

NEWS BUSINESS

TRADE

Promote EAC trade, reduce taxes – CS

Kenya exports 25 per cent of her goods and services to East African countries



EAC cabinet secretary Peter Munya /JOHN CHESOLI

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Taxation by county governments on transit goods is holding back plans to eliminate trade barriers between East Africa Africa Community countries, cabinet secretary Peter Munya said at the weekend.

He said double taxation will stifle the growth of the East African economic market.

"I want to ask the county governments to stop double taxation on the trucks that are on transit, that is not in the constitution," he said.

Munya was speaking in Kitale during a sensitisation workshop for Members of County Assembly drawn from Trans Nzoia, West Pokot, Busia and Turkana.

These counties are bordering various East Africa nations, and stand to benefit from information on EAC trade rules.

He urged counties to minimise roadblocks that hinder movement of goods from the port of Mombasa to other East African countries saying that summit decisions stipulates that unnecessary roadblocks should be avoided on international highways.

"It is very clear that there should be no roadblocks on international highways that's a decision by the summit that must be adhered to, this is causing a lot of delays," he said.

The minister said only gazetted roadblocks placed to enhance security should be in place.

He said that due to the roadblocks which lead to time wastage, other countries with similar goods are edging out Kenya from its traditional regional markets, an advantage that Kenya has been enjoying with

the signing of the East African free trade.

He said that faster movement of goods from the Mombasa port will enable Kenya to compete with the other East African ports and enhance growth.

Munya said Kenya is losing its regional trade to neighbouring countries because of the challenges that hinder free and faster movement of goods.

He said instead of targeting transit goods, counties should create conducive facilities at the border that will promote trade, in turn earning them more revenues.

Kenya exports 25 per cent of goods and services to neighbouring East African countries, giving the country some of the most important destinations for their exports.

"Last year we exported Sh114 billion worth of goods and we have plans of improving the market and getting better," he said.

He said the one-stop border points at Busia, Namanga, Isebania and Taveta have cut the time spent by vehicles carrying transit goods by 60 per cent, cutting the average time to clear cargo.

A one stop border post combines the two traditional stops for border processing into one, and consolidates functions in the shared space between the two nations.

Munya said more stop border points will be built at Suam border in Trans Nzoia which links the country to Uganda, at Moyale which links the country with Ethiopia and Nandapal and Lungalunga within the next three years.

Principal Secretary Susan Koech said the government will support border counties to ensure that EAC vision is realised.

THE DATA

25%

Amount of exports from Kenya to EAC nations

The East African community, with 150 million people, holds the most important market for Kenya's goods and services

RESPONSE

Disasters hurting the economy, says treasury CS

MAGDALINE SAYA /Floods and droughts are among disasters that have reduced the government's revenue and increased expenditure on emergency response, Treasury's Henry Rotich has said.

He said Treasury loses two to 2.8 per cent of GDP to hazards which cause macroeconomic imbalances mostly felt in the fiscal sector as well as the external sector. Hew spoke at the Kenya Institute of Public Policy Research and Analysis Annual regional conference.

"A disaster costs seven times more than it would have cost to mitigate. Droughts in particular reduce government revenues following a decline in tax collections. Expenditures also increase especially building resilience and mitigation measures by disasters," he said.

An estimated three to four million Kenyans are affected annually by disasters that disrupt livelihoods.



MARKET REPORT ALY KHAN SATCHU

A visit to Kakuma

Rouf Mazou of UNHCR who is a friend and deep thinker has always subtly jolted the way I looked at things. Whilst I was visiting London, I received a media invite to visit the Kakuma Refugee Camp for a TEDx event. The starring cast featured the mesmerising slam poet Emi Mahmoud, Mary Maker, a 24 year old filmmaker Amina Rwimo from the Congo, Georgina Goodwin the photographer, making the invisible People visible, Apurva Sanghi the World Bank economist who worked on a report about this camp from a Refugeonomics perspective "Yes" in My Backyard?: The economics of refugees and their social dynamics in Kakuma." Governor Nanok who is quite cerebral and controlled, the Hijabi Super-model Halima Aden and so many more. The Flight took ninety minutes from Wilson Airport, which is a magic portal into so many other worlds. As we drove

through the town to the camp and I looked out at the passing landscape, it was green, you could see the residue left by the flash floods and dotting the landscape tall angular Figures and lots of children [none of whom had their hand out, none. To Kenya's credit and the likes of the UNHCR [which has done the heavy lifting] Kenya is the second largest refugee-hosting country in Africa (after Ethiopia). Of the more than half a million registered refugees hosted by Kenya, 32% are housed in the Kakuma refugee camp, 57% in the Dadaab refugee settlement, and 11% live in Nairobi (UNHCR 2016). Kakuma refugee camp, located in Turkana County is at the crossroads of Ethiopia, South Sudan, and Uganda and is home to 190,822 refugees, with South Sudanese making up the majority (52 percent) of the camp's population. The camp is also home to refugees from Somalia, Ethiopia, Burundi, Rwanda, and the Democratic Republic of Congo. Since its establishment in 1992, Kakuma has hosted one of the longest-lasting refugee camps in the world. Kakuma camp was founded when In 1991, some 10,000 Sudanese boys walked into Northern Kenya. Having first fled civil war in southern Sudan, undertaking a treacherous journey to Ethiopia, war once again forced them to seek refuge elsewhere; they had walked more than a thousand miles before reaching Kenya, and Kakuma refugee camp would become their new home.

Last week, I learned that one out of every 100 of us is a Refugee and displacement world-wide is at an all time high.

Caitlin Johnstone said "the only real power in this world is the ability to control the dominant narrative about what's going on" in the West, the Refugee Narrative has been weaponised and the consequences of that weaponisation is there for all to see. Note Nigel Farage and his Brexit advert with an endless line of refugees queueing to enter Britain. Note the resurgence of the far-right. Note Orban and his language of existential threat by the Islamic hords. The linguistics around Refugees has become as much of a rat-a-tat machine gun as it was for many of these Folks who were forced to flee at the point of a gun. Interestingly, Octopizzo identified this linguistic "start-jacket" and sought to break it with the characterisation of his intervention as the "Refugeenius" project. There was plenty of "Refugeenius" at Saturday's TEDx event.

As you probably know, Turkana County is in the bottom percentile when it comes to most economic indicators, though excitement has built over the recent oil finds and even aquifer discoveries and this is taking me to another observation. It seems to me where the disparity between the host community and the Refugee community is at its narrowest, the net add is a lot easier to absorb, it actually produces a measurable net positive gain. According

to the "Yes" in my backyard? report,

"The Gross Regional Product (GRP) of the Turkana region increases permanently by 3.4 percent as a result of refugee presence. Importantly, this increase is permanent. The effect on overall employment is also positive: total employment increases by 2.9 percent. And finally, in per capita terms, though the magnitude is not big, the "GRI per local person" in Turkana also increases by 0.5 percent. These results, put together, suggest the refugee presence has a beneficial impact on Turkana's economy".

The report measures the Kakuma economy at \$56m and therefore concludes "Refugees have created more boom than gloom."

I did not see many adult refugee males. I saw many mothers and sub-adult children. I heard Thibaud Rerolle of Safaricom describe how they had dropped in some super base station from the sky for the weekend into this most remote part of the world. I thought to myself, just network these fFolks and see what happens. I would be a big buyer of that \$56m GDP number.

I am grateful to UNCHR for taking me to visit a part of Kenya that I had flown over at 35,000 feet but set never set foot on.

It was an eye-opener and most of all if its resilience and a never say die attitude you are after, right here under our noses.

Aly-Khan is a financial analyst



TIP OF THE DAY

YOU DON'T HAVE TO BE TYPE A TO BE A GREAT MANAGER

The lens we use to evaluate managerial talent is usually that of the high-octane **Type A** leader (aggressive, impatient, high-stress). Lower-volume **Type B** people (calm, patient, laid-back) tend to end up in lesser positions. It creates a **persistently stressful** environment, which is a recipe for employee disengagement. Over time, a stressful management style breeds burnout and turnover. Potentially excellent **Type B** managers get overlooked because they haven't earned their "**stress merit badge**." This can frustrate your **Type B** employees, especially if they have interpersonal skills that would lend themselves to a leadership position. When you need to fill a management role, consider the **ripple effects** of a **Type B** person's approach.