the subscriptions of its member companies which number approximately 600. To promote exports, KAM has been involved in the following activities.

1) KAM has commissioned a number of studies such as "Export Incentives for Kenya's Industries" and "An analysis of Kenya's Trade with the PTA countries and a survey of Kenya-based industrialists currently exporting to the PTA countries".

2) KAM works as co-organisers of buyer/seller meetings for manufacturers in the PTA region whenever they are held in Kenya.

3) KAM organises seminars related to export marketing in order to upgrade the participants understanding of the export documentation and to give them export-marketing programmes.

3.3 Survey Findings and Recommendations

3.3.1 Findings

(1) Examination and formulation of export promotion policies is carried out independently by the Ministry of Finance, Ministry of Commerce and Ministry of Planning and National Development.

Consequently, export promotion policies are not always comprehensive and systematic.

(2) Summary of Interview Comments

1) KETA's activities are insufficient to promote exports. KETA should be removed from the Ministry of Commerce. As long as KETA is a division of the Ministry of Commerce, it cannot get away from red tape and cannot fulfill its mission.

2) KETA should become an autonomous organisation.

3) KETA should be privatized.

4) The commercial attaches posted abroad should be more involved in promoting export.

5) Training in trade practices is needed.

6) Information supplied by KETA is frequently out-of-date.

Many people were critical of KETA's activities.

3.3.2 Recommendations

(1) At present, export promotion is carried out by KETA, a number of boards, KNCC&I, KAM, etc. It would be more effective for export promotion activities to be undertaken by a single organisation so that the limited resources, both financial and human, may be used effectively.

(2) Though the leaflet mentioned before covers nearly all of the essential services required for export promotion, KETA's performance has failed to receive a favorable rating from private businesses.

Two main reasons attributed to this are:

1) Red tape

KETA is just one department within the Ministry of Commerce, which means it tends to become entangled in red tape quite often, which makes it difficult to carry out an effective, dynamic export promotion.

2) Inadequate budget

Insufficient fund is allocated for KETA's activities.

It would not be sufficient to simply remove KETA from the Ministry of Commerce in order to solve the two problems. Instead, it would be desirable to integrate and expand the export promotion functions of KETA, KIBT, KNCC&I, KAM, etc. into a new trade promotion organisation. Given the lack of trust which exists between the public and private sectors, the new trade promotion organisation is required to be established jointly by the public and private sectors.

In the Sixth National Development Plan, the government states that "..... due to various problems including shortage of funds, KETA was absorbed within the department of external trade in the Ministry of Commerce, a position from which it has not been able to efficiently play its originally intended role. During the plan period, Government will take steps to reactivate KETA with an independent status ....."

The EC also submitted a plan to the Ministry of Commerce in 1988 for the expansion and strengthening of KETA. Although an attempt was made in August 1990 to strengthen KETA, it will be difficult to revitalise KETA as long as the fundamental problems described herein remain unresolved.

(3) For more comprehensive and systematic export promotion, it is necessary to bring together top officials from relevant government departments and private sector institutions to formulate strategies, plans, systems and policies for the Government.

Table 3.2.1 Budget for Export Promotion in FY 1990/91

Fiscal Year	Development Expenditure	Recurrent Expenditures	Total (K£)	(U.S. Dollar)
1990 / 91	1,710,000	1,615,750	3,325,750	(2,880,560)

Source: Development Estimates
Estimates of Recurrent Expenditures

Table 3.2.2 Development Expenditure for Export Promotion in FY 1990/91

(Unit: K£)

Fiscal Year	Total (K£)	Export promotion and Marketing	Kenya Export Year	Exports Diversification Project	Export Promotion Master Plan	Export Development Project	Aid from Foreign Countries
1990 / 91*	1,710,000	440,000	20,000	–	750,000	500,000	EDF/EEC JAPAN IDA

Source : Development Estimates
* Expenditure estimated

CHAPTER 4 INFORMATION SYSTEM RELATED TO EXPORT PROMOTION

4.1 Outline of Implementation of Survey

4.1.1 Needs for Data and Information on Trade

Most government offices, industries and companies in Kenya recognise the importance of collecting appropriate data and information relating to export promotion, and the analysis, processing and provision of those data and information. At any rate, manufacturers involved in exports earnestly wish to obtain information and materials related to expanding the export markets for their own company's products. In fact, they need to acquire information on production, distribution, and consumption trends in the countries to which they export, and information pertaining to production costs and export prices in countries with which they compete. This need will become all the more important in the future.

This chapter shows the actual situation on how the organisations involved in export promotion to meet the needs for data and information on economic and trade-related matters.

4.1.2 Organisations and Materials Surveyed

The present survey focuses mainly on the situation regarding the collection, classification, filing, and up-dating of data and information required for the promotion of exports and the provision of these materials and information. The method adopted for carrying out this survey involved the conducting of interviews and written questionnaires, and an on-the-spot survey undertaken in libraries. The names of the organisations covered by this survey are shown in Table 4.1.1. An outline of those organisations is also shown.

Table 4.1.1 Evaluation on Data and Information for Trade in Kenya

(March 1991)

	Data Collection	Library		Service		Enquiry	
		Open	Closed	Yes	No	Yes	No
MOF	S		o		o		o
MOA	B	o		o		o	
MOI	C	o		o		o	
MOPND	S		o		o		o
MOC/KETA	B	o		o		o	
KNCC&I	C	o		o		o	
KAM	C	o		o			o
IPC	C	o		o			o
KIBT	C	o		o			o
CBS	B	o		o			o
KNLS	C	o		o			o
CENTRAL BANK	C		o		o		o
KNTC	S				o	o	
ICDC	S		o		o		o
ESATPTC	B	o		o			o
UNDP	S		o		o		o
WORLD BANK	S		o		o		o
EC	S		o		o		o
American Culture Centre	A	o		o		o	
British High Commission	B	o		o		o	
French Commercial Commission	S		o	o		o	
Goethe Institute	C	o		o			o
Italy External Trade Authority	S			o		o	
KOTRA	A	o		o		o	
JETRO Nairobi	A	o		o		o	

(Notes) A: Good
B: Satisfactory
C: Unsatisfactory
S: Staff Only

The types of information and material covered by the survey are shown below:

(1) General Information

1) Trade manuals
2) Specialised industrial journals, General magazines and Newspapers
3) Materials on international trade fairs

(2) Information Classified by Countries

1) Directories
2) Trade procedures, systems and related regulations
3) Tariff schedules
4) Marketing reports
5) Trade statistics, Production statistics
6) Product catalogues, Pamphlets and Price lists

4.2 Outline of the Survey Findings

4.2.1 Overall Findings

Organisations which collect and provide data and information relating to trade in Kenya are shown in Table 4.1.1. Though the Ministry of Finance (MOF), Ministry of Planning and National Development (MOPND), the Central Bank, and the Industry and Commerce Development Corporation (ICDC) collect data and information, they do not have a system by which they provide this information to manufacturers and exporters.

The Central Bureau of Statistics does not collect statistics from foreign countries in a systematic way. It is, however, working to improve processing of domestic statistics through the introduction of a computer system. (Refer to Table 4.2.2)

As for the Ministry of Commerce (MOC), the main government office in charge of trade, KETA (described later) collects and provides materials in place of the ministry.

Though the Ministry of Industry (MOI) must help the export-oriented manufacturing industry, the MOI's library has stopped collecting the foreign trade data since 1985. (Refer to Table 4.2.3)

Though the Ministry of Agriculture (MOA) has an independent information centre which can be used by the general public, with the exception of journals and newspapers, many marketing reports are published before 1987. (Refer to Table 4.2.4)

With regard to the Kenya National Library Service (KNLS), most trade related materials, excluding magazines, are those printed in the first half of the 1980s. As a result, when trade information is requested by the visitors, KNLS only recommends KETA.

Though private organisations such as the KNCC&I and KAM have their own libraries, there are problems in collection and classification of materials (to be mentioned later on).

As for foreign trade organisations located in Nairobi, there are none, with the exception of JETRO Nairobi, which have information services for promoting the exportation of Kenyan products to foreign countries.

Generally, with the exception of cash crops for exports, there are as yet no systematic information systems in Kenya for contributing to the export promotion of non-traditional products.

But even more fundamentally, the collection, classification, the filing and up-dating of the basic data have not been done satisfactorily because of budgetary constraints as shown Table 4.2.1. Regarding the provision of information which contributes to the export promotion, Kenya is still in the developing stage compared with European countries, the United States, Japan, and Asian NIEs.

4.2.2 KETA

KETA is Kenya's leading export promotion organisation, and has the largest "trade information centre" in the country. Also, under the sixth development plan which is currently underway, KETA is to be re-examined with a view to make it more effective in providing market information to businesses for the development of export.

As shown in Table 4.2.5, however, the library expenses are far less than the amounts budgeted for external trade promotion and KETA operation.

Although KETA maintains the largest organisation collecting foreign economic and trade materials in Kenya, as of March 1991 no systematic methods have been adopted for the collection and classification of materials and the provision of effective information to private corporations. (Refer to Table 4.2.6)

The most visible problems are listed below:

(1) KETA is located on the sixth floor of the same building which houses the MOC, businessmen and private individuals find difficulty in entering.

(2) Its total space for filing and reference is about 300 square metres. It is little space for the Trade Information Centre.

(3) There is no librarian specialising in economy and trade. As of November 1990, one clerk and two assistants were responsible for collecting, classifying, filing and providing related materials. However, one assistant was released in September 1991, resulting in an extremely difficult situation.

(4) Because much of the materials are received in the form of donations, there is no system for the up-dating. For instance, three 1990 editions of directories are available for only a few countries.

(5) There are few reports of the latest year on market trends for individual countries concerning traditional export items and non-traditional items. (Refer to Table 4.2.7) The analysis and description of some reports is considered to be insufficient. (Refer to Table 4.2.8)

(6) Due to the absence of a system for managing materials there is, with the exception of classified materials, a lack of promptness of access when using materials.

(7) Though some 5,000 copies of the monthly magazine titled "Kenya Export News" have been published, it is hard to say that KETA's survey and publishing activities are satisfactory.

Organisational reforms towards a "New KETA" were put into effect in August 1990, but as of September 1991 there is little sign that its function as the "trade information centre" has been strengthened and that its library has been improved and expanded.

Due to nearly 10 years experience most private companies and industry associations in Kenya are negative about the KETA's function for collecting and providing economic and trade effective information.

4.2.3 Trade Related Public Corporations and Private Organisations

(1) Kenya National Trading Corp. (KNTC / Pubic)

This corporation deals mainly with the import and wholesale of products for the local market. In the field of exports, it does handle some handicrafts and small quantities of coffee, but it has no library specialising in foreign trade and economy. And, the corporation dose not provide the foreign market survey.

Neither does it supply the private sector with data and information required for the export promotion, nor does it have any system for answering enquiries.

(2) Industrial and Commercial Development Corp. (ICDC / Public)

Though the corporation possesses a library which contains a limited range of material related to the commercial, trade, and industrial sectors, it does not provide an information service for private companies involved in exports. (Refer to Table 4.2.9)

(3) Kenya Institute of Business Training (KIBT / Public)

The institute holds trade seminars on a regular basis, teaches methods for undertaking trade practices and procedures and for carrying out surveys on market trends, and recommends to its trainees that they use the library. Though some of the materials collected are somewhat old, there is a librarian on the premises and out of all the organisations covered by this survey, KIBT is the best in terms of the classification, filing and management of materials.

(4) Kenya National Chamber of Commerce and Industry (KNCC&I / Private)

The Chamber pays the most attention to the collection, analysis and provision of information required everyday in relation to trade. It publishes "Kenya Business Information", the monthly journal "Business", the confidential paper "Chamber

Review", a company information magazine "Ufanisi", and "Trade Directory". Also, its library has a positive atmosphere.

However, there are no materials concerning customs tariff schedules, trade regulation and system, trade statistics; and the studies of foreign markets and product trends are hardly systematic. Although the library collects foreign directories mainly from Europe, the United States and Japan (Refer to Table 4.2.10), there are few marketing reports, which help to promote exports (Refer to Table 4.2.11), and books are not properly labeled. As a result, it is difficult to provide effective information to exporters.

(5) Kenya Association of Manufacturers (KAM private)

KAM has a small closed system library which is about 40 square metres in size, which may be used by association members upon request. However, their information is not up-to-date: 1988 is the year of the most recent directories for Europe and USA; the 1989/90 edition for that of Japan. KAM has hardly any marketing reports classified according to country or item, and it is not engaged in export consultation. (Refer to Table 4.2.12)

4.3 Importance of a Systematic Information Service

4.3.1 Function of the "Economic and Trade Information Centre"

Under the present situation, with the exception of strategic export cash crops, producers and exporters are forced to develop new markets by themselves. Each year KETA sends a "trade consultation mission" covering several product items to several countries. Unless they participate in these missions, it is difficult for producers and exporters to obtain effective information from KETA.

In relation to the collection, classification, filing; analysis and processing and providing of materials, the first step in the export promotion, KETA is currently facing restrictions with regard to its location, space, and its staffing setup.

In order to radically reform this situation, KETA suffers from a poor location and insufficient space, funding (for the library expenses), and staffing for the collection, filing, analysis, and providing information, which constitute the first step of efforts toward the export promotion.

In order to radically reform this situation, it is necessary to strengthen KETA's Library, and to establish a new "Economic and Trade Information Center" function for the purpose of establishing a systematic information system within a new "Trade Promotion Organisation."

4.3.2 Structural Reform of Analysis and Information Service

In order to establish suitable conditions for export and to carry out dynamic export promotion, it is essential to have an accurate knowledge of market changes and trends in products through expanding and strengthening research and analysis activities on economies and trade. In addition, it is necessary to strengthen the function of providing information service to the companies engaged in export business on the basis of the findings of this analysis. That is to say, it is important to promote coordination between research and analysis and to provide information.

It should be stressed once again that the expansion and strengthening of activities related to the collection, analysis, processing and providing of data and information forms the basis of export promotion.

Table 4.2.1 Library Expenses of Recurrent Expenditure

(K£)

Ministry, Organisation	1989/90 Approved	1990/91 Estimates
MOPND Headquarters	5,000	6,000
CBS	7,000	8,500
IPC	1,000	9,000
MOFA & IC	2,000	1,800
Diplomatic Representation 30 countries	10,680	18,167
MOA Information centre	15,000	15,600
KNLS	38,456	100
MOC Headquarters	1,100	1,350
KETA	1,756	2,250
KIBT	1,229	1,260
MOI Headquarters	1,500	2,700
MOI Industrial Development 4 sectors	3,075	4,841
KITI	5,000	5,400

Source: 1990/91 Estimates of Recurrent Expenditure

QUESTIONNAIRE INTERVIEW SURVEY

Table 4.2.2 : CBS - DATA AND INFORMATION SYSTEM

DATE OF SURVEY 15.3.1991

1.Collection of Data and Information

1) ☑ Yes ☐ No

2) If yes, would you please remark (latest),following list of Materials by countries

	Business Directory	Laws,Regulation of Foreign Trade	Tariff Schedules	Marketing Report	Catalogs, Price List	Trade Statistics	Others (Periodicals)
EC:							
United Kingdom							
West Germany				1987	1991	1990	1991
Italy							
France							
Netherlands					1990		
SCANDINAVIA				1987	1990	1990	
U.S.S.R.	1990						
Eastern Europe							
U.S.A.	1989						
CANADA				1991	1990	1989	
AFRICA:	1990/91						
Tanzania				1988	1990	1989	1991
Uganda							
Zambia							
Ethiopia					1990		
Other P.T.A							
Other Africa						1990	1989
MIDDLE EAST:							
Saudi Arabia							
United Arab Emirates							
Iran							
Egypt							
Other							
FAR EAST AND AUSTRALIA:							
Australia					1989/90		1991
Japan				1987		1989	1991
India						1990	
China(Mainland)				1989			
New Zealand					1991	1991	
Other							
Latin America:						1989	
Brazil							
Mexico							
Argentine							
Other							

2. Library System

1) [✓] Open [ ] Closed

2) If Open System, how to use the Materials. Day; Monday-Friday Time; 8:00-1:00, 2:00-5:00 Number of Chairs; 10 Chairs

3. Services of Data & Information

1) Free of Charge

[✓] Yes [ ] No

2) If no, the Charge of the Services

4. Enquiries

1) [✓] Yes [ ] No

2) If yes, would you please check (✓), following list

	Directory	Laws, Regulation of Foreign Trade	Customs Tariff	Marketing	Catalogs, Price List	Trade Statistics	Others
EEC:							
United Kingdom							
West Germany				✓		✓	✓
Italy							
France							
Netherlands							
Otehr EEC							
SCANDINAVIA	✓			✓		✓	
U.S.S.R.							
Eastern Europe							
U.S.A.							
CANADA	✓						
AFRICA:							
Tanzania							
Uganda				✓		✓	✓
Zambia							
Ethiopia						✓	
Other P.T.A							
Other Africa				✓			
MIDDLE EAST:							
Saudi Arabia							
United Arab Emirates							
Iran						✓	
Egypt							
Other							
FAR EAST AND AUSTRALIA:							
Australia							✓
Japan				✓			
India						✓	✓
China(Mainland)				✓		✓	
New Zealand							
Other						✓	
Latin America:							
Brazil						✓	
Mexico							
Argentine							
Other							

QUESTIONNAIRE INTERVIEW SURVEY

Table 4.2.3 : MOI - DATA AND INFORMATION SYSTEM

DATE OF SURVEY 14.3.1991

1.Collection of Data and Information

1) [✓] Yes [ ] No

2) If yes,would you please remark (latest),following list of Materials by countries

	Business Directory	Laws,Regulation of Foreign Trade	Tariff Schedules	Marketing Report	Catalogs, Price List	Trade Statistics	Others (Periodicals)
EC:							
United Kingdom	1981-82						1980
West Germany	1989			1985			
Italy							
France	1984						
Netherlands							
SCANDINAVIA	1989						
U.S.S.R.							
Eastern Europe							
U.S.A.	1981-82			1980	1982	1977	
CANADA	1988						
AFRICA:	1980						
Tanzania							
Uganda							
Zambia							
Ethiopia						1989	
Other P.T.A			1990				
Other Africa		1969					
MIDDLE EAST:							
Saudi Arabia							
United Arab Emirates							
Iran							
Egypt							
Other							
FAR EAST AND AUSTRALIA:							
Australia							
Japan	1988-89						
India							
China(Mainland)							
New Zealand							
Other							
Latin America:							
Brazil	1983/84						
Mexico							
Argentine							
Other	1983/84		1963				

2. Library System

1) ☑ Open ☐ Closed

2) If Open System, how to use the Materials.

3. Services of Data & Information

1) Free of Charge

☑ Yes ☐ No

2) If no, the Charge of the Services

4. Enquiries

1) ☑ Yes ☐ No

2) If yes, would you please tick(✓) following list

	Directory	Laws, Regulation of Foreign Trade	Customs Tariff	Marketing	Catalogs, Price List	Trade Statistics	Others
EEC: United Kingdom West Germany Italy France Netherlands Otehr EEC SCANDINAVIA U.S.S.R. Eastern Europe U.S.A. CANADA AFRICA: Tanzania Uganda Zambia Ethiopia Other P.T.A Other Africa MIDDLE EAST: Saudi Arabia United Arab Emi-rates Iran Egypt Other FAR EAST AND AUSTRALIA: Australia Japan India China(Mainland) New Zealand Other Latin America: Brazil Mexico Argentine Other	✓	✓	✓			✓	

QUESTIONNAIRE INTERVIEW SURVEY

DATE OF SURVEY 13.3.1991

Table 4.2.4 : MOA - DATA AND INFORMATION SYSTEM

1.Collection of Data and Information

1) [✓] Yes [ ] No

2) If yes, would you please remark (latest), following list of Materials by countries

	Business Directory	Laws, Regulation of Foreign Trade	Tariff Schedules	Marketing Report	Catalogs, Price List	Trade Statistics	Others (Periodicals)
EC:					✓	1991	
United Kingdom							FAO 1990
West Germany						✓	
Italy		1989				✓	
France					✓	✓	
Netherlands					✓		
SCANDINAVIA	1979				✓	✓	
U.S.S.R.						✓	
Eastern Europe							
U.S.A.	1985				✓		
CANADA						1988	
AFRICA:							
Tanzania	1972-73						
Uganda	1972-73						
Zambia	1972-73			✓			
Ethiopia							
Other P.T.A	1990				✓		
Other Africa							
MIDDLE EAST:							
Saudi Arabia							
United Arab Emirates							
Iran							
Egypt							
Other							
FAR EAST AND AUSTRALIA:							
Australia	1989-90	1989					
Japan							
India							
China(Mainland)		1989					
New Zealand							
Other							
Latin America:							
Brazil		1989					
Mexico							
Argentine		1989					
Other							

2.Library System
1) ☑ Open ☐ Closed

2)If Open System,how to use the Materials. Day; Monday-Friday Time; 8:00-1:00,2:00-5:00 Number of Chairs; 10 Chairs
3.Services of Data & Information
1)Free of Charge
☑ Yes ☐ No

2)If no,the Charge of the Services
4.Enquiries
1) ☐ Yes ☐ No

2) If yes,would you please check (✓) following list

	Directory	Laws,Regulation of Foreign Trade	Customs Tariff	Marketing	Catalogs, Price List	Trade Statistics	Others
EC:							
United Kingdom	✓			✓	✓	✓	
West Germany	✓						
Italy						✓	
France				✓			
Netherlands							
SCANDINAVIA	✓						
U.S.S.R.							
Eastern Europe						✓	
U.S.A.					✓		
CANADA							
AFRICA:							
Tanzania							
Uganda							
Zambia						✓	
Ethiopia							
Other P.T.A							
Other Africa							
MIDDLE EAST:		✓					
Saudi Arabia							
United Arab Emi-rates							
Iran							
Egypt							
Other	✓						
FAR EAST AND AUSTRALIA:				✓			
Australia							
Japan	✓	✓					
India							
China(Mainland)	✓			✓			
New Zealand		✓					
Other							
Latin America:							
Brazil					✓	✓	
Mexico							
Argentine							
Other							

Table 4.2.5 Library Expenses of KETA

(K£)

Year	External Trade Services Net Approved	KETA Operation		KETA Library Expenses	
		Budget	Actual	Budget	Actual
1987/88	1,137,090	442,875	335,346	950	404
1988/89	1,240,072	537,447	355,660	1,000	668
1989/90	1,439,458	531,498	560,168	1,756	1,145
1990/91	1,615,750	607,969	369,252*	2,250	1,187*

Source: "Estimates of Recurrent Expenditure" 1987/88 ~ 90/91, KETA

* : Until March 1991

Table 4.2.6 Collection of Marketing Survey Report by KETA

Oct. 1990

Country \ Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
EC																						
United Kingdom		1981	1987	1983					1969	1987		1981	1969	1981	1981				1981		1987	1981
West Germany			1987	1983					1969	1987			1969								1987	1981
Italy				1983					1969				1969									
France			1987	1983					1969	1987		1982	1969								1987	
Netherlands			1990	1985					1969	1987			1969								1987	
Other EC			1987	1983					1969	1987			1969								1987	
SCANDINAVIA																						
U.S.S.R.				1983																		
Eastern Europe				1983																		
U.S.A.				1983					1969	1987			1969								1987	
Canada				1983					1969				1969									
AFRICA																						
Tanzania						1984	1984			1984		1984			1984	1983	1984	1984	1984	1984		
Uganda																1983						
Zambia																						
Ethiopia																						
Other PTA		1986	1982	1986	1986	1986	1982		1986	1987	1986	1986	1986	1986	1986	1983	1982	1982	1982		1986	1986
Other Africa		1986	1982	1986	1986	1986	1982		1986	1982	1986	1986	1986	1986	1986	1983	1982	1982	1982		1986	1986
MIDDLE EAST																						
Saudi Arabia	1980	1980	1980	1980				1980	1980	1980			1980			1983					1980	1980
United Arab Emirates	1980	1980	1980	1980				1980		1980	1980		1980			1983						1980
Iran																						
Egypt										1987						1983						
Other	1980	1980	1980	1980				1980		1987	1980		1980			1983						1980
FAR EAST AND AUSTRALIA																						
Australia		1976							1969			1989		1989	1989						1989	1989
India																	1989					
China (Mainland)																	1989					
New Zealand												1989		1989	1989						1989	1989
Japan		1988		1983		1983				1988		1983		1988	1989							1983
LATIN AMERICA																						
Brazil																						
Mexico																						
Argentine																						
Other																						

ITEMS

1. Live animals and animal products
2. Tea and coffee
3. Horticultural
4. Animal and vegetable fats oils
5. Prepared foodstuffs such as beverages, tabacco
6. Mineral products
7. Chemical products
8. Artificial resins and plastic, ester, rubber etc.
9. Skins and leather articles
10. Wood and wooden products
11. Paper and paper making materials
12. Textiles and textile articles
13. Footwear, headgear, umbrellas, etc.
14. Articles of stone, ceramic, glassware, etc.
15. Precious and semi-precious goods
16. Metal and metal products
17. Machinery and electrical equipment
18. Transport equipment
19. Precision machine and equipment such as optical, photographic, measuring medical, musical
20. Arms and ammunition
21. Miscellaneous articles such as furniture, toys, games and sporting goods
22. Works of art, antiques

QUESTIONNAIRE INTERVIEW SURVEY

Table 4.2.7 KETA - DATA AND INFORMATION SYSTEM

DATE OF SURVEY 19.3.1991

1.Collection of Data and Information

1) ☑ Yes ☐ No

2) If yes,would you please remark (latest), following list of Materials by countries

	Business Directory	Laws,Regulation of Foreign Trade	Tariff Schedules	Marketing Report	Catalogs, Price List	Trade Statistics	Others (Periodicals)
EC:							
United Kingdom	1990	—	—	1981	—	1986	1990
West Germany	1990	—	—	—	—	1986	1990
Italy	1983	—	—	—	—	1986	1990
France	1983	—	—	1982	—	1986	1990
Netherlands	1983	—	—	1990	—	1986	1990
Other EC	—	—	—	—	—	—	1990
SCANDINAVIA	1989						
U.S.S.R.	—	—	—	1989	—	—	1990
Eastern Europe	—	—	—	—	1990	—	1990
U.S.A.	1988	1985	1985	—	—	—	1990
CANADA	1988	—	—	—		—	1990
AFRICA:							
Tanzania	1981	—	—	—	—	—	1983
Uganda	1984	—	—	—	—	—	1987
Zambia	1980	—	—	—	—	—	—
Ethiopia	1976	—	—	—	—	—	1989
Other P.T.A	1990	—	—	1990	—	—	—
Other Africa	—	—	—				1987
MIDDLE EAST:							
Saudi Arabia	1991	—	—	1980	—	—	1986
United Arab				—		—	—
Emirates	1982	—	—	1980	—	—	1990
Iran	1982	—	—	—	—	—	1986
Egypt	1982	—	—	—	—	—	1986
Other							
FAR EAST AND AUST-RALIA:							
Australia	1982	—	—	—	—	—	1989
Japan	1991	—	1978	1988	—	—	1990
India	1982	1988	—	—	—	—	1990
China(Mainland)	—	—	—	—	—	—	1989
New Zealand	—	—	1989	—	—	—	—
Other	1990	—	—	—	—	—	1986
Latin America:							
Brazil	1983	—	—	—	—	—	1989
Mexico	1990	—	—	—	—	—	1986
Argentine	—	—	—	—	—	—	1986
Other	1986	—	—	—	—	—	1986

2.Library System

1) [✓] Open [ ] Closed

2)If Open System,how to use the Materials. Day;Monday-Friday Time; 8:00-1:00,2:00-5:00 Number of Chairs;10 Chairs

3.Services of Data & Information

1)Free of Charge

[✓] Yes [ ] No

2)If no,the Charge of the Services (Entry Fee Copy Fee Other Fee)

4.Enquiries

1) [✓] Yes [ ] No

2) If yes,would you please check (✓) following list

	Directory	Laws,Regulation of Foreign Trade	Customs Tariff	Marketing	Catalogs, Price List	Trade Statistics	Others
EC:							
United Kingdom	✓			✓	✓	✓	✓
West Germany	✓			✓	✓	✓	✓
Italy	✓			✓	✓	✓	✓
France	✓			✓	✓	✓	✓
Netherlands	✓			✓	✓	✓	✓
Otehr EC	✓			✓	✓	✓	✓
SCANDINAVIA							
U.S.S.R.							
Eastern Europe							
U.S.A.	✓		✓			✓	✓
CANADA	✓		✓			✓	✓
AFRICA:							
Tanzania	✓	✓	✓	✓		✓	✓
Uganda	✓	✓	✓	✓		✓	✓
Zambia	✓	✓	✓	✓		✓	✓
Ethiopia	✓	✓	✓	✓		✓	✓
Other P.T.A	✓	✓	✓	✓		✓	✓
Other Africa	✓	✓				✓	✓
MIDDLE EAST:							
Saudi Arabia	✓			✓		✓	✓
United Arab Emirates	✓			✓		✓	✓
Iran	✓			✓		✓	
Egypt	✓			✓		✓	
Other							
FAR EAST AND AUSTRALIA:							
Australia	✓			✓		✓	✓
Japan	✓			✓		✓	✓
India	✓	✓		✓	✓	✓	✓
China(Mainland)	✓			✓	✓	✓	✓
New Zealand	✓			✓	✓	✓	✓
Other							
Latin America:							
Brazil	✓			✓	✓	✓	✓
Mexico				✓		✓	
Argentine				✓		✓	
Other				✓		✓	

5. Publication

1) Do you have Publications?

[✓] Yes [ ] No

2) If Yes, would you please write down.

Title	Published Year, Month	Terms	Price @
-Export Directory	1984		KSH. 200
-Exporters Guide & Documentation	1984		Free
-Trade Facilitation	1984		Free
-Export News	July August 1990		Free
- Telex Keta	July August 1990		Free

Table 4.2.8 Marketing Survey Report produced by KETA

Year	Title	Country
1979	Economic Marketing Survey	France
1980	Kenyan exports to selected Middle East countries	Kuwait, U.A.E, Bahrain, Oman
1980	Kenya trade week in Seychelles	Seychelles
1982	Kenya Sales and Marketing Mission	Netherland and France
1982	Sales Mission and Evaluation of Promotion Centre	Rwanda and Burundi
1982	Sales Mission to Zimbabwe	Zimbabwe
1983	Buyer Seller Meet - Tokyo	Japan
1983	Trade Mission to Djibouti	Djibouti
1984	Sales and Marketing Mission	Belgium, Netherlands and France
1984	Kenya trade week in Djibouti	Djibouti
1984	Economic and Market Survey	Tanzania
1985	Contact Promotion Programme I	Botsuwana and Lesotho
1985	Market Survey of Leather	Italy
1986	Kenya trade week in Djibouti (CPP 2)	Djibouti
1986	Market Survey for Horticulture	Middle East
1986	Kenya trade week in Djibouti	Djibouti
1986	Survey in Malawi	Malawi
1987	Kenya trade week in Uganda	Uganda
1987	Contact Promotion Programme I	Zimbabwe, Malawi and Zambia
1987	Kenya trade week in Rwanda	Rwanda
1988	European Export Marketing Programme	Belgium, U.K. and Ireland
1989	Contact Promotion Programme 4	Australia and New Zealand
1989	Kenya trade week in Burundi	Burundi
1989	Contact Promotion Programme I	Uganda
1990	Contact Promotion Programme I	Mauritius, Re-Union
1990	Kenyan Contact Promotion Programme to Scandinavia	Norway, Sweden, Finland, Denmark and The Netherlands

Source: KETA

QUESTIONNAIRE INTERVIEW SURVEY

Table 4.2.9 : ICDC - DATA AND INFORMATION SYSTEM

DATE OF SURVEY 13. 3.1991

1.Collection of Data and Information

1) ☑ Yes ☐ No

2) If yes,would you please remark (latest),following list of Materials by countries

	Business Directory	Laws,Regulation of Foreign Trade	Tariff Schedules	Marketing Report	Catalogs, Price List	Trade Statistics	Others (Periodicals)
EC:							
United Kingdom	1990						
West Germany							
Italy							
France	1989						
Netherlands	1991						
Other EC							
SCANDINAVIA							
U.S.S.R.							
Eastern Europe	1969/70						
U.S.A.	1985						
CANADA	1967						
AFRICA:	1990						
Keniya	1991		1990		1990/91	1984	
Tanzania							
Uganda							
Zambia							
Ethiopia	1990						1991
Other P.T.A							
Other Africa							
MIDDLE EAST:							
Saudi Arabia							
United Arab Emirates							
Iran							
Egypt							
Other							
FAR EAST AND AUSTRALIA:							
Australia							
Japan				1973			
India	1975						
China(Mainland)							
New Zealand							
Other							
Latin America:							
Brazil	1981						
Mexico	1980/81						
Argentine							
Other							

2.Library System

1) ☐ Open ☑ Closed

2)If Open System,how to use the Materials. Day; Monday-Friday Time; 8:00-1:00,2:00-5:00 Number of Chairs; 10 Chairs

3.Services of Data & Information

1)Free of Charge

☑ Yes ☐ No

2)If no,the Charge of the Services

4.Enquiries

1) ☑ Yes ☐ No

2) If yes, would you please check (✓) following list

	Directory	Laws,Regulation of Foreign Trade	Customs Tariff	Marketing	Catalogs, Price List	Trade Statistics	Others
EC:							
United Kingdom	✓						
West Germany	✓						
Italy							
France							
Netherlands							
Otehr EC							
SCANDINAVIA							
U.S.S.R.							
Eastern Europe	✓						
U.S.A.							
CANADA							
AFRICA:							
Tanzania							
Uganda							
Zambia							
Ethiopia							
P.T.A	✓						
Other Africa							
MIDDLE EAST:							
Saudi Arabia							
United Arab Emi-rates							
Iran							
Egypt							
Other							
FAR EAST AND AUSTR ALIA:							
Australia							
Japan	✓						
India	✓						
China(Mainland)							
New Zealand							
Other							
Latin America:							
Brazil							
Mexico							
Argentine							
Other							

QUESTIONNAIRE INTERVIEW SURVEY

Table 4.2.10 : KNCC&I - DATA AND INFORMATION SYSTEM

DATE OF SURVEY 19.3.1991

1.Collection of Data and Information
1) [✓] Yes [ ] No

2) If yes,would you please remark (latest), following list of Materials by countries

	Business Directory	Laws,Regulation of Foreign Trade	Tariff Schedules	Marketing Report	Catalogs, Price List	Trade Statistics	Others (Periodicals)
EC:							
United Kingdom	1990	NO	NO	YES From ITC	✓	NO	YES FROM
West Germany	1990				✓		1. EACH CHAMGERS
Italy	1990				✓		OF COMMERCE
France	1990				✓		2.UNIDO
Netherlands	1990						3.ICC
Other EC							4.ITC
SCANDINAVIA	1990						5.GATT
U.S.S.R.	—						
Eastern Europe	1980's						
U.S.A.	1990				✓		
CANADA	1989						
AFRICA:							
Tanzania	1989						
Uganda	—						
Zambia	1986						
Ethiopia	—						
Other P.T.A	1986						
Other Africa	—						
MIDDLE EAST:							
Saudi Arabia	1990						
United Arab	—						
Emirates	1990						
Iran	1990						
Egypt	1990						
Other	—						
FAR EAST AND AUST-RALIA:							
Australia	1989				✓		
Japan	1990/1991				✓		
India	1989						
China(Mainland)	1989						
New Zealand	1989						
Other	1990/1991						
Latin America:							
Brazil	1987						
Mexico	1984/1985						
Argentine	1981						
Other	1984/1985						

2.Library System
1) [✓] Open [ ] Closed

2)If Open System,how to use the Materials. Day; Monday-Friday Time; 8:00-1:00,2:00-5:00 Number of Chairs; 10 Chairs

3.Services of Data & Information
1)Free of Charge
[ ] Yes [✓] No

2)If no,the Charge of the Services (Entry Fee Copy Fee Other Fee)

4.Enquiries
1) [✓] Yes [ ] No

2) If yes,would you please check (✓) following list

	Directory	Laws,Regulation of Foreign Trade	Customs Tariff	Marketing	Catalogs, Price List	Trade Statistics	Others
EC:							
United Kingdom	✓						✓
West Germany	✓						✓
Italy	✓						✓
France	✓						✓
Netherlands	✓						✓
Otehr EC	✓						✓
SCANDINAVIA	✓						✓
U.S.S.R.	✓						✓
Eastern Europe	✓						✓
U.S.A.	✓						✓
CANADA	✓						✓
AFRICA:							
Tanzania	✓						SADCC
Uganda	✓						✓
Zambia	✓						✓
Ethiopia	✓						—
Other P.T.A	✓						✓
Other Africa	✓						✓
MIDDLE EAST:							
Saudi Arabia	✓						✓
United Arab Emirates	✓						✓
Iran	✓						✓
Egypt	—						✓
Other	—						✓
FAR EAST AND AUSTRALIA:							
Australia	✓						✓
Japan	✓						✓
India	✓						✓
China(Mainland)	✓						✓
New Zealand	✓						✓
Other	✓						✓
Latin America:							
Brazil	✓						—
Mexico	✓						✓
Argentine	✓						—
Other	—						—

5. Publication

1) Do you have Publications ?

[✓] Yes [ ] No

2) If Yes, would you please write down.

Title	Published Year, Month	Terms	Price @
1.UFANISI	1969-8.1990	MONTHLY	FREE
2.CHAMBER REVIEW	JAN 1990 - JULY 1990	MONTHLY	FREE
3.BUSINESS JORNAL	1967 - 5.1990	MONTHLY	FREE
4.BUSINESS DIRECTORY	1971 - PUBLISHING 1990 ONE	IRREGULAR	SHS. 150.00
5.ECONOMIC DATA BANK	1989 -	Up Dated	SHS 1.5 Per Copy

Table 4.2.11 Collection of Marketing Survey Report by Commodity by Country - KNCC&I -

Oct. 1990

Country \ Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
EC		1988	1989																			
United Kingdom	1986		1989		1988		1988															
West Germany	1987		1989		1988		1989															
Italy			1989		1988		1988															
France																						
Netherlands	1986		1989		1988		1988															
Other EC					1987																	
SCANDINAVIA																						
U.S.S.R.																						
Eastern Europe																						
U.S.A.			1989																			
Canada			1989																			
AFRICA																						
Tanzania							1989				1989					1989	1989					
Uganda					1989		1989				1989					1989						
Zambia	1983		1983								1983					1983	1983					
Ethiopia																						
Other PTA																						
Other Africa																						
MIDDLE EAST																						
Saudi Arabia			1989			1989		1980			1989					1989						
United Arab Emirates								1980														
Iran																						
Egypt																						
Other								1980			1980											
FAR EAST AND AUSTRALIA																						
Australia																						
India																						
China (Mainland)																	1989					
New Zealand																	/90					
Japan																						
LATIN AMERICA																						
Brazil																						
Mexico																						
Argentine																						
Other																						

ITEMS

1. Live animals and animal products
2. Tea and coffee
3. Horticultural
4. Animal and vegetable fats oils
5. Prepared foodstuffs such as beverages, tabacco
6. Mineral products
7. Chemical products
8. Artificial resins and plastic, ester, rubber etc.
9. Skins and leather articles
10. Wood and wooden products
11. Paper and paper making materials
12. Textiles and textile articles
13. Footwear, headgear, umbrellas, etc.
14. Articles of stone, ceramic, glassware, etc.
15. Precious and semi-precious goods
16. Metal and metal products
17. Machinery and electrical equipment
18. Transport equipment
19. Precision machine and equipment such as optical, photographic, measuring medical, musical
20. Arms and ammunition
21. Miscellaneous articles such as furniture, toys, games and sporting goods
22. Works of art, antiques

Table 4.2.12 : KAM - DATA AND INFORMATION SYSTEM

DATE OF SURVEY 14.3.1991

1.Collection of Data and Information
1) [✓] Yes [ ] No

2) If yes,would you please remark (latest), following list of Materials by countries

	Business Directory	Laws,Regulation of Foreign Trade	Tariff Schedules	Marketing Report	Catalogs, Price List	Trade Statistics	Others (Periodicals)
EC:							
United Kingdom	1986			1987			✓
West Germany	1987			(ITC)			
Italy							
France	1987	1983			✓		
Netherlands							
Other EC							
SCANDINAVIA							
U.S.S.R.							
Eastern Europe							
U.S.A.	1987/88			✓			
CANADA	1986						
AFRICA:							
Tanzania							
Uganda	1990						
Zambia							
Ethiopia							
Other P.T.A	1979/1980		1988	1969			
Other Africa	1979/1980			1969			
MIDDLE EAST:				1969			
Saudi Arabia							
United Arab				1969			
Emirates				1969			
Iran				1969			
Egypt				1969			
Other				1969			
FAR EAST AND AUST-RALIA:							
Australia	1989/1990		1988			✓	✓
Japan	1989						✓
India							
China(Mainland)							
New Zealand							
Other							
Latin America:							
Brazil							
Mexico							
Argentine	1985						
Other							

2.Library System

1) ☐ Open ☑ Closed

2)If Open System,how to use the Materials. Day;Monday-Friday Time; 8:00-1:00,2:00-5:00 Number of Chairs;10 Chairs

3.Services of Data & Information

1)Free of Charge

☑ Yes ☐ No

2)If no,the Charge of the Services (Entry Fee Copy Fee Other Fee)

4.Enquiries

1) ☐ Yes ☑ No

2) If yes,would you please check (✓) following list

	Directory	Laws,Regulation of Foreign Trade	Customs Tariff	Marketing	Catalogs, Price List	Trade Statistics	Others
EC:							
United Kingdom							
West Germany							
Italy							
France							
Netherlands							
Otehr EC							
SCANDINAVIA							
U.S.S.R.							
Eastern Europe							
U.S.A.							
CANADA							
AFRICA:							
Tanzania							
Uganda							
Zambia							
Ethiopia							
Other P.T.A							
Other Africa							
MIDDLE EAST:							
Saudi Arabia							
United Arab Emirates							
Iran							
Egypt							
Other							
FAR EAST AND AUSTRALIA:							
Australia							
Japan							
India							
China(Mainland)							
New Zealand							
Other							
Latin America:							
Brazil							
Mexico							
Argentine							
Other							

5. Publication

1) Do you have Publications?

☑ Yes ☐ No

2) If Yes, would you please write down.

Title	Published Year, Month	Terms	Price @
Kenya Association of manu facturers member list and industrial index.	1988		ksh. 100

CHAPTER 5 TRADE CONSULTATION SERVICES, TRADE TRAINING, AND PUBLIC RELATIONS AND EXHIBITION ACTIVITIES

5.1 Outline of Implementation of the Survey

A survey, mainly in the form of interviews, was conducted of the government, government agencies, trade and economic associations, and major exporters to identify the present status with regard to export promotion activities in Kenya.

In addition to the survey on information services shown in Chapter 4, the survey also included an analysis of the main export promotion activities. These are: 1) trade consultation services, 2) trade training, and 3) public relations and exhibition activities.

Outlines of the organisations covered by the survey are shown below.

	Number of institutions interviewed
Government ministries and agencies	4
Trade and economic organisations	9
Major private companies	16
- of which, foreign capital affiliated companies	9
- of which, Japanese affiliated companies	2
Foreign aid organisations	9
Total	38

5.2 Outline of the Survey Findings

5.2.1 Trade Consultation Services

There have been strong calls for the expansion of trade consultation services by trade promotion organisations as a means of directly assisting the export activities of private corporations. KETA and KNCC&I are mainly responsible for these services, but in general their efforts have been passive and at present little is being done to look for new business opportunities.

(1) Trade Enquiry

1) KETA

(a) Trade enquiries received from commercial attaches posted abroad, foreign trade promotion organisations, and trade missions dispatched, are published under "Telex KETA", which is circulated to the business circle free of charge. However, KETA publishes only 300 copies of "Telex KETA" every other week and there is no distribution list, so it is hard to say that trade enquiries are handled in a prompt and appropriate manner.

(b) Among the trade enquiries KETA handles, there are some prospective ones. But because of lack of knowledge on export business by staff members, sometimes they are losing business chances. As trade enquiries involve actual business chances, staff members of the export promotion organisations and commercial attaches posted abroad who are handling trade enquiries, are requested to have thorough knowledge on export business.

(c) An adequate system for providing data on exporters and export items is required in order to reply promptly to enquiries from foreign business interests.

Five thousand copies of the monthly "Kenya Export News" are published. However, distribution of this periodical to Kenya's embassies abroad has been suspended since the August 1989 issue.

2) KNCC&I

(a) KNCC&I, a private economic organisation supporting the mutual exchange of trade enquiries between its members, has established a Trade Information Section and is developing its trade-related services. However, it has yet to establish an adequate framework for the handling of trade enquiries. Furthermore, the current lack of a modern communications system between its branch offices forces the organisation to rely on ordinary means of communication, such as the mails, for conveying enquiries received from abroad.

(b) Members are provided with trade enquiries by the monthly circular "Ufanisi" which has a circulation of 3,000. But, because it is only published once a month, it is unable to provide information promptly.

(c) KNCC&I is now computerizing the basic data on its members with the support from USAID. It has a plan to input more data on exporters and to utilize these data in order to speed up the handling of trade enquiries. It is also planning to exchange enquiries by forming on-line computer links with the PTA's network, called 'TISNET', and the ITC.

(2) Publishing of Trade Directories

Following is a list of the trade directories and corporate periodicals currently being published in Kenya:

Directory	Publisher
Kenya Business Directory, '90	Nation Newspapers Ltd.
Trade & Industry Guide 90-91	KNCC&I
Industrial & Trade Directory '91	Industrial & Trade Directory Co.
Members List of Industrial Index	KAM
Directory of Industries '86	Central Bureau of Statistics
Nairobi Stock Exchange Quoted Company Results	Committee Nairobi Stock Exchange
Nairobi District Yellow Pages '90-'91	Yellow Pages Publishing & Marketing
Kenya Telephone Directory '88	KPTC

These consist simply of membership lists, and the trade directories are divided only by industry or type of business. The materials are published only infrequently, and they do not serve satisfactory as trade directories.

(3) Dispatch of Trade Missions and Holding of Business Talks

1) With the cooperation of organisations such as the Tea Board and the Coffee Board, KETA dispatches trade missions to potential export markets, where the mission holds business talks. Because participation in these missions is directly linked to business chances, many companies want to participate in these missions.

2) With the assistance of the Commonwealth Secretariat, London, trade missions which are an integral part of the Contract Promotion Programme (CPP) are dispatched to the target markets to introduce Kenyan products. CPP involves 5 stages: (1) preliminary surveys carried out within the countr, (2) marketing surveys in foreign countries, and the selection of promising items by KETA staf, (3) formation of export strategies with exporters, (4) compilation and dispatch of trade mission, and (5) formation of a future marketing strategy. This programme aims to develop new markets, and has been successful to some extent.

Recent trade missions (CPP's) dispatched with the assistance of Commonwealth Secretariat, London

Year	Destination
1988	Zimbabwe, Malawi, Zambia
1989	Australia, New Zealand
1990	Norway, Sweden, Finland, Denmark, Holland, Seychelles, Mauritious, Re-union

3) The results of the CPP are described in reports. But, it is only those companies participating in the missions who are able to reap the benefits. There are no activities to inform all businesses interested in export of the information gained through the CPP.

Once a CPP has been completed, there is no follow-up programme for opening up markets on a continuous basis. As a result, the valuable information which has been gained through a CPP is not reflected in subsequent work related to developing markets.

This is found to be the case not only with the CPP, but also with all other missions.

4) Other donor countries and organisations assist with export promotion programmes including the dispatch of trade missions. Some of these include EC, GTZ (Germany), PRODEC-Import (Finland) and CBI (Netherlands)

5) KNCC&I is also involved in the dispatch of trade missions made up of private sector members with focus on the PTA region for the purpose of finding new markets.

With the assistance from CBI, a Dutch aid organisation, and in cooperation with the HCDA, it sent its first horticultural crop trade mission to Holland and some other European countries in 1989. This was a new venture into creating markets for horticultural crops which are leading export products.

Recent Trade Missions Dispatched by KNCC&I

Year	Destination	Member companies
1989	Holland, Belgium, France, Great Britain	7
	Burundi, Rwanda	20
1990	Tanzania, Uganda	

5.2.2 Trade Training and Staff Training

In the course of this field survey, those involved in government, related associations and business circles were found to have little knowledge and experience of export business, which means comprehensive training course on export business are needed.

Organisations which operate training courses for export and import businesses are KIBT, KETA and KNCC&I. All of these organisations carry out their own training on a sporadic basis, and the content of their training programmes is similar. Their curricula do not necessarily cover every stage from elementary to advanced and are not based upon a comprehensive training programme.

An outline of the trade training activities of these organisations is provided below.

(1) KIBT

1) KIBT is the only public training organisation which belongs to the MOC. It has international business training courses aimed at small- and medium-scale companies.

   At present it has few financial resources. It does not receive any assistance from foreign aid organisations.

2) Its training is divided into four main categories: ① accounting and finance, ② management planning and operational management, ③ marketing, and ④ information management. It operates 25~30 courses during one-year period.

   Its various training courses are implemented usually as follows;

   Training period: 1~2 weeks. It seems to be difficult to receive support from company managers for courses which are any longer than this.

   Training fees: An average course costs Ksh 2,000; lunches to be paid by the trainees

   Number of trainee: 20~30

3) Their number of staff is 16, made up of the principal, deputy principal and lecturers, including some who are very qualified. Depending on the content of the courses, lecturers from outside such as governmental staff, private company consultants, Nairobi University staff, and commercial attaches from the various diplomatic missions are called upon. Lecturers from the institute are sometimes dispatched to take courses held by KETA.

4) Training facilities

   KIBT has a two-storey building located in the Parkland area, a short distance from the centre of NAIROBI. This building has tree classrooms, a library and an office. KIBT's training facilities in this building should be somewhat improved. Courses in other cities are usually held in hotels.

5) Contents of export business training

A one-week basic course is held for trade business training. A problem with this course is that there is no advanced course to follow the elementary course. It has not established an organised training course ranging from basic trade practices to top level training or export marketing training. There is also little choice available.

6) The institute faces many problems such as the qualifications of its staff, lack of training materials, and its weak financial base.

(2) KETA

1) As part of its trade training programme, KETA offers many seminars and workshops to export managers on the topics of entering foreign markets, trade rules and regulations and trade policies. In most cases, these seminars and workshops are planned when KETA receives assistance from foreign aid organisations. KETA does not devise its programmes on a comprehensive basis.

2) One important task undertaken by KETA to raise the quality of export products. It held workshops on improving quality as part of its handicraft export promotion project in 1989. However, this did not include the formulation of a comprehensive training programme for the improvement of design, packaging and labelling, which are also important aspects in improving the quality of export products. Therefore it is necessary to strengthen the training system for export promotion immediately.

3) KETA is aware of the importance of training for raising the level of knowledge on export of its staff members, and this has also been pointed out by foreign aid organisations. Though at present KETA dispatches some staff members to Europe under an aid programme, it has yet to establish a demestic training programme for export business. It is recommended that top priority be given to training KETA's staff who are responsible for giving advice to those interested in exporting.

4) Because companies without any bases in foreign countries have to depend on the role played by commercial attaches, it is necessary to improve their roles. Under the current system a two-week training course is carried out once a year for commercial attaches prior to posting. The training involves a wide range of areas such as Kenya's trade policies, rules and regulation related to export and import business. Some subjects are difficult to learn at this short term course. The staff training on an daily basis seem to be indispensable.

(3) KNCC&I

1) As the main service to its members, KNCC&I boasts of a wide range of training, mainly training related to trade in the form of short-term intensive seminars. In 1989, it received financial aid from the Friedrich Nauman Fund (FNF), a German private aid organisation, with which it established a new training section. It has expanded the contents of its courses, and has held seminars with assistance from USAID and other organisations. It also provides training to its members in other towns through its branches.

2) As part of its FNF project it has held trade promotion training courses (4-day courses) in 24 towns in 1989 and 1990, and with assistance from USAID it held 1-week training courses on export development in the PTA region.

The following is a programme for the PTA regional export promotion seminar held in 1990:

Date	:	September 24~28, 1990	
Sponsoring organisation	:	USAID	
Training content	:	1st day	Outline of international marketing
			Development of export products and adaptation to foreign markets

	2nd day	Trade within the PTA region Export freight inspections (price, quality, volume) Role of the chamber of commerce in export promotion
	3rd day	Government export policy in the PTA region Quality control for export products Export packaging Insuring of transit freight
	4th day	Role of customs in export transactions Visits to exporters --- Phillips, House of Manji
	5th day	EPZ and government export incentives Structure of PTA and export documentation and procedures
Instructors	:	Drawn from KETA, customs, KNCC&I, KBS, SGS, and some private companies

3) It relies upon staff members from the MOC, Central Bank, and private companies for its lecturers. Courses are usually attended by between 25~40, and one-week course costs Ksh 2,000 to 4,000. Because it does not have its own training facilities, it uses hotels as the places for training.

4) KNCC&I relies upon assistance from foreign aid organisations for all its training-related expenses, including the salaries of its two training section staff members. Though the contents of its training courses have recently been placing emphasis on the development of trade in PTA region, the contents of those courses hardly constitute organised training courses.

(4) ESATPTC

1) ESATPTC is an organisation which carries out training for promoting trade in 21 countries in the Eastern and Southern Africa subregion. Courses have been established to provide practical training, and they have been formulated after taking into consideration requests made by the member countries.

2) It rents one classroom (capacity for 30~40 persons) from the government of Kenya, and offers various courses on export procedures, including marketing for specific products, and research. Each course is attended by about 20 persons.

3) The biggest problem facing this organisation is how to strengthen its financial base. Due to the stringent conditions attached to receiving aid from the EC and other countries, it is very difficult for ESATPTC to receive those funds. Thus, it makes every effort to find sponsors to pay for its running expenses, which includes the travel costs and accommodation expenses for students from its member countries.

5.2.3 Public Relations and Exhibitions Activities

KETA, KNCC&I and various boards participate in overseas exhibitions and are engaged in public relations activities. Private companies are especially interested in overseas exhibitions and international trade fairs simply because they offer a chance to meet foreign importers and markets.

At present, however, participation in overseas exhibitions and international trade fairs is sporadic, and is not based on a systematic export strategy. The joint programmes held in conjunction with participating in overseas exhibitions should also be carried out on a systematic export strategy.

(1) Participation in Overseas Exhibitions and International Trade Fairs

1) KETA takes a unified approach to participation in international trade fairs and exhibitions abroad and receives cooperation from each board, KNCC&I and KAM. Every year, it participates in between 3 and 8 exhibitions including major trade fairs for food and consumer products in Europe, and major international trade fairs in Africa. Its participation in overseas exhibitions and international trade fairs in recent years are shown in Table 5.2.1.

2) Foreign aid organisations and business circle evaluate KETA's participation in overseas exhibitions as being little successful, and dissatisfaction are voiced within the government of Kenya. As a result, EC is being forced to

reexamine the implementation of this programme under the 4th Lome Convention.

3) KETA receives financial assistance from the EC, with which it participates in overseas exhibitions and international trade fairs. Exhibitors are not required to pay exhibition fees.

4) Participation in overseas exhibitions and international trade fairs also provides opportunities to engage in marketing activities in the countries where the fairs are held. But, as aid provided by the EC's programme is restricted to direct expenses incurred in participating in the exhibitions, KETA is unable to undertake sufficient marketing activities.

Table 5.2.1 Participation by KETA in Overseas Exhibitions and International Trade Fairs

Year	Exhibition participated in	Participating companies	Space (m^2)	Budget (Ksh.)
Mar. 1989	Kuwait Agricultural and Food Exhibition	13	40	246,300
June	Barcelona International Trade Fair	14	90	247,268
July	Zambia International Trade Fair	20	200	208,000
June-July	Dar-es-Salaam International Trade Fair	29		
Aug.	Kenya Trade Week in Burundi	40	180	385,108
Aug.	Frankfurt International Trade Fair	7	60	170,450
Oct.	Anuga International Food Fair	18	60	205,697
Nov.	Somalia International Trade Fair	15	200	543,989
Mar. 1990	Kuwait Agricultural and Food Exhibition	6	25	200,000
May	ROKA 90	4	60	300,000
June-July	Zambia International Trade Fair	36	200	226,800
Aug.	Frankfurt International Trade Fair			
Oct.	Sial International Food Fair	6		280,000
Apr. 1991	Zimbabwe International Trade Fair	37	160	332,650
June	Gulf Food Fair	8	32	450,000
June	Zambia International Trade Fair	17	200	350,000
June	Dar-es-Salaam International Trade Fair	23	100	460,000
Aug.	Maputo International Trade Fair	28	242	407,845
Sept.	AGF-Totaal '91	4		475,000
Nov./Dec.	Heim and Handwerk Fair, Munich, Germany			580,000

5) During the course of the field survey, companies' opinions for the effectiveness of participating in exhibitions fell in two categories. 1) positive opinions from the companies which exploited the business chances at the exhibitions, 2) negative opinions from the companies which did not achieve anything at the exhibitions, although they participated in these exhibitions upon the request of KETA.

   The companies which wanted to participate in the exhibitions but could not participate in express dissatisfaction with the way the present system works. Selection of participating companies and exhibit items must be done carefully with cooperation from the private sector under a clear export strategy.

6) Some companies remarked that they had participated in the exhibitions without enough knowledge of the main feature of such exhibitions and had realized these exhibitions did not suit their sales policy when they actually participated in them.

7) Procedural delays in government departments result in delays in making final decisions on its participation in exhibitions, thereby causing a vicious cycle: it is impossible to acquire the sufficient space or to acquire space in a good location; and various arrangements such as inviting prospective customers are not done satisfactorily.

(2) Participation in PTA Trade Fair

1) Kenya's industrial products generally enjoy a high level of export competitiveness within the PTA region, and there are many companies which wish to take part in the PTA trade fair held in a member country on a rotation basis once every two years.

   Due to the various factors such as difficulty in obtaining necessary exhibition space because of inadequate exhibition facilities in the host countries and scarce foreign currency reserves and limited markets of PTA countries, one can hardly expect a big business chance.

   Despite the existence of these constraints, Kenya's exports to PTA countries account for a large percentage of its exports. For Kenya, which plans to promote industrial products' export, the markets within PTA countries are extremely important. Also, for Kenya, which plays a leading role in encouraging economic exchange among member countries and vitalising the economy in the region, supporting PTA trade fair is indispensable.

2) The first PTA trade fair was organised by Secretariat of PTA, under the support of UNCTC (United Nations Centre for Transnational Corporation), ITC, EC and UNDP in terms of fund and know-how.

3) Participation in the PTA trade fair is shown below.

Year	Host country	Participating countries	No. of Kenyan exhibitors	Total exhibit area (m^2)	Kenyas exhibit area (m^2)
1986 (1st)	Nairobi (Kenya)	15		960	60
1988 (2nd)	Lusaka (Zambia)	17	24	1,180	120
1990 (3rd)	Curepipe (Mauritius)	20	20	465	52
1992 (4th)	Dar-es-Salaam (Tanzania)	–	–	–	–

(3) Trade Fairs in Kenya

The Nairobi International Show (sponsored by ASK) and the New Kenya Trade Exhibition (sponsored by KNCC&I) are two main trade fairs held in Kenya.

1) Nairobi International Show

(a) Outline of the show (as of 1990)

Type	:	This show was first established as an show for the agrculture industry in 1902, but nowadays its exhibits cover a wide range of products. It is the largest international trade fair in East Africa.
Scale	:	Number of exhibitors Kenya 230 companies Outside Kenya 180 companies from 15 countries
Duration	:	From 2nd October to 6th October
Exhibit Fees	:	Ksh 10/sq. ft
Visitors	:	400,000 persons
Sponsor	:	ASK

(b) Fair ground

Approximately 300 pavilions are scattered around the 300 acre Jamhuri Park fair ground which is located on the outskirts of Nairobi.

These pavilions are used mainly for the Nairobi International Show. All exhibitors are required to refurbish the pavilions which they use before displaying their products.

(c) Difficulty in having business talks

The Nairobi International Show is now rated as a national event which attracts more than 400,000 visitors. Because most of these visitors are either students or the general public, there have been complaints from foreign participating countries that it is practically difficult to hold business talks at the show.

The sponsor of the show, ASK, is a non-profit organisation under the Ministry of Agriculture, whose main function is holding agricultural fairs around Kenya. It therefore has little awareness of export promotion, and pays little attention to inviting importers and generally lacks a policy for encouraging importers to attend.

2) New Kenya Trade Exhibition

(a) Outline of the exhibition (current as of 1990)

Type	:	It is a Kenyan trade fair which was launched in 1973 as an exhibition for products made by Kenya's industries
Scale	:	Number of exhibitors 83 companies Number of booths 144 booths
Duration	:	From 30th May to 4th June
Exhibit Fees	:	Ksh 3,000/booth. This fair is held on a self-funding basis

(b) Exhibition site

The exhibition uses the total floor area (2,440 sq meters) of the Plenary Hall of the Kenyatta International Conference Centre, a landmark in Nairobi city. KICC has an international conference hall and seven meeting rooms and 30-storey office building besides this Plenary Hall.

(c) Since the exhibition was first held in 1973, companies wanting to display their exhibits in the exhibition have been on the increase every year. Because of limited size of the facility, the exhibition cannot be expanded any further. Also, KICC encourages international conferences, and gives top priority to exhibitions which are held in conjunction with international conferences. The introduction of self-funding policies by parastatals are to be accompanied by a substantial increase in rental fees, and these will affect the profitability of this exhibition.

(d) The exhibition has secured a reputation for being an exhibition specialising in Kenyan industry. There is plenty of potential for it to grow into an international trade fair in the future if its export function is strengthened and an active stance is adopted towards attracting importers.

3) Holding of export business meetings

With assistance from the European Community, KETA held the National Handicraft Exhibition in 1985. It did not prove very successful because commercial attaches posted abroad failed to attract foreign buyers to this exhibition. In conjunction with this a project for obtaining advice from foreign merchandisers on how to improve the products of exhibitors, was carried out. This venture was a sporadic project, and it was not expected to bring considerable results. It is said that when holding a new trade fair, it normally takes at least three years for the trade fair to receive certain reputation.

4) Permanent exhibition hall

(a) There is no permanent exhibition hall in Kenya at present. All business and economic groups in Kenya have strong desire of having a permanent exhibition hall. The reasons given for this are that foreign buyers who come to Kenya will be able to see Kenya's export products displayed at the hall. Thus, foreign buyers will not have to visit exporters in rural areas, but will be able to enter directly into business talks.

(b) KNCC&I is strongly in favor of its establishment of the permanent exhibition hall, and has made positive moves in this regard to the government of Kenya. The government has already leased a 20 acre piece of land situated near the airport, and KNCC&I wishes to build new facilities with a permanent exhibition hall and an event hall which has information service function.

5.3 The Importance of Strengthening and Organising Trade Consultation Services, Trade Training, and Public Relations and Exhibition Activities

At present, the government, parastatals and economic organisations are engaged in their own activities aimed at promoting exports. However, the activities of these organisations aimed at export promotion have only partially achieved the hoped-for results.

Because a number of organisations are engaged in their own projects and do not coordinate their activities with other organisations, their activities are duplicated. Also, due to financial constraints on carrying out individual projects, projects are sporadic and are not carried out in a systematic way. Assistance from foreign aid organisations is also sporadic, and it is difficult to implement project activities based on a comprehensive programme.

Trade promotion projects like trade enquiry services require that the following functions be expanded and strengthened, and the establishment of a system linking these functions with another. These functions are: 1) collection of enquiry information, 2) establishment of a prompt service for providing information, 3) provision of data on exports and export products, and 4) providing information on export products to foreign importers.

It is advisable to expand and strengthen trade training through a comprehensive staff training which incorporates all levels form basic training to advanced training as well as to establish a training programme to meet actual needs.

Activities related to public relations and exhibitions should not aim only at the expansion and strengthening of the functions of exhibitions. Rather, it is important to undertake an organised project which includes comprehensive marketing activities involving the multilateral utilisation of related projects, such as dispatch of missions, collection of good samples, and holding of business talks, and providing information to the manufacturers.

The strengthening of the role of international exhibitions is linked to the creation of opportunities for export transactions and further strengthening of Nairobi's role as an international trade centre.

Implementation of systematic export promotion activities involves the expansion and strengthening of the individual functions of trade information services, trade consultation services, trade training, and public relations and exhibitions. In addition, there is the need to establish integrated facilities which will make it possible to carry out these functions adequately. Consequently, moves to combine the "soft" and the "hard" aspects will create a multiplier effect, and this will in turn contribute to the promotion of exports.

CHAPTER 6 MANUFACTURING FIRMS

6.1 Current Conditions of Manufacturing Sector

6.1.1 Number of Firms, Employees and Output by Manufacturing Sector

According to "the STATISTICAL ABSTRACT, 1990", large-scale firms are defined as firms having more than 50 employees. In 1988, there were 626 large scale firms which was 25% of the total number of firms (2,387) in the manufacturing sector. The number of employees in large-scale firms was 148,604, about 87% of the total employees (169,753), in the manufacturing sector. In terms of output, large-scale firms produced the equivalent of K£4,770.2 million, which was 78% of the total amount of K£6,102.7 million produced by the manufacturing sector.

Because comprehensive data on the manufacturing sector in Kenya were not available, the past trend and present status of only large-scale firms which accounts for the major production share of the manufacturing sector, are studied in this section.

Number of firms, employees and output by manufacturing type in the past 5 years, from 1984 to 1988, are shown in Table 6.1.1.

(1) Number of Firms by Type

Table 6.1.1 shows that in 1988 the largest number of manufacturing firms were engaged in metal products (74 firms), followed by textiles (64), miscellaneous foods (64), clothing (47) and wood/cork production (41). These manufacturing firms accounted for about 46% of the total number of 626 firms. Most sectors showed a gradual annual increase in the number of firms during the period of 1984 to 1988. Sectors showing significant increases in the number of firms were textiles; sugar and confectionery; and leather and footwear. On the other hand, the number of firms engaged in the following sectors gradually decreased in the past five years; beverage/tobacco, furniture/fixtures, petrol/other chemicals, and pottery/glass.

(2) Number of Employees by Type

Table 6.1.1 also shows that the subsectors employing the largest numbers of employees were; textile with 21.6 thousand, miscellaneous foods with 17.2 thousand, transport equipment with 13.8 thousand, sugar/ confectionery with 11.8 thousand, and metal products with 11.3 thousand. The number of employees in firms engaged in these sectors accounted for about 40% of the total number of 149 thousand employees of large scale firms in manufacturing.

The non-electrical machinery sector employs the least number of persons with less than one thousand.

During the same five year period, the subsectors in which the number of employees greatly increased were: metal products by approximately five thousand, miscellaneous foods by approximately 4.3 thousand, and sugar/confectionery by approximately three thousand. Subsectors in which the number of employees decreased slightly were: meat/dairy products, wood/cork production, and bakery products,

(3) Output by Type

The top five subsectors in terms of output are petrol/other chemicals producing K£1,401.1 million, miscellaneous foods K£1,224.2 million, metal products K£365.3 million, transport equipment K£356.8 million, and grain mill products K£351.9 million.

These subsectors accounted for about 60% of the total output of K£6,103 million. Food processing industries comprising six subsectors had the highest production, and accounted for nearly 37%, followed by petrol/other chemicals with nearly 23% of the total industrial production. These subsectors showed continued stable growth for the past five years from 1984 to 1988.

The quantities of major light industries products are also shown in Table 6.1.2. The table shows that shirts, jams and paints have made the fastest growth while the production of gunny bags, bed sheets and rice declined.

Table 6.1.1 Large Scale Firm and Establishments (Manufacturing Sector, 1984 - 1988)

Industry	Number of Firms and Establishments					Persons Engaged ('000)					Output (K£ million)				
	1984	1985	1986	1987	1988	1984	1985	1986	1987	1988	1984	1985	1986	1987	1988
Meat and dairy products	17	18	19	19	19	5.5	2.7	4.6	4.1	3.4	123.8	154.2	189.7	233.3	255.7
Canned vegetables, fish, oils and fats	12	13	14	13	16	3.8	3.8	4.4	4.7	5.1	87.8	129.3	147.3	158.6	176.4
Grain mill products	20	21	18	17	18	3.4	3.5	3.9	3.3	3.3	193.4	218.9	280.0	311.7	351.9
Bakery products	10	10	11	14	14	2.7	2.9	2.5	2.4	2.3	53.1	60.4	83.4	85.0	103.4
Sugar and confectionery	19	17	24	24	26	8.8	9.0	19.9	12.1	11.8	93.7	94.2	105.7	125.6	135.0
Miscellaneous foods	56	62	69	64	64	12.9	12.9	14.9	14.8	17.2	556.2	653.9	813.5	1,028.6	1,224.2
Beverages and tobacco	22	22	21	21	16	7.1	6.3	6.4	6.1	8.0	144.1	216.0	0277.4	298.7	338.8
Textiles	43	47	44	56	64	21.3	19.1	25.0	25.6	21.6	112.5	145.0	182.1	186.6	198.5
Clothing	46	46	46	40	47	4.4	5.2	5.7	5.9	5.4	59.8	68.8	87.9	103.9	131.0
Leather products and footwear	7	6	9	10	14	2.6	0.8	0.8	2.7	3.2	28.9	39.6	42.1	54.8	57.6
Wood and cork products	43	45	40	45	41	7.4	6.9	6.8	7.2	7.0	43.4	43.5	44.8	57.6	63.6
Furniture and fixtures	22	22	23	18	20	2.3	1.7	2.6	2.7	2.2	18.8	21.5	21.2	15.7	17.1
Paper and paper products	20	22	21	18	25	3.6	4.2	4.7	5.1	6.4	92.7	93.6	97.4	109.5	118.6
Printing and publishing	22	22	24	17	26	2.3	2.5	3.3	3.3	3.3	57.6	54.8	56.4	60.7	59.0
Industrial chemicals	14	12	11	11	12	2.8	2.6	3.0	2.9	3.4	86.6	91.9	97.9	134.8	134.1
Petroleum and other chemicals	34	39	34	57	39	6.1	6.4	6.3	7.1	6.9	506.0	617.6	797.2	912.5	1,401.1
Rubber products	7	7	7	7	8	1.6	1.7	1.7	1.7	1.7	64.7	64.2	71.2	98.7	110.1
Plastic products	16	16	16	16	16	1.7	1.9	1.8	1.8	2.4	38.5	42.6	45.1	68.6	86.5
Pottery and glass products	4	4	4	4	3	1.3	1.4	1.8	1.4	1.6	8.4	8.6	8.7	7.6	8.3
Non-metallic mineral products	11	12	14	13	16	4.6	3.8	4.1	4.1	4.7	88.3	96.4	102.1	140.3	143.1
Metal produts	65	66	59	73	74	5.9	9.6	9.8	11.3	10.9	192.2	242.0	298.9	337.4	365.3
Non-electrical machinery	6	6	8	6	8	0.3	0.5	0.5	0.6	0.7	15.2	20.0	21.7	20.4	21.7
Electrical machinery	9	9	10	10	10	1.5	1.8	1.7	1.5	1.6	97.5	119.6	143.9	179.0	191.4
Transport equipment	20	51	53	27	25	13.6	12.6	14.0	15.1	13.8	166.1	208.4	243.4	315.1	356.8
Miscellaneous manufactures	12	11	10	15	15	1.1	1.2	1.2	1.2	1.1	21.6	30.6	37.5	44.8	53.5
Total	557	605	609	615	626	128.6	125.0	149.6	148.7	149.0	2,950.9	3,535.6	4,296.5	5,089.5	6,102.7

Source : Statistical Abstract, 1990
Notes : 1) Large scale firms mean firm having more than 50 employees
2) Estimates

Table 6.1.2 Production of Major Light Industrial Products

Commodity	1982	1983	1984	1985	1986	1987	1988	% Change from 1982-1988
Animal feeds ('000 tons)	117.1	154.0	138.7	124.2	146.7	160.5	184.3	57.4
Cotton yarns (mil. kgs)	2.7	1.5	1.7	2.6	2.1	2.1	4.8	77.8
Cotton fabric (mil.sq.m)	46.3	61.7	51.3	54.0	51.0	51.0	45.7	4.8
Bed sheets (mil.sq.m)	0.7	0.5	0.5	0.5	0.3	0.3	0.3	-52.2
Shirts ('000 dozens)	165.4	256.2	246.9	274.1	323.3	321.1	461.7	179.1
Blankets (mil.)	2.6	2.3	2.3	2.6	2.7	2.7	3.3	26.9
Gunny bags (mil.)	15.0	14.4	15.0	18.4	18.6	6.5	3.8	-74.7
Toilet paper ('000 tons)	2.5	2.8	3.0	3.0	3.0	3.1	3.1	24.0
Maize meal ('000 tons)	328.9	227.5	302.2	242.3	225.7	197.9	261.2	-20.6
Wheat flour ('000 tons)	266.7	271.7	221.6	285.2	303.6	259.9	266.7	0.0
Rice ('000 tons)	19.4	21.8	20.8	23.9	19.9	17.2	14.7	-24.2
Bread ('000 tons)	153.3	118.5	115.0	105.3	127.2	133.6	137.5	-10.3
Ghee and fats ('000 tons)	46.6	55.3	49.3	59.0	68.8	80.7	84.7	81.8
Cooking oil (mil. litres)	3.3	3.4	3.8	3.0	2.8	3.1	2.9	-12.1
Jams ('000 tons)	0.8	0.7	0.8	1.0	1.0	1.6	2.0	138.1
Fruit squash (mil. litres)	2.0	2.5	2.0	1.3	1.3	2.5	2.8	40.0
Refined salt ('000 tons)	49.7	54.5	58.4	67.2	61.6	72.2	88.2	77.5
Sugar ('000 tons)	308.0	325.2	408.7	406.9	370.0	390.0	407.4	32.3
Cigarettes/cigars (mil.)	4,904.0	5,584.0	5,391.0	5,661.0	5,822.0	6,372.0	6,642.0	35.4
Tobacco (kg)	5,758.0	6,628.0	5,864.0	3,038.0	3,240.0	2,602.0	2,182.0	-62.1
Matches (mil. containers)	2,218.0	2,558.0	2,087.0	2,466.0	3,591.0	3,004.0	3,102.0	39.9
Beer (mil. litres)	233.7	217.5	230.5	263.3	301.6	307.5	314.4	34.5
Mineral water (mil. litres)	137.8	118.8	137.9	101.6	182.1	197.4	176.5	28.1
Paints (mil. litres)	4.8	3.5	5.6	4.7	5.9	6.3	5.5	14.6
Spirits ('000 litres)	894.9	894.9	530.2	448.9	552.5	909.9	967.4	8.1
Fabrics (mil.sq.m)	66.2	61.7	82.6	82.7	86.3	86.6	89.6	35.3
Soap ('000 tons)	29.6	36.9	28.4	26.1	27.9	27.5	31.6	6.8
Biscuits ('000 tons)	1.9	1.7	4.5	3.3	3.7	3.6	3.2	68.4
Distempers ('000 litres)	199.0	199.0	293.0	271.0	233.0	309.0	382.0	92.0

Source: Statistical Abstract, 1989

6.1.2 Regional Distribution and Characteristics

Regional distribution of manufacturing firms in Kenya up to 1977 is shown in the "STATISTICAL ABSTRACT, 1990".

Table 6.1.3 summarizes the situation in 1977 (except for population data).

Table 6.1.3 Summary of the Number of Industrial Firms, Employees, Output by Major Town (1977)

Town	Population (1979)	Number of Firms	Persons Engaged	Gross Domestic Product (K£ '000's)	Input (K£ '000's)	Output (K£ '000's)
Nairobi	827,775	1,811	61,905	106,514	456,312	562,826
Mombasa	341,148	454	19,322	31,126	164,352	195,478
Kisumu	482,327	81	3,412	2,345	8,348	10,693
Nakuru	522,709	163	4,563	4,252	14,784	19,036
Thika	—	64	11,790	14,242	32,314	46,556
Eldoret	—	60	4,868	4,379	10,881	15,260
Other Areas/ Towns	13,153,112	741	38,465	54,128	98,630	152,758
Total	15,327,061	3,374	144,325	216,986	785,621	1,002,607

Source: Statistical Abstract, 1990.

Most of the manufacturing firms are concentrated in the six towns of Nairobi, Mombasa, Kisumu, Nakuru, Thika and Eldoret. However, it should be noted that distribution has changed due to growing urbanization. Firms in these towns account for 78% of the total manufacturing firms in the country, 85% of the total industrial labour force and 85% of the total value of industrial output.

The main reasons for such concentration are assumed to be; 1) availability of stable labour force, 2) relatively well developed infrastructures and traffic network centres and 3) availability of market information necessary for businesses. Mombasa is more developed industrially because of its port facilities, in spite of a smaller population than Kisumu and Nakuru.

6.1.3 Current Conditions of the Core Industries

Following is the present situation of the six industries classified as core industries by the Government of Kenya in the Sixth Development Plan.

(1) Metallurgical Industries Centred Around Iron and Steel Production

1) In 1990, 10 enterprises in this sector were located in Nairobi and one was Mombasa. These enterprises are divided into those with both electric furnaces and rolling mills and those with only rolling mills.

2) Although there is steel melting capacity of approximately 100,000 tonnes, and hot and cold rolling capacity of approximately 186,000 tonnes, the average rate of operation of production capacity is below 50% in 1988. In spite of a domestic demand of approximately 300,000 tonnes/year, only about one-third of the demand is met.

3) The annual imports of steel billets, steel scrap, pig iron, etc., total approximately 60,000 tonnes and coated and galvanized hot rolled coil, etc., 195,000 tonnes in 1988. Iron and steel are mainly imported from Zimbabwe, and imported amount increases sharply year by year.

4) The main export products are corrugated metal sheets, iron and steel windows and doors, wire rods, which are exported in small quantities to PTA countries such as Uganda, Tanzania, Rwanda and other countries.

(2) Capital goods industry for production of machine tools and pre-fabrication of all types of gears, shafts and spares

1) There were 91 enterprises in this sector in 1984, and 107 in 1988. These enterprises are located in major cities.

2) The turnover of all manufacturing industries in 1988 was K£6,102.7 million. This industry accounts for 12% of the total manufacturing, and is one of the active sectors in the production.

3) Import ratio is comparatively high, and imports tend to increase. Imports are mostly from Japan, England, Germany, France and Italy.

4) The forging and foundry facilities at the Central Workshops of the Kenya Railways Corporation could possibly provide a base for manufacturing and pre-fabrication of all types of gears, shafts, and spare parts needed to provide facilities for the manufacture of machine tools and dies.

(3) Chemical and bio-technological industries for fertilizers, pesticides, industrial process chemicals and packaging materials

1) The number of enterprises in this sector was 70 in 1984 and 80 in 1988. The production output shows that these industries rank second after the agro-processing industry. The annual increase rate over the past five years was about 30%, which indicates the largest growth in all the manufacturing industries.

2) The import percentage of fertilizers, plastic products, insecticides, etc. in total imports are high. These imports in 1988 accounted for about 18% of the total. Kenya imports fertilizers from Germany, Sweden and Italy, and imports insecticides from Switzerland, the U.S. and Germany.

3) Major export items are wattle barks, sodium carbonates, insecticides, packaging materials. Wattle barks are exported to Pakistan, India and Egypt. Sodium carbonates are exported to the Philippines, the People's Republic of China and Thailand. Insecticides are exported to the PTA countries such as Uganda, Rwanda and Tanzania. Packaging materials are exported mainly to the PTA countries. Exports except insecticides are expected to increase.

(4) Pharmaceutical industries for medicinal drugs and vaccines

1) There are seven pharmaceutical firms which are joint ventures with or affiliates of foreign firms. DAWA is the biggest firm.

2) Kenya depends heavily on imports for domestic consumption of pharmaceutical goods. The imported raw materials are processed, packed, then delivered.

3) A small percentage of the products manufactured by big pharmaceutical firms is exported to the PTA countries.

(5) Local resource based industries and agro-based industries for oil seeds, coffee, tea, pyrethrum, sugar, grains, hides and skins, etc.

Agro-based industries including the food-processing industry are the leading sectors of all the manufacturing industries in terms of the number of firms, employees, and production. Coffee and tea are the major export items.

1) Oil seeds:
Domestic vegetable oil consumption is estimated at about 150,000 tonnes in 1989. In spite of the existence of facilities for sufficient oil milling, approximately 80% of the consumed oil is imported. This is because the price of locally produced oil is not competitive with imported oil. Approximately 95% of imported oil is palm oil from Malaysia.

2) Pyrethrum:
Pyrethrum is one of the traditional export products and is exported mostly in liquid extract to the USA, Italy and the UK. The amount of exports has shown only slight increase in recent years.

3) Sugar:
The volume of imports have been drastically reduced as a result of the development of the local industry. This industry employs a large work force and has a high production output. Sugar is also one of the biggest sources of foreign exchange for the government along with beer and tobacco. There are currently five refineries and production in 1989 came to about 440,000 tonnes, almost 50% of which came from the Mumias factory.

4) Grains:
Maize and cashew nuts are major exports. Maize is exported mainly to PTA countries while cashew nuts are exported to Japan, the USA and Holland.

5) Hides and skins:

Hides and skins are also major export items. Both wet blue (semi processed) and leather (processed) are exported with the percentage of export for wet blue being higher than leather up until 1988. Exports have gradually increased with the main destinations being Italy, Spain and Yugoslavia, for wet blue and the UK, Italy and Spain for leather.

6) Dairy products

The major dairy products are milk, cream and butter which are almost wholly consumed locally with only a small amount being exported. The amount of exports is not large but is showing a growth trend. These exports are almost wholly made up of processed products such as butter and ghee.

(6) Telecommunications and information processing industries for microcomputers and telecommunications equipment

1) There are several foreign-affiliated manufacturers which assemble personal computers and telecommunications equipment on a complete knockdown basis. There are several Kenyan import agents.

2) There is a high percentage of electrical products in total imports and telecommunications equipment accounts for about 1% of the total (in 1988). Imports are expected to rise in the future. Electrical products such as radio receivers, TV sets are imported from England, Germany and the U.S. Telecommunications equipment is imported from Japan, England and Italy.

6.1.4 Major Institutions Supporting Industrial Technology

The following are the major institutions which play an important role in developing industrial technologies in Kenya's manufacturing industries.

1) Kenya Industrial Research and Development Institute (KIRDI)
2) The Kenya Bureau of Standards (KBS)
3) Technical Training Centres
4) Kenya Industrial Estates (KIE)

(1) Kenya Industrial Research and Development Institute (KIRDI)

The main functions of this institution which was established under the Ministry of Research, Science and Technology (MORST) in July 1980 are to:

(Main Functions)

(a) Identify and develop process and product technologies appropriate for Kenya's domestic market and exports potential.

(b) Facilitate replacement of imported products with domestic ones.

(c) Assist and facilitate the transfer of technology through design development and adaptation of machinery, tools, equipment, instruments and processes suitable for introduction in the country.

(d) Establish pilot plants to demonstrate the operations and effectiveness of some industrial technologies developed through efforts of the institute.

(e) Provide industrial consultancy services to Kenyan manufacturers and to help in commercialisation of research findings.

(f) Raise local technology capability to facilitate exploitation of the country's resource potentials.

(Activities)

(a) KIRDI's activities are carried out in the following divisions:

i) Analytical and testing division
ii) Design and engineering division
iii) Process and product development division
iv) Project studies and development division

The analytical and testing division offers analytical and testing services to both private and public manufacturers. The division aims to develop new analytical techniques or modify existing ones to make them suitable locally.

The design and engineering division deals with development of indigenous designs of equipment, machinery and products. It also provides advisory services on improvement and development of industrial machinery and equipment. The division also carries out laboratory studies to develop products from local materials and designs and operates laboratory pilot plants. The process and product development division is charged with the responsibility of improving and developing industrial processes and products through laboratory studies. Finally, the project studies and development division studies factors such as pricing and distribution, which influence markets, in addition to undertaking economic/statistical analysis of industrial projects for interested customers.

(b) The KIRDI's activities have been constrained by inadequate funds, equipment and qualified personnel and physical facilities, especially the laboratories and offices. Currently the KIRDI has six laboratories specialising in analytical chemistry, food technology, engineering and metals, leather, and ceramics, respectively. The KIRDI has about 30 professional staff, a number which is inadequate for the planned programmes according to the Director of the Institute.

The activities of KIRDI have so far focused on the following sectors: agro-based industries, engineering and metals, chemical industries, ceramics and other building materials, energy, consultancy, and testing.

(c) The KIRDI's research programme for the period 1984-1988 was estimated to require about KSh 290 million, excluding some recurrent costs. The following table shows the relative proportions of the various categories in this research programme.

Table 6.1.4 Summary of KIRDI's 1984-1988 Research Categories and Estimated Costs

Category of Research Programme	Estimated costs (KSh million)	%
Institutional building	200.0	68.9
Metals and engineering	39.7	13.6
Agro-based industries	23.8	8.2
Energy	10.1	3.5
Consultancy, testing and maintenance	9.6	3.3
Chemical industries	5.6	1.9
Ceramics and building materials	1.6	0.6
Total	290.4	100.0

(Source: Industrialisation in Kenya, in search of a strategy)

(d) The Leather Development Centre (LDC) was also established in 1980. The main role of the Centre is to undertake research and development related to leather processing technology and to provide demonstration, training, and extension services for the leather industry.

(e) Since January 1990, an Engineering Development and Service Centre (EDSC) has been established at KIRDI with the assistance of UNIDO. This centre is for implementing research findings and developing prototypes on behalf of relevant industries and rendering common engineering services.

(f) An industrial information data bank is also being established at KIRDI. The Industrial and Technological Information Bank (ITIB) will greatly assist the process of subcontracting. In the process, KIRDI as a National Focal Point will be expected to promote the use of industrial and technological information by industry as well as to develop information service systems by collecting, processing, disseminating and storing information in selected industrial sectors.

(Current Conditions)

(a) KIRDI employees including the previously noted professional staff, total about 360. Half of these employees are administrative staff.

(b) Compared to KBS much of the testing equipment owned by KIRDI is outdated. Some of the equipment needs to be repaired. For this reason analysis and research activities are severely restricted. However, testing equipment for metal processing and construction materials has been installed in the newly constructed EDSC with the assistance of UNIDO which raises expectations for future development.

(c) Improvement has been made to the Pilot Plant in the LDC and services such as the training of technicians from private companies are being offered. In addition, recently Nile perch skins are being processed into commodities (bags, purses, wallets, etc.) on a trial basis.

(d) Ceramic development research is also being actively pursued and in one area high quality products are being produced on a trial basis.

(e) Until now KIRDI has received financial assistance mainly from UNIDO but there is also high expectation for Japan to provide both financial and technical assistance. In particular, in the areas of food processing, ceramics, computers and environmental issues there is expectation for the provision of testing equipment, opportunities for KIRDI staff to undergo training in Japan, and dispatch of Japanese specialists to Kenya.

(2) The Kenya Bureau of Standards (KBS)

The KBS established under the MOI in July, 1974 is one of the statutory organisations that are to contribute to the development of the national industry.

(Role and Functions)

(a) The main role of the KBS is to set minimum standards for various products made in Kenya. When setting up a standard that gives the specification of a particular product or process, the KBS follows internationally accepted procedures of standardisation.

(b) The functions of the KBS, as laid down in the Standards Act are:

a) to promote standardisation in industry and commerce;

b) to make arrangements or provide facilities for the testing and calibration of precision instruments, gauges and scientific apparatus, for the determination of their degree of accuracy by comparison with standards approved by the Minister on the recommendation of the Council, and for the issue of certificates in regard thereto;

c) to make arrangements or provide facilities for the examination and testing of commodities and any material or substance from or with which and the manner in which they may be manufactured, produced, processed or treated;

d) to control, in accordance with the provisions of this Act, the use of standardisation marks and distinctive marks;

e) to prepare, frame, modify or amend specifications and codes of practice;

f) to encourage or undertake educational work in connection with standardisation;

g) to assist the Government or any local authority or other body or any other person in the preparation and framing of any specifications or codes of practice;

h) to provide for co-operation with the Government, industries, local authorities, any other public body or other person to securing, the adoption or practical application of standards;

i) to provide for the testing at the request of the Minister, and on behalf of the Government, of locally manufactured and imported commodities with a view to determining whether such commodities comply with the provisions of this Act or any other law dealing with standards of quality or description.

(Activities)

(a) To ensure that the standards are relevant to the Kenyan environment, members who serve on the technical and industrial committees are drawn from universities and other academic institutions, industry, commercial firms, government departments, research bodies and consumer organisations.

(b) At present, there are six standard preparations departments.

- Food and agriculture department
- Civil engineering department
- Chemical department
- Electrical engineering department
- Mechanical engineering department
- Textile department

(c) The KBS has formulated 1,500 commodity and material standards in the past 15 years which makes the country one of the most advanced in Africa in terms of quality control and standardisation.

(d) Certification Marking Scheme

The KBS operates the certification marking scheme. Under the scheme manufacturers whose products continuously meet the requirements of Kenya Standards are licensed to display the KBS Mark of Quality known as the Standardisation Mark shown below:

MARK OF QUALITY

(e) Quality Control Testing Laboratories

For the protection of the consumer, samples of manufactured products are tested in order to monitor their quality and the manufacturer is advised of the test results to enable him to improve his quality control during manufacture. 3,807 samples consisting of over 20,000 products were tested during 1985.

(Quality Control Samples)

These are samples obtained by the quality control officers either from the manufacturers or from the open market for the purpose of routine quality control work.

(Privately Submitted Samples)

Manufacturers who wish to improve their quality control during manufacture. The samples are tested on payment of a fee and a test certificate is issued.

(Complaint Samples)

Consumers who may have doubts about the quality of a product are encouraged to forward the product to the laboratories for testing. Such products are treated as complaint samples and are tested free of charge.

(f) Materials Testing Department

The relevant tests may be carried out for enforcement of standards, for development of standard test methods and also for private, institutions or departments. In the case of testing performed by private firm request, a small fee is charged.

(g) Consultancy Services

The KBS through its various specialised departments, offers consultancy services to manufacturers, exporters, importers and other interested persons in the following fields:

a) Quality control
b) Measurement and calibration
c) Formulation of company standards
d) Setting up of in-plant testing facilities
e) Technical assistance to exporters in relation to applicable standards of quality in the country of export destination
f) Technical assistance to importers in relation to the standards of quality to be applied to the goods imported into Kenya.

(h) Training Programmes for Industry

The training programmes are organised in the form of seminars and in-plant training courses. The following training programmes have been organised and conducted by the Bureau.

a) Company standardisation seminar: once a year since 1975
b) Industrial quality control seminar: once a year since 1983
c) Metrology seminar: once a year since 1985
d) In-plant training courses: upon the request by the company
e) International training courses: sponsored by UNIDO, etc.

(Current Conditions)

(a) KBS employees total approximately 500. The operating costs of KBS are financed by government financial assistance and service fees collected from private enterprise. Currently, government financial assistance accounts for about 15% of the total operation costs but it is intended that in the future KBS will operate wholly on service fees from private enterprise.

(b) The testing and measuring equipment owned by KBS is extensive when compared to neighbouring countries and it is in good condition.

(c) KBS had received technical cooperation from West Germany until 1990.

(d) At present KBS has branch offices only in Mombasa and in order to expand Kenya Industrial Standard (KIS), KBS desires to establish branch offices in Kisumu and Eldoret.

In the past, 14 people have been sent to Japan mainly for Quality Control training. It is expected that this training in Japan will continue in the future.

(3) Technical Training Centres

The Ministry of Technical Training and Applied Technology (MOTTAT) was formed in 1988 and it is charged with formulating technical training policies for the country. Its major departments include those responsible for "jua kali" (informal) sector development, Directorate of Industrial Training and Programmes of Youth Polytechnics spread all over the country.

The major institutions under the jurisdiction of this ministry are:

(a) The three post-secondary polytechnics in Nairobi, Mombasa and Eldoret
(b) Kenya Technical Teachers college, Nairobi
(c) Directorate of Industrial Training, Nairobi
(d) Nairobi Industrial Vacational Training Centre
(e) Kenya Textiles Training Centre, Nairobi
(f) Two Industrial Training Centres in Kisumu and Mombasa
(g) Centre for Research & Training, Karen, Nairobi
(h) Youth Polytechnics in major towns

The main purpose of Youth Polytechnics is to upgrade the technologies of "jua kali."

(4) Kenya Industrial Estates (KIE)

The Kenya Industrial Estates (KIE) was established in 1967 as a financial and technical service institution to provide opportunities for indigenous entrepreneurs to start small-scale production. It was a subsidiary of ICDC operating under the Ministry of Commerce and Industry. In January 1978 it was restructured to operate as an independent institution.

(Roles)

KIE's roles are as follows.

(a) Development of small- and medium-scale firms owned by African Kenyans.

(b) Creation of employment opportunity in the manufacturing sector.
(c) Saving of imports for the manufactured products.
(d) Export promotion for the manufactured products.
(e) Promotion of rural industrialisation.

(Activities)

KIE is one of the institutions that can contribute to the industrial development of Kenya. KIE activities are as follows:

(a) Provides medium and long term financial and technical assistance to small-scale industries throughout the country.

(b) Provides technical services, as well as technical advisory services.

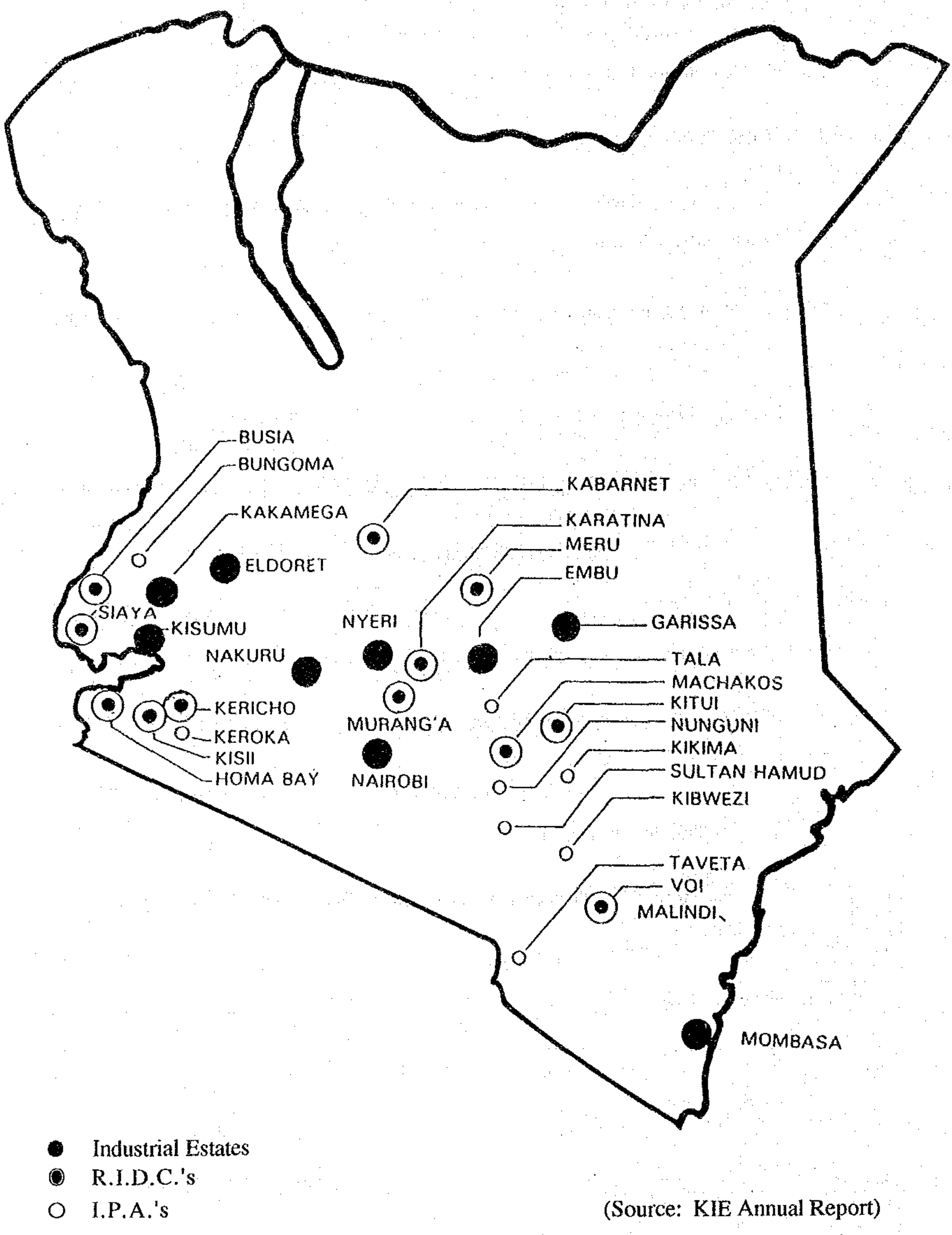
(c) Establishes and administrates industrial estates (IEs), regional industrial development centres (RIDCs), and industrial promotion areas (IPAs) which are spread in the urban and rural areas.

(d) Finances within the range not exceeding 25% of operating expenses necessary for the foundation for the industrial projects.

(Organisation and Branch network)

KIE's headquarters consist of five departments: administration, finance, technical, legal, and personnel.

The branch network of IEs, RIDCs and IPAs is shown in Fig. 6.1.1.



(Source: KIE Annual Report)

Fig. 6.1.1 The Branch Network of KIE

6.1.5 Flow of Export Products and Present Condition of Transportation-Related Infrastructure

(1) Flow of Export Products

The flow of the export products is summarized below.

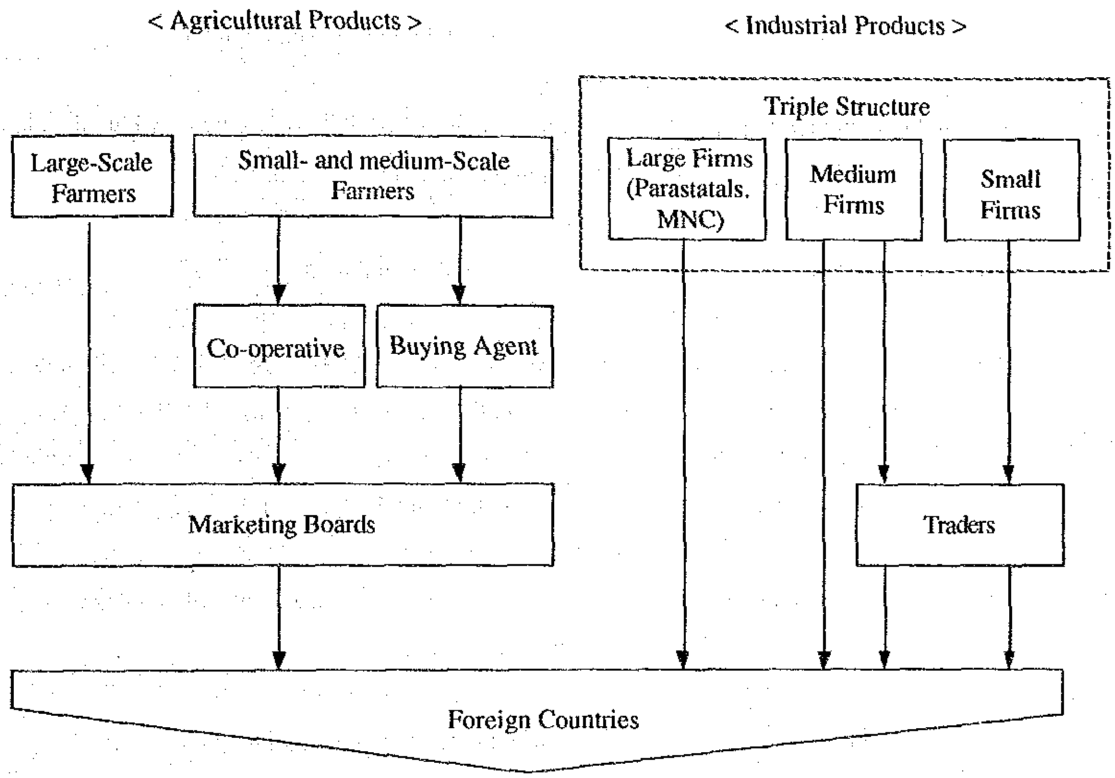


Fig. 6.1.2 Flow of Export Products

1) Agricultural products

Cooperatives and marketing boards handling major traditional agricultural products (coffee, tea, pyrethrums, sisals, grains, etc.) are well organised due to experience in export activities. With small- and medium-scale enterprises dealing through cooperatives and large enterprises dealing directly, the produce is collected by the marketing boards and consolidated for export.

2) Manufactured goods

Government organisations and large foreign-affiliated manufacturers export and import industrial products by themselves. Some medium-scale manufacturers have channels for exportation, while small-scale manufacturers have insufficient channels.
KNTC has a monopoly on selling basic necessities such as salt and sugar.

(2) Present Condition of Transportation-related Infrastructure

The current status of the transportation-related infrastructure which supports physical distribution of the exported and imported products.

1) Roads

There are about 150,600 km of major roads in Kenya, 4.5% of which are paved as of 1989. There has been little progress made in the pavement of the roads. A major feature of Kenya is that trunk roads that connect Mombasa with Nairobi, are spread out through the areas near Victoria Lake and concentrated together on the roads to Uganda. In addition, big cargo transportation firms are providing cargo-transportation services mainly between Nairobi and Mombasa.

The results of the traffic survey conducted in major towns in the past have shown that roads in Nairobi, Mombasa and Kimusu should be improved. The government is trying to widen the present roads into two lanes, because the majority of the non-trunk roads are narrow with only a single lane.

2) Railways

There is a total of 2,651 km of railway lines in Kenya as of 1989. The main line (1,085 km) runs from Mombasa passing through Nairobi and Eldoret to Malaba near the Uganda border. There is a branch line that extends from Nakuru to Kisumu on Victoria Lake. The main feature is the large volume of the goods transported by train from Mombasa, the major port, to Nairobi, one of the largest consumption areas, while volume from Nairobi to Mombasa is relatively small.

3) Airports

There are two major airports in Kenya; Jomo Kenyatta International Airport (JKIA) in Nairobi and Moi International Airport in Mombasa. Regular and chartered flights by airlines including Air France, German Cargo, KLM, British Airways and Swissair link Nairobi with major cities in Africa, Europe and Asia.

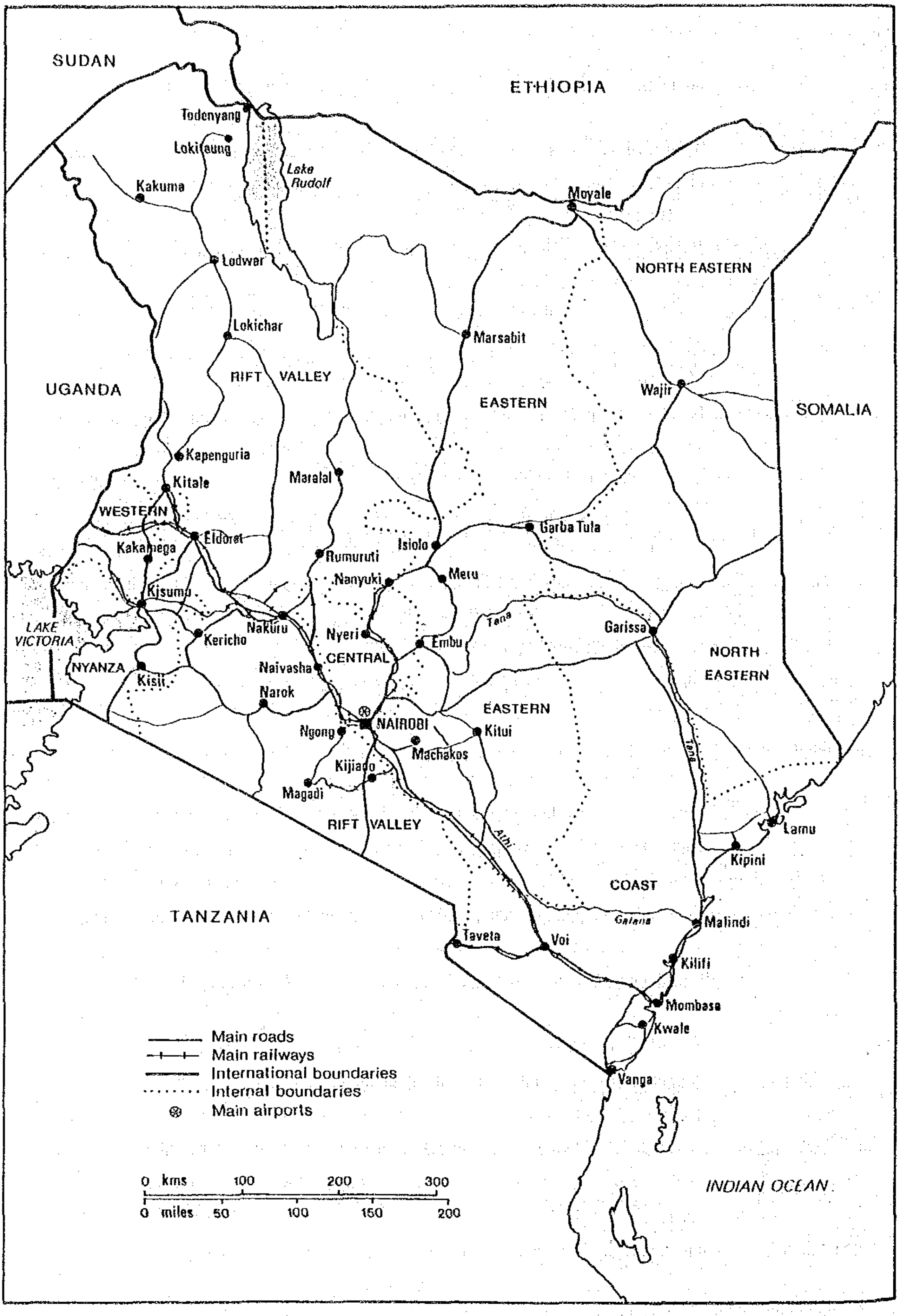
The air-cargo terminal existing in JKIA is managed by Kenyan Air Cargo Handling, Ltd. (KAHL), a subsidiary of Kenya Airways. Import cargos handled by KAHL include mechanical parts, medical supplies, audio and video equipment. Export cargos are mainly agricultural products.

There are cooling facilities (cooling capacity: 300 tons) near the air-cargo terminal which are used to retain freshness of flowers, fruits, etc. to be exported to the EC. There are also offices beside the air-cargo terminal for the cargo forwarders, the agents responsible for handling exported and imported commodities.

4) Ports

Since Mombasa, facing the Indian Ocean, is in a favourable location for a sea-port, it has developed as one of the leading ports in East Africa, and it has served as an important trade port for Uganda, Zaire, Rwanda, Burundi and Sudan. In Mombasa, there are 16 berths (of which 13 berths are for general cargo, and the remaining three berths are for container ships, oil jetties, and refrigerated storage warehouses (cooling capacity: 900 tons). There is a plan to construct 12 new berths for the industrial estates.

Ships from European, American, South African, Soviet, Chinese, East Asian, Japanese, and Australian lines operate into Kenya. Export goods handled in Mombasa Port in 1988 included coffee, tea, corns, soda ash, cement, fluoride, and crude oil. Imported goods are steel, fertilizers, wheat, coals, and palm oil. Kenyan Railways, customhouse, and shippers handle the above goods under the jurisdiction of Kenya Ports Authority (KPA).



(Source: Kenya Country Profile)

Fig. 6.1.3 Transportation Network

6.2 Manufacturers Surveyed

6.2.1 Interviews with Manufacturers

The study team distributed questionnaires to, and conducted interviews with selected manufacturers, from 12th September to 5th December 1990 in Kenya.

(1) Survey Objectives

The objectives of the survey were to understand the current conditions of the manufacturers, and to identify potential export and import substitute products. The survey covered the following items:

1) Scale of manufacturers (Number of employees, output, etc.)
2) Management problems
3) Production technical problems
4) Exporting problems
5) Effective measures for export promotion

(2) Questionnaire Survey

1) Assuming a collection rate of 80%, about 100 firms except for parastatal were initially selected at random from among the registered manufacturers in the "Directory of Industries, 1986 edition" so as to collect at least 80 samples.

2) However, in the course of the interview survey with manufacturers located in Nairobi, it was found that some manufacturers did not exist or had their telephone numbers and addresses changed, thereby creating difficulties in conducting the survey. Therefore, a number of manufacturers had to be added to the original sampling list. The final number of selected firms became 128.

3) Classification of selected manufacturers

Manufacturers were classified into nine categories by type of raw materials.

SubSectors	Number of Selected Manufacturers
- Wood Industry	9
- Food Industry	32
- Fertilizer and Feed Industries	2
- Chemical Industry	15
- Textile and Garment Industry	18
- Leather Industry	6
- Non-metallic Mineral Industry	3
- Metal Processing Industry	31
- Other	12
Total	128

(3) Interview Survey

The interview survey was conducted in eight major towns. It is noted that approximately 80% of the total manufacturers are located in these towns.

The Team members and counterparts carried out an interview survey for manufacturers in the following towns. (Refer to Fig. 6.2.1)

Name of Town	Number of Firms Interviewed
- Nairobi	32
- Mombasa	19
- Thika	10
- Kisumu	14
- Eldoret	8
- Nakuru	16
- Embu	2
- Nyeri	4
Total	105

In all of the towns, with the exception of Nairobi, the interviews were conducted in cooperation with the District Trade Officers of MOC.

Additional interviews were also held with some firms during the Nairobi International Show which was held from 2nd to 6th October at Jamhuri Park Show ground in Nairobi.

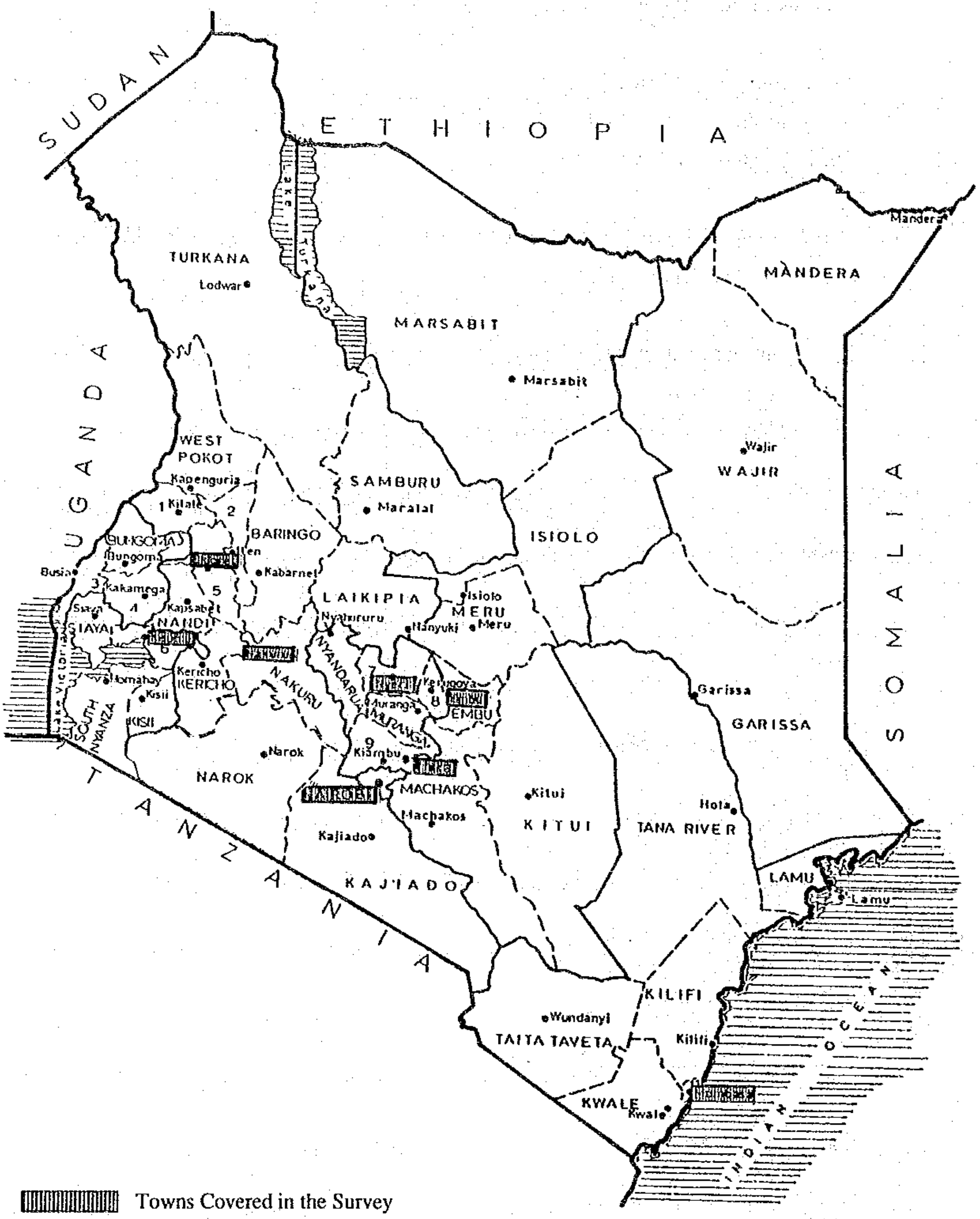
The number of interviews and collected questionnaires are summarized below and details are shown in Table 6.2.1.

1)	Number of manufacturers interviewed	:	105
2)	Number of questionnaires collected	:	78
	(Number of export-oriented firms)	:	36 (46%)

Although the collection rate was low, about 60%, the number of collected questionnaires satisfied the target figures.

Names of manufacturers who replied to questionnaires are listed in Appendix - VIII.

Results of the analysis of the questionnaires are also attached as the Appendix - IX.



(hatched box)	Towns Covered in the Survey
(thick line)	International Boundary
(thin line)	Provincial Boundary
(dashed line)	District Boundary
●	Towns

(Source: District Development Plan, Kenya)

Fig. 6.2.1 Towns Covered in the Survey

Table 6.2.1 Breakdown of Manufacturers Surveyed

Name of Town	Number of Manufacturers by Sub-Sector									Total		
	(a) Wood & wood products	(b) Food processing	(c) Fertilizers & feeds	(d) Chemicals	(e) Textile & garments	(f) Leather & leather products	(g) Non-metallic minerals	(h) Metal processing	(i) Others	Number of selected manufacturers	Number of manufacturers interviewed	Number of questionnaires collected
Nairobi (NR)	(1) 1	(6) 3		(6) 5	(2) 3	(1)	(2) 2	(12) 7	(7) 5	(37)	32	26
Kisumu (KS)	(1) 1	(3) 3		(1) 1	(3) 3			(3) 3	(3) 3	(14)	14	14
Nakuru (NK)		(5) 5	(1)	(3) 2	(1) 3	(2) 1		(6) 3		(18)	16	14
Nyeri (NY)	(1)	(3) 2			(1)					(5)	4	2
Eldoret (ED)	(2) 1	(7) 3	(1) 1	(1)	(6) 1			(1) 2		(18)	8	8
Embu (EB)	(1) 1	(1)			(1)		(1) 1			(4)	2	2
Thika (TK)	(1) 1	(2)			(1)	(3) 2		(3) 3		(10)	10	6
Mombasa (MB)	(2)	(5) 2		(4)	(3)			(6) 2	(2) 2	(22)	19	6
Total	(9) 5	(32) 18	(2) 1	(15) 7	(18) 9	(6) 3	(3) 3	(31) 20	(12) 9	(128)	105	78

Remarks:
Data shown
above: Number of Selected Manufacturers
below: Number of Questionnaires Collected