

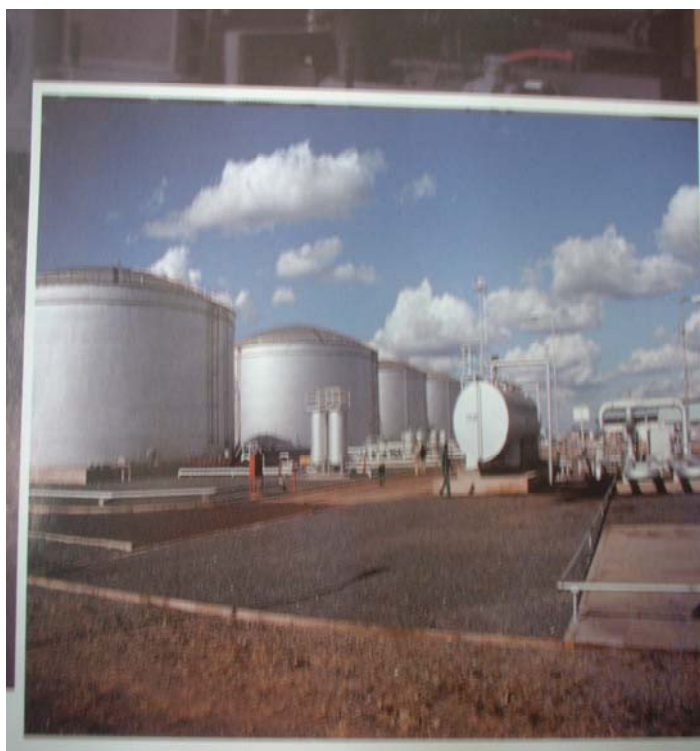
INDUSTRIAL INFORMATION BULLETIN

The Bulletin that contributes to Industrial Promotion through Information Dissemination

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- Investment Opportunities under AGOA
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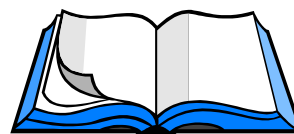
OILING THE MANUFACTURING SECTOR



ISSUE NO. 001



JUNE 2002



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The Industrial Information Bulletin is a publication of the Industrial Registration and Management Division of the Ministry of Trade and Industry. The Editor invites suggestions, comments and articles on topical issues related to industrialization in this Country and

FOREWORD

The principal objective of the Department of Industries in the Ministry of Trade and Industry is to facilitate the fast development of a competitive and sustainable industrial sector. Indeed it's the vision of the department that Kenya's Industrial Sector be facilitated to grow in patterns and rates which will make the country attain total transformation of the economy such that manufacturing will become the dominant sector by the year 2020.

For this vision to be realized there must be a series of concerted and simultaneous industrial activities, not only in this department, but also from all the stakeholders. This calls for intense consultations and sound decision making among all the concerned parties so as to be able to address all the salient issues that may arise or are inherent in such a complex undertaking. Suffice it to say that all this can be made easy if the environment in which it is done is laden with information that is relevant and up to date.

No effort, therefore, should be spared to ensure that information is easily available. This industrial information bulletin can go a long way in providing the much-needed forum for information dissemination and exchange of ideas on industrial matters.

Moreover, it comes at a time when the industrial sector is facing unprecedented crisis. Some local industries have closed in the recent past while many others are struggling to keep afloat. Even though the reasons for this scenario are diverse, its genesis can be traced to the arrival of the liberalization and globalization train, which exposed locally manufactured products to cut-throat competition from imported ones. Many of our local manufacturers were caught unawares because of lack of information and, therefore, had no strategies to respond to the challenges arising thereof.

It is my hope that this bulletin will, in the ensuing issues, and at all times, provide a regular exposition and commentary on the industrialization trends necessary for remedial and strategy positioning.

Finally, I wish to commend the team behind this publication. Even though a lot needs to be done to improve its scope, content, design and packaging it is my hope that it will meet its objectives and be an invaluable reference material in our 2020 industrialization transformation process.





ENG. J.M. Masila
DIRECTOR OF INDUSTRIES
FROM THE DESK OF THE CHAIRPERSON

LETTER TO THE READERS,

On behalf of the editorial team, I am pleased to present to you this inaugural issue of the Industrial Information Bulletin.

The idea of starting this bulletin was mooted sometime last year. However, due to some inevitable logistical hitches it was not possible to produce the first issue earlier as we would have wished. Fortunately, those hitches have now been taken care of and, therefore, I am optimistic that this publication will be able to roll out of the press every one month.

In its planning and compilation the editorial team was guided by one purpose: to create a forum for information dissemination and exchange of ideas on industrial matters. It's my hope, therefore, that the stakeholders in the industrial sector will find this bulletin informative, educative and even entertaining. The editorial team will spare no effort in an attempt to realize this goal.

Consequently the editorial team will require and hereby request the support of not only the officers in this department but from all concerned stakeholders. Towards this end, the editor welcomes articles and commentaries on any topical industrial issue.

Moreover, this being the first issue I am aware that it requires a lot of improvement in many areas. Suggestions on how this can be done will be highly appreciated. Together, we can make the Industrial Information Bulletin an authoritative and invaluable reference publication on Kenya's road to NIC status.

In this issue we have articles on AGOA which appears in the trade section, update on the proposed industrial development bill which appears in the legal matters section, training on prosecution which appears on the reports section, street hawking which appears on the perspective section, and the confessions of an industrial development officer which appears in the humour section. As we move along, these sections will be refined or modified so as to contain more articles. In addition we will introduce new sections. For instance, in the next issue we shall have a section on news from within the department while in the future editions we shall have a section featuring profiles and interviews with leading local industrialists.

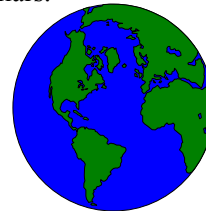
For the time being, however, let me wish you an enjoyable reading of this inaugural issue and look forward to your contributions in our next edition.



TRADE PLATFORM

**INVESTMENT OPPORTUNITIES THROUGH
 AGOA**

The African Growth and Opportunity Act, (AGOA), is a component of the Trade and Development Act 2000, which was passed by the United States Congress in May 2000. It is an initiative by the U.S.A. Government to open up the U.S.A. market and grant eligible Sub-Saharan African countries duty and quota free access to the huge U.S.A. market currently estimated at ten trillion U.S. dollars.



The Act provides unprecedented trade opportunities between the United States and the Sub-Saharan African countries. Besides institutionalizing the process of strengthening the U.S. relations with African countries it also aims at fostering economic development and reforms in which there will be increased investment opportunities for American investors and businessmen in the participating countries.

Ultimately, a wide variety of benefits will be and are being enjoyed by the traders, workers, manufacturers, and farmers in the participating countries. Top on the list, AGOA affords duty and quota free U.S. market access for essentially all products through the Generalised System of Preferences (GSP) programs. These include leather and leather products, fish and marine products, horticultural products, pharmaceutical products, iron and steel products, plastics, animal products, plant based products, rubber and rubber products and wooden material finished products. This is enhanced by security for investors and traders in Africa by ensuring GSP benefits for eight years with a four year window for textiles.

Eligibility Requirements.

The Act puts in place economic and political requirements that all participating countries must fulfill. The economic set-up must be of a market – based economy with policies that guarantee elimination of barriers to United States trade and investments, protection of intellectual property rights, resolution of bilateral trade and investments disputes, creation of an environment conducive to domestic and foreign investment, formation of capital markets and eradication of poverty. This should be complimented



by improved physical infrastructure, better health facilities and increased educational opportunities to the citizens.

The political set-up must be one that adheres to the rule of law, respects all internationally recognized human and workers rights, beliefs in fair trial, provides equal protection under the Law, and have system of combating corruption. All this must be within a framework of political pluralism. In addition all the participating countries must not engage in activities that undermine the United States National Security.

KENYA'S DESIGNATION AND ACCREDITATION

Having fulfilled the vigorous requirements laid out by the AGOA Act Kenya became one of the 34 Sub-Saharan African Countries to be designated in November 2000. It then established an effective visa system and was subsequently granted accreditation on 18th January 2001 to start exporting textile and apparel. This is one of the major areas in which Kenya as an agricultural country stands to benefit.

Following the adoption of an effective visa system the U.S. government lifted all existing quotas on textiles and apparel products. The country is already enjoying duty/quota free U.S. market access for apparel made from yarns and fabrics not available in U.S and for apparel made in the country from U.S. yarn and fabric for Knit-to- shape sweaters.

IMPACT SINCE ACCREDITATION

A lot has been achieved in Kenya since the country was granted accreditation. Manufacturers and businessmen have aggressively taken advantage of the many opportunities inherent in AGOA. By the end of last year textile exports had risen to US\$ 70 million while exports of the GSP items are now valued at 3 million US dollars.

Three garments factories that had closed down due to the US market quota imposition have reopened while seven are in the process of reopening. In addition six new garments factories have been established. This has created over 30,000 new employment opportunities. It is expected that 50,000 direct and an additional 150,000 indirect jobs will be created by the end of this year.

The government has also embarked on the process of reviving the cotton sub-sector through giving free seeds and extension services. Subsequently most of the ginneries, which had closed down such as Makueni-wote ginnery, have been privatized and revived. With the help of consultants from the US Trade Development Agency this sector is even expected to register more growth.

In addition to the aforementioned the investment level as a result of AGOA has risen by Kshs. 1 billion. Already interested investors from United States, South Korea, Britain, Germany, Italy, South Africa, Sri Lanka, China, India, and Pakistan are exploring joint ventures in the areas of textiles and flowers.

PROCEDURES FOR MANUFACTURER'S REGISTRATION UNDER AGOA

In the recent past many local manufacturers have expressed the wish to export their products to US through AGOA. Indeed the AGOA offices in departments of Industry and External Trade in the Ministry of Trade and Industry have been a hive of activities in responding to inquiries and assisting manufacturers on AGOA related issues. However there are pre-requisite requirements that a manufacturer must fulfill before being allowed to export to US under the AGOA label. Some of these procedures are outlined below.

A textile manufacturer wishing to export to USA will first obtain a Manufacturers Certificate for AGOA from the Registrar of Industries in the Ministry of Trade and Industry. This is done by filling the application form IR/CR/APP/1 which captures details of the products the manufacturer intends to export to the USA. The form can be obtained from the Registrar of Industries or the nearest District Industrial Development Office.

Upon receiving the application, the Registrar of Industries shall, within 7 days, undertake a physical inspection of the exporter's premises so as to verify the details regarding, but not limited to, capital equipment, labour employed, inputs used or to be used in the production of goods for export to the USA.

On completion of the verification exercise the Registrar of Industries will then prepare four copies of the Manufacturer's Certificate for AGOA. The Original is then given to the applicant while the duplicate and triplicate are forwarded to Director, Department of External Trade and the Commissioner of Customs respectively. The applicant will thereafter make and attach a copy to every application for a Certificate of Origin.

The certificate will then be reviewed annually. A manufacturer will be required to apply for an amendment to his certificate every time additional equipment is installed or any other changes are made that have the effect of changing the enterprise's installed capacity. In addition the manufacturer shall make an undertaking to preserve all records relating to the production of the goods to be exported. These records should be kept for a period of at least five years.



ACCESSING INFORMATION ON AGOA



Further information on AGOA is available on the following Websites.

- List of items available on the Internet Website www.agoa.gov.
- Customs regulations pertaining to AGOA are available at www.agoa.gov.
- Text of the Act is available at the AGOA website www.agoa.gov.
- General information on US Customs found at www.customs.treas.gov.
- Information on Generalised System of Preferences (GSP) program is available at www.ustr.gov/reports/gsp/contents.html on the USTR website and from three GSP Information Centres, office of the U.S. Trade Representative, Room 518 Washington, D.C 20508 or calling (202) 395-6971.

CONTACT OFFICES FOR INFORMATION ON AGOA.

The following offices can be contacted for information on AGOA.

1. Department of Industry –
Ministry of Trade and Industry Headquarters
Director of Industries
AGOA Office
Contact Persons: Mr. Ongubo Nyakundi, Ms. Jane W. Ndurumo and Ms. Nancy Mwangi
Telpost Plaza, 22nd floor
Tel. No. 331030

~ OR ~
Registrar of Industries-
Telpost Plaza, 22nd floor
Contact Persons: Mr. Samuel B. Keter, Mr. and David K. Rono
Tel: 333555
Nairobi
2. Department of External Trade –
Ministry of Trade and Industry
Certificate of Origin.

Telpost Towers, 15th floor
Contact Person: Mr. Owen K. N. Makuu
Tel: 331030
Nairobi

3. Customs Department –
Kenya Revenue Authority
Visa Issuance
Forodha House, Community Area
Nairobi
4. Export Promotion Council
Anniversary Towers, 1st Floor
Tel: 228534
Nairobi
5. Embassy of the Republic of Kenya
2249, N.W.
Washington, D.C. 20008



PERSPECTIVE

By Pamela Dede

In the recent past, battalions of hawkers have invaded and conquered the streets of Nairobi and other major towns of Kenya. One of the reasons being advanced for this phenomenon is the closure of several industries and the on going retrenchment of workers by several leading companies, industries and the civil service that has rendered many jobless. Faced with the task of taking care of their dependants the retrenched have ended up joining the hawking industry due to its easy of entry and little capital requirements.

Of late, there have been several attempts aimed at resolving this problem. However, a lasting solution is far from being found. This is because the issue is being addressed from a superficial point of view in which the hawker is viewed as a criminal whose remedy is to drive him away from the streets using strong-arm tactics. Time has come when the hawking industry must be seen in its right perspective. The hawker should be recognized as a Kenyan who has a right to earn a living. Consequently, the hawking industry as an employer of many people should then be integrated into the formal sector and the necessary policies put in place.

Some of these policies should aim at instilling discipline in the hawking industry. The local authorities should borrow a leaf from the developed countries in the world that have had success in this area. Several measures can be put in place to regulate and instill discipline in this industry.

To start with, the local authorities in all urban centers should create designated areas and times when hawkers



can carry out their business. This should be determined by the type of hawking business being carried out.

Having designated the areas and times of operation a uniform type of collapsible business stalls for the business points should spelled out. These could include mobile vans and mobile carts with specifications as to space and height. Permanent or semi-permanent structures should not be erected as all should be cleared by the end of the designated time.

It should also be made mandatory for hawkers stalls, mobile carts and the mobile vans to have a garbage disposal bins attached for ease of garbage disposal. The local authority should then place large garbage disposal bins around these business points where the hawkers would ultimately dispose of their garbage. For smooth implementation, the local authorities would be called upon to improve conditions in the designated areas by paving them, constructing toilets and water points nearby. The display stalls should then be arranged in such a way as not to restrict movement of human traffic.

Once the above has been put in place licenses should then be granted to the hawkers for trading in the designated areas. An office with qualified personnel other than askaries should then be set near the designated areas to provide supervision and licenses.

If well implemented the above measures can go along way in addressing the problem of hawking in this country. There is need, therefore, for concerted efforts to bring sanity in this sector from the local authorities, hawkers associations and other players.



REPORTS ARCHIVE

REPORT ON INVESTIGATIONS, PROSECUTIONS, AND MANAGEMENT COURSE HELD AT K.I.A. FROM 28TH JANUARY UP TO 22ND FEBRUARY 2002

1.0 INTRODUCTION

The course on Investigation, Prosecution and Management was held from 28th January to 22nd February 2002 at the Kenya Institute of Administration (K.I.A.). It was organized by the Ministry of Trade & Industry in conjunction with K.I.A. and drew participants from the departments of Weights & Measures, Industry (Industrial Registration & Management Division) and Kenya Wildlife and Management Services.

2.0 COURSE BACKGROUND

One of the responsibilities of the Industrial Registration Division and Management in the Department of Industry is to generate and provide information required by policy makers for the purposes of improving the operations of industries and enhancing the coordination and acceleration of the industrialization process in Kenya. The Industrial Registration Act, Cap 118, was enacted in 1987 to enable the Division perform this crucial task.

However, since the Act was enacted the Division has had numerous difficulties in its implementation. During the first year of implementation, one thousand, four hundred (1400) firms were registered. Thereafter the Division witnessed a drastic decline in the rate of registration and submission of annual returns. For instance, in the year 1999/2000 only thirty industries (30) were registered while four hundred and twenty (421) of the one thousand, eight hundred and eighty (1880) registered industries submitted their annual returns thus making it difficult for the division to update its database on the performance of industries and provide quality industrial information to industrial investors and policy makers.

This scenario continued despite sending numerous reminders to the industrialists on the need to comply with the Industrial Registration Act and placing advertisements on Industrial Registration in the newspapers. It is against this background that thirteen officers from the Industrial Registration & Management Division were selected to attend the course on Investigation, Prosecutions and Management with a view of enabling the division implement the Act including taking legal action as stipulated therein.

3.0 COURSE OBJECTIVES

The objectives of the course were:

- a) To equip the participants with investigative skills with reference to the Trade Description Act (Cap 505), Weights and Measures Act (Cap 513) and the Industrial Registration Act (Cap118) of the Laws of Kenya.
- b) To equip the participants with concepts and procedures of carrying out successful prosecutions with reference to the above mentioned Acts.
- c) To equip the participants with knowledge and attitudes of modern approaches to management with reference to the Civil Service.

4.0 COURSE PARTICIPANTS

The following officers from Industrial Registration and Management Division participated in the course.

- 1) Mr. S. B. Keter - Assistant Registrar of Ind.
- 2) Mr. C.W. Mahinda - Snr Industrial Dev. Officer



- 3) Mr. S. A. Odua - Senior Industrial Dev. Officer
- 4) Mr. L. G. Njehia - Senior Industrial Dev. Officer.
- 5) Mr. N. Gakiha - Senior Industrial Dev. Officer
- 6) Mr. J. Nyakiana - Industrial Dev. Officer
- 7) Mr. S. Mogaka - Industrial Dev. Officer
- 8) Mr. R. Kamiti - Industrial Dev. Officer
- 9) Mr. K. Chacha - Industrial Dev. Officer
- 10) Mrs. R. Mpaayei - Industrial Dev. Officer
- 11) Mr. J. Mutungwa - Industrial Dev. Officer
- 12) Mr. D. K. Rono - Industrial Dev. Officer
- 13) Mr. D. Onundu - Industrial Dev. Officer

5.0 COURSE CONTENT

The course content was broad and comprehensive. It was broken into 3 parts as follows:

a) PART I – THEORY

The following modules were covered:

- Introduction to the legal framework
- Concept of crime prosecution
- Evidence Act
- Investigating crime
- Law of arrest and identification of suspects
- Statement recording and handling of witnesses
- Interrogation of witnesses
- Drafting of charges
- Institution of criminal proceedings
- Pleas and procedure of trials in courts
- Scenes of crime
- Preservation of exhibits
- Case file compilation
- Examination and questioning of witnesses
- Nature and types of frauds under Caps 505, 513 and 118
- Detection of frauds and forgeries under Caps 505, 513 & 118
- Investigating frauds & forgeries under Caps 505, 513 & 118
- Role of information systems in enforcing Caps 505, 513 & 118
- Auditing and fraud investigation under caps 505, 513 & 118,
- Prevention of frauds and forgeries under Caps 505, 513, & 118
- Principles and practices of Management
 - Performance appraisal
 - Planning and organizing work
 - Leadership and delegation
 - Problem solving and decision making
 - Team building
 - Performance management
 - Effective communication
 - Negotiation skills
 - Motivation and morale
 - Report writing
 - Work ethics and professionalism
 - Procurement process
 - Overview of financial management

B. PART II – FIELD VISITS

In order to provide the participants with real life experiences on investigations and prosecutions the following places were visited.

1. C.I.D. Headquarters

The participants were shown how documents to be used as exhibits are examined.

2. High Court

The participants attended live court sessions in which they were able to see how prosecution is done.

3. High Court Registry

The participants were shown how registration of cases is done and how the records arising thereof are preserved.

C. PART III – PRACTICALS

These were composed of moot courts acted by the participants and the facilitators in which every participant was required to investigate a case and prosecute the same. One was then examined by the facilitators on the competence of case compilation and prosecution delivery.

6.0 FACILITATORS

The facilitators were drawn from the C.I.D. Training School, Anti-Banking Fraud Unit of the C.B.K, Kenya School of Law, K.I.A. and University of Nairobi. Most of them were interesting and informative and were able, using modern training approaches, to apply their relevant job experiences to the learning situation.

7.0 CONCLUSION

Given that data/information is a pre-requisite to the formulation of appropriate policies on industrialization, it is important that industrialists comply with the Industrial Registration Act, Cap 118 of the Laws of Kenya. Even though the Registration and Management Division now has Prosecutors it would not wish to take legal action against the any factory and would only do so as a last resort. The industrialists are, therefore, exhorted to do the one thing needful so that the Division and the Department of Industry is even better placed to render services to them.

(A picture of the course participants can be found on the back page of this bulletin)





LEGAL MATTERS



UPDATE ON THE PROPOSED INDUSTRIAL DEVELOPMENT BILL

By S. M. Kiragu – Ag. Registrar of Industries

The Department of Industry, Ministry of Trade & Industry, is in the process of finalizing the Draft Industrial Development Bill.

The draft has already been circulated to all the industrial stakeholders who include Ministries, Parastatals, and the Private Sector Organizations such as Kenya National Chamber of Commerce and Industry, Kenya Federation of Jua Kali Associations, Kenya Management Assistance Programme, Kenya Rural Enterprises Programme, Kenya Institute of Management whose role in the industrialization process is crucial.

In addition, contributions to the Bill from the rural areas are being received through the Provincial Administration, District Industrial Development Offices, District Development Committees and the District Industrial Committees.

The purpose of the anticipated Industrial Development Act is to establish a legal mechanisms for better policy formulation that is responsive to the market needs and the country's industrialization strategy. Once enacted the Act will provide the Private Sector with a forum of participating in policy formulation and implementation.

The Act also aims at harmonizing the legal and institutional aspects of industrialization. This may require some of the existing laws to be amended to make them more effective towards achieving the country industrialization objectives.

The bill proposes an administrative framework for the industrialization process. It confers upon the Director of Industries legal authority to perform his duties which among others include being the liaison person between the government, relevant public bodies and the private sector in developing industrial policies related to manufacturing, standards, technology, and research. He will also be responsible for advising the Minister responsible for industrial development on issues related to bilateral and multilateral co-operation and arrangements, strategies to develop core industrial

sub-sectors, and directives to be issued through legal notices for enforcing compliance with the Act.

In addition, the Director will be co-ordinating all the technical activities between the ministry, industrial consultative forums, sectoral consultative groups, district industrial committees and the relevant Ministries and Organizations. He or she will also oversee the formulation and preparation of National and District Industrial Development plans.

The Act also proposes the establishment of District Industrial Committees in every district. Their functions will encompass initiating, appraising and evaluating district industrial plans, advising District Development Committees on infrastructure requirements and investment measures aimed at attracting and promoting sustainable industrial investment in the district.

In addition, the D.I.C. will hold in trust all government industrial land, industrial parks and sheds. Other than ensuring availability of industrial land, infrastructure and promotion of approved industrial projects it will also be responsible for creating public awareness of the available facilities, schemes and services for industrial development in the district.

The Draft Act further proposes the establishment of an Industrial Development Council whose functions will include provision of grants for industrial promotion undertakings, dealing with utility companies and others with a view of prioritizing areas where their services would stimulate investments. The council will also oversee the establishment and maintenance of an Industrial Development fund.

In an effort to synchronize the comments from various stakeholders, a Workshop was held from 15th to 19th April 2002 at the Kenya School of Monetary Studies with the following objectives:

- to establish the need to enact the proposed Industrial Development Bill;
- to analyze the objectives of the proposed Industrial Development Bill;
- to establish a logical flow in the arrangement of sections in the proposed Bill;
- to add, delete or amend any sections necessary for the effective implementation of the proposed Bill;
- to provide proper drafting instructions to the Attorney General in regard to the proposed Bill;
- to create awareness amongst stakeholders on the Bills objectives for ownership and smooth implementation of its enactment; and
- to provide a framework for a policy level workshop through presentations of various documents relevant to the bill.



Participants in the workshop discussed and agreed on the following regarding the NIDC:

Objectives:

- Building up the capabilities of enterprises formulate and implement strategies and action programmes which will improve their competitiveness and productivity;
- Building up the capabilities of Government to formulate and manage an overall strategy for industrial development within the framework of an open economy; and
- Strengthening the capability of both public and private sector actors to manage development resources within the constraints of the country's economy.

Functions:

The functions of NIDC were identified as:

- To address the emerging needs and challenges to industrial development;
- To formulate strategies for the development of industrial subsystems;
- To provide strategic information to enterprises on markets, new technologies and the nature of competition;
- To act as an intermediary between the enterprises; their strategic consultative groups and the Government to ensure continuous dialogue and level playing field for all;
- To undertake such studies as may be necessary in furtherance of its functions;
- To facilitate access to credit and other services necessary for industrial development;
- To liaise with service providers such as utility companies with a view to prioritizing areas where it feels that services should be located in order to stimulate investments; and
- To review the progress made on the overall industrial development programmes.

Powers:

The Council shall have powers to:

- control, supervise and administer the assets of the Council in such manner as best promotes the purpose for which the Council is established;
- determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Council;
- receive any grants, gifts, donations or endowments and make legitimate disbursements therefrom;
- enter into association with other bodies or organizations within or outside Kenya as the Council may consider desirable or appropriate and in furtherance of the purpose for which the Council is established; and
- establish sectoral and regional committees at all the provincial and district levels

Membership:

1. Public and Private sector on equal basis.
2. Total number of fifteen (15) members.

The workshop proposed to the Ministry three ways that a Corporation could be formed namely:

- A Legal Notice issued by the President (Presidential Decree);
- Formation of a Company Limited by Guarantee; and
- An Act of Parliament.

The options are currently being studied by the Permanent Secretary before the way forward can be charted out.



INDUSTRIAL HUMOUR

CONFESSIONS OF AN INDUSTRIAL DEVELOPMENT OFFICER - (PART ONE)

By Nicholas Gakaha

“I need officers who are experts on industrial matters and they will come from among you. I expect you to undergo an industrial chemical transformation that will convert you from the laymen products that you are into industrial expert products highly in demand on Kenya's road to NIC status”.

That was the Director of Industries addressing fresh defectors from the Departments of Trade, Tourism and KIBT during an induction course organized for re-deployed officers courtesy of the 2000 civil service staff rationalization programme. Having undergone through a traumatic defection experience and having missed the service red card by a whisker I had no illusions on what the D.I. meant. As a trainer, I was being required to hang up my chalk, throw away all my training materials and keep away from the lecture theaters.

I was now being expected not only to know by heart the contents of the Sessional Paper No. 2 of 1997 on Industrial Transformation to the year 2020 but also derive inspiration from it. Fortunately, I only needed to read it once to get inspired.

If it was possible, as envisaged in the Sessional Paper, to transform Kenya into NIC status by the year 2020 it was similarly possible for me to transform my home village of Kiaritha-ini into the first industrialized village in the country within one year and parting leave footprints on the sands of time as the village's greatest son of all times. So inspiring was this idea that I was seized by an overwhelming urge to act on it.



I applied for leave immediately the induction course was over and armed with the Sessional Paper No. 2 of 1997 headed for my home village of Kiaritha-ini. This village lies on the windward side of Mt Kenya, about one thousand two hundred Kilometers from Peak Lenana.

On arrival, my first task was to carry out diagnostic studies on the type of industries suitable for such a milieu. Even though I did not have the per diem allowances I was able to complete the studies in one week and arrive at some conclusions.

Owing to the high level of unemployment in the village, I felt there was need for labour intensive industries that could provide employment to the many jobless villagers. In addition, I was also able to discover the existence of many indigenous technologies which could be used to set up labour intensive indigenous industries.

I then drew a plan of action. This included organizing village workshops to sensitize the villagers on industrialization matters and also training them on Intellectual Property Rights especially on the need to acquire patent rights for their indigenous technologies. By doing so I hoped to deliver them from the powers of ignorance and make them active travelers on the road to transforming Kiaritha-ini into a newly industrialized village (NIV).

It took me about two weeks to conduct the workshops. By the time they were over the whole village was bubbling with excitement. Where two or three villagers were gathered the prospects of industrialization were being discussed. At last, there would be jobs for all the villagers, there would be increase in the per capital income, and the standards of living would rise. There was even talk of Kiaritha-ini village seceding from the rest of the country on achieving NIV Status.

Meanwhile I started receiving delegations of villagers at our home. Many of them came to pledge their support to the village industrialization initiative while others wanted to be short-listed in advance for the jobs that were to be created. However, there were others who came to offer suggestions on the type of industries that could be started in the village. In this category were brewers of a local indigenous alcoholic brew known as *machore damu*.

They came one afternoon in a delegation of twenty brewers and took me to the one hundred thousand cubic litres village water reservoir situated on a hill right in the middle of the village. As some may remember this facility had been constructed ten years earlier with the aim of providing every home in Kiaritha-ini village with water by the year two thousand. Unfortunately, this was never to be as the river feeding the reservoir with water suddenly dried up immediately the construction work was complete.

On our arrival at the empty water facility the brewers wasted no time in divulging what they had in mind. They wanted to start a *machore damu* brewing industry that would make use of the water reservoir. They would brew the drink in large quantities, feed it to the reservoir and then distribute it throughout the village using pipes. In short, the *machore damu* brewers were thinking of making Kiaritha-ini village the first village in the world to have piped alcoholic beverage.

The more I thought about the idea the more I liked it. The required infrastructure was in place. The reservoir would serve as the storage tank. The pipes, taps and meters were in place having been installed during the defunct water for all programme. All that was now required was to make the brew available in the pipes. The villagers would then drink it at their homes and then be issued with weekly beer bills as per the water meter readings.

Three weeks later all the logistics were in place. It was resolved in a meeting of the entire village that the twenty brewers would be the majority shareholders while every home would be entitled to twenty shares of a hundred shillings each. I was unanimously hired as the chief brewing and distribution consultant on a volunteer basis with the promise of a fat salary once the brewing industry started making profits.

It was further resolved that the brewing would be done using each of the twenty brewers facilities at their homes. The brew would then be transported using wheelbarrows to the reservoir. It was hoped that this would help create thousands of jobs of a wheelbarrow pushing category.

A code of drinking ethics was also agreed on. For instance it was agreed by consensus that no villager should ever take any other brew other than *mathore damu* when within the boundaries of Kiaritha-ini village. In addition, one could only take the brew at his or her home. This proved to be very popular with the village women. At last their husbands would always be at home.

Having put everything into place a date of launching the piped beer was set. This was to be on a Saturday which was thereafter declared a village public holiday by the village elders. After all Kiaritha-ini village was on the verge of entering the annals of history as the only village in the universe to have piped beer thus automatically qualifying for a mention in the Guinness Book of Records.

Meanwhile, the Kiaritha-ini village piped beer concept was sending shock waves in other quarters. A Market Intelligence report reached the Kenya Breweries Marketing Espionage Officer for the Mt Kenya Region. The man needed to peruse it only once to realize the need of alerting the company's top management.



Without wasting anytime he dispatched a top secret dossier to the company headquarters in Ruaraka.

And the response was swift. The company's top brass swung into action immediately and converged into a crisis meeting. The implications of the piped beer concept were discussed at length. There was no doubt among those present that the concept was threat to the Kenya Breweries products in Kiaritha-ini village. It would also spell doom to the company's overall market share if it spread to all the other villages in the country.

At the end of the meeting it was resolved that the company would keep a close watch on the piped beer concept and develop fitting strategies to counter the threat arising thereof. In addition it was also agreed that no resources would be spared towards that end. The Mt Kenya Region Marketing Espionage Officer was subsequently provided with a company helicopter and firmly instructed to keep Kiaritha-ini village under a twenty four hour aerial surveillance.

END OF PART ONE

EDITORS NOTE

Read part two of these confessions in the next issue of the Industrial Information bulletin and find out what happened at the day of piped beer launch. How did the Provincial Administration and Kenya Breweries react? What effect did the piped beer concept have on the lives of Kiaritha-ini villagers thereafter. Watch this space for these confessions and many more.



BON VOYAGE



By Stephen Odua

Mr Charles Orina Otiso, the immediate former Registrar of Industries retired from the Civil Service on 30th April, 2002 having served the government for over thirty (30) years.

He joined the Civil Service in 1973. He briefly worked for the Ministries of Finance and Education before moving to the Department of Industry in the then Ministry of Commerce and Industry in 1980. His contribution to the Department of Industry has been immense having risen through the ranks from the position of Industrial Development Officer II. He was appointed the Deputy Registrar of Industries on 7th August 1996. He had a short stint at UNIDO, from 1998 to 1999, as a National Projects Officer. He was appointed the Registrar of Industries on 4th April 2000, a position he held until his retirement.

In all those years he had the opportunity to see the Industrial Registration Division evolve through various stages. He was on a first name basis with most industrialists having interacted with them for many years.



Charles Otiso

Mr. Otiso will be remembered for having actively participated in the preparation of the first import licensing schedule which has not changed much since then. In the 1980's he participated in the development of the criteria for Export Compensation thereby developing a list of eligible items for export compensation. In March 1998, he chaired the COMESA Committee on Industry. More recently, he was instrumental in the involvement of the Industrial Registration Division in AGOA matters resulting to the division certifying manufactured textile products exported to U.S.A that originate from Kenya. The Division has been doing this by verifying the operational capacity of the textile firms wishing to export using the AGOA facility. This activity was a confidence booster to the American Government in locally manufactured products, which subsequently led to the lifting of the Quota System.

Mr. Otiso will also go on record as one of the Public Sector manager's who always had an open door policy to those who worked under him. He was always available to offer guidance to them on all matters whether official or non – official.

Having derived a lot of inspiration from Mr. Otiso the Editorial team in conjunction with the entire Department of Industry take this opportunity to wish him a long, happy and enjoyable retirement and look forward to interacting with him from time to time.



GOD BLESS YOU!