

COUNTY GOVERNMENT OF KITUI



COUNTY ASSEMBLY

SECOND ASSEMBLY – (THIRD SESSION)

COMMITTEE ON TRADE, INDUSTRY, I.C.T AND CO-OPERATIVES

REPORT ON THE STUDY VISIT TO DUBAI ON TRADE DEVELOPMENT FOR SUSTAINABLE ECONOMIC GROWTH

CLERK'S CHAMBERS,
JUNE, 2019
COUNTY ASSEMBLY BUILDINGS,
KITUI, KENYA

EXECUTIVE SUMMARY

Hon. Speaker,

On behalf of the members of the Committee on Trade, Industry, ICT and Co-operatives, and pursuant to the provisions of standing order no.179 (6) and 190(5), I beg to present before the house, the committee's report on the study visit to Dubai on Trade Development for Sustainable Economic Growth.

The study visit was carried out from the 15th to 19th April, 2019, the purpose of which was to learn about the concept of resource mapping and tools for advancing trade development. The committee sent a delegation of five members (5) to represent them. The delegation consisted of;

- | | |
|-------------------------------|------------------|
| 1. Hon. James Musyoka | Chairperson |
| 2. Hon. Anne M. Mumo | Vice Chairperson |
| 3. Hon. Annastacia M. Mutunga | Member |
| 4. Hon. Waziri B. Baraka | Member |
| 5. Hon. Nelson K. Musyoka | Member |

Hon. Speaker,

The concept of resource mapping can be defined as the process of identifying what is valuable in an area or community and subsequently developing strategies for mobilizing those resources. The United Arab Emirates (UAE) has over the years utilised this concept effectively and successfully managed to maintain a robust economy.

Through this concept, the UAE identified tourism, wholesale and retail trade and extraction of crude oil and natural gas as its most lucrative sectors. The country has over the recent years attained advanced rankings

across several economic indicators in leading Global Competitiveness Reports for their formulation of economic policies that have been effective in tackling the various regional and international challenges.

Hon. Speaker,

The UAE's national economy is one of the most diversified in the region, with non-oil sectors contributing more than 70 per cent to the GDP and a robust growth record over the past five years, combined with above average global growth.

The UAE is focussed on laying the foundations of its future economy. To achieve this, the nation has embarked on a mission to develop business friendly legislations and policies that attract both local and foreign investors, strengthen value added sectors and create an environment of innovation and technology. Through this, the nation has over time continued to rise and be recognised as a regional and global hub of finance, business and trade.

It is because of this high rankings in the trade development sector that influenced the members to travel to Dubai for the study visit.

Hon. Speaker,

The study visit exercise was undertaken in line with the objectives of the Trade committee which inter alia is to provide an oversight role, engage in policy and legislative development, and approve budgetary allocations for its assigned department so as to render effective and efficient service delivery to the residents of Kitui County.

The strategic objectives for the committee are as follows;

- i. To ensure that trade develops and prospers within the County Government of Kitui, ranging from villages, wards, sub counties and at the county government capital;
- ii. To ensure that every form of trade within the county government is regulated and fairly conducted by putting in place legislation that is relevant and proper;
- iii. To advocate for equitable provision of market infrastructure within the County;
- iv. To provide leadership and support in policy making so as to attract potential investors in the County;
- v. To capacity build the committee in order to actively play its oversight role and execute its mandate appropriately.

COMMITTEE'S MANDATE

Hon. Speaker,

The committee's mandate, functions and roles are as stipulated in the County Assembly Standing Orders No. 190 (4) and (5) and as contained in the second schedule of the same that outlines the subject areas for the sectoral committees.

COMPOSITION OF THE COMMITTEE

The committee comprises of the following members;

- | | |
|-------------------------------|------------------|
| a) Hon. James Musyoka | Chairperson |
| b) Hon. Anne Mwendu Mumo | Vice Chairperson |
| c) Hon. Peter M. Kilonzo | Member |
| d) Hon. Alex M. Nganga | ” |
| e) Hon. Annastacia M. Mutunga | ” |
| f) Hon. Esther K. Ndile | ” |

- g) Hon. Stephen M. Musili ”
- h) Hon. Waziri Bakari ”
- i) Hon. Nelson K. Musyoka ”
- j) Hon. Colleta K. Kimanzi ”
- k) Hon. Sylvester K. Munyalo ”

ACKNOWLEDGEMENT

Hon. Speaker,

The committee wishes to sincerely thank the offices of the Speaker, and the Clerk of the County Assembly for the Support extended during this benchmarking exercise. I also wish to thank the members of the committee for their utmost co-operation which enabled the successive completion of this exercise. The committee wishes to also thank the committee clerk for her continued dedication to duty and service to the committee.

On behalf of the Committee, I now have the honour and pleasure to present the report of the Study visit to Dubai on Resource Mapping and Trade Development for Sustainable Economic Growth.

SIGNED.....

DATE:.....

**HON. JAMES MUSYOKA – M.C.A
CHAIRPERSON, COMMITTEE ON TRADE, INDUSTRY, ICT AND CO-
OPERATIVE SOCIETIES
COUNTY ASSEMBLY OF KITUI**

**REPORT PREPARED BY,
Esther Mwele - Clerk Assistant**

BACKGROUND OF THE UNITED ARAB EMIRATES' ECONOMY

Before the discovery of oil in the 1950s, the UAE's economy was driven mainly by nomadic farming, date palm cultivation, fishing, pearling and seafaring. This however greatly changed when the nation discovered oil. The UAE's economy is currently being influenced by sectors such as extraction of crude oil and natural gas, wholesale and retail trade, real estate, business services, construction and manufacturing.

The UAE has over time enjoyed a stable and robust economy as a result of the following factors;

i. Strategic location

The UAE enjoys a strategic location between Asia, Europe and Africa. Thousands of Chinese businesses use Dubai as a hub for trading in Africa. Indian traders use the emirate to access the world. Latin Americans see the country as a launching platform into South Asia. Western nationals use Dubai as a hub for the Middle East.

ii. Strong financial reserves

The UAE maintains strong financial reserves and has a durable banking sector, which makes it safe for investment.

iii. Consistent government spending

Government spending on infrastructure continues to receive a major injection of capital. The UAE plans to spend Dirhams Six billion (1.65 billion Dollars) on major infrastructure developments across the country, including road networks and federal buildings.

iv. Progressive policy of economic diversification

The policy of economic diversification has led to impressive development in key sectors such as tourism, air transport, trade, financial services, manufacturing and alternative energy.

v. **Economic Free zones**

The UAE has several multi-specialty free zones which offer several economic incentives such as exemption from corporate taxes and import/export duties and full foreign ownership with 100 per cent profit repatriation. There are about 45 free zones in the UAE.

vi. **Increased foreign direct investment (FDI)**

In 2017, the UAE attracted about USD 10.4 billion of foreign direct investment with an average growth rate of 1.6 per cent during the period from 2012-2017. The UAE was thus ranked first among the countries most attractive to foreign direct investment in the Middle East and Africa region¹.

All these factors have contributed to the continued growth of the UAE's Growth Domestic Product (GDP)

IMPROVING THE EASE OF DOING BUSINESS AS A MEANS OF ATTRACTING POTENTIAL INVESTORS

Hon. Speaker,

An economy cannot thrive without a healthy private sector. When local businesses flourish, they create jobs and generate income that can be spent and invested domestically. In order for businesses to reach their optimum potential, the Government must offer incentives that promote the ease of doing business.

¹<http://www.economy.gov.ae/EconomicReportsEn/Annual%20Economic%20Report%202018.pdf>

The ease of doing business generally refers to the rules and regulations set in place by a country to govern the registration and running of businesses with minimal government interference in obtaining licences and other formalities required to be fulfilled before starting a business by both local and foreign investors. It is a concept developed by the World Bank where countries with higher rankings indicate better, usually simpler regulations for businesses and stronger protection of investors.

Kenya is currently ranked 61 while the UAE is ranked 11 in the ease of doing business index out of a total of 190 countries.

Hon. Speaker,

A country's ease of doing business can be measured in a number of ways key among them being;

- a) the total time taken during processes such as business incorporation or issuances of trade licenses,
- b) accessibility to credit facilities,
- c) protection of minority investors,
- d) imposition of taxes and,
- e) enforcement of contracts and resolving insolvency.

Any rational government that cares about the economic well-being and advancement of its country pays special attention to laws and regulations affecting local small and medium size enterprises (SMEs). SME owners usually face drastically different realities across economies as they set up and operate their businesses.

It is important to note that although the ease of doing business usually targets to attract foreign direct investments, the local businesses also benefit from the business friendly rules and regulations

Hon. Speaker,

Our Government needs to recognise the fact that having efficient and high quality business regulations affords micro and small firms the opportunity to grow, innovate and, when applicable, move from the informal to the formal sector of an economy. When systems, processes, rules and regulations are business-friendly, setting up businesses is made easier for not just big companies but also smaller ones that have less capital and resources at their disposal.

Regulatory burdens and discrepancies among existing laws often pose substantial obstacles for investors and it is therefore advisable to try as much as possible to consolidate laws for ease of reference and understanding.

The UAE has over time implemented several reforms in order to improve the ease of doing business. Some of these reforms include²;

- Made the procedure of starting a business easier by improving the online registration process.
- Made registering property easier by increasing the transparency of the land administration system.
- Made getting electricity easier by streamlining the connection process and eliminating interactions between the customer and the utility to obtain external works. They also reduced the time required to obtain a new electricity connection by implementing a new program with strict deadlines for reviewing applications, carrying out inspections and meter installations. Getting electricity was also made less costly by the elimination of the security deposit for connections under 150 kVA.
- Improved access to credit information by starting to provide consumer credit scores to banks and financial institutions. They also

² http://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf

improved access to credit by introducing the possibility of granting a nonpossessory security right in a single category of movable assets without requiring a specific description of the collateral, by allowing out-of-court enforcement of the security interest and by establishing a unified and modern collateral registry.

- Strengthened minority investor protections by increasing shareholder rights and role in major corporate decisions, clarifying ownership and control structures, and requiring greater corporate transparency.

In addition, the UAE also plans to grant long-term investor visas of up to 10 years and approved new low-cost employee insurance policies to help retain talent and attract investors.

Hon. Speaker,

Closer to home, our county government can also improve on the ease of doing business locally. The county government can do this by;

- Reducing the lengthy processing times for getting required licenses and approvals since these extended periods tend to drive up costs.
- They can also house all county approval agencies and issuance of licenses in one building rather than going to several locations when seeking licences.
- Fast track the mining of coal in order to provide manufacturers with a more cost effective alternative source of energy thereby significantly reducing the cost of doing business.
- Implement the use of e-revenue in the payments of all government services.
- Provide training opportunities for service providers and users.
- Increase public-private communication on legislative changes and processes affecting SMEs.

EFFECTIVE UTILISATION OF ELECTRONIC COMMERCE IN THE ADVANCEMENT OF TRADE DEVELOPMENT

Hon. Speaker,

Electronic commerce (E- Commerce) can be defined as the electronic processes by which organisations or individuals transact, this includes buying, selling, transfer or exchange of products, services and information.

As you are aware, knowledge and information have become the main production factor in this new economy. Through E-commerce, developing countries have an opportunity to enhance their economic and social development by lowering their operating expenses in addition to providing an easy access to global markets.

Hon. Speaker,

E-commerce provides an online space where many buyers and sellers can come together in one trading community and obtain sufficient information to make decisions about whether to buy or sell. It also significantly eliminates the nuisance of having multiple intermediaries before a transaction can be completed which in turn reduces the business transaction costs.

Our county can benefit greatly from the adoption of E-commerce. We as a county have over time had great challenges in marketing and selling our products due to the lack of knowledge and infrastructure necessary for optimal value addition to goods in addition to proper access to ready markets for the goods produced locally.

Hon. Speaker,

The committee applauds the fact that our County is keen on supporting Small and Medium-sized Enterprises (SME's), through the creation of the

County Empowerment Fund. Although this is a step towards the right direction, the county should also go a notch higher by creating an enabling environment where these SME's can sell and market their products.

This can be achieved through embracing E-commerce. E-commerce empowers the small and medium-sized enterprise, by allowing them to participate in international markets where previously market entry and promotion costs were prohibitive. They can use the platform to easily access raw materials and finally sell their finished products.

Hon. Speaker,

The county government can assist in the development of an e-commerce platform by first incorporating information and communication technology (ICT) and the internet into their business models. The County Government needs to invest in legal, financial, logistical, and telecommunication infrastructure which is the backbone of any e-commerce initiative.

It should also ensure that the county has access to a fast and reliable internet connectivity.

Hon. Speaker,

The County Government should also work closely with the relevant stakeholders in order to formulate a sound legal regulatory framework for the implementation of e-commerce.

The county should set aside substantial resources to be used in creating awareness, training and capacity building the relevant stakeholders in order to create a successful E- Commerce Platform.

However, this will not be effective if they do not engage the requisite human resource manpower with the managerial skills necessary to formulate and implement an e-commerce strategy for business.

TOOLS FOR ACHIEVING GLOBAL ECONOMIC COMPETITIVE ADVANTAGE

Hon. Speaker,

The term ‘competitive advantage’ refers to a set of qualities that give businesses leverage over their competition. It allows businesses and industries an opportunity to offer their target market products or services with a higher value than that produced by other industry competitors. Competitive advantage is deeply dependent on the prevailing business environment a country has created for itself, most specifically on the capacity of its industries to innovate and upgrade. A business environment that fosters national competitiveness pays dividends across the board.

Hon. Speaker,

Whatever its stage of development, export strategies and policies that support innovation and use of technology will help a country move forward. Recent studies of national competitiveness have two messages for strategy-makers:

- a) Competitive advantage can be created or, at the very least, raised significantly.
- b) The improvement of competitiveness within an economy should be a key element of national export strategy.

This means strategic initiatives should address competitiveness issues not only at the level of the individual product and service sector but at the national level as well. It may rightly be asked why national rather than simply sectoral? First, what makes a nation more competitive on the international scene are factors that are cross-sectoral rather than simply industry-specific.

Second, the measures needed to increase competitiveness will vary with the stage of a country's economic development and the opportunities for exporters.

Hon. Speaker,

As Michael Porter, Director of the Institute for Strategy and Competitiveness at the Harvard Business School, noted, regarding the concept of the competitive advantage of nations: "National prosperity is created, not inherited." The lesson for the strategy-maker, as agreed by participants in the Executive Forum 2002, is that in a world of increasingly liberalized trade, strategy must concentrate on generating and maintaining competitive advantage.

At an amplified level, economic competitive advantage can be looked at from the ease of global business. A practical definition of global business can be defined as where strategy links up with geography.

Hon. Speaker,

There are four major geographical factors that drive the international business.

- i. First, the feature of the home country influences its competitive performances.
- ii. Second, the features of the country where it engages in production and transaction with suppliers shape the company's competitive potential.
- iii. Third, the feature of the countries where it serves customers determine demand for the company's products.

- iv. Fourth, the featured countries where the company has partners that provides complementary goods and services affects the company's productive efficiency and appeal to customer.

Hon. Speaker,

The Government has a key role to play in ensuring that its country achieves competitive advantage. It can do so through the creation of policies and strategies that create an environment that stimulates companies to gain competitive advantage. The Government can come up with regulations that enforce strict product standards and safety with a view of ensuring companies develop products and services that can compete internationally.

Hon. Speaker,

The Government has a vital role in shaping the goals of investors, managers, and employees through policies in various areas. The manner in which capital markets are regulated, for example, shapes the incentives of investors and, in turn, the behaviour of companies.³

That notwithstanding, a Government cannot create competitive industries, only the companies themselves can achieve and sustain competitive advantage. The government's proper role is more of a catalyst and challenger, that is, it can only encourage companies to raise their aspirations and move to higher levels of competitive performance.

Therefore, companies should focus on being highly innovative by establishing norms that exceed the toughest regulatory hurdles or product standards in addition to capacity building its human resource in order to elevate their level of skills and productivity.

³ <https://hbr.org/1990/03/the-competitive-advantage-of-nations>

Hon. Speaker,

It is important to note that companies can employ all these factors and still not sustain a competitive advantage over their competitors. This can arise where companies are managed by poor leaders. Good leadership is the main driving force behind a company's success. It takes leadership to create a dynamic, challenging environment that is focused on innovation and productivity. Poor leadership leads to mismanagement and deviation from a company's goals and mission.

Hon. Speaker,

Closer home, our great County of Kitui can choose to pursue this model with regard to the key strategic resources that abound in our County as we position our County as the next emerging textile and mining business frontier in Africa and eventually globally.

Specifically, we need to align our export promotion strategies to align with the aforementioned.

Our great County of Kitui is renowned as one of the richest counties in Kenya, due to its massive wealth of large mineral deposits. Among the huge minerals deposits in Kitui are coal, limestone, iron ore, graphite, gypsum, quartz, granite and copper.

Hon. Speaker,

This great mineral wealth has seen the county become the centre of attraction for exploration with foreign and local investors wanting a piece of the pie. The sad reality is that due to a lack of a clear export-oriented business strategy this wealth has not been effectively harnessed.

Additionally, the county recently launched a state of the art textile factory by the name Kitui County Textile Centre (KICOTEC) that aims to manufacture school uniforms and other textile garments for both the local

and export market. The textile factory has so far created hundreds of direct and indirect jobs majority of which are for the youths and it is expected to bring in immense revenue for the county in the coming years.

Hon. Speaker,

From the Study visit to Dubai and from what we learnt about how nations and Corporations strategically position themselves to attain the highest level of competitive advantage, we highly recommend that the County Government of Kitui adopts and domesticates an export promotion strategy as aforementioned with regard to the key minerals and other hugely immense export products from Kitui County for the general benefit of our people.

The country is greatly advantaged by the presence of coal deposits in Kitui County since this will enable Kenya to address its competitiveness as an investment destination. In addition, the mining of coal will provide manufacturers with an alternative cost effective source of energy thereby reducing manufacturing costs and subsequently lowering the cost of doing business.

Hon. Speaker,

It is also important that the County government of Kitui embarks on a rigorous sensitization campaign on land ownership in mineral vested areas, in a bid to ensure that residents are aware of their rights in regards to land compensation and benefits they are supposed to accrue from mining activities.

We further suggest a review of all mining licenses and permits issued so far to both local and foreign investors with the aim of doing away with licenses which might have been acquired fraudulently and establishing a new transparent order in the issue of the said permits. Also, the county through

the national government should fast track the mining of these minerals for the benefit of its people.

Hon. Speaker,

The county government can work closely with the national government in order to create policies that help improve its industries' competitive advantage in addition to helping elevate Kitui County to be an export mining hub and export industry. This will in turn lead to the generation of immense revenue for the county and subsequently the country as a whole.

TRADE DEVELOPMENT AND REGULATION: FAIR TRADING PRACTICES

Hon. Speaker,

Fair Trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It is a global movement committed to paying fair prices in addition to impacting producers mostly in developing countries. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers. The concept came as a response to global poverty levels and focusses on the marketing of products and development trade.

The concept of fair trade is designed to advance many economic, social and environmental goals, including:

- i. Raising and stabilizing the incomes of small-scale farmers, farm workers, and artisans
- ii. More equitably distributing the economic gains, opportunities and risks associated with the production and sale of these goods

- iii. Increasing the organizational and commercial capacities of producer groups
- iv. Promoting labour rights and the right of workers
- v. Promoting safe and sustainable farming methods and working conditions
- vi. Connecting consumers and producers
- vii. Increasing consumer awareness and engagement with issues affecting producers

Hon. Speaker,

Fair Trade is more than just trading:

- i. It proves that greater justice in world trade is possible.
- ii. It highlights the need for change in the rules and practice of conventional trade and shows how a successful business can also put people first.
- iii. It is a tangible contribution to the fight against poverty, climate change and economic crisis.

Hon. Speaker,

Fair Trade organisations have a clear commitment to fair trade as the principal core of their mission. They, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.

The Fair Trade concepts impacts the building of sustainable businesses by demanding fair wages and treatment. Companies that have adopted this concept label their products to indicate that they have adhered to the international fair trade labelling standards thereby ensuring that products meet the certified international standards.

Consumers should strive to ensure that they purchase products with the fair trade label since some of the funds from these products go back to impact communities with social, economic and environmental development projects.

In order to promote this concept, there is need to educate and create awareness among the consumers so that they are able to make choices that reflect those values as well.

The government should also create incentives for companies to invest in this fair trade movement.

THE NEED FOR KITUI COUNTY GOVERNMENT TO LINK TRADE TO SUSTAINABLE DEVELOPMENT

Hon. Speaker Sir,

Sustainable development refers to development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In order to help achieve this, the United Nations compiled 17 (seventeen) universal objectives/goals (commonly referred to as Sustainable Development Goals –SDG’s) to help countries eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity.

A pursuit of sustainable development is a new **MUST** for any responsible government including our very own Kitui County Government.

Hon. Speaker,

Trade growth enhances a country’s income generating capacity, which is one of the essential prerequisites for achieving sustainable development.

Trade plays a significant role in reducing poverty, creating jobs, and promoting economic growth.

Governments worldwide are focussed on promoting trade that encourages sustainable development because of the following key reasons;

- i. It helps come up with strict globally acceptable policies that check against biodiversity loss.
- ii. The world today has many new challenges of an expanding global market that can't work without a set of progressive trade rules.
- iii. It helps check against unsustainable production methods & trade patterns.
- iv. It helps mitigate and protect jobs from being replaced by technology.
- v. It helps to put in check resource depletion and degradation.

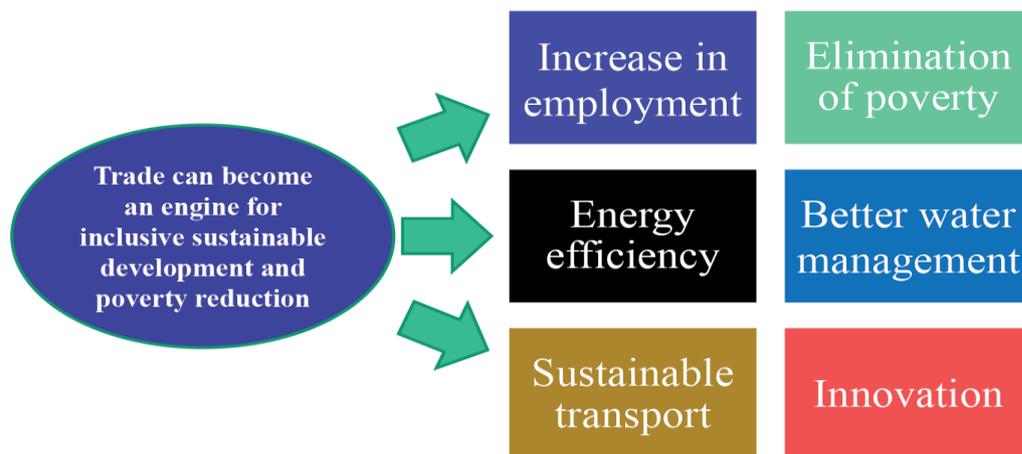
Hon. Speaker,

Trade can be used as a vehicle for sustainable development through the formulation of trade policies that promote sustainable consumption and production, productive employment and decent work for all. Trade development leads to the creation of employment which in turn reduces poverty thereby leading to economic sustainability.

The County Assembly, being the legislative arm of the county government should formulate policies/legislations that promote the realisation of sustainable development goals no. 8 and 9 on decent work and economic growth and industry, innovation and infrastructure. Our county's economy will in turn grow in addition to it becoming a trade hub recognisable both within and outside the country.

The diagram below summarises how trade can be used as a driving force for attaining sustainable development;

Trade and Sustainable Development



THE POSSIBILITY OF A KITUI – UAE BUSINESS RELATIONSHIP

Hon. Speaker,

The committee was privileged to hold an exclusive consultative meeting with *His Excellency Mr. Mohammed Hasan AlSabab Al Teneiji*, the Director General of Ras Al Khaimah Economic Zone (RAKEZ), the sole Free Zone Authority of the Government of the Emirate of Ras Al Khaimah.

RAKEZ is an authority established by the government of Ras Al Khaimah in the United Arab Emirates (UAE) to oversee, regulate and consolidate the services, facilities and zones of RAK Free Trade Zone (RAK FTZ) and RAK Investment Authority (RAKIA), as well as serve their respective clients.

Founded in 2017, RAKEZ currently houses over 44,500 companies from more than 100 countries covering over 50 industries, making it one of the largest economic zones in the region. RAKEZ uniquely offers free zone and non-free zone entity formation, and provides investors easy access to

growing markets in the Middle East, North Africa, Europe, South and Central Asia.

Hon. Speaker,

The members of the committee had a fruitful engagement with *His Excellency Mr. Mohammed Hasan AlSabab Al Teneiji* where among other things the following were discussed and recommended:

- a) That the Ras Al Khaimah chamber of commerce should organise an exclusive trade week where Kitui County would exhibit its locally produced merchandise. This would enable our county to market its products such as honey, textiles, leather and many others.
- b) The chamber of commerce in conjunction with Rakez could organise a business networking session where both the officials and business people from Kitui County could interact on a one on one basis with the over 40,000 investors who have established business in the Emirate of Ras Al Khaimah with a view to see how Kitui products can be marketed to these investors
- c) It was also recommended that it would be wise for the County Government of Kitui to open a trade representative/liaison office in the state of Ras Al Khaimah. This liaison office will be tasked exclusively with developing the blue print that Kitui traders, farmers and business people can use to penetrate the lucrative United Arab Emirates market.
- d) The government of Ras Al Khaimah through an agreed structure can do joint ventures with the Kitui County Government in the promotion of Capital-Intensive opportunities such as coal mining.

Hon. Speaker,

To say that this was a God sent opportunity would be an understatement. From our own direct engagements and interactions with the local traders in the markets of Ras Al Khaimah, we were able to see the tonnes of opportunities especially for agri - produce such as honey, fruits and grains of which Kitui County has the potential of bulk production.

From the foregoing, the committee was specially invited by the office of his Excellency Mr Al Teneiji, to return to the UAE in the company of relevant trade stakeholders so as to hold talks and eventually sign an MOU between the two nations that will seek to promote our county's trade and industry growth.

Hon. Speaker,

This follow up visit is important if the county is to carve out a niche' for itself in the commerce sector. For this reason therefore, the committee recommends that the office of the Speaker and that of the Clerk should fast track the approval of this consultative meeting for the greater benefit of the people of our great County of Kitui.

COMMITTEE'S RECOMMENDATIONS

The committee recommends that;

1. The County Government needs to be pro- active in the formulation of appropriate policies and regulations that will help promote the development of trade and investment within the county.
2. The County Government through the county ministry of trade, co-operatives and investments should establish capacity building initiatives in favour of SME's with a view to helping them enhance their ability to trade.

3. The County government should encourage SME's to use Information Communication Technology (ICT) to identify new markets and opportunities globally. This will help promote the county's export trade.
4. The County government should come up with a system that seeks to reduce the lengthy processing times for getting required licenses and approvals since these extended periods tend to drive up costs. It would also be greatly convenient for stakeholders if all county approval agencies and the issuance of licenses was carried out in one building rather than going to several locations when seeking these services.
5. The County government should fast track the mining of coal in order to provide manufacturers with a more cost effective alternative source of energy thereby significantly reducing the cost of doing business.
6. The county government should work closely with the national government in order to create policies that help improve its industries' competitive advantage.
7. The County Government should ensure that all the markets have proper street lights in order to beef up security and also allow longer market trading hours.
8. The County Ministry of Trade, Co-operatives and Investments should be proactive in organising trade fairs so as to give an opportunity to our traders to showcase their wares in addition to attracting potential investors.

CONCLUSION

Kitui County has great potential in becoming a renowned industry hub globally. For its economy to prosper and develop extensively, the local

county government needs to be on the forefront in creating an enabling business environment in order to attract potential investors.

They can do so through improving infrastructure and formulating business friendly policies and regulatory laws. However, the success of its industry development can only be achieved if the leadership of the county employs good governance and transparent management skills.

CONSIDERATION AND ADOPTION OF THE REPORT BY THE COMMITTEE

We, the honourable members of the committee on Trade, Industry, ICT and Co-operatives, do hereby affix our signatures to this report to affirm its accuracy, validity and authenticity;-

<u>NAME</u>	<u>DESIGNATION</u>	<u>SIGNATURE</u>
1. Hon. James Musyoka	Chairperson	_____
2. Hon. Anne Mwendu Mumo	Vice Chairperson	_____
3. Hon. Annastacia Mwathi	Member	_____
4. Hon. Waziri Bakari	Member	_____
5. Hon. Nelson K. Musyoka	Member	_____