.0	0	7.3
81+	3.8	23.8	12.5	12.7
BASE	n=26	n=21	n=8	n=55

NB: As would be expected, more respondent firms in the Agriculture only sector contract out higher percentages of their sales production.

#### 4.3.5.5 Usage of Contract/Non-Contract Outgrower Farmers

- As a further exposition of the point made above in respect to respondents who deal in agricultural produce either as raw material input (into their manufacturing enterprises) or for direct export in fresh form, Table 78 in Appendix I is reproduced below.

Table 4.46: Whether or Not Respondents Use Contract/Non-Contract) Outgrowers

	Agricultural		Both Mfg. Agricultural	
	Contractual Agricultural	Non-contractual Agricultural	Contractual Both Mfg. & Agric	Non-Contractual Both Mfg. & Agric
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
Use	61.9	71.4	25.0	12.5
Do not Use	33.3	19.0	75.0	87.5
BASE	n=21	n=21	n=8	n=8

- As can be clearly seen, the majority of firms in Agriculture only sector use either contract or non-contract (or both) outgrowers to supplement their own production.
- Much fewer firms in the Both Mfg and Agric. sector, in comparison, use contract/non-contract outgrowers.

#### 4.3.6 Application of Product Quality Standards in Production

Except for one respondent firm in the Manufacturing sector, all respondent firms claimed to apply product quality standards at several stages in their production process.

##### 4.3.6.1 How Respondents Rate Their Ability to Meet Required Product Quality Standards

In spite of expressing considerable need for assistance in the area of Quality Control/Assurance, few respondent firms rate their ability to meet the required product quality standards as either "Very weak" or "Weak" as the table below reveals. Most respondents rated themselves as either "Fair" (27.3%) or "Strong" (43.6%), while one quarter (25.5%) of all respondents rated their ability to meet required product quality standard as "Very strong". Note the amazing similarity in the comparative ratings between the sectors.

Table 4.47: How Respondents Rate Their Ability To Meet Required Product Quality Standards

Rating	Manufacturing	Agricultural	Both Mfg. & Agric	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
Very weak	0.0	0.0	0.0	0.0
Weak	3.8	0.0	0.0	1.8
Fair	23.1	28.6	37.5	27.3
Strong	46.2	42.6	37.5	43.6
Very Strong	23.1	28.6	25.0	25.5
QNA	3.8	0.0	0.0	1.8
BASE	n=26	n=21	n=8	55

#### 4.3.6.2 Respondents' Self-expressed Need For Assistance in Product Quality Standards Control/Assurance

Contrary to the degree of self-confidence exuded in the above table, many respondent firms need help in Quality Control/Assurance matters. More Agricultural and the Both Mfg. & Agricultural sector firms admit this than do the Manufacturing only firms. This confirms earlier conclusions that most respondent firms are actually in dire need of external consultancy assistance in the area of Quality Control/Assurance.

Table 4.48: Whether or Not Respondents Need Assistance in Meeting Product Quality Standards

	Manufacturing	Agricultural	Both Mfg & Agric.	Total
Need	46.3	71.4	62.5	58.2
Do not need	50.0	28.6	37.5	40.0
QNA (Unwilling to answer)	3.8	0	0	1.8
BASE n=26	n=26	n=21	n=8	55

#### **4.3.6.3 Specific Type of Assistance Needed In Application Of Product Quality Standards**

As should be, there are variations in the specific type of assistance needed in application of required product quality standards by the different sectors. Thus for example:

- 19% of Agricultural only respondents expressed the need for assistance to set up their own cold storage/pre-pack facilities.
- 15.4 % of Manufacturing only respondents expressed the need for assistance in acquiring/installing New production technology for optimum quality control.
- 11.5% of Manufacturing only and 9.5% of Agriculture only firms expressed the need for information/education (e.g. to farmers on quality standards/ crop husbandry including Maximum Pesticide Residue levels (MPRs).
- Most significantly 11.5% of Manufacturing only, 12.9 % of Agriculture only, and 12.5 % of Both Manufacturing and Agricultural sector respondents, expressed the desire to be assisted to set up their own quality control systems.

Further details on this issue can be obtained from Table 65 in Appendix I.

#### **4.3.6.4 Whether or not Respondents Have Refrigerated Facilities/Cold Rooms**

Ownership or easy and inexpensive access to refrigerated/cold room facilities either at fixed/static locations or fitted to mobile vehicles is a major step towards achieving required quality standards by respondent firms in the fresh produce export business. As a further means of establishing the ability of the relevant respondent firms in this regard, this survey gathered the information tabulated below:-

Table 4.49: Whether or not Respondents Have Refrigerated Facilities/Cold Rooms

	Manufacturing	Agricultural	Both Mfg. & Agricultural	Total
Have	11.5	71.4	37.5	38.2
Do not have	0	23.8	12.5	10.9
QNA (Question Not Applicable/Not Answered)	88.5	4.8	50.0	50.0
BASE	n=26	n=21	n=8	55

- It should be noted that most horticultural exporters have cold room facilities at more than one location as the table below illustrates.

Table 4.50: Where Respondents Have their Refrigerated Facilities/Cold Rooms

Location of Refridge/ cold rooms	Manufacturing	Agricultural	Both Mfg & Agric.	Total
	% (Firms)	% (Firms)	% (Firms)	% (Firms)
The Airport	11.5	90.5	25.0	43.6
On the Farm	0	38.1	12.5	16.4
Godown/Ware house	0	14.3	0	5.5
On Mobile transport units	0	0	12.5	1.8
BASE	n=26	n=21	n=8	55

#### **4.3.7 Comparative Assessment of Financial Viability and Status of Respondent Firms**

In order to gain a better understanding and appreciation of the viability or otherwise of the target recipients of assistance under the KEDS Firm Level Assistance Programme, a number of key financial viability indicators were investigated. Among the key indicators investigated are:-

- Operating Profit Margins for 1990, 1991, 1992 and expected for 1993,
- Various Balance Sheet ratios, and,
- Firms' ability to obtain credit facilities from their banks for various business applications.

##### **4.3.7.1 Annual Operating Profit Margins levels: 1990-1993**

At Table 66 and 66b in Appendix I, the full details of reported actual operation profit margins and expected for 1993 are provided.

The key points to be made from these tables are the following:-

- There is a higher concentration of firms reporting operating profit margins of upto 10% for all the years.
- The majority of respondent firms reported operating profit levels of 1 - 30% in all the three years (Only a handful Agriculture only firms and one Mfg only firm exceeded this mark).
- In the case of Agriculture only firms, although there is a higher concentration of their members reporting operating margins of upto 10% over the three year period, those reporting operating margins ranging from 11-20% were also significant.
- From the available information, the Agriculture only firms are consistently more profitable than firms in the other sector. The Manufacturing only sector firms, in particular project reveal a very erratic trend in their reported annual operating margin levels.

Table 4.51: Reported Operating Profit Margins By Sector

% Profit Margin Levels	Manufacturing				Agricultural				Both Mfg & Agricultural			
	% of firms				% of firms				% of firms			
	1990	1991	1992	1993*	1990	1991	1992	1993*	1990	1991	1992	1993*
1 - 10	46.2	42.3	30.8	34.6	38.1	38.1	38.1	28.6	12.5	12.5	12.5	25.0
11-20	11.5	15.4	30.8	30.8	19.0	23.8	23.8	14.3	0	12.5	0	12.5
21-30	11.5	8	3.8	7.7	9.5	14.3	9.5	9.5	25.0	25.0	12.5	12.5
31-40	0	4	3.8	3.8	9.2	4.8	4.8	0	0	0	0	0
No profit (Break-even)	27	0	30.8	0	0	14.3	19.0	0	0	0	0	0

\* Expected operating annual profit margin for 1993

- A number of firms under Manufacturing and Agriculture only sector reported having made neither profits nor loss i.e. they just broke-even.
- Using the statistics above and the expected operating profit margins for 1993, Four line graphs have been drawn for various operating profit margin levels as indicated in the next page as follows:-.

Figure 4.1: Percentage number of firms reporting an operating profit margin of upto 10%

Figure 4.2: Percentage number of firms reporting an operating profit margin of upto 20%

Figure 4.3: Percentage number of firms reporting an operating profit margin of upto 30%

Figure 4.4: Percentage number of firms reporting an operating profit margin of upto 40%

Based on the graphical presentation above (Figures 4.1-4.4), the following additional observations are valid:-

- There was a sharp decline in the % number of Manufacturing firms reporting annual operating profit margins of upto 10% and a correspondingly sharp increase in the % number of the same sector firms reporting annual operating margins of 11-20%. There is no obvious explanation for this extra-ordinary shift in trends, other than that perhaps more firms were beginning to make profits as a result of price decontrols!
- There is a sharp increase, then steady trend in the % number of Agriculture only firms reporting upto 10% annual operating margins. An almost exactly similar pattern, but at a lower level, occurred for the same sector firms reporting annual operating margins of 11-20%
- The picture presented by the Both Mfg and Agricultural sector firms is one of a sluggish, fairly unstable sector lacking of much business excitement. Whereas this negative observation can be partly explained away by the small sector sample size, it cannot be ruled out either as representing the true picture of this sector. The image of an inactive and rather uncertain sector has been a fairly consistent feature all along for the Both Mfg. & Agricultural sector.
- The Agricultural sector respondents hold a much gloomier view of 1993 profit prospects than respondents in the other two sectors. Many predict lower profits, largely due to the adverse weather conditions currently pertaining in the country.

#### 4.3.7.2 Relative Levels of Indebtedness

The second set of financial viability indicators which was investigated is the relative level of short term and long term indebtedness of respondent firms.

The comparative analysis of this indicator by sector is presented in the two Tables 4.52 and 4.53.

- The Both Mfg and Agric. sector is generally much safer, and much more secure from indebtedness. This may, on the other hand be a reflection and confirmation of the already developing theory that this sector is much more sluggish and less dynamic than the other two sectors.

Table 4.53: Long Term Liability as % of Total Assets

% Ratio	Manufacturing		Agricultural		Both Manufacturing & Agricultural	
	NO.	% (Firms)	NO.	% (Firms)	NO.	% (Firms)
ZERO	7	26.9	7	47.6	0	0
1 - 20	2	7.7	3	14.3	0	0
21 - 30	2	7.7	2	9.5	1	12.5
31 - 40	5	19.2	1	4.8	0	0
41 - 50	2	7.7	2	9.5	1	12.5
51 - 60	0	0	0	0	1	12.5
61 - 70	0	0	1	4.8	0	0
71 - 80	0	0	0	0	0	0
81 +	1	3.8	2	9.5	0	0
QNA	7	26.9	3	14.3	5	62.5
BASE	n=26		n=21		n=8	

From the table above, the single most important point is made, that just about 62% of all firms, irrespective of sector, have long term loans or indebtedness at a minimal level of 0-20% of their total assets. Indeed, apart from a handful firms in each sector, most respondent firms interviewed in this survey are fairly secure from both short term and long term indebtedness.

#### 4.3.7.3 Relative Access To Credit Facilities For Various Business Applications

From a financial and business point of view, banks have the most intimate knowledge and objective financial assessment of their customers than any other third parties. Willingness on the part of a bank to extend credit facilities to its given customer is therefore a sign of confidence in that customer.

In order to evaluate the level of banker confidence in the respondent firms, the latter were asked as part of this survey to say whether or not they have access to credit facilities at their banks, for various business applications.

The table below presents the outcome of this enquiry:

Table 4.54: Relative access to credit facilities for various business applications

Credit Applications	Manufacturing		Agricultural		Both Mfg. & Agricultural	
	Have Access	Do Not Have	Have Access	Do not Have	Have Access	Do not Have
	% (Firm)	% (Firm)	% (Firm)	% (Firm)	% (Firm)	% (Firm)
For working Capital	88.5	3.8	100	0	75	25
To purchase Machinery/Equip	57.7	30.8	66.7	28.7	62.5	25
For Property Development	42.3	34.6	33.3	52.4	50.0	25
Off Shore financing of imports	30.8	46.2	9.5	81.0	12.5	50

From the table above the following observations should be noted:

- The majority of respondent firms have access to credit facilities from their banks for working capital, with Agricultural only sector recording 100% access to such facility.
- The Both Mfg and Agricultural sector recorded the lowest level of access to credit facilities for working capital. This might be a reflection of either self-sufficiency in terms of working capital or in line with the emerging trend, a further confirmation of the sluggishness of this sector.
- It is important to bear in mind that low level of access to credit facilities for whatever business application does not necessarily suggest lack of confidence in the particular respondent firm by their bankers. It could also mean that the respondent customers themselves have never asked for such facilities or that they are adequately liquid or that they are unable to meet collateral requirements of banks.
- There was a generally low level of response to this enquiry reflecting a high degree of apathy to this particular question on the part of respondent firms.

To help further understand the main issues surrounding this subject of access to credit facilities, respondents were asked to explain why they did not have access to credit facilities at their banks. The main reasons given are tabulated in Table 4.55 in the following page

Table 4.55: Why some respondents do not have access to credit facilities at their banks

MANUFACTURING		AGRICULTURAL		BOTH MFG & AGRICULTURAL	
Main Reasons	%	Main Reasons	%	Main Reasons	%
1. Interest rates too high	3.8	1. Banks unwilling to finance Capital equipment	14.3	1. Interest Rates too high	12.5
2. Banks unwilling to finance Capital equipment	7.7	2. Difficult to remit forex	4.8	2. Banks want 100% security	12.5
3. Borrowing limits problem	7.7	3. Don't need financing	33.3		
4. Don't need financing	11.5	4. Financed by customer	4.8		
QNA	69.2	QNA	42.9	QNA	75
n = 26		n = 21		n = 8	

The question of access to credit facilities was probed even further by exploring what assistance respondents might need if any, in terms of being able to get access to credit facilities for working capital.

Once again there was general lack of interest in the question with virtually all respondents in the Both Mfg. & Agricultural sector declining to answer. The single respondent who answered this question from that particular sector said he needed no assistance (see Table 72 in Appendix I). Elsewhere respondents gave various answers as tabulated in Table 4.56 below:

Table 4.56: Types of assistance needed by respondent firms

MANUFACTURING ONLY		AGRICULTURAL ONLY	
ASSISTANCE NEEDED	%	ASSISTANCE NEEDED	%
1. Pre-shipment Financing	3.8	1. Pre-shipment Financing	9.5
2. Reduce/restrict borrowing limits	11.5	2. Introduce Revolving Fund (for exporters)	4.8
3. System of Export Guarantees (for exporters)	3.8	3. Introduce special interest rates for exporters	4.8
4. Cheaper sources of financing	7.7	4. Lower interest rates	4.8
5. No Assistance needed	3.8	5. System of Finance guarantees	4.8
		6. Cheaper sources of financing	4.8
QNA	69.2	QNA	61.9

After examining carefully all the responses tabulated, they all come to one thing: **Exporters need access to more affordable finances for their export business.**

There are no major variations in the content of responses obtained in respect to possible assistance needed to purchase Machinery and Equipment, to develop property or for off-shore financing of imports.

(See Tables 73, 74 and 75 in Appendix I.)

#### 4.3.7.4 Ownership or Otherwise of Business Premises Occupied By Respondents

As a final test of comparative security and asset base of respondent firms, they were asked to state whether they owned or rented the business premises they occupy presently. The results of this enquiry are presented below:

Table 4.57: Whether Respondents Own or Rent The Floor Space They Currently Occupy

FLOOR SPACE	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL	
	RENTED (% FIRMS)	OWNED (% FIRMS)	RENTED (% FIRMS)	OWNED (% FIRMS)	RENTED (% FIRMS)	OWNED (% FIRMS)
Production	19.2	80.8	42.9	38.1	12.5	75
Ware Housing	15.4	84.6	47.6	52.4	12.5	75
Office/Administration	19.2	80.8	66.7	33.3	12.5	75
BASE	n = 26		n = 21		n = 8	

The majority of Manufacturing sector and Both Mfg. and Agricultural sector firms own the business premises they are currently occupying. In contrast less than half of the Agricultural sector firms own the production premises they currently use.

#### 4.3.8 Comparative Assessment of Types of Informatics Equipment In-Use By Respondent Firms

Business in general and export business in particular require very efficient and cost-effective means of information processing and communication.

As a way of measuring the relative strengths of respondent firms in this important area, an inventory of the various informatics equipment in use by them was made and are summarized below:-

Table 4.58: Types of informatics equipment that respondents are currently using

INFORMATICS EQUIPMENT	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
	% FIRMS	% FIRMS	% FIRMS	% FIRMS
Computers for accounting	88.5	52.4	75.0	72.7
Computers for word processing	69.2	61.9	62.5	65.5
Fax machines	100	100	87.5	98.2
Telex Machines	57.7	47.6	37.5	50.9
PABX (Switch Board)	96.2	85.7	75.0	89.1
Photocopiers	96.2	90.5	75.0	90.9
Typewriters	96.2	90.5	100	94.5
BASE	n = 26	n = 21	n = 8	n = 55

- The level of usage of modern informatics equipment by respondent firms is impressively high. The generally lower level of use of Telex Machine is due to the obvious preference for Fax Machines.
- The Agricultural sector firms have less of their members using computers for accounting purposes. Together with the generally high prevalence of computers all round, this should explain why assistance in Data Processing is high on the agenda of some respondent firms.

**LIST OF COMPANIES INTERVIEWED IN PHASE II**

	TOWN	COMPANY	DATE INTERVIEWED
1.	Nairobi	Woni Vegetable & Fruits Exporters	15/6/93
2.	Nakuru	Kapi Limited	15/6/93
3.	Nakuru	Njoro Cannery	14/6/93
4.	Nairobi	George Williamson Engineering	15/6/93
5.	Naivasha	Lake Naivasha	

## **APPENDICES**

# **APPENDIX I**

**DETAILED STATISTICAL TABLES**

**FROM TABLE 1A TO 80**

KENYA EXPORT DEVELOPMENT PROJECT  
FIRM LEVEL ASSISTANCE: PHASE II SURVEY

TABLE IA: DISTRIBUTION OF RESPONDENTS BY SECTOR AND LOCATION (Q1&2)

	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Nairobi	17	65.4%	17	81.0%	2	25.0%	36	65.5%
Mombasa	5	19.2%	2	9.5%	2	25.0%	9	16.4%
Kisumu	3	11.5%	0	0.0%	1	12.5%	4	7.3%
Naivasha	0	0.0%	2	9.5%	2	25.0%	4	7.3%
Nakuru	1	3.8%	0	0.0%	1	12.5%	2	3.6%
<b>BASE</b>	<b>26</b>	<b>47.3%</b>	<b>21</b>	<b>38.2%</b>	<b>8</b>	<b>14.5%</b>	<b>55</b>	<b>100.0%</b>

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KENYA EXPORT DEVELOPMENT PROJECT  
FIRM LEVEL ASSISTANCE: PHASE II SURVEY

TABLE 1B: DISTRIBUTION OF RESPONDENTS BY OWNERSHIP (Q3)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Wholly local (private owned)	12 46.2%	18 85.7%	4 50.0%	34 61.8%
Mixed local-foreign (private owned)	10 38.5%	3 14.3%	3 37.5%	16 29.1%
Mixed local-foreign (with public shares)	1 3.8%	0 0.0%	1 12.5%	2 3.6%
Wholly foreign (private owned)	3 11.5%	0 0.0%	0 0.0%	3 5.5%
<b>BASE</b>	<b>26 47.3%</b>	<b>21 38.2%</b>	<b>8 14.5%</b>	<b>55 100.0%</b>

KENYA EXPORT DEVELOPMENT PROJECT  
 FIRM LEVEL ASSISTANCE: PHASE II SURVEY

TABLE 2: TOTAL EMPLOYMENT (MALE AND FEMALE) LEVELS BY SECTOR

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
1 — 50	2 7.7%	7 33.3%	1 12.5%	10 18.2%
51 — 100	4 15.4%	3 14.3%	1 12.5%	8 14.5%
101 — 150	1 3.8%	2 9.5%	2 25.0%	5 9.1%
151 — 200	5 19.2%	3 14.3%	0 0.0%	8 14.5%
201 — 400 *	8 30.8%	3 14.3%	2 25.0%	13 23.6%
401 — 600	1 3.8%	0 0.0%	1 12.5%	2 3.6%
600+	5 19.2%	4 19.0%	1 12.5%	10 18.2%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

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TABLE 3: NUMBER OF MALE EMPLOYEES BY STATUS (Q4A)

NUMBER/ STATUS	MANUFACTURING			AGRICULTURAL			BOTH MFG. & AGRICULTURAL		
	FULL-TIME PERMANENT	FULL-TIME TEMPORARY	TEMPORARY CASUAL	FULL-TIME PERMANENT	FULL-TIME TEMPORARY	TEMPORARY CASUAL	FULL-TIME PERMANENT	FULL-TIME TEMPORARY	TEMPORARY CASUAL
1 - 50	8 30.8%	9 34.6%	19 73.1%	14 66.7%	9 42.9%	12 57.1%	4 50.0%	3 37.5%	2 25.0%
51-100	4 15.4%	4 15.4%	1 3.8%	3 14.3%	0 0.0%	0 0.0%	1 12.5%	1 12.5%	1 12.5%
101 - 150	4 15.4%	1 3.8%	0 0.0%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
151 - 200	4 15.4%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
201 - 400	2 7.7%	1 3.8%	1 3.8%	1 4.8%	1 4.8%	0 0.0%	2 25.0%	1 12.5%	0 0.0%
401 - 600	2 7.7%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
601 +	2 7.7%	0 0.0%	0 0.0%	2 9.5%	0 0.0%	0 0.0%	1 12.5%	0 0.0%	0 0.0%
BASE	26 47.3%			21 38.2%			8 14.5%		

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TABLE 4: NUMBER OF FEMALE EMPLOYEES BY STATUS (Q4A)

NUMBER/ STATUS	MANUFACTURING			AGRICULTURAL			BOTH MFG. & AGRICULTURAL		
	FULL-TIME PERMANENT	FULL-TIME TEMPORARY	TEMPORARY CASUAL	FULL-TIME PERMANENT	FULL-TIME TEMPORARY	TEMPORARY CASUAL	FULL-TIME PERMANENT	FULL-TIME TEMPORARY	TEMPORARY CASUAL
1 - 50	22 84.6%	10 38.5%	9 34.6%	17 81.0%	5 23.8%	6 28.6%	6 75.0%	2 25.0%	2 25.0%
51-100	3 11.5%	0 0.0%	2 7.7%	1 4.8%	2 9.5%	2 9.5%	0 0.0%	1 12.5%	0 0.0%
101 - 150	0 0.0%	1 3.8%	1 3.8%	0 0.0%	0 4.8%	0 0.0%	0 0.0%	0 0.0%	1 12.5%
151 - 200	0 0.0%	0 0.0%	0 0.0%	0 0.0%	2 9.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
201 - 400	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	1 12.5%	0 0.0%	1 12.5%
401 - 600	0 0.0%	0 0.0%	0 0.0%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	1 12.5%	0 0.0%
601 +	0 0.0%	0 0.0%	0 0.0%	2 9.5%	0 0.0%	0 0.0%	1 12.5%	0 0.0%	1 12.5%
BASE		26 47.3%			21 38.2%			8 14.5%	

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TABLE 5: NUMBER OF EMPLOYEES BY CATEGORY AND GENDER (Q5A)

NUMBERS	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL	
	GENDER		GENDER		GENDER	
MANAGERIAL	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
1 - 5	6 23.1%	12 46.2%	11 52.4%	9 42.9%	4 50.0%	5 62.5%
6 - 10	6 23.1%	1 3.8%	5 23.8%	2 9.5%	1 12.5%	1 12.5%
11 - 15	4 15.4%	0 0.0%	1 4.8%	0 0.0%	1 12.5%	1 12.5%
16 - 20	3 11.5%	0 0.0%	1 4.8%	0 0.0%	2 25.0%	0 0.0%
21 +	7 26.9%	1 3.8%	3 14.3%	1 4.8%	0 0.0%	0 0.0%
NON - MANAGERIAL	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
1 - 50	10 38.5%	20 76.9%	13 61.9%	15 71.4%	6 75.0%	1 12.5%
51-100	4 15.4%	3 11.5%	5 23.8%	1 4.8%	0 0.0%	0 0.0%
101 - 150	5 19.2%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
151 - 200	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%
201 - 400	4 15.4%	0 0.0%	0 0.0%	0 0.0%	2 25.0%	0 0.0%
401 - 600	2 7.7%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%
601 +	1 3.8%	0 0.0%	2 9.5%	2 9.5%	0 0.0%	0 0.0%
BASE	26		21		8	

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TABLE 6: NUMBER OF EMPLOYEES WHO REQUIRE/DO NOT REQUIRE TECHNICAL SKILLS (Q6)

NUMBER	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL	
	REQUIRE	DO NOT REQUIRE	REQUIRE	DO NOT REQUIRE	REQUIRE	DO NOT REQUIRE
1 - 50	17 65.4%	10 38.5%	15 71.4%	13 61.9%	6 75.0%	3 37.5%
51-100	2 7.7%	6 23.1%	2 9.5%	2 9.5%	1 12.5%	0 0.0%
101 - 150	2 7.7%	3 11.5%	0 0.0%	1 4.8%	0 0.0%	0 0.0%
151 - 200	3 11.5%	3 11.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
201 - 400	1 3.8%	2 7.7%	0 0.0%	0 0.0%	0 0.0%	2 25.0%
401 - 600	1 3.8%	1 3.8%	1 4.8%	1 4.8%	1 12.5%	0 0.0%
601 +	0 0.0%	0 0.0%	2 9.5%	1 4.8%	0 0.0%	0 0.0%
BASE	26		21		8	

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TABLE 7: WHETHER OR NOT RESPONDENTS HAVE ACCESS TO REQUIRED TECHNICAL SKILLS TRAINING FACILITIES (Q6B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Have access	21 80.8%	17 81.0%	4 50.0%	42 76.4%
Do not have access	5 19.2%	4 19.0%	4 50.0%	13 23.6%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

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TABLE 8: WHO PROVIDES TRAINING FACILITIES ON THE TECHNICAL SKILLS REQUIRED (Q6B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Own personnel	11 42.3%	6 28.4%	2 25.0%	19 34.5%
Outside non-company consultants	3 11.5%	4 19.0%	0 0.0%	7 12.7%
Both own and outside non-company consultants	7 26.9%	8 38.1%	3 37.5%	18 32.7%
QNA *	5 19.2%	3 14.3%	3 37.5%	11 20.0%
<b>BASE</b>	<b>26 47.3%</b>	<b>21 38.2%</b>	<b>8 14.5%</b>	<b>55 100.0%</b>

\* Didn't respond

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TABLE 9: WHETHER OR NOT RESPONDENTS NEED ASSISTANCE IN TECHNICAL SKILLS TRAINING (Q6D)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Need assistance	15 57.7%	16 76.2%	4 50.0%	35 63.6%
Do not need assistance	11 42.3%	4 19.0%	4 50.0%	19 34.5%
QNA *	0 0.0%	1 4.8%	0 0.0%	1 1.8%
<b>BASE</b>	<b>26</b> 47.3%	<b>21</b> 38.2%	<b>8</b> 14.5%	<b>55</b> 100.0%

\* Didn't respond

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TABLE 10: SPECIFIC AREAS OF TECHNICAL SKILLS WHERE ASSISTANCE IS NEEDED (Q. 6d)\*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Quality control/assurance	5 19.2%	9 42.9%	1 12.5%	15 27.3%
Equipment maintenance	10 38.5%	2 9.5%	3 37.5%	15 27.3%
Personnel management	1 3.8%	1 4.8%	1 12.5%	3 5.5%
Financial operations /management	2 7.7%	2 9.5%	0 0.0%	4 7.3%
Crop husbandry/specialised farming/production techniques	1 3.8%	3 14.3%	0 0.0%	4 7.3%
Product handling including raw materials	1 3.8%	4 19.0%	0 0.0%	5 9.1%
Procurement	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Specialised production techniques	1 3.8%	1 4.8%	1 12.5%	3 5.5%
Marketing	1 3.8%	0 0.0%	0 0.0%	1 1.8%
QNA *	11 42.3%	5 23.8%	4 50.0%	20 36.4%
<b>BASE</b>	26 47.5%	21 38.2%	8 14.5%	55 100.0%

\* QNA includes those who answered no to Q6d

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TABLE II: WHETHER OR NOT RESPONDENT FIRMS ARE FORMALLY DEPARTMENTALISED (Q7A)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Formally departmentalised	22 84.6%	15 71.4%	6 75.0%	43 78.2%
Not formally departmentalised	3 11.5%	4 19.0%	2 25.0%	9 16.4%
QNA *	1 3.8%	2 9.5%	0 0.0%	3 5.5%
<b>BASE</b>	<b>26</b> 47.3%	<b>21</b> 38.2%	<b>8</b> 14.5%	<b>55</b> 100.0%

\* Didn't respond

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TABLE 12: DEPARTMENTS THAT RESPONDENTS HAVE AND THE NUMBER OF EMPLOYEES IN EACH (Q7a)  
(MANUFACTURING FIRMS ONLY) \*

DEPARTMENT/ NO. OF EMPLOYEES	1 - 10	11 - 20	21 - 30	31 - 40	41 - 50	51 +	DEPARTMENT PRESENT BUT NO. OF EMPLOYEES NOT GIVEN	TOTAL
Marketing	5 22.7%	3 13.6%	2 9.1%	0 0.0%	1 4.5%	1 4.5%	6 27.3%	18
Export marketing	5 22.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	7 31.8%	12
Purchasing	6 27.3%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.5%	6 27.3%	13
Finance	7 31.8%	6 27.3%	0 0.0%	1 4.5%	0 0.0%	1 4.5%	6 27.3%	21
Personnel	5 22.7%	1 4.5%	0 0.0%	2 9.1%	0 0.0%	1 4.5%	3 13.6%	12
Production	1 4.5%	3 13.6%	0 0.0%	1 4.5%	0 0.0%	10 45.5%	6 27.3%	21
Quality control/assurance	2 9.1%	1 4.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	4 18.2%	7
Research and Development	4 18.2%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	2 9.1%	6
Transport/Dispatch	4 18.2%	1 4.5%	1 4.5%	0 0.0%	0 0.0%	1 4.5%	4 18.2%	11
Administration	3 13.6%	1 4.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.5%	5
Operations	1 4.5%	0 0.0%	0 0.0%	0 0.0%	1 4.5%	0 0.0%	1 4.5%	3
Maintenance	3 13.6%	0 0.0%	4 18.2%	0 0.0%	0 0.0%	0 0.0%	1 4.5%	8
Data processing	2 9.1%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.5%	3
BASE	22	22	22	22	22	22	22	22

\* The base is calculated out of those who answered Q7a

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**TABLE 13: DEPARTMENTS THAT RESPONDENTS HAVE AND THE NUMBER OF EMPLOYEES IN EACH (Q7<sub>1</sub>)  
(AGRICULTURAL FIRMS ONLY)\***

DEPARTMENT	1 - 10	11 - 20	21 - 30	31 - 40	41 - 50	51 +	DEPARTMENT PRESENT BUT NO. OF EMPLOYEES NOT GIVEN	TOTAL
Marketing	7 46.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	4 26.7%	11 73.3%
Export marketing	4 26.7%	0 0.0%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	4 26.7%	9 60.0%
Purchasing	5 33.3%	0 0.0%	0 0.0%	0 0.0%	1 6.7%	1 6.7%	2 13.3%	9 60.0%
Finance	11 73.3%	1 6.7%	0 0.0%	0 0.0%	1 6.7%	0 0.0%	2 13.3%	15 100.0%
Personnel	5 33.3%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	2 13.3%	0 0.0%	8 53.3%
Production	3 20.0%	1 6.7%	0 0.0%	1 6.7%	0 0.0%	7 46.7%	2 13.3%	14 93.3%
Quality control/assurance	3 20.0%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	3 20.0%	2 13.3%	9 60.0%
Research and Development	3 20.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 6.7%	0 0.0%	4 26.7%
Transport/Dispatch	2 13.3%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	3 20.0%	0 0.0%	5 33.3%
Administration	6 40.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 6.7%	1 6.7%	8 53.3%
Farm management	2 13.3%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	2 13.3%	1 6.7%	6 40.0%
Maintenance	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	2 13.3%	1 6.7%	3 20.0%
Security	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 6.7%	1 6.7%	2 13.3%
<b>BASE</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>

\* The base is calculated out of those who answered yes to Q7a

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TABLE 14: DEPARTMENTS THAT RESPONDENTS HAVE AND THE NUMBER OF EMPLOYEES IN EACH (Q7a)  
(BOTH MFG. & AGRICULTURAL FIRMS ONLY)\*

DEPARTMENT	1 - 10	11 - 20	21 - 30	31 - 40	41 - 50	51 +	DEPARTMENT PRESENT BUT NO. OF EMPLOYEES NOT GIVEN	TOTAL
Marketing	3 50.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	0 0.0%	1 16.7%	5 83.3%
Export marketing	1 16.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%
Purchasing	3 50.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	4 66.7%
Finance	4 66.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	5 83.3%
Personnel	1 16.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	2 33.3%
Production	1 16.7%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	4 66.7%	0 0.0%	6 100.0%
Quality control/assurance	2 33.3%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	3 50.0%
Research and Development	1 16.7%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	0 0.0%	0 0.0%	2 33.3%
Transport/Dispatch	1 16.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	2 33.3%
Administration	2 33.3%	1 16.7%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	4 66.7%
Operations	1 16.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	2 33.3%	0 0.0%	3 50.0%
Maintenance	1 16.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%
Security	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	1 16.7%
BASE	6	6	6	6	5	6	0	16.7%
							0	16.7%

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TABLE 15: WHY RESPONDENTS ARE NOT FORMALLY DEPARTMENTALISED (Q7C) \*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Company is too small	3 100.0%	4 100.0%	2 100.0%	9 100.0%
Functions are integrated around the CEOs office	1 33.3%	2 50.0%	1 50.0%	4 44.4%
Family business - no need for departments	1 33.3%	0 0.0%	0 0.0%	1 11.1%
QNA	1 33.3%	2 50.0%	0 0.0%	3 33.3%
<b>BASE</b>	3 33.3%	4 44.4%	2 22.2%	9 100.0%

\* The base is calculated out of those who answered no to Q7a

\* Some respondents also gave more than two reasons for lack of departmentalisation

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TABLE 16: WHETHER OR NOT ANY RESPONDENTS' MANAGERS PERFORM MORE THAN ONE RESPONSIBILITY (Q7B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Perform more than one responsibility	16 61.5%	15 71.4%	5 62.5%	36 65.5%
Do not perform more than one responsibility	4 15.4%	2 9.5%	1 12.5%	7 12.7%
QNA	6 23.1%	4 19.0%	2 25.0%	12 21.8%
BASE	26 47.3%	21 38.2%	8 14.5%	55 100.0%

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TABLE 17: WHY RESPONDENTS DO NOT HAVE AN EXPORT MARKETING DEPARTMENT (Q8A)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Company is too small in size	4 15.4%	2 9.5%	2 25.0%	8 14.5%
Not export-oriented	2 7.7%	0 0.0%	0 0.0%	2 3.6%
Company wholly export oriented	1 3.8%	3 14.3%	0 0.0%	4 7.3%
Export marketing function done within CEO's office	0 0.0%	1 4.8%	2 25.0%	3 5.5%
Export marketing part of Marketing Department	5 19.2%	2 9.5%	1 12.5%	8 14.5%
Produce for third party	2 7.7%	1 4.8%	1 12.5%	4 7.3%
Export marketing done by each divisional director	1 3.8%	0 0.0%	0 0.0%	1 1.8%
QNA*	13 50.0%	10 47.6%	2 25.0%	25 45.5%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

\* Includes those who said they have a formal export marketing department

\* The base is calculated out of the total number of respondents

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TABLE 18: PERSON RESPONSIBLE FOR EXPORT MARKETING FUNCTION (Q8B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
CEO	6 23.1%	8 38.1%	3 37.5%	17 30.9%
Divisional managers	2 7.7%	0 0.0%	0 0.0%	2 3.6%
Marketing manager	9 34.6%	5 23.8%	2 25.0%	16 29.1%
Operations manager	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Purchasing manager	1 3.8%	0 0.0%	1 12.5%	2 3.6%
Agent (Third Party)	2 7.7%	1 4.8%	0 0.0%	3 5.5%
QNA *	6 23.1%	6 28.6%	2 25.0%	14 25.5%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

\* Includes those who have a formal export marketing department

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TABLE 19: RESPONDENT MANAGERS REPORTING DIRECTLY TO THE CEO (Q9A)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
All departmental managers	9 34.6%	8 38.1%	4 50.0%	21 38.2%
All managers except the marketing manager *	12 46.2%	11 52.4%	3 37.5%	26 47.3%
All except the export marketing manager*	2 7.7%	0 0.0%	0 0.0%	2 3.6%
None of the departmental managers	1 3.8%	0 0.0%	0 0.0%	1 1.8%
QNA **	2 7.7%	2 9.5%	1 12.5%	5 9.1%
<b>BASE</b>	<b>26 47.3%</b>	<b>21 38.2%</b>	<b>8 14.5%</b>	<b>55 100.0%</b>

\* Includes those respondent firms whose CEOs form both export and marketing managers

\*\* Include CEOs who double as marketing managers and family owned businesses with no formal reporting structure

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TABLE 20: WHETHER OR NOT RESPONDENTS HAVE A SPECIFIC EXPORT MARKETING MANAGER (Q9B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Have Export Marketing Manager*	4 15.4%	4 19.0%	1 12.5%	9 16.4%
Do not Have Export Marketing Manager **	16 61.5%	14 66.7%	6 75.0%	36 65.5%
QNA	6 23.1%	3 14.3%	1 12.5%	10 18.2%
BASE	26 47.3%	21 38.2%	8 14.5%	55 100.0%

\* Other than the CEO

\*\* Have a marketing manager

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TABLE 21: TO WHOM EXPORT MARKETING MANAGER REPORTS  
 (FOR THOSE WHO HAVE (Q9B))

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Marketing Manager	1 3.8%	2 9.5%	0 0.0%	3 5.5%
CEO	2 7.7%	3 14.3%	1 12.5%	6 10.9%
General Manager	3 11.5%	1 4.8%	0 0.0%	4 7.3%
QNA *	20 76.9%	15 71.4%	7 87.5%	42 76.4%
<b>BASE</b>	<b>26 47.3%</b>	<b>21 38.2%</b>	<b>8 14.5%</b>	<b>55 100.0%</b>

\* Includes CEO

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TABLE 22: WHY EXPORT MARKETING MANAGER DOES NOT REPORT TO THE CEO (Q9bii)  
 (FOR THOSE WHO HAVE (Q9B))

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Export marketing function under marketing department	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Equal partner to CEO	1 3.8%	0 0.0%	0 0.0%	1 1.8%
Answerable directly to the general manager	1 3.8%	1 4.8%	0 0.0%	2 3.6%
QNA *	24 92.3%	19 90.5%	8 100.0%	51 92.7%
BASE	26 47.3%	21 38.2%	8 14.5%	55 100.0%

\* Not applicable

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TABLE 23: WHY RESPONDENTS DO NOT HAVE EXPORT MARKETING MANAGER (Q9C)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Export marketing function done by CEO	8 30.8%	9 42.9%	4 50.0%	21 38.2%
Export marketing done by marketing manager	4 15.4%	3 14.3%	1 12.5%	8 14.5%
Export marketing done by divisional managers	3 11.5%	0 0.0%	0 0.0%	3 5.5%
Whole company is geared towards export marketing	0 0.0%	2 9.5%	0 0.0%	2 3.6%
QNA *	11 42.3%	7 33.3%	3 37.5%	21 38.2%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

\* Includes both those who have and export marketing manager and those who didn't respond

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TABLE 24. BASIC EDUCATION LEVELS FOR MANAGERS (Q10A)

MANAGER	MANUFACTURING			AGRICULTURAL			BOTH MFG. & AGRICULTURAL		
	O' LEVEL	A' LEVEL	UNIVERSITY	O' LEVEL	A' LEVEL	UNIVERSITY	O' LEVEL	A' LEVEL	UNIVERSITY
Marketing	6 23.1%	4 15.4%	9 34.6%	3 14.3%	1 4.8%	7 33.3%	2 25.0%	1 12.5%	3 37.5%
Export marketing	2 7.7%	3 11.5%	6 23.1%	3 14.3%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	2 25.0%
Purchasing	3 11.5%	3 11.5%	3 11.5%	1 4.8%	4 19.0%	3 14.3%	1 12.5%	0 0.0%	2 25.0%
Finance	5 19.2%	5 19.2%	10 38.5%	8 38.1%	4 19.0%	6 28.6%	0 0.0%	4 50.0%	2 25.0%
Personnel	4 15.4%	1 3.8%	4 15.4%	2 9.5%	2 9.5%	3 14.3%	1 12.5%	0 0.0%	1 12.5%
Production	4 15.4%	5 19.2%	8 30.8%	6 28.6%	2 9.5%	7 33.3%	1 12.5%	1 12.5%	3 37.5%
Quality control/assurance	4 15.4%	2 7.7%	1 3.8%	2 9.5%	0 0.0%	2 9.5%	0 0.0%	2 25.0%	0 0.0%
Research & Development	1 3.8%	1 3.8%	3 11.5%	0 0.0%	0 0.0%	2 9.5%	0 0.0%	2 25.0%	0 0.0%
Transport/Dispatch	1 3.8%	1 3.8%	3 11.5%	0 0.0%	0 0.0%	2 9.5%	0 0.0%	1 12.5%	2 25.0%
Administration	5 19.2%	0 0.0%	2 7.7%	1 4.8%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%
Farm manager/operations	2 7.7%	0 0.0%	2 7.7%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	1 12.5%
Maintenance manager	0 0.0%	0 0.0%	2 7.7%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	1 12.5%
Data processing	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	1 12.5%
BASE	n = 26			n = 21			n = 8		

\* The difference between the data and 100% forms the non-respondents

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TABLE 25: TOTAL WORKING EXPERIENCE LEVELS FOR MANAGERS (Q10B)

MANAGER	MANUFACTURING			AGRICULTURAL			BOTH MFG. & AGRICULTURAL		
	WORKING YEARS			WORKING YEARS			WORKING YEARS		
	1-5	6-10	11+	1-5	6-10	11+	1-5	6-10	11+
Marketing	3 11.5%	2 7.7%	2 7.7%	1 4.8%	3 14.3%	6 28.6%	1 12.5%	1 12.5%	5 62.5%
Export marketing	0 0.0%	3 11.5%	5 19.2%	1 4.8%	3 14.3%	5 23.8%	0 0.0%	1 12.5%	1 12.5%
Purchasing	2 7.7%	1 3.8%	8 30.8%	0 0.0%	5 23.8%	4 19.0%	1 12.5%	1 12.5%	0 0.0%
Finance	1 3.8%	3 11.5%	17 65.4%	4 19.0%	3 14.3%	7 33.3%	2 25.0%	0 0.0%	5 62.5%
Personnel	0 0.0%	0 0.0%	7 26.9%	1 4.8%	2 9.5%	4 19.0%	3 37.5%	0 0.0%	0 0.0%
Production	1 3.8%	7 26.9%	9 34.6%	2 9.5%	1 4.8%	9 42.9%	0 0.0%	1 12.5%	6 75.0%
Quality control/assurance	2 7.7%	1 3.8%	3 11.5%	1 4.8%	4 19.0%	4 19.0%	1 12.5%	0 0.0%	0 0.0%
Research & Development	2 7.7%	1 3.8%	2 7.7%	2 9.5%	2 9.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Transport/Dispatch	0 0.0%	1 3.8%	2 7.7%	0 0.0%	4 19.0%	1 4.8%	1 12.5%	0 0.0%	1 12.5%
Administration	0 0.0%	3 11.5%	7 26.9%	1 4.8%	2 9.5%	4 19.0%	1 12.5%	0 0.0%	4 50.0%
Farm manager/operations	1 3.8%	0 0.0%	2 7.7%	0 0.0%	2 9.5%	1 4.8%	0 0.0%	0 0.0%	1 12.5%
Maintenance manager	0 0.0%	1 3.8%	2 7.7%	0 0.0%	2 9.5%	2 9.5%	0 0.0%	0 0.0%	0 0.0%
Data processing	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%
Security	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE	n = 26			n = 21			n = 8		n = 8

\* The difference between the data and 100% forms the non-respondents.

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TABLE 26: WORKING EXPERIENCE LEVELS FOR MANAGERS (IN YEARS WITHIN COMPANY) (Q10B)

MANAGER	MANUFACTURING			AGRICULTURAL			BOTH MFG. & AGRICULTURAL		
	WORKING YEARS			WORKING YEARS			WORKING YEARS		
	1 - 5	6 - 10	11 +	1 - 5	6 - 10	11 +	1 - 5	6 - 10	11 +
Marketing	9 34.6%	2 7.7%	5 19.2%	4 19.0%	3 14.3%	4 19.0%	6 75.0%	1 12.5%	1 12.5%
Export marketing	6 23.1%	1 3.8%	2 7.7%	2 9.5%	7 33.3%	0 0.0%	1 12.5%	0 0.0%	1 12.5%
Purchasing	5 19.2%	3 11.5%	2 7.7%	5 23.8%	3 14.3%	2 9.5%	2 25.0%	0 0.0%	0 0.0%
Finance	8 30.8%	7 26.9%	5 19.2%	11 52.4%	1 4.8%	3 14.3%	5 62.5%	2 25.0%	0 0.0%
Personnel	1 3.8%	1 3.8%	5 19.2%	4 19.0%	2 9.5%	2 9.5%	0 0.0%	0 0.0%	0 0.0%
Production	10 38.5%	6 23.1%	2 7.7%	8 38.1%	5 23.8%	2 9.5%	5 62.5%	1 12.5%	1 12.5%
Quality control/assurance	4 15.4%	0 0.0%	2 7.7%	6 28.6%	1 4.8%	2 9.5%	1 12.5%	0 0.0%	0 0.0%
Research & Development	2 7.7%	1 3.8%	2 7.7%	4 19.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Transport/Dispatch	1 3.9%	1 3.8%	2 7.7%	1 4.8%	3 14.3%	1 4.8%	1 12.5%	0 0.0%	1 12.5%
Administration	4 15.4%	3 11.5%	2 7.7%	4 19.0%	5 23.8%	0 0.0%	3 37.5%	1 12.5%	1 12.5%
Farm manager/operations	1 3.8%	0 0.0%	2 7.7%	3 14.3%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	1 12.5%
Maintenance manager	2 7.7%	2 7.7%	0 0.0%	2 9.5%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%
Data processing	0 0.0%	0 0.0%	0 0.0%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Security	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE									

n = 26

n = 21

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TABLE 27: WHETHER OR NOT RESPONDENTS HAVE EVER USED OUTSIDE  
 NON-COMPANY MANAGEMENT CONSULTANCY SERVICES (Q11)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Have ever used	14 53.8%	8 38.1%	4 50.0%	26 47.3%
Have never used	12 46.2%	13 61.9%	4 50.0%	29 52.7%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

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TABLE 28: SPECIFIC AREAS THAT MANAGEMENT CONSULTANCY HAS BEEN USED BEFORE (Q11A)\*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Marketing	1 7.1%	1 12.5%	1 25.0%	3 11.5%
Export marketing	3 21.4%	1 12.5%	1 25.0%	5 19.2%
Purchasing	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Finance	8 57.1%	1 12.5%	1 25.0%	10 38.5%
Personnel	1 7.1%	1 12.5%	0 0.0%	2 7.7%
Production	5 35.7%	3 37.5%	2 50.0%	10 38.5%
Quality control/assurance	2 14.3%	3 37.5%	1 25.0%	6 23.1%
Research & Development	1 7.1%	1 12.5%	0 0.0%	2 7.7%
Transport/Dispatch	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Administration	1 7.1%	0 0.0%	0 0.0%	1 3.8%
Farm manager	0 0.0%	2 25.0%	0 0.0%	2 7.7%
Maintenance manager	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Data processing	3 21.4%	3 37.5%	0 0.0%	6 23.1%
Security	2 14.3%	2 25.0%	0 0.0%	4 15.4%
BASE	14	8	4	26

\* Calculation is based on those who have ever used management consultancy services before

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TABLE 29: WHETHER OR NOT RESPONDENTS WOULD LIKE TO HAVE OUTSIDE  
NON-COMPANY MANAGEMENT CONSULTANCY SERVICES (Q11c)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Yes would like	23 88.5%	20 95.2%	8 100.0%	51 92.7%
No would not like	2 7.7%	0 0.0%	0 0.0%	2 3.6%
QNA	1 3.8%	1 4.8%	0 0.0%	2 3.6%
<b>BASE</b>	<b>26</b> 47.3%	<b>21</b> 38.2%	<b>8</b> 14.5%	<b>55</b> 100.0%

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TABLE 30: WHETHER OR NOT RESPONDENTS ARE WILLING TO PAY FOR OUTSIDE  
NON-COMPANY MANAGEMENT CONSULTANCY SERVICES (Q11D)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Yes are willing	14 53.8%	12 57.1%	8 100.0%	34 61.8%
No are not willing	5 19.2%	3 14.3%	0 0.0%	8 14.5%
QNA *	7 26.9%	6 28.6%	0 0.0%	13 23.6%
<b>BASE</b>	<b>26</b> 47.3%	<b>21</b> 38.2%	<b>8</b> 14.5%	<b>55</b> 100.0%

\* QNA includes those who did not answer and those who state that they do not need any assistance

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TABLE 31: SPECIFIC AREAS WHERE RESPONDENTS NEED OUTSIDE NON-COMPANY MANAGEMENT CONSULTANCY (Q11C)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Marketing	12 52.2%	12 60.0%	4 50.0%	28 54.9%
Export marketing	14 60.9%	12 60.0%	6 75.0%	32 62.7%
Purchasing	10 43.5%	11 55.0%	3 37.5%	24 47.1%
Finance	15 65.2%	11 55.0%	2 25.0%	28 54.9%
Personnel	10 43.5%	10 50.0%	3 37.5%	23 45.1%
Production	17 73.9%	14 70.0%	4 50.0%	35 68.6%
Quality control/assurance	13 56.5%	13 65.0%	4 50.0%	30 58.8%
Research & Development	12 52.2%	10 50.0%	3 37.5%	25 49.0%
Transport/Dispatch	1 4.3%	12 60.0%	2 25.0%	15 29.4%
General Administration	10 43.5%	10 50.0%	2 25.0%	22 43.1%
Farm management/ Operations management	10 43.5%	10 50.0%	2 25.0%	22 43.1%
Maintenance management	10 43.5%	10 50.0%	2 25.0%	22 43.1%
Data processing	11 47.8%	10 50.0%	2 25.0%	23 45.1%
Security	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE	23	20	8	51

\* The base is calculated out of those who answered yes to Q11A

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TABLE 32: REASONS WHY RESPONDENTS ARE NOT WILLING TO HAVE ANY OUTSIDE  
 NON-COMPANY MANAGEMENT CONSULTANCY SERVICES (Q11c)\*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Has already had one	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Don't need one currently	3 11.5%	5 23.8%	0 0.0%	8 14.5%
Have in-house consultants	2 7.7%	3 14.3%	0 0.0%	5 9.1%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

\* Some did not respond to both Q 11 c, d but responded to this question

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TABLE 33: MARKETS RESPONDENTS HAVE BEEN EXPORTING TO (Q12A)\*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
PTA	16 61.5%	2 9.5%	4 50.0%	22 40.0%
Other East Africa	10 38.5%	0 0.0%	0 0.0%	10 18.2%
Other Africa	9 34.6%	3 14.3%	1 12.5%	13 23.6%
Middle East	2 7.7%	8 38.1%	0 0.0%	10 18.2%
Europe	6 23.1%	20 95.2%	3 37.5%	29 52.7%
South Asia	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Far East	1 3.8%	2 9.5%	0 0.0%	3 5.5%
North America	1 3.8%	3 14.3%	1 12.5%	5 9.1%
Other Markets	1 3.8%	0 0.0%	0 0.0%	1 1.8%
<b>BASE</b>	<b>26</b> <b>47.3%</b>	<b>21</b> <b>38.2%</b>	<b>8</b> <b>14.5%</b>	<b>55</b> <b>100.0%</b>

\* Some respondents export to more than one market

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TABLE 34: NEW MARKETS RESPONDENTS HAVE STARTED EXPORTING TO SINCE PHASE I SURVEY (Q12B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
PTA	3 11.5%	0 0.0%	0 0.0%	3 5.5%
Other East Africa	2 7.7%	1 4.8%	0 0.0%	3 5.5%
Other Africa	5 19.2%	7 33.3%	1 12.5%	13 23.6%
Middle East	1 3.8%	3 14.3%	1 12.5%	5 9.1%
Europe	3 11.5%	3 14.3%	3 37.5%	9 16.4%
South Asia	2 7.7%	1 4.8%	0 0.0%	3 5.5%
Far East	1 3.8%	1 4.8%	1 12.5%	3 5.5%
North America	1 3.8%	1 4.8%	1 12.5%	3 5.5%
Other Markets	0 0.0%	3 14.3%	2 25.0%	5 9.1%
<b>BASE</b>	26 47.3%	21 38.2%	8 14.5%	55 100.0%

\* Some respondents have started exporting to more than one new export market

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TABLE 35: HOW RESPONDENTS RATE THEIR EXPORT MARKETS IN ORDER OF EXPORT SALES (MONETARY) VALUE (Q12C)

	MANUFACTURING				AGRICULTURAL				BOTH MFG. & AGRICULTURAL			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
PTA	16 61.5%	1 4.8%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	3 37.5%	0 0.0%	0 0.0%	0 0.0%
OTHER EAST AFRICA	2 9.5%	2 9.5%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
OTHER AFRICA	1 4.8%	5 23.8%	2 9.5%	0 0.0%	1* 4.8%	1 4.8%	3 14.3%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
MIDDLE EAST	0 0.0%	2 9.5%	0 0.0%	0 0.0%	3 14.3%	6 28.6%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
EUROPE	4 19.0%	3 14.3%	0 0.0%	0 0.0%	16 76.2%	5 23.8%	0 0.0%	0 0.0%	5 62.5%	0 0.0%	0 0.0%	0 0.0%
SOUTH ASIA	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
FAR EAST	1 4.8%	1 4.8%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	2 9.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
NORTH AMERICA	1 4.8%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	2 9.5%	1 4.8%	1 12.5%	1 12.5%	0 0.0%	0 0.0%
OTHER MARKETS	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	2 9.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE	n = 26	n = 26	n = 26	n = 26	n = 21	n = 21	n = 21	n = 21	n = 8	n = 8	n = 8	n = 8

\* South Africa

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TABLE 36: CURRENCY IN WHICH EXPORTS TO THE PTA ARE PAID FOR \* (Q12D)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
UAPTA	4 25.0%	0 0.0%	0 0.0%	4 18.2%
ForEx	14 87.5%	1 50.0%	3 100.0%	18 81.8%
Local (Kshs)	6 37.5%	2 100.0%	2 66.7%	10 45.5%
<b>BASE</b>	<b>16</b>	<b>2</b>	<b>3</b>	<b>21</b>

\* Most exporters are paid in more than one currency

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TABLE 37: REGULAR EXPORT CUSTOMERS (Q13) \*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Direct consumers	9 34.6%	2 9.5%	3 37.5%	14 25.5%
Wholesale distributors	16 61.5%	21 100.0%	6 75.0%	43 78.2%
Retail distributors	5 19.2%	6 28.6%	2 25.0%	13 23.6%
Agents	8 30.8%	5 23.8%	0 0.0%	13 23.6%
Auction (Dutch Auction)	2 7.7%	3 14.3%	1 12.5%	6 10.9%
Sister company	1 3.8%	0 0.0%	0 0.0%	1 1.8%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Most respondents have more than one type of regular export customer

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TABLE 38: WHETHER OR NOT RESPONDENTS HAVE EXHIBITED THEIR PRODUCTS IN THEIR REGULAR EXPORT MARKETS (Q14A)

EXPORT MARKET	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL	
	HAVE EXHIBITED	HAVE NOT EXHIBITED	HAVE EXHIBITED	HAVE NOT EXHIBITED	HAVE EXHIBITED	HAVE NOT EXHIBITED
PTA	9 34.6%	7 26.9%	2 9.5%	0 0.0%	3 37.5%	1 12.5%
Other East Africa	6 23.1%	4 15.4%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Other Africa	8 30.8%	1 3.8%	2 9.5%	1 4.8%	0 0.0%	1 12.5%
Middle East	2 7.7%	0 0.0%	5 23.8%	3 14.3%	0 0.0%	0 0.0%
Europe	5 19.2%	1 3.8%	13 61.9%	7 33.3%	2 25.0%	1 12.5%
South Asia	3 11.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Far East	3 11.5%	0 0.0%	2 9.5%	1 4.8%	1 12.5%	0 0.0%
North America	3 11.5%	1 3.8%	2 9.5%	0 0.0%	0 0.0%	0 0.0%
Other Markets	3 11.5%	1 3.8%	2 9.5%	0 0.0%	0 0.0%	0 0.0%
BASE	26		21		8	

\* Some respondents have exhibited in markets they have never exported to

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TABLE 39: WHETHER OR NOT EXPORTERS GET REGULAR MARKET INFORMATION FROM THEIR EXPORT MARKET (Q15 a)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Get regular market information	11 42.3%	19 90.5%	5 62.5%	35 63.6%
Do not get regular market information	14 53.8%	2 9.5%	2 25.0%	18 32.7%
QNA	1 3.8%	0 .0.0%	1 12.5%	2 3.6%
<b>BASE</b>	26	21	8	55

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TABLE 40: MAIN SOURCE(S) OF EXPORT MARKET INFORMATION BY SECTOR (Q15 B) \*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Trade offices	3 27.3%	3 15.8%	2 40.0%	8 22.9%
Directly from customers	6 54.5%	14 73.7%	0 0.0%	20 57.1%
Magazines & Business journals	3 27.3%	2 10.5%	0 0.0%	5 14.3%
KETA & HCDA	0 0.0%	6 31.6%	1 20.0%	7 20.0%
Sister company	3 27.3%	1 5.3%	0 0.0%	4 11.4%
Agent/Importer	3 27.3%	7 36.8%	4 80.0%	14 40.0%
Personnal visits	8 72.7%	3 15.8%	2 40.0%	13 37.1%
Auction	2 18.2%	3 15.8%	0 0.0%	5 14.3%
Embassies	1 9.1%	0 0.0%	0 0.0%	1 2.9%
BASE	11	19	5	35

\* Most respondents had more than one source of export market information  
NB: Some respondents don't get regular market information but they still indicated that they get from these sources

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TABLE 41: MARKETING INFORMATION CONSIDERED MOST IMPORTANT BY SECTOR (Q16)\*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Promotional opportunities & Agency	6 23.1%	1 4.8%	3 37.5%	10 18.2%
Potential vendors/agents	15 57.7%	2 9.5%	1 12.5%	18 32.7%
Pricing information	9 34.6%	17 81.0%	5 62.5%	31 56.4%
Competitive information	17 65.4%	13 61.9%	6 75.0%	36 65.5%
Market survey (supply & demand)	13 50.0%	17 81.0%	6 75.0%	36 65.5%
Legal export requirements of importing country	10 38.5%	1 4.8%	3 37.5%	14 25.5%
Packaging requirements	3 11.5%	3 14.3%	0 0.0%	6 10.9%
Weather conditions in importing country	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Potential/available export financiers	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Forex rates	0 0.0%	0 0.0%	1 12.5%	1 1.8%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Most respondents gave more than one type of market information as equally important

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TABLE 42: CHIEF EXPORT PRODUCTS BY SECTOR (Q17A)\*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Manufactured goods	10 38.5%	0 0.0%	3 37.5%	13 23.6%
Garments and leather products	5 19.2%	0 0.0%	0 0.0%	5 9.1%
Fresh fruits	0 0.0%	16 76.2%	1 12.5%	17 30.9%
Fresh vegetables	0 0.0%	12 57.1%	2 25.0%	14 25.5%
Value added agricultural products	3 11.5%	0 0.0%	5 62.5%	8 14.5%
Cut flowers	0 0.0%	6 28.6%	0 0.0%	6 10.9%
Meat and meat products	1 3.8%	0 0.0%	0 0.0%	1 1.8%
Fish and fish products	2 7.7%	1 4.8%	0 0.0%	3 5.5%
Chemical products	12 46.2%	0 0.0%	2 25.0%	14 25.5%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Most respondents export more than one type of product

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KENYA EXPORT DEVELOPMENT SUPPORT PROJECT  
 FIRM LEVEL ASSISTANCE, PHASE II SURVEY  
 TABLE 46: CONSTRAINTS FACING EXPORT MARKETING & RESPONDENTS' AWARENESS OF THEM (Q19A)

CONSTRAINT	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL		TOTAL	
	SPONTANEOUS MENTIONS	PROMPTED MENTIONS	SPONTANEOUS MENTIONS	PROMPTED MENTIONS	SPONTANEOUS MENTIONS	PROMPTED MENTIONS	SPONTANEOUS MENTIONS	PROMPTED MENTIONS
Packaging availability	2 7.7%	5 19.2%	3 14.3%	0 0.0%	1 12.5%	6 75.0%	6 10.9%	11 30.0%
Packaging costs	1 3.8%	6 23.1%	6 28.6%	9 42.9%	1 12.5%	3 37.5%	8 14.5%	18 32.7%
Transport/cargo space availability	2 7.7%	1 3.8%	12 57.1%	4 19.0%	0 0.0%	2 25.0%	14 25.5%	7 12.7%
Transport/cargo space costs	1 3.8%	8 30.8%	12 57.1%	8 38.1%	0 0.0%	4 50.0%	13 23.6%	20 36.4%
Imported materials availability	4 15.4%	2 7.7%	4 19.0%	4 19.0%	1 12.5%	2 25.0%	9 16.4%	8 14.5%
Imported materials costs	3 11.5%	9 34.6%	3 14.3%	7 33.3%	1 12.5%	1 12.5%	7 12.7%	17 30.9%
Spare parts availability	0 0.0%	2 7.7%	0 0.0%	5 23.8%	0 0.0%	3 37.5%	0 0.0%	10 18.2%
Spare parts costs	0 0.0%	5 19.2%	0 0.0%	8 38.1%	0 0.0%	2 25.0%	0 0.0%	15 27.3%
Storage (Cold/Bulk) availability	0 0.0%	3 11.5%	4 19.0%	4 19.0%	0 0.0%	1 12.5%	4 7.3%	8 14.5%
Storage (Cold/Bulk) costs	0 0.0%	1 3.8%	1 4.8%	2 9.5%	0 0.0%	0 0.0%	1 1.8%	3 5.5%
Export financing	8 30.8%	7 26.9%	6 28.6%	6 28.6%	2 25.0%	0 0.0%	16 29.1%	13 23.6%
Export marketing information	3 11.5%	10 38.5%	1 4.8%	9 42.9%	0 0.0%	3 37.5%	4 7.3%	22 40.0%
Meeting export quality standards	2 7.7%	5 19.2%	1 4.8%	6 28.6%	0 0.0%	2 25.0%	3 5.5%	13 23.6%
GOK Export Incentives	6 23.1%	8 30.8%	0 0.0%	9 42.9%	0 0.0%	3 37.5%	6 10.9%	20 36.4%
BASE	n = 26	n = 26	n = 21	n = 21	n = 8	n = 8	n = 55	n = 55

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TABLE 46 cont.: CONSTRAINTS FACING EXPORT MARKETING & RESPONDENTS' AWARENESS OF THEM (Q19A)

CONSTRAINT	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL		TOTAL	
	SPONTANEOUS MENTIONS	PROMPTED MENTIONS	SPONTANEOUS MENTIONS	PROMPTED MENTIONS	SPONTANEOUS MENTIONS	PROMPTED MENTIONS	SPONTANEOUS MENTIONS	PROMPTED MENTIONS
GOK Export Policies/Practices	13 50.0%	6 23.1%	5 23.8%	9 42.9%	2 25.0%	3 37.5%	20 36.4%	18 32.7%
Export documentation	6 23.1%	9 34.6%	7 33.3%	5 23.8%	2 25.0%	4 50.0%	15 27.3%	18 32.7%
Lack of forex	7 26.9%	8 30.8%	3 14.3%	3 14.3%	2 25.0%	1 12.5%	12 21.8%	12 21.8%
Production capacity	4 15.4%	1 3.8%	3 14.3%	5 23.8%	0 0.0%	3 37.5%	7 12.7%	9 16.4%
Poor roads/telecomms. system *	3 11.5%	0 0.0%	8 38.1%	0 0.0%	2 25.0%	0 0.0%	13 23.6%	0 0.0%
BASE	n = 26	n = 26	n = 21	n = 21	n = 8	n = 8	n = 55	n = 55

\* Mentioned spontaneously - not prompted

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TABLE 47: CONSTRAINTS WHICH MOST AFFECT RESPONDENTS' EXPORT BUSINESS POTENTIAL (Q19B)

CONSTRAINT	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Packaging availability and costs	6 23.1%	10 47.6%	1 12.5%	17 30.9%
Transport/cargo space availability	8 30.8%	21 100.0%	3 37.5%	32 58.2%
Imported materials availability and costs	9 34.6%	4 19.0%	2 25.0%	15 27.3%
Spare parts availability and costs	0 0.0%	5 23.8%	1 12.5%	6 10.9%
Storage (cold/bulk) availability and costs	0 0.0%	4 19.0%	0 0.0%	4 7.3%
Lack of Export financing	9 34.6%	8 38.1%	2 25.0%	19 34.5%
Lack of forex	9 34.6%	1 4.8%	2 25.0%	12 21.8%
Lack of Export marketing information	7 26.9%	9 42.9%	1 12.5%	17 30.9%
Meeting export quality standards	5 19.2%	2 9.5%	1 12.5%	8 14.5%
GOK Export Incentives	4 15.4%	0 0.0%	0 0.0%	4 7.3%
GOK Export policies/practices	13 50.0%	5 23.8%	3 37.5%	21 38.2%
Export Documentation	6 23.1%	5 23.8%	3 37.5%	14 25.5%
Production Capacity	3 11.5%	5 23.8%	2 25.0%	10 18.2%
Poor roads & telecom system	1 3.8%	1 4.8%	0 0.0%	2 3.6%
BASE	n = 26	n = 21	n = 8	n = 55

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TABLE 48: RESPONDENTS' RANKING OF CONSTRAINTS IN ORDER OF WHICH MOST AFFECT THEIR EXPORT BUSINESS POTENTIAL (Q19B)

CONSTRAINT /RATING	MANUFACTURING					AGRICULTURAL					BOTH MFG. & AGRICULTURAL				
	1st	2nd	3rd	4th	5th	1st	2nd	3rd	4th	5th	1st	2nd	3rd	4th	5th
Packaging availability	0 0.0%	1 3.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	1 4.8%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Packaging costs	0 0.0%	1 3.8%	1 3.8%	1 3.8%	2 7.7%	0 0.0%	1 4.8%	3 14.3%	1 4.8%	1 4.8%	0 0.0%	1 12.5%	0 0.0%	0 0.0%	0 0.0%
Transport/cargo space availability	2 7.7%	0 0.0%	0 0.0%	1 3.8%	0 0.0%	3 14.3%	4 19.0%	1 4.8%	1 4.8%	0 0.0%	1 12.5%	1 12.5%	0 0.0%	0 0.0%	0 0.0%
Transport/cargo space costs	0 0.0%	0 0.0%	4 15.4%	0 0.0%	1 3.8%	6 28.6%	4 19.0%	4 19.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 12.5%	0 0.0%
Imported materials availability	2 7.7%	0 0.0%	1 3.8%	1 3.8%	0 0.0%	2 9.5%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	1 12.5%	1 12.5%	0 0.0%	0 0.0%
Imported materials costs	1 3.8%	2 7.7%	1 3.8%	1 3.8%	1 3.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Spare parts availability	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	1 12.5%	0 0.0%	0 0.0%	0 0.0%
Spare parts costs	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Storage (Cold/Bulk) availability	0 0.0%	0 0.0%	1 3.8%	0 0.0%	0 0.0%	0 0.0%	3 14.3%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Storage (Cold/Bulk); costs	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE	26	26	26	26	26	21	21	21	21	21	8	8	8	8	8

TABLE 48 cont. : RESPONDENTS' RANKING OF CONSTRAINTS IN ORDER OF WHICH MOST AFFECT THEIR EXPORT BUSINESS POTENTIAL (Q19B)

CONSTRAINT / RATING	MANUFACTURING					AGRICULTURAL					BOTH MFG. & AGRICULTURAL				
	1st	2nd	3rd	4th	5th	1st	2nd	3rd	4th	5th	1st	2nd	3rd	4th	5th
Export financing	4 15.4%	3 11.5%	1 3.8%	0 0.0%	0 0.0%	4 19.0%	0 0.0%	2 9.5%	2 9.5%	0 0.0%	2 25.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Export marketing information	0 0.0%	3 11.5%	1 3.8%	3 11.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	4 19.0%	0 0.0%	0 0.0%	0 0.0%	1 12.5%	0 0.0%
Meeting export quality standards	1 3.8%	2 7.7%	1 3.8%	0 0.0%	1 3.8%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	1 4.8%	1 12.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
GOK Export Incentives	1 3.8%	2 7.7%	0 0.0%	1 3.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
GOK Export Policies/Practices	2 7.7%	3 11.5%	5 19.2%	2 7.7%	1 3.8%	1 4.8%	0 0.0%	2 9.5%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	1 12.5%	1 12.5%	1 12.5%
Export documentation	2 7.7%	0 0.0%	2 7.7%	0 0.0%	2 7.7%	1 4.8%	0 0.0%	1 4.8%	3 14.3%	2 9.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Lack of forex	5 19.2%	3 11.5%	0 0.0%	1 3.8%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	2 25.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Production capacity	1 3.8%	1 3.8%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 12.5%	0 0.0%	1 12.5%
Poor roads/telecomms. system	1 3.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	3 14.3%	0 0.0%	0 0.0%	2 9.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE	26	26	26	26	26	21	21	21	21	21	8	8	8	8	8

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TABLE 49. RESPONDENTS' AWARENESS OF GOK EXPORT INCENTIVES/EXPORTER ASSISTANCE SCHEMES (Q20A)

INCENTIVE/ASSISTANCE SCHEME	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL		TOTAL	
	SPONTANEOUS AWARENESS	PROMPTED AWARENESS	SPONTANEOUS AWARENESS	PROMPTED AWARENESS	SPONTANEOUS AWARENESS	PROMPTED AWARENESS	SPONTANEOUS	PROMPTED
FOREX RETENTION	16 61.5%	9 34.6%	17 81.0%	4 19.0%	4 50.0%	4 50.0%	37 67.3%	17 30.9%
FOREX ALLOCATION	2 7.7%	4 15.4%	2 9.5%	4 19.0%	1 12.5%	0 0.0%	5 9.1%	8 14.5%
EXPORT COMPENSATION	18 69.2%	4 15.4%	8 38.1%	11 52.4%	7 87.5%	1 12.5%	33 60.0%	16 29.1%
DUTY/VAT REMISSION	17 65.4%	7 26.9%	10 47.6%	9 42.9%	3 37.5%	2 25.0%	30 54.5%	18 32.7%
KETA SERVICES	4 15.4%	13 50.0%	4 19.0%	15 71.4%	3 37.5%	3 37.5%	11 20.0%	31 56.4%
MANUFACTURE UNDER BOND	4 15.4%	18 69.2%	2 9.5%	13 61.9%	1 12.5%	7 87.5%	7 12.7%	38 69.1%
EXPORT PROCESSING ZONES	5 19.2%	17 65.4%	3 14.3%	14 66.7%	1 12.5%	7 87.5%	9 16.4%	38 69.1%
EPPO	9 34.6%	9 34.6%	4 19.0%	11 52.4%	2 25.0%	3 37.5%	15 27.3%	23 41.8%
BASE	n = 26	n = 26	n = 21	n = 21	n = 8	n = 8	n = 55	n = 55

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TABLE 50: GOK EXPORT INCENTIVES/EXPORTER ASSISTANCE PROGRAMMES THAT RESPONDENTS ARE STILL USING (Q20c)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Forex Retention	19 73.1%	19 90.5%	6 75.0%	44 80.0%
Forex Allocation	1 3.8%	0 0.0%	0 0.0%	1 1.8%
Export Compensation	13 50.0%	2 9.5%	5 62.5%	20 36.4%
Duty/VAT Remission	9 34.6%	9 42.9%	4 50.0%	22 40.0%
KETA Services	1 3.8%	0 0.0%	0 0.0%	1 1.8%
Manufacture Under Bond	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Export Processing Zones	1 3.8%	0 0.0%	0 0.0%	1 1.8%
EPPO	2 7.7%	0 0.0%	0 0.0%	2 3.6%
BASE	26	21	8	55

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TABLE 51: RESPONDENTS' MOST FAVOURITE GOK EXPORT INCENTIVES/EXPORTER ASSISTANCE PROGRAMMES (Q20 D)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Forex Retention	12 46.2%	17 81.0%	4 50.0%	33 60.0%
Export Compensation	5 19.2%	1 4.8%	1 12.5%	7 12.7%
Duty/VAT Remission	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Export Processing Zones	1 3.8%	0 0.0%	0 0.0%	1 1.8%
Question Not Answered	7 26.9%	2 9.5%	3 37.5%	12 21.8%
<b>BASE</b>	26	21	8	55

A number of respondents angrily asserted that there were no GOK incentives, claiming that the only incentive, i.e. Forex Retention was a GOK incentive but their right since it is they who earned it in the first place.

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TABLE 52: PRODUCTION CAPACITY (%) CURRENTLY BEING UTILISED BY RESPONDENTS (Q21) \*

PERCENTAGE CAPACITY UTILIZED	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
1 - 20	3 11.5%	0 0.0%	0 0.0%	3 5.5%
21 - 40	6 23.1%	5 23.8%	2 25.0%	13 23.6%
41 - 60	5 19.2%	7 33.3%	3 37.5%	15 27.3%
61 - 80	3 11.5%	3 14.3%	1 12.5%	7 12.7%
81 +	9 34.6%	6 28.6%	2 25.0%	17 30.9%
BASE	26	21	8	55

\* This is computed as the percentage difference between the maximum and actual average production levels

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TABLE 53: CONSTRAINTS INHIBITING MAXIMUM CAPACITY UTILIZATION (Q21C) \*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Raw materials availability & costs	6 23.1%	1 4.8%	2 25.0%	9 16.4%
Unstable market demand/unfavourable competition	13 50.0%	8 38.1%	2 25.0%	23 41.8%
Lack of marketing information & Kenya Govt. support	2 7.7%	2 9.5%	0 0.0%	4 7.3%
Unfavourable weather conditions at import country (especially Europe)	0 0.0%	6 28.6%	1 12.5%	7 12.7%
High export quality standards	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Transport/cargo related problems	0 0.0%	14 66.7%	0 0.0%	14 25.5%
Lack of export financing	4 15.4%	0 0.0%	2 25.0%	6 10.9%
Poor production technology/practice affecting both quality & quantity standards	5 19.2%	2 9.5%	0 0.0%	7 12.7%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Most respondents gave more than one type of constraint as equally serious

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TABLE 54: WHETHER OR NOT RESPONDENTS ARE ABLE TO MEET INCREASED SALES DEMAND (Q22a)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Can meet increased sales requirements	20 76.9%	16 76.2%	4 50.0%	40 72.7%
Cannot meet increased sales requirement	4 15.4%	5 23.8%	3 37.5%	12 21.8%
QNA*	2 7.7%	0 0.0%	1 12.5%	3 5.5%
BASE	26	21	8	55

\* Non respondents

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TABLE 55: PERCENTAGE INCREASE IN PRODUCTION POSSIBLE(Q22B)

POSSIBLE PERCENTAGE	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
1 - 20	6 23.1%	7 33.3%	5 62.5%	18 43.9%
21 - 40	7 26.9%	6 28.6%	2 25.0%	15 36.6%
41 - 60	2 7.7%	6 28.6%	0 0.0%	8 19.5%
61 - 80	2 7.7%	0 0.0%	0 0.0%	2 4.9%
81 +	9 34.6%	2 9.5%	1 12.5%	12 29.3%
<b>BASE</b>	26	21	8	41

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TABLE 56: WHETHER OR NOT RESPONDENTS ARE ABLE TO MEET QUALITY REQUIREMENTS WITH CURRENT PRODUCTION AND PACKAGING MACHINERY & EQUIPMENT (Q23)\*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Can meet without upgrading	23 88.5%	20 95.2%	6 75.0%	49 89.1%
Can meet but must upgrade	7 26.9%	7 33.3%	4 50.0%	18 32.7%
Cannot meet	2 7.7%	1 4.8%	2 25.0%	5 9.1%
QNA	1 3.8%	0 0.0%	0 0.0%	1 1.8%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Although some respondents claimed that they could meet present standards they nevertheless needed to upgrade in order to meet changing market demands and competitive challenge

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TABLE 57: WHETHER OR NOT RESPONDENTS ARE ABLE TO MEET QUANTITY REQUIREMENTS WITH CURRENT PRODUCTION AND PACKAGING MACHINERY & EQUIPMENT (Q24)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Can meet without upgrading	20 76.9%	16 76.2%	5 62.5%	41 74.5%
Can meet but must upgrade*	6 23.1%	7 33.3%	3 37.5%	16 29.1%
Cannot meet	4 15.4%	5 23.8%	3 37.5%	12 21.8%
QNA	2 7.7%	0 0.0%	0 0.0%	2 3.6%
BASE	26	21	8	55

\* Although some respondents claimed that they could meet present standards they nevertheless needed to upgrade in order to meet changing market demands and competitive challenge

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TABLE 58: WHETHER OR NOT RESPONDENTS CONTRACT PART/WHOLE OF THEIR  
PRODUCTION (Q25)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Contract part/whole of production	3 11.5%	9 42.9%	2 25.0%	14 25.5%
Do not contract any part of production	22 84.6%	12 57.1%	5 62.5%	39 70.9%
QNA	1 3.8%	0 0.0%	1 12.5%	2 3.6%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

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TABLE 59: PERCENTAGE OF PRODUCTION CONTRACTED OUT (Q25B)

PERCENTAGE CONTRACTED	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
1 - 20	24 92.3%	12 57.1%	7 87.5%	43 97.7%
21 - 40	0 0.0%	0 0.0%	0 0.0%	0 0.0%
41 - 60	1 3.8%	0 0.0%	0 0.0%	1 2.3%
61 - 80	0 0.0%	4 19.0%	0 0.0%	4 9.1%
81 +	1 3.8%	5 23.8%	1 12.5%	7 15.9%
BASE	26	21	8	44

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TABLE 60: WHETHER RESPONDENTS OWN OR RENT THE FLOOR SPACE  
 THEY CURRENTLY OCCUPY (Q27a)

FLOOR SPACE	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL	
	RENTED	OWN	RENTED	OWN	RENTED	OWN
PRODUCTION	5 19.2%	21 80.8%	9 42.9%	8 38.1%	1 12.5%	6 75.0%
WAREHOUSING	4 15.4%	22 84.6%	10 47.6%	11 52.4%	1 12.5%	6 75.0%
OFFICE/ADMINISTRATION	5 19.2%	21 80.8%	14 66.7%	7 33.3%	1 12.5%	6 75.0%
BASE	n = 26	n = 26	n = 21	n = 21	n = 8	n = 8

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TABLE 60B: OUTSTANDING RENTS (IN MONTHS) THAT RESPONDENTS HAVE (Q27b)

FLOOR SPACE/ RENT	MANUFACTURING				AGRICULTURAL				BOTH MFG. & AGRICULTURAL			
	0	1-3	4-6	7+	0	1-3	4-6	7+	0	1-3	4-6	7+
Production	3 11.5%	3 11.5%	1 3.8%	2 7.7%	11 52.4%	1 4.8%	1 4.8%	1 4.8%	2 25.0%	0 0.0%	0 0.0%	0 0.0%
Warehousing	7 26.9%	12 46.2%	2 7.7%	3 11.5%	16 76.2%	5 23.8%	0 0.0%	1 4.8%	2 25.0%	0 0.0%	0 0.0%	0 0.0%
Office/Administration	4 15.4%	3 11.5%	2 7.7%	2 7.7%	6 28.6%	8 38.1%	0 0.0%	0 0.0%	1 12.5%	1 12.5%	0 0.0%	0 0.0%
BASE	26	26	26	26	21	21	21	21	8	8	8	8

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TABLE 60C: OUTSTANDING MORTGAGES (IN YEARS) THAT RESPONDENTS HAVE (Q27c)\*

FLOOR SPACE/ MORTGAGE	MANUFACTURING				AGRICULTURAL				BOTH MFG. & AGRICULTURAL			
	0	1-3	4-6	7+	0	1-3	4-6	7+	0	1-3	4-6	7+
Production	19 73.1%	4 15.4%	2 7.7%	1 3.8%	19 90.5%	1 4.8%	2 9.5%	0 0.0%	8 100.0%	0 0.0%	0 0.0%	0 0.0%
Warehousing	19 73.1%	3 11.5%	3 11.5%	1 3.8%	19 90.5%	1 4.8%	1 4.8%	0 0.0%	8 100.0%	0 0.0%	0 0.0%	0 0.0%
Office/Administration	20 76.9%	3 11.5%	2 7.7%	1 3.8%	19 90.5%	1 4.8%	1 4.8%	0 0.0%	8 100.0%	0 0.0%	0 0.0%	0 0.0%
BASE	26	26	26	26	21	21	21	21	8	8	8	8

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TABLE 61: NUMBER OF RESPONDENTS HAVING OFFICE COMMUNICATION EQUIPMENT (Q28)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
COMPUTERS FOR ACCOUNTING	23 88.5%	11 52.4%	6 75.0%	40 72.7%
COMPUTERS FOR WORD PROCESSING	18 69.2%	13 61.9%	5 62.5%	36 65.5%
FAX MACHINE	26 100.0%	21 100.0%	7 87.5%	54 98.2%
TELEX MACHINE	15 57.7%	10 47.6%	3 37.5%	28 50.9%
PABX (TELEPHONE SWITCHBOARD)	25 96.2%	18 85.7%	6 75.0%	49 89.1%
PHOTOCOPIERS	25 96.2%	19 90.5%	6 75.0%	50 90.9%
TYPEWRITERS	25 96.2%	19 90.5%	8 100.0%	52 94.5%
BASE	26	21	8	55

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TABLE 62: WHETHER OR NOT RESPONDENTS APPLY ANY PRODUCT QUALITY STANDARDS (Q29A)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
APPLY	25 96.2%	21 100.0%	8 100.0%	54 98.2%
DO NOT APPLY	0 0.0%	0 0.0%	0 0.0%	0 0.0%
QNA	1 3.8%	0 0.0%	0 0.0%	1 1.8%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

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TABLE 63: HOW RESPONDENTS RATE THEIR ABILITY TO MEET PRODUCT QUALITY STANDARDS (Q29A)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Very Weak	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Weak	1 3.8%	0 0.0%	0 0.0%	1 1.8%
Fair	6 23.1%	6 28.6%	3 37.5%	15 27.3%
Strong	12 46.2%	9 42.9%	3 37.5%	24 43.6%
Very Strong	6 23.1%	6 28.6%	2 25.0%	14 25.5%
QNA	1 3.8%	0 0.0%	0 0.0%	1 1.8%
BASE	26	21	8	55

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TABLE 64: WHETHER OR NOT RESPONDENTS NEED ASSISTANCE IN PRODUCT QUALITY STANDARDS (Q29B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
NEED	12 46.2%	15 71.4%	5 62.5%	32 58.2%
DO NOT NEED	13 50.0%	6 28.6%	3 37.5%	22 40.0%
QNA	1 3.8%	0 0.0%	0 0.0%	1 1.8%
BASE	26	21	8	55

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TABLE 64b: STAGES AT WHICH RESPONDENT FIRMS APPLY PRODUCT QUALITY STANDARDS (Q29b)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Planting & raw material handling	0 0.0%	4 19.0%	0 0.0%	4 7.3%
Production (including crops)	14 53.8%	8 38.1%	4 50.0%	26 47.3%
Packaging	25 96.2%	20 95.2%	8 100.0%	53 96.4%
Transportation	0 0.0%	5 23.8%	0 0.0%	5 9.1%
Storage (at airport)	2 7.7%	2 9.5%	5 62.5%	9 16.4%
All stages	11 42.3%	13 61.9%	4 50.0%	28 50.9%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

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TABLE 65: SPECIFIC TYPE OF ASSISTANCE NEEDED IN APPLICATION OF PRODUCT QUALITY STANDARDS (Q30B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Set up own quality control system	3 11.5%	4 19.0%	1 12.5%	8 14.5%
Information on current market quality standards for various market regions	0 0.0%	0 0.0%	1 12.5%	1 1.8%
Train/Acquire quality control personnel	2 7.7%	1 4.8%	0 0.0%	3 5.5%
Set up quality storage/pre-pack facilities	0 0.0%	4 19.0%	0 0.0%	4 7.3%
Information/education to farmers on quality standards/crop husbandry	3 11.5%	2 9.5%	0 0.0%	5 9.1%
Quality packaging materials	0 0.0%	1 4.8%	2 25.0%	3 5.5%
Selection of quality raw materials and other inputs	0 0.0%	1 4.8%	1 12.5%	2 3.6%
New production technology for optimum quality production	4 15.4%	0 0.0%	0 0.0%	4 7.3%
Finance	1 3.8%	0 0.0%	0 0.0%	1 1.8%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

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TABLE 66: OPERATING PROFIT MARGINS BY SECTOR (Q31A)\*

PERCENTAGE PROFIT RANGE	MANUFACTURING			AGRICULTURAL			BOTH MFG. & AGRICULTURAL		
	1990	1991	1992	1990	1991	1992	1990	1991	1992
1 - 10	12 46.2%	11 42.3%	8 30.8%	8 38.1%	8 38.1%	8 38.1%	1 12.5%	1 12.5%	1 12.5%
11 - 20	3 11.5%	4 15.4%	8 30.8%	4 19.0%	5 23.8%	5 23.8%	0 0.0%	1 12.5%	0 0.0%
21 - 30	3 11.5%	2 7.7%	1 3.8%	2 9.5%	3 14.3%	2 9.5%	2 25.0%	2 25.0%	1 12.5%
31 - 40	0 0.0%	1 3.8%	1 3.8%	2 9.5%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%
41 - 50	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	0 0.0%
51 - 60	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
61 - 70	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
71 - 80	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
81 +	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
No profit	7 26.9%	0 0.0%	8 30.8%	0 0.0%	3 14.3%	4 19.0%	0 0.0%	0 0.0%	6 75.0%
Made a loss	1 3.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE		26			21			R	

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TABLE 66b: EXPECTED PROFIT MARGIN IN 1993 (Q31B)

PERCENTAGE PROFIT	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
1 - 10	9 34.6%	6 28.6%	2 25.0%	17 30.9%
11 - 20	8 30.8%	3 14.3%	1 12.5%	12 21.8%
21 - 30	2 7.7%	2 9.5%	1 12.5%	5 9.1%
31 - 40	1 3.8%	0 0.0%	0 0.0%	1 1.8%
41 - 50	0 0.0%	2 9.5%	0 0.0%	2 3.6%
51+	0 0.0%	0 0.0%	0 0.0%	0 0.0%
0	6 23.1%	4 19.0%	4 50.0%	14 25.5%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

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TABLE 67: CURRENT FINANCIAL POSITION OF RESPONDENT FIRMS (Q32)  
(MANUFACTURING ONLY FIRMS)\*

PERCENTAGE	1 - 20	21 - 30	31 - 40	41 - 50	51 - 60	61 - 70	71 - 80	81 +	ZERO **	QNA
Short term liabilities	1 3.8%	3 11.5%	5 19.2%	1 3.8%	1 3.8%	4 15.4%	0 0.0%	0 0.0%	4 15.4%	7 26.9%
Long term liabilities	2 7.7%	2 7.7%	5 19.2%	2 7.7%	0 0.0%	0 0.0%	0 0.0%	1 3.8%	7 26.9%	7 26.9%
Current assets	3 11.5%	2 7.7%	3 11.5%	4 15.4%	5 19.2%	1 3.8%	2 7.7%	2 7.7%	0 0.0%	4 15.4%
Capital assets	2 7.7%	5 19.2%	1 3.8%	5 19.2%	1 3.8%	2 7.7%	1 3.8%	2 7.7%	0 0.0%	7 26.9%
Fixed assets	5 19.2%	6 23.1%	4 15.4%	2 7.7%	1 3.8%	2 7.7%	1 3.8%	0 0.0%	2 7.7%	3 11.5%
<b>BASE</b>	26	26	26	26	26	26	26	26	26	26

\* Calculated out of total assets and total liabilities

\*\* The zero column is only for short and long-term liabilities

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TABLE 68: CURRENT FINANCIAL POSITION OF RESPONDENT FIRMS (Q32)  
(AGRICULTURAL ONLY FIRMS)\*

PERCENTAGE	1 - 20	21 - 30	31 - 40	41 - 50	51 - 60	61 - 70	71 - 80	81 +	ZERO**	QNA
Short term liabilities	5 23.8%	5 23.8%	3 14.3%	2 9.5%	0 0.0%	1 4.3%	0 0.0%	2 9.5%	0 0.0%	3 14.3%
Long term liabilities	3 14.3%	2 9.5%	1 4.8%	2 9.5%	0 0.0%	1 4.8%	0 0.0%	2 9.5%	7 33.3%	3 14.3%
Current assets	4 19.0%	3 14.3%	4 19.0%	3 14.3%	1 4.8%	1 4.8%	2 9.5%	1 4.8%	0 0.0%	2 9.5%
Capital assets	0 0.0%	5 23.8%	7 33.3%	2 9.5%	3 14.3%	1 4.8%	0 0.0%	1 4.8%	0 0.0%	2 9.5%
Fixed assets	2 9.5%	4 19.0%	4 19.0%	3 14.3%	1 4.8%	0 0.0%	2 9.5%	0 0.0%	2 9.5%	3 14.3%
BASE	21	21	21	21	21	21	21	21	21	21

\* Calculated out of total assets and total liabilities

\*\* The zero column is only for short and long-term liabilities

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TABLE 69: CURRENT FINANCIAL POSITION OF RESPONDENT FIRMS (Q34)  
 (BOTH MFC & AGRICULTURAL FIRMS)\*

PERCENTAGE	1 - 20	21 - 30	31 - 40	41 - 50	51 - 60	61 - 70	71 - 80	81 +	ZERO**	CNA
Short term liabilities	2 25.0%	0 0.0%	2 25.0%	0 0.0%	1 12.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	3 37.5%
Long term liabilities	0 0.0%	1 12.5%	0 0.0%	1 12.5%	1 12.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	5 62.5%
Current assets	1 12.5%	2 25.0%	1 12.5%	0 0.0%	0 0.0%	0 0.0%	1 12.5%	0 0.0%	0 0.0%	3 37.5%
Capital assets	0 0.0%	2 25.0%	1 12.5%	0 0.0%	1 12.5%	1 12.5%	1 12.5%	1 12.5%	0 0.0%	1 12.5%
Fixed assets	0 0.0%	1 12.5%	1 12.5%	0 0.0%	0 0.0%	1 12.5%	0 0.0%	1 12.5%	0 0.0%	4 50.0%
<b>BASE</b>	8	8	8	8	8	8	8	8	8	8

\* Calculated out of total assets and total liabilities

\*\* The zero column is only for short and long-term liabilities

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TABLE 70: WHETHER OR NOT RESPONDENTS HAVE ACCESS TO CREDIT FACILITIES AT THEIR BANKS (Q30A)

APPLICATION OF CREDIT FACILITY	MANUFACTURING		AGRICULTURAL		BOTH MFG. & AGRICULTURAL	
	HAVE ACCESS	DONT HAVE	HAVE ACCESS	DONT HAVE	HAVE ACCESS	DONT HAVE
Working capital	23 88.5%	1 3.8%	21 100.0%	0 0.0%	6 75.0%	2 25.0%
Purchase of machinery/equipment	15 57.7%	8 30.8%	14 66.7%	6 28.6%	5 62.5%	2 25.0%
Property development/building	11 42.3%	9 34.6%	7 33.3%	11 52.4%	4 50.0%	2 25.0%
Off-shore financing of imports	8 30.8%	12 46.2%	2 9.5%	17 81.0%	1 12.5%	4 50.0%
<b>BASE</b>	<b>n = 26</b>	<b>n = 26</b>	<b>n = 21</b>	<b>n = 21</b>	<b>n = 8</b>	<b>n = 8</b>

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TABLE 71: WHY SOME RESPONDENTS DO NOT HAVE ACCESS TO CREDIT FACILITIES AT THEIR BANKS (Q33B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Banks want 100% security	0 0.0%	0 0.0%	1 12.5%	1 1.8%
Interests rates are too high	1 3.8%	0 0.0%	1 12.5%	2 3.6%
Does not import directly, so don't need financing	3 11.5%	7 33.3%	0 0.0%	10 18.2%
Banks are unwilling to finance capital equipments	2 7.7%	3 14.3%	0 0.0%	5 9.1%
Difficult to remit forex eranings	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Borrowing limits problem	2 7.7%	0 0.0%	0 0.0%	2 3.6%
Financed by customer	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Qusetion Not Applicable*	18 69.2%	9 42.9%	6 75.0%	33 60.0%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* i.e. have access

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TABLE 72: TYPES OF ASSISTANCE NEEDED BY RESPONDENTS IN ACCESSING  
CREDIT FACILITIES FOR WORKING CAPITAL (Q33B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Introduce special rates for exporters	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Pre-shipment financing	1 3.8%	2 9.5%	0 0.0%	3 5.5%
Lower interest rates	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Introduce revolving fund for exporters	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Reduce/restrict borrowing limits	3 11.5%	0 0.0%	0 0.0%	3 5.5%
Finance guarantees	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Cheaper sources of financing	2 7.7%	1 4.8%	0 0.0%	3 5.5%
No assistance needed	1 3.8%	1 4.8%	1 12.5%	3 5.5%
QNA *	18 69.2%	13 61.9%	7 87.5%	38 69.1%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Question not applicable

KENYA EXPORT DEVELOPMENT PROJECT  
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TABLE 73: TYPES OF ASSISTANCE NEEDED BY RESPONDENTS IN ACCESSING  
CREDIT FACILITIES FOR PURCHASE OF MACHINERY/EQUIPMENT (Q33B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Introduce special rates for exporters	0 0.0%	5 23.8%	0 0.0%	5 9.1%
Pre-shipment financing	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Lower interest rates	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Introduce revolving fund for exporters	0 0.0%	1 4.8%	0 0.0%	1 1.8%
Reduce/restrict borrowing limits	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Finance guarantees	2 7.7%	0 0.0%	0 0.0%	2 3.6%
Cheaper sources of financing	0 0.0%	0 0.0%	0 0.0%	0 0.0%
No assistance	3 11.5%	4 19.0%	2 25.0%	9 16.4%
QNA *	20 76.9%	10 47.6%	5 62.5%	35 63.6%
BASE	26	21	8	55

\* Question not applicable

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TABLE 74: TYPES OF ASSISTANCE NEEDED BY RESPONDENTS IN ACCESSING  
CREDIT FACILITIES FOR PROPERTY DEVELOPMENT/BUILDING(Q33B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Introduce special rates for exporters	0 0.0%	6 28.6%	2 25.0%	8 14.5%
Lower interest rates	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Introduce revolving fund for exporters	0 0.0%	3 14.3%	0 0.0%	3 5.5%
Cheaper sources of financing	0 0.0%	3 14.3%	0 0.0%	3 5.5%
Don't need assistance	1 3.8%	0 0.0%	0 0.0%	1 1.8%
QNA *	24 92.3%	11 52.4%	6 75.0%	41 74.5%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Question not applicable

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TABLE 75: TYPES OF ASSISTANCE NEEDED BY RESPONDENTS IN ACCESSING  
CREDIT FACILITIES FOR OFF-SHORE FINANCING OF IMPORTS (Q33B)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
Introduce special rates for exporters	2 7.7%	2 9.5%	0 0.0%	4 7.3%
Pre-shipment financing	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Lower interest rates	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Introduce revolving fund for exporters	1 3.8%	1 4.8%	0 0.0%	2 3.6%
Cheaper sources of financing	3 11.5%	0 0.0%	1 12.5%	4 7.3%
QNA *	19 73.1%	17 81.0%	7 87.5%	43 78.2%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Question not applicable

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TABLE 76: WHETHER OR NOT RESPONDENTS HAVE REFRIGERATED FACILITIES/COLD ROOMS (Q37B) •

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
HAVE	3 11.5%	15 71.4%	3 37.5%	21 38.2%
DO NOT HAVE	0 0.0%	5 23.8%	1 12.5%	6 10.9%
QNA	23 88.5%	1 4.8%	4 50.0%	28 50.9%
BASE	26	21	8	55

• Most horticultural firms have cold room facilities at more than one location

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FIRM LEVEL ASSISTANCE: PHASE II SURVEY

TABLE 77: WHERE RESPONDENTS HAVE THEIR REFRIGERATED FACILITIES/COLD ROOMS (Q37B) \*

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
The airport	3 11.5%	19 90.5%	2 25.0%	24 43.6%
On the farm	0 0.0%	8 38.1%	1 12.5%	9 16.4%
Godown/Warehouse	0 0.0%	3 14.3%	0 0.0%	3 5.5%
Mobile transport units	0 0.0%	0 0.0%	1 12.5%	1 1.8%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Most horticultural firms have cold room facilities at more than one location

KENYA EXPORT DEVELOPMENT SUPPORT PROJECT  
 FIRM LEVEL ASSISTANCE: PHASE II SURVEY

TABLE 78: WHETHER OR NOT RESPONDENTS USE CONTRACT/NON-CONTRACT OUTGROWERS (Q34B) \*

	CONTRACTUAL (AGRICULTURAL)	NON-CONTRACTUAL (AGRICULTURAL)	CONTRACTUAL (BOTH MFG & AGRI)	NON-CONTRACTUAL (BOTH MFG & AGRI)	TOTAL CONTRACTUAL	TOTAL NON-CONTRACTUAL
Use	13 61.9%	15 71.4%	2 25.0%	1 12.5%	15 51.7%	16 55.2%
Do not use	7 33.3%	4 19.0%	6 75.0%	7 87.5%	6 20.7%	7 24.1%
BASE	21	21	8	8	29	29

\* Some firms employ both contract and non-contract outgrowers

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TABLE 78b NUMBER OF EMPLOYEES EMPLOYED BY CONTRACT/NONCONTRACT OUTGROWERS (Q34b)

NUMBER OF EMPLOYEES	AGRICULTURAL		BOTH MFG. & AGRICULTURAL		TOTAL	
	CONTRACT	NON CONTRACT	CONTRACT	NON CONTRACT	CONTRACT	NON-CONTRACT
1 - 30	11 52.4%	0 0.0%	0 0.0%	0 0.0%	11 20.0%	0 0.0%
31 - 60	1 4.8%	3 14.3%	0 0.0%	0 0.0%	1 1.8%	3 5.5%
61 - 90	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	1 1.8%
91 - 100	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
101 - 300	0 0.0%	3 14.3%	0 0.0%	1 12.5%	0 0.0%	4 7.3%
301 - 500	0 0.0%	1 4.8%	0 0.0%	1 12.5%	0 0.0%	2 3.6%
500 +	2 9.5%	3 14.3%	0 0.0%	1 12.5%	2 3.6%	4 7.3%
<b>BASE</b>	<b>n = 21</b>	<b>n = 21</b>	<b>n = 8</b>	<b>n = 8</b>	<b>n = 29</b>	<b>n = 29</b>

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TABLE 78c: PERCENTAGE OF TOTAL PRODUCTION ACCOUNTED FOR BY CONTRACT/NONCONTRACT OUTGROWERS (Q34c)

PERCENTAGE	AGRICULTURAL		BOTH MFG. & AGRICULTURAL		TOTAL	
	CONTRACT	NON CONTRACT	CONTRACT	NON CONTRACT	CONTRACT	NON-CONTRACT
1 - 20	0 00%	5 23.8%	0 00%	1 12.5%	0 00%	6 10.9%
21 - 40	5 23.8%	3 14.3%	1 12.5%	0 00%	6 10.9%	3 5.5%
41 - 60	4 19.0%	3 14.3%	0 00%	0 00%	4 7.3%	3 5.5%
61 - 80	1 4.8%	2 9.5%	1 12.5%	0 00%	2 3.6%	2 3.6%
81+	4 19.0%	2 9.5%	0 00%	0 00%	4 7.3%	2 3.6%
BASE	n = 21	n = 21	n = 8	n = 8	n = 29	n = 29

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TABLE 79: NUMBER OF SHAREHOLDERS BY SECTOR (Q38A)

	MANUFACTURING	AGRICULTURAL	BOTH MFG. & AGRICULTURAL	TOTAL
1 - 3	14 53.8%	15 71.4%	3 37.5%	32 58.2%
4 - 6	8 30.8%	5 23.8%	0 0.0%	13 23.6%
7 - 9	0 0.0%	0 0.0%	1 12.5%	1 1.8%
10 +	2 7.7%	1 4.8%	2 25.0%	5 9.1%
QNA *	2 7.7%	0 0.0%	2 25.0%	4 7.3%
<b>BASE</b>	<b>26</b>	<b>21</b>	<b>8</b>	<b>55</b>

\* Question not answered

KENYA EXPORT DEVELOPMENT SUPPORT PROJECT  
FIRM LEVEL ASSISTANCE: PHASE II SURVEY

TABLE 80: RESPONDENTS' RANKING OF SHAREHOLDERS BY NATIONALITY (Q38c)

NATIONALITY	MANUFACTURING					AGRICULTURAL					BOTH MFG. & AGRICULTURAL				
	1st	2nd	3rd	4th	5th	1st	2nd	3rd	4th	5th	1st	2nd	3rd	4th	5th
Kenyan	15 57.7%	13 50.0%	8 30.8%	5 19.2%	2 7.7%	17 81.0%	16 76.2%	8 38.1%	6 28.6%	6 28.6%	5 62.5%	5 62.5%	1 12.5%	0 0.0%	1 12.5%
Foreign African	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 4.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Foreign Non-African	6 23.1%	2 7.7%	2 7.7%	3 11.5%	2 7.7%	2 9.5%	3 14.3%	2 9.5%	1 4.8%	1 4.8%	0 0.0%	0 0.0%	3 37.5%	1 12.5%	1 12.5%
Foreign Company (Private)	0 0.0%	1 3.8%	3 11.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 12.5%	0 0.0%
Foreign Company (Public)	0 0.0%	0 0.0%	0 0.0%	1 3.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 12.5%	1 12.5%	0 0.0%	0 0.0%
General public (stock exchange)	0 0.0%	1 3.8%	1 3.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Local private company	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Local public company	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
BASE	26	26	26	26	26	21	21	21	21	21	8	8	8	8	8