

# PARLIAMENT OF KENYA

## THE SENATE

## THE HANSARD

Thursday, 10<sup>th</sup> October, 2013

*The Senate met at the Kenyatta International  
Conference Centre at 2.30 p.m.*

*[The Temporary Speaker (Sen. Ongoro) in the Chair]*

### PRAYERS

#### QUORUM CALL AT COMMENCEMENT OF SITTING

**The Temporary Speaker** (Sen. Ongoro): Hon. Senators, let us, first, determine if we have a quorum.

*[The Temporary Speaker (Sen. Ongoro) consulted  
with the Clerk-at-the-Table]*

Hon. Senators, I am informed that we have 14 hon. Senators in the House. Therefore, we do not have a quorum.

**Hon. Senators:** Someone has already walked in.

**The Temporary Speaker** (Sen. Ongoro): Okay. We now have 15 Senators, we have a quorum.

Let us proceed with today's business.

### PAPER LAID

#### REPORT OF DEVOLUTION/LEGAL AFFAIRS COMMITTEES ON JOINT COUNTY VISITS TO MOMBASA AND KILIFI

**Sen. Murkomen:** Madam Temporary Speaker, I beg to lay the following Paper on the Table of the House:-

The Report of the Sessional Committee on Devolved Government and the Standing Committee on Legal Affairs and Human Rights on the joint county visit to Mombasa and Kilifi counties.

*(Sen. Murkomen laid the document on the Table)*

**NOTICES OF MOTIONS****FORMULATION OF POLICY TO ENSURE LOCAL  
PROCUREMENT OF TEXTILE/LEATHER PRODUCTS**

**Sen. (Prof.) Anyang'-Nyong'o:** Madam Temporary Speaker, I beg to give the notice of the following Motion which is directed to the Department of Industrialization and Enterprise Development:-

THAT, aware that the textile industry in Kenya is crumbling following the closure of several textile firms due to unhealthy competition arising from cheap imports of textile and apparel products; concerned that the Government imports most of the uniforms for the disciplined forces and other uniformed staff, thereby, compounding the problem faced by the industry; noting that the national Government would provide the biggest market for these local products; concerned further that the closure of these firms led not only to loss of huge revenue, but also to loss of employment opportunities; the Senate calls upon the national Government to urgently formulate a policy and review the procurement regulations to compel all government departments and agencies to procure textiles and leather products locally with a view to redeeming the Kenya textile industry and creating more revenue sources.

*(By Leave of the Senate)*

**AUDIT OF EMPLOYEES OF DEFUNCT LOCAL  
AUTHORITIES BY TRANSITION AUTHORITY**

**Sen. Elachi:** Madam Temporary Speaker, I beg to give notice of the following Motion which is directed to the Department of Devolution and Planning:-

THAT, aware that Section 7(2) of the Transition to Devolved Government Act requires the Transition Authority to carry out an audit of the existing human resource of the Government and local authorities and advise on deployment to either level of Government; further aware that Section 57 of the Urban Areas and Cities Act provides that every person who, immediately before the commencement of the Act was an officer, agent or member of staff appointed, seconded or otherwise employed by a local authority shall, on the commencement of the Act be seconded or otherwise deployed as may be provided by law; concerned that failure to absorb *bona fide* employees of the defunct local authorities will deprive them of their rightful means of livelihood contrary to the spirit of the Bill of Rights as contained in Chapter Four of the Constitution of Kenya and the principles of devolution; the Senate urges the Transition Authority to urgently finalize the audit of employees of the defunct local authorities

and put in place the necessary framework for their absorption as employees of the respective counties.

*(By Leave of the Senate)*

**The Temporary Speaker** (Sen. Ongoro): Sen. Murkomen, you can proceed to give notice of your Motion.

ADOPTION OF REPORT OF DEVOLUTION/LEGAL  
AFFAIRS COMMITTEES ON JOINT COUNTY VISITS  
TO MOMBASA AND KILIFI

**Sen. Murkomen:** Madam Temporary Speaker, I beg to give notice of the following Motion:-

THAT, the Senate adopts the Report of the Sessional Committee on Devolved Government and the Standing Committee on Legal Affairs and Human Rights on the Joint county visit to Mombasa and Kilifi counties laid on the Table of the House on Thursday, 10<sup>th</sup> October, 2013.

**STATEMENTS**

**The Temporary Speaker** (Sen. Ongoro): Is Sen. Wamatangi in the House? What about Sen. Lesuuda?

*(Loud consultations)*

**The Temporary Speaker** (Sen. Ongoro): Order, Senators! Could you, please, consult in low tones?

GOVERNMENT EFFORTS TO ENHANCE SECURITY  
FOLLOWING THE 2012 BARAGOI MASSACRE

**Sen. Lesuuda:** Madam Temporary Speaker, I rise to seek a Statement from the Chairperson of the Standing Committee on National Security and Foreign Relations regarding the unfortunate tragedy that befell our police officers and residents of Baragoi in November, 2012 after an operation to recover stolen livestock which left over 40 police officers and police reservists dead. A number of police firearms were also stolen.

In the Statement, the Chairperson should:-

(1) Outline the steps that the Government has taken to recover the stolen Government firearms currently in the hands of civilians.

(2) Explain the efforts the Government has put in place to ensure peace and security is restored in the area and to avert such unfortunate incidents in future.

(3) Has compensation been given to the fallen soldiers and the Kenya police reservists who died in line of duty?

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(4) How many families have been displaced since the massacre?

(5) How many more incidents have taken place? How many lives and livestock have been lost? How many livestock have been recovered since the massacre?

Thank you, Madam Temporary Speaker.

**The Temporary Speaker** (Sen. Ongoro): Let us now hear the request of Statement from Sen. (Dr.) Khalwale.

STATUS OF ONGOING CONSTRUCTION OF  
ROADS SINCE COMMENCEMENT OF  
DEVOLUTION

**Sen. (Dr.) Khalwale:** Madam Temporary Speaker, I rise to seek a Statement from the Chairperson of the Standing Committee on Energy, Roads and Transport on the status of all the ongoing road construction projects in all counties which have stalled since the commencement of devolution.

Madam Temporary Speaker, in the Statement, I would like the Chairperson to clarify the following:-

(1) What the Government is doing to reverse the stalling of Sigalagala-Butere-Sidindi Road which has become unmotorable cutting off transport between Sigalagala, Butere and Sidindi leading to loss of livelihood to thousands of business people and the general public.

(2) To clarify if the Government is aware that as a result of this stalling of construction of roads across the whole country, the local contractors, who employ over 100,000 Kenyans have been forced to lay off around 5,000 people thereby declaring them redundant.

(3) What is the Government doing to stop this plight that young Kenyans are faced with, some of whom have been forced to move to South Sudan where they face serious challenges, including being killed?

(4) When is the Government going to pay these contractors, who are owed over Kshs20 billion for certified works on fully completed and or ongoing road contracts?

(5) What is the Government doing to ensure that construction machines belonging to these contractors, who have liabilities with financial institutions are not seized due to failure of the Government to pay them?

(6) Since the function of roads has been devolved to counties, could the Government clarify whether this money that they owe these contractors in the respective counties will be taken to those particular counties specifically for the purposes of settlement of these dues?

Madam Temporary Speaker, I am talking about 70 contracts that have been cancelled. Since I cannot go through all of them, I would like hon. Senators to realise that I only cited Sigalagala-Butere-Sidindi Road because it is in Kakamega County. However, we have other roads like Keroka-Kebirigo, Keroka-Nyangusu roads in Kisii County; Kamukuywa-Kaptama-Kapsokwony-Sirisia Road in Bungoma County; Mumbuni-Kathiani-Thwake River Road in Machakos County; Kima-Insutsi Road in Vihiga County; Kakuswi-Tawa-Kikima-Makutano Road in Makueni County; Kendu Bay to

Homa Bay Road in Homa Bay County; Ijinja Corner to Bumula in Kakamega County; Ndori-Ng'iya Road in Siaya County; and finally, but not least, we have Rongo to Homa Bay Road in Migori and Homa Bay counties----

**An hon. Senator:** And in Mandera County?

**Sen. (Dr.) Khalwale:** It is true there is a road in Mandera County, but my time is up.

Thank you, Madam Temporary Speaker.

**The Temporary Speaker** (Sen. Ongoro): Order, Senators! Before we proceed, the Chairperson of the Committee on National Security and Foreign Relations, are you ready with the answer to the request made by Sen. Lesuuda?

**Sen. Haji:** Madam Temporary Speaker, since this incident took place a long time ago, it should not be difficult for the Ministry to give us the answers. I intend to give the Statement on Thursday, next week.

**The Temporary Speaker** (Sen. Ongoro): Sen. Lesuuda, are you comfortable with that?

**Sen. Lesuuda:** Much obliged, Madam Temporary Speaker.

**The Temporary Speaker** (Sen. Ongoro): Very well! What about the Chairperson of the Committee on Energy, Roads and Transportation?

**An hon. Senator:** He is not here.

**The Temporary Speaker** (Sen. Ongoro): Any person from that Committee? Could you give an undertaking?

**Sen. Wangari:** Madam Temporary Speaker, I would like to give an undertaking on behalf of the Chairman and the Committee that we will give the response to Sen. (Dr.) Khalwale in the next one month.

**The Temporary Speaker** (Sen. Ongoro): Are you comfortable Sen. (Dr.) Khalwale with that?

**Sen. (Dr.) Khalwale:** Madam Temporary Speaker, probably, the distinguished Senator who comes from Murang'a County did not listen to me when I was raising this issue. I was saying that these projects have stalled and some of the roads are not motorable. The loans of local contractors are being recalled. So, if we give this issue a month---

**The Temporary Speaker** (Sen. Ongoro): Hon. Senators, now that you are not able to agree, the Chair orders that, that Statement be brought to the House in two weeks. Is that okay?

We now have Sen. Wamatangi in the House. It would be in order to give him an opportunity to request for his Statement before we proceed.

**Sen. Wamatangi:** Thank you, Madam Temporary Speaker, for this opportunity.

#### MEASURES TO ENSURE EFFICIENT NATION-WIDE MIGRATION FROM ANALOG TO DIGITAL SIGNAL

First, I wish to request a Statement from the Chairperson of the Standing Committee on Education, Information and Technology. We know that on 13<sup>th</sup> December, 2013, just shortly before Christmas, this country will be switching from analog to digital.

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Madam Temporary Speaker, I wish the Chairperson to address the following issues:-

(1) Whether there are enough migration boxes that are set to be installed for all people in this country?

(2) What taxes are payable on these boxes?

(3) Is it possible to set aside the taxes that have been imposed on these boxes?

(4) Is there a county by county programme to educate Kenyans on the migration? Specifically, will the residents of Kiambu, Machakos and Kajiado counties, which border Nairobi County, be affected by this migration owing to their proximity to Nairobi County? If they will be affected, what steps have been taken by this Committee and the Ministry concerned to make sure that Kenyans do not get inconvenienced, especially a few days to Christmas?

#### POLLUTION OF ATHI, GALANA AND SABAKI RIVERS

Madam Temporary Speaker, the second Statement I wish to seek is from the Chairperson of the Standing Committee on Health, Labour and Social Welfare. The Statement is in regard to a recent alert which was issued by the National Environment Management Authority (NEMA), cautioning residents against the use of water from Athi, Galana and Sabaki rivers for domestic and other uses.

I am seeking this Statement given the fact that these rivers serve hundreds of thousands of Kenyans across this country. A few days ago, we visited Thika with a Committee of the Senate. We were appalled at what we saw. It has been confirmed by NEMA that the main sewer line from Nairobi that goes to Ruai has broken down and all the sewer is being diverted into these rivers.

I would like the Committee to address the following:-

(1) What particular steps have been taken to ensure that the people of this Republic have not been exposed to a health catastrophe arising from this event?

(2) How will the alert that has been issued be enforced?

(3) Lastly, because there are several public facilities, and I would like to cite the Fourteen Falls, where young school children go for sight-seeing, there is food which is cooked around there and farmers are using that water to grow crops. How is the alert being enforced to ensure that Kenyans do not become victims of that calamity?

**The Temporary Speaker** (Sen. Ongoro): Are the chairmen of the relevant committees in the House? Could we have undertakings on these two issues, one chairperson at a time?

**Sen. Okong'o:** Madam Temporary Speaker, I beg for your indulgence that I pass the request for the Statement to the Chairperson of the Committee on Education, Information and Technology. We will revert on this in two week's time.

**The Temporary Speaker** (Sen. Ongoro): Sen. Wamatangi, are you okay with two weeks time?

**Sen. Wamatangi:** It is okay.

**The Temporary Speaker** (Sen. Ongoro): What about the Chairperson of the Committee on Health, Labour and Social Welfare?

**Sen. (Dr.) Kuti:** Madam Temporary Speaker, this is a very sensitive issue and it affects the health of very many people. I would like to assure the hon. Senator that we will take up this matter very seriously. We will make an effort to visit the areas that he has mentioned where sewage is being allowed into the rivers. We will give a comprehensive report by Thursday, next week.

**The Temporary Speaker** (Sen. Ongoro): Before we proceed, the Senate Majority Leader was supposed to give a Statement on the business of the Senate for next week.

Chief Whip, were you given that responsibility? If so, proceed.

BUSINESS FOR THE WEEK COMMENCING  
TUESDAY, 15<sup>TH</sup> OCTOBER, 2013

**Sen. Elachi:** Madam Temporary Speaker, pursuant to the provisions of Standing Order No.43(2), this is to present the Senate business for the coming week starting, Tuesday, 15<sup>th</sup> October, 2013.

The Rules and Business Committee will meet on Tuesday, 15<sup>th</sup> October, 2013, at 12.00 noon to schedule business for the Senate for the week commencing 15<sup>th</sup> October, 2013.

The Senate will continue with the business in today's Order Paper that will not be concluded including the Motion by Sen. Elachi urging the Transition Authority to finalize the audit of employees for the defunct local authorities and put in place a framework to absorb them in their respective county public services.

The Senate will consider a report of the joint visit to Mombasa and Kilifi counties by the Standing Committee on Legal Affairs and Human Rights and the Sessional Committee on Devolved Government. In addition, the County Governments Public Finance Management Transition (Amendment) Bill, 2013 will be introduced in the Senate by way of First Reading.

On Wednesday, 16<sup>th</sup> October, 2013, morning sitting, the Senate will continue with business that will not be concluded on Tuesday, 15<sup>th</sup> October, 2013. The Senate will also commence debate on a Motion by Sen. Kittony on water harvesting. In the afternoon sitting, the Senate will continue with the business not concluded on Tuesday and Wednesday morning and consider any other business scheduled by the Rules and Business Committee.

The Senate will also consider a report of the visit to Level Five Hospitals in Uasin Gishu, Elgeyo-Marakwet and Nandi counties by the Standing Committee on Health, Labour and Social Welfare.

On Thursday, 17<sup>th</sup> October, 2013, the Senate will continue with the business not concluded on Wednesday afternoon. The Senate will also consider a report on the visit to Nyeri, Laikipia and Kirinyaga counties by the Standing Committee on Education, Information and Technology.

I hereby lay the Statement on the Table.

Thank you.

*(Sen. Elachi laid the document on the Table)*

**The Temporary Speaker** (Sen. Ongoro): Hon. Senators, today is also the deadline for several statements requested by various Senators. Is there any Chair ready with a Statement?

Proceed, Sen. Wangari.

CONTRACT FOR CONSTRUCTION OF  
MAKUTANO-TAWA-KIKIMA ROAD

**Sen. Wangari:** Madam Temporary Speaker, I wish to give a Statement on behalf of the Chairperson of the Committee on Energy, Roads and Transportation that was sought by the Senator for Makueni County, Sen. Mutula Kilonzo Jnr. on the Floor of this House.

The Senator had requested for the Statement regarding the contract for construction of Makutano-Kikima-Tawa Road as follows:-

(a) He sought to know whether the Chair is aware that the contract for the construction was awarded to Victory---

**Sen. Muthama:** On a point of order, Madam Temporary Speaker.

**The Temporary Speaker** (Sen. Ongoro): Yes, Senate Minority Chief Whip. What is out of order?

**Sen. Muthama:** Madam Temporary Speaker, with all due respect, you will notice that Sen. Mutula Kilonzo Jnr. is not in the House yet he is the one who sought this Statement. I do not know how appropriate it will be to receive the answer in his absence. He needs to be here to ventilate and query the Statement.

**The Temporary Speaker** (Sen. Ongoro): Well, your concerns are valid. However, you realise that this Statement is now the property of the House. It is not in order to keep delaying business of the House because the Senator had an obligation to be in the House to receive his Statement. I order that we proceed and get that Statement. He can get a copy and interrogate it later. The Senate must have business.

Proceed Sen. Wangari.

**Sen. Wangari:** Madam Temporary Speaker, the Statement is regarding the contract for construction of Makutano-Tawa-Kikima Road. The Senator sought to know whether the Chairman is aware:-

(a) That the contract for the construction was awarded to Victory Construction Company at a sum of Kshs1,895,094,559;

(b) Whether he is further aware that the contract period of 24 months started on 12<sup>th</sup> September, 2007 and lapsed on 13<sup>th</sup> September, 2009?

(c) Why six years later the work is incomplete, yet it should have been completed within two years?

(d) How much money has been paid so far for the work that has been completed and whether there has been an allocation this financial year?

(e) Why the contractor has left the site, yet the work is far from being completed?

(f) How long it will take for the portion that is not completed, to be completed, in particular Kikima Market and Kyambalasi-Makutano Junction.

Madam Temporary Speaker, I beg to reply as follows:-

The Ministry is aware that the contract for the above captioned project was awarded to Victory Construction Company Limited at the tender sum of Kshs1,895,094,559. The initial scope of the project was approximately 43 kilometres comprising of 40 kilometres of Makutano-Kikima-Kalawani Road D516, Kalawani-Tawa Road D517, Tawa-Kakuswi Road D513 and three kilometres of Kikima market access roads.

(a)The contract was awarded on 13<sup>th</sup> June, 2007 and the contract period was 24 months with the date of completion being 30<sup>th</sup> September, 2009. The contract was granted an extension of time of 68.3 weeks which revised the completion date to 5<sup>th</sup> February, 2011. The contractor has appealed for more extension of time under claim No.3 which is being evaluated.

(b)The project has taken a long time to complete due to the following:-

(i) That the massive earth works excavation on the hilly terrain was more than anticipated.

(ii) Heavy rock drilling and blasting from Kalawani shopping Centre up to Tuvilani that was not anticipated in the preparation of the tender documents which included procurement of explosives, a task that takes time, clearing blasted materials, then taking levels before construction commences and it is quite involving. The resident engineer for the project carried out an appraisal of the project and forwarded the appraised bills of quantities to the Ministry, subsequent to which an evaluation committee was appointed to evaluate the resident engineer's submission.

The evaluation committee finalized the report and recommended that the contract be wound up at the original contract sum of Kshs1,895,094,559 to cover approximately 29 kilometres of the completed road. This decision to vary the works due to the high increase of quantities and variation of prices of inputs such as cement and bitumen which could not be accommodated within the statutory 15 per cent of the contract sum was communicated to the contractor for concurrence and was upheld by the corporation tender committee.

(c)The total amount of payments made to date is Kshs1,572,419,368. The proposed budgetary allocation for this financial year is Kshs300 million, subject to availability of funds.

(d)The contractor has not left the site but has moved his equipment to his yard at Tawa Market since he has not been paid for the work done as a result of budgetary constraints. The amount owed is Kshs98,031,490. The removal of the equipment from other stations along the road project was done in order to reduce the cost incurred in maintaining security.

(e)The current project will end at Kikima Market after the earlier contract has been revised in order to accommodate excess quantities in earth works and excavation in rock and variation of prices of inputs. The remaining section between Kikima-Kyambalasi Junction - C99 - will be tendered afresh as phase two of the project whose contract document is under preparation. The new project is anticipated to take 12 months and procurement will commence when the budgetary portion is clarified.

This document is signed by Eng. P.C. Kilimo, for Principal Secretary, Infrastructure Ministry.

I beg to table the document.

*(Sen. Wangari tabled the document on the Table)*

**Sen. Musila:** Madam Temporary Speaker, I stand here to seek a clarification from the Statement read by the Chair. First, I would like to thank her for the statement. Those of us who went to attend the funeral of the Late Mutula Kilonzo will remember the road we are talking about.

Madam Temporary Speaker, did you hear that the contract was given in 2007 to last for two years but now it has taken six years? Further, you have heard that the contractor is Victory Construction Company. This is a very notorious contractor known not to complete road projects. You have also heard the Chair say that the terrain was not anticipated and that they found a terrain which was rough. So, the clarification I am seeking is: Is the Ministry aware that Victory Construction Company never finishes its projects and that the escalation of the price from the amount given on the basis that the terrain was not anticipated cannot be accepted by this Senate?

**The Temporary Speaker** (Sen. Ongoro): Can we take several clarifications, then you will give a response?

**Sen. Wangari:** Yes, Madam Temporary Speaker.

**Sen. Muthama:** Madam Temporary Speaker, I seek clarification following the Statement presented here. The amount allocated for this contract was Kshs1,895,094,559. Already almost Kshs1.5 billion has been paid and the allocation this year is only Kshs300 million. That covers the whole amount for the tender. From the Statement, it is not even 50 per cent of the road that has been done but Kshs1.8 billion has already been paid. The work has now stopped and will never reach where it was supposed to reach. You also heard that 24 months have elapsed but 68 weeks have been added to the contract period but nothing is going on. This is one way of misappropriating public funds. You can see very clearly that a door has been opened for the contractor together with those working with him from the Ministry. This is actually twisted money and this is pure stealing. There is no way that Kshs1.8 billion would be spent and more time added but the work is not complete. Could we get a clear answer on what is going on over this road?

**Sen. Wamatangi:** Madam Temporary Speaker, I seek clarification on the same from the Chairperson of the Committee. This company called Victory Construction Company is notorious for taking up Government contracts to serve the people of this Republic and not finishing them. I believe that this is a company that is not only intentionally shortchanging the Kenyan people but also doing a major disservice to this country. In my own county of Kiambu, Victory Construction Company took up a contract ten years ago to do a road. They were paid Kshs1 billion and up to date, they have only done 15 kilometres of the road between Thogoto and Kamangu.

This road was supposed to go all the way to Limuru. They have done 15 kilometres for ten years at the cost of Kshs1 billion. We have petitioned them and they moved to the other end of the road but for two years, they have been working on a small section, yet you cannot make this company to move. What is the Committee doing about Victory Construction Company?

**Sen. Abdirahman:** Madam Temporary Speaker, we have heard the Chairperson say that they will put some money in the budget this current financial year and it was not very specific. From what we have learnt, the balance is about Kshs300 million and she mentioned that the cost is growing and growing. Could she give a firm undertaking inclusive of the anticipated budgetary increase because of expenses in a number of areas? Could she give a firm undertaking that the bit on the road that is left will be done in the current financial year.

**Sen. Wangari:** Madam Temporary Speaker, I would like to respond to the issue of the contractor himself or the company itself. I would like the Senator to substantiate on the same because I do not have any information and the Committee has not received any information on the construction company as to whether it is blacklisted or not. So, I would not go into the evaluation of the contract because that was beyond the scope of the Statement. I am not a contractor by profession and the contractors in the House can help me but---

**Sen. Muthama:** On a point of order, Madam Temporary Speaker. You have heard the Chairperson say that she does not have substantial evidence that can make her blacklist this contractor but we came out very clearly and gave evidence that the work done here is less than 50 per cent and the amount of money paid is about 84 per cent. What other evidence does she want to prove to her that this is a notorious contractor, several jobs have been cited and the contractor has failed completely to meet the requirements of the tender terms?

**The Temporary Speaker (Sen. Ongoro):** Sen. Wangari, treat this issue with the seriousness it deserves. We have three Senators from three different counties making the same allegation and the best you could do is to give an undertaking to come back to the House with appropriate answers in case you were not prepared because this is quite serious.

**Sen. Wangari:** Thank you, Madam Temporary Speaker, for the direction. I want to clarify that I take the issue very seriously and that is why I was reading the Statement on behalf of the Committee. These Statements do not come from the Committee *per se* but from the Ministries. All I can do right now is to revert back to the Ministry to get proper direction on Victory Construction Company and to find out what is happening and get back to this House with proper responses. I undertake to do that.

**The Temporary Speaker (Sen. Ongoro):** Very well, going by the mood of the House, you can see that Senators were not satisfied with the answer. Therefore, we give you an extra one week for a more substantive answer.

**Sen. Murungi:** On a point of order, Madam Temporary Speaker.

**The Temporary Speaker (Sen. Ongoro):** Point of order on something that is proceeding?

**Sen. Murungi:** On the same, Madam Temporary Speaker.

Thank you for the direction you have made. I am a member of the same Committee and if you listened to what Sen. Wamatangi and other Senators said, actually this is cross-cutting and broad; it covers not only Victory Construction Company but by other contractors as well in other counties. I was requesting if the directive could be broadened so that the Committee looks at the pending and ongoing contracts so that a

comprehensive report is brought to this House regarding all the ongoing contracts so that we can save the Senate time by giving a comprehensive list of all the contracts which are going on and we give a status report so that we can deal with the matter in a shorter and more comprehensive manner.

**The Temporary Speaker** (Sen. Ongoro): Very well. Is the Chairperson for the Committee on Agriculture, Land and Natural Resources in the House? There are several statements that are due.

STATE OF THE SUGAR INDUSTRY AND CANE FARMING  
IN KENYA IN RELATION TO COMESA

**Sen. Kivuti:** Madam Temporary Speaker, this is the Statement sought by Senator for Kakamega and the answers are as follows:-

As to whether the Government is aware that the sugar sector is at risk, given the impending lifting of Common Market for Eastern and Southern Africa (COMESA) safeguard measures that has been cushioning the Kenyan sugar from cheap imports from COMESA member states, the answer to this issue is that; the Government is aware that COMESA safeguard measures will come to an end on 28<sup>th</sup> February, 2014. The current extension achieved during the 30<sup>th</sup> COMESA Council of Ministers meeting held in Lilongwe, Malawi in October, 2011 extended the safeguard measures to lapse on 28<sup>th</sup> February, 2014.

Regarding the question as to what the Government has done to ensure that the locally produced sugar is competitive at the international market, the answer is that the Ministry has instituted measures aimed at improving Kenya's sugar competitiveness and these measures include:-

1. Implementing the safeguard measures – the Government of Kenya issued a gazette notice in February, 2008 in respect of enlarging the size of quota and tariff rates as directed by the Council of Ministers and at the time of extension, the annual duty free quota in the two years was retained at 340,000 metric tonnes and the above quota tariff retained at 10 per cent until the end of the safeguard period.

2. Privatization of publicly owned mills – the public sector owned sugar companies earmarked for privatization and approved by the Cabinet are: Chemilil Sugar Company, Nzoia Sugar Company, South Nyanza, Muhoroni and Miwani sugar companies. The milestones in the privatization of the sugar companies were:-

(i)The Cabinet considered and approved the detailed proposals and approval was in this connection granted for privatization of Chemilil Sugar Company, South Nyanza Sugar Company, Nzoia Sugar Company---

*(Loud consultations)*

**The Temporary Speaker** (Sen. Ongoro): Hon. Senators, you are not interested in this answer so that you are able to interrogate it. Kindly consult quietly so others can listen.

**Sen. Kivuti:** Thank you, Madam Temporary Speaker. Let me proceed.

(i) The Cabinet considered and approved the detailed proposals and approval was in this connection granted for privatization of Chemilil Sugar Company, South Nyanza Sugar Company, Nzoia Sugar Company, Miwani Sugar Company which is in receivership and Muhoroni Sugar Company also in receivership. This was on 14<sup>th</sup> October, 2010.

(ii) On 28<sup>th</sup> November, 2012, the Minister for Finance discussed the report on the detailed proposal with the Committee on Finance, Planning and Trade as is required under Section 23(2) of the Act. The same was passed by the Committee which also promised to table its report in Parliament as soon as possible to facilitate implementation. The Sessional Paper on write-off of excess debts was scheduled to be tabled in Parliament on 4<sup>th</sup> December, 2012. On 9<sup>th</sup> January, 2013, the Committee on Finance, Planning and Trade passed a resolution that privatization of the public sector owned sugar companies be postponed until such a time when all legislation affecting the agriculture sector, that is, sugar and the county governments have been put in place. On 10<sup>th</sup> January, 2013, Parliament passed a resolution on the write-off of excess debts owed to the Government of Kenya and Kenya Sugar Board by the public sector owned sugar companies.

(3) Adoption of Energy Policy – the Government is expected to adopt an energy policy aimed at promoting co-generation and other forms of bio-fuel energy production that will contribute to making the sugar sector more competitive. The Government of Kenya passed the Bill on blending ethanol with petrol. The Government has formulated a policy and issued regulations to govern production and blending of biofuel and hydro carbon fuels.

(4) Diversification – progress made by sugar millers on diversification are as follows:-

(a) Sony Sugar Company, Chemilil and Nzoia Sugar Companies have undertaken technical feasibility studies for co-generation and ethanol production. The feasibility studies for Sony Sugar Company include; information on market, raw material and project management which will inform the bankable document.

(b) A feasibility study for water bottling at Nzoia Sugar Company was completed and plant construction tender awarded. However, the tender process has been put on hold due to contractor due diligence issues.

(c) A 22 million litre ethanol distillery at Mumias Sugar Company was commissioned in June, 2012. The company is now in full commercial production and is selling most of the ethanol both locally and in the regional market.

(d) A 38 megawatts co-generation plant was commissioned in 2011 in Mumias Sugar Company and is operational. The sugar company is currently exporting 25 megawatts to the national grid. In addition, Mumias Sugar Company has diversified into bottled water production with the brand now known on the local market.

(e) Progress has also been noted at the coast where Kwale Sugar Company is putting up an integrated factory that will produce sugar, electricity and ethanol expected to commence production in 2014.

(f) The new greenfield projects have been established in Nyando belt including Trans Mara and Sukari which are all in full commercial production.

(5) Research on high sucrose and early maturing varieties – Kenya Sugar Research Foundation (KeSRF) has researched and launched a number of early maturing high sucrose content, pest and disease tolerate/resistant varieties. In addition, it has established demonstration plots and farmers’ fields for new varieties and to demonstrate best management practices. Recently, a seed cane policy was recently launched which establishes a framework for the functions that are expected to avail good quality seeds sustainably. The framework envisages formation of seed cane committee, multiplication of “A” nurseries to be done at miller level and multiplication of commercial seed at “B” nurseries would be done in the nucleus estates by contracted farmers, among other measures.

(6) Changing the cane pricing formula from one based on cane weight to one based on sucrose content. Two sugar mills; namely, Nzoia and Sony Sugar Company are in the process of procuring equipment to start piloting and testing the purchase of cane based on sucrose content. The pilot cane testing unit in Nzoia Sugar Company is currently doing trial runs. The project has been handed over to KeSRF with an initial tranche of Kshs5 million from the Kenya Sugar Board to facilitate the research phase.

(7) Infrastructure development – the Kenya Sugar Board made a strategy decision to focus on the construction of bridges and culverts to reduce the distances from the farm to the factory. This would have a direct bearing on the cost of production, cost reduction and improving farmer incomes. The fund has facilitated the construction of 17 bridges, one being a major crossing of River Nzoia in Mumias, 16 bridges in the West Kenya zone and nine bridges in the South Nyanza zone. Once these bridges are completed, cane travel distance for targeted farmers would reduce to at least five to ten kilometres.

Madam Temporary Speaker, the third question was about the specific measures taken to ensure that the sugar millers like Mumias and Nzoia Sugar companies in Kakamega and Bungoma counties who owe cane farmers million of shillings are protected from possible collapse. What is being done to ensure that these amounts owed by these millers to the farmers are cleared immediately?

The period 2012/2013 saw the industry suffer from inadequate cane supply resulting in the harvesting of immature cane which has very low sucrose. The net effect of this was high cost of production and accumulating cane payment arrears as millers were generally unable to break even. In order to mitigate the payment of arrears, Chemili and Nzoia Sugar companies applied to the Board for a loan from the Sugar Development Fund to pay the farmers arrears. The millers applied for Kshs192,224,695.65 and Kshs378,628,203 respectively. Mumias Sugar Company has not made any application so far.

At its 149<sup>th</sup> meeting held on 28<sup>th</sup> August, 2013, the Board approved the loan applications which shall be disbursed, subject to receiving the necessary concurrence from the Government.

Madam Temporary Speaker, the fourth issue sought is about what the Government is doing to ensure that the formula used to determine the amount payable to farmers for cane delivered is adjusted so as to make it commensurate to the super profits that are made by the sugar millers. To this, the answer is; currently, the sugar industry is using simplified cane payment formulae where the price of cane is directly linked to the

ex-factory price of sugar, the average recovery and 50 per cent sharing of proceeds between the miller and the farmer. The sugar industry is expected to change the cane pricing formulae from one based on weights to the one of sucrose content. This is expected to give incentives to farmers to deliver high quality cane to the factory and the miller to maintain milling efficiencies to optimize sugar recovery. The industry has already commenced the process of transitioning from inefficient weight-based system to one based on quality. The pilot cane testing unit in Nzoia Sugar Company is currently doing trial runs.

The European Union (EU) is funding the purchase of installation of a sucrose based cane payment system in Sony Sugar Company. A consultant was hired by the EU to come up with the specifications of the cane testing unit that is to be procured using EU specific commitment funds at centralized arrangements. The Kenya Sugar Board has signed a project evaluation report and sent it to the EU so that the letter of award can be issued to the contractor who is M/s Du Cray Lenoir International Limited of Mauritius.

Madam Temporary Speaker, the other question was: "Is the Government making any effort to strengthen the partnership between the different private sector players within and outside the Common Market for Eastern and Southern Africa (COMESA) region, to design programmes and projects that will mitigate this threat, in line with the COMESA initiative that is funded currently by a joint effort between the COMESA Secretariat and the Ministry of Finance and the Government of Mauritius?"

Madam Temporary Speaker, the Kenya sugar industry is actively seeking to partner and work with other progressive players regionally and internationally. To this end, Kenya is engaging with COMESA, East African Community (EAC) and Southern African Development Community (SADC) in negotiations for a tripartite free trade area for sugar, which will expand investment and market opportunities for members.

Madam Temporary Speaker, on the sugar cane development front, Kenya is in close partnership with the Indian sugar sector, drawing from its successful outgrower model. Kenya is an active member of the International Sugar Organization, through which the industry has recently received, in partnership with Uganda and Tanzania, financing from the common fund for commodities for a variety of importation programmes to enhance the germ plasm and expand the genetic base for sugar cane varieties. This is expected to address the following challenges common to the three countries:-

- (a) low sugarcane yield;
- (b) old sugarcane varieties; and,
- (c) widespread use of untreated seed-cane.

Madam Temporary Speaker, I wish to lay this answer on the Table.

*(Sen. Kivuti laid the document on the Table)*

**Sen. (Dr.) Khalwale:** Madam Temporary Speaker, I am sorry that when the Chairman started issuing the statement, I was out doing a Press conference on a matter of grave national importance. However, I have listened to the latter part of his presentation, which unfortunately, to me, looks like an extraction from a thesis paper. What we are

looking for are simple and direct answers to issues that affect farmers. The Kenya Government is the single largest shareholder, at 23 per cent, in Mumias Sugar Company. What is he doing to the criminals who are running Mumias Sugar Company and have caused it to come down on its knees, and still walk around in this country?

Madam Temporary Speaker, secondly, there is the issue of the presence of Kenya in COMESA. What is the Government doing to defend the interests of the local millers in COMESA, because countries like Egypt, which are net importers of sugar--- They import sugar from Brazil, repackage it in Cairo and then sell into COMESA. What is Kenya doing to protect our farmers?

Madam Temporary Speaker, thirdly, the Chairman has talked about applying for money from the Kenya Sugar Board. Yes, it is true, but is he not aware that the money that the Kenya Sugar Board purports to have is from the Sugar Development Levy and is actually the contribution by the farmers themselves? Why should you wait for Mumias Sugar Company, which is the highest contributor to the Sugar Development Levy, to apply for money, instead of you giving the company money on a pro-rata basis? Whoever puts in more money receives more money from the Sugar Development Levy.

Madam Temporary Speaker, regarding the issue of importation of sugar; what is the Government's position on allowing uncustomed sugar to be on the shelves?

**Sen. Kajwang:** Madam Temporary Speaker, I border Migori which is a producer of sugar. But I will also be producing sugar soon in Homa Bay County. I have a lot of interest.

Madam Temporary Speaker, first, I want to thank the Chairman for a thesis that is well researched. But if I was marking it, I would give him 20 per cent. Really, is the Ministry aware that the machinery and technology that we are talking about in all sugar companies are obsolete and belong to the other century? You can check what Mauritius is doing, just next door.

Madam Temporary Speaker, the Chairman has talked about Miwani, Chemelil, Muhoroni and other companies being put under receivership. Have you ever seen companies that are perpetually in receivership and, somehow, still continue to survive?

Madam Temporary Speaker, we have talked about the seed varieties for many years now - almost 20 years. I do not know where these seed varieties are going to be imported from. How come we have never brought the fast-maturing high-sucrose content varieties that we have been talking about for so many years?

Madam Temporary Speaker, lastly, on importation of sugar, if I could just support the Senator for Kakamega, are you aware that for the last two weeks, sugar has been coming in from Zambia, through the Namanga border? All roadblocks have been removed for the sake of this sugar. Who is importing it?

**Sen. Murungi:** Madam Temporary Speaker, I do not come from the sugar growing areas, but I was very impressed by the answer which has been given by the Chairman of that Committee. He has done a lot of research and I would like to encourage other Chairmen to do similar research.

Madam Temporary Speaker, I have just one or two issues which I would like the Chairman to further clarify. The first is about the formula for paying cane farmers, because at the end of the day, what is important to us is what finally gets to the farmers. It

is not the language or sophistication of the formula. What is the optimum sucrose content which is required? Secondly, how will the farmer know the optimum sucrose content in the sugar cane, because it could be a formula to further cheat farmers? It is easy to tell the weight, but for the sucrose content, you need some scientific process to take place at the farm level for the farmer to know what to deliver and not deliver in terms of high yield and returns. So, could the Chairman clarify those issues, so that we do not get farmers cheated in this process?

**Sen. Kivuti:** Thank you, Madam Temporary Speaker. I am happy that, at least, all the Senators appreciate the thesis. As Sen. (Prof.) Lonyangapuo would tell you, good things come from thesis. I thank my brother, Sen. Kajwang, that he only deducted 20 per cent from the total marks that I am likely to earn. That leaves me with 80 per cent, which is an "A."

*(Laughter)*

Madam Temporary Speaker, coming straight to the points which have been raised, Sen. (Dr.) Khalwale is right to feel that a lot has not been done. Actually, the purpose of this House is to address and even oversight issues which have not been addressed by the Executive. That is exactly what we are doing. In doing so, we do not throw away the baby with the bath water. Instead, we clean the baby and own it. That is why part of the thesis is addressing what my brother, Sen. Kajwang, says has not been addressed for many years; which the Jubilee Government, having come to power this year, will address within a few months.

Madam Temporary Speaker, the first issue that Sen.(Dr.) Khalwale raised was about the perpetrators---

**Sen. Kajwang:** On a point of order, Madam Temporary Speaker. Is the Minister aware that---

**The Temporary Speaker** (Sen. Ongoro): Which Minister are you addressing?

**Sen. Kajwang:** Madam Temporary Speaker, I have promoted him because he looks like one.

Madam Temporary Speaker, is the Chairman aware that actually what is now the core of the Jubilee Government, was at one time the Minister for Agriculture and Minister for Finance and should have addressed this issue a long time ago?

**Sen. Kivuti:** Madam Temporary Speaker, I was not talking about that point in time. I was talking about today. We did not have a Senate then, but we have one today. This Senate is looking at what needs to be improved in the counties in 2013. I believe that, that is why we are all seated and addressing this matter.

Madam Temporary Speaker, having said that, we still must go ahead and interrogate the concerns which have been raised after the delivery of the thesis. One issue was about perpetrators; people who are likely to continue cheating farmers, even after we institute some other measures. What I would say at this point in time is that we did not actually interrogate what to do with thieves. This is because perpetrators are simply thieves and there is a specific way in which the Government should deal with all types of thieves everywhere, and not just those in the sugar sector.

Madam Temporary Speaker, I think that I have already covered, in my reply, the issue of the interests of local millers. This is because one of the key issues that I covered in my answer is what we are targeting, as the Government, to make sure that all the ills that have existed in the sugar industry are addressed. The bottom-line is how we can make the Kenyan sugar so good and cheap, such that those who are going to Zambia and the far East will be coming to Kenya to buy Kenyan sugar. That way, we will even encourage the farmers to grow more, so that the demand for Kenyan sugar will be very high. I think that, that covers a few of the points which were raised by my colleagues.

Madam Temporary Speaker, regarding the issue of the money which was being borrowed, the fact that I realized that it was being approved to be disbursed by the national Treasury, I do not think that it was money owed by a body somewhere else. Maybe for the benefit of Sen. (Dr.) Khalwale, because he was out of the Chamber, if you look at the amounts involved, actually they are substantial. Fortunately, last year, I happened to have been in the Committee on Finance, Planning and Trade. The question of the monies owed by non-performing companies was raised and we recommended that all those debts be written-off. That was passed by the last Parliament. So, the steps being taken now to improve the sector, means that they are starting from a better position than going to pay bad debts.

*[The Temporary Speaker  
(Sen. Ongoro) left the Chair]*

*[The Temporary Speaker  
(Sen. Murkomen took the Chair)]*

Mr. Temporary Speaker, Sir, on the issue of the formula to be used to safeguard farmers, from my answer, already one unit for testing sucrose is working and two other units have already been ordered for different regions. Every factory will be having such a unit.

I, therefore, expect that when farmers take their sugar cane to the factory, they will accompany their sugar cane and be present when it is being put on the weighing machine. That should solve the problems. But as you all know, speaking here does not solve all problems in life. Other recurrent small issues will emerge and they should be solved as we implement these measures which I have outlined.

Thank you.

#### INSECURITY ALONG NANDI/KISUMU BORDER

**Sen. Haji:** Mr. Temporary Speaker, Sir, I have a Statement to give from the Ministry of Interior and Coordination of National Government.

Mr. Temporary Speaker, Sir, on 26<sup>th</sup> September, 2013, Sen. (Prof.) Anyang'-Nyong'o requested for a Statement on security along the Nandi-Kisumu border particularly Songhor, Chemelil and Kopere areas. The honourable Senator said that there

had been skirmishes for a couple of months where herds of cattle had been stolen and lives lost. The hon. Senator wanted to be informed on:-

(i) The action the Government is taking to use the security agencies such as the Anti-Stock Theft Unit (ASTU) and the Administration Police to reinforce the Kenya Police which has been overwhelmed.

(ii) To give an updated report on persons killed and cattle stolen and what compensation can be given to those adversely mentioned.

(iii) The extent of the investigations to establish those who had been killed and the safety of their families.

(iv) The extent of Government action in ensuring that local leaders sit together to deliberate on the possible solution and ensure that there is long lasting peace between the two communities.

Mr. Temporary Speaker, Sir, I wish to state that in the last six months, several incidences of assault have been reported along the Nandi/Kisumu border. In most of these cases, livestock have been recovered, suspects arrested and charged in court. An incident of particular interest is one that happened on 25<sup>th</sup> May 2013, within Nyamboro Village where four people were killed and during investigation, one suspect, Kabur Kipchumba, was arrested and charged for murder. However, when the file was forwarded to the DPP for perusal and advice, the State Counsel was of the opinion that there was no adequate evidence to sustain a charge of murder and, therefore, the suspect was released while investigations continued vide police case file No.CR.603/86/213.

Mr. Temporary Speaker, Sir, the following are the number of cases of stock theft detected in the last six months and subsequent action by the police. The cases that have been reported are 34, the number of livestock stolen were 108, the number of livestock recovered were 76, the number of cases taken to court were 16, the number of cases convicted were 14, pending enforcement before court are two, under investigation and pending arrest of unknown suspects 18.

The Government has put in place formal measures. The Ministry intends to establish an Anti-Stock Theft Unit Camp at Kopere to serve both Tinderet and Muhoroni districts subject to the availability of resources. Two, establish an AP post at Ngeta and Ruga Farms. Three, mobile police patrols have been intensified along the border line. Four, communities living along the borderline are being sensitized on peaceful co-existence through peaceful *barazas*. Police have enhanced partnership with the public through community policing initiative to enhance information intelligence gathering on criminal activities with a view of creating strategy on crime prevention. Lastly, the Ministry does not have a budgetary allocation for compensating victims of cattle rustling.

Mr. Temporary Deputy Speaker, Sir, as Chairman of the Committee on National Security and Foreign Relations, I was supposed to give a report on the outstanding Statements. I want to report to you that in my committee, we have eight outstanding Statements. We have written to the Cabinet Secretary concerned to ask him to give us answers to all of them, possibly in the next two weeks.

Thank you.

RAID BY CATTLE RUSTLERS AT APUKE  
IN WEST POKOT COUNTY

**Sen. (Prof.) Lonyangapuo:** Mr. Temporary Speaker, Sir, last Thursday I stood here to seek a Statement under Standing Order No.43(2)(c) from the Chairperson of the Standing Committee on National Security and Foreign Relations with regard to an urgent matter that took place in my county last week on Monday, 30<sup>th</sup> September, 2013 at exactly 3.00 a.m. The Chairman of the Committee promised to give the Statement today, given the sensitivity and the urgency of that matter. We wanted the animals that had been stolen returned because they are here in Kenya.

Over 800 cows are not invisible; they are just somewhere in Kenya. They have not been taken to Uganda, Sudan or anywhere else. I expected the Chairman to stand here and state whether the livestock have been recovered and handed over to the owners.

**Sen. Haji:** Mr. Temporary Speaker, Sir, I do agree that the Senator requested for this Statement to be given, but as I said earlier, I have not yet received the answer but we shall do everything possible and God willing, I will try to give the Statement next week.

MANAGEMENT OF 99 YEAR LEASES  
BY THE GOVERNMENT

**Sen. Murungi:** Mr. Temporary Speaker, Sir, I am also rising on a point of order to demand a response to a request to a Statement which I had requested from the Chairman of the Standing Committee on Agriculture, Land and Natural Resources before we went for recess. I had asked for a Statement on the criteria used to renew the 99 year leases which have expired and also the basis on which other people are being allocated these leases. A lot of Kenyans are losing land because of lack of clarity in the criteria used to manage such leases.

The Chairperson of the Committee promised that he would deliver that Statement immediately we would come back from recess. However, the Statement has not been forthcoming for the last two weeks and today he has left without providing it. Could I request the Chair to be firm and order that the Statement be delivered on Thursday next week because we cannot wait for it forever and we cannot approach it in such a casual and haphazard manner?

**Sen. Okong'o:** Mr. Temporary Speaker, Sir, as a member of that Committee, let me indulge this House that I will pass that message and by Thursday next week, we will come with an answer.

**The Temporary Speaker** (Mr. Murkomen): I hope that as you take that responsibility, you take it seriously considering that your Chairman was here a few minutes ago and we need an explanation.

Next Order!

**MOTION****FORMULATION OF POLICY TO ENSURE LOCAL  
PROCUREMENT OF TEXTILE/LEATHER PRODUCTS**

**Sen. (Prof.) Lonyangapuo:** Mr. Temporary Speaker, Sir, I beg to move the following Motion:-

THAT, aware that the textile industry in Kenya is crumbling following the closure of several textile firms due to unhealthy competition arising from cheap imports of textile and apparel products; concerned that the Government imports most of the uniforms for the disciplined forces and other uniformed staff thereby compounding the problem faced by the industry; noting that the national Government would provide the biggest market for these local products; concerned further that the closure of these firms led not only to loss of huge revenue but also to loss of employment opportunities; the Senate calls upon the national Government to urgently formulate a policy and review the procurement regulations to compel all Government departments and agencies to procure textiles and leather products locally with a view to redeeming the Kenya textile industry and creating more revenue sources.

*(By leave of the House)*

Mr. Temporary Speaker, Sir, I present this Motion which touches on the fabric of the people of Kenya because as you know, today, it is very rare to see a human being walking naked. They must put on clothes and, once upon a time, majority of these clothes were made in Kenya and their raw materials were produced in Kenya. In the early 1960s and 1970s, many people were employed in the textile industry. Trouble started in the late 1980s to the early 1990s where today we have close to 17 textile firms that have been closed and we only have seven that are alive. Because of the way this matter is heavy and it touches on the revival of the Kenyan economy, allow me to mention that thousands of people were laid off when this problem arose.

I will read the famous names that we know that were supposed to employ our educated people. There was the Kisumu Cotton Mills (Kicomi) which closed down and thousands of people lost jobs. The Mount Kenya Textile Mills, the Kenya Royal Mills, the Raymond Woolen Mills, the Afro Spin, the East African Fine Spinners and the Kenya Titex Limited all closed down. The Sunflag East Africa is still operational but not fully; the Bandari Textiles closed down. The Londra Textile Mills of Nakuru closed down last year. The Nakuru Blankets is halfway closed. The Nakuru Synthetic Fibre Limited closed down. Manchester Outfitters closed down. The East African Cottage Industries closed down. The Kenya Canvas Limited, the Kenya Trade Ltd, the Ruiru Towels, *et cetera*, all closed down.

The one that is still struggling is RIVATEX which closed down but was later bought by Moi University and now renamed RIVATEX East African Limited. Thika Cotton Mills, KenKnit Limited, Spin Nit Limited, Spinners Limited and Sunflag and then

TSS Limited are all on the verge of closing down any time. It is a tragedy indeed to realize that we allowed these firms to close down, thus losing our clothing industry.

Mr. Temporary Speaker, Sir, there was the famous Raymond Woolen Mills in Eldoret where the top prime shops in London would get the suits made, and then they would be sold to the top buyers there in London. I am told that even some Africans would leave Nairobi to go and buy the best suits in London only to discover that they were made at home. All they had to do was just to drive to Eldoret here to get the suits. That story is gone; what happened? Because of the way we never paid attention.

Mr. Temporary Speaker, Sir, today, so many of our armed or uniformed officers – the army, police, prison officers and the Kenya Wildlife Service (KWS) game wardens; name all of them – plus even our own nurses and people working in the hospitals; their uniforms is made from fabric or textiles which no longer come from our factories here. We came up with a very interesting law called Public Procurement and Disposal Act, which gave some people leeway to go and source fabrics from outside. So, you find that our own consumers, instead of going to buy from our industries here, they go to source them from India and, so, you directly export jobs to India. This results in foreign exchange flows to that country yet we could easily do it here.

Let me quote one example we have ignored for long. In Nakuru, we have a firm called Pedi Limited; they produce all the colours and all the types of uniforms for our uniformed officers or disciplined forces if you want. RIVATEX do the same and they even have samples hanging at the entrance for you to see that they can make them. But countries like Tanzania buy all their police, military and prison officers' uniforms from Pedi in Nakuru while the Kenya Government does not buy theirs there. Uganda also buys all those uniforms from Pedi in Nakuru while the Kenya Government does not. Zambia buys the same uniforms for their police, military and prison officers from Pedi in Nakuru. Zimbabwe and Malawi do not go to South Africa, but come all the way to Pedi in Nakuru for the same. I do not have to list all the others, but I can declare here without fear or favour, and without fear of any contradiction that Kenya does not buy from Pedi in Nakuru. They are also not buying from RIVATEX.

I was a principal of Moi University and I was involved in the purchase of the plant for over Kshs200 million. Immediately it was purchased, there was a chain reaction because the people in Salawa Valley in the lowlands who plant cotton and in Nyanza, and the ginneries were awakened because now the value chain was awakened. Because of our inability to remember to assist our firms, we need to know that this, really, is the cause of their death. We continue to assume they do not exist. If we were able to give them a market and say all our police and army officers buy from the firms that I have just mentioned, there will be a quick revival even in the ones that just collapsed. What will it take? It will take a statement as follows; that we need to change this procurement law so that we insert a statement which says “All these types of uniforms must be purchased locally.”

There is a song we keep singing here which says” Buy Kenyan, build Kenya.” What does that mean if we cannot truly reflect it in the heart of the national Government such as in the officers we know and to whom we give money every year for ritual payment and purchase of clothes? If we can say “you have to buy this,” just like the way

a statement came last year when I was the Permanent Secretary in the Ministry of Public Works; the President and the Cabinet said that all the chairs for the National Assembly must be bought from the prisons workshop. And you can now see that the seats in the National Assembly were not imported from abroad; they were made here at home.

I am still urging in this Motion that such a pronounced statement is given at the highest level to the Cabinet Secretary in charge of the relevant departments. His Excellency the President can actually announce this and we will see whether there will be any ripple effects; we will see whether people are going to get jobs. There are so many young people who are floating around jobless after graduating from primary and secondary schools, including from universities and colleges. Every morning as you come to your job, you find some along the roundabouts with flyers trying to sell products – and these are graduates with university degrees – and by evening, they get Kshs100 or Kshs200. If we go this way, we must go back and ask ourselves where did we go wrong? We must just stand firm and say we need to change things.

I want to mention one problem that made some of our firms to close. Other than our inefficiency to purchase from them, the problem was the cost of energy, which still remains high in Kenya. Sen. Kiraitu was here; he was the Minister for Energy, and these requests were calculated and taken to the Government at the highest level for them to look at those comparisons. Why did all those firms I have mentioned close shop and are migrating to some of our neighbouring countries? In Ghana, the cost of energy is US cents 13 per kilowatt hour, and so many firms are really coming up there. In Ethiopia, our neighbour right here, the cost of energy is just US Cents 2.5 per kilowatt hour and, so, the firms like Sunflag – the one I have just mentioned here – have already put up a plant there because it is easier to operate there because their machinery use a lot of energy. The cost of energy in Tanzania is US cents 14 per kilowatt hour; it is 12.5 US Cents per kilowatt hour in Uganda.

In Kenya, it is US Cents 20 per kilowatt hour, yet we began the firms which have just moved to our neighbouring countries. These firms have migrated from here because of our not being attentive to stand with them. If we introduce some urgent subsidy – which is not expensive and can be recovered – I do not know whether you heard in July this year, the Cabinet Secretary in charge of energy and petroleum announced that in the next four years, the overall cost of energy will come down to US Cents 0.08 per kilowatt hour. How can the cost of energy come down from US cents 20 to 0.08 per kilowatt hour in four years? That will be a major miracle that we are expecting to come down on earth!

We do not have to wait to go and dig up the seven, 5,000 megawatts which is asleep in Silale Hills and Paka Hills in Baringo County and Nakuru County here for geothermal energy. We can begin as follows; do we need our people to get jobs? Yes! Can the Government then give subsidies? In return, people are employed and then you tax the people Pay As You Earn (PAYE) whereby if you get zero, you pay zero. If we want to keep using this left hand – subsidy – we keep from the right hand – PAYE and other taxes that we normally impose. It takes a bold step for us to say “I think we have lost it.” Otherwise, why do we have a lot of fabrics coming from China and India here? Occasionally they come and plant cotton here, they process it and then they bring it here. The revival of industrialization in those countries began because of textiles. We can beat

around the bush to say we are waiting for big things to come; but there is no other big thing other than this.

I would prefer, Mr. Temporary Speaker, Sir, that we get industries that can assist so many families to get jobs, and in the evening, nobody asks you for food. I live in Eldoret and, once in a while, every morning at 6.00 a.m., go very close to Ken Knit and you will see the amount of traffic going in there; and you feel very good as a leader in Kenya when you see people going to jobs. In the evening at about 6.00 p.m., there are traffic jams and you have to create a separate lane that Sen. Karaba was talking about yesterday for them because there is hope here. Initially, they were competing with Raymond, which became Ropa, and it was good, and so many people were there. Go to the Export Processing Zone (EPZs) in Athi River; a number of these firms have closed down; the ones I have just mentioned. The only remaining ones are not able to move.

Mr. Temporary Speaker, Sir, if this Senate can firmly say; let the Government try this--- We have tried to get jobs for the youth through road building projects, but you build it for one, two or three years and it is finished, then the job ends. If we can plough into these firms and then, thereafter, they are not going to close, you can be sure that we would have done two things; subsidies to revive the firms, and two, we assure them of a permanent market for their products. Again, if you look at the uniforms for our children, how many kids are in the education systems? There are so many, and all of them wear uniforms. How many of those products are made in Kenya? You may find that very little comes from home because of this trouble that we have here.

Mr. Temporary Speaker, Sir, if we can revive the firms in the counties where these machines are, then our people can get jobs. Even the hotels here, where do they get their uniforms, bed sheets and blankets from? Most of them are imported yet we can produce all these items locally and they will be the best quality. Other countries are giving subsidies to such factories and, as a result, a lot of jobs are created and in return, a lot of taxes are paid by the people to the Government. Once again, we have gone into something called “people-sensitive” business, which they say is the *mtumba* bales and *mtumba* business, where second hand clothes come here.

We are saying here that public health and safety policies can be generated to regulate the type of clothes that we may bring in as *mitumba*. People may say that it is politically sensitive, but which is better; to get people employed or to say that we allow *mitumba* to come? There are some clothes that are a health hazard, and we get them as *mitumba*. But there are some that we can allow in, just like they do in Europe, where they still buy *mitumba*. The US still sells *mitumba* there, but only a certain quality of clothes are allowed. For example, inner clothes are not allowed to be sold there. But you will find that we sell them here, and then we bring in diseases which nobody knows how to treat.

(Laughter)

Mr. Temporary Speaker, Sir, we also need to ask the Government---

**Sen. Ong’era:** On a point of information, Mr. Temporary Speaker, Sir.

**The Temporary Speaker** (Sen. Murkomen): Do you wish to be informed?

**Sen. (Prof.) Lonyangapuo:** Yes.

**The Temporary Speaker** (Sen. Murkomen): Proceed, Sen. Ong'era.

**Sen. Ong'era:** On a point of information, Mr. Temporary Speaker, Sir. I do not know whether the Senator for West Pokot, when he referred to inner clothes, was talking about braziers and underpants.

**The Temporary Speaker** (Sen. Murkomen): Sen. Ong'era that is not a point of information.

**Sen. Ong'era:** Mr. Temporary Speaker, Sir, I have now understood that it is a point of order.

**The Temporary Speaker** (Sen. Murkomen): By now, you should have understood your Standing Orders.

**Sen. (Prof.) Lonyangapuo:** Mr. Temporary Speaker, Sir, I said that anything that we put on as underwear should not be sold in the second hand market. We should not have those types of clothes being sold in the second hand market. I am also asking that we create, in this Motion, a revolving fund just like we created one under the Sugar Levy Fund.

You have heard Sen.(Dr.) Khalwale ask why Mumias Sugar Company (MSC) was not given money from the revolving fund. When we have such a fund, it will be easy to replace obsolete machines that are in our textile firms with modern ones. I remember when I visited Webuye Pan Paper Mills – this one is not meant to manufacture clothes - I saw one machine which was manufactured in 1890. This machine is still working up to now. The machine consumes a lot of power. We could, for example, give them a revolving fund, a place where they can access loans at low interest rates just like it was envisaged in the 1960s when they decided to form the Industrial Development Bank (IDB) which was supposed to give low interest rate loans specifically to industries. The market was liberalised in 1989 and everything was wiped out.

The two previous Governments, the one of President Moi and the that of Jomo Kenyatta had no idea those days about how to disburse these funds. I am proposing that a revolving fund can be given through any bank, the Kenya Industrial Estates (KIE) or the IDB so that industries could upgrade their machinery. They should peg the fund on the number of jobs that they create and the taxes that they pay.

If we agree, as a Senate, that the Government should take this direction, then we will not need to wait for four years for the Government to bring down the cost of power. We can begin that now. The backlog for Kenya is very high. If we say that we will wait until that time, then we will have five more million people. Without anything to feed them, we will have created five million more problems. Unless we address them now, we will have problems by reviving what belongs to us. This way; the phrase Buy Kenya, Build Kenya will have a meaning.

I support and ask Senator Wamatangi, who has suffered most because most industries that were closed are in his county, to second the Motion.

**Sen. Wamatangi:** Thank you, Mr. Temporary Speaker, Sir. I begin by lauding my colleague, Sen. (Prof.) Lonyangapuo, for this timely, well researched and thought-out Motion. We now have a Government in place which came into power upon the premise of creating not less than 500,000 jobs per year. First, I want to, lay the threshold by making a statement of fact.

There is no country that can have any meaningful sustainable development if it does not grow its industries. The world is abound with examples of how countries have made legendary improvements and laid a foundation for the well being of their people by investing in industries.

Let me use an example of China. Long before, China was not a global giant in the economy. China intentionally decided to bring down the cost of manufacturing in their country to be the lowest in the world by supporting all the industries and by subsidising the cost of manufacturing. The entire world then decided that the only place they would go to manufacture goods, at a reasonable cost and still trade in the global market and make a profit was China. So, every known industry in the world, from the biggest names, moved to China with the idea and thought that when they put up the factories there, they would produce goods and sell to the world at a reasonable cost.

After that happened, China changed its strategy. The technology had been transferred to them and after they got the knowhow, they owned all the industries and started manufacturing and exporting goods at a lower cost to the whole world. That is why today, China is becoming the new global power that will, for a long time, rule this world as the economic super power.

If we are to reverse that scenario, then we need to look at ourselves here in Kenya, see what we have done for ourselves and for our people. Our story is the reverse. Sen.(Prof.) Lonyangapuo, in his Motion, has asked that we urge the Government to procure textiles and leather products locally. The leather industry in Kenya is in a pathetic situation. The finest leather in this world comes from Kenya. However, what are we doing with our leather industry? When leather is produced here in Kenya, it is semi-tanned and exported to Italy. After it lands in Italy, it is processed into fine leather. Every fine leather producer or manufacturer in Kenya re-imports that leather back to Kenya to move the industry forward. That is how the industry has died.

Sen.(Prof.) Lonyangapuo has done a good job in enlisting all the stories that we know or have heard right from 1970s during the fame of Rift Valley Textiles (RIVATEX) and in my own county of Kiambu, Spin-Knit, Alphanet and another one that used to manufacture towels. All these factories in the Republic have been major employers. However, we should go further and ask ourselves about the spiral effect of the closures of these factories.

I remember long before when we used to have a vibrant cotton belt in this country in Nyanza where our farmers would plant their cotton and employ people in their farms. We had a vibrant ginnery in Kenya but all that was closed. We should take a step further and ask, at the job level, what we have done for ourselves. We literally import every single garment that is worn in this Republic by the people of Kenya. However, what is more shameful is that the Government, which is supposed to be a protector of industries and investments, is the number one breaker of these rules. Every single uniform worn by our military, police and any other department that is uniformed in our Government is purchased by people who are given contracts and immediately rush to China. They contract Chinese labourers and manufacturers to sew the uniforms and then bring them here as finished products. I can support my case.

You will remember what happened when we started the Export Processing Zones (EPZ). The whole thought about the EPZ area was to create a tax free and low cost manufacturing zone whereby the textile industries would have been supported. However, those who came into the EPZ immediately saw a cash cow they could milk. So, apart from manufacturing the garments here, they immediately set up shop here and embarked on duty free importing. They would manufacture all their goods in the EPZ tax free and immediately export them to other countries.

We all know what happened under the African Growth Opportunity Act (AGOA) agreement with the United States of America. African states had an opportunity to export garments to the US at a subsidised cost. When our people set up shops at the EPZ, they took advantage of an opportunity that we should have taken advantage of. We should have moved into the EPZs, manufacture the garments, sent them out or to the US at subsidised cost and be the beneficiaries. So, a farmer in China and factories in China became the beneficiaries of that opportunity under this Republic.

For the sake of being an up to date nation and trading under the current parameters of trade, we can still remain a free market economy. However, it should not be at the expense of our people. We can balance the two. This nation can import the products that we do not have the capacity to manufacture. In fact, for items like clothing which we can not only manufacture by sewing, but also grow the cotton is something we should produce.

Sen. (Prof.) Lonyangapuo has effectively said that one of the most prohibitive roadblocks that inhibit growth of industries in Kenya, particularly the textile industry, is the cost of energy. Recently the *ad hoc* Committee on Legislation on Royalties Accruing from Natural Resources in the counties headed by Sen.(Dr.) Zani visited the Rift Valley. We visited the Geothermal Development Company (GDC). We were shocked to see the kind of potential that this country has, but it is going to waste in terms of useful and clean energy that can be used to substitute these costs. We found that the Geothermal Development Company (GDC) has dug wells. When we visited one of them, the Chairperson of our Committee asked: "What is happening to all this steam that is just flowing up and getting lost?" We also asked the head of that team: "How much of the Kenyan taxpayers' money have you put into this project?" He told us that they had spent about Kshs2 billion. They have already dug wells that are ready. The only thing that the Government would need to do now is to connect that geothermal energy that is there to the national grid and then we will have cheap and sustainable energy. That would support our industry, if we take serious steps in ensuring that energy costs are lowered.

Mr. Temporary Speaker, Sir, we have for a long time had a problem because of unaccustomed goods coming into this country. The textile industry is not alone in this. The controls at the ports of entry into this country must be manned to make sure that there is a level playing field for everybody who is involved, especially in manufacturing industry. Manufacturers of all textile products in this country would, especially require to be shielded from those who have not only the capability, but also the capacity to dodge the laid down tariffs.

Mr. Temporary Speaker, Sir, as I support my friend, Sen.(Prof.) Lonyangapuo, the number of young people in this country who are seeking to benefit from the jobs that

are going to be created by our actions in this particular regime that we have gotten into after the new Constitution was promulgated, is enormous. We have a duty that we owe to this country to make sure that we do what we should do, not only as a Senate, but also as leaders of our time. For the last two years, there has been a significant drop, not only in employment, but specifically in the textile industry. Last year, the textile industry declined by 17.6 per cent. In the previous year, it declined by about 15.7 per cent. If this trend continues, then we will completely kill the textile industry.

Mr. Temporary Speaker, Sir, finally, there is no greater justice that we can do to the generations that are coming after us. We must make sure that during our time we have done what we should do. One of the steps that we should take is to protect the textile industry in this Republic. In future, we want our children to enjoy, not only protection, but also clothing.

Mr. Temporary Speaker, Sir, I beg to second.

*(Question proposed)*

**Sen. Mositet:** Thank you, Mr. Temporary Speaker, Sir, for giving me an opportunity to support this Motion by a good professor who has really researched.

Mr. Temporary Speaker, Sir, as I was seated here listening to Sen. (Prof.) Lonyangapuo narrating how many industries collapsed because of lack of support from our Government, I really felt ashamed. Currently, we are really talking about Vision 2030. But when Sen. (Prof.) Lonyangapuo cited many industries, including Kicomi and others which have died, I just also remembered that in my own county, we used to grow cotton. In fact, cotton really used to do very well in semi-arid lands. I just remember a bit of history that cotton was introduced in this country around the 1900. After Independence, by the time our Government came into power, we were still doing very well. There were donors. The Government was very supportive. However, later on, the donors withdrew and the Government support was also not forthcoming. In the 1980s, the cotton industry started crumbling.

Mr. Temporary Speaker, Sir, if we want our economy to grow, we must think along the lines of making sure that we put value into what can be grown in this country. We can achieve this by promoting our industries and making the environment in which they operate suitable, so that our youth can be employed and live a decent life. You can imagine farmers benefiting from growing cotton and people working in that industry living decent lives. If we want our economy to grow into double digit, we must really think along the lines of Sen. (Prof.) Lonyangapuo. It just requires one statement and many things will change. Just two or so months ago, His Excellency the President said that women and youth must be considered in any procurement which is done within Government institutions. Even though money has not started trickling into the counties, the women and young men have a lot of excitement that they will be in business. Therefore, a statement should be made that any Government institution in this country must consume goods which are produced in this country. With that announcement alone, many things will change.

Mr. Temporary Speaker, Sir, in my county, we have a lot of livestock which we may lose very soon because of a land policy that is not favourable to the livestock keepers. Everybody is buying land in Kajiado County because it is cheap. It used to be one of the best areas actually to keep animals. I am talking about livestock because of the leather industry. In Kenya, we talk about the leather industry as if it is non-existent. When you go to the Kenya Meat Commission (KMC), you will realize that everything out of an animal can contribute to the growth economy of this country.

Mr. Temporary Speaker, Sir, this is a good Motion and we need to support it. I do request the Government to act. If possible, they should look at maybe the Acts and laws of this country which can support and revive the leather, textile and other industries which went under. This will in turn revive livestock keeping and cotton farming.

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

**Sen. Muthama:** Bw. Spika wa Muda, nakushukuru sana kwa nafasi hii ili niweze kuunga mkono Hoja hii ambayo imeletwa na Sen. (Prof.) Lonyangapuo, ambaye ameonyesha kuwa anajali taifa hili na wala sio tu kaunti yake anayoiwakilisha hapa. Hoja hii inahusu nchi nzima na rasilmali zetu.

Bw. Spika wa Muda, nimeamua kuzungumza kwa Kiswahili ili niweze kutafakari na kukumbuka maneno ya wimbo mmoja ambao ulikuwa unaimbwa zamani nikiwa kijana. Ulikuwa unasema kuwa ukitaka kuisaidia nchi hii, nunua mali ya Kenya. Ulikuwa unasema kuwa Bw. Kamau ananunua mali ya Kenya na kwa hivyo, anaongezea uchumi wa nchi hii nguvu sana. Wimbo huo ulikuwa unataja karibu kila kabila katika taifa letu.

Bw. Spika wa Muda, tulipopata uhuru wetu, Serikali ya kwanza ya hayati Mzee Jomo Kenyatta iliweza kujimudu sana na kuanzisha viwanda mbalimbali. Tumesikia kuhusu Kicomi. Kulikuwa pia na KTM, RIVATEX, KMC, Shirika la Reli na viwanda vingine vingi. Nikiangazia Hoja hii, ningependa kusema kuwa ni aibu sana kwa taifa hili kuwa na ukosefu wa kazi ilhali watoto wetu wamesoma. Tegemeo la watoto hawa ni nchi hii. Lakini kila wakati nafasi ndogo inapotokea tunaifunga.

Bw. Spika wa Muda, katika Kaunti ya Machakos ambayo ninaiwakilisha hapa kuna viwanda vingi katika mpangilio wa EPZ. Kati ya hivi viwanda, vingi vimeamuriwa kufungwa. Wakati EPZ ilianza, makampuni mengi yalienda kule na kuanza kufanya kazi, kuajiri watu na kutoa huduma. Lakini cha ajabu ni kuwa miaka 50 baada ya Uhuru wetu, tukiwa na mkonge, pamba na vitu vinavyohitajika kutengeneza nguo, nchi yetu inaweza kuendela sana. Tuna kiwanda cha Bata kinachotengeneza viatu. Nimenunua viatu vya Bata na ninaweza kuthibitisha kwamba vinadumu zaidi kuliko viatu vinavyotoka nje ya nchi hii. Pia bei yake ni nafuu. Ukinunua kiatu kwa bei ya dola 50 hapa, utakinunua kiatu kama hicho ulaya kwa dola 200.

Bw. Spika wa Muda, tuko na ngozi lakini mavazi yanayovaliwa na askari wetu wa General Service Unit (GSU) na wanajeshi wetu yanatoka nje ya nchi. Kwa maoni yangu, huu ni ukora tu. Kuna watu wanaotaka kuiba pesa za Serikali. Tuginunua bidhaa kutoka kwa kampuni zilizoko nje ya nchi, tunapoteza pesa za kigeni ambazo tunahitaji. Pesa hizo zinapelekwa nje na kumlipa mtu kule India au Malasya. Pili, tukishapoteza pesa hizo na nchi kuwachwa na lawama ya kutafuta pesa za kigeni, faida inayopatikana kule haitozwi kodi hapa. Kwa hivyo, tunapoteza pesa na kodi.

Bidhaa ambazo zinanunuliwa kutoka nje ni ghari muno. Kama tunanunua nje ya nchi hii shati, suruali aina ya kaki na batisi ya kufunga soksi katika kiatu cha askari jela, je, tunaweza kusimama hapa na kusema kwamba sisi ni nchi huru? Ikiwa ni lazima tuagize kutoka ng'ambo nguo za kuvaa, je tutasema nchi ni huru. Kizingizio ni kwamba, watu wanapitia mlango wa nyuma na kusema kwamba hata kwa miezi mitano hawataki tuwalipe. Wanataka tulipe baada ya miasi sita. Na hiyo miezi sita tunalipa kwa gharama ambayo watoto wetu hawatapata rasilimali yoyote.

Bw. Naibu Spika, Serikali inasema kwamba inajenga vyuo vya ufundi ili kufunza watoto wetu jinsi ya kufanya kazi kama hii. Tukijenga shule hizo na watoto wetu wahitimu katika masomo yao, watapata kazi wapi? Hata wakishona zile nguo za askari jela hatutaki kununua kwao. Pesa ambazo zinabaki tunachukua na kupeleka vijijini na kujenga polytechnic ambayo haitumiki. Watoto wanakaa bila kazi na mwishowe wanakuwa wezi. Hata anakuwa seremala ilhali hawezi kuuza bidhaa zake. Juzi tumeshuhudia kasheshe na sarakasi; kizaazaa cha wasomi wakitaka kwenda China kuletea Bunge letu viti tutakavyokalia katika Bunge la Kumi. Wakati mambo yalizidi, tuliwashambulia kufa na kupona mpaka wakabadilisha nia yao. Walitoa kandarasi kwa Kiwanda cha Kenya Prisons kupitia mlango wa nyuma ili kutengeneza viti ambavyo vinatumika bungeni. Ukilinganisha vile viti na hivi tunavyokalia ambavyo vimetoka nje, ninaweza kusema kwamba hii ni takataka.

Tena juzi tulisikia kwamba Parliamentary Service Commission (PSC) inataka kwenda China kutafuta viti ilhali viti viko hapa. Mikeka ambayo inafaa zaidi inashonwa kutoka mkonge. Sisi tunaletewa mikeka ya kisasa na tukitaka kuyasafisha ni lazima twende wale waliotuuza. Ingelikuwa tunawapa kina mama wa nchi hii nafasi ya kututengenezea mikeka tungekuwa wenyeji na wale kina mama hata wana uwezo wa kupaka zile mikeke rangi yoyote. Lakini kila msomi akitoka chuo kikuu akipewa kazi ya procurement, anakimbilia kununua mikeka ng'ambo na kupuuza yetu. Jambo hili linaudhi sana.

Bw. Naibu Spika, hatufai kuisihi Serikali ibadilishe huo mwenendo na kutoa haki kwa Wakenya, nikiwa Seneta wa Machakos, ningetaka kusema kwamba Wakenya wanawaamrisha mkome ngoma na sarakasi hizi ya kununua bidhaa kama hizo kutoka ng'ambo, na wafanye mipangao kulingana na mahitaji ya Wakenya. Tunataka kutumia mali yetu, kuishi kwa haki na kutumia uwezo wetu ili watoto wetu wanaosoma wakihitimu wapate tunatumia mikeka ya mkonge na waiongezee manufaa zaidi. Hiyo ndio teknolojia ambayo tunahitaji. Tumekuwa watu wa kuwafuata wazungu. Inafaa tujitoe katika hali hiyo na tuzingatie Hoja hii ili tuhakikishe kwamba Wakenya wanaishi kwa hali inayofaa.

Ninaunga mkono.

**Sen. Elachi:** Thank you, Mr. Temporary Speaker, Sir, I also rise to support this Motion knowing very well that for the whole of this week we have been talking about our country and the sadness that we see and how we have handled most of our institutions. Today, again, we are talking about the same thing. I think now it is time we asked ourselves: What action do we take because it is very sad when we come and talk about farmers who used to plant cotton and ensured that their children went to school because

of it? After that, a Kenyan went to school knowing very well that after secondary school, I will go to a polytechnic or a university and then get employed.

We are talking about new technology and transformation. However, we are left with one question: Where are we going? Who will put down his feet and say enough is enough, let us build and respect our country? When will Kenyans love their country? I think that is where we have lost it. When you hear somebody saying that our neighbours are buying the same uniform that we feel as Kenyans we cannot buy, it is not because of anything else, it is because it is the best uniform produced in our country. But it is because we want to make 150 per cent interest. That is one thing I am so sad about that as a Kenyan today.

Mr. Temporary Speaker, Sir, everything a Kenyan makes in this country, he or she must ask what per cent is there for them. That is why we can even sell our country at will. That is why we find ourselves in a quagmire where every person who walks into this country normally tells us that Kenya is a country you walk in, in the morning when you are poor and by midday, you are a rich person. We are talking about our country. The person will come, he will start producing any product and by the time he is now exporting it back to his country of origin, he would have started making money while a Kenyan who has been here for 20 years remains as poor and so he has to close down his business and get employed by the foreigner.

When you look at our Asian brothers who run some of these industries, they came in Kenya with nothing. However, today, I know we have the best products which are exported from Kenya to other countries. You will never see them in the market because they are meant for export. When we ask where the cotton comes from, they will tell you that they import the cotton. We have not given the opportunity to that local Kenyan as much as they are using every resource of Kenya. We do not have the heart of saying, let us go somewhere in Nyanza, Western or Ukambani where cotton used to grow and encourage those farmers to get you that cotton. There is no policy that protects even what we have. That is why even when we talk about RIVATEX and Kicomi, we feel very sad because apparently it just went to Japan. That is where it has thrived very well. We also have the *kikoi* doing very well there yet in our country we have to buy now.

Mr. Temporary Speaker, Sir, when you look at how we do our campaigns for the best canvas that are cheap, we have to go to Tanzania. Then ask yourself: Why and yet we have the best? I remember sometime back there was a research that was done in Baringo where we have material that can be used for the mature of jeans. It was an American who did the research and went and used it to get the finest jeans you get today. It comes from Baringo, Kenya. Since I do not have anything in it, I will not have anything to do with it. There were very good blankets that used to be made by Raymond and today, we do not have them and yet we are talking about creating employment. We have many young people who are seeking employment yet no one is questioning about what happened to the textile industry.

It is not just the textile industry, but other industries are also being killed slowly by slowly not because we cannot revive them, but because somebody somewhere has interest and will ensure that they kill it so that we import what comes from China. So, you kill this local production and go to the Government and get a tender where you are

able to import. The same thing is happening to the cement industry. Today, cement that is coming from China is cheaper than what we produce. Therefore, we need to start questioning ourselves why it is that cement from China is cheaper than the cement that is produced locally yet we can put up cement plants and get enough cement.

Mr. Temporary Speaker, Sir, we are now in a new dispensation. It is time we changed how we look at things in our country. The attitude we have towards our country must change. I think we need a programme on change of attitude. It should be compulsory in the public service and all other institutions. This is because this attitude has been institutionalized. It is about the people who run institutions in this country. When we talk about importing uniforms for prison warders, who does that? A Kenyan who will sign for that tender. Why should he or she not go for uniforms from a Kenyan company? It is time we stopped the blame game. I believe that through this Senate, we can bring a lot of change even if it is one step forward. After five years, we should proudly say that as a Senate, we stopped this and it worked for the benefit of the people of this country.

One of the things we have lost completely is that as much as we talk of the technology that we are bringing and the new polytechnics that we are coming up with, we are not asking ourselves whether we have in place a programme for our children to adopt. Nobody is talking about that. There should be that belief in our country. We should be proud of our country and say: I love Kenya and I will defend anything that is Kenyan with a lot of pride forever. That is the spirit we lack.

Today, we are talking about the textile industry but we have a challenge also because our young people have also learnt our methodology of doing things, they prefer *sarakasi*; they prefer going for a one million that is very fast. We are not asking ourselves where are we going to get the engineers because nobody is bringing up a programme that can entice our young people to say: Let me do engineering. But everyone is bringing up quick programmes of comedy because they have quick money. But in the long term, where will the country be? Who will run the factories for the textile industry that we are fighting for as the Senate? That is another question we need to ask ourselves. Do we have young people who have that motivation to say: "I am willing to study agriculture?" Do we still have young people in school who have that motivation to say "I would wish to be a doctor," not because of the money, but because it is a calling? That is where we feel we have lost it; that is where young people need guidance. They need to be told that everything is not just *bonyeza*; they need to be told that we have to strive and work hard. That is why we had these industries coming up. How will we help our young people as we look at the issue of industries and take them back on how our Indian brothers brought up their children? When we look at how they bring up their children, the children will always want to do "what my dad did"; start with a small shop and end up with a supermarket like Nakumatt. But we do not have that culture, nobody is able to learn that.

Mr. Temporary Speaker, Sir, as we support this Motion, we want to urge the Government to come up with a policy. This should be done immediately. Seventy per cent of our products must be bought by public institutions using public money. We cannot go for chairs and uniforms from China when we have Zambia, Mozambique, Uganda and Malawi coming to Nairobi to buy our own. They look at us and wonder

whether we are really serious. What is our problem? Do we really care for the taxpayers who pay so diligently that they would wish to see service delivery? As the Senate, it is time we started supporting our country to grow. If the Government is going to give 30 per cent of all tenders to the youth and women, then they also need to come up with a serious policy that says that our products must be first. When you are tendering, ensure you find out if the product is available in Kenya. This is especially so for Government institutions. If this is the case, then let the items be bought in Kenya.

Mr. Temporary Speaker, Sir, I beg to support.

**The Temporary Speaker** (Sen. Murkomen): Sen. (Dr.) Zani.

**Sen. (Dr.) Zani:** Thank you, Mr. Temporary Speaker, Sir, for giving me this opportunity to contribute to this very important Motion. I congratulate Sen. (Prof.) Lonyangapuo for bringing the Motion to the House because it touches on the economy of our country, the young people and historical injustices, if I may say, in the way we have handled our economy. The reason many people in the counties are keen on devolution is because they are living below the poverty line. One of the areas where you can push down peoples' levels of poverty and improve their standards of living is to enable them earn an income. Most counties are endowed with one resource or another, but we have mismanaged these resources. This is quite unfortunate. In the 1960s and 1970s, we saw a model of how these industries would work and, therefore, we are not talking from an empty template; we are talking from reality where we know industries can work because in the history and development of this country, they have worked. In Kwale County, for example, Ramisi Sugar Company (RSC) was able to keep people who grew sugar cane in employment. This is an area where sugar cane can be grown and processed. It is an area that can produce sugar both for local consumption and for export to the advantage of the people of Kwale County.

When we think about the coast region in general, the cashew nut industry is another industry that has just been left to die. From cashew nut farming, it was possible to manufacture various products. The industries, for example, even for processing mangoes that were there many years ago have all disappeared and are depleted in most of these specific regions. The reality is that counties will continue to be poor. This Motion is very timely. We urge that those specific counties look at their potential and try to revive those industries appropriately to ensure that counties move forward.

Mr. Temporary Speaker, Sir, at the Coast, most people rely on the coconut tree. From that tree, people would have a livelihood; be it in preparing *makuti* for the roofs or other products such as the mats which they would sell to tourists and hotels and they would make some money out of it. What is so hurting is to find an impoverished community that has the resources, but has leaders who have failed in ensuring that industries are managed. Just because people are greedy, some people have taken it upon themselves that if they know that they are going to procure, they are going to have deals or they are going to have sugar coming in from abroad, then they are happy to do that so that those industries are killed and, at the end of the day, they are the ones who gain and continue with what is happening.

Mr. Temporary Speaker, Sir, recently, there have been serious conflicts in Kilifi, and I think you have seen this. The old men are worried and scared that, at any moment,

they might be killed. The reason for these killings is that, really, the young people have not found an outlet from the various training or through the education or they have not been able to go through educational institutions successfully and some of them have left because of poverty. Others have not been able to secure jobs. So, all of them are really looking at land as a way of sustaining themselves and the old people are not dying quickly enough, in their opinion and, therefore, one way of ensuring that they actually clear that land is by killing them, like they have done. You can imagine the level of conflict; it actually now becomes a question of scarce resources. Why then can we just not think about our industries, be they textile, cotton or leather industries, to ensure that these are actually appropriately built? It should not be very difficult, like in the model of China, where you actually just use low cost and low skilled labour for you to attain and make profits from whatever is going on or is being sold in that particular place. We have, therefore, found ourselves in a situation where we have created expectations from the youth that we cannot meet. We take them through an educational system and at the end of that, we cannot give them employment if they go to university. We have created middle level colleges where we say we are training them for skills, but once they are ready for these skills; there is no outlet for these specific skills. We are training them through the 8-4-4 system so that they can actually have an alternative education where they can have a possibility of using other skills apart from academic skills, but there is completely no outlet for that. We are sitting on a time bomb; we are creating many expectations and we are not building up our industries sufficiently enough so that they can fit in. We have let ourselves to the opportunity and exposure of relying on the west and whatever comes from the west. In those countries, they are able to give high subsidies such that it is possible to end up with products that are substantially low cost even after they have been exported to this country. In the long run, they are happy to do that, but we never ask questions about the type of products that we end up with; what is the implication of those products? At the end of the day, even the *mitumbas* that we run for – cheap is expensive – sometimes these clothes will wear and tear within a very short time. At times, as Sen. (Prof.) Lonyangapuo said, they may be have diseases and we do not know.

What dignity do we have, as Kenyans, when we are wearing *mitumbas* of *Wazungus* somewhere, who we even do not know, yet we have our own industries here? Why can we not begin, as Sen. Elachi said, to be proud of who we are? I remember I think in the 1980s, most of the young people would talk about the label of clothes they were wearing. Even look at the ‘Wedding Show,’ you will hear the bride saying “this dress is imported from China!” I looked around all the boutiques in Nairobi, this is China! We are now even claiming China! We boast by saying “this is from the UK; this is from America;” we should be ashamed. This has become a culture, and because of that culture and that sort of socialization, we look at what comes from the west as the better, superior, as what to look out for and, therefore, we do not put enough of a challenge so that we can actually now create a demand for what is Kenyan; what is authentic; what is ours. Buy Kenyan, Build Kenya should be a brand model that should be used across the board in everything that we do. But it cannot just be a question of word and ethos; it has to be a question of ideology; accepting it, buying it, owning it and then doing it for as long as we do not get there, we do not become proud of being Kenyans, we are just proud

to say ‘Kenya, we are one’ but where is our oneness exhibited? Surely, it is not exhibited in our procurement procedures – for those who are in leadership positions and for those who are actually in charge of making those procurements – end up with deals that leave Kenyans with absolutely nothing.

Mr. Temporary Speaker, Sir, I wish to inform Sen. (Prof.) Lonyangapuo that it is very important also to come up with a process of education and creating demand. We can do this very easily under devolution. I am thinking from Kwale, we should say “we demand for Ramisi like yesterday.” We are not going to have our old men killed because young people have to live; because they are going about it in the wrong way, addressing an issue because they do not know how to address it the right way. The answer is that, if we solve the issue of poverty in the counties, we will solve many other problems in those particular counties. That is the way forward for us, so that we move away from these stereotypes; we end up with a sense of dignity and pride. There are people who have come in even with the same *mitumba* shops; some of them, I hope, are our own *mitumbas*. You will find people from the UK coming to look for jeans from here. So, as we struggle to get imported stuff, they are also coming to get the local stuff. Look at the Maasai ornaments that we sell; with those, we own a cultural identity and we are proud of it. That, in itself, can be a real source of income for a long time.

Mr. Temporary Speaker, Sir, we need to look at what is going wrong with our industries. It has been mentioned that energy costs are very high. This is true. In about two of the investment plans that we have visited in the last two weeks, there was a complaint that energy costs are very high, especially from electricity. That creates a problem in terms of investments because the profits then become very low. But the geothermal development Company already has an initiative of producing cheap and available energy, and that is one area to explore. We can tap into our low skilled labour and try as much as possible to move towards manufacturing at low cost. I think if we begin to look at what our problems are; that we have the skills, we have people who are unemployed, we want to be able to push our agenda, then I think this upside down sort of thinking and mindset could be eradicated in the long run.

Mr. Temporary Speaker, Sir, from the Motion, there is a ready market outlet for the garments that can be created locally. If we can have a policy where the Government takes up to 70 per cent, as Sen. Elachi said, even maybe 100 per cent; Why not? - from what has been generated locally, then already we have a local market where these products can go into directly. That, in the long-term, will help us to spur development and also to build this particular identity.

Mr. Temporary Speaker, Sir, we are skirting around the issue of procurement, because that is where the problem really is. I think we need to be very direct and clear here. We should send a clear message as the Senate that we expect to have a procurement process that entails what is locally manufactured and produced to be utilized within this country. Let us be proud of Kenya; let us be proud of our industries.

Thank you, Mr. Temporary Speaker, Sir.

*(Applause)*

**Sen. Kajwang:** Thank you, Mr. Temporary Speaker, Sir. First of all, I want to thank Sen. (Prof.) Lonyangapuo for bringing this Motion. One thing I have found out is that the Senate is the place to be. There are things I wanted to debate while I was at the National Assembly for the last 15 years but had no chance to debate. However, everyday here, we are dealing with serious topical issues that can change lives in this country and this is one of them.

I was talking to a serious investor in this country who deals in textiles, an Asian, and he told me:

“Kajwang, there is no country that has ever developed without starting with cotton, whether you go to Britain, Liverpool or Manchester.” These are cities built on cotton. If you go to India, you will find that it is built on cotton. If you go to America, you will find the situation is the same. We are now talking about China which is also built on cotton. There is only one country that was being built on cotton but restrained, and that is the East African Community (EAC).

There is a time when if you bought a dress for your wife from Korea, you would be divorced. There is no lady who would want to dress in a Korean dress. That would mean that you were looking down upon her. They used to say, at our place, do not bring me a dress from “*Koria*”. They used to call it “*Koria*”. The only clothes that were imported from Japan were those for burying dead people and these clothes are still referred to as “*japan*” up to now. In our language, we turned it to mean that we were using it for *panoring* the dead guys. This means that there was a time when Japan was so far behind that we would not use their clothes for dressing. There was a time when India was far behind that we did not import anything from there especially textile.

Our clothes used to come from Jinja, the best quality clothes in the world. In fact, the other quality clothes in the world at that time that were competing with this one were the American Khaki. We destroyed anything else that came in.

So, you cannot just develop without a policy that protects an industry. You cannot open yourself to the world and hope that you will survive when you are a small fish. In fact, in our region, when you are a small fish, you run away from *mbuta* because the *mbuta* will eat *omena* and all other small species. So, you must protect yourself to survive in the sea if you are a small fish. Kenya is a small fish.

As a Committee of Parliament, we went to Germany and held talks with the Minister for Foreign Affairs there and he was very excited about the rebuilding of both the East African Community (EAC) and the COMESA as trading blocs. We asked him why they were not buying sugar from Kenya or even the EAC and why they were protecting the beetroot. Production of sugar from beetroot is very expensive. In fact, farmers cannot grow it unless they are heavily subsidised. So, we asked him why they do that when we have sugar that they can buy for use and he told us that he represents a constituency that grows beetroots. He told us that if he left farmers without subsidy, then he would not make it to Parliament.

If a European can be so frank to tell you that unless he protects his own, he will lose his seat and yet we do not care in Kenya, what does that mean? In Kenya, we do not care. There is a time when we used to protect our industries to some extent. At that time,

we did well. However, immediately we opened our borders to everybody and got cheap booms, we destroyed everything. I will give you a good example.

I have changed the seat I use in my office four times. These are the reclining seats which come either from China, Malaysia or Korea. They look beautiful. The Chair you are seated on, Mr. Temporary Speaker, Sir, will not be replaced in the next 50 years. That seat is good for your back and looks good. You cannot get tired when seated on it. However, the one that has been bought using our tax money has been changed four times because immediately you touch it, the arm goes down. Immediately you try to recline it, *inaenda chini na wewe!* That is the problem we have. However, we must, somehow buy from China.

The Chinese know that the products they are selling here are cheap and useless. However, they sell them anyway. A Chinese man told me that there is no country in the world where one can become a millionaire faster than Kenya. This is because they sell cheap things at a very good price and Kenyans seem to like them. That is why the Chinese do not go anywhere. That is why they are giving us loans so that we start liking them. The bottom line is that Kenya seems to be the best market for the Chinese people.

Just look at paper that we used to produce in this country. We destroyed our own industry and after we destroyed it, we did not reinvest in it. If you look at what destroyed that industry, you will see that it is because we did not reinvest in it. The cost of electricity and other inputs went up until it went under. We have been trying to bring it back but it will never come back.

We must put in place an enabling environment that can attract somebody who has some money to put an industry in Kenya. If he will set it up here in Kenya and compete with cheap paper from India and China, he will not succeed. He would rather set it up in India or China where electricity and transport costs are cheaper and where the market is larger. The only reason he would put it in Kenya is if he knew that he would benefit from it. This can happen if one is protected and if buying Kenyan is guaranteed.

I have listened to my colleagues; the bottom line where we must start is that we must buy Kenyan. We will not slander mere about it for too long. We will make a law in this House that for all procurement purposes, certain things must be made in Kenya. Imagine we are buying shoes for our army from China. A policeman told me that when you really stand at attention, they break into pieces. Bata has the best shoes in the world. We are selling these shoes all over the world. It is our own industry and we are killing it. It is the best industry for shoes for our children but we are killing it and yet we do not care. Bata used to employ many people. The Government is the largest business partner in any country. Once business goes to China and other countries, then people will have no business.

I want to talk about cotton with a little passion because it is grown in my area. Some of the best and longest cotton lint comes from Lake Victoria. We were doing very well because we had something we could take to the market as a cash crop. Now, we do not. Any community that does not have a cash crop is poor. How can you save money? You can only save money in a cash crop which you can take later to the market, get some lumpsum money and use it to pay school fees. That is how we lost it.

Now, we are talking to county governments. At times, we should work jointly as counties that think alike. Those that have an interest in cotton industry should identify areas where we will put up an industry. We should then force the Government to buy cotton products from Kenya if they must buy anything cotton. I do not like saying this but look at the amount of cotton our ladies use every month. If this was being bought from Kenya, that would be enough to keep our people at work. However, we are importing it expensively and we do not care that we are employing other people when we should be employing our own people. If we want to reduce unemployment in this country at the fastest rate, *wachana na hii pesa ya vijana ama pesa ya wanawake!*

**The Temporarily Speaker** (Sen. Murkomen): Hon. Senator Kajwang, you are an experienced Member of this House.

**Sen. Kajwang:** Mr. Temporary Speaker, Sir, I am so sorry. I got passionate. Let me go back to what I was saying.

*(Laughter)*

People will not come and invest in Kenya if the cost of energy is as high as it is. If you gave me money and told me to invest it, probably, I would not invest it in Kenya. If you look at the money we spend on energy, probably, you would not make ends meet. People will not invest in the hinterland of Kenya, Kisumu and other areas, because of the transportation costs.

I support.

**Sen. Bule:** Mr. Temporary Speaker, Sir, I take this opportunity to thank Sen. (Prof.) Lonyangapuo who introduced this Motion to the Senate today. He has talked about industries that we used to have in the 1960s and 1970s but which have since been abandoned by the Government. These are the industries that would be employing our people. If we revived these industries, we would provide employment for our youth.

I would like to challenge the Government, if it has to overcome the challenge of unemployment, it should come up with a clear policy to deal with the issues which have hindered our development. We have all the necessary raw materials in the country. We have enough animals which can produce leather. My county alone can produce enough leather and even some for export. We can also produce cotton. We had many cotton industries previously but these have since been abandoned.

I urge the Government to revive all the industries that have been abandoned and stop the cheap importation of materials which we already have in our localities.

I support the Motion.

**Sen. Ong'era:** Mr. Temporary Speaker, Sir, thank you for giving me this opportunity to contribute to the Motion. First of all, I would like to commend the Mover and Seconder for bringing such a very important Motion to this House.

Mr. Temporary Speaker, Sir, according to the Kenya Institute of Public Policy Research and Analysis (KIPPRA), we are told that the textile industry was at its peak performance in 1984, when the cotton industry at that time was producing over 70 bales which were then supplied to the domestic textile industry. During that time, we had 52 textile mills in this country. Today, we only have about 15 textile mills in Kenya, which

is a great shame, because at that time, we employed over 42,000 Kenyans who were working in these textile mills. Today, you find that hardly more than 500 people are working in the textile industry. It shows that milling facilities in this country have been reduced, merely because of corruption in Kenya. It does not have to be belaboured in this House; we know what happened to the Cotton Board. We know how money was embezzled until that board was brought to the ground.

Mr. Temporary Speaker, Sir, unless we change our habits and attitudes in this country and deal with the disease of corruption, we will never have a vibrant cotton and textile industry. We know that as a result of this, a vacuum was left in this country. What happened? There was a great influx of second hand products into this country. Many people, including hon. Members, are wearers of these clothes. Nobody would say that they have never worn or bought second hand clothes. Before we say that we will do away with second hand clothes, the so-called *mitumba*, we must have an industry that is vibrant. If you go out into the streets now, you will hear great songs being sung. You will hear: “*Watu wang’are, watu wang’are,*” in other words, “let the people shine.” Why is this so? It is because second hand clothes are very cheap in this country. You can buy socks for 50 cents. Because of this, we cannot just say that we should do away with this industry, which is now giving many jobs to our people. It is now the bread and butter in many households in this country.

Mr. Temporary Speaker, Sir, as I support this Motion, I wish that the Mover could give us a stop-gap measure, because neither will we have these factories overnight nor do away with the second-hand clothes that are in this country, because we know what they are doing to our people, especially in the rural areas.

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

**Sen. Melly:** Thank you, Mr. Temporary Speaker, Sir, for giving me this time to contribute to this very important Motion which is detailing how we can revive our industries to be able to grow the economy of this country.

A number of textile industries have closed down in the recent past. I do not know if this only happened in my county. About five industries that used to process textile products were closed down. I want to believe that this happened also in other towns of this country. This has led to unemployment, poverty and increased crime among other evils. We have always said – and I think that all the leaders are in agreement with me – that the biggest challenge that this country is facing today is not the *Al Shabaab* or attack from external forces. We have more to fear from within than from without. This is because the levels of unemployment among our youth today have gone up, basically because a number of industries have been closed down. If we just sit down and say that we want to fight insecurity, are we really serious? One of the main causes of these problems is unemployment among the young people, since a number of industries, which used to employ these young people, have closed down.

Mr. Temporary Speaker, Sir, I do not know how many people from this country work in countries that we import textile products from. Those countries include China and Japan. How many of our young people are employed in Japan? How many of them are experts in those industries that produce the clothes that we wear today? Why do we not accept the fact that we have done wrong in the past and so, we should correct it and

move forward? Let us empower our industries. When it comes to issues to do with higher costs of running these industries, such as the cost of power, the Government should come in and subsidize it, so that investors can come to our country, invest heavily and employ the young people.

Mr. Temporary Speaker, Sir, if we must grow this economy, we have no option but to revive our industries. Raymond's Textile Factory, for example, was one of the best textile factories in Eldoret. However, it went down due to corruption and mismanagement of funds. We also have RIVATEX East Africa Ltd which is now being revived, but at a very slow pace.

**Sen. Kajwang:** On a point of information, Mr. Temporary Speaker, Sir.

**Sen. Melly:** Mr. Temporary Speaker, Sir, I accept the information.

**Sen. Kajwang':** Mr. Temporary Speaker, Sir, just to mention that Raymond's Textile Factory used to export suits. First of all, the material was made in Eldoret and the suit stitched in Kenya and sold in London. At one time, a son bought his father a suit in London when he went for his graduation. The father liked it, but he had not checked that it was actually made in Kenya. When he checked and found out that the suit was made in Kenya, he told the son: "You must take this suit because I cannot go back home with something which is made in Kenya and I have come to London." That is how good we were.

**Sen. Melly:** Mr. Temporary Speaker, Sir, I would like to thank the Senator for that information.

Mr. Temporary Speaker, Sir, when are we going to believe in ourselves as a country; that we can produce items and consume them ourselves? I think that this is the right time to do so. I congratulate the Mover, who was my university lecturer, for bringing this wonderful Motion. I support it 100 per cent and want to believe that everybody who will make a contribution to this Motion will take it seriously. If we do not revive these industries, we may not achieve the Millennium Development Goals (MDGs) and Vision 2030.

Mr. Temporary Speaker, Sir, people talk about quality and pricing when we try to actually influence them to buy local materials. We can produce the best quality because we have what it takes. We have men and women who are qualified to work in these industries and produce quality products, basically, clothes, which we can wear. Everybody else in this world can come and buy those products. We have what it takes. We only need to be serious. It is high time that the Government comes in and ensures that we empower our industries. The Government should allocate funds to our local industries for them to expand and in the long run be able to employ the people of this country and hence, grow the economy.

Mr. Temporary Speaker, Sir, lastly, the cost of production is high in this country basically because of issues to do with power. If the Government could come in and subsidize this cost, it would encourage investors to come into this country, and things will not be the same again. I want to urge the Senate to actually take the lead and ensure that all our contributions are taken into consideration, so that we can move forward and come up with a Bill that will ensure that all these things are taken care of.

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

**Sen. Obure:** Mr. Temporary Speaker, Sir, I hope I can be able to make a contribution. I have been suffering from some flu but I hope I will be able to make a contribution to this very important Motion.

The textile industry, like has been pointed out by Sen. Kajwang, has always been the first in the race towards industrialization. We have seen this in other countries. Again, it provides a base for other industries to start flourishing because of the various linkages it creates.

During the 1960s, the 1970s up to the late 1980s, the textile industry here was flourishing. It was doing extremely well. It was thriving in every sense. We had Kicomi, RIVATEX and Raymond in Eldoret, Thika Textile Mills and very many others in Nakuru, Nairobi and Mombasa. All these made a huge contribution to the economy of this country. These industries provided a ready market for cotton and then farmers who were engaged in cotton production received incomes and through those incomes, they supported their families and in so doing also supported the economy to grow. These industries employed very many people. Many of these people received training and acquired skills. These are the people who positively contributed to the growth of the economy. All these industries collapsed because of competition from imports which were subsidized and also from unfair competition. Also, our policies did not protect them.

Mr. Temporary Speaker, Sir, what we now need is a revival in the spirit of this Motion. We want to see a revival of these industries in order to support our economy to grow even further. In doing so, we need a change of attitude. Kenyans must change their attitudes. We must have confidence in our own abilities. We must discard self-interests where people want to get rich too quickly. We should discard that element and promote patriotism and nationalism to be able to revive these industries. Today, we are importing what is locally available. For some reason because of our attitudes, we believe that what comes from elsewhere is superior to what is available locally. I think this is why we must first change our attitude and support the local industry because that is the only way forward. In the absence of that, the options are very hard. We lose job opportunities and encourage poverty among our people.

I welcome the spirit of this very important Motion. We should try and encourage the establishment of industries in this country. We should think of those industries which use locally available materials. I am talking about industries which process, for example, bananas and leather. Leather is available in plenty. Even in your own county, Mr. Temporary Speaker, I know you used to produce quality cotton. Now that is no longer possible because of the shutdown of the textile industries. We need industries that will add value to the local products. That is what we must encourage in order to meaningfully engage our people.

Mr. Temporary Speaker, Sir, this Motion is calling upon us, as the Senate, to urge Government to formulate policies which will encourage consumption of locally produced clothes and so on. The Government today is the largest consumer or trading partner. We spend large amounts of money but it is a shame that even the Government, which should be setting a good example, is the one that will go out there to buy uniforms for the armed forces, the police and others. If I had a way to meet Sen. (Prof.) Lonyangapuo, I would have suggested to him that we do not just urge the Government but we should compel the

Government to start buying these items locally in order to give a boost to this important industry.

With those few remarks, I support.

**The Temporary Speaker** (Sen. Murkomen): I now call upon the Mover to reply.

**Sen. (Prof.) Lonyangapuo:** Mr. Temporary Speaker, Sir, I rise to thank my colleagues who have spoken to this Motion which has paramount importance as has been exhibited on the Floor of the House. Indeed it is time we took our stand and put things right as a nation. You should not be surprised if I told you that even the National Flag of Kenya is imported. What a shame it is that we source our pride abroad? In some of these industries that were closed, you will find a sample of the national flag. The Supplies Branch in Industrial Area can tell you that in the 1950s and 1960s, they were all being made here.

I agree with my colleagues who have said that, as Senate, we need to firmly compel the Government to source goods locally. We are going to bring a Bill here to repeal the Public Procurement and Disposal Act. We may have to add a clause in that Act which makes it mandatory for Government departments that consume these products to purchase them locally so that anybody found importing goods through the Port of Mombasa is arrested. This is so that we can be on a really serious footing. We are talking of Vision 2030 and we have now cleared a few years since we started. Five years have gone but expansion in the academic institutions is so high that we cannot cope up with the products that are coming out. This is one such place where we can do it, and hon. Kajwang fully talked about the original Nyanza Province as the home of cotton and now it is dead. If we can revive these factories, then all our farmers can go back to work again.

Mr. Temporary Speaker, Sir, I just have to say that ---

**Sen. Kajwang:** On a point of information, Mr. Temporary Speaker, Sir.

**Sen. (Prof.) Lonyangapuo:** I want to get the information.

**Sen. Kajwang:** Thank you very much; it is a short one.

I just want to inform my friend, Sen. (Prof.) Lonyangapuo, that even toothpicks, which are made of wood from Rift Valley here, are imported from China.

**Hon. Senators:** Shame! Shame! Shame!

**Sen. (Prof.) Lonyangapuo:** Mr. Temporary Speaker, Sir, do you know which plants those toothpicks come from? We do not know! So, we are sometimes consuming things after lunch and dinner and we end up going for checkups in hospital, yet we have our trees that we trust here. So, you can imagine; toothpicks and some of the simple things that we keep talking about here are not made here, yet we are very good at saying “these toothpicks are imported!” What a shame that we can do that.

In conclusion, Mr. Temporary Speaker, Sir, at one time, we went with the then Minister for Agriculture – who is now the Deputy President – to one particular place in Pokot called Nakwamuru. Apart from Nyanza, that is the best place where cotton grows. After that, Moi University bought the firm and the farmers were not paid again. So, there are many things that can be done if we are serious. RIVATEX East Africa Ltd RIVATEX has just bought new machinery to upgrade its factory. I am told they are capable of producing 20,000 metres of woven and knitted fabric per day, which is capable of clothing about one million servicemen and women. This can be done within a short time,

if given permission. So, if we can really be serious, that is the starting point for the Senate; to see to it that we stamp our authority. The governors can identify where this cotton can be grown and we should reverse what I saw yesterday, where we were saying that the Cotton Development Authority is going to be merged with others. A very good authority like that one should not be mixed with other authorities; it should stand alone and continue to work.

Mr. Temporary Speaker, Sir, with those few remarks, I beg to reply.

*(Applause)*

**The Temporary Speaker** (Sen. Murkomen): Hon. Senators, I would like to remind you that this is not a Motion affecting counties and, therefore, we will just vote for it with in a simple majority of the Members.

*(Question put and agreed to)*

AUDIT OF EMPLOYEES OF DEFUNCT LOCAL  
AUTHORITIES BY TRANSITION AUTHORITY

THAT, aware that Section 7(2) of the Transition to Devolved Government Act requires the Transition Authority to carry out an audit of the existing human resource of the Government and local authorities and advise on deployment to either level of Government; further aware that Section 57 of the Urban Areas and Cities Act provides that every person who, immediately before the commencement of the Act was an officer, agent or member of staff appointed, seconded or otherwise employed by a local authority shall, on the commencement of the Act be seconded or otherwise deployed as may be provided by law; concerned that failure to absorb bona fide employees of the defunct local authorities will deprive them of their rightful means of livelihood contrary to the spirit of the Bill of Rights as contained in Chapter Four of the Constitution of Kenya and the principles of devolution; the Senate urges the Transition Authority to urgently finalize the audit of employees of the defunct local authorities and put in place the necessary framework for their absorption as employees of the respective counties.

**The Temporary Speaker** (Sen. Murkomen): Is Sen Elachi not here to move here Motion? The Motion is dropped.

*(Motion deferred)*

**The Temporary Speaker** (Sen. Murkomen): Hon. Senators, the Mover of Motion No.9 has approached the Chair and requested that the Order be deferred to a later date.

**ADJOURNMENT**

**The Temporary Speaker** (Sen. Murkomen): Hon. Senators, that brings us to the end of business appearing in today's Order Paper, the time being five minutes to 6.00 o'clock. The Senate, therefore, stands adjourned until Tuesday, 15<sup>th</sup> October, 2013, at 2.30 p.m.

The Senate rose at 5.55 p.m.