

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 28th September, 2005

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.582

DISMISSAL OF MR. PETER OCHOLA
FROM POLICE FORCE

Mr. Deputy Speaker: Hon. Members, Mr. Kajwang is not here. His Question is dropped.

(Question dropped)

Question No.421

IMPROVEMENT OF PRISON
WARDERS' WELFARE

Mr. Rai, on behalf of **Mr. Ngozi**, asked the Vice-President and Minister for Home Affairs, given that the programme to improve the living conditions of prisoners is well under way, what plans the Government has to improve the welfare of prison wardens.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, I beg to reply.

The Government programme to reform the Prisons Department, and in particular to improve the living conditions of prisoners, is running concurrently with that of improving the conditions of prison wardens. The Kenya Prisons Service strategic plan for the years 2004/2008, which outlines the prisons reform agenda, has placed the creation of a professional and very highly motivated workforce among its top officers. The strategy also aims at providing adequate and decent staff housing, implementation of a scheme of service and improvement of remuneration, among others.

Mr. Deputy Speaker, Sir, in the year 2003, the Government increased the salaries of prison officers by over 100 per cent. This has greatly boosted the officers' morale and welfare.

The Government has put in place plans to construct a number of staff houses for prison wardens in the Financial Year 2005/2006. These and other reforms the Government is initiating in the Prisons Department will improve the welfare of prison officers and turn the service into a very professional correctional service.

Mr. Rai: Mr. Deputy Speaker, Sir, while appreciating the answer given by Mr. Awori, could he tell this House how much money has been set aside for this kind of programme, to ensure that at

least the standards of living of prison officers is improved?

Mr. Awori: Mr. Deputy Speaker, Sir, we are mainly concerned with housing. We already have set aside Kshs500 million for this purpose. As I speak now, tenders have been opened to start construction. We intend to put up 96 houses at Nairobi West.

You will recall that recently, a fire gutted down some old houses. We intend to start construction of the 96 houses in that area. We will construct another 12 houses at the main remand home, and several houses at various 92 prison facilities that we have around the country. However, in order to satisfy the requirements, the amount of money that we require is just beyond the budgetary allocation that we are being given. So, this is a continuous process.

Mr. Mwandawiro: Bw. Naibu Spika, ningependa kumpongeza sana Makamu wa Rais na Wizara yake kwa mabadiliko ya kibinadamu ambayo yanaendelea katika Idara ya Magereza. Ninasema hivyo kama mfungwa wa zamani. Wakati nilikuwa gerezani, tulikuwa tunapata marupurupu ya Kshs1 kwa mwezi. Je, Waziri anafanya nini kuhakikisha kwamba marupurupu haya yameimarishwa ili wafungwa wakiachiliwa huru, waweze kujimudu kimaisha?

Mr. Awori: Bw. Naibu Spika, ninakubaliana na Bw. Mwandawiro kuwa Kshs1 ni kama mzaha. Sasa wanalipwa Kshs10. Hata hivyo, makadirio ya pesa zetu kutoka kwa Wizara ya Fedha bado ni haba sana. Tutajiandaa kuona ya kwamba wafungwa wanapata marupurupu ya kutosha ili watakapoachiliwa huru, wakienda nyumbani waweze kuwa na pesa za kuanzisha biashara au kujimudu katika maisha.

Mr. Rotino: Mr. Deputy Speaker, Sir, I would like to thank Mr. Awori for the reforms he is making at the Prisons Department. However, the uniform of the prison wardens is very odd. In the programme, does the Ministry have any plans to change that uniform because the prisoners have better uniforms than the wardens?

Mr. Awori: Mr. Deputy Speaker, Sir, indeed, we have actually changed the uniform. It is just that these uniforms are now on order. Very soon, we will be seeing very smart prison officers.

Mr. Khamisi: Mr. Deputy Speaker, Sir, a lot has been said about the issue of re-training police officers. We have not heard much about re-training of wardens. Could Mr. Awori tell us what plans he has in terms of re-training prison wardens?

Mr. Awori: Mr. Deputy Speaker, Sir, this may not have appeared in the media. However, this is something that we started immediately we improved the conditions of wardens by doubling their salaries. So, re-training started in July, last year. In fact, this is an ongoing process.

Secondly, while in the past the training period was only six months, we have had to increase it to nine months for the new recruits, with emphasis on human rights. This is the most important area. Wardens and other officers must appreciate that their job is actually to correct the inmates and not to punish them. We may not have publicised it in the Press, but is going on.

Mr. Deputy Speaker: Last question, Mr. Rai!

Mr. Rai: Mr. Deputy Speaker, Sir, while appreciating the concerns by Mr. Awori, two days ago, a vehicle belonging to Shimo La Tewa Prison was involved in an accident. Could the Vice-President and Minister for Home Affairs tell this House how many vehicles were allocated to Shimo La Tewa Prison through the new allocations?

Mr. Awori: Mr. Deputy Speaker, Sir, we recently delivered modern buses to prisons. But there is the question of building bodies. A new bus has not been allocated to Shimo la Tewa Prison but I would like to assure the hon. Member that, that would be done soon. On Monday next week, we will be receiving various equipment for prisons, police, probation officers and various other services that are under the Government Justice Law and Order Sector (GJLOS). I am sure that new buses will be part of that consignment and I promise that one bus will be given to

[**Mr. Awori**]

Shimo la Tewa Prison. I was equally disturbed when I saw in one of the newspapers that an old bus

had overturned and a few inmates, including prison warders, were injured.

Mr. Deputy Speaker: Thank you, Mr. Vice-President and Minister for Home Affairs.
Next Question by the hon. Member for Wajir South!

Question No.654

DISTRICT REGISTRAR OF PERSONS
UNIT FOR HABASWEIN

Mr. Abdirahman asked the Minister for Immigration and Registration of Persons when she will establish a unit for the District Registrar of Persons at Habaswein Sub-District.

Mr. Deputy Speaker: Is the Minister for Immigration and Registration of Persons not here?
Mr. Abdirahman, the Minister is not here!

Mr. Abdirahman: Mr. Deputy Speaker, Sir, I filed this Question a long time ago. I would like it to be answered because it is very important for my people.

Mr. Deputy Speaker: Could the Leader of Government Business say something about it?

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, I beg your indulgence and ask that the Question be put on the Order Paper tomorrow. I am going to make sure that, either the Minister or her assistant is here to answer it. I know that there is an answer already.

Mr. Deputy Speaker: So, the Question is deferred until tomorrow afternoon.

Maj-Gen. Nkaisserry: On a point of order, Mr. Deputy Speaker, Sir. I think the responsibility of the Leader of Government Business is to answer Questions when Ministers are not in the House. Deferring Questions because Ministers are not present gives this House a very bad name and image. I demanded the same last year. Even in the Tanzanian parliamentary process, the Prime Minister is there to answer Questions on behalf of Ministers. So, I do not see why we should defer this Question when the Leader of Government is present in the House.

Mr. Deputy Speaker: Maj-Gen. Nkaisserry, it is not fair to say that the Leader of Government Business must answer all the Questions when Ministers are not here. I think it is important for him to give an explanation. He has sought the indulgence of the House and the Chair has accepted that this Question be put on the Order Paper tomorrow afternoon. No more points of order on that matter. The Question is deferred until tomorrow afternoon.

(Question deferred)

Question No.260

AMBULANCE FOR ELBURGON
DIVISIONAL HOSPITAL

Mr. Mukiri asked the Minister for Health:-

- (a) when an ambulance will be provided to Elburgon Divisional Hospital; and,
- (b) whether she could consider providing water to the hospital.

The Minister for Health (Mrs. Ngilu): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Elburgon District Hospital will be provided with an ambulance or a vehicle in this financial year.

(b) There is an acute shortage of water and we have earmarked a borehole for that hospital.

We are going to dig 52 boreholes in this financial year. Therefore, we will see how we can do that. In the meantime, we are going to provide a big tank for the National Water Corporation to provide water to that hospital.

Mr. Mukiri: Mr. Deputy Speaker, Sir, I thank the Minister for that positive answer. However---

Mr. Deputy Speaker: Mr. Mukiri, could you raise your voice a little bit?

Mr. Mukiri: Mr. Deputy Speaker, Sir, I thank the Minister for her positive answer to my Question. However, regarding part (a) of the answer, she says that from that divisional hospital to Nakuru is a short distance. It is almost 60 kilometres and the road is not good. So, we are suffering and the services from Nakuru District Hospital are not helping us. However, I would like to know from her, since she has referred to this financial year, whether the money is already available. Could she guarantee that we are going to get it within a specific period?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, Elburgon Divisional Hospital will be provided with a vehicle in this year's Budget. We got Kshs200 million and we are going to purchase about 80 vehicles. We shall give one vehicle to that hospital.

Mr. Billow: Mr. Deputy Speaker, Sir, I hope that a divisional hospital means a sub-district hospital. As a matter of policy, could the Minister tell us why all sub-district hospitals should not have an ambulance? I have a sub-district hospital which does not have an ambulance. Sub-district hospitals have wards for admitting people and there is need for referral all the time. Could the Minister tell us whether there is a policy that all of them should have ambulances?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, we look at the needs of an area and the distance. In some areas, we provide vehicles for mobile clinics because people move from one area to another all the time. Therefore, we provide vehicles as per the needs of the area.

Mr. Rotino: Mr. Deputy Speaker, Sir, the Minister has said that they are going to buy 80 vehicles and allocate them to different divisions. Buying vehicles is one thing; fuelling and maintenance is another thing. I thank the Ministry because last year, she gave a vehicle in one of my divisions. But from Sigor to the district headquarters is about 150 kilometres. Most of the time, there is no fuel to transport the sick people. Could the Minister consider giving enough money to those divisional headquarters that have vehicles. Finally---

Mr. Deputy Speaker: Order, Mr. Rotino. That is enough. You may respond to that, Madam Minister.

Mrs. Ngilu: He always has too many questions! I would like to say that this financial year is different. We have shifted from the old system and we are giving money directly to the districts. Therefore, it is for the districts to decide on their priorities, provided they let us know that the money we are sending to them can be used for fuelling vehicles and repairs. They may use the money for health purposes.

Mr. Deputy Speaker: Last Question, Mr. Mukiri!

Mr. Mukiri: Mr. Deputy Speaker, Sir, Elburgon Division serves about---

Mr. Deputy Speaker: Mr. Mukiri, the problem is that you are short. I can see the Minister struggling to hear what you are saying! Could you compensate your height with your voice?

Mr. Mukiri: Mr. Deputy Speaker, Sir, thank you for that reminder! Elburgon Division has a population of about 76,000 people. The Minister has promised us three things; an ambulance, sinking a borehole and a water tank. I would like to know: Within what period should we expect to get those things? Could she commit herself to some period?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, I do expect that to be done this financial year. But the first thing we are going to give immediately is the water tank. That is a priority. We shall deliver an ambulance when we purchase them. The borehole may take a bit of time. But the service has been

done and the work is nearly complete. I cannot say exactly when, but it will be done within this financial year.

Question No.093

SUPPLY OF WATER TO SUBUKIA RESIDENTS

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

- (a) when the residents of Kamururi area in Subukia will be supplied with water; and,
- (b) whether she could ban the use of water for irrigation in the area to enable residents have adequate water for domestic use.

Mr. Deputy Speaker: Is the Minister not there? I think the Leader of Government Business can say something about her absence.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, once again, I wish to beg your indulgence and ask that the Question be put on the Order Paper tomorrow so that I will ensure that the Minister is there. I know the Minister is in town because she has her Vote before the House. The Assistant Minister was with the President out there yesterday.

Mr. Wamwere: Mr. Deputy Speaker, Sir, could I request that the Question be put on the Order Paper on Tuesday next week, rather than tomorrow.

Mr. Deputy Speaker: Very well, we will do that. However, the Leader of Government Business has some work to do, because we have already deferred two Questions due to absence of Ministers.

(Question deferred)

Question No.111

SUPPLY OF ELECTRICITY
TO MAKUENI DISTRICT

Mr. Ndambuki asked the Minister for Energy whether there are plans to supply electricity to Kilala, Kaumoni, Kyambalasi and Mbuani Centres in Makueni District.

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

I am glad to inform the hon. Member that both Kilala and Kyambalasi centres are already on electricity supply. The Ministry has also allocated Kshs9 million for Kalala and Kaumoni Markets, which is on going. With regard to Kyambalasi and Mbuani centres, it is not possible for the Ministry to give an indication of when they will be supplied with power since they are not in the priority list of the topmost projects received in the Ministry from Makueni District Development Committee (DDC). I would, therefore, request the hon. Member to refer the market centres to the DDC for merit order consideration.

Mr. Ndambuki: Mr. Deputy Speaker, Sir, I thank the Assistant Minister for the part which he has answered well. But Kyambalasi and Mbuani centres are in the list which was brought from the DDC as one of the priorities. But we were assured they would be catered for in the 2006/2007 financial year. So, it is there. I would like the Minister to check and confirm.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, it is true the list is there. We have over 50 market centres from Makueni District. What we are saying is about the ranking in terms of priority.

Mr. Kimeto: Mr. Deputy Speaker, Sir, electric power could enrich this country. What plans

does the Ministry have to supply every part of this country with electricity?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, whenever funds are available, we shall supply electricity to all parts of the country.

Dr. Ojiambo: Mr. Deputy Speaker, Sir, it seems that people do not understand what is happening with the programmes of the Ministry of Energy, because it is a very technical Ministry. Could the Assistant Minister consider sending his representatives to the public *barazas* to keep people updated in their areas when these programmes are going to be implemented?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, our customer service care is readily available in every office, especially in district offices. Members can also request those officers to accompany them in their constituencies to address public meetings. They are under instructions to oblige once they are requested by the hon. Members.

Mr. Abdirahman: Mr. Deputy Speaker, Sir, asking for an overall plan for this nation does not exactly give us what plans the Ministry has. I would like to know from the Assistant Minister what plans they have to supply electricity specifically for districts, and in the North Eastern Province in particular, for this current financial year.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, we are handling individual cases differently and every region differently. For example, you remember, last year, we were able to vote money to buy solar panels for all boarding schools and other Government institutions in the North Eastern Province and parts of Eastern Province. In the current budget we are also considering how to use the money. Some might go to generators or solar panels. That is the only realistic way of doing it.

Mr. Ndambuki: Mr. Deputy Speaker, Sir, could the Assistant Minister tell us which donor is funding Makueni District electricity supply, and how come they are charging shop owners so expensively if this is a rural electrification facility?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, the Spanish are doing the work. But it is not true that we are charging high rates. We are only charging them Kshs15,000 and Kshs21,000 for three phases respectively.

Question No.149

REHABILITATION OF
MAUTUMA LBDA DAIRY FARM

Mr. Deputy Speaker: Is Dr. Kibunguchy not there? Question is dropped.

(Question dropped)

Question No.414

POOR WORKING CONDITIONS
FOR LODGES' WORKERS

Mr. Mwandawiro asked the Minister for Labour and Human Resource Development:-

- (a) whether he is aware that workers of Taita Hills and Salt Lick Lodges in Taita-Taveta District work and live under pathetic conditions; and,
- (b) what he is doing to address the situation.

The Minister for Labour and Human Resource Development (Dr. Kulundu): Mr. Deputy Speaker, Sir, the answer I was given yesterday looks unsatisfactory to me, and I have asked hon.

Mwandawiro if we could defer this Question to Tuesday. I have sent senior officers to authenticate what was in the original answer.

Mr. Mwandawiro: Mr. Deputy Speaker, Sir, last time, you directed the Minister to go to Taita Sisal Estate to get a proper answer and I am glad he did that and found what I was saying was correct. So, I also accept that if he has sent officers to the ground, then the answer will be proper on Tuesday.

Mr. Deputy Speaker: Very well. The Question is deferred to Tuesday.

(Question Deferred)

Mr. Deputy Speaker: That is the end of Question Time!

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): On a point of order, Mr. Deputy Speaker, Sir. With regard to Question No.149, Dr. Kibunguchy is here and I also have a written answer. I seek your indulgence to reconsider your ruling to drop the Question and have the hon. Member ask his Question.

The Deputy Speaker: The hon. Member was not in the Chamber when I called out his Question!

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, I walked in when you were making a ruling that the Question be dropped.

The Deputy Speaker: You walked in then, but the House had started at 9.00 a.m. I will, as a very special case, give in for you to ask your Question.

(Question No.149 reinstated)

Question No.149

REHABILITATION OF MAUTUMA
LBDA DAIRY FARM

Dr. Kibunguchy asked the Minister for Regional Development Authorities:-

(a) whether he is aware that the Lake Basin Development Authority Dairy Farm at Mautuma in Lugari District is on the brink of collapse;

(b) whether he is further aware that one of the unit's main objective of developing a gene pool of high quality livestock for sale to the local farmers has not been realised; and,

(c) what plans the Ministry has to rehabilitate and develop this unit into a demonstration centre that promotes and sustains the best agricultural practices.

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) No, I am not aware that the Lake Basin Development Authority Dairy Farm in Lugari District is on the brink of collapse. The farm, indeed, has 69 fresian dairy animals.

(b) The objective of developing a gene pool of high quality livestock for sale to the local farmers has been achieved. Between 1996 and 2004, we sold a total of 167 animals to the community. In the current year, we have so far sold six bull calves. These bulls are used to upgrade the local zebus in the first mode of expanding the gene pool.

(c) During the period from 2005 to 2010, the capacity of the centre will be enhanced through the leasing of additional land for expansion. Outreach extension programmes will be undertaken to

support profitable cash generating activities. Qualified personnel will also be trained.

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for that answer. This facility is in my constituency and, on the ground, the picture is not as rosy as the Assistant Minister has put it. How many people are employed at this facility at the moment?

Mr. Odoyo: Mr. Deputy Speaker, Sir, we have a total of 13 permanent employees who are supported by a further 20 casual staff.

Dr. Khalwale: Mr. Deputy Speaker, Sir, when the Lake Basin Development Authority (LBDA) was created, it was supposed to cover Nyanza and Western provinces and parts of the Rift Valley Province. Could the Assistant Minister explain to the House why the LBDA projects are concentrated in Nyanza Province only?

Mr. Odoyo: Mr. Deputy Speaker, Sir, the mandate of the LBDA covers Eldoret, Busia and parts of the Rift Valley Province. To the best of my knowledge, the distribution of the LBDA projects is very proportional to all the areas that it covers.

Mr. Wanjala: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Mr. Wanjala, you will sit down and let the Assistant Minister answer the question!

Mr. Odoyo: Mr. Deputy Speaker, Sir, a case in point is this project in Lugari District, which is not in Nyanza Province as the hon. Member has claimed.

Mr. Wanjala: Mr. Deputy Speaker, Sir, the Assistant Minister has said that the distribution of the projects is proportional. Not a single project has been initiated by the LBDA in the whole of Western Province. A rice mill was installed in Kisumu Town eight years ago, but it has not been operational because there is no rice in Kisumu. We have rice in Busia and Budalangi and the machine is lying in Kisumu idle!

Mr. Deputy Speaker: Mr. Wanjala, that is a good question, but it is not a point of order.

Mr. Odoyo: Mr. Deputy Speaker, Sir, it is true that we have several projects in Western Province including the growing of rice in Busia, which is a major project. The rice mill that was installed in Kisumu was supposed to serve rice farmers from as far as Homa Bay, Nyando and Busia. It was considered that, that was a central location. The rice mill is operational and we have just bought almost five tonnes of rice from Busia.

Mr. Wanjala: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order, Mr. Wanjala! Relax!

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, I would like to ask the Assistant Minister to enumerate the other projects that are served by the LBDA in the upper Nzoia basin.

Mr. Odoyo: Mr. Deputy Speaker, Sir, apart from livestock, we are producing Claries and Tilapia fish in the Nzoia basin. We are also undertaking horticultural production of mainly vegetables, chilli and onions. We also provide extension services to all the farmers in the region.

MOTION

GRANTING OF EPZ STATUS TO TEA FACTORIES

THAT, aware that tea is Kenya's number one foreign exchange earner; aware further that tea production and supply far out-marches the international tea demand, a phenomenon which is likely to lead to stagnation or decline of tea prices and tea farmers' earnings; cognisant of the high cost of production, processing and packaging of tea; this House urges the Government to lower high cost of tea production by

granting tea factories Export Processing Zones (EPZ) status under the EPZ Act, Chapter 517, upon application by respective tea factories.

(Mr. Wambora on 10.8.2005)

*(Resumption of Debate
interrupted on 10.8.2005)*

Mr. Deputy Speaker: Just to refresh the hon. Members' minds, this Motion was moved by Mr. Wambora on 10th August, 2005, and Dr. Rutto seconded it. Dr. Rutto has five minutes remaining. Is he here?

Mr. Mwenje: On a point of order, Mr. Deputy Speaker, Sir. I am doubting some facts which have been mentioned in the Motion. The Motion states that tea is Kenya's number one foreign exchange earner. Are you satisfied that, that is a fact?

Mr. Deputy Speaker: Order, Mr. Mwenje! You are an old hon. Member of this House and you know that, that is not the correct procedure. The procedure is that the Motion should be seconded; then after I have proposed the question, you can raise that issue. **Mr. Mwenje:** Mr. Deputy Speaker, thank you for putting me in order. I agree with you.

Mr. Deputy Speaker: Dr. Rutto is not here?

(Question proposed)

Mr. Mwenje: Mr. Deputy Speaker, Sir, what I am saying is that, as much as we would support the Motion, it is the question of the statement of the facts which are put here. Unless the Mover is able to bring factual information here that tea is actually the number one foreign exchange earner, the facts of the Motion will not be correct and, therefore, it will not be right for the House to debate a Motion which is not correct. Could we be told clearly whether it is coffee or tea? Because my information is that coffee is the number one foreign exchange earner, and here we are being told that it is tea. So, could either the Minister in charge or the Mover of the Motion tell us or lay down on the Table, facts to confirm that that is the true position?

Mr. Deputy Speaker: So, Mr. Mwenje, you are actually disputing the fact that tea is the number one foreign exchange earner, and in your view it is coffee?

Mr. Mwenje: Yes, it is not number one!

Mr. Deputy Speaker: That is a point of argument and it cannot bar us from proceeding with the Motion. If you want to advance those views, you can do so. Even if you want to move an amendment, you can do so, but for now the Motion goes on as it is.

Proceed, Mr. Billow!

Mr. Billow: Thank you, Mr. Deputy Speaker, Sir. I stand to oppose this Motion for a number of reasons. First, I think it is important that we understand the implication of placing tea factories under the Export Processing Zones (EPZ). The EPZs were established primarily for purposes of attracting investments into the country. As a concept, the EPZs are an incentive to investors because those factories, or manufacturers who are under the EPZs, enjoy tax holidays; they do not pay taxes for ten years. They do not pay duties for some of the raw materials they import and so forth. They, therefore, do not actually pay any taxes, duties and other levies charged by the Government.

The second implication of EPZs is that, if you are manufacturing under the EPZs, the product that you produce is for export and you cannot sell it locally and because of those benefits and tax waivers, you have to sell them outside the country. From our experience in the last decade since the

EPZs were set up in various parts of the country, there has been a tendency by some of the manufacturers to actually divert and sell their products in the local markets instead of exporting them, therefore making more money and more profits because the products produced under the EPZs are much cheaper. The EPZs have not been very successful because, first, many of those companies have the tendency to divert and sell their products back in the local markets instead of exporting them.

Secondly, as a Government, we also lose out on taxes. Tea factories largely belong to Kenyans, particularly the ones in parts of Central Kenya and other parts of the country. But there are other factories which belong to multinational companies, but these are companies which have existed in this country for a long time. But when you establish and transfer these institutions under the EPZs, you create a danger that you are actually going to kill enterprise and competitiveness. We want our institutions and companies to remain competitive in the global market, and to do so is not by giving them EPZ status so that they avoid paying taxes.

Mr. Deputy Speaker, Sir, the Mover of the Motion clearly said that it is the high cost of production which is making tea uncompetitive. True, it is the high cost of production which is making our tea, sugar and all our products and produce in this country uncompetitive. But we must find ways of reducing the cost of production; we cannot escape that fact or that reality by trying to circumvent and go into an exemption from the EPZs. I think this tendency is dangerous to our enterprises because only a few months ago, we have seen the Government writing off over Kshs5.8 billion in debts for the coffee farmers. We have seen similar requests for write-off of debts by sugar-cane farmers and so forth. As long as our farmers and agricultural produce remain uncompetitive, we will never actually compete globally. I think it is time Government addressed the reasons for our non-competitiveness.

When talking about tea, we should be addressing the issue of quality if there is a glut in the international market. We must look at the issue of our cost of production; if it is because of the issue of quality of the roads we have in the tea growing zones, the high cost of energy or infrastructure, the Government needs to look into all those issues so that our costs can be reduced and we can compete globally in a market that has a higher production.

However, Mr. Deputy Speaker, Sir, one of the problems we have had in our State-run enterprises, particularly in sectors like tea, coffee, sugar and others, has to do with the management of these institutions. For a long time, the role of the Kenya Tea Development Agency (KTDA) has been a question when it comes to tea farmers. I think when you are talking about marketing, again, it is that institution which has the primary role of assisting our farmers in marketing our produce, even in terms of quality and so forth. I think it is time we addressed those institutions and find out how we can make them more effective and also address their management problems so that they can assist farmers to be more cost-effective in their productive enterprises.

Mr. Deputy Speaker, Sir, I think it is also time we started thinking out of the box; we have been having tea auctions in Mombasa for a long time. In a competitive market, the issue is about marketing. So, how do we expand our market? I think that should be the concern of tea farmers. Think about what we have read about in the last two or three months. A country like Dubai, which does not produce tea, has now decided they want to set up a global tea auction centre. If a country like Kenya is one of the world's major producers of quality tea, then it should have actually been the one that should think about that. You can go and establish it in the EPZs of Dubai in Jabal Ali and those other places, and be the ones that will actually establish the auctions and drive that process of marketing tea in those regions. We have relied on traditional tea markets like Pakistan, Egypt and so forth for many years. For all I can remember, we have always talked of those countries; the United Kingdom (UK), Pakistan and Egypt alone, as the countries that consume tea. As a major tea producer, I think we should promote tea consumption and alternative ways of marketing this produce. I think that is where we need to put emphasis on as a country and as a Government.

Mr. Deputy Speaker, Sir, the Mover of the Motion implies that the supply far outmatches the

international tea demand and, therefore, farmers are going to lose. In any enterprise, including farming, if there is a risk that you cannot sell your product, I think the wise thing to do is to think of diversifying. It is important that our farmers think of alternatives to tea if they find that the market is saturated. We can think of diversifying to other very enterprising sectors, for example, horticulture. I do agree with hon. Mwenje that tea may not necessarily be the leading foreign exchange earner; there is horticulture, which in the last ten years, has come out as one of the major foreign exchange earners in this country and employs the highest number of people today. Those farmers should think of diversifying into horticulture because any of those tea-growing zones can also support horticulture.

If the Government wants to look at the incentives, the best way of providing incentives to our farmers is not by putting their manufacturing entities under the Export Processing Zones (EPZs), but to support our agricultural sub-sectors, for instance, the cotton industry. Today, cotton is one of the most important cash crops in the world because of the competitiveness of the textile market. That is where the Government needs to put more incentives. How do we provide incentives to farmers and the private sector so that they can go into the production of cotton?

Mr. Deputy Speaker, Sir, the other sector that we need to address is the beef industry. The global beef industry is going to double in the next ten years because of the high demand for beef. The only countries in the world today which have the competitive edge in production of livestock and beef are the African countries. The Government should think of how to provide incentives to those farmers. We need not stick to the traditional crops forever. With all due respect, the Mover of the Motion needs to look at those issues and not the EPZs. The EPZs have not been quite successful in terms of attracting investors because every country has EPZs nowadays. There are countries that have more important EPZs. What makes it competitive is not just the fact that we are getting a tax holiday. What makes Tanzania and Uganda more competitive is because of the infrastructure and the environment for doing business. That is what the Government needs to concentrate on. That is also one way to reduce the cost of production.

I also want to suggest that if there is a question of international supply far exceeding demand and we have no alternative but to reduce, we must think of diversifying. People in Central Kenya who are having problems with tea can grow oranges and sell them internationally. They can also grow bananas as they might be in demand. However, we should not think of granting these companies EPZs status because there will be no tea sold locally. They will be diverting produce meant for export locally and that will be circumventing tax regulations.

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

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): Mr. Deputy Speaker, Sir, I too stand to oppose this Motion for the following reasons.

The taxation element on the cost of tea is less than 10 per cent. Indeed, those issues that make tea too expensive to grow are the inputs like fertiliser, the cost of farming, tractors and pest control. These are the areas that the Government needs to focus attention on. The EPZs will not solve those issues of cost control. The impact of putting these issues under the EPZs will be very minimal.

Mr. Deputy Speaker, Sir, Kenyan tea is quality tea. It is used for blending other teas around the world. This means that the price of Kenyan tea may not fluctuate very much. Our tea is quality tea. It is taken to Pakistan and London tea auctions. Moreover, it is now being taken to the Dubai Tea Auction. Those who buy Kenyan tea at the Mombasa Tea Auction use it to blend other teas that are exported.

Mr. Deputy Speaker, Sir, the other reason why EPZs may not solve the tea problem is because, if you look at the distribution of tea factories in Kenya, the Kenya Tea Development Agency (KTDA) controls about 40 per cent. The multinationals control over 60 per cent. These multinationals have never at any one time, in all their policy requests, requested for an EPZ status. The KTDA has also not been on official record as complaining that tax was a major issue. Indeed, the Mombasa Tea

Auction is such that taxation is at a minimal. By bringing tea factories under the EPZs, we shall first and foremost kill the Mombasa Tea Auction. We shall also upset the delicate tea marketing levels that are already established in this country for over 50 years. My proposal to the Mover of this Motion is that we need to re-look at the inputs of growing tea. The issue of EPZs was more of inward-looking rather than outward-looking. If taxation is the issue, he can bring a Motion to the Floor of this House and we can zero-rate it. We do not need to put them under EPZs in order to zero-rate taxation. This House has the power to zero-rate taxation. Therefore, this application to put tea factories under EPZs would be a bit premature. It may be exploited by the multinational companies who, we all know, are involved in what is commonly called transfer-pricing. This is where they reduce the prices of tea and the high quality tea is labelled low quality tea. When this tea reaches the London Tea Auction, it is sold at three times the value of what was estimated. Many of these multinationals transfer money out of this country through what is called transfer-pricing.

The sophisticated multinational companies include M/s Unilever and M/s African Highlands who have been in this business for over 100 years. Their contacts in the world market are such that sometimes it is very difficult to break into the international tea market using new devices as is proposed under the EPZs. I would urge caution that it may not be in the interest of the farmer to have Kenyan tea being exposed to other vagaries like price fluctuations. We should continue to concentrate on the quality of tea which we are growing. It is the best tea in the world. We should exploit those markets in Pakistan, Egypt and the UK. We should also look for new markets in places like Iran, which also likes Kenyan tea.

Mr. Deputy Speaker, Sir, a few years ago when I was in my other professional life as an economist, I did a full investigation of the tea industry. While it used to be the number one foreign exchange earner, it is now number four or five. Yet looking at the amount of income, acreage, quantity that is sold at the Mombasa Tea Auction, members of the East African Tea Trade Association (EATTA) and trying to do an estimated guess of what we consider to be potential revenue, we found that the difference was almost as much as 70 per cent. In other words, looking at the amount of tea, the value that should get to the amount of tea grown in this country and the actual price that we are getting, there is almost a 70 per cent difference. This means that the multinational tea companies are heavily involved in exploiting the Kenyan community because the technical skill of differentiating between Grade A tea and the low quality tea that you can sweep off the floor of the factory is not very well dispersed. Not many people have those skills. Therefore, the transfer-pricing by these multinationals should be thoroughly investigated.

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Dr. Ojiambo) took the Chair]*

Madam Temporary Deputy Speaker, I am calling for a forensic investigation of companies in Kenya dealing in tea, especially the multinational companies, which I believe are not giving us value for our money. As land continues to become scarce, we need to investigate and establish the size of land tea factories in areas like Kericho occupy. Many of those people acquired the land through zero-rating and yet they are no longer growing tea. Many of them have abandoned tea farming and ventured into horticulture. Some of them are even growing trees, vegetables and other crops and yet we gave our land to them so that they could grow tea and earn this country some foreign exchange. Having turned that land to other uses, perhaps it is time for us to review that relationship with a view to putting more of the land into the hands of *wananchi*.

I neighbour Kericho and Nandi districts; the major tea growing zones which grow high quality

tea in Kenya. The state of workers in those tea estates is deplorable, especially those working in tea farms owned by multinational companies. The increased use of chemicals by the multinational companies hurts the health of the people who handle the produce, especially tea pickers and processors. It is high time we requested the Minister for Labour and Human Resource Development to pay a little more attention to the tea industry. Many of our people are dying from funny diseases which have been acquired from chemicals. I know several people who died as a result of being exposed to contamination from unknown chemicals, but they were never compensated.

Mr. Twaha: On a point of order, Madam Temporary Deputy Speaker. Is it in order for the Assistant Minister to read to us a statement as though this is a State Opening function or a Budget Speech?

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): Mr. Temporary Deputy Speaker, Sir, may I just inform the hon. Member that my habit of looking down and flipping through my Order Paper does not translate to reading a statement. This is an Order Paper, on which I have noted down several issues. I could table it for him to look at it in more detail.

Mr. Twaha: On a point of order, Madam Temporary Deputy Speaker. Is it in order for the Assistant Minister to refer to you as Mr. Temporary Deputy Speaker, when you are Madam Temporary Deputy Speaker?

The Temporary Deputy Speaker (Dr. Ojiambo): Order, Mr. Twaha! Proceed, Mr. Odoyo!

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): Thank you, Madam Temporary Deputy Speaker, Sir, for protecting me against this uncalled for use and wastage of my quality time as I continue to contribute to this very important Motion.

With those few remarks, I beg to oppose.

Mr. Kosgey: Thank you, very much, Madam Temporary Deputy Speaker. We are used to referring to the Chair as Mr. Speaker. Now that Mr. Twaha has brought up the issue, I do not know how to continue.

I would like to start by thanking the Mover of the Motion for bringing this Motion to the House. The tea industry is a very vital sector of our country. I am speaking authoritatively because I represent tea farmers and I am also a tea grower. So, I know the problems we are facing. Of course, one of them is not really the fact that we are not in an Export Processing Zone (EPZ). The biggest problem we are facing in the tea sector at the moment is due to the strength of the Kenya Shilling. All tea exporters in this country are

suffering because of the unnecessary strength of the Kenya Shilling.

Madam Temporary Deputy Speaker, Sir, the tourism, horticulture and tea sectors earn this country about Kshs50 billion and Kshs45 billion respectively. These are the major foreign exchange earning sectors for this country currently. However, all of them are suffering due to the strength of the Kenya Shilling. We are currently in a chicken and egg situation. The foreign exchange that has been brought into the country by these three sectors tends to strengthen the Kenya Shilling because there is no demand for foreign exchange. The only demand for that foreign exchange currently is in the oil sector. If we were manufacturing goods, there would be a very big demand for foreign exchange and the Kenya Shilling would weaken. So, the three sectors are suffering because of the excess foreign exchange they have earned the country.

The Central Bank of Kenya (CBK) needs to intervene. I have said this so many times, but the CBK has done nothing. For the last five or six years, the CBK has promised to intervene to ensure that these three sectors do not suffer because of the strength of the Kenya Shilling. We are simply protecting imports into this country. What are the imports we are protecting apart from only a few commodities which are used in the manufacturing sector and oil? We are not doing anything to ensure that the major foreign exchange earners of this country do not suffer.

Madam Temporary Deputy Speaker, Sir, for the last ten years, tea has been fetching an average of about Kshs130 per kilogramme on the international market. That is about one Sterling Pound. Over the same period, the cost of producing tea; labour, fertilizer, energy and other inputs have

gone up. For the information of Mr. Odoyo, no chemicals are used in the tea industry. The only chemicals that are used by tea farmers are NPK and CAN fertilizers which cannot be classified as harmful chemicals. There are absolutely no harmful chemicals being used in the tea sector. It is not like horticulture where farmers have to use insecticides. Fortunately, we do not have to use any insecticides on tea. We just apply fertilizers and water and, ensure that there are no weeds and the plant grows.

So, the biggest cause of our suffering has been a strong Kenya Shilling and the stagnation of tea prices over the last ten years. If we can sort out these two problems, the tea farmer will earn a living.

Madam Temporary Deputy Speaker, Sir, Kenyan tea is bought at £1 per kilogramme locally while in the United Kingdom, it is sold at £5 per kilogramme. So, the difference of £4 goes to the middleman. If the developed countries wanted to ensure that African countries which produce commodities like tea get fair returns for their produce, they should ensure that there is fair trade. We do not need to negotiate with the World Trade Organisation (WTO) or the International Monetary Fund (IMF). We need fair trade to ensure that we get better returns from our produce so that this perennial dependence on aid can be reduced and eliminated.

Madam Temporary Deputy Speaker, Sir, Mr. Odoyo said that labourers are being under-paid. At the moment, 45 per cent of the gross production costs in the tea sector goes to labour. If you have any commodity on which you spend about 50 per cent of its gross earnings on labour, you are on the way of losing. So, the tea sector is in danger of collapsing, just like the coffee sector because the prices of the produce have remained stagnant for the last ten years. The second reason is the strengthening of the Kenya Shilling due to increased foreign exchange earnings from tourism, horticulture and tea.

Madam Temporary Deputy Speaker, Sir, the amount of foreign exchange that a tourist can use to buy a bottle of beer in Kenya can buy three beers in Tanzania and Uganda. That goes for all other products. So, we have become an expensive country purely because of the strength of the Kenya Shilling. I do not understand the economics of the people at the CBK. Why do they want to kill the goose that lays the golden egg? Our golden egg has been in horticulture, tea and tourism. We should take care of these sectors as we expand other services, like the industries and so forth.

Madam Temporary Deputy Speaker, we have other taxes in this country that go to the Tea Board. I think the Tea Board takes about 40 cents per kilogramme of tea. That is a lot of money for a regulatory body. I know they are supposed to do a bit of marketing. But what marketing does the Tea Board do? It does not help the farmers in any way, and yet it takes that money. We also have the Local Authority cess of 1 per cent. It is supposed to help in maintaining roads. But it is not doing anything. So, we need also to scrap that cess.

Madam Temporary Deputy Speaker, the previous speaker referred to marketing. I also believe that one of the answers is marketing. We can actually open up new markets, particularly in European countries such as Russia and Afghanistan. People in these countries are major tea drinkers. We should explore the Far East countries, so that we do not depend on traditional market alone. That is the function of the Tea Board and all these other sectors.

Madam Temporary Deputy Speaker, we should do everything to make sure that Mombasa continues to be a major auction place for our tea. If Dubai can actually offer herself as an exchange place, we can do so for Mombasa. I understand that Dubai is offering free storage as an incentive. For the time being, they have built godowns and so forth. We can do the same here. We have got so many godowns here. So, we should not allow our tea to be auctioned in Dubai. They are already trying to do so for horticultural crops. We should set up a flower auction here in Nairobi, if possible, so that people can buy them. We do not have to sell our flowers in Holland. Why can we not sell them here?

Whereas the Mover of the Motion is pushing for the granting of tea factories EPZ status--- There will be a tax incentive, of course, if we can have an EPZ. But the tea industry is much more deeper than just setting up EPZs. We need to look at the whole industry. Flower farmers in Naivasha,

for example, have to stop farming because of the strength of the Kenya Shilling. So, whereas I support the Motion, I think there is need for us to address ourselves much more deeply to the tea industry. Unfortunately, we are involved in what I call "the constitution industry." Everybody is talking about politics and forgetting the livelihood of all Kenyans. We need to go back to basics and run this country through a proper management of our economy.

Madam Temporary Deputy Speaker, with those few remarks, I beg to support.

Mr. Twaha: Madam Temporary Deputy Speaker, I rise to support this Motion as it is aimed at helping our farmers and agricultural sub-sector in our economy. Millions of people depend on tea for their economic well being. It is our duty, as the people's representatives, in this august House, to look out for their interests.

Madam Temporary Deputy Speaker, I decline to agree with Mr. Kosgey that the economy is the most important issue we should be discussing in this House. I remember in the early 1990s, just after the Gulf War, former President George Bush, the Senior, was riding on a wave of popularity because of winning the Gulf War against Iraq and liberating Kuwait. President Bill Clinton was able to defeat him at the polls when he used the slogan "it is the economy stupid." He shifted the goal posts and he knew what the people wanted. Americans were not interested in the Government's foreign adventures. They were interested in bread and butter issues; their own jobs, incomes and family well being. In the same spirit, I would like to tell my brothers and sisters in Kenya that it is the economy and not the Constitution that we should be working on. I am inclined to agree with His Excellency the President that the sooner we dispose of the issue of the Constitution and get down to bread and butter issues like tea, tourism, cotton and coffee sectors, unemployment and inflation, the better. These are the issues that affect the *wananchi*.

Madam Temporary Deputy Speaker, as my friend, Mr. Billow said, the EPZs were designed to attract foreign investors. Why should we place a higher value on foreign investors and neglect our own home grown industries? The so-called uncompetitiveness of our products is not true. We are very efficient producers. Kenyans are hard workers and they work under a great deal of disadvantage. But we are still very competitive. However, what makes our products uncompetitive is the subsidies which are given by other countries to their products, and then we end up competing with the same people in the world market. These distortions are what need to be addressed. We should either go on with the war in the World Trade Organisation (WTO) to negotiate for the removal of those subsidies in the cotton, sugar and tea sectors all over the world or we, as a Government, introduce our own subsidies to subsidise our own producers, so that they can compete in the world market. These subsidies can come in the form of direct subsidies or we can have a differential sort of tariff, say for energy costs. Electricity costs in Kenya are too high compared to many other countries like Egypt and South Africa. If we could lower the cost of energy for industries, so that they pay a different rate from people who just consume it for luxury, it might help them to compete. If we also lower the cost of telecommunication, they will also enable them to compete. The Government should pick up the tapes for such things as an incentive to help our industries.

Madam Temporary Deputy Speaker, the cost of doing business is so high, not only because of electricity and telecommunication, but also security. The number of people employed as security wardens is so high. In other countries you pay your tax and you are assured of security. You do not have to employ other people to work on security. Recently, we were given the example of Telkom Kenya. It has thousands of Kenyans who are mere watchmen. But they are necessary because the poverty levels are so high and the unemployment level is so high that any asset left unattended will be stolen. Even if you build a boundary wall, as I have witnessed, if you go away for two or three months you will find it gone. So, security has to be dealt with. The energy and telecommunication costs should be reduced. The Government should subsidise these things in order to make our industries competitive. Do not think that America is so rich because people are given subsidies. They are poorer

than us. The moment you are born as an American citizen, you have US\$24,000 debt on your head. The Government owes this money on your behalf. In Kenya, it is only US\$3 to US\$500. Mr. Odoyo is an economist and he knows these things. If you measure wealth as networth - what is your assets minus your debts - and your debts exceed your assets, you are bankrupt in the real world. America has been having physical and trade deficits for decades. But how do they sustain these? We, as a Government, need to incur these deficits in order to spur growth in our economy. The starting point is this Motion by Mr. Wambora.

In the past, when people were agitating for constitutional change, they held out and said: "We do not want piecemeal change. We want comprehensive review of the Constitution." I want to support this Motion because Mr. Wambora is my friend. But I would also like to urge that we should have another Bomas conference, so that we can have a comprehensive review of our economic policies and give directions. We need to know where we are coming from and where we are going. It should be given much bigger priority than this *Katiba* nonsense!

With those few remarks, I beg to support.

Mr. Kamotho: Thank you, Madam Temporary Deputy Speaker, for giving me a chance to contribute to this Motion. I stand to support the Motion. I come from a tea growing area. I am also a small scale tea grower. I know how important the industry is to a very large population of Kenyans. Millions of Kenyans depend on the tea industry. We must also remember that over 90 per cent of tea is grown for export. Therefore, tea earns this country a lot of foreign exchange. If you go outside there, a cup of tea will cost you about Kshs300. But the farmers back here are not paid one-tenth of the Kshs300 per kilogramme. In other words, farmers who spend all their time, energy and resources to produce tea, end up earning very little money. I think the Government has a lot to do to ensure that farmers earn what is due to them from their sweat. One way of doing that is to make all tea factories Export Processing Zones (EPZs).

(Applause)

We should ensure that all the infrastructure in the tea industry is upgraded. We should ensure that all the roads leading to tea processing factories are tarmacked. Electricity must be made available to tea factories much more cheaply. All duties like Value Added Tax (VAT), Import Duty and cess levy on tea should be abolished. The only way to achieve that is to convert tea processing factories into Export Processing Zones. That is what they exist for; export. I recall a few years ago - maybe, ten to 15 years - at the end of every year, tea farmers used to enjoy what is called bonus from their produce. It was fairly good. Farmers were able to save enough even to pay for their children's education in January. Nowadays, although farmers continue to get a bonus at the end of the year, by the end of December, all their earnings are completely exhausted. They do not get enough money to pay for their children's school fees. They do not get enough money to give their own families a good Christmas. That is because the monthly payments and the bonus at the end of the year have gone down. The cost of production has continued to go up. In our tea growing areas, we pay about Kshs200 per person per day to plant and look after tea. So, at the end of the day, the farmer is earning nothing.

Madam Temporary Deputy Speaker, I recall that I had brought a Question here on the same subject some time last year. The Minister for Agriculture said that he was going to put the subject in motion so that the Ministries concerned; that is, the Ministry of Finance, the Ministry of Trade and Industry and his Ministry, could look into that possibility of converting the tea factories into Export Processing Zones. It has taken a very long time. I can give an example. In my area, where we grow a lot of tea, the roads leading to the two leading tea factories; Kiru Tea Factory and Gatunguru Tea Factory, are earth roads. Sometimes, the trucks bringing fuel to the factories during the rainy seasons can take even a week on the way. That is because of the poor road conditions.

*[The Temporary Deputy Speaker
(Dr. Ojiambo) left the Chair]*

*[The Temporary Deputy Speaker
(Mr. Ethuro) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, those factories bring millions and millions of shillings to this country every year. That money does not belong to the people of Mathioya. It is for this country. The foreign exchange those two factories earn for this country go to the national kitty. It is, therefore, used for the national good. The roads leading to those tea factories need to be tarmacked. All the 45 tea factories in this country need to be converted to tea processing zones, so that any form of taxes that is levied on fertilisers, spares, machinery and electricity are removed. That way, the cost of production will go down. Those factories will be able to pay farmers better prices for their produce. That will definitely enable this country to develop faster than it is doing. We are all aware that our country is poor. We are poor because 60 per cent of Kenyans earn less than a dollar a day. What is a dollar? A dollar is Kshs72. What can Kshs72 a day do to a family? Something needs to be done very quickly.

Mr. Temporary Deputy Speaker, Sir, we are now involved in a referendum and debate on the proposed new Constitution. Some of these things going on are divisive. I think we need to address this issue as a national issue. The fight between the bananas and oranges will not bring this country honey. Let us all agree that 20 per cent of the new draft is poisonous. Since it is poisonous, you cannot give your children poison.

(Applause)

With those few remarks, I beg to support.

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this time to support this Motion. We created Export Processing Zones (EPZs) for many reasons. One, for creating employment for many Kenyans. Two, for foreign exchange earnings and we gave foreigners a lot of tax incentives. We gave them ten years before they start paying any tax. It is a very unfortunate situation.

We have read in the papers what some of the foreigners in these EPZs have done. I am not saying that I do not appreciate what they do but what some of them do is disastrous and yet in this country there are other alternatives. One such alternative is tea growing. Up to now, tea is the largest foreign exchange earner and yet we give it such rough treatment. The tea growers are given such rough treatment by the Treasury. We have to know which side of our bread is buttered.

Mr. Temporary Deputy Speaker, Sir, the tea industry is the largest employer and it has helped this country to spread wealth from the large tea estates like Unilever to the smallest tea growers who use the formerly Kenya Tea Development Authority (KTDA) factories. I want to say at this juncture that Kenyans should understand that Kenya Tea Development Agency (KTDA) is no longer Kenya Tea Development Authority. The agency should not impose itself as an authority because the Act has been amended. We have to promote tea growing and processing in this country because it is the largest foreign exchange earner and one of the largest employers.

In the area where I come from tea growing, processing and harvesting is one of the biggest employers because anything to do with tea whether it is planting, weeding, picking or processing, it is a labour-intensive agri-business. We should take care of it. We should give it the tax incentive it requires. To put up a tea factory now is such an expensive venture that farmers end up repaying the

loans for many years. For example, Mudete Tea Factory in Western Kenya posts a whopping Kshs450 million and yet it is served by very tiny tea farms. It is because the machinery and structures were taxed. So, I am saying that we should treat it as an EPZ because most of the tea is meant for export and that is why tea is the largest foreign exchange earner. We should make anything to do with tea growing and processing to be duty and VAT-free.

Mr. Temporary Deputy Speaker, Sir, in my Mosop Constituency or North Nandi as a whole, the tea estates around Nandi Hills are owned by foreigners on land which was grabbed from the Nandi people at the turn of the last century. However, since the amendment of the Tea Act in 1999 by this House whereby tea growing was made available to small-scale farmers, we are promoting tea growing in the northern parts of Nandi Districts now like in Emgwen and Mosop constituencies and parts of Uasin Gishu and Keiyo. Farmers find it very difficult to establish tea growing because right from the polythene bags for raising the seedlings, they are taxed. We should be able to get the manufacturers of polythene bags to sell them at VAT and duty-free prices because it is going to raise tea seedlings which in the end will be the largest foreign exchange earner and employer.

Mr. Temporary Deputy Speaker, Sir, we understand that one of these days, the tea markets may move from Mombasa to Dubai and if we are not careful to protect our farmers then we shall be in for a fix. That is why I say that we should make tea growing to be under EPZs. As soon as the tea is ready even if we have to sell it to Dubai, it should go under the EPZ Act and rules because it is meant for foreign exchange. If we are prepared to create those jobs for those foreigners in Athi River, why are we not prepared to do it for our Kenyans who suffer in the field? A tea plucker picks 50 kilogrammes and fetches Kshs200 per day and this Government has promised people 500,000 jobs. Where are those 500,000 jobs? Are they in the kiosks the Government is destroying? Kenyans must know that those kiosks are being destroyed and yet they sell anything from tea and they employ people. I am urging the Government not to destroy kiosks.

The Assistant Minister for Trade and Industry (Mr. Miriti): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that this Government promised 500,000 jobs while he knows very well that in the Sessional Paper of 1997, it is the former Government which promised 500,000 jobs?

The Temporary Deputy Speaker (Mr. Ethuro): Mr. Miriti, that is not a point of order. Mr. Sambu, ignore him.

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, I will not even ignore him. I will tell him that yes, the KANU Government was removed. If it was removed because of that promise, then he knows that those people who sang at Uhuru Park did it because of the promise of 500,000 jobs! Come 2007, they will be the same ones who will remove you from power very fast because they did not see the 500,000 jobs. I am an orange supporter and wherever we go, there are more cases of people who have been sacked than employed. So, get ready to be removed from power for misleading Kenyans. I am defending 500,000 jobs in the tea estates and that is why I am saying that we should get the tea producers to be under the EPZ. I am trying to help them. In North Nandi, if we grant tea factories Export Processing Zones (EPZ) status, we shall be able to get more people to grow tea. Let us be careful because there is word going round that the tea market may soon move from Mombasa to Dubai. If we do not grant our tea factories the EPZ status under the EPZ Act, Chapter 517, then we shall be in great danger whereby people will come to buy our tea cheaply in Mombasa and then sell it expensively in Dubai.

Mr. Temporary Deputy Speaker, Sir, if the Government wants to create jobs, then it should promote labour intensive crops like tea. I, therefore, urge the Government to lower the high cost of tea production by granting tea factories EPZ status under the EPZ Act. The Government should also plough back the foreign exchange earned from tea to the tea producing areas in this country.

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

Mr. Chepkitony: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I support this Motion because tea is a major crop in this country. In fact, it is the leading export crop in the agricultural sector. Majority of our farmers in the tea growing areas depend entirely on this crop.

Mr. Temporary Deputy Speaker, Sir, the price of tea in the world market has stagnated. The price is not increasing because of competition and increase in production. It appears that there is over-production hence over-supply of tea in the world market. Therefore, in order to make our tea competitive worldwide, we need to address the issue of cost of production. Already, other agricultural subsectors are suffering from high production costs and the produce is not competitive in the world market. We need to make the price of tea and even coffee competitive so as to penetrate get them into the world market. We can only do this if we reduce the processing costs and taxes such as VAT, fuel levy, customs duty and so on. We really need to cut down on the cost of processing.

Mr. Temporary Deputy Speaker, Sir, I support the idea that all the tea factories should be placed under the EPZ. If we do so, they will be exempted from paying various taxes such as VAT, fuel levy and customs duty. Eventually, that will reduce the cost of processing tea and the result is reduced cost of production. That way, our export prices will be competitive and even if the prices in the market will be high, the profits will be passed to our farmers thereby making them rich.

We have land where we can expand tea growing. In order to expand the acreage under tea in this country, we need to promote its production and improve its competitive advantage in the world market. We can create enabling conditions for the expansion of tea production and one of them is by granting tea factories EPZ status. We could even amend the EPZ Act to favour tea processing because the current Act only allows products processed under the EPZ to be exported. However, by operating under the normal factory processes, we are also allowing farmers to produce tea for local consumption.

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

The Temporary Deputy Speaker (Mr. Ethuro): It is now time for the Minister to respond.

The Minister for Trade and Industry (Dr. Kituyi): Thank you, Mr. Temporary Deputy Speaker, for giving me this opportunity to contribute to this Motion. Unfortunately, I have not been sitting in the House to listen to much of the debate. However, my two principal deputies have followed this debate very much, particularly the one who comes from a tea growing area. I believe he understands well the logic of my former senior officer who has moved this Motion which is at the interest of tea producers.

I can appreciate the importance of doing something about improving the conditions for tea producers in this country. I, however, have a problem with the suggestion that the route to do this is by declaring tea factories as EPZ companies. I appreciate the benefits they are looking for. For example, since much of the tea overwhelmingly produced in this country is for the export market, I can understand the justification of the concern that tea should be exempted from the payment of VAT. Indeed, it is the pursuit of fairness that this is done because even Kenya flower producers get a rebate on VAT. They are reimbursed whatever they pay as VAT. I do not see a problem with farmers producing tea for export getting the same rebate. Similarly, I can understand that because global liberalisation and Free Trade Agreements (FTAs) between some of our target country markets and other competitors who produce tea erodes the margin and competitiveness of Kenyan tea, we have to look at how to prime it up. In this regard, I am thinking of three critical areas.

First, Egypt reduced import duty on tea to 10 per cent across the board with a net effect of eroding the preference that Kenya had in the market as an FTA country and substantial competition from producers like Sri Lanka. Secondly, Pakistan has signed an FTA with Sri Lanka and India with a net effect that the preferential market access which has build the volumes of Kenyan tea in the Pakistan market stand threatened by competition from those prime competitors. Thirdly, Afghanistan is in the

process of negotiating reduction in tariff between itself and India which is a main competitor of this country with regard to the type of tea that we produce. So, I can see the concern and the need to do something to prime up Kenya's tea exports and to consolidate our gains in the market place. We even need to look for non-traditional methods of accessing new markets, for instance, with the collapse of communism, there is growing affluence in Asia minor; in places like Azerbaijan and Kazakhstan, there is need for us to look at those markets. I have a problem with the concept of converting that need for capacity building and nurturing the tea industry into the need of granting tea factories EPZ status. First, through the EPZ Act, companies that are made EPZ companies are exempted from corporation taxes for the first ten years. Many of the tea companies we are talking about are much older. Therefore, should we have exempted them from corporation taxes 50 years ago? More importantly, if the need is to reduce the amount of tariffs they pay to the state, can we not fashion a more targeted facility to deal with that as an issue?

In my Ministry, we are involved in a certain dialogue right now. We are thinking about where we are taking our country. One of the things we are considering is the possibility of having innovative flexible models of state intervention, for example, the possibility of special economic zones for the depressed areas. For instance, if you go to Siaya and Busia districts, you will find that they are industrial districts. What is the main export crop for Busia and Siaya districts? They import cheap cereals from Uganda and molasses from Mumias and make chang'aa to export. That is a value added product. But, these are desperate economies. They have massive abundance of labour that is under-utilised. Innovative instruments of policy, including tax incentives can make it possible to attract fresh domestic and foreign investors into those areas that are well suited to manufacture value-added products for the Great Lakes Region. In my opinion, the structures we can innovate on; flexible instruments of taxations that can assist in targeting investments and enhance growth in those areas means that it is possible to address that similar problem of tea producers without encumbrances of sitting under rigid instruments of policies that were meant to encourage foreign investors, who were exempted from a certain frame of taxation in this country. I share the same view; that, the most important benefit of the EPZ, exemptions from VAT, the same rules should be applied. We do not need to take them to the EPZ to do that. We are doing that for flower farmers. We could do that for Kenyan tea farmers as well. I think this would go a long way towards satisfying the original purpose of this Motion.

Similarly, we could start talking about Government assistance in the reduction of the cost of inputs. Already, the Government is dealing with the cost of utilities; for example, the cost of energy. The tea sector is a major consumer of electric energy, and therefore, should be a major beneficiary of the same. In a major way, this could substantially increase margins which can be translated and passed on to the producers.

Another thing which may or may not have been mentioned is the main weakness of the tea industry, whereby we do not have Government instruments that encourage expanded tea consumption in Kenya. If the resurgence of the Kenyan economy could be translated into resurgence and expansion of domestic consumption of Kenyan tea, the way it has been with the consumption of tourist products, it would be possible that some of the main benefits of the tea industry could accrue from greater access to domestic market. Our policy instruments today, do not sufficiently discriminate against imported tea. That is why we are seeing increasingly, major hotel outlets marketing imported tea after it has been exported in bulk, value added abroad and reimported into Kenya, at a time when we are trying to make KETEPA a major brand of value adder of Kenyan tea. So, policy instruments and incentives that can make expanded consumption of value added Kenyan tea in the Kenya market, in addition to very easy to implement instruments of reduction of public taxation on the tea industry, are possible to achieve the same goals that are sought under the process of the EPZ.

Lastly, why am I a bit reluctant about the EPZs? A country cannot industrialise and grow on

the basis of exemption. The EPZ model is an exemption, that is supposed to fast-track routes that create employment, low-skilled opportunities and add to Kenyan volumes of export as part of the technology fix and labour problem fix in the transition to investors in this country. The mainstream of this country's industrial policy has to lie in the domestic reminiscent economy and not in the transitional bonded production that goes on at the EPZ areas. So, while I would like the EPZs to be a learning experience on how to be facilitative and responsive to the legitimate concerns of enterprises, I think it would be wrong for us to migrate Kenyan enterprises to an exemption zone. Let us learn the positive lessons from the exemption groups and apply them in our Kenyan economy, instead of putting our main enterprises into manufacturing under bond.

With those many remarks, I want to encourage that we look for solutions to our tea sector problems which are possible to find and request to oppose that we transfer the tea sector into tea export processing zones.

Mr. Wambora: Mr. Temporary Deputy Speaker, Sir, I will contribute my three minutes to Mr. Kagwe:

The Temporary Deputy Speaker (Mr. Ethuro): That is okay.

Mr. Kagwe: Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Motion by Mr. Wambora because when you look at the way we have been processing and packaging our tea, you will find that in comparison with the other tea growing countries, particularly Sri Lanka and India, we basically lag behind. We are talking about the issue of job creation, which I am sure my colleagues have also expounded on. There is no way we will progress and develop this country on the basis of becoming a raw material nation. We have to move further than that. When you look at the developed nations of the world, you will find that there are very few of them which depend on raw materials for development. Processing and industrialisation is the basis on which nations develop. Indeed, if you think about our country, there is no way we can develop it without doing the same. Therefore, it is my contention that the Government lowers the cost of production by granting tea factories export processing zones status under the EPZ Act. This does not necessarily have a lot of financial implications, particularly on the tea farmers in terms of positioning, because we could simply gazette the areas where they are, to become export processing zones just as we have done in the industrial area, near the Sameer Africa firm.

My support for the Motion is dedicated on the issue of job creation and the fact that development is based on value added products. We are an agricultural country and it is very unlikely that we will move on to high steel manufacturing business soon. So, our area of development has to be on the basis of agriculture.

With those few remarks, I support the Motion.

Mr. Wambora: Thank you, Mr. Temporary Deputy Speaker, Sir. I will approach my response in two ways. One, is by responding to the fears which have been expressed by some of my colleagues and secondly, by emphasising the actual benefits of moving the way of the Motion by empowering our tea factories. One, I will start by saying that those who are afraid of the EPZ being created for export purposes, considering that we are not exporting most our tea, I would like to give some statistics; 95 per cent of our tea is exported overseas and only 5 per cent is consumed locally. The EPZ Act allows up to 20 per cent of any product to be consumed locally. This is in the Act. The tea sub-sector meets the requirements of the EPZ Act, because virtually all the tea is being exported. Those who have fears about the export nature of the tea should not worry. For those who are advising us that EPZs are not competitive, I would like to refer them to the textile industry which is earning a lot of money for us under the AGOA Programme with U.S.A. There should be no fear that EPZs are not competitive. They really are competitive. There are people who have recommended diversification, but I do not think that is the way because a lot of investments have been done in the tea sub-sector. We should not be thinking of diversifying to oranges the way Mr. Billow proposed because, in any

case, Kenyan oranges are very bitter.

We have invested very heavily in this sector and we should continue in that field. What is letting us down is the value-addition, whereby only one per cent of Kenyan tea is exported when it is value-added whereas Sri Lanka and India are able to reap three times more than us. The cost of machinery is so high that if we want to install a blending factory in Kenya now, farmers will have to repay those loans for 15 years. That should not be the case.

Let me allay the Minister's fears about mass movement into the EPZ by the tea factories. I do not think they will do that because they have already paid taxes for the location of the current factories. The Motion is not so much about the state of the current factories. We are looking at the future. The cost of production is so high and the supply over demand is a problem for the tea sub-sector. The price for tea has gone down and this trend is continuing because the supply far outmatches the demand.

The Minister for Trade and Industry (Dr. Kituyi): On a point of information, Mr. Temporary Deputy Speaker, Sir, I wish to inform Mr. Wambora that the law as it exists today, if somebody is setting up a blending factory or a value-adding factory in the tea sector needing to be put under EPZ, I have the authority to declare that without any other recourse to Parliament. If there is such a person who wants to do that, I will favourably look at that without any Motion being passed to that effect.

Mr. Wambora: Mr. Temporary Deputy Speaker, Sir, I know that what he is saying is correct, because I have worked in the Ministry of Trade and Industry. We are saying that we should now hasten the process. The infrastructural costs are so high. We are paying cess as tea farmers to maintain roads and this has made the cost of production very expensive. Already Value Added Tax has been zero rated in tea. We are not paying any VAT. The real aim of this Motion is, upon application to the Minister, let him grant EPZ status to the tea factories. The factories which do not qualify should not get this status. We are just trying to encourage mass production for export purposes. We are focusing on Income Tax, Stamp Duty and taxes on machinery. Unless we go the way of high value addition, then this country and the farmers are not going to benefit. We will be able to create employment and increase the value of our tea.

If this Motion is implemented, we will have more viable, high earning tea blending and packaging factories. We will also earn more foreign exchange and create employment. The Minister has been advocating this in the world forum like the WTO. Unless we move from the raw material status to high value products, then we will not improve the lives of our people.

With those few remarks, I beg to move the Motion.

(Question put and agreed to)

INTRODUCTION OF NEW LAND TENURE SYSTEM

Dr. Awiti: Mr. Temporary Deputy Speaker, Sir, I would like to say from the outset that I was not aware that this Motion would be before the House today. I have just learnt about it a few minutes ago. Be that as it may, I am ready to proceed.

Mr. Temporary Deputy Speaker, Sir, I beg to move:-

THAT, in view of the fact that many Kenyans do not own land; aware that there is a wide disparity that exists in land ownership in this country and conscious that land is the resource based commodity which is an important factor for agricultural, industrial and commercial development of our country, this House urges the Government to review the land policy in order to establish a new land tenure system to fix a ceiling on

the amount of land an individual can own, depending on the type of land use and where the land is located.

The land question in Kenya as we are all aware, is one which is littered with inequality. It all started during the colonial time when people of this country lived very harmoniously in their respective areas. When the colonial system came to this country, people were being removed from their land. We know of cases where many people from Central Province were moved from their land. The Maasai and most people from Coast Province were equally deprived of their land.

Mr. Temporary Deputy Speaker, Sir, land is a natural endowment which belongs to all people of Kenya. It is like air and water to human beings. As we all know, when Kenya attained Independence, land was one of the most important issues. Our people rose to fight the colonial system and some died because of land. When the British were handing over the reins of power, they came up with a policy of giving the Government loans to buy land from the white settlers so that our people could be settled on that land. As it turned out, it was those people who had good connections within the Government who benefited from that. As a result, most of our people are still landless. As I speak, I know hon. Members know what happened in the Rift Valley.

Mr. Temporary Deputy Speaker, Sir, there is need to review the land policy. There is need to come up with a policy that will allocate land to the citizens of this country equally. The land ceiling should be an operation policy of this country, because we know of people who own up to 100,000 acres of land but are not utilising it. It is lying idle and yet some of our people do not even have a piece of land on which they can be buried. We, as a country, cannot afford to have that kind of policy. The present land policy is responsible for food scarcity in this country. Year in, year out, our Government begs for food. It is a pity that our country is endowed with very fertile soil that can be utilised to grow crops, but we continue begging for food. I am quite sure that when land is distributed evenly, we will not only produce enough food for this country, but also for export. It is quite unfortunate that most of the commodities we find in our supermarkets, even the basic commodities such as eggs and chicken, are imported from South Africa. This is happening because of our bad policies. We are paying a lot of foreign exchange for those imported foods which we could easily produce here.

Secondly, we could produce more cash crops, particularly cotton. It is the only way we can benefit from the AGOA market. At the moment, cotton production has gone down. The Kenyan cotton producers are not benefiting from the AGOA market.

It is important that we come up with a policy to divide land equally to our people. We should also come up with a ceiling as to how much land an individual can own. Few individuals cannot continue owning several acres of land at the expense of other people who do not even have a piece of land at all.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to move. I request my colleague, Mr. Mwandawiro, to second the Motion.

Mr. Mwandawiro: Bw. Naibu Spika wa Muda, ninamshukuru sana Dr. Awiti kwa kunipa nafasi hii ili niunge mkono Hoja hii. Mswada huu ni wa maana sana. Mswada huu umezingatiwa mara nyingi hapa Bungeni. Ninakumbuka Bw. Wamwere aliwahi kuileta Hoja hii hapa. Hoja hiyo ya Bw. Wamwere ilisisitiza umuhimu wa kuwa na sera ya kuhakikisha kwamba tunaweka kiwango fulani cha umilikaji wa ardhi ili kuwezesha watu wengi katika nchi hii kumiliki ardhi.

Mimi kama Mbunge wa Wundanyi nastahili kuunga mkono Hoja hii kikamilifu kwa sababu kama kuna sera ambayo inatumiwa vibaya katika Wilaya ya Taita-Taveta, ni sera ya ardhi. Wakati huu, asilimia 62 ya ardhi katika Wilaya ya Taita-Taveta imo chini ya mbuga za wanyama pori; Tsavo Mashariki na Tsavo Magharibi. Asilimia 20 ya ardhi nayo imo mikononi mwa watu binafsi. Ukitenganisha mawe, misitu, barabara na sehemu ambazo shule na afisi za Serikali zimejengwa, basi utaona ya kwamba wananchi wa Wilaya ya Taita-Taveta wanamiliki asilimia nane pekee ya ardhi. Hii ndiyo sababu watu wetu ni masikwota katika wilaya yao.

Bw. Naibu Spika wa Muda, Wilaya ya Taita-Taveta, ni nzuri zaidi nchini. Ina mandhari ya kupendeza. Huu ni urithi mzuri tuliyopata kutoka kwa Mwenyezi Mungu. Kuna milima na mabonde ya kupendeza sana. Kuna chemichemi za maji mazuri katika misitu na milima ya Wilaya ya Taita-Taveta. Lakini kwa sababu ya sera mbaya ya umilikaji wa ardhi, watu wetu wanaishi karibu na milima ya Taita-Taveta. Hali hii ni tisho kubwa la mazingira yetu. Watu wetu sasa hawana jambo lingine ila kulima kandokando ya mito, mabonde na nyanda za chini. Kwa hivyo, uzuri huo unazidi kuharibika huku tukishuhudia.

Bw. Naibu Spika wa Muda, jambo ambalo linaweza kuokoa nchi yetu ni kuwa na sera ambayo itahakikisha kuna haki ya umilikaji wa ardhi. Ni lazima pia tuone ya kwamba ardhi inatumika kikamilifu katika uzalishaji na utumiaji wa rasilimali zilizomo chini yake, juu yake kama vile misitu, mifugo na wanyama. Ni lazima tuhakikishe ya kwamba katika sera mpya ya ardhi, inafaa kuzingatia utumizi wa ardhi. Watu wetu wanafaa kupewa ardhi kulingana na vile watakavyoitumia. Je, watumia ardhi hiyo kwa malisho? Ikiwa hivyo, ni lazima watueleze wana mifugo kiasi gani. Ikiwa mkulima wa mifugo atapewa ardhi kulingana na wanyama wake, basi ni lazima tuwe na sheria ili kuhakikisha mkulima huyo hatayabadili matumizi ya ardhi hiyo kama inavyofanyika katika Wilaya ya Taita-Taveta. Vile vile, sera ya ardhi inafaa kuzingatia mambo muhimu kama kilichoko ndani ya ardhi, kwa mfano, madini. Ukienda katika Wilaya ya Taita-Taveta, kuna watu ambao wana maelfu ya ekari za ardhi ambazo zina madini. Ni jambo la kuhuzunisha ya kwamba watu wetu hawawezi kuchimba madini hayo. Je, tutapunguzaje ukosefu wa kazi na kuongeza uzalishaji wa mali katika nchi ikiwa hatuwezi kuchimba madini hayo?

Bw. Naibu Spika wa Muda, sera hiyo inafa kuchunguzwa ili tuhakikishe ni rasilimali gani zimo humo ardhini. Ni lazima sera hiyo izingatie mazingira yetu. Ikiwa tutaiokoa nchi hii, tunahitaji mapinduzi ya kilimo na ardhi. Kwa mfano---

Mr. Ojamoong: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ethuro): What is it Mr. Ojamoong?

Mr. Ojamoong: Mr. Temporary Deputy Speaker, Sir, is it in order for the House to continue with this debate when there is not a single Minister in the Front Bench to take the notes? He is expected to respond later on. I need your guidance on this.

The Temporary Deputy Speaker (Mr. Ethuro): Mr. Ojamoong, I agree with you. It would be preferable for the Minister to be present. However, I am sure he will be able to read the HANSARD and respond appropriately.

Proceed, Mr. Mwandawiro!

QUORUM

Mr. Ojamoong: On a point of order, Mr. Temporary Deputy Speaker, Sir. In view of the fact that we have just come from recess recently, and we do not have hon. Members here, would I be in order to say that we do not have quorum?

The Temporary Deputy Speaker (Mr. Ethuro): That is true. We have no quorum. May the Division Bell be rung!

(The Division Bell was rung)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ethuro): Hon. Members, we are unable to raise a quorum. Therefore, the House stands adjourned until this afternoon at 2.30 p.m.

The House rose at 11.30 a.m.