KENYA_ GENERAL

1992 - 1998
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<th>Africa in brief</th>
<th>Human life imperilled</th>
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<td><strong>50 rebels killed</strong></td>
<td>NAIROBI - A Kenyan academic yesterday warned delegates attending an international conservation conference in Nairobi that human life in Africa was imperilled as never before.</td>
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<td><strong>Thousands are dying</strong></td>
<td>Dr Mohammed Isakaka, Kenya's director of museums, told the conference on biodiversity in Africa that the situation on the continent had become so serious that human life, natural habitat, soils and species were threatened to an extent never known before.</td>
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**DAKAR** - Security forces killed 50 supporters of independence for the southern province of Casamance in a battle near Ziguinchor, official Senegalese radio said yesterday.

Two soldiers were killed in the fighting on Tuesday. Sixty rebels and nine soldiers were wounded. Additional security forces had been sent to the region.

**MOGADISHU** - The head of the US food airlift to Somalia yesterday gave a harrowing eyewitness account of desperate children and old people dropping dead by the thousands in the starving nation.

Mr Andrew Natsios said it was the worst human suffering he had ever seen, exceeding even the Ethiopian and Sudanese famines of past years.
Petrol boycott

NAIROBI - The Kenya Petroleum Dealers' Association told the government that unless its profit margin is increased from three to 10 percent within two weeks, petrol stations will stop selling certain petroleum products. If the demand is not met by the deadline, it will stop selling all petroleum products.
Support pledged

LUSAKA - Former Zambian President Kenneth Kaunda has pledged to support his oldest son, Bantu, as United National Independence Party presidential candidate at this month's party congress.

Speaking on Zambian Television on Sunday, he said he would retire from partisan politics but pledged to support his son's efforts to succeed him as UNIP president on September 24.

Kenya aid plea

NAIROBI - Kenyan opposition leaders have appealed to the United Nations to send a peacekeeping force to monitor ethnic clashes in the country.

Representatives of the opposition party, Forum for the Restoration of Democracy (FORD), said in a petition yesterday that 20 people from the Bukusu and Teso tribes had been killed this month by armed cattle rustlers along the border with Uganda.
Joining hands to feed the hungry

The last of two SA Air Force Hercules C-130 supply planes returned to the Waterkloof air base near Pretoria on Sunday after a 9300 km round trip to northern Kenya to deliver 30 tons of relief supplies.

The operation was a joint effort of the African Muslim Agency (AMA), the Department of Foreign Affairs and the SA Air Force (SAAF). The Government paid the transportation bill.

Emergency relief supplies were delivered on Saturday evening to Waajr in northern Kenya, which borders strife-torn Somalia.

Included in the consignment were cereal, powdered milk and medicines to be distributed at 13 centres housing 13,000 child refugees in and around Waajr.

The success of the first phase of the relief operation — the second week of September, 1972 — when a further 200 tons will be shipped to Mombasa en route to Waajr — was a commitment that transcended political and religious boundaries in South Africa.

Contrast

After a 10-hour flight from Waterkloof air base to Waajr, the reception accorded to the South Africans was in stark contrast with the country's years of political isolation.

When the aircraft landed, Kenyan aid workers rushed to the military airstrip near Waajr and offloaded the consignment donated by South African Muslims.

More than 300,000 refugees have spilled over the borders into Kenya, escaping the civil strife in Somalia and, to a lesser extent, the drought in Ethiopia.

Some 1.5 million to 2 million people in Somalia are at immediate risk of starvation in what is now recognised as the world's worst humanitarian crisis.

"This is an operation that has to succeed. We are aiming this consignment at children. There are 13 feeding centres in and around Waajr with about 1,000 children each. Their plight is the most desperate," said Moulanas Shabir Saloojee, who is coordinating the South African side of the relief operation.

While South African Muslims had donated the aid, the feeding project was for all, not only Muslims, he said.

Moulanas Saloojee had high praise for Foreign Affairs and the SAF. "Without them, this could not have been successfully concluded."

The aid was transported free of charge after several Muslim agencies, having collected the goods, approached the Government for assistance.

Foreign Affairs communications and marketing (Africa Division) spokesman Roy Sheridan said he was overwhelmed by the response of the Kenyan government.

"It shows a further normalising of relations with the Kenyan authorities. Although we do not have a full diplomatic mission in Nairobi, the Kenyan authorities assisted us to their best ability."

"With regard to the members of the SA Air Force, the Kenyan authorities' attitude was outstanding. Our men in their air force uniforms did not raise any eyebrows, were not questioned and went about their duties as normal."

The project to bring aid to Somali refugees began in June when the AMA in Kuwait made a worldwide appeal for assistance for the destitute.

The call was taken up by the agency's office in Johannesburg and several other Muslim aid organisations in the country.

After receiving the donations — Muslim leaders claim there are up to 800,000 Muslims in South Africa — the AMA approached Foreign Affairs.

Lengthy negotiations took place between Government departments, Muslim organisations and later the Kenyan government. The deal got off the ground towards the end of last month — Sapa.
IMF monitors economic reform

NAIROBI - Kenya’s Western donors say they want to see the report of an International Monetary Fund team on the progress of economic reforms in the country before deciding whether to restore aid after a 10-month suspension.

"There has been substantial progress. Obviously there has to be more of this," said one Nairobi-based diplomat as a two-week investigation by an IMF team wound up on Saturday.

Kenya's government hopes a nod from the IMF will unlock about R810 million of World Bank aid and persuade bilateral donors to resume vital balance-of-payments support, suspended at a November meeting of the Paris Club of donor nations.

"The team's agenda was secret, but they certainly looked at the budget (deficit), financial sector reform and parastatals," one economic analyst said.

"Donor response will depend very much on the readout of this mission," he said, adding that full resumption of aid would not take place until the next Paris Club meeting this autumn.

Donors acknowledge Kenya has tried hard to win favour since the suspension, worth about R1,62 billion, was made to protest against the slow pace of economic and political reforms.

Kenya's first multi-party election in 26 years is expected before the end of the year after the unbanning of opposition parties by President Daniel arap Moi last December. - Sapa-Reuters
NAIROBI - Kenya, like Botswana, is to adopt a policy of encouraging affluent tourists at the expense of cheap tours in an effort to protect tourist attractions. The country will seek to attract fewer tourists but at the same time increase its revenue by making visits more expensive, according to Minister for Tourism and Wildlife Noah Katusa Ngala.
THE United Nations will boost food shipments to drought-hit northern Kenya where 1.5 million people risk starvation, according to the World Food Programme (WFP) announcement last week.

US military planes will airlift food to the worst-hit areas in northeastern Kenya where the majority of the Somali population are nomads and there are almost no paved roads.

The WFP and the UN Food and Agriculture Organisation estimate that Kenya will need 98,000 tonnes of food aid in the next four months.

Kenya's meagre resources have been further strained by an influx of half a million refugees.
US continues aid flights after stray bullet hits plane

From Diderikte Schanche in Nairobi

The United States airlift of food to Somalia and Kenya continued yesterday following the suspension of flights to one destination after an American cargo plane was hit by a stray bullet.

US personnel at a military base in Kenya’s coastal city of Mombasa sent planes carrying food and supplies to the Somali towns of Baidoa and Hoddur and the northeastern Kenyan town of Wajir, according to Marine spokesman Lt. Brad Bartelt.

Lt. Bartelt said an American C-130 cargo plane had been struck by a stray bullet after it landed on a dirt airstrip at the western Somali town of Belet Huen on Friday.

He said the attack was not intentional, but it is being investigated.

Another Marine spokesman, Warrant Officer Hartman Ikade, said there was no apparent gun battle on or near the airstrip, but the “security situation on the ground deteriorated” as the plane was unloaded.

Looting

“The crew reported seeing a lot of people, a lot of guns, a lot of chaos. They just wanted to get the plane unloaded and get out,” he said.

Guns have become commonplace in Somalia since the January 1991 overthrow of dictator Mohamed Siad Barre.

Widespread insecurity and banditry have severely hobbled international efforts to feed the country’s starving millions. Some aid officials estimate that as much as half the 150,000 tons of supplies delivered to the Horn of Africa nation have been stolen.

The C-130 returned safely to Mombasa after unloading 10 tons of rice, lentils and cooking oil for the International Committee of the Red Cross.

Marine Brigadier-General Frank Libutti temporarily suspended the Belet Huen airlift until the situation in the dusty outpost near Ethiopia’s border had calmed down.

The Americans began delivering food to Belet Huen on August 29 for the Red Cross, which says it is caring for 200,000 people in the area.

Red Cross officials at regional headquarters in Nairobi said the agency had already decided to suspend the airlift because of deteriorating security in Belet Huen.

Clans

Belet Huen is one of dozens of sites in Somalia where the Red Cross is feeding and caring for people in an effort to help stem deaths caused by a famine that already has killed more than 100,000 people.

Disputes among rival clans in the village have forced the Red Cross to suspend its airlift several times since it began early this year, said spokesman Gregor Taverner.

Meanwhile, in a move unrelated to the airlift, American troops are expected off Somalia within 10 days to provide logistical support for 300 United Nations troops deployed to protect relief food from looting gunmen.

A US naval group of four ships is now in the Indian Ocean, according to Major Marc Martens at US Central Command in Florida.

The flotilla carries 2,400 US Marines and Air Force commandos.

Although officials say the American operation is limited to offshore control and communications functions for the UN troops, the presence of US military hardware is sure to trouble Somali warlords who do not approve of UN troops in their country.
Kenya faces ‘war’ with Muslims

KENYA appears to be in the midst of an Islamic fundamentalist crusade that, many observers fear, could lead to the kind of devastating social consequences and religious violence experienced in Lebanon and Iran.

Though still in its infancy, doctrinaire Muslim radicalism has been gaining ground in this predominantly Christian nation for several years, prompting Kenyan scholar, Professor Ali Mazrui, himself a Muslim, to warn of an impending Muslim uprising.

Signs of Muslim fundamentalism surfaced in Kenya as recently as five years ago when students at government and Christian schools in Mombasa decided to discard their uniforms in favour of the “hijab” or veil. This invited the wrath of education authorities which, in turn, triggered Muslim agitation in several parts of the country. The matter was eventually taken to the courts which ruled in the students’ favour.

As in other Islamic countries, the Muslim community is divided into two factions — the Shias of the “Ihwaashari” sect, followers of the 12 disciples purported to be the true successors of the prophet Mohamed, and the Sunnis, who traditionally hold liberal views.

The Shias, who have a reputation for militancy and extremism, are considered educated and wealthy, while Sunnis are regarded as the poor cousins. The two factions are now embroiled in disagreements over who should deliver sermons in mosques during Friday prayers. With the advent of multiparty politics in Kenya, the Muslims formed the Islamic Party of Kenya (IPK) this year. The government refused to register it, claiming that to do so would be in violation of the constitution. This led to a clash between the IPK and the authorities.

Seven radical preachers were arrested and the police stormed a mosque in Mombasa. This led to three days of violence in which two people were killed, a police station and post office damaged, shops looted and cars set alight.

A few weeks after the clash, President Daniel arap Moi made a speech in which he asserted, wrongly as it turned out, that Muslims were solely responsible for the slave trade in East Africa.

The Muslims were joined by other opposition groups in condemning Mr Moi’s statement. The government issued a public apology through the area provincial administration, but this did not satisfy the Muslims, who wanted an apology from Mr Moi. It didn’t come, and the Muslim performed a public curse on Mr Moi in a ceremony in which three goats and a chicken were slaughtered.

The gulf between the government and the Muslims looks set to widen. The government’s refusal to register the IPK has incensed the Muslim community, and the leader of the IPK, Sheikh Khalid Salim Balala, is in jail awaiting trial on treason charges. He could be sentenced to death if found guilty.
Young Kenyans fed up with old order

Kenya faces troubled times as its new hopes are wrecked by old politics and its economy bows to the recession, writes HANS-PETER BANNEN of The Star Africa Service from Nairobi.

Kenya is a beautiful country. Its mountains, game parks and beaches are not only among the most attractive in Africa but the standards of amenities for tourists are generally good.

There is a fear that South Africa, which also has the cultural and historical ties with Kenya, will not be able to attract tourists. This is because of the recent violence and the uncertainty about the future.

Young Kenyans are fed up with the old politics and the economic problems. They are looking for a change and are willing to support a new leader who can bring about that change.

The new leader should be someone who is willing to work for the country and who is not afraid to take on the old political leaders. The new leader should also be someone who is willing to work with the opposition to find a way forward.

The current political system is not working and it is time for a change. The young Kenyans are ready to support a new leader who can bring about that change.

Kenya needs a leader who is willing to take on the old political leaders and who is willing to work with the opposition to find a way forward. The young Kenyans are ready to support a new leader who can bring about that change.

The young Kenyans are fed up with the old politics and the economic problems. They are looking for a change and are willing to support a new leader who can bring about that change.
100 famine deaths in Kenya

NAIROBI - More than 100 people and thousands of livestock have died in seven villages in the Turkana district of north-western Kenya.

Journalists touring the area report that the drought-induced famine had driven many people to the larger towns in the Rift Valley. Turkana district commissioner John Ole Mosany has admitted the seriousness of the famine and has appealed for help to donors, non-governmental organisations and churches.
NAIROBI - The opposition Democratic Party of Kenya is suing the ruling party newspaper, The Kenya Times, for publishing articles claiming the DP had hired former soldiers to kill President Daniel arap Moi.

The DP is claiming K20 million in damages resulting from the articles which it says are defamatory and libellous. On Monday the Kenya High Court restrained the newspaper from publishing further articles on the subject until after a hearing on October 5.

The offending article carried alleged confessions from former soldiers in which they claimed to have been paid K2 million to kill Moi and other ruling party leaders.
SA food finally released

CAPE TOWN — After a 10-day delay, a South African shipment of relief supplies for the starving in north-eastern Kenya is finally to leave Mombasa.

The hold-up has made waves in Kenya. It was the main story yesterday in the Daily Nation, Kenya's largest circulation newspaper.

The 652 tons of foodstuffs have been stored at the harbour since being off-loaded by SAS Tafelberg late last month.

South African envoy in Kenya Craig Coleman said "We would have liked to have seen it go straight to Wajir." Yesterday, Coleman's office got the long-awaited letter from Kenya's treasury, waiving duty and value added tax.

Earlier this week, the other essential, a letter of clearance from the Commerce Department, arrived.

Last night, Coleman said he was hopeful that the various authorities would be in a position to release the goods today.

An exemption by Kenyan authorities of the demurrage fee of R1 000 (about 1000 Kenya shillings) a day was in the pipeline.

The food is likely to be flown to Wajir by American military C130 transport aircraft.

The Wajir district has been badly hit by drought and the problem has been compounded by an influx of refugees from war-torn Somalia.

The Africa Muslim Agency, whose South African branch was the prime mover in the food shipment, has been involved in famine relief.
Exiles to be sent home

NAIROBI - About 32 South African exiles and refugees who fled their country to seek political asylum in Kenya are to be repatriated soon, a spokesman for the United Nations High Commissioner for Refugees here has said.

Mr Panos Mountzog of the UNHCR said 87 South African exiles had returned home in the past six months. But hundreds of others who had registered as refugees had not yet expressed a willingness to go back home, he said.

The repatriation programme follows an amnesty announced last year by the South African Government after an agreement with the UNHCR.
Mombasa: Tropical Paradise by the Sea

KENYA AIRLINES

Spotlight on

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ADVERTISMENT
Kenya gripped by violence

Campaigning causes mayhem, police arrest at least 50:

NAIROBI - Kenyan police arrested up to 50 people in a crackdown on election campaign violence over the weekend, senior government officials said yesterday.

The arrests followed violence at rallies of the ruling Kenya African National Union and rival parties, they said.

Election fever has gripped Kenya since President Daniel arap Moi said two weeks ago that the first multiparty elections in 26 years would be held "very soon." He has not named a date.

Keni, the two wings of the opposition Ford Party and the Democratic Party have begun hectic campaigning.

-Sapa-Reuters
Moi under attack
Police crack down on violence in Kenya; build-up to elections
AFRICA NEWS

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Moi paves way for elections

NAIROBI - President Daniel arap Moi has dissolved parliament, paving the way for the first multiparty elections in Kenya in 26 years.

Moi did not set a date for the elections in issuing his decree on Wednesday night but by law a new parliament must be elected and seated within three months. Voters will also choose a president.

Campaigning marred by occasional violence has been underway for weeks by Moi's ruling Kenya African National Union party and a number of opposition groups.

Three major opposition parties have emerged since Moi bowed to international and domestic pressure and ended his party's monopoly on power last December.

Moi rose to the presidency on the death in 1978 of Jomo Kenyatta. — Supa-AP
INTERNATIONAL NEWS Kenyan opposition supporter

Democrats fired upon

Boys shot while threatening to necklace ruling KANU party woman supporter

NAIROBI - Three schoolchildren were seriously injured when police opened fire on supporters of the Opposition Forum for the Restoration of Democracy at Oyugis in western Kenya on Sunday, it was reported yesterday.

They were later admitted to hospitals in the area, the reports said.

The boys, aged between eight and 12 years, were among a crowd of FORD-Kenya supporters who had seized and threatened to burn by necklacing a woman supporter of the ruling Kenya African National Union they alleged had been buying and destroying voting cards.

The Luo-speaking area is a stronghold of the FORD-Kenya chairman, former vice-president Oginga Odinga, himself a Luo.

Two policemen, who had broken into the FORD-Kenya offices to rescue the middle-aged woman, and several other opposition supporters were also injured in the fracas.

Violence is already creeping into the unofficial campaigns for the approaching multiparty elections - the first in the country for 26 years - even before President Daniel arap Moi announces the actual date.

Police have fought other battles with the opposition. - Sapa-AFP
Veterans challenge Arap Moi

Kenya is to hold its first multi-party poll in 26 years:

NAIROBI - Kenyan President Daniel arap Moi will face three veteran politicians in general elections he has called for December 7 - the first multi-party poll for 26 years.

All four men have figured in government since independence from Britain in 1963.

Following are their pen portraits:

Daniel Toroitich arap Moi, 68 - was vice-president for 12 years under Kenya's founding father, Jomo Kenyatta.

Mwai Kibaki (60) - a key figure in ensuring Moi came to power in 1978. He rose to vice-president.

Jaramogi Oginga Odinga, 81 - chairman of one faction of the split Forum for the Restoration of Democracy (FORD).

Kenneth Matiba, 60 - Partially paralyzed from a stroke he suffered in jail after Moi detained him in 1990 for urging an end to one-party rule.

-Sapa-Reuter
Kenya faces tough road to elections

NAIROBI — Kenya faces six weeks of stormy political campaigning ahead of the country's first multiparty polls in more than a quarter of a century, to be held on December 7.

Eleven political parties said they would enter the fray after President Daniel arap Moi set the date on Tuesday. Moi, 86, who has been in power for 14 years, said the poll date was his "secret weapon".

Electoral commission chairman Judge Z R Chesoni announced the date of the vote in a statement and said presidential and parliamentary candidate nominations had to be lodged by November 14.

Many people see Moi and his Kenya African National Union as a safe option as opposition parties squabble among themselves and split along tribal lines.

His main challenge comes from the Forum for the Restoration of Democracy, led by Jaramogi Oginga Odinga, and the Democratic Party, led by former vice-president Mwai Kibaki.

Moi has accepted independent observers to ensure the polls are fair, but the opposition says they have already been rigged.

Odinga said yesterday the polls had been called in an "unreasonably short time".

International observers said yesterday they had expressed their concerns over the organisation of the elections to the government.

About 7.5-million voters have registered but diplomats said a million more were robbed of the vote because they were not issued with identity cards and registration closed early.

Opposition leaders have also complained the government was using state money and the official media to campaign for Moi's party, that civil servants were being intimidated into voting for the ruling party and that opposition meetings were being sabotaged.

— Sapa-Reuters
"Dirty tricks" in Kenya

NAIROBI: Kenyan opposition parties on Wednesday accused the government of a dirty tricks campaign to ensure it wins next month's elections. President Daniel arap Moi this week announced Kenya's first multiparty poll for 25 years would be held on December 7.

"The KANU (Kenya African National Union) government has employed every trick in the book to ensure that Kenyans are deprived of the very freedom of choice we have fought for over a hundred years," said Odinga, chief of main challenger FORD/Kenya, told reporters.

"The fact is that the opposition has been called in an 'unreasonably short time' and the fact is that a million voters were not registered or were not issued with identity cards and registration was closed early," he said.

"Opposition leaders have also complained that the government is using state money and the official media to campaign for KANU, that it is intimidating and intimidating voters," said Odinga.
NAIROBI - Six former MPs announced at the weekend they had left the ruling Kenya African National Union to join newly formed opposition parties for Kenya's December 7 multiparty elections. Four said in statements at the weekend they had joined the Democratic Party.
Kenya polls delay likely

NAIROBI - An opposition party yesterday won a court battle to change election rules, which could delay Kenya's first multi-party elections in 26 years, planned for December 7.

The High Court granted the Forum for the Restoration of Democracy (FORD) an injunction extending the deadline for nomination of parliamentary candidates.

FORD Kenya leader Oginga Odinga said parliament had passed legislation setting the minimum period for nominations at "not less than 21 days" from the announcement of an election, but Attorney-General Amos Wako had changed the provision to read "not more than 21 days."

Judge Tom Mbaluto ruled that the change was invalid.

Court sources said the electoral commission planned to appeal the ruling, which could mean postponing the elections, which must be held by January 28 under Kenya's constitution.

All eight opposition parties have complained that the snap election announced by the government of President Daniel arap Moi last week left them too little time to organise and hold party elections to select candidates.

At least seven people have been killed and an opposition leader wounded this week, escalating political violence.

-Saga-AFP
Kenyan politics in 1972:

Mass expulsions of Asians from Uganda in 1972

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Bahraini and Pakistani families again
Kenya set on wooing SA tourists

DIANNA GAMES

EVEN with its beautiful long white beaches, waving palms and exotic history, Kenya is suffering from the recession-related drop in tourism and is now courting a new and potentially lucrative market — SA.

Kenya Airways introduced its direct flight from Johannesburg to Mombasa at the end of October and flies there twice a week.

The benefits of holidaying in Mombasa are plenty, but Kenyan tour operators are somewhat concerned that South Africans, who have their own game parks and glorious beaches, may not be on the first plane to explore Kenya's delights.

There is also concern that South Africans feel hurt enough about their longtime pariah status in Kenya to keep away.

Mombasa itself is on an island which is crammed from one side to the other with teeming life, homes, shops, congested roads with little apparent order to them, a surfeit of old cars including dozens of London taxis which are used for the same purpose.

The beach resorts are lined up along the north and south coasts which seem to compete with each other for business. Which is best? It depends on who you ask.

The general impression is that the north coast resorts are older and have a more colonial heritage while those on the south coast are bigger, grander and apparently more fun.

But despite complaints about the drop off in tourism, one new hotel is to be opened this month and another is nearly completed.

A wide range of restaurants seems to be a major part of hotels in Mombasa. The enormous Diani Reef Grand Hotel has no less than eight restaurants which take up an entire floor, each with a theme such as Arabian, Polynesian or Italian.

While seafood is said to be plentiful along Kenya's coast, it is still a luxury and, in fact, the major culinary influences are Indian and Chinese.

Mombasa is a colourful place with a consistently warm climate — December is unbearably hot along the coast although it remains peak holiday time.

Game park fees are high for non-residents.
A tricky tribal balancing act for Kenyan politicians

Tribalism or ethnicity is a potent factor in Kenyan politics, and a party has to devise a tricky balancing act to reflect all the components of the country's people in its leadership if it is to stand any chance of winning an election.

As the December 29 general and presidential elections approach, parties are hurriedly cobbling together what they hope will be winning tribal combinations.

Kenya has more than 50 tribal or ethnic groups, but political power cannot be won without a successful juggling of at least the 10 major groups. The tribal factor has been blamed for the failure of the opposition to present a united front against President Daniel arap Moi's Kenya African National Union (KANU).

The opposition forum for the Restoration of Democracy (FORD) has split into two, with veteran nationalist, Oginga Odinga, of the Luo tribe, the second largest in the country, leading one faction, and Martin Shikuku, a Luhya, contesting the leadership of the other faction with Kenneth Matiba, a Kikuyu.

Paddy Kenyan environmentalist and political activist Professor Wangari Maathai has warned against denying the existence of tribalism or ethnicity as a factor in Kenyan politics, especially for those people who feel marginalised or threatened.

Maathai's off-the-cuff comment made at a meeting in Nairobi with a group of South Africans should be of interest to many South Africans who are themselves grappling with the same problem.

"Ethnic communities in Africa are no different from nations," Maathai said.

"They see themselves as nations. They have their own identity, their own language, and their own culture. It is impossible to make people forget their roots."

"It is important for communities, such as we have here in Kenya, to co-operate because history has put them together.

"The problem is we are trying to deny it and teach our children that ethnicity is wrong, as if it is a crime to belong to your ethnic community."

"We can pretend that it doesn't matter until we are threatened; then we start to say who we are and we begin to identify ourselves with our ethnic or race group or our religion."

"If there was a more equitable distribution of wealth, if we shared as much wealth as we shared our poverty, I think very few people would be concerned about their ethnic background."

Maathai said one of the reasons why ethnic identity had grown in Kenya since independence was that politicians, especially President Moi, had favoured their own tribe at the expense of others in the distribution of resources.

"President Moi has divided the resources of the country among his friends and people of his community in a desperate effort to fence himself from his enemies, and as a result he has marginalised other people."

"The ethnic factor in politics is here to stay. You can't tell an Englishman to stop being an Englishman. He may tell you he is British, but he knows very well he is English."

It is impossible to deny the existence of tribalism as a potent factor in Kenyan politics, particularly before an election, reports BARNEY MTHOM-BOTHI of The Star's Africa Service.
Democracy brings no hope

Kenya’s elections will worsen the political and economic situation, writes Colin Legum
Multiparty elections in Kenya take place this month and opposition parties are using Zambia's poll a year ago as a model for their campaign to unseat President Daniel arap Moi. But unlike in Zambia, the opposition is hopelessly divided:

Many say the tribal factor is to blame. The biggest factor, which has renamed itself Ford-K, is led by veteran nationalist Oginga Odinga. But many opposition supporters say Odinga, a former vice-president, is too old.

"I think the opposition has done itself a great disservice by becoming fragmented," laments Maathai.

Her MGG is trying without much success to get the opposition to unite. "We feel very strongly that unless the opposition forms the next government, the democratisation process in this country will be delayed, because the ruling party is not interested in democracy."

Leaders to unite

"We want the people to almost force the leaders to unite. But they have been very stubborn because every one of them wants to be the next president," Maathai said.

A reconciliation meeting convened by MGG was attended by the Odinga faction but boycotted by the others. The MGG has now simply drawn up a list of people it thinks will stand a better chance of defeating Moi at the polls.

Odinga heads the list as presidential candidate, Mr. Mudavibai Kibaki, leader of the Democratic Party, as his running mate, and Mr. Kenneth Matiba, who heads the other Ford faction, as prime minister.

"Well, the old man (Odinga) is of course old," Professor Maathai says, "but he has a very solid block of support from his ethnic community."

Odinga is from the Luo tribe and both Kibaki and Maathia are Kikuyus. The Kikuyus and Luo are the two largest tribes in the country and the list, if endorsed by the opposition, could almost certainly guarantee victory against Moi who comes from the smaller Kalenjin tribe in the Rift Valley. But the opposition leaders have refused to bite.

"It's (the list) certainly not democratic but we're not dealing with democracy here," Maathai says. "We can only restore democracy when we form the government."

She says there are no issues in this election. "Nothing. Everybody wants to be in power."

But Dr. Mukhu Kuyas, Ford-K's executive director and parliamentary candidate, disagrees. The main issues he says are the economy and a return to constitutional government.
Clashes as Kenya poll draws near

NAIROBI - Police fired in the air and used teargas to disperse opposition supporters in Kenya on Saturday as political groups stepped up their campaigning for multi-party elections on December 29.

Witnesses said police had ordered an unruly crowd to disperse after scuffles broke out when Forum for the Restoration of Democracy (FORD) leader Oginga Odinga tried to address an impromptu rally.

In another incident at Eldoret, youth wingers of the ruling Kenya African National Union (KANU) party clashed with supporters of the rival Democratic Party as DP leader Mwai Kibaki arrived.

In a Press statement on Sunday, Kibaki protested against what he said was harassment of his party by police and government officials. He said these actions were being ordered by KANU leaders.

Kibaki told reporters that the situation threatened security throughout the country.

President Daniel arap Moi has denied suggestions that opposition groups are being harassed.

-Sapa-Reuter
NEWS FEATURE
Hatred of other ethnic groups

Gun law scourge of Horn of Africa

Nairobi - Anarchy in Somalia where US Marines landed this week to end gun law mirrors the endemic conflicts that have griped Horn of Africa states since independence more than 30 years ago.

Millions killed
Wars and famine have killed millions of people, made several millions more refugees and kicked away the crusts of bombing economies.

"The region's troubles stem from the failure of state authorities and other groups to recognize each other's ethnic differences," Nairobi University political analyst Nick Wanyoike said.

"These countries have not developed a culture of violence as such but there is a phenomenon of violence developing that is based on hatred of other ethnic groups," he said.

"The problems have been compounded by the lack of government transparency and regular free and fair leadership elections."

A crash into anarchy
Somalis crashed into anarchy after rebels toppled military dictator Mohamud Siad Barre in 1991.

The rebels then turned their guns on each other and a subsistence economy collapsed.

More than 300,000 peoplestarved to death before the United Nations decided to send in a US-led force of some 36,000 troops from a dozen countries.

About 1.5 million Somalis face starvation and nearly a million others have fled to neighbouring states.

The sketch for the other Horn of Africa nations is as follows:

Uneasy peace
Ethiopia - An uneasy peace exists after rebels from the north shot their way into the capital Addis Ababa last year to overthrow Marxist dictator Mengistu Haile Mariam.

Mengistu had emerged victorious from power struggles among a group of army officers who had seized power a decade ago, topping feudal chieftain Haile Selassie.

Hundreds of refugees
The 30-year war between government troops and rebels in Ethiopia's strategic Red Sea region of Eritrea has created hundreds of thousands of refugees and ruined the impoverished country's economy.

Sudan - A mainly Muslim country, it has been reeling from armed insurrection by Christian southerners since 1983. About a third of southern Sudan's population of six million has been displaced and hundreds of thousands have fled the country.

Djibouti - Djibouti has been torn by fighting between government troops and rebels over the last year.

Kenya has been an island of relative stability and prosperity. Last year President Daniel arap Moi bowed to opposition and western donor pressure to introduce a multi-party system. But there has been fighting in the interior between pro and anti-Moi factions.

Wanyoike said the first multiparty general election in Kenya for 26 years on December 29 could point the way forward. "All the countries in the region will be watching the elections closely to see how they are held. If they are conducted properly, this will help other countries such as Somalia and Ethiopia," he said. "If there is cheating and violence; then we are headed for a tragic situation." - Sapa-Reuter
Food for ‘city of death’

Massacre of 89 Kenyan nomads

NAIROBI - Sudanese tribal raiders massacred 89 Kenyan nomads, mostly women and children, in a remote area of north-west Kenya before making off with their livestock, police said.

The raiders, who belong to the Toposa and Dongoro tribes and attacked a manyatta (nomadic settlement) at Kokoro near the Sudanese border on Saturday, were armed with sophisticated firearms and other weapons, police officials said.

They killed 15 men, 32 women and 42 children and stole more than 7,000 head of cattle, goats, camels and donkeys, the officials said.

Clashes between local tribes are common in this semi-desert area but Saturday’s raid was the most serious in several years.

In 1988 a gang of 400 armed raiders from Sudan killed 191 Kenyans and stole thousands of cattle. On that occasion, Kenyan police intercepted some of the raiders and killed 20.

Meanwhile, four Western ambassadors walked out of Kenya’s main independence celebrations accusing President Daniel arap Moi of turning the event into a political rally for the embattled ruling party.

In nearby Somalia, more than 200 US Marines swooped on a military air base in Somalia’s interior to secure it for the US-led armed intervention to get food to the starving, a spokesman said.

It was the Marines’ first thrust into Somalia’s lawless and famine-stricken interior since they reached the capital on Wednesday. The airfield at Bali Dogle, about 160km from the capital, is likely to be used as a staging post to secure relief operations for Baskoa, dubbed Somalia’s “city of death”.

Saga-Reuters
Closure of border highlights tensions

Ever since Uganda's leftist leader disregarded Kenya's peace-broking efforts, President Moi has made his displeasure clear, writes JOE KHAMISI.

The closure last week by Kenya of its border with Uganda is a culmination of almost six years of tensions between the two east African countries.

The tensions are as much a result of ideological differences as of personal incompatibility between the left-leaning Yoweri Museveni, the Ugandan president, and Kenya's pro-Western Daniel arap Moi.

Heading the National Resistance Army (NRA), Museveni took over the government in 1986 after a fierce five-year bush war, first fighting the government of Milton Obote, and then General Tito Okelo, who had declared himself president after Obote's overthrow. By that time Uganda had undergone 15 years of political turmoil, eight of them under the unpredictable Idi Amin.

Only days before Museveni's guerrillas marched triumphant into the capital, Kampala, Moi, playing the role of honest broker, had hosted a much-publicised reconciliation meeting encouraged by the OAU in Nairobi between Okelo and Museveni. A peace accord was signed.

But at his headquarters in the bush, Museveni suddenly disregarded the terms of the agreement and his NRA soldiers were in Kampala within days in a surprise attack which saw government soldiers surrendering or fleeing in panic.

Moi was furious and since then has avoided Museveni, even at leaders' summits.

On countless occasions Moi has accused Uganda of either being used to send his opponents for guerilla training in Libya or as the base for saboteurs.

Moi chose an obscure campaign venue of Siaya in western Kenya, close to the Ugandan border, to announce the closure of the border early this week. He said the border was being closed on account of the coming elections. At the same time, however, he accused Uganda of training youths to destabilise his country.

Although certain rail and road transportation will continue across the border, the latest incident may disrupt the flow of Uganda transit traffic from the port of Mombasa. Ugandan goods account for almost 60 percent of all transit cargo through the Kenyan port, and a long closure could have serious consequences.

The closure is also a setback to attempts to revive the East African Common Market — Star Africa Service.
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The closure is also a setback to attempts to revive the East African Common Market — Star Africa Service □
Rigging charges fly ahead of poll

By Joe Khamisi
Star Africa Service

NAIROBI — The Kenyan presidential nominations this week signalled the start of a two-week dash by eight aspirants to capture the presidency which has been held for the past 14 years by Daniel arap Moi.

Nominations for 188 parliamentary seats and more than 500 civic positions were completed a week ago, and the formal 21-day campaign period began.

Confirmed

The ruling party, the Kenya African National Union (Kanu), already has a head start.

Seventeen Kanu candidates, most of them from Moi’s Rift Valley province, have been confirmed by the Electoral Commission as having been elected unopposed for the December 29 poll. They include Moi himself, who was nominated without opposition for the Baringo Central seat in the Rift Valley.

However, opposition parties have challenged these Kanu nominations, claiming their prospective nominees were barred from presenting their papers through foul play.

Opposition parties are demanding reconsideration of no less than 45 cases where, they claim, candidates were either abducted on their way to nomination centres, attacked and their papers stolen or deliberately prevented from presenting their documents to voting officers.

The violence and chaos that prevailed on nomination day left 50 people injured around the country and led to a protest note from the Commonwealth observer mission here to monitor the elections.

One of the three major opposition parties, Ford-Kenya, also threatened to boycott the elections. The party’s vice-chairman, Paul Muite, said he could not rule out civil war if Moi and Kanu were “rigged” back into power.

“There is every likelihood of violence occurring as a direct consequence of such rigging,” Muite said.

Chairman of the Electoral Commission, Judge Zachaeus Cheson, has appointed a three-man committee to investigate the irregularities.

The credibility of the poll was further put into question when five Western envoys walked out of independence day celebrations being presided over by Moi last weekend.

The envoys complained that the celebrations had been turned into a Kanu election rally.

The ambassadors of the United States, Germany, Sweden, Canada and Denmark later explained, in separate statements, that their credentials did not allow them to be partisan.
Kenya edgy before poll

KENYA is approaching its first multi-party elections since 1963 amid accusations of governmental interference and against a background of violence and intimidation.

The country is looking forward to the December 29 poll with mixed feelings. For the rulers the elections are an unpleasant necessity after pressure from below and the urgings of outside powers.

For the ruled, happiness at the prospect of a fuller democracy has been tempered by fear of the turmoil and instability that may come in its wake.

Already the run-up to the poll has been marred by violence, with 19 people dying in clashes between rival groups in western Kenya in recent days.

Gangs of youths shouting party slogans regularly run through the centre of Nairobi, alarming shoppers.

In the presidential election, eight candidates are challenging Daniel arap Moi, who has ruled the country in a progressively authoritarian manner for the past 13 years.

In the parliamentary and municipal elections to be held on the same day a number of opposition groups are challenging the monopoly of power enjoyed by the ruling Kenyan African National Union.

The main contender is the Kenya National Alliance for the Restoration of Democracy led by Mr. Oginga Odinga.

From Patrick Bishop in London

Kenya's first vice-president, the breakaway Ford-Aani, led by a former cabinet minister, Mr. Kenneth Matiba, and the Democratic Party of Kenya, led by another former vice-president Mr. Mwai Kibaki.

All three are also contesting the presidency.

President Moi has made full use of his position to maximise his and Kanu's chances in the elections.

This week one of the independent observers groups who have been to monitor the poll said the election campaign had been "significantly compromised" by the government's interference.

The US-based Inter- national Republican Institute said that after two weeks of travelling round the country it had heard about and witnessed harassment of candidates and supporters, sometimes involving the police force, to Kanu's benefit.

The IRI also discovered incidents of Kanu buying up identity and voter cards, and bringing candidates and voters.

President Moi's main campaign theme has been to try to convince voters that multi-party democracy will inevitably mean that national unity will fall apart, as the country divides along tribal lines -

© The Telegraph, London
Election chaos in Kenya

Argus Africa News Service

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Famine after floods

NAIROBI - Up to 180,000 people in north-east Kenya are in urgent need of food supplies because floods have cut roads there.

Kenya radio yesterday quoted the District Commissioner at Garsen as appealing for an airlift to move food to areas cut off after several weeks of heavy rain.

The local famine relief committee estimated that 180,000 people were at risk as it was not possible to transport food supplies to feeding centres.

The radio said the Kenyan army was being asked to organise an airlift.
World in brief

Famine after floods
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Food for Baidoa
MOGADISHU - United Nations trucks carrying 300 tonnes of food left under armed US escort for the Somali town of Baidoa. Two helicopter gunships hovered above the convoy of 20 white trucks, which carried enough wheat to feed 400,000 hungry mouths for a week. It will be the first big convoy of food to reach Baidoa, the "City of Death" at the epicentre of Somalia's famine, since July. The last convoy, on November 11, was hijacked on the outskirts of the southern town.

RPP rules Djibouti
DJIBOUTI - The ruling party of President Hassan Gouled Aptidon swept to victory in Djibouti's first multiparty election. Results of Friday's parliamentary election in the small Red Sea state showed the People's Rally for Progress (RPP) won nearly 75 percent of the vote.

Mobutu riots toll
KINSHASA - Authorities in Kinshasa said three people died in a day and night of street protests against President Mobutu Sese Seko in the Zaïrean capital. The Zaïrean Human Rights League said five people were killed while an opposition newspaper reported eight deaths.

Gaddafi's forecast
NICOSIA - Libyan leader Muammar Gaddafi said North Africa was doomed and its people must eventually move to other Arab countries or at least acquire water from their neighbours.

Traore case break
BAMAKO - A Malian court trying ex-president Moussa Traore for "blood crimes" has adjourned the case until January 4. Lawyers said defendants needed a rest over the holidays.

MPLA troops on alert
LUANDA - Angolan government troops were put on general alert last Saturday and ordered to respond with full military force as Unita rebel troops were reported advancing on the central region.

Rebel forces were building up around Malange, a provincial capital 350km east of Luanda, and Cuito, 300km further south, Angolan state radio reported.

Military spokesman General Higino Carneiro said "Regional commanders have been ordered to respond aggressively to any offensive military manoeuvre by Unita."

The military alert came as US Assistant Secretary of State Mr Jeffrey Davidow began a second day of shuttle negotiations between the government and rebel leaders, trying to resolve the crisis that has pushed Angola to the brink of civil war.

Government and rebel troops have been at an armed impasse since Unita leader Mr Jonas Savimbi accused the government of rigging multiparty elections in September.
The Yuletide spurt has been dampened in Kenya by fears that next week's general election could explode into countrywide violence, Joe Khamisi of the Sowetan Africa News Service reports from Nairobi on current opinion in the country.

**SMILES** Kenyan president Daniel arap Moi faces a general election which might tip the country apart with violence next week.

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**Avoid public transport**

"We have told our voters to stay put where they registered and avoid journeys by public transport and CDLs from the various general political parties," said the railway minister.

**Another fear is that the government will place roadblocks on major roads and prevent people from returning to their voting areas."**

**Reverend Kalubula of the National Council of Churches said that if the anticipated transport blockade took place it would be the worst form of election-raging.”**

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Election tension

Indians flee from Kenya

NAIROBI - As many as 10,000 Asians are believed to have left Kenya temporarily to escape possible violence during the general election next week.

The estimate of the number seeking refuge elsewhere has been made by travel industry sources, who said most of the Asians had flown to India, Britain and South Africa.

Large numbers have already driven across the borders into Tanzania and Uganda.

The Asians are believed to feel vulnerable to becoming targets of political violence because of the anti-Asian sentiment that has surfaced from time to time not only in Kenya but in Uganda as well.

British colonialists

The 80,000-strong Asian community consists mostly of Hindus descended from the labourers brought out from India by the British colonialists to build the Kenya-Uganda railway, and Muslims.

Since independence in 1963 few Asians have ventured into Kenyan politics. The late Krishnan Guattana won a parliamentary seat in the largely Asian constituency of Westlands in Nairobi some years ago and this year businessman Ammin Wajir is running for election for the ruling Kenyatta party in the same constituency.

But in a country of 25 million people, the commitment of the Asians is often seen by the Africans as minimal and their allegiance as suspect.

The chairman of the Hindu Council of Kenya, Mrs Usha Shah, has spoken bitterly about what she says is frequent negative publicity about Asians in the Press. She says it tends to depict the Asian community as aloof, arrogant and corrupt.

"Some of the publicity is frightening," she said.

About 50 people are estimated to have died in political violence since parliament was dissolved late in October to clear the way for the election on December 29, the first multiparty election in 26 years.
Moi's long rule challenged

NAIROBI - President Daniel arap Moi's 14-year grip on power in Kenya will be put to the vote tomorrow.

Following are pen portraits of the incumbent and his challengers:

Daniel Toroitich arap Moi (68) Former herdsboy and school teacher. Vice-president for 12 years under Kenya's founding father, Jomo Kenyatta.

A Kalenjin tribesman, Moi sidestepped attempts to block his succession at Kenyatta's death and stamped his mark on the nation with a political philosophy he called Nyayo - literally "footsteps." His sometimes nervous grasp of politics ended after an August 1982 coup attempt against him by junior airforce officers.

He became a tough-talking leader and jailed many political dissidents as he asserted his authority through one-party rule.

Mwai Kibaki (60) A key figure in ensuring Moi came to power in 1978. He rose to vice-president and finance minister but was demoted to health minister four years ago after the president said he was not vocal enough in pledging loyalty.

He quit his health portfolio on Christmas Day last year to form his Democratic Party of Kenya (DP), the only opposition group not driven by tribalism or power rivalries.

The DP could pose the main challenge to Moi, following the ethnic rivalries that split the once-major opposition FORD party into two.

Jaramogi Oginga Odinga (81), chairman of FORD-Kenya.

A top leader in the early years, Odinga was vice-president to Kenyatta between 1964 and 1966 before he quit KANU to form his Kenya People's Union (KPU) which was outlawed in 1969.
10,000 Asians flee Kenya before polls

JOE KHAMISI
Weekend Argus Africa Service

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See also page 12.
SA MP for Kenyan poll

A DURBAN MP is to act as an international observer in the Kenyan elections of 1972. National People's Party MP in the House of Delegates, Ebrahim Jossab was invited to observe Kenya's elections on December 29 by the International Republican Institute.
De Klerk orders a probe into sale of 'cheap sites'

By GEORGE MAHABEER

THE State President has ordered the House of Delegates to conduct an investigation into the sale of prime business sites at a fraction of municipal valuation to two people.

And the sale of a service station and business sites in Durban and Cape Town has now been frozen by Director-General Dr Bhadr Ranchod, who has refused to elaborate, saying the matter is sub judice.

Acting chairman of the Ministers' Council Baldeo Dookie was summoned to meet President de Klerk and ordered to institute the investigation.

Dr JN Reddy, chairman of the Ministers' Council, is on holiday.

Mr Dookie refused to disclose details of the investigation, though he admitted it involved the allocation of sites.

Opposition leader Anand Rajbansi drew the State President's attention to "serious allegations of maladministration bordering on fraud and corruption in the HoD".

Mr Rajbansi alleged that a northern Natal man who was displaced as a baker and tearoom owner had been allocated a service station site in Cato Manor, and two prime sites, including a service station, in the Chatsworth Centre.

The municipal valuations of the Chatsworth sites are estimated at more than R4-million, but the HoD had received instructions to sell it to the northern Natal man at half the price, he said.

In Cape Town a man who had his business site in Elstrees River expropriated is being allocated a petrol service station site and a business property at a cost of R150 000. The municipal valuation is more than R1,2-million.

Mr Rajbansi said he had asked the State President to investigate why these cases were treated favourably while other businessmen had to pay the market value of the properties.

He said that he had been informed that a senior policeman had issued the instruction for the properties to be sold at a fraction of its valuation.
Kenyans in for a bumpy ride

NAIROBI — If the kidnappings, assaults, thefts and harassment which marked the nomination of many opposition candidates is anything to go by, Kenyans are in for a rough time when the actual voting takes place tomorrow in their historic multiparty election.

In the huge Rift Valley province, where President Daniel arap Moi's Kalenjin tribesmen rule the roost, no fewer than 17 candidates of his ruling Kenya African National Union (Kau) party have already been elected unopposed. This is because their opposition opponents claim either to have been kidnapped, or prevented by roadblocks and other delaying tactics from presenting their nomination papers on time.

The official Kenya News Agency reported yesterday that three people were seriously injured and a car belonging to opposition Forum for the Restoration of Democracy (FORD) secretary general Martin Shikuku was damaged in a clash in western Kenya. According to the agency, the trouble started when Shikuku drove past the venue of a campaign meeting by Francis Atwine, a parliamentary candidate for Kau, as he was heading for his own campaign rally venue.

The agency did not indicate whether Shikuku was also injured in the ensuing stone-throwing and fighting before police intervened and restored calm.

Stand

This is just one of the latest violent incidents.

Earlier, a Kikuyu aspirant who dared to stand against Moi in his Baringo central constituency, Dr Patrick Nyiru, alleged that he was thrown off a bus on his way to the nomination centre after having his papers torn up. As he arrived too late to register, Moi, who has never had to fight an election in his 35 years in politics, was again elected unopposed.

However, Nyiru now has a petition before the courts, one of many from nomination day.

Moi's supporters have launched unlimited funds on trying to entice opposition candidates to defect to Kau. Pressure groups run by yuppies, such as “Operation Moi Wins” and “Youth for Kau 92”, have been denounced by church organizations as “the beginnings of a fascist movement in Kenya”.

The sum — to cause confusion in opposition parties — knows no bounds. On December 30, they hijacked Kenya's sacred national day, celebrating 50 years of independence, by turning it into a massive campaign rally for Moi and Kau, brass bands, choirs and banners proclaiming Kau's achievements.

Feeling the heat... Kenyan presidential candidate Kenneth Matiba, of the Forum for the Restoration of Democracy, peers at supporters at a weekend rally. Matiba is recovering from partial paralysis after a stroke in jail after President Moi detained him in 1990 for urging an end to one-party rule.

This blatant manipulation of Independence Day so offended some Western diplomats that five walked out of the Nairobi celebrations just as Moi was about to address the nation. They were the ambassadors of Germany, the US, Sweden and Denmark and the Canadian High Commissioner.

After many weeks when opposition campaigners found themselves treated almost like criminals by civil servants and police, Moi made a sudden U-turn. He ordered the administration and the security services to give freedom of movement and protection to all candidates of the seven opposition parties.

But the clever Catch-22 clause in the electoral laws remains untouched. This is the proviso that the next president to be elected must have at least 25 percent of the votes in each of the eight provinces.

With the ethically composed...
NOMINATIONS row
NAIROBI - Commonwealth monitors yesterday called for a speedy resolution to a dispute about candidates' nominations for Kenya's first multiparty elections in more than two decades, saying they viewed it as a "grave" matter (165).

"The nominations sit on a situation needing improvement. It is an issue of grave gravity," Judge Telford George, head of the Commonwealth election observers, told reporters. "But there is still time. We do hope the government can play free and fair. We shall seriously take up the matter."
Asians flee on eve of elections

NAIROBI — As many as 10,000 Asians are believed to have left Kenya temporarily to escape possible violence during tomorrow's general election.

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About 50 people are estimated to have died in political violence in Kenya since the country's parliament was dissolved late in October to clear the way for the first multiparty election in 25 years. — Star Africa Service

● Kenyans in for bumpy ride — Page 6
Kenyan economy in casualty ward

NAIROBI — Kenya's economy, once the envy of Africa, is in the casualty ward awaiting today's general elections and a surgeon with the courage for a major operation.

Deprived of lifeblood aid by impatient Western donors, the economy is shrinking and only major surgery can put it back on its feet, diplomats and economists say.

Like its outdated one-party political system, Kenya's economy is littered with anachronisms inherited from colonial rule, such as the web of state control over agriculture and industry.

The state accounts for half of salaried employment.

The outgoing government of President Daniel arap Moi has promised donors and multilateral agencies it will bite the bullet of reform to win back balance of payments support worth a crucial $40 million monthly.

"We've heard these promises before," said one Western envoy. "What we want to see now is action. These are critical times and require bold action."

Whoever wins the presidential and parliamentary polls will take the reins of an economy going backward. Every key indicator is pointing the wrong way, except potential.

"This country has so much going for it," said a corporate banker. "It's got resources and it's got people. What it doesn't have right now is the right kind of economic leadership."

Crunch decade

The economy grew by a dismal two percent in the year to April, half the birth rate and half the level of the previous few years. The figure, said the banker, was proof that the 1990s were the "crunch decade."

A blend of coffee, tea, tourism and generous Western rewards for political stability insulated Kenya from much of the upheaval other African states suffered in the 1970s and 1980s.

A bulwark against Marxism during the Cold War, Kenya was rewarded by the West with aid and a blind eye to isolated instances of human rights abuse and the growing cancer of corruption which flourished under one-party rule.

The end of the Cold War changed that.

A year ago the West stopped propping up a Kenyan economy which did not match up to its new criteria of "good governance, accountability and transparency." — World Bank slogan

Many regard Kenya as a test case of Africa's ability to follow Southeast Asia and Latin America down the road from dictatorship and decline to pluralism and prosperity.

The donors want peasant farmers, the backbone of the economy, rewarded in cash for their tea and coffee instead of seeing profits strangulated in administrative state machinery.

Tea farmer James Michuki gets about one US cent for every kilogram he grows. The semi-state Kenya Tea Development Authority gets 19 cents. "Where is the rest of my money?" he asks.

Swallowed by costs, is the government reply:

Inflation is running above the officially admitted 20 percent and may be double that, economists say. "There has been no new investment of any kind in the past year."

Political turmoil and recession at home have cut tourist arrivals by up to 40 percent, tour operators say. The very change the West demanded has led to an atmosphere which has driven tourists away, Kenyan officials complain.

Finance Minister George Saitoti has canvassed World Bank and International Monetary Fund support for a reform package he says will take root when Moi wins the elections.

Liberalisation

Western backing for the reforms, which include sell-offs, liberalisation of the banking system and the freeing of the key coffee and tea sectors, will depend upon a World Bank/IMF review of Kenya's books early in the new year.

Saitoti said on return from visiting the World Bank and IMF that restoration of aid was just around the corner. Diplomats familiar with their assessment say it is further away than that.

"There is a feeling in Kenya that all they have to do is to promise something," said a Washington economist.

"But that's no longer the case. We want results, whoever wins." — Sapa-Reuters
Kenyans flock to vote in first poll for 26 years

NAIROBI — Hundreds of thousands of Kenyans turned out early today to cast their votes in the country's first multiparty elections in 26 years.

Two hours before polling stations were due to open voters formed long queues to cast their ballots.

"The turnout is impressive. We hope 80 to 85 percent of the electorate will vote," a National Electoral Commission official said.

There were no reports of violence in the capital after months of campaigning marred by bitter recriminations and tribally based unrest in which scores of people were killed.

Unconfirmed reports said youths loyal to the ruling Kenya African National Union (KANU) party and opposition groupings had clashed in the town of Nakuru, 180 km west of Nairobi.

No other details were available.

Voters in the capital, mainly complained that the process of casting their votes was slow.

"First, the stations open later than the appointed time, and then the presiding officials are just too slow. It takes 15 minutes to go through the process when five minutes would do," said Nyuguna Karanja as he waited to cast his vote.

President Daniel arap Moi and KANU face seven rivals.

Moi, who is 68, was due to vote at Sacho, the village where he grew up, in his Rift Valley powerbase.

His main rivals, veteran opposition leader Jaramogi Oginga Odinga of FORD-Kenya, ex-Minister Kenneth Matiba of FORD-Asili and former vice-president Mwai Kibaki of the Democratic Party of Kenya (DP) were also due to vote in their rural strongholds.

Other parties are the Kenya National Congress (KNC), the Kenya Social Congress (KSC), the Kenya National Democratic Alliance (Kenda) and the Party of Independent Candidates of Kenya (PICK).

Moi, a reluctant convert to multiparty politics, and the National Electoral Commission have pleaded for peace during the election.

— Spp-Ruter
Kenyans caught up in election frenzy

Argus Africa News Service
NAIROBI — Just under eight million Kenyans started voting today after a campaign marred by violence and allegations of election rigging.

On the eve of Kenya's first elections in 25 years, a man was hacked to death during clashes between government and opposition supporters, while in Mombasa police used tear gas yesterday to disperse hundreds of Islamic fundamentalists protesting at a trial of one of their leaders.

In the capital, voters started queuing two hours before polls opened at 6am. At one polling station, voting started two hours late as electoral officials struggled to follow the procedures and assure election agents that everything was being done according to the rules.

At another polling station, when voting eventually started, the situation threatened to get out of control when some voters tried to jump the queue, which had stretched right around a city block.

Enthusiasm is running high at the polling stations, despite the banning of party slogans and any form of party campaign material.

There have been no reports so far of violence today, but fears of unrest remain high, especially in the turbulent Rift Valley province, where inter-tribal clashes have left many dead and thousands homeless.

Businesses are closed today to allow people to vote before the 6pm cut-off.

Results from polling booths around Nairobi and from other urban centres are expected a few hours after the close of voting. But it may be days before the results from some seats in outlying areas become known.

The government announced elaborate security arrangements yesterday to prevent any untoward incidents during the election. Attorney-General Mr Amos Wako said police would use air patrols to monitor polling stations.

Voters are casting their ballots to elect a president, 138 members of parliament and thousands of local authority representatives.
100 injured on eve of voting in tense Kenya

NAIROBI — More than 100 people were injured in gunfire and a stampede involving national election rivals, police said yesterday.

Kenyan monitors said today’s voting would be severely compromised by poor security in many districts.

About 7.8 million people are eligible to vote in Kenya’s first multiparty elections in 26 years.

Despite opposition charges of corruption and human rights abuses, President Daniel arap Moi is widely expected to win re-election.

The ruling Kenya African National Union, although no longer the only party, is expected to dominate the 188-seat National Assembly.

Shooting broke out on Sunday night between backers of Moi and Oginga Odinga, one of seven opposition presidential candidates. Some were trampled when hundreds fled the scene near Moi’s official residence in Nakuru.

The national election monitoring unit said free and fair voting was only a remote possibility.

“T tensions are very high and the likelihood of violence in those areas,” chairman Duncan Ndegwa said.

Some political parties were severely disadvantaged, the observer group said.

Some political parties were severely disadvantaged, the observer group said

because the state-run Kenya Broadcasting Corporation denied them air time.

The observer group planned to place more than 8000 police at voting stations today.

However, whoever wins the election will face a difficult task of modernizing the economy and restoring faith in local and international investors.

Diplomats and donors were watching closely the results of the election, which could determine the future of Kenya’s economy and its role in the region.

Donors froze about a third of Kenya’s $1bn-a-year aid last year, pending the results of the election.

The economy grew only 2% last year, Tourism is the biggest foreign exchange earner, has been hard hit by a spate of attacks on foreign visitors earlier this year, recently violence and the recession in the West. — Sapa-AP-APP.
NEWS IN BRIEF

BNM 30/11/92 (142)

Peaceful Kenyan poll

KENYANS queued for hours yesterday to cast their ballots in the first multiparty elections in 20 years, despite pre-election violence that left at least 36 dead.

Pessimists who predicted chaos on polling day were proved wrong as Kenyans turned out peacefully in massive numbers to determine Kenya's new democratic future.

Final results are expected at midday today.
Kenyan polls peaceful despite irregularities

By Barney Mkhomboth and Joe Khamisi
Star Africa Service

NAIROBI — Results of yesterday's elections in Kenya have not yet been announced — more than 12 hours after the polls closed.

Electoral officials are to address the media this morning to explain the delay.

This morning a local radio station announced election results from a few areas which showed President Daniel arap Moi of the Kenya Africa National Union party and Mwai Kibaki of the Democratic Party in the lead for the presidency. But it is still too early to predict the winner.

Missing ballot boxes, wholesale omission of names in voters' registers and other irregularities marred what was otherwise a peaceful election — the first multi-party poll in 26 years.

The voting, set to begin at 6 a.m., was delayed in certain areas by as much as 10 hours. In one constituency in Busia district, voting was delayed until about 4 p.m., a mere two hours before the close of voting, because the presiding officer and his deputy could not agree on the voting procedures.

In Mombasa, voting was delayed by seven hours because about 1,000 clerks refused to start work unless they were paid their salaries. The counting of votes from Mombasa had not started by this morning.

In Eldoret in western Kenya, thousands of people displaced by ethnic clashes did not vote because the mobile polling stations they were promised did not arrive.

In Siaya it is reported that panic-stricken voters watched in disbelief as a six-man, gun-toting gang last night grabbed three presidential ballot boxes and sped away in a car. Authorities, however, could not confirm this.

Opposition parties have claimed that irregularities occurred around the country. In Tiga in Meru district, for instance, six ballot boxes and an unknown number of ballot papers went missing and as a result six polling stations reportedly had no adequate supply of ballot papers.

Mwai Kibaki of the DP said yesterday there had been a lot of irregularities in the voting, but he said his party would reserve comment until after the elections. He urged his supporters to remain calm.

The Minister of Environment and Natural Resources, Philip Leakey, was nearly assaulted yesterday by angry voters.

He had gone into one of the Nairobi polling stations to inquire whether his agents and those of other KANU nominees were having difficulties, only to receive a hostile reception from queuing voters who accused him of being there to rig the ballot papers. Mr. Leakey was escorted to safety by the police.
Kenya hovers on brink of anarchy

NAIROBI — Kenya hovered on the edge of anarchy today after the two main opposition parties said they would pull out of historic multi-party elections because of alleged rampant ballot-rigging and other irregularities.

“We know that our withdrawal could result in an eruption of violence. That is why we are acting with restraint, that is why we are giving the national electoral commission another chance,” said Democratic Party of Kenya (DP) leader Mwai Kibaki.

He and veteran opposition figurehead Jaramogi Oginga Odinga of the FORD-Kenya party said they had witnessed blatant rigging of the country’s first multi-party elections in 26 years but wanted to give authorities “a chance to save democracy.”

Political scientists at the University of Nairobi said that if Kibaki and Odinga pulled out at a late stage in the elections, they would set the scene for chaos and bloodshed in the country.

“We are talking about massive shows of support for the two in the streets, we are talking of riots, looting, anarchy,” said one political scientist.

Opposition parties have reported cases of bribery, intimidation of voters and opposition agents, mix-ups in presidential and parliamentary ballot boxes and papers and, in some cases, lack of ballot boxes.

Sporadic incidents of violence erupted across the country yesterday — Sapa-Reuter
Moi leads

Delay in releasing results creates growing tension in cities: (163)

NAIROBI - Early returns in Kenya’s first multi-party elections in 26 years yesterday showed President Daniel arap Moi surging ahead of opposition rivals in his traditional powerbase.

Initial results from Tuesday’s voting had Moi leading the presidential contenders in four out of six constituencies where counting was completed.

In Nairobi, riot police fired in the air to disperse an angry crowd that set upon an election official accused of trying to rig the results. No deaths or serious injuries were reported.

The crowd spotted the official arriving at a high school used as a counting station carrying a number of ballot papers, both marked and unmarked.

The four constituencies showing Moi with a commanding lead were all in his Rift Valley powerbase. The contest was expected to become much closer as provinces where the opposition is strong began to declare results late yesterday.
Moi far ahead as early returns are counted

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The four constituencies showing Moi with a commanding lead were all in his Rift Valley powerbase. The contest is expected to become closer as provinces where the opposition is strong declare results.

In Konoin constituency, Moi polled 25,562 votes. His seven rivals received a total of 27,011 votes. He also won the presidential race in Baringo East where he won 9,188 votes against his rivals' 45.

In Kero East, the 66-year-old president who has held power for 14 years, scored 18,468 votes against his rivals' 167, while in Bomet he polled 42,041 against his rivals' 62.

The results placed leading opposition figure and former vice president Mwai Kibaki second after he won his Uthaya constituency with 31,278 votes. He also carried Bochari with 5,382 votes.

National electoral commission officials said they recounted votes manually to satisfy parliamentary and presidential candidates.
NAIROBI — Kenya hovered on the edge of anarchy today after two main opposition parties said they would pull out of historic multiparty elections alleging rampant ballot-rigging and other irregularities.

“We know that our withdrawal could result in an eruption of violence. That is why we are acting with restraint. That is why we are giving the National Electoral Commission another chance,” said Democratic Party of Kenya (DP) leader Mwai Kibaki.

Kibaki and veteran opposition figurehead Jaramogi Oginga Odinga of the FORD-Kenya Party said they had witnessed blatant rigging of the country’s first multiparty elections in 26 years but wanted to give authorities “a chance to save democracy.”

“We are seeing things which are very queer indeed,” Odinga told a news conference. “There is no fairness here.”

Political scientists at Nairobi University said if Kibaki and Odinga pulled out at a late stage in the elections they would have set a perfect stage for chaos and bloodshed.

“We are talking about massive shows of support for the two in the streets, we are talking of riots, looting, anarchy,” said one political scientist who declined to be named.

Opposition parties have reported cases of bribery, intimidation of voters and opposition agents, mix-ups in presidential and parliamentary ballot boxes and papers, and in some incidents lack of ballot boxes.

The National Electoral Commission (NEC) said polling began late in most areas across the country on Tuesday and some constituencies were still casting votes late yesterday.

President Daniel arap Moi, a reluctant convert to multiparty politics, needs the “thumbs-up” from the Commonwealth if he is to have any hope of winning back foreign aid of some $40 million (about R96 million) withdrawn in 1991 in protest at the slow pace of reform.

Intimidation

NEC chief Zaccheus Chesoni said elections in at least one area had been put off to Friday due to a ballot paper shortage.

Sporadic incidents of violence erupted across the country yesterday after officials said polling had been peaceful.

One person was killed and the two parties said irregularities also included police intimidation, importation of marked ballot papers after voting and deliberate delays in vote counting to give time to rig results.

The Commonwealth and the European Community, which are monitoring the polls, expressed deep concern at the events.

Most Kenyans nervously awaited the final results barricaded in their homes. Shops remained closed with Asian owners fearing violence. Nairobi was unusually calm and still.

All were preparing for a second sleepless night, results having been delayed by irregularities in counting centres.

In little groups in Nairobi’s suburbs, people stayed close to their radios or watched television in community centres.

Results of presidential polls in 60 constituencies counted so far put Moi well ahead in his ethnic powerbase province of Rift Valley, the Muslim-dominated coast and the north-east of the country where there has been little opposition activity.

The DP and FORD-Kenya said they wanted a re-run of the elections in 65 constituencies. Both Kanu and the NEC were likely to dismiss the demands.

“We are not going to allow kangaroo elections in this country. We might withdraw even in areas where winners have already been declared,” DP spokesman Jacob Matuna said.

“There were many matters for concern in the lead up to the elections,” Commonwealth monitoring team leader Justice Telford Georges said.

He said, however, that no final verdict would be given until tomorrow, when monitors report back from most of the 126 constituencies at stake — Sapa-Reuters.
Food for thought for SA

In defending his one-party dictatorship last year, President Daniel arap Moi warned that pluralism would bring ethnic chaos to Kenya. On the face of it, he seems to have been right.

Less than a year after its first multiparty election in three decades, Kenya is engulfed in ethnic strife involving a number of tribes in different parts of the country. Hundreds have been killed and thousands rendered homeless.

There is no accurate count of the toll, for the authorities have released no figures. Last June, a parliamentary committee appointed to investigate tribal clashes in the Rift Valley and western Kenya said 480 people had been killed in the fighting.

Since then, the death toll has risen to a level that can only be guessed at, but could be as high as 1,000.

"While the tribal fighting does seem to have borne out Moi's prediction, only subjective judgments can be made on whether it was caused by the end of one-party rule," the multiparty election was forced on Moi by Western donors suspending their vital economic aid. But Moi's ruling Kanu Party was returned to power after the opposition parties split and fought.

The opposition, however, accuses the Kanu-dominated government of fomenting the clashes in order to distract attention from its corruption and mismanagement, and to discredit multiparty democracy.

One cause of the fighting appears to be the encroachment of the crop-growing Kikuyu from their overcrowded traditional areas into areas long occupied by the pastoral Masai and Kalenjin.

The latest outbreak of fighting erupted early in October in Narok district when Masai leaders declared a small water catchment area a protected area and ordered the Kikuyu settlers to vacate it. Within days, Masai warriors were raiding Kikuyu villages and more than 30 Kikuyus were killed.

These attacks were followed by others further north in Mau Narok, with 60 houses torched.

While those attacks were taking place, the government was rushing security forces to Bungoma district near the Uganda border, where Masai tribesmen had been killed by Bakusus in circumstances that have not yet become clear.

After bloody clashes earlier this year between Kalenjins and Kikuyus in the Rift Valley region, the Molo, Burnt Forest and Lomusion areas were declared security zones and sealed by the government.

While it says stability has returned to these areas, its claims cannot be checked because outsiders are still prevented from going in. Journalists and opposition politicians who tried to enter the areas were arrested and charged.

Most schools in the disturbed areas have been closed and rural trading centres have become refugee camps.

Estimates of the number of people displaced by the various clashes are as indefinite as the death toll but appear to be somewhere between 50,000 and 60,000.

At the height of fierce clashes in July between tribes in the north, refugees were flocking into Ethiopia at the rate of 500 a week.

"No one expected refugees from Kenya," said Pierre Khoi, the UN High Commissioner for Refugees liaison officer in Addis Ababa. "They came out of the blue without warning."

After several months of demanding that Moi take steps to halt the violence, opposition MPs began a campaign of action aimed at forcing his hand.

Taking his campaign to the floor of parliament, they engaged in heckling, repeated interruptions of debates on points of order and defiance of the Speaker, who at one stage ordered 60 MPs out of the House.

The campaign centred on demands for the firing of local government minister William Ole Ntimama, a Masai whom the opposition accuses of urging his fellow tribesmen to chase the Kikuyu settlers out of Narok district.

Moi has not responded to an appeal by the United States for him to restore peace and facilitate talks between warring groups. Britain, Kenya's former colonial power, has remained silent but Whitehall is believed to have expressed concern to Nairobi.

If the opposition's allegations of government instigation of the clashes are true then Moi is playing a dangerous game, not only domestically but with Kenya's foreign donors. They suspended nearly $60 million in balance-of-payments support in 1991 because of alleged corruption, mismanagement and human rights violations by the Moi government.

The suspension is due to be reviewed at a meeting of the donor nations in Paris on November 22 and they will not be inclined to restore aid if they believe that Moi's government is indeed fomenting the violence.

There is some evidence that it arose from ethnic rivalry rather than political insurrection. Either way, however, there is enough to show that the events in Kenya are giving South Africa's political groups food for thought as they work out a new political dispensation for their country.
Tribal Warfare Threats in Kenya

As South Africa struggles to accommodate its ethnic diversity in a new political dispensation, Kenya is reeling from ethnic violence...
Trade curbs on maize removed

NAIROBI — Kenya has ended all trade restrictions on its staple food maize as part of moves to liberalise its economy.

Yesterday’s government announcement was quickly hailed by Western donors, who underwrite annual aid to Kenya of up to $800m.

Agriculture Minister Simon Nyachae announced the deregulation of all price controls and said all flour producer prices or maize price tags issued by the government earlier this year would be seen only as guides.

Nyachae also ended a government ban on movement of maize in the country. The ban was put in place to force producers to sell their produce to a state monopoly and as a measure against smuggling.

Western diplomats praised the move as the final act in freezing maize trade, previously the monopoly of the poorly managed and loss-making National Cereals and Produce Board.

“The World Bank and the IMF have long pressed the government for some time over all such restrictions on the grain. It is a positive step in reshaping this economy,” a Western diplomat in Nairobi said.

Nyachae’s statement follows a pledge by President Daniel arap Moi two weeks ago that his government would make policy changes in the pricing and marketing of maize to reflect Kenya’s liberalised economic environment.

Nyachae hoped the policy change would facilitate full private sector participation in maize marketing and distribution.

Nyachae said the government would create a foreign exchange fund to help stabilise the maize market, to avoid a sharp rise in market prices following deregulation.

He said the board, which formerly held a monopoly on maize trade, would only be responsible for the maintenance of strategic reserves, initially to be set at 3-million 50kg bags.

The liberalisation of maize trade follows a series of other economic reform measures implemented by Kenya’s government in the past year. They include the flotation of the shilling currency and the removal of import and export trade barriers — Sapa-Reuters.

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Kenya makes progress but some problems persist

NAIROBI — Kenya is coming in from the cold after being banished for two years by its mainly Western donors and in the process old problems are coming under their scrutiny.

Diplomats say great progress on economic problems made in the past year encouraged the West and, sweeping changes are likely to open Kenya up to more domestic and foreign investment.

International donors meeting in Paris in November agreed to a fresh support package of $850m to Kenya, ending a suspension of aid imposed in 1991 to persuade President Daniel arap Moi to make radical economic and political changes.

Moi met the political conditions by holding Kenya’s first pluralist poll in 26 years in 1992. He won another five-year term as president. He has also met many of the economic demands set by donor nations for them to restore balance of payments support.

“The question that remains is just how strongly the government will pursue such strong reforms,” said a senior Western diplomat. “If it shirks by the commitments, Kenya’s future is secure.”

Finance Minister Musaali Mudavadi pleased foreign donors by abolishing import and export licensing barriers, closing questionable financial institutions, strengthening the central bank’s management and floating the Kenyan shilling.

He acted to slow inflation that peaked at 101% in July, and liberalised the import and distribution of maize, Kenya’s staple food.

Mudavadi allowed non-resident shareholders to receive interim dividends without delay and foreign companies to borrow without restriction locally to attract foreign investors.

He has moved a long way towards abolishing foreign exchange controls. Analysts said the polls did not really change the balance of power but had offered encouragement to the opposition to voice most of its concerns.

Political scientist Kenwa Adar said people were disappointed the democratic process failed to produce reforms such as more political freedom and economic benefits.

“The West remains deeply concerned about human rights violations. Diplomats point to continued harassment of the Press and the failure of the government to end ethnic clashes and in some cases the appearance that it even instigated violence.”

Economist consultant Prof Gerashem Ikara said attempts by the ruling Kenya African National Union to muzzle the Press, kill independent thinking and buy opposition leaders weakened hopes for a freer and better-managed Kenya. “I expect high level tension at the political level in 1994 as various groups try to expand their operations.”

He said the main challenge was whether Kenya could promote confidence in the economy and end insecurity, including rising thuggery in Nairobi and tribal fighting.

A senior banker said crippling corruption pervading all state sectors and the high degree of inefficiency linked to such graft eroded investor confidence and harmed the economy.

Low commodity prices and lack of donor funding cut economic growth to a marginal 0.4% in the year to June 2.2% in 1992 — well below population growth at 4%

The two-year aid squeeze also forced Kenya into debt arrears of $700m on its $8bn foreign debt. Mudavadi has said he will consider asking donors to reschedule this.

Agriculture experts said another problem in the new year would be food shortages. Moi forecast a shortfall of 850m tons of cereals in the next six months and has appealed for food aid. — Sapa-Reuters
Kenya gets a less rough ride

NAIROBI — Kenya, enjoying a new détente in relations with Western donors, will be given up to $100 million (340m) in World Bank loans to finance the repair of rundown roads.

The funds will be used in 26 towns in Kenya, where gaping potholes have become a reminder of the economy's bumpy ride in the past two years. Only 10% of Kenyan roads are in good condition — Sapa
**African trade terms decline**

HARARE — Africa's trade terms declined 6% during the last two years, largely because of low growth rates in industrialised countries, according to the Association of African Central Banks.

Zimbabwean central bank governor Leonard Tumbo said, while reviewing economic and monetary developments in Africa from June 1991 to September, that conflict and drug abuse had also restrained growth.

"Low economic growth and higher rates of inflation compounded the pressures of poverty and unemployment. Budget and current account deficits also deteriorated significantly," Tumbo said in a report presented at the association's meeting in the Sudanese capital, Khartoum, last week. — Sapa

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**Kenyan currency reforms**

NAIROBI — Kenya, seeking to clean up its image for Western donors, took a giant step towards abolishing all foreign currency controls on Wednesday.

Finance Minister Musalia Mudavadi announced a package of radical reforms liberalising foreign currency movements and removing some limits on borrowing.

Non-resident shareholders will now be able to receive interim dividends without delay and foreign companies can borrow without restriction on the local market.

To encourage investment, the government will let residents borrow abroad up to the equivalent of $1m as long as the loan does not involve government guarantees. Other changes raise the limits on the amount of foreign or Kenyan currency travelators can freely take out of Kenya.

Economic analysts hailed the changes, which take effect immediately, as a breakthrough in trying to reform an economy burdened by corruption and bureaucracy.

"These are excellent measures which will boost investor confidence," said one private banker. And another said: "These are very positive moves and leave exporters in a strong position. It is only a matter of time until the complete scrapping of foreign currency controls."

Under the previous system the central bank had to authorise some of the foreign exchange transactions. Corrupt officials demanded kickbacks, hitting foreign confidence in the economy.

Now anyone leaving Kenya or arriving will not be required to declare foreign currency notes worth less than $5,000. The maximum amount of foreign currency a traveller can take out has been raised from $200 (shillings $35) to 10,000 shillings ($140).

The measures are seen as key ones in attempts to stimulate regional trade and rebuild the East African Community linking Uganda, Tanzania and Kenya.

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**Zambia’s new import duties are unfair, say SA exporters**

LOCAL exporters have criticised the Zambian government’s plan to introduce new import duties on SA-manufactured goods, calling it unfair.

Zambian Trade and Industry Minister Alf Hambya, announced last week that new import duties would be introduced on SA and Zimbabwean goods from next year to protect Zambian manufacturers against the competitive prices enjoyed by the two countries.

The measure would be accompanied by tax rebates for Zambian manufacturers, he said.

SA’s Daeta International, which exports general commodities to Zambia, said the plan would stifle trade Daeta official David Dunn said the company planned to investigate the issue and approach the relevant authorities.

A local exporter of refrigerators and stoves said import duties were already too high in some sectors. It is understood that duties in some sectors are as high as 78%.

Another trade source said that while it was understandable that certain “infant industries” needed protection, it was unacceptable for governments to introduce a blanket ban “What makes it more ridiculous is that the duties will only apply to two countries,” he said.

A spokesman for the SA trade office in Zambia said he would take up the matter with his Zambian counterparts.

Speaking from Pretoria, acting Zambian representative in SA Sizina Muzakanya defended the minister’s announcement, saying it was aimed at encouraging “production-based investment”. The government also wanted to stamp out dumping in Zambia of inferior goods by foreign companies.

This practice had been encouraged by a sharp plunge in the Zambian currency, which had since shown recovery.

One observer said the move was part of a continuing effort by the Zambian government to buoy its weak private sector and to create jobs by encouraging physical investment.

Muzakanya said it was unlikely the decision would be reversed, as protectionist measures had so far strengthened the economy and the Zambian currency.

About 170 investment licences held by SA companies would not be affected by the new duties, he said.

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**High-level British trade mission arrives soon**

JOHN DLUDLU

A HIGH-POWERED British trade mission is to visit SA next year in an effort to strengthen relations between the two countries, a spokesman said this week.

Speaking from London, Coventry & Warwickshire Chambers of Commerce and Industry export promotions executive director Malcolm Vaughan said the 20 companies taking part in the mission were “highly interested” in opening new accounts in SA.

The delegation will arrive in Johannesburg on February 16, spend four days in Johannesburg, and visit Cape Town and Durban. Among the industries represented are the cosmetic, manufacturing, computer and pharmaceutical industries.

Vaughan said the SA market was significant to British exporters both as a trading partner and as a gateway to southern African markets.

This visit will be the second in two years after trade relations were disrupted by sanctions in the ‘80s. Vaughan said another aim of the visit would be to revive relationships with local chambers of commerce, which delegates were scheduled to meet during their week-long stay in the country. No meetings had been arranged with political parties.

He said the visit could lead to the establishment of joint ventures and distribution agents.

Vaughan described the attitude of British companies towards SA as “cautiously optimistic” on socioeconomic developments and the April election.
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"Low economic growth and higher rates of inflation compounded the problems of poverty and unemployment. Budget and current account deficits also deteriorated significantly," Tsumba said in a report presented at the association’s meeting in the Sudanese capital, Khartoum, last week - Sapa.

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The measures are seen as key ones in attempts to stimulate regional trade and rebuild the East African Community linking Uganda, Tanzania and Kenya.

At a meeting in Tanzania on November 30 the presidents of the three countries agreed in principle to recreate the community, which shared railway, telephone and port authorities until it collapsed in 1977.

Despite the reforms, exporters will still have to remit half of their hard currency earnings from exports to the central bank, which then credits them with the shilling equivalent.

If they want access to the money again, they have to apply to the bank for a licence. And residents may still not hold foreign currency accounts in Kenya.

President Daniel arap Moi, 67, has met many of the economic conditions set by Western donor nations for restoring balance of payments support. Economic analyst say Muddavadi, a reformist appointed shortly after Mwai Kibaki’s multiparty elections last December, had also made tremendous progress in winning back creditor support - Reuters.

Zambia’s new import duties are unfair, say SA exporters

LOCAL exporters have criticised the Zambian government’s plan to introduce new import duties on SA-manufactured goods, calling it unfair.

Zambian Trade and Industry Minister Alf Hambe announced last week that new import duties would be introduced on SA and Zimbabwean goods from next year to protect Zambian manufacturers against the competitive edge enjoyed by the two countries.

The measure would be accompanied by tax rebates for Zambian manufacturers, he said.

SA’s Daeta International, which exports general commodities to Zambia, said the plan would stifle trade. Daeta official David Dunn said the company planned to investigate the issue and approach the relevant authorities.

A local exporter of refrigerators and stoves said import duties were already too high in some sectors. It is understood that duties in some sectors are as high as 70%.

Another trade source said that while it was understandable that certain “infant industries” needed protection, it was unacceptable for governments to impose blanket bans. “What makes it more ridiculous is that the duties will only apply to two countries,” he said.

A spokesman for the SA trade office in Zambia said he would take up the matter with his Zambian counterparts.

Speaking from Pretoria, acting Zambian representative in SA Shila Musakanyi defended the minister’s announcement, saying it was aimed at encouraging “production-based investment”. The government also wanted to stamp out dumping in Zambia of inferior goods by foreign companies.

This practice had been encouraged by a sharp plunge in the Zambian currency, which had since shown some recovery.

One observer said the move was part of a continuing effort by the Zambian government to buoy its weak private sector and to create jobs by encouraging physical investment.

Musakanyi said it was unlikely the decision would be reversed, as protectionist measures had so far strengthened the economy and the Zambian currency.

About 170 investment licences held by SA companies would not be affected by the new duties, he said.

High-level British trade mission arrives soon

JOHN DLUDLU

A HIGH-POWERED British trade mission is to visit SA next year in an effort to strengthen relations between the two countries, a spokesman said this week.

Speaking from London, Coventry & Warwickshire Chambers of Commerce and Industry export promotions executive director Malcolm Vaughan said the 20 companies taking part in the mission were “highly interested” in opening new accounts in SA.

The delegation will arrive in Johannesburg on February 14, spend four days in Johannesburg, and visit Cape Town and Durban. Among the industries represented are the cosmetic, manufacturing, computer and pharmaceutical industries.

Vaughan said the SA market was significant to British exporters both as a trading partner and as a gateway to southern African markets.

This visit will be the second in two years after trade relations were disrupted by sanctions in the ’90s.

Vaughan said another aim of the mission would be to revive relationships with local chambers of commerce, which delegates were scheduled to meet during their week-long stay in the country. No meetings had been arranged with political parties.

He said the visit could lead to the establishment of joint ventures and distribution agents.

Vaughan described the attitude of British companies towards SA as “cautiously optimistic” on socioeconomic developments and the April elections.
Kenya trial stirs tribal tensions

Mark Huband in Nairobi

The threat of death sentences against members of Kenya's Kikuyu tribe this week heightened tribal tensions already stirred up by a government crackdown on the opposition and calls by ministers for tribes to take up arms to defend their land. Five Kikuyus could face the death penalty if they are found guilty of an armed attack on a police station during which weapons were allegedly stolen.

The attack last month was the third on a police station in four weeks. Police guns were stolen during the first two raids, and this has led to fears of an escalation in the tribal violence which has left up to 2,000 dead and 60,000 displaced in the past two years.

The five accused, who include a former MF, Kogei Wa Wanware, were released in January after two years in prison on treason charges, deny the charges and claim they were set up by the government of President Daniel arap-Moi.

Ministers, by your district commissioners, your district officers, your civil servants, your ‘elite military’ General Services Unit and police.

It is perhaps because you have never visited the attacked and injured victims of clashes and listened to what they had to say that you have done nothing practical for them. It escapes the intelligence of the average citizen why you always send security personnel after and not before the destruction.

In theory the violence stems from disputes over land. The Maasai, Mr Moi's Kalenjin and other Rift Valley tribes claim the Kikuyus migrated to the area and grew rich after the Kikuyu Jomo Kenyatta became president at independence from Britain in 1963.

But the anti-Kikuyu argument stems more from the smaller tribes' desire to prevent the return of the Kikuyus to political and economic power than from historical accuracy.

Colonial land records show that Kikuyus began moving to the Rift Valley as early as the 1920s, after the British seized most of their ancestral land in central Kenya.

But of more immediate importance to the government is the fact that Mr Moi's Kenya African National Union (Kamba) government is reliant on support from the Rift Valley tribes, whose unity stems largely from their opposition to the Kikuyus.

Mr Moi has been able to exploit this opposition by drawing his former rival, James Oginga Odinga, into an ever-closer alliance with him.

Mr Odinga initiated the collapse of the tribal alliance between his Luo tribe and the Kikuyus when he admitted in August that he had accepted a large donation and then failed to specify whether it had been credited to the Ford-Kenyatta opposition party of which he is chairman.

Now Kikuyus have become disaffected with the party. "If it is war, the Kikuyus will go to war. If they want to go to elections, they will go to elections. They're looking for somebody to lead them," said Ford-K's Kikuyu former vice-chairman, Paul Muia, who put in disgust at Mr Odinga's activities.

Moi instigated tribal violence

The Kenyan government instigated tribal clashes which killed hundreds of people and displaced thousands, a human rights group said this week. Violence between ethnic groups since the advent of a multi-party system in 1991 has been "deliberately manipulated and instigated by President Daniel arap Moi," in order to undermine political pluralism, the New York-based group Africa Watch said in its monthly report.

It said as many as 1,500 people had been killed and 300,000 displaced from their homes. A parliamentary report says some 750 people were killed and 54,000 displaced in the run-up to last year's multi-party elections.

Africa Watch's allegations are backed by the opposition, but President Moi says the opposition is trying to achieve through violence what it failed to do through the ballot box.

The violence broadly pits members of the Kalenjin and other pastoral communities, such as the Maasai, against farmers such as the Kikuyu, whom they accuse of grabbing their land. — Reuters
Dilemma over democracy

Despite the refreshing wind of change towards democracy in Africa in recent years, the struggle for multipartyism is by no means won, with tribalism remaining a crucial factor.

Hubert Kahl reports from Nairobi

Political developments in several African countries over the past few months, including annulled elections in Nigeria and the violent coup attempt in Burundi, have highlighted anew the continent’s struggle to establish democracy.

Burundi’s experiment with democracy came to a standstill with the murder of the elected president, Melchor Ndadaye. And given the wave of hatred and violence that is sweeping the small East African state, to think of holding fresh elections at present is futile.

While the army in Nigeria declared elections invalid (and eventually re-took control), Zaire has been busy with democratic reforms for the past three years. The result is that elections have yet to be held and the economy has collapsed.

The winds of change that swept through Africa in the early ’90s, toppled about a dozen military dictators, inspired Africa to celebrate a “second independence.”

In some countries, however, they also gave rise to disappointment and bitterness. In Angola, they even precipitated a new civil war.

“Given the present state of affairs, I consider a multiparty system to be completely unsuitable for Africa,” says Ugandan President Yoweri Museveni, who also believes it is irresponsible to impose Western democratic concepts on African countries.

“A coup such as in Burundi was basically predictable,” he says, implying that the West is partially to blame for the massacres in the once German colony.

Explaining his views, Museveni points out that political parties in Europe were born of the class struggle between industrialists and workers. Voters select the party that best represents their interests.

In pre-industrialised African societies, where simple farmers form the majority of the population, Museveni feels that social interests play a negligible role.

Western donor countries, interested in encouraging democracy in Africa, have often made development aid conditional on the holding of free elections.

With the African voter heading to choose the party that represents his tribe, a multiparty system may cause old feuds between rival tribes to flare up again.

One argument frequently used is that as long as there is no opposition, Africa’s potentates will continue to plunder their state coffers and pocket foreign aid.

However, this equation doesn’t hold good everywhere. In Zambia, lauded as a model for democratic change, President Frederick Chiluba’s new government was soon rocked by a corruption scandal after another. Even after elections in Kenya, mismanagement and embezzlement of state funds did not recede.

In rural areas, where African farmers and nomads have to struggle simply to survive every day, party manifestos and ideologies mean little. Votes can be bought cheaply even in a land like Senegal which boasts a long democratic tradition. Or the voter makes his choice according to the recommendation of his “maraatu,” or religious leader, which is not surprising, given an illiteracy rate of more than 60 percent.

In democracy a luxury that Africa is too poor to afford? To those who believe in democracy in Africa, the question is a smoke-screen for military dictators and autocratic rulers to justify their regimes.

They reason that the transition to democracy has worked out well in countries like Benin, Mali, Niger, Madagascar and Cape Verde, while Botswana and Mauritius have long been considered democratic role models.

But it is precisely the latter two countries that seem to prove the axiom that democracy needs a certain minimal measure of influence in order to survive. Both Botswana and Mauritius are among the more prosperous states of Africa — DPA Features.

Yoweri Museveni . . . considers a multiparty system completely unsuitable for Africa.

PICTURE DPA
Scent of the Mau Mau in the air

Less than a year after returning to multiparty democracy, Kenya appears to be heading for civil chaos as ethnic fighting and other violence continues.

More than 1,000 people have been killed and thousands displaced by the fighting. In another, and possibly ominous, development, three police posts have been raided by gangs apparently seeking to acquire weapons. Four people, including a policeman, have been killed in these attacks and an unknown number of guns and hundreds of rounds of ammunition stolen.

The raids occurred amid widespread reports that some sections of the population have taken oaths of fraternal solidarity, something last seen in the Mau Mau years.

In what could be an unrelated development, there have been at least three bomb attacks in recent weeks, one of which caused extensive damage to a building.

Multiparty rule has not brought tranquility since President Daniel arap Moi agreed, under international and domestic pressure for democratisation, to end the country's three decades of one-party rule and to hold multiparty elections last December.

Moi has accused unnamed individuals of trying to plunge the country into civil war and anarchy.

He said he had ordered the police to take tough action against them.

Soon after, in a move likely to leave long-lasting political scars, the police made dozens of arrests. Three of those taken in were retired army officers, including a former commander of the Kenya Air Force, Major-General Kariuki, and the others included businessmen and politicians. Some were released but others face a variety of charges.

Significantly, all those detained were members of the Kikuyu tribe, the biggest and most economically powerful in Kenya.

Led by Jomo Kenyatta, the Kikuyus staged the Mau Mau rebellion of the 1950s that dislodged the British colonial government and led to independence. As a result, they emerged with the biggest slice of the political and economic cake, and with Kenyatta occupying the presidency.

But 15 years after Kenyatta's death, the Kikuyus have lost virtually all administrative and political power to the Kalenjin, a small cluster of pastoral tribes in the Great Rift Valley.

During the election last December, the Kikuyu political leaders let slip an opportunity to unseat Moi when they failed to wage a united campaign and split the opposition in two — Ford Asili, led by businessman Kenneth Matiba, and the Democratic Party of former vice-president Mwaliki.

As a result, Moi was returned to power, even though the Kenya African National Union (KANU) that Moi had inherited from Kenyatta did not win a single constituency in Kikuyuland.

This is seen as the principal reason for the bad blood between Moi and his Kalenjin co-hand and the Kikuyus on the other. During the past year the Kikuyus, who left their own overcrowded areas to settle in sparsely populated Kalenjin traditional lands in the Rift Valley, have been hounded.

Over 1,000 are estimated to have been killed and thousands of their dwellings destroyed. Those who escaped are living as refugees.

Three violence-torn towns in western Kenya — Molo, Bondo, and Kericho — have been declared out of bounds for everyone except residents.

The Kalenjus have clashed with the Moi government. Recently, Kikuyus living in Nandi have been encouraged to vacate Masai land or face dire consequences. There was widespread panic as the Kikuyus fled.

This treatment of the Kikuyus, and Moi's inability to end the violence, prompted Catholic bishops to send an open letter to him in which they accused the government of measures smack ing of totalitarianism, and the police of harassment.

They charged that some government ministers had made inflammatory statements. Kenyans no longer believed there was law and order in the country, the bishops said.

"The common man can sense the danger if one section unilaterally determines its rights for itself and resorts to violence on a massive scale," they said. "There is a grave danger of other sections following the same procedure and then we will have civil war."

While there has been much overt retaliation from the Kikuyus, analysis suspect that the reports of ostracising and the seizure of arms may be steps towards civil war.
KENYA - GENERAL

1994
Kenya, snubbed by Western donors for two years for its inadequate economic policies, is coming in from the cold — but still has a long way to go to earn complete international acceptance.

The West remains concerned about human rights violations. Diplomats point to continued harassment of the Press and the failure of the government to end ethnic clashes.

Daniel arap Moi, the wealthy and larger Kikuyu killed dozens and displaced hundreds.

“As long as we have these problems, we damage both foreign and domestic investment,” one diplomat said. “People want to be secure, stable, to know they will not be asked to pack and leave the next day.”

“If this is not guaranteed, we may face a crisis.”

A senior banker said corruption was pervading all sectors in Kenya and the high degree of inefficiency linked to such graft eroded investor confidence and harmed the economy.

Low commodity prices and lack of donor funding cut economic growth to a marginal 0.4 percent in the year to July from 2.2 percent in 1992 — well below population growth at four percent.

The two-year squeeze also forced Kenya into debt arrears of R2 100 million on its R18 billion foreign debt. Mudavadi has said he will consider asking donors to reschedule this.”

“Thus (debt arrears) situation has reached a more worrying point than seen before,” a senior treasury official said.

Agricultural economists said another problem in the new year would be food shortages. Erratic rains in key growing areas led to crop failure of about 70 percent in some regions in 1993.

Moi forecast in December a shortfall of $50 million tons of cereals in the next six months and has made two appeals to the international community for food aid. — Supra-Reuters
President appeals for aid

NAIROBI — President Daniel arap Moi, in an unprecedented public appeal, has urged wealthy Kenyans to help feed thousands of their fellow countrymen made hungry by Kenya's worst drought since 1984.

"I appeal to all Kenyans who are able to donate food to the needy," Moi said. "Prolonged and severe drought has resulted in acute food shortages throughout the country."

Moi last week set up a special unit to handle relief services for victims. "I urge the well-to-do in urban centres to give this appeal due consideration."

Kenya's problems, diplomats and residents say, have been compounded by endemic official corruption. — Sapa-Reuters.
Kenya likely to import sugar

NAIROBI — Kenya's sugar output grew marginally last year but high consumption means it will have to import more than it produces, officials said at the weekend.

They said a severe drought threatened a fall in yield in 1993, moving Kenya further away from an ambitious target of regaining self-sufficiency in sugar.

Output rose to 389,000 tons in 1993, up from 371,000 the year before, Kenya Sugar Authority CE Justus Mudavadi told the body's AGM on Sunday.

Mudavadi gave no forecast for the 1994 year but officials said drought gripped Kenya and neighbouring countries would result in a lower 1994 output.

Officials said sugar consumption in Kenya far outstripped production. Kenya would need to import 200,000 tons of sugar this year to meet local consumption forecast at 580,000 tons.

Imports shot up to 150,000 tons in 1993 from 30,000 tons in 1991, while consumption grew to 540,000 tons from 470,000 tons during the same period.

The imports, which are pegged to the US dollar, have tripled the retail price.

Agriculture Minister Simeon Nyachae told the same meeting the government had launched pricing reforms to promote rapid growth which took into account the need for efficient management of the sugar industry and better marketing in the world.

To provide farmers and millers with increased incentives, Nyachae said he had raised the tobacco "floor price" to 1,555 shillings a ton of cane in 1994 from 1,250 shillings and would allow factories to sell 50% of their output directly to the market, up from 25%.

"In addition, the government is also encouraging private sector involvement through privatization and increased investment in case development as well as in rehabilitating existing sugar factories," Nyachae said.

Analysts said the decline of the sugar industry — Kenya was self-sufficient in sugar until 1987 — was partly because of drought during past three years but man-made reasons were also to blame.

"Efforts to regain self-sufficiency in sugar have yielded disappointing results due in part to corruption and mismanagement of sugar resources," one said.

Another pointed to some factories in the west where expansion projects have stalled due to mismanagement of cash.

Mudavadi said the government was committed to restructuring the industry and, with World Bank assistance, had set aside $1.89m for a blueprint for the privatization of state sugar firms and restructuring factory management. — Sapa-Reuters.
Kenya - Facing the most terrible drought

Hundreds have died from hunger and 4.8 million are threatened
Kenya: journalists arrest after reporting on violence.

The printers. 1

INTERNATIONAL

Kenyans totalitarian, say bishops

Rec 1/3/94

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Four Kenyan MPs join Moi

NAIROBI — Four Kenyan opposition MPs have resigned and defected to the ruling Kenya African National Union (KANU).

KANU already holds 114 seats in the 200-member parliament after a landmark pluralist election in 1992.

The main opposition FORD-Kenya party said the latest defections were an integral part of a "major offensive by KANU to deorganise, destabilise and if possible destroy the opposition in order to deprive Kenyans of the little air of political freedom they have breathed since the re-introduction of pluralist rule in 1992."

FORD-Kenya chairman Michael Kijana Wamalwa called the defections "immoral, despicable and objectionable."

Squabbling within opposition ranks before and after the election has greatly strengthened President Daniel arap Moi's 15-year grip on power.

He promptly called on Kenyans to abandon the opposition, saying it was in total disarray.

— Reuters
SA welcomed to CPA unit

No Tolerance Arap Moi pleads

for African unity and diversity:

Nairobi — A South African delegation was yesterday welcomed for the first time to a conference of the Commonwealth Parliamentary Association's Africa region.

Representing South Africa on an observer basis were Mr Robbe Karraou and Mr Kamal Mansura of the Parliamentary Secretariat in Pretoria. 261594

Welcoming them, the chairman of the CPA Africa region, Mr Mose Tjatendoro of Namibia, said: "We now hope to be together for the betterment of the people of the Southern African region and the continent as a whole."

Tjatendoro, who is also Speaker of the Namibian parliament, praised President Nelson Mandela and Vice-President FW de Klerk for laying the foundations of a better future for their people.

Reviewing the present situation in Africa, Tjatendoro said lack of tolerance was posing a great threat to democracy.

Opening the conference, Kenyan President Daniel arap Moi urged African leaders to re-evaluate their policies to avoid the imminent disintegration of the continent.

He said Africa's diverse cultural and ethnic composition required that it devise its own parliamentary forms of democracy. African leaders must oppose efforts by developed countries to impose their democratic practices on the continent since some of these could "adversely affect national institutions."

The three-day conference brought together representatives from 11 African countries. — Sowetan Africa News Service
Kenya frees up forex regulations

NAIROBI — Kenya abolished virtually all remaining foreign currency restrictions yesterday after its ruling party backed controversial economic reforms vigorously pushed by Western donors. (63) 26/5/94

Finance Minister Musa Maumavadi announced residents and non-residents would from May 26 be allowed to buy and sell foreign currency free of all restrictions up to a value of $5,000. After that limit, they would have to pass through the Central Bank but no restriction would be placed on the amount changed.

"This is about as far as you can get, it is quite an achievement," said one private banker.

Maumavadi said new procedures would also be introduced to simplify transactions, previously mired in bureaucracy which encouraged corruption.

The measures were announced a day after Kenya's ruling party backed a controversial reform programme, urged by Western donors, which embraces all aspects of the economy.

The IMF, which completed a review of Kenya's Enhanced Structural Adjustment Policy (ESAF) this week, said Kenya had made considerable progress since multi-party elections in December 1992.

The polls, which returned President Daniel arap Moi to power, caused a large increase in money supply and saw inflation spiral.

The IMF said inflation was running at about 40% but on the plus side foreign exchange reserves had risen to about $700m — four and a half months' import cover — and economic growth was likely to be 3% in 1994.
Nigerian govt faces defiance

Lagos — Political temperatures seem set to rise in Nigeria, where a deadline set by opposition groups for the military government to quit and restore democracy expires tomorrow.

The National Democratic Coalition (Nadeco), which has thrown down the gauntlet to the government of General Sani Abacha, has not said what it will do if the ultimatum is ignored.

But political sources say it is urging Moshood Abiola, winner of last year’s annulled presidential election, to form a rival government.

WINNER of June 12 annulled election
Moshood Abiola may form rival government if General Sani Abacha does not step down

The military government has given warning that it will take decisive action against troublemakers, and has ruled out the idea of Abiola forming a rival government.

Abiola, a multimillionaire businessman, has also insisted that he is serious about challenging the government. “In the next two weeks they will know that I am not joking when I form a national government,” Abiola said on Friday.

At the height of the mayhem unleashed when former military president Ibrahim Babangida annulled the June 12 election, Abiola left Nigeria, claiming his life was in danger.

By the time he returned, Babangida had installed an interim government, and Nigerian activists, weary of the fight for democracy without the man who won the election, suspended their struggle.

In November, Abacha seized power and scrapped all political institutions set up during Babangida’s six-year transition programme.

Nadeco was buoyed by the low turnout of voters last week to elect delegates for Abacha’s planned constitutional conference — Reuters
Kenya hopes for growth

NAIROBI — Drought and poor economic policies forced Kenya's economic growth to decline for a fifth year in 1993 but recovery was now expected after good seasonal rains and reforms, planners said yesterday.

Vice-President George Saitoti told reporters that the slowdown in economic growth was not as pronounced as in the previous two years when there was prolonged drought, macroeconomic problems and a significant decline in real investment.

Saitoti said the government's 1994 economic survey showed that real gross domestic product eased to a dismal 0.1% in 1993 from 0.4% in 1992, 2.3% in 1991 and 4% in 1990.

"Prolonged drought which sharply reduced agricultural output, low aggregate domestic demand which resulted in sluggish growth in output of manufacturing and foreign exchange shortage in the first half of 1993 accounted for slowed growth," Saitoti said.

"High inflation principally as a result of severe drought, excessive growth in money supply, massive depreciation of the Kenya shilling (currency) and liberalisation policies pursued by the government were the other crucial factors," Saitoti added.

Saitoti said the government had liberalised foreign exchange restrictions, abolished import licensing, removed price controls particularly on maize, sugar and wheat and launched tighter controls in the financial management system to right imbalances.

Widespread rains in the second quarter of 1994 ended drought and freeing of exchange and trade laws meant increased investor confidence. Easier access by exporters and farmers to foreign exchange "should help enhance production in all sectors".

Saitoti projected that the economy would recover strongly and grow by around 3% in 1994.

The IMF had previously said that the economy needs a growth rate of 7-8% to create jobs and ensure social stability.

The survey said despite adverse publicity by the international media, the number of tourists to Kenya rose to 836,000 in 1993 from 762,000 in 1992.

Inflation rose to 46% in 1993, well above 27% at end-1992. Money supply growth rate eased to 26% from 36% in 1992 — when opposition leaders say the government printed cash to back the campaign by President Daniel arap Moi's ruling KANU party in landmark pluralist polls in December 1992.

For the first time since 1977 a currency account surplus was posted — Sapa-Reuters.
Kenyan market of major appeal

By Anthony Mwangi

Peter Muchoki and Paul Chirungu from now, right now, Kenyan traders are

increasingly finding a market of major appeal for their products in Kenya's market. The trade agreements with other African countries and European Union, have opened up opportunities for Kenyan farmers and traders to export their goods to these markets. The government has been proactive in promoting export-oriented industries and encouraging more participation in the international market. The Ministry of Trade and Industry has provided incentives to Kenyan businesses to expand into these markets.

Growing trade

Kenya's Ministry of Trade and Industry, known as the Ministry of Trade, Industry, and Tourism, plays a major role in promoting exports and attracting foreign investors. The ministry focuses on identifying market opportunities and developing strategies to increase the country's export earnings.
Kenyan politicians stoke tribal violence

Mark Huband from Nairobi

Tribal attacks, encouraged by extremist politicians intent on ethnic "cleansing", have killed thousands of Kenyans in the past three years and are forcing many more from their homes.

Plans by church groups to resettle Kikuyus driven from their land in the Rift Valley by thugs of the Masai and Kalenjin tribes, have met stiff government opposition.

Local government minister William Ole Ntimama, a Masai, recently rejected the plans, which have the support of the United Nations.

Ntimama, one of the most outspoken members of President Daniel arap Moi's government, said no displaced Kikuyus would be resiled on land which Masai and other tribes had violently occupied in recent years.

Up to 2,500 people have died and 300,000 have been driven from their homes by the clashes. Most of the victims are Kikuyus.

The conflict has been inflamed by politicians such as Ntimama, who claim the Kikuyus ousted the Masai and others from the Rift Valley after Kenyan independence.

Earlier this year, the chairman of Kapenguria town council told a press conference all Kikuyus had to dispose of their land and get out of the area within two weeks.

President Moi has not intervened and some observers believe he views the Kikuyus as a threat. He said on national radio last September:

"We have said in the past that when a multi-party system is introduced, it will create tribalism, divisions, and hatred and so on. This has now taken place."

Foreign pressure and domestic protest forced Moi to hold elections in December 1992.

Since then, he has demanded national unity while doing little to ease tribal tensions. His Kalenjin tribe has been implicated in the clashes.

Moi banned outsiders from the conflict areas last September and gave the security forces free rein to impose their will there. He also said incitement to tribal violence would be "stamped on". Those perpetrator by Ntimama and others has gone unpunished.

The same leniency was not shown to 12 opposition MPs. They were charged in May with "creating a disturbance" when they attempted to lead a march protesting against tribal clashes in Molo. The charges were later dropped.

Nor have the Kikuyus escaped prosecution and threats of legal action for taking tribal loyalty oaths, which are an offence in Kenya.

Paul Mute, an opposition MP and lawyer, said scores of people had been arrested in Nairobi and taken to the Moi stronghold of Nakuru to be charged with taking tribal oaths. They are also being charged with robbery and violence — a capital offence — to prevent them being released.

"Moi appears to be pursuing the view that Kikuyus are asking themselves to overthrow the government," said Mute, who is representing several people accused of planning violence. He recently visited them in Nakuru prison.

Mute said they were being tortured by police so they would admit the Kikuyus were taking oaths to massacre all Kalenjins.

Despite the continuing violence, the UN human rights commission last year removed Kenya from the list of countries whose human rights records were under scrutiny.

Kenya's attorney-general, Amos Wako, has said police records showed that 365 people were killed, 7,113 displaced and 1,422 arrested in the 12 months before the December 1992 election, when the clashes were raging unchecked.

Kenyans church leaders and foreign human rights organisations, however, say the real figures are up to 10 times greater than those provided by the Kenyan government.

Wako goes further than other senior members of the government in denouncing the tribal clashes as a huge abuse of human rights.

He claims energetically that both Kikuyus and Kalenjins have been prosecuted for the ethnic violence.

But police figures show far fewer Kalenjins than Kikuyues have so far been prosecuted by the Kenyan authorities.
Ruling party wins Botswana election

GABORONE — The ruling Botswana Democratic Party (BDP) was declared the winner of Botswana’s general election today after taking 23 seats in the Southern African nation’s 40-member parliament.

Declaring the BDP the winner, Chief Justice Molelek Mokama said that President Ketumile Mabuse’s ruling party had more than trebled its number of parliamentary seats from the last assembly when it held only three.

The opposition party has more than trebled its number of parliamentary seats from the last assembly when it held only three.

The last constituency in the 40-seat parliament, enlarged from a previous 34-member assembly, will be fought later this month after the death two weeks ago of its incumbent MP.

The BNF said it planned to seek a government of national unity. “That is the only way we will be able to solve the problems of this country,” said BNF leader Kenneth Koma.

Mr Mabuse’s Botswana Democratic Party (BDP) has ruled Africa’s most stable democracy since independence from Britain in 1966.

Election supervisor Nathaniel Mmomo sad voting had gone smoothly on Saturday.

University of Botswana sociologist Patrick Molutsi said opposition parties’ gains corresponded to a move in the population from rural areas to towns.

Mr Molutsi and other analysts said government corruption scandals and a slowdown in economic growth were key factors in voters turning away from the BDP.

Political analysts said they expected little change in government policy after the election. The once pro-Marxist BNF now endorses a free-market economy, as does the ruling party, but has not as yet formulated clear policies.

Niger leader ousted by vote

NIAMEY — Niger’s new prime minister Abdoulaye Souleye has been voted out just 18 days after he was appointed.

A no-confidence motion in his minority government was yesterday carried by 46 votes to 36. It said the government was no longer able to operate and was incapable of dealing with economic problems.

Mr Souleye was appointed on September 28 to replace Mahamadou Issoufou, whose Niger Party for Democracy and Socialism (PND) defected from the ruling Alliance of Forces for Change (APC) to an opposition parliament, giving it 46 of parliament’s 83 seats.

President Mahamane Ousmane said on Friday that if the opposition went ahead with the vote, he would take all steps to ensure stability.

‘Somaliland’ troops seize control of airport

NAIROBI — The president of self-declared Somaliland republic said his troops had seized control of Hargeisa airport and were chasing clan militiamen towards the border with Ethiopia.

Aid officials said 13 foreign aid workers were flown from Hargeisa yesterday to the Red Sea state of Djibouti as a protective measure after sporadic shelling of the city.

“We took the airport at 10 am. Our troops have cleaned it out and it is now completely in our hands,” President Mohamed Ibrahim Egal said by telephone from Hargeisa.

“The operation to take the airport began at 7.30 am and by 9 am we had them on the run.”

The Republic of Somaliland in the northeast was declared in May 1991 but has failed to win international recognition. The fighting on Saturday and yesterday was the worst there in months.

Clan militiamen had allowed Hargeisa airport to operate for the past year but exacted “taxes” from arriving flights until Mr Egal ordered his troops to surround it more than a month ago.

Mr Egal said he ordered his forces to attack militiamen holding the airport for the past year after rebels attacked government troops on the road to Berbera on Saturday and one militiaman was killed and four soldiers wounded.

Kenya’s economy recovering

NAIROBI — Kenya’s economy, which has been ailing in recent years, is showing signs of recovery after tough doses of Western-backed reforms, say financial experts.

But Western aid donors say the government has failed to dismantle a chain of loss-making state-owned firms that draw $375 million (R1 027 million) in annual subsidies.

Experts also warn that the rising Kenya shilling — now 49 to the dollar against 80 last year — is endangering Kenya’s export base and its thriving tourism industry.

“The pace of reforms has been good in many areas and one can clearly see positive results,” said a Western diplomat.

The government last year introduced major reforms, including floating the shilling, freeing prices and removing import and export restrictions.

Under pressure from the World Bank, the International Monetary Fund (IMF) and Western donor nations who underwrite annual aid of up to $850 million (R2.375 million), the government abolished price controls on key commodities and liberalised a formerly strict foreign exchange regime.

A World Bank representative in Kenya said that booming world prices meant coffee exports would earn 50 percent more than last year’s $250 million (R675 million).

But he said streamlining state firms was proving difficult and controversial.

The government says it has earmarked some 250 state firms for sale in one of the biggest privatisations Africa has seen since the West began pushing for major reforms four years ago.
Unhealthy state of affairs strikes Kenya

South Africa: Health Writer David Robins reports from Natal on regional trends

The probable shape of health care to come for not a few African countries, including

The Kenya doctors' strike, which ended last week, sheds a disconcerting light on

Edited by Mike Shuma
T here’s been some ugly stuff
surrounding the confrontation be-
tween about 800 state doctors and
the Kenyan Ministry of Health. Al-
though the strike was finally called
off last week, the episode has been
marred by reports of patient de-
thods and declining health stan-
dards, as well as reports of strik-
ing doctors and their families being
evicted from their state-owned
houses at gunpoint.

It’s been dubbed “the world’s
longest-running doctors’ strike
ever”, and with a duration of near-
ly four months, that’s difficult to
refute.

“Yes, we knew we were in
contravention of our oath,” said one
young Nairobi doctor who asked not
to be named for fear of reprisals.

“But if the doctors are not to be
named for fear of reprisals, then
so be it. In fact, I wonder
whether working as doctors, but
without equipment and without
drugs to treat our patients, isn’t an
equal contravention. It’s certainly
blatantly unfair and hypocritical,”

he said.

Although the doctors are back
at work, the underlying issues
have hardly been resolved, and
they serve as chilling pointers
to the future of health care in not
a few sub-Saharan countries, includ-
ing South Africa.

Another doctor, about to qualify
as a specialist gynaecologist when
the strike began in mid-June, is
adamant “Of course it was about
money, about conditions of service,
about career opportunities. But
equally, it was about the health
service itself. Doctors have been
reduced to faith healers in the
present totally under-resourced
service.

Playing

“We’ve been accused of playing
politics,” the doctor goes on. “In
fact, we are fighting for democ-
acy. We want to be able to have our
say about what is needed. The health
service is drifting down. It’s mis-
managed. And since the Cold War
ended, the money has virtually
dried up.”

These words reveal the central
dilemma of the social services,
health in particular, in Kenya, Tan-
zania, Malawi, Zambia, Zimbabwe,
and several other countries.

Put in straightforward language
the dilemma is as follows: Africa is
no longer the battleground for the
struggles between the West and
Communism, struggles which were
fought largely with economic and

 Rwanda, she explains in health
care, the emphasis was on curative
treatment centred in the urban
areas. Independent Africa concen-
trated on the countryside. But now
the situation will turn the full cir-
cle.

“Declining budgets, cost recov-
ery schemes and the burgeoning
of fee-for-service private sector ac-

dvity will force the main focus of
health care back into the cities.
And those who need health care
most, the rural poor, will be the
least able to afford or even get to
it.”

The cruel reality is that health
status indicators like infant and
child mortality rates and life expec-
tancy rates will probably get
worse in most countries. That is
until, with luck, the continent
reaches a point of sufficient social
and economic development to allow
for the introduction of affordable
and sustainable health care schemes for
all.

It’s going to be a long haul, and
undoubtedly one which will be
made more difficult by rapidly in-
creasing populations.

Of course, as economic develop-
ment takes root, birth rates will
drop. That’s been the pattern
everywhere in the world. But given
the time scale of the economic
structural adjustment programmes
(20 to 25 years), the demographic
trap for Africa is real enough.

That’s why Kenyan television

carries extensive family planning
material, including advertisements
touting the virtues of vasectomy.

But will such efforts be effective
in a continent where so many chil-
dren (it’s as high as one in four in
Malawi) die before the age of five?

Mortality

“It’s useless to talk family plan-
ing to people who see so many of
their kids die,” says John Chuku-
uda, Health Project Officer with the
United Nations Children’s Emer-
gency Fund in Malawi. “First, you
need to improve the mortality rate.
Then, coupled with the eco-
nomic realities of rearing children,
will be the strongest inducement
there is for birth control.”

Indeed, many health experts
now believe that mother and child

care, as well as improved educa-
tion for girls and women, may hold
out the only real hope for the
rough ride facing sub-Saharan

Africa today.

It is no accident that South Af-
rica, which is not immune to these
continental trends, has these ele-
ments of health care as central
tenets in its new health policy.
Kenya Airways set for privatisation

NAIROBI — Kenya’s indebted state airline is set to announce its plans for privatisation in which foreign investors could be offered a 25% stake.

A Kenya Airways memorandum quoted by the local Daily Nation newspaper said that, apart from the quarter-share offer to foreign partner airlines, 30% is likely to be floated on the Nairobi Stock Exchange which has already handled four other such sales.

The government is likely to buy 30%, a state-owned company identified as the National Social Security Fund (NSSF) 20%, and airways staff 5%.

Kenya Airways MD Brian Davics said last week 29 foreign airlines were invited to take part in the sale.

To make the sale more attractive, Kenya Airways wants the government to restructure its debt of $130m, although it is not clear how this will be done.
Remedy for relieving overburdened system

In theory, any good health-care system should comprise a network of clinics, with clear referral systems to health centers and regional hospitals, and from here to national or tertiary institutions. Each level should be checking the one above it on an unsolicited patient flow. But what happens in practice?

In many parts of South Africa, peripheral clinics are thin on the ground. This results in that tertiary facilities are being overwhelmed by an influx of patients who have no choice but to present themselves at the nearest hospital and are treated with great trepidation at the possibility of an open wound.

Indeed, South Africa's dilemma is common to the old nations and underbored systems in one more sense in the health needs of communities at the periphery is how to maintain it as it strives to achieve this. The following hospitals are among the main centres of healthcare in these areas:

**COULD community-financed primary health care be implemented in South Africa?**

**To help find an answer, Health Writer David Robbins reports from Nairobi on an initiative which is improving healthcare for millions of Kenyans, in spite of their country's heavy gridlocked economy.**

Could community-financed primary healthcare be implemented in South Africa? The idea behind it is that community members, however, are not able to do so. In addition, the health services in the country's urban areas are in increasing danger, with the health system becoming increasingly dependent on government support.

**The Makambo Initiative**

The new health-care initiative is so termed because it was conceived at a meeting of African health ministers and the World Health Organization and United Nations officials held in Nairobi, capital of Kenya, in November 1993.

The initiative was concerned with the mobilization of community resources to support primary healthcare development, especially in rural and remote health care areas, including in rural, urban, and peri-urban areas. The Makambo Initiative has been set up to provide financial support and training for strengthening primary healthcare at the district level in many African countries.

**KIPLOMBE-BARINGO**

**DISEASE REDUCTION 1991-1993**

- **Scabies Cases**
- **Diabetes Cases**
- **Vitamin Cases**
- **Vitamin Cases**

**NATIONAL COMMUNITY MEDICAL BOARD**

Decline... The effectiveness of the community pharmacy concept is clear, as shown in this graph distilled from the chalkboard records kept at one Kenyan pharmacy.

**SOURCE LIONLINE**
KENYA - GENERAL

1995
Kenyan govt bans ‘offensive’ NGO

NAIROBI — Kenya has banned a non-governmental organisation which recently published a report alleging that high-level corruption had reached alarming proportions in the country, a government statement issued yesterday said.

The official notice outlawing the Centre for Law and Research International (Clariorn) accused the organisation of disseminating inaccurate and unsubstantiated material of a political character which gravely injured the credibility of the Kenyan government.

Last month Clarion organised a seminar in Nairobi and later released a voluminous report accusing the government of aiding high-level corruption. The report, entitled “The Anatomy of Corruption in Kenya, Legal Political and Socio-Economic Perspectives”, said graft had permeated all levels of Kenyan society.

It added that ordinary citizens, used to bribing government officials for virtually every service rendered, had become apathetic to corruption because they believed it was the official policy.

The report, compiled with funds donated by the Danish International Development Agency, highlighted various corruption scandals, including the Goldberg scam in which government officials and a businessman allegedly colluded to defraud the central bank of nearly 300 million dollars between 1991 and 1993.

The government’s notice banning Clarion stated: “Your activities have been most injurious to the government’s interests as you have exposed to ridicule and contempt the image and integrity of the Kenyan government thus compromising its position to discharge its public duties.”

The Kenya Human Rights Commission (KHRC) described the decision to outlaw Clarion as an “extreme act of oppression.”

Its executive director, Mr. Mama Kiarie, said: “We see the act as a declaration that the government will no longer tolerate critical or independent thought in Kenya — thus discarding its facade that it respects democracy and human rights.”

He said the government had made attempts to muzzle the Press and the opposition and was now “encroaching on the rights of the civil society.”

The banning of Clarion comes a month after the government outlawed another non-governmental organisation, the Mwanga Trust, formed last year by opposition member of parliament Mr. Paul Mute to promote civic education and initiate donor-funded development projects in rural areas — Sapa-AFP.
Group 'planned coup in Kenya'
Angry Moi turning on his far too independent press

BY JOE KHAMISI
STAR FOREIGN SERVICE

Nairobi — Kenya's independent press, for years President Daniel arap Moi's public enemy number one, is now under increased pressure to tone down its harsh criticism of government ills or face official retribution.

Until the introduction of pluralism in 1992, the media were compelled to self-censor editorial material to ensure survival in a one-party dictatorship that demonstrated no respect for members of the Fourth Estate.

Armed security personnel often raided and destroyed plants, printing anti-government publications. Foreign publications containing critical articles were routinely confiscated on arrival and journalists were regularly harassed, beaten up by police and hauled into cells.

However, in almost three years of pluralism, nothing much appears to have changed. Although printing machines are no longer destroyed, the long arm of government continues to reach out to journalists and publications that won't toe the line.

Within the past two months alone, two publications have been banned for carrying material considered offensive to Moi's government.

One is Inooro, a hard-hitting Kisuyu monthly newsletter published by the Catholic Church. The other is Nuru, a publication of the Mwanga Trust, a non-governmental organisation.

Nuru became prohibited material after the government deregistered the trust which was headed by one of Moi's arch opponents, MP Paul Muitle.

Recently the offices of another anti-establishment publication, Finance magazine, edited by an ex-political detinee and now a member of parliament, Njiiu Galabaka, were destroyed by a mysterious fire.

Now, apparently angered by their stubbornness, the government and ruling party Kanu have turned their attention to two leading dailies, The Standard and The Daily Nation.

Of late, the two have been carrying scathing attacks on the government, sparing no one, including Moi himself. These attacks are often done through commentaries and cartoons and late last month, Kanu said enough was enough.

It threatened to have the two papers banned for tarnishing the names of Kanu and the government. The party further instructed its members not to buy the papers calling them "enemies of the government and Kanu."

The latest government and party onslaught also comes at a time when Moi is under pressure to free up the airwaves or face pirate opposition radio stations.

The two leading political opposition groups, Ford Kenya and Ford Asili, say they are in the process of setting up pirate radio stations outside Kenya's territorial waters Ford Kenya says its station could be operational as early as June.

A task force formed last year under the chairmanship of Hilary Ng'weno, one of the country's foremost journalists, to look into the whole issue of media ownership and licensing, is yet to issue its report.
NEWS FEATURE Financial difficulties surround the building of a new airport

Uncertain project

THUMBS DOWN Intense opposition to Moi’s plan for new airport in Kenya

Work has begun on Kenya’s third international airport in President Daniel arap Moi’s home province — but there is continuing uncertainty over funding for the K255 million project.

The contractors, SNC-Lavalin International of Canada, have started survey work, with the aim of completing construction by December 1996. The company claims its price is one-twentieth of a quotation submitted by another company three years ago.

Canada, France and Japan, which were thought to be providing the finance, deny having anything to do with the Eldoret Airport project.

This leaves two options: Raising the money within the cash-strapped country or trying to persuade international banks to stump up the cash.

Both options conflict with the terms of an agreement on balance of payment support with donor governments and institutions, under which Kenya is obliged to reduce domestic borrowing and consult donors before borrowing abroad.

If not handled carefully, the project could damage relations with donors.

Misty conditions

Says Professor Peter Anyang' Nyong'o, MP and opposition Ford-Kenya spokesman for economic affairs: "Eldoret is too high and frequently experiences misty and foggy conditions, making the venture risky."

Add another opposition MP, Kamau Ichana: “The project is ill-timed, considering the bad shape of the 500km Nairobi-Mombasa road."

The road, linking the coast with three major game parks — Amboseli, Tsavo East and Tsavo West — is in very bad shape. After the rains in December, vehicles were taking days to cover the journey between the capital and the coast.

In addition, the country's other two international airports, Jomo Kenyatta in Nairobi and Moi in Mombasa, are crying out for improvement.

R1,5-b renovations

Despite more than R1,5 billion worth of renovations at the two airports in the early 1990s, a lot remains to be done. The surface of Moi Airport’s sea-level runway continues to deteriorate, and analysts say it needs to be urgently relocated.

They say its alignment frequently forces landings and take-offs to be aborted, causing serious concern for the airline industry.

Developments include the R1,5 billion Turkwel hydroelectric project, Moi University and Eldoret Polytechnic.

Supporters also argue that a new international airport will help divert tourists from the coast and the main national parks and reserves to new spots, including the undeveloped Lake Turkana area — Gemni News Service.

Kenya prepares for lift-off
Shortages get worse

KENYA is increasingly exposed to petroleum product shortages, which it rarely suffered in the past, says an industry official.

Energy ministry permanent secretary Crespus Mutitu told an oil and minerals conference in Johannesburg yesterday it had not been possible yet to compile enough data on the trading of oil companies to see whether competition had been enhanced or not, since measures were taken to deregulate the industry.

"Product shortages which the country hardly experienced in the past are increasingly becoming a common feature."

And, unlike in the past when government-controlled imported products used to meet domestic quality specifications in nearly all cases, there had been an increase in the frequency at which domestic consumer specifications were not met, he said. "The eight oil marketing companies had also made market entry by new traders difficult," he added.
Power cuts sap confidence in Kenya

By Mancah Esposu

Nairobi — Power cuts, long the scourge of African manufacturing and investment, are dealing new blows to Kenya's tourist industry and international reputation.

Power is as vital as roads or telephones, but visitors now often find themselves in the dark at Nairobi and Mombasa airports, or its Indian Ocean resorts.

The creaking infrastructure and what Western diplomats see as creeping political instability are increasingly threatening investment.

Hotel managers complain that they have to spend hard-earned tourist dollars on buying and maintaining expensive generators. "You can't afford to have 20 clients stuck in a lift, or not give them air-conditioning and lights," said Alfons Malochak, general manager of Nairobi's Hotel Inter-Continental.

Hundreds of tourist hotels in Nairobi and at coastal resorts have installed generators in recent years.

Hotels at the coast suffer as many as 15 power cuts a day, industry experts said.

Investment in Kenya has stagnated in the last 10 years, and any cuts in tourism, which brings in $330 million per year, would be disastrous, said Genesis Ikara, economics professor at Nairobi University.

Lack of fresh investment in power utilities in the last five years has caused the shortfall.

Last month the Kenya Power and Lighting Company (KPLC) began a forced rationing of power, mainly in urban suburbs, in a bid to conserve its resources.

KPLC blames lack of investment on a freeze on donor cash.

Western donors banned about $40 million in monthly balance of payments support to Kenya in 1991 to force the government to implement sweeping economic and political reforms.
Kenya bank in reform call

Nairobi — The Central Bank of Kenya (CBK) yesterday called for a removal of remaining restrictions that undermined economic progress and the launch of strong reforms to achieve growth high enough to reduce poverty.

"Kenya's per capita income is estimated at $350; the number of people living in poverty is close to 11 million (in a population of 26 million) and those unemployed number around 2.2 million," the central bank said in its monthly review for March.

But the bank said the economy had shown signs of recovery after economic reform measures in the past two years that restored macroeconomic stability and forced inflation down to single-digit levels from 101% in June 1993.

It added that reforms had raised foreign exchange reserves to cover three to four months of imports from barely two weeks cover in 1993, and national income was estimated to have recovered in real terms by 8% in 1994 from less than 1% in 1993.

The bank said only annual Gross Domestic Product growth of 9% would point to development real enough to improve the lives of the poor.

In a diagnosis of Kenya's economic ills, the central bank said the economy needed to be fully opened to external trade and foreign investment, and a sound financial sector should be maintained through better surveillance.

"The country needs to continue on the road of economic reform, removing the remaining sandbags which are pulling and preventing the Kenyan development balloon from flying higher and higher into the skies of better living standards," CBK said that to achieve growth high enough to reduce poverty, Kenya had to raise investment from the current level, equivalent to 26% of GDP, to 27%.

Kenya had to shift emphasis to private investment as the engine for growth, increase domestic savings to 25% of GDP from 15% now, and cut the amount of investment needed to produce one unit of output from the current level of 8% of GDP to about 3.5%, the central bank said.

The bank wants a rise in industrial output from the current low level of 13% of GDP to over 30%.

The bank said to reach those goals, Kenya needed to ensure security for people and property and to encourage Kenyans to participate freely in political activities of their choice." — Reuters.
Asians come under fire in increasingly hostile Kenya

When a Kenya police reservist of Asian origin was arrested late last year for killing an African street child, politicians and social activists rose in unison to suggest the murder was racially motivated.

Eyewitnesses to the crime testified in court that the reservist pumped six bullets into the boy before spitting on him and kicking his body into a ditch.

Anti-Asian feelings rose even higher two months ago when the accused was acquitted for lack of evidence.

And this month Kamlesh Patel, a prominent Asian businessman, was excommunicated by a parliament committee of wrongdoings in a multimillion-dollar financial scandal that threatened to topple Prime Minister Daniel arap Moi's government two years ago.

The committee's decision raised fresh anti-Asian sentiments with charges that members of the committee were bribed, presumably by the Asian community, to have the controversial billionaire exonerated.

Fears of an increasing anti-Asian sentiment have been building up in Kenya for years, but it is a sentiment which seems to have taken a particularly ominous turn over the past two years inspired by the events just described.

"There seems to be a much more obvious hatred towards Asians by the African community," said Fayaz Qureshi, the only Asian TV newscaster in Kenya.

"This has increased the Asians' sense of insecurity and fear of becoming likely targets of racial attacks." There have been several particularly gruesome murders of Asian businessmen in recent years. A local Hindu leader says Asians are becoming increasingly nervous about this state of insecurity in the country.

The Asian community is also worried that financial gains earned over the years could be lost if the present government fails to win elections scheduled for 1992.

Asians find Moi's moderate stance acceptable and in 1982 voted overwhelmingly for the ruling party, KANU.

Since Asians were brought to East Africa by the British a century ago to help build the Kenya-Uganda railway, they have managed to transform themselves from the then-called "cokeos" to petty traders and into undoubtedly the wealthiest and most influential group in the country.

However, they number less than 150,000 in a population of 25 million people.

The latest Business Trend Review magazine says Asians control most of the big businesses in East Africa and wield a lot of power and influence, but it attributes this to hard work and years of sacrifice.

"All you have to do," the magazine says, "is to look out into the city streets and you will notice that more than two-thirds of all the sleek cars, residential houses, skyscrapers and businesses belong to them.

"This high economic profile contrasts, however, with the perceived social aloofness and political indifference of this group.

This perception is generated by the fact that Asians generally live in their own exclusive areas with high walls and multiple guards; they socialize in their own private clubs and maintain no political alliances other than support for Moi at election time.

They also rarely mingle with Africans unless in a formal setting.

As a consequence, during times of social unrest this community usually suffers first and being more often than any other community in Kenya, the victims of lootings, rape and physical violence.

Although the government occasionally comes to the defense of Asians, opposition politicians do not hide their disdain for the community. Only last week, an official of the opposition democratic party, Jose Muyiar, called on parliament to urgently begin addressing the issue of the growing Asian influence.

Complaining that Asians were dominating businesses in all the major towns, Muyiar warned that unless the issue was sorted out now, it could cause problems in future.

"The Asians have made Kenyans look like second-class citizens because they own virtually everything," he said.

But Qureshi thinks the whole problem is more one of a struggle between rich and poor than one of colour.

"Rural folk come into town and see Asians behind every shop counter. If one was to reverse the situation where Asians were the majority and Africans controlled the economy, Asians would feel the same resentment Africans have now towards us," he said.
Foreign investors scared off Kenya

BY JOE KHAMISET
AMOS FOREIGN SERVICE

Nairobi — A myriad weaknesses ranging from poor economic and political performances to insecurity and corruption are scaring foreign investors from Kenya.

Analysts say these factors are partly responsible for the country being listed among the poorest in the world.

The level of foreign investment has been falling relentlessly during the past four years, underlying a virtual no-confidence vote in the government of President Daniel Arap Moi.

Kenya’s Investment Promotion Council, which has the task of attracting investors, has been receiving 1,430 enquiries a year for the past four years, but only 431 have been processed and 125 have been implemented so far.

Investors complain of red tape and the absence of an investment code spelling out guarantees.

They are also worried about the country’s political stability, the government’s commitment to economic reforms and corruption, insecurity due to intermittent tribal clashes as well as rising crime and deteriorating infrastructure.

Although a reluctant Moi has managed to put in place sweeping reforms, including strict monetary controls and the abolition of marketing, price and production controls, investor confidence has not been restored.

“The climate is not yet right for large scale involvement here,” said one investor during a recent seminar.

“We are still worried about long-term political stability and other factors such as corruption and excessive government interference.”

In addition, basic infrastructure, particularly roads, needs improvement. Last year, the strategic highway linking the capital Nairobi to the port town of Mombasa was shut down for days because of rains, stranding tourists and goods destined to neighboring countries of Uganda, Zaire, Rwanda and Burundi.

The state of the roads received widespread publicity abroad, prompting the World Bank and the European Community to announce a rehabilitation assistance package.

South African company Engen, which has a bitumen plant in Kenya, is expecting to cash in on the road reconstruction boom, according to John Slee, Engen’s general manager in Kenya.

Rehabilitation of water and electricity works, sewage and garbage disposal facilities, is also required, especially in the bigger towns.

Economic analysts believe that for the country to be able to tackle the problem of poverty, it must grow at a sustainable rate of not less than 8 percent.

With a population of 25 million, Kenya has a potential labour force of about 10 million of which 2.25 million are unemployed.

To achieve meaningful growth, the level of investment must increase from its present level of 20 percent of GDP to 27 percent, according to an economic survey conducted last year.

But these goals remain unattainable because of investor apprehension.


Kurugi M’Mukinda, the commerce and industry minister, admitted recently that 1993 saw a further 3 percent drop in private investments.

He attributed the decline to “lack of confidence by investors in the sustainability of reforms.”

Last May, Kenya hosted an investors’ conference in Nairobi to inform the world the country was serious about its economic reforms.

In November, Moi led a large entourage of officials to Britain to seek fresh investment commitments at a conference organised by the Confederation of British Industry and the East African Association.

Although the response from 120 leading British companies was encouraging, it fell short of assuring Kenya of tangible new projects.

Many participants felt the government had first to convince local representatives of overseas firms about the future of the country.

“It must first persuade local chief executives that the climate for it is right,” Charles Gardiner, an East African Association representative said at the meeting.

Kenya’s investment comes mainly from Italy, the United States, Britain, China, Pakistan and India. So far, South Africa’s response has largely been muted, with potential investors taking a wait-and-see attitude.

The major point of contention is the absence of an investment code. Despite promises since 1994, the code has not been formulated.

Some say bureaucrats are dragging their feet fearing the code would usurp their powers if implemented.

At the moment the Investment Promotion Council, which was established in 1986, is without substance, its powers having been taken away by officials in the treasury and commerce and industry ministries. But executive chairman, Martin Kunguru, nonetheless predicts a turnaround this year.
Kenya is fading as a tourist destination

**JOE KHAMISI**

*Kenya is fading as a tourist destination because of high crime and road accidents.***

**AIOBO. — Kenya is fading as a tourist destination because of high crime and road accidents.***

The Kenyan government recently announced plans for a tourism police force to patrol the beaches and isolated roads leading to game reserves.

Several top police officials were sent to Egypt and Thailand to learn the latest techniques to deter such crime.

Hotels and travel agents in the northern coastal resort of Malindi have formed their own committee to co-ordinate security in the bandit-infested Tsavo National Park.

Visitors to the park are now provided with an armed escort.

Although tourism last year brought $25 million in earnings, Kenya has lost its dominance as the top foreign exchange earner to tea and coffee.

And, apart from crime, there have been other factors detrimental to the tourism industry.

They include high prices, caused by poor roads and unstable exchange rates, and the high cost of living.
Kenyan magazine presses seized, owner held

NAIROBI — Kenyan police have raided a firm which prints a magazine critical of the government, seized vital components from the presses and arrested its owner.

Police took away printing plates and art works bearing material for the next edition of Finance, a bi-weekly magazine printed by Colourprints and critical of President Daniel arap Moi.

Colourprints owner Anil Vidyarthi was detained for several hours on charges of publishing seditious material. He was later released on bail.

Finance editor and opposition member of parliament Njehu Gatabaki has escaped several attempts to arrest him this week.

The magazine's current edition has reproduced an article from a Ugandan newspaper, linking former Energy Minister Nicholas Bwott to the murder of Foreign Minister Robert Ouko in 1990. Mr. Bwott is one of President Moi's closest aides.

Mr. Gatabaki has faced repeated sedition charges in the past few years. But he said "no amount of intimidation and violence" would stop him from "championing the cause of democracy." (163)

Finance resumed publication last year after being forced to close down for 18 months by numerous police seizures of copies from newsstands and damage by police to a former printer's presses — Sapa-AFP
Tourists give Kenya wide berth

Nairobi — Kenya is losing tourists to South Africa, Tanzania, Uganda and Botswana because of its high crime and road accident rates.

Other factors detrimental to the Kenyan tourism industry include high taxation, frequent power blackouts, lack of water, particularly along the coast, a strong local currency, and the rise in cases of malaria.

During the past six months at least 100 British, German, Dutch and Italian tourists have been attacked, hijacked and robbed of their belongings.

Seven Italian, one Swiss and four German holidaymakers have been killed in road accidents.

In one serious incident in Nairobi in December, seven Italian tourists on a volunteer mission were robbed of property by a gang armed with guns.

"It was so scary, as the gangsters threatened to shoot us. They stripped us virtually naked," Dr. Azizah Dina, vice-president of the International Co-Operation for Oral Health, said.

Attacks are often armed with guns, bows, arrows and swords. In one incident last month, an armed gang of 10 robbers attacked Italian tourists relaxing on a boat and stripped them down to their underwear, then pushed a hole in their glass-bottomed vessel and swam away. Luckily no one was injured.

Adverse publicity

According to the Kenya Association of Hotel Keepers and the tour operators' body, the many cases of serious and petty crimes are scaring off visitors.

Many hotels and lodges remained virtually empty during the recent tourism season as a result of adverse publicity abroad.

Police authorities admit the rising crime rate is overwhelming their resources, saying new methods are needed to combat crime.

The Kenyan government recently unveiled plans for a tourism police force to patrol beaches and isolated roads leading to game reserves. Several top police officials were sent to Egypt and Thailand last year to learn the latest techniques of deterring such crime.

Hoteliers and travel agents in the northern coastal resort of Mombasa have formed their own committee to co-ordinate security in the bandit-infested Tsavo National Park. Visitors to the park are now provided with an armed escort.

"Although tourism last year brought 826,000 visitors to Kenya, it has lost its dominance as the top foreign exchange earner to tea and coffee — Star, Foreign Service

Cartels target Kenya — Page 5
Leakey’s new party to target corruption

NAIROBI — Kenya’s renowned wildlife conservationist, Richard Leakey, has announced the formation of a new political party dedicated to wiping out corruption, enforcing the rule of law and ending police brutality.

Former Kenya Wildlife Service director Leakey said on Sunday that the name of the party would be announced as soon as registration formalities were completed.

“I am making the announcement on behalf of a much larger number of people who believe that a fresh political initiative is needed,” Leakey said.

“Our country is slipping backwards, standards are falling, the people are being cheated. Something must be done and it must be done now,” he said and police brutality had become the rule.

The party will be led by former Forum for the Restoration of Democracy-Kenya deputy Paul Muite.

Leakey, flanked by several leading opposition activists, said the party was a response to growing concerns about government failings and increasing frustration over the performance of opposition leaders.

He said his group found it difficult to work with the opposition due to “infighting, the absence of principle and the disregard of accountability.”

Leakey resigned as wildlife service director last year after disagreement with President Daniel Arap Moi on conservation policies and subsequently underwent much public vilification by hawks in Moi’s ruling Kenya African National Union and government officials.

The move to opposition politics signifies Leakey’s official break from the country’s current leadership, where he had enjoyed close ties. His younger brother, Pius, remains a staunch ruling party operative and served as a cabinet minister in Moi’s government until he lost his parliamentary seat in 1992.
Leakey could change face of opposition

White Kenyan takes on Moi's government

Nairobi — The Kenyan government yesterday poured scorn on the dramatic entry into politics by conservationist Richard Leakey, saying he had nothing to offer.

But Nairobi University analysts said the aggressive anti-graft crusader, who is a white Kenyan, would change the face of Kenya's opposition, which lost elections in 1992 because of an ethnic split that still persists.

Leakey called on Sunday for a new political movement in Kenya, saying government incompetence had become commonplace and opposition leaders had performed badly.

The East African Standard said Leakey's announcement would cause major ripples in political circles, and the Daily Nation described the conservationist's switch as dramatic.

But Information and Broadcasting Minister Johnstone Makau said: "Accusations levelled by Leakey that we (the government) have failed are not anything to go by if he has found himself ignored, it is because he has nothing to offer."

In defence of Kenya's rulers against a scathing attack by Leakey, Makau said strife in neighbouring countries such as Somalia and Sudan meant the arrival in Kenya of illegal weapons, which had led to increased crime.

Richard Leakey, graft in government and crime are his declared targets

Leakey (49), who headed the Kenya Wildlife Service until he resigned a year ago after being attacked by government leaders, said he spoke for a larger opposition group that included human rights lawyers Paul Muite and Githua Imenyana.

It was the first time Leakey, who lost his legs in an air crash in 1993, had publicly addressed the concerns of ordinary Kenyans, signalling a break from the country's leadership, with which he had long enjoyed close ties.

Makau said the government of President Daniel arap Moi had made provisions to beef up security along Kenya's borders to curb crime and was committed to political stability as a way of bringing sustained economic growth.

A Nairobi University political analyst said Leakey has a clean public record, is unimpressed, and as a white Kenyan does not subscribe to tribal allegiances. "That makes him serious business."

In reference to the loss of his legs, Leakey told reporters on Sunday: "I want it clear that this (new) call is by Richard Leakey, the guy with no legs."

Makau said transition to pluralist democracy at the behest of Kenya's donors in 1991 had resulted in the formation of many ethnic-based opposition groups, and Kenya had no opposition groups espousing specific ideologies or policies.

He ruled out a total overhaul of Kenya's constitution, saying "just countries such as South Africa, which previously had laws that favoured one race, or Uganda, which had a long period of instability, needed sweeping changes."

Leakey is the son of the late paleontologist Louis Leakey and his wife Mary, who made fossil bone discoveries that led to a dramatic revision of theories about the origins of man.

— Reuters
Leakey forms Kenya party

NAIROBI — Kenya's renowned wildlife conservationist, Richard Leakey, has announced the formation of a new political party dedicated to wiping out corruption, enforcing the rule of law and ending police brutality.

Mr Leakey, former Kenya Wildlife Service (KWS) director, told newsmen the name of the party would be announced as soon as registration formalities were completed.

"I am making the announcement on behalf of a much larger number of people who believe that a fresh political initiative is needed," said Mr Leakey.

"Our country is slipping backwards, standards are falling, the people are being cheated. Something must be done and it must be done now. Corruption is rampant at all levels in public service."

Lawlessness had reached "fearsome levels", he said, and police brutality had become the rule.

The party, to be formed by opposition activists, will be led by former Forum for the Restoration of Democracy - Kenya (FORD-K) deputy-leader Paul Mute.

Mr Leakey resigned as KWS director last year after disagreement with President Daniel arap Moi on wildlife conservation policies and was subsequently subjected to much public vilification by hawks in Mr Moi's ruling Kenya African National Union (KANU) and government officials — Sapa-AFP
Aids panic: HIV 'is rife in Kenyan blood supply'

JOE KHAMISI
The Argus Foreign Service
NAIROBI — As the number of HIV carriers in Kenya edges closer to the one million mark, reports of widespread use of contaminated blood in hospitals across the nation are causing panic.

Patrick Osewe, a Kenyan researcher working at the US Federal Centre for Disease Control (CDC) in Atlanta, Georgia, reports that HIV transmission through blood transfusion still occurs in Kenya while it has been eradicated in most countries, rich and poor alike.

"Fifteen years into the AIDS epidemic and 10 years after the HIV test was discovered, blood contamination with HIV is still being transmitted to the unsuspecting public in Kenya," Dr Osewe said.

A study conducted late last year by the CDC on all the blood donated in five government hospitals in western Kenya and the giant Kenyatta National Hospital in Nairobi revealed a disturbing level of blood contamination.

During the four-week study, Kenyan laboratory technicians reportedly missed one quarter of the infected blood.

In one hospital, 36 percent of the blood was not screened despite availability of screening kits. And when these bloods were tested at the CDC, 23 percent were found to carry the HIV virus.

"Since the blood bank serves both the government and the private hospitals nationwide, and due to constant exchange of blood between private and government hospitals, no hospital can be said to have a safe blood supply," Dr Osewe says.

Blood transfusions are said to account for 10 percent of all HIV infections in Kenya, the rest being mainly through heterosexual contact.

"There is no routine testing of blood for transfusion in many Kenyan hospitals," one investigative report said recently. "Most doctors simply 'cross their fingers' in the face of emergencies," journalist Jane Naftore wrote. She said many Kenyans were increasingly refusing to donate or receive other people's blood, preferring instead to bank their own blood ahead of operations.

A source at the United Nations Environmental Programme in Nairobi, said the agency routinely advised its international staff to return home for emergencies.

Another big problem facing the country in its fight against AIDS is the widespread lack of testing kits. During the CDC study, emergency kits had to be flown in from the US. There is also a steady increase in infections affecting medical workers, particularly nurses and midwives. In the majority of cases, medical workers have to perform their duties without the benefit of protective gloves, thus exposing them to the killer disease.

Although the number of medical workers contracting the virus is still insignificant, there is fear that the matter could get out of control if the government fails to intervene.

Official statistics indicate at least 290,000 Kenyans are HIV carriers, while 52,000 have died or are currently in the terminal stages of the disease.

In a nutshell, one out of every 14 Kenyans is HIV positive. These figures represent cases reported to the authorities. Social workers say they could be much higher.
Kenya’s Moi goes own way without care

Germany, Norway and Austria have announced substantial cuts in their aid commitments to Kenya. This follows serious concern expressed by donor nations at recent events in Kenya which they say, violate the letter of understanding reached during the last donor conference meeting in Paris in November.

Denmark, Japan and Britain have warned that any further disbursements would depend on the country making substantial progress in political and economic reforms.

Germany slashed its aid for new projects by nearly two-thirds from Sh200 million (about $25 million) to Sh60 million this year, while Austria announced it was severely reducing its aid package to Kenya in favour of other needy nations in eastern Africa.

In addition, the World Bank has put on hold requests by Kenya for Sh250 million in loans to finance three major infrastructural projects involving roads and the energy sector.

To underscore the world’s frustrations over President Daniel arap Moi’s lack of commitment to internationally prescribed structural adjustment programmes, Kenya has been summoned to appear before the World Bank board in July to explain its apparent ambivalence in meeting donor conditions.

**Intermediate**

"Events have forced us new to insist on an intermediate meeting," one diplomat said, as saying.

The donor meeting was not scheduled until November.

The International Monetary Fund (IMF) is also dispatching a mission to Kenya this week to discuss a new Enhanced Structural Adjustment Facility and the Structural Adjustment Credit II, involving more than $30 million.

Donor representatives are expressing disenchantment at the government’s fumbling attitude to reforms.

They want Moi to show a more serious commitment to democratic ideals by freeing the airwaves, allowing free movement and expression by government opponents, cutting government expenditure, putting a stop to State meddling in business and keeping its exchange rate more stable.

In short, they want to see a better management of the economy and more tolerance on the part of government.

Economic observers have warned this week’s IMF mission to Nairobi is crucial, saying it would set the pace for the July World Bank meeting.

During the last meeting in the French capital, donors pledged to give Kenya Sh350 million in aid provided the country improved its human rights record, stamped out official corruption, moved quickly to nationalise money-lending parastatals and reduced the 400,000-strong ch 1 service and ended widespread insecurity.

Much of the Sh350 million pledged last year has not been disbursed.

This is because the government continues to harass the opposition and the press.

**KENYA’S failure to liberalise its economy fuels wrath of aid donors, writes Joe Khamum of The Star**

Two opposition pressure groups, the Moi Campaign Trust and Civilian, have been formed and four opposition MPs are facing trial charges for allegedly inciting violence.

Late last month, security personnel ratted a local firm which prints a finance magazine persistently in its criticism of government.

The printing machines were dismantled, sending an ominous signal that the government would not tolerate dissent.

The one-day Paris donor talks scheduled for July 24 have been cancelled by Germany and Denmark, who are pressing for the liberalisation of the economy which began in 1992.

They called for Moi’s government to intensify its efforts to resolve pressing economic issues.

They criticised the government’s insistence on the oppositions and lack of commitment to constitutional reform and its continued abuse of human rights.

This week, Finance Minister Mussali Mudavadi issued a statement denying his government was backtracking on its economic policy.

He said discipline in the financial system had been restored, inflation had been reduced to a single digit of below 10% and the external repayment situation had been strengthened.

Mudavadi further said Kenya was fully committed to entering on the IMF and World Bank route.

But others differ.

Last week, the Danish ambassador to Kenya, Helge Ejlifgaard, said what Kenya needed was an amendment to curb the problems of corruption and the misuse of power by the government.

"The constitution will protect the freedoms and rights of citizens," he said.

An economist at the University of Nairobi, Gerrard Daise, accused the government of defying the pronouncements of parastatals to protect its political interests.

He said parastatals were privatised without transparency in tendering and disposal.

Since the government began implementing a structural adjustment programme in 1990, only about 30 out of 150 publicly owned enterprises have been sold, most of them to political cronies of Moi.

But the government has a high-profile defence in dealing with its critics, observers here say, could lead to economic destabilisation of the country as it approaches general elections in 1997.

Already, many opposition leaders are calling for civil disobedience to force the government to abandon its tough stance and adhere to democratic principles.

But the government is not ready to give in.
Richard Leakey, the world-renowned paleoanthropologist and former Kenya Wildlife Service Director, was a vocal critic of the Kenyan government's policies, particularly its stance on corruption.

Leakey's challenge: causes political panic in Kenya

Kenya's President Daniel Moi, who introduced new dimensions in the country's politics, and his ambitious successor, Mwai Kibaki, have faced significant opposition. The establishment in Kenya, led by opposition parties, has stepped up its criticism of the government's corruption, which has become a major issue. The establishment is supported by the opposition, which has also been active in pinpointing the impact of the country's policies.

Kenyans have raised concerns about the government's corruption, and the opposition has been quick to respond, criticizing the government's policies and calling for accountability. The establishment has been a key player in this process, advocating for transparency and accountability in government affairs.

The establishment has been active in highlighting the impact of the government's policies, particularly in the areas of corruption and accountability. The establishment has been vocal in its criticism of the government's policies, and the opposition has been quick to respond, advocating for transparency and accountability in government affairs.

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NAIROBI. — Kenya's President Daniel arap Moi has blasted conservationist Richard Leakey as a "white man" trying to challenge the government with his call for the formation of a new political group.

"White people tell us change, change, change. They are urging us to have political reforms," Mr Moi told a rally at Nyeri in Kenya's mainly Kikuyu central province.

"Even Leakey, a white man, comes and tells us, 'I want to remove you (from power),'" said Mr Moi.

"Mr Leakey's announcement that he was associating himself with an alliance of young opposition leaders on May 7 shook Kenya's political establishment.

Mr Moi's government faces criticism from Western donors, some of which have suspended aid programmes after complaining of human rights abuses and corruption.

Mr Leakey who won fame with his discoveries of fossils of early man, saved Kenya's elephants during his 1990-1994 term as head of the Kenya Wildlife Service (KWS) but was ousted by a campaign led by senior ministers who last year accused him of corruption and called him a racist.

It was Mr Moi's third attack on a man who was formerly a close friend — Reuters.
Leakey pledges to form party despite criticism

NAIROBI — Kenyan scientist Richard Leakey will continue with plans to form a new opposition party despite government criticism, the Daily Nation newspaper reported yesterday.

Leakey, from Kenya’s small but influential white community, dismissed the attacks by officials led by President Daniel arap Moi. “I am an honest man and therefore replying to those who have smeared my name regarding the new party would be stooping too low.”

Leakey’s announcement on May 7 that he was aligning himself with young opposition leaders shook Kenya’s political establishment. Most prominent in the group is opposition MP Paul Muite.

Muite was charged in court on Wednesday with two Norwegian journalists and three others for illegally photographing police stations, visiting police stations without authorisation, obstructing a police officer and resisting arrest. The six were released on bail but face 14 years in prison if found guilty.

Moi has attacked Leakey as a white man trying to reintroduce colonialism 32 years after independence from Britain. The opposition has also criticised Leakey.

The opposition has been plagued by scandal since losing to Moi and his Kenyan African National Union three-and-a-half years ago in the first multiparty polls. Western donors have cut aid or threatened to cut aid, because of alleged human rights abuses, corruption and backsliding on economic reforms. — Sapa-Reuters.

Nigerian banks still policy target

ABUJA — Nigeria’s finance minister Anthony Ani said this week his government had no intention of going back on plans to take a controlling stake in the country’s four largest independent banks, despite international pressure.

Ani alleged that “directors, shareholders and managers” had been siphoning off funds from a number of smaller and now distressed Nigerian banks, something that could not be allowed to happen to those four banks.

In an interview with AP-Dow Jones, Ani insisted that government plans were a one-time event. He said they did not amount to nationalisation and in no way diminished government’s commitment to privatising other state enterprises.

Ani said, “We are determined to continue with the privatisation policy. We are not going back.”

According to recent reports, the World Bank, the US and France had put pressure on the Nigerian government to reverse its decision to take a controlling stake in the banks — United Bank for Africa (UBA), Afribank, Union Bank and First Bank — because of the damaging effect it was likely to have on frail international investment sentiment towards Nigeria.

Analysts believed the government’s plans were likely to run into most trouble over UBA because the bank was controlled by a Nigerian consortium and foreign banks held stakes in it. Banque Nationale de Paris had a 30% stake, and an international grouping which included Bankers Trust of the US held 10%. — AP-DJ.
Bottled water rip-off shocks Kenya tourists

The Argus Foreign Service

NAIROBI — In Kenya tap water is generally considered unsafe for human consumption but a new revelation that more than 99 percent of bottled water is nothing but tap water is sending shock waves through the tourism industry.

"We just cannot trust anything anymore," said a visiting Briton. "Ebola is scary enough. To know I have been drinking contaminated water since I came here a week ago is mind-boggling."

The shock revelation was made in a lead story in the Luo-owned Sunday Standard under the headline "The great bottled rip-off."

The paper revealed that out of the 74 brands available on the Kenyan market labelled as "mineral" and "spring" water, only three have been passed as genuine by the Kenya Bureau of Standards (KBS).

The rest, sporting impressive labels and claims of origin, are allegedly contaminated with deadly bacteria that could cause anything from typhoid, dysentery and cholera to heart diseases.

In similar earlier reports, the same publication tested samples of tap water from various parts of the country and found them loaded with impurities.

The bottled water industry has grown rapidly during the past five years following frequent complaints about the quality of pumped water.

The industry is largely patronised by wary tourists and other foreigners afraid of contracting tropical diseases away from home.

A leading tour operator said the report could have adverse implications on tourism, particularly at a time when officials were battling to contain a recent report overseas that the killer Ebola virus originated in Kenya.
Leakey takes off in Noah’s Ark

NAIROBI. Wildlife conservationist Dr Richard Leakey, stepping up his challenge to Kenya’s ruler, has announced his new political party will be called Safina — Noah’s Ark.

Dr Leakey and four other activists had also intended to register the party but the paperwork was not completed.

“We are delaying registration by a few days but we will announce the name. It is to be Safina. Safina is the Swahili word for Noah’s Ark,” they said.

The new party is seen by diplomats and political analysts as the strongest challenge to 70-year-old President Daniel arap Moi and his ruling Kenya African National Union party since elections in 1992, the first multi-party polls in 25 years.

Dr Leakey, a third-generation white Kenyan and former director of the Kenya Wildlife Service, provoked a storm by announcing on May 7 he was backing a new party because of rampant corruption, human rights abuses, and official incompetence. — Reuters
NAIROBI. — A South African winemaker has urged Kenya to improve its marketing strategies if it wants to attract South African visitors.

Marthinus Broodryk, the managing director of Bovlei Winery in Wellington, said there was great potential for Kenya's tourism industry in South Africa.

"With proper marketing of Kenya in South Africa, I can assure you that South Africans will flood this country," he said in Nairobi recently.

He noted that although South Africa had parks and other attractions, most South African towns were dominated by skyscrapers and were not appealing to tourists.

Marketing, though, was the big challenge for the East African nation.

Outside South Africa, he said, only Botswana, Madagascar, Zimbabwe and Mauritius were really known to South Africans.

The winemaker, in Kenya for a wine tasting event, also took issue with reports in the international press that crime was rampant in the capital, Nairobi.

A Kenya government official announced this week that several hotels along its popular north coast resort strip were forced to close down temporarily in April due to adverse press reports abroad.

The hotels, expected to re-open next month, are patronised mainly by Italians.

Recently, Italian television and press reports claimed the killer Ebola virus which caused hundreds of deaths in Zaire originated in Kenya.

The reports were denied by Kenyan authorities.
NAIROBI — With full liberalisation of the airwaves in Uganda and Tanzania, Kenya now remains the only country in East Africa that continues to cling to state-owned propaganda organs.

Private broadcasting stations are banned and attempts by potential investors in this sector have been thwarted by a government fearful of independent opinion.

A task-force appointed last year to look into the licensing of private stations remains deadlocked, reportedly over issues of ethics.

Sources say government representatives in the task force want to see provisions included in the recommendations that would limit editorial freedom.

But the body, composed of editors, among them critics of the establishment, want carte blanche, allowing broadcasters full freedom to comment and criticise.

In any case, the government has already preempted the recommendations of the task force by categorically stating it would not abide by its decisions.

"We are not in a position to license any in the near future, even if the press review committee recommends the liberalisation," an official document reads.

Authorities fear the 60 or so groups and individuals who have applied for broadcasting licences may use the facilities to vilify the government.

At least two firms have sued the government over the licensing issue.

One of them, Royal Media Services, recently announced plans to set a regional television and radio network across the border in the northern Tanzanian town of Arusha.

Six Tanzanian businessmen have joined Kenya's SK Mcharia in the Arusha venture which will operate under the name Kilimanjaro Radio and Television Network.

Similar facilities will be established in Uganda and in Kenya once the airwaves are opened, they say.

The Arusha operation is expected to go on the air "within months", according to its managing director, Kenyan Karanja Njoroge.

"We are in this business purely to make profit. We are not interested in any political ends," Mr Njoroge said recently, in an apparent reply to government fears.

While Kenya dilly-dallyes over the issue, its neighbours Uganda and Tanzania have made giant strides in the electronic media.

Uganda has four television stations, among them the recently inaugurated South African-controlled M-Net channel.

The channel operates under the corporate name Multichoice Uganda.

Owned as a joint venture with Uganda's stem cable, it is the first pay channel in the country, covering a radius of 30 km from Kampala.

On the other hand, Tanzania has three privately owned television stations and two private radio stations.

The owner of the Independent Television (ITV), media magnate Reginald Mengi, says his company would go national by Tanzania's first multi-party elections in October.

In contrast, Kenyan television viewers and radio listeners have limited choice.

The Kenya broadcasting corporation (KBC), a government parastatal, runs both television and radio stations.

The only other television station, KTN Channel 62, is owned by the ruling party, Kanu.

Opposition news is routinely given a black-out except for items that show disunity within opposition ranks.

Last week, the government announced plans for the launching of a second television channel to be run jointly between KBC and South Africa's Multichoice.

The move has led to criticism of the government for letting in a foreign media company while denying licences to local participants.

But at a recent press conference, information and broadcasting Minister, Johnstone Makaau, said KBC did not require an additional licence to operate the channel.

"However, with a majority of Kenyans unable to buy a television set, let alone pay for services, it is unlikely the new channel will attract countrywide support.

An earlier attempt by KTN to promote a pay service failed.
KENYA is a land of contradictions between great wealth and stunning poverty. Corruption seeps through society's fabric and infrastructure, sapping the lifeblood of economic development, as Norman Chandler found during a recent visit to the decaying heart of east Africa.

Surprisingly, however, President Daniel arap Moi has told donor nations: "We don't need your money."

His statement has been met with headshakes from the local newspapers and seat shockwaves through a country crying out for investment.

This attitude has driven key donors - Denmark, the Netherlands, the United States, Germany and Swiss - to stop their aid from Kenya, leaving behind a legacy of outrage, because they believe their money should be going towards the upliftment of the country.

This means, the Paris Club, the donor nations acting for Kenya, will be holding an emergency meeting in Paris to determine just how the Kenyan government will reduce the deficit of their funds. Judging from what the local newspapers are reporting, this will be a tough assignment.

In hotels, pubs, clubs and offices the finger is pointed to numerous others - to a ceo, a white collar or even representatives of foreign governments.

"Kenya is a country with a long and rich colonial history, where change in government is often uncertain," Mr. Leary said.

Moi, who took over when the so-called "father of the nation" Jomo Kenyatta died in 1978, would appear to have a tough mountain to climb if he wants to make any headway.

"Kenya is a country with a long and rich colonial history, where change in government is often uncertain," Mr. Leary said.

The Nairobi-Mombasa highway, a 550km stretch of road which is repaired regularly, showing the problems when the rains come in April/May and in October/November, but repairs work is seldom undertaken in Nairobi, for

City of contrasts... Nairobi, capital of Kenya, where soaring skyscrapers, banking halls and international hotels go hand in hand with pitted pavements and ghetoes for the poor. 

"It is little wonder that there are more body repairs in Kenya than any other country in the region, except for South Africa," Mr. Leary said.

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"Kenya is a country with a long and rich colonial history, where change in government is often uncertain," Mr. Leary said.
Kenya renews its stock market revival

KENYA’S financial sector is hoping that Finance Minister Musalia Mudavadi’s latest Budget will give a much-needed boost to the country’s stock exchange, which has failed to realise its early promise.

The measure unveiled last month, which ranged from raising the ceiling on foreign investment in Kenya’s portfolio to a promise to speed up privatization, was an implicit acknowledgement that the Nairobi Stock Exchange has proved to be a disappointment since opening to foreign investment in January.

When it was announced that the barriers were coming down as part of Kenya’s economic reform programme, excitement ran so high that the share index surged to 4,399.40 on the last trading day of 1994, from 3,662.26 a fortnight before.

Local investors snapped up blue-chip shares, positioning themselves ahead of the expected surge from abroad.

It never materialized. Six months on, subdued trading is boosting an increasingly sophisticated local investors learn the joy of speculation, with turnover up from 327 million shillings (Sh1 million) in 1992 to 3-billion shillings in 1994.

However, foreign investment to date accounts for net inflows of only 24.3 million in a market capitalized at $3.5 billion.

The index has fallen back to the more rational level of 3,400 and share prices have dropped 36%.

The strength of the shilling, trading in the low 40s against the dollar for the first four months of the year, made investing expensive in dollar terms and whittled away at the profits of many of the blue-chip companies on offer.

The speculative surge in prices before the liberalisation of the market also meant shares were overpriced, with a price-to-earnings ratio of close to 12.1.

A big disincentive was also the ban on foreign investment in local subsidiaries of foreign-controlled companies, aimed at encouraging input into Kenyan companies. Those 15 foreign-controlled companies account for 74% of market capitalization, so the number of shares available shrank dramatically.

Now Mr Mudavadi’s Budget has brushed away some of the cobwebs. Foreign investors can buy up to 40% in a Kenyan portfolio and brokers’ commissions have been slashed. The introduction of a central depository system, scheduled for the end of the year, should speed up clearing and settlement.

But the ultimate success of the NSE now depends on two things: whether the government decides to lift the ban on investment from abroad in foreign-controlled companies and how rapidly it starts floating state enterprises.

So far only 61 of the smaller and less attractive public companies have been sold off and 145 acres are slated for sale. In his Budget Mr Mudavadi promised a third of the remainder, including the national carrier Kenya Airways, would be privatised over the year.

But the pledge failed to convince many analysts who note chronic foot-dragging on the privatization issue, epitomised by delays in filling the post of chief executive on the parastatal reform committee.

“The state has never been truly committed to privatization,” says one market player — Financial Times.

By MICHELA WRONG

THE PEOPLE’S BEER: A worker stacks empty beer bottles outside a restaurant in Beijing this week. Beer consumption in the People’s Republic has grown 20% a year over the past decade, making China the world’s second biggest consumer of beer in the world, after the US. Shenyang Brewery, China’s second biggest brewer, in which SA Breweries acquired a 25% stake last year, has the capacity to produce 2.5 million hectolitres a year of Snowlake, one of China’s biggest selling brands. Picture AP
Kenya baffled at exclusion from US trade initiative

BY JOE KHAMISI
INDEPENDENT FOREIGN SERVICE

Nairobi — Kenya's exclusion from a group of 15 sub-Saharan countries targeted by the Clinton administration for increased trade with the United States is causing concern within the government of President Daniel Arap Moi.

Last month, the United States released an initial list of a selected group of African countries that were to benefit from American trade legislation arising from the World Trade Organisation.

The legislation empowered United States government agencies to consult a private-sector advisory council to devise ways of increasing trade with the sub-Saharan region.

The aim was to enable the selected countries to take full advantage of a system of allowances in terms of which certain exports from developing countries could enter the United States duty free.

The legislation also paved the way for bilateral tax and investment agreements with some of the countries.

Sources said preliminary talks on such treaties had already started with South Africa and similar discussions were to begin soon with Zimbabwe.

Among sub-Saharan countries on the list were Kenya's neighbours Uganda and Tanzania as well as Ghana, the Ivory Coast and Gabon.

While Uganda was reportedly chosen because of its strong economic performance, Tanzania was said to have been singled out because of its membership in the Southern African Development Community.

Nairobi officials claimed to be baffled at Kenya's exclusion.

"Our efforts in economic liberalisation are as good as those in any of the 15 countries," one treasury official said.

"Yet no one wants to tell us specifically where we have gone wrong.

"Observers here speculated that the United States move was taken to show its disapproval of recent political and economic events in the country.

The United States was said to be particularly angry at an event earlier this year when the American ambassador to Kenya, Aurelia Brazzel, was harassed by police while travelling from Nairobi.

Clash

During that incident she was held up for several hours at a police station on suspicion that she was "accompanying opposition politicians on a visit to victims of a tribal clash.

Brazzel has neither confirmed nor denied the trade plan report.

She only expressed hope that "Kenya's excellent economic reforms" would continue.

Although American financial assistance to Kenya was minimal compared to that of Japan and European countries, Washington was one of the most vocal critics of political and economic mismanagement in the country, and the latest step was seen as further isolating Kenya.

Later this month, Kenyan officials will go before an extraordinary donors' meeting in Paris to answer a series of questions regarding the country's commitment to basic reforms.

The United States-Africa trade plan was expected to be operational next year.
Envoys in the Line of Mol's Fire
Energy crisis looms over Kenya's growth
Kenya bows to donor pressure

PARIS.—Kenya’s donors, under pressure from human rights groups, have won agreement from Nairobi to set up a new forum to ventilate concerns over the country’s record, officials said.

Widespread fears that Kenya’s human rights record is worsening were the main focus of a meeting of rich countries and international institutions under the auspices of the World Bank in Paris, to the displeasure of the Kenyan delegation.

But the informal meeting, designed to take stock of Kenya’s progress since $US-800 million (R2.8-bn) in aid was pledged in December, stopped short of linking future aid to the government’s record as human rights groups had demanded.

In a reference to non-economic issues, Kenyan Finance Minister Musalia Mudavadi told a news conference: “We should not be having exchanges between donors and the government that are not carefully guided.”

“Those could send misleading signals. There should be greater consultation at a local level, on a basis of trust and diplomatic etiquette.”

James Adams, eastern Africa head for the World Bank, said a new system would be worked out to enable donor nations to tackle the government solely on non-economic issues, including human rights.

“The government’s concern is to enable non-economic issues to be fully discussed and vetted and to get donors fully involved. We are going to go back to Nairobi and meet and set up a mechanism,” he said.

Amnesty International accused Kenya of repeatedly violating human rights, especially those of women.

The New York-based Human Rights Watch Africa has urged donors to link future non-humanitarian aid to improvements in Kenya’s record.

Asked about the charges of human rights violations, Mr Mudavadi answered: “We would like these allegations to be as specific as possible. When you go into the merits of each individual case, the truth is often very different.”

Donors’ worries include stamping out widespread corruption, harassment of the opposition, the Press and non-governmental organisations and a need for civil service and constitutional reform.

Mr Adams said another freeze on aid to Kenya, like one instituted for six months in 1992 because of concern about human rights and other issues, was not on the agenda.

Although donors had hailed Kenya for its economic progress, he cautioned: “The consultations will not be about linkage specifically but about the willingness of certain governments to put projects on the table.”

Seeking to deflect criticism, Kenyan President Daniel arap Moi announced that his government would form a committee on human rights but did not say when or who would serve on it. — Reuters.
Kenyan lead-free fuel plant up for auction

By Joe Kamau

Nairobi — Kenya's dreams of producing lead-free petrol will vanish at the end of the month when a multimillion dollar molasses manufacturing plant is auctioned to cover debts owed to a Swiss bank.

The Keumo molasses plant, situated 6 km from the Victoria Lake town of Kiseru, will go under the auctioneer's hammer without having produced a single drop of power since it was erected in 1976.

The plant joins a growing list of all-faded government-financed projects that have collapsed due to government bungling, corruption and indecision on the part of planners.

The factory was meant to produce power alcohol and other fuels for local and international consumption. That was the dream, but today rusted heavy-duty vehicles and other equipment are strewn all over the factory due to years of neglect.

In 1976, the Kenyan government obtained loans amounting, at the time, to $8 million from the Union Bank of Switzerland and the Process Engineering Company of Switzerland.

Buildings were erected and machinery acquired. But, as press reports later revealed, tenders and construction costs were inflated to accommodate kickbacks for government officials.

In the end, the plant was found to be unviable. Officials blamed unreliable supplies of the raw materials from sugar plantations, and high operating costs.

For 19 years politicians and bureaucrats have been wrangling over the plant, located in a province of the country which finds itself heavily in the disfavour of the government and the ruling KANU party.

Earlier this month the government finally sounded the death knell. It announced in parliament that an auction would be held on July 31 to sell off the plant's assets to the highest bidder.

"We do not care whether (the buyer) is a Kenyan or not. What we are interested in is to sell to the highest bidder," said one Kenyan official.

Most of the money realized will go towards paying local claims — including that of the town council which is owed $7 million in rates. The government will then have to find money to repay the Swiss creditors at the rate of more than $25 million annually for the next seven years.

The molasses plant is one of several white elephant projects conceived by the government over the years. Kenya could be producing its own polyester clothing fabrics if the fibre corporation complex in Mombasa west of Nairobi had not gone the same way as the molasses plant.

The same fate befell a huge vegetable oil project which was to manufacture refined oil from imported soybeans. The project seems to be another non-starter, only five years after the agreements were signed.
Kenya denies plan for forum on abuses

NAIROBI: Kenya denied yesterday it would set up a forum with donors to follow up claims of human rights violations, saying these were an internal affair.

Foreign Minister Mr. Kalonzo Musyoka was reacting after reports from Paris said donors on Monday had won agreement from Nairobi to set up a forum to vent concerns at Kenya's human rights record.

"There was no question of forming a forum to follow up on human rights issues," Mr. Musyoka told foreign journalists.

"Our friends may express concern (at internal developments), but we will tell them these are Kenyan issues and we will deal with them," he added.

In a statement after the Paris talks, the World Bank said the government reacted to donor concerns on issues such as the freedom of association, independence of the judiciary and the need for wide consultation on constitutional and legal reform.

"The government expressed its interest in establishing improved mechanisms to facilitate effective communications with the donor community, particularly in Nairobi," the World Bank said.

President Daniel arap Moi announced the formation of a committee on human rights on Saturday, the same day human rights organisations complained Kenya's record was worsening.

The Paris meeting between Kenyan officials and donors did not link aid to the government's human rights record. - Reuters
New Kenyan party threatened by government

NAIROBI — A new Kenyan political party has accused police of forging a document being used by the government to threaten it with a crackdown.

Cabinet secretary Philip Mutha said on state radio that the as yet unregistered Safina party, founded by white conservationist Mr. Richard Leakey and opposition politicians, was distributing a “clandestine document” calling for civil disobedience and anarchy and that the party planned to supply students with “ample drugs, intoxicants and cash.”

“You know there is a unit in the special branch which manufactures propaganda,” he said.

A facsimile of what was purported to be a letter of support for Safina from the American racist organisation the Ku Klux Klan published last month in the Kenya Times, organ of the ruling Kenya African National Union is generally regarded as an obvious forgery, studded with British spellings used in Kenya, poor English, and at least one “Kenyansm.” Its true authorship has not been disclosed.

Yesterday’s edition of the Kenya Times reports that the new document calls for demonstrations from August 1.

It maintains, despite publishing a denial by a Safina official, that “impeccable sources in Safina party confirmed the documents were the work of Safina members.”

— Sapo-AFP
Leakey’s party accused of plotting subversion

NAIROBI: Kenya’s government has accused conservationist Dr Richard Leakey’s party of plotting a nationwide campaign of subversion and anarchy.

Cabinet secretary Mr Philip Muthui, also head of Kenya’s civil service, said this week the plot by the Safina (Ark) party, with Dr Leakey as its secretary-general, was in a clandestine paper which called for civil disobedience endangering the country.

But Safina chairman Mr Mutu Kigano yesterday dismissed the government’s accusations as “a gimmick that is complete rubbish and is only a prelude to further possible acts of repression.”

Safina’s campaign for more democracy and less corruption has unnerved the Kenyan government and President Daniel arap Moi has repeatedly accusing Dr Leakey of being a racist and coloniser and vowed he will never be allowed to become a political leader.

“The government views with grave concern the declaration of a plan to launch a campaign of civil disobedience and anarchy in the country — tantamount to endangering the existing stability in the social, political and economic fabric,” Mr Muthui said.

Unrest

“The government will discharge its responsibility to protect and defend life and property by dealing with any agents of doom firmly and decisively,” he warned.

Mr Muthui cited possible illegal actions such as fomenting civil unrest organised by underground co-ordinators, promotion of student unrest at universities and a crippling of public transport through intimidation or blackmail of minibus owners.

“As part of this incitement strategy, students are to be supplied with ample drugs, intoxicants and cash inducements to win public support and to cause disaffection against the Kenyan government,” said Mr Muthui.

Nairobi University students protested on Tuesday against government plans to raise fees.

Chief opposition leader Mr Michael Wanalwa told parliament on Wednesday police fractured the skulls of six and broke the legs of four students — Reuters.
Britain freezes aid to Kenya
31/9/95
NAIROBI: Britain has frozen its aid to Kenya because of concerns over the political and human rights record of that government.

Overseas minister Baroness Lynda Chalker, who is on a four-day visit to Kenya, said this weekend £4 million (about R23.16m) of the £15m (about R86.85m) pledged in December had been sent. The rest would not be given without political progress.
Kenya – foreign pressure an insult

Kenya is reassessing its commitment to political and economic reform because of the "contemptuous" and "hostile" behaviour of the British Overseas Development Minister, Lynda Chalker, on her recent visit to Nairobi.

A statement from the president's office accused Chalker of a breach of diplomatic etiquette for holding a press conference to announce Britain's withholding of direct aid before she met President Daniel arap Moi.

"The Kenya government views this behaviour as impolite and contemptuous and likely to hurt the relations between the two countries," the statement said.

Meanwhile, Baroness Chalker's contemptuous attitude towards Kenya was eloquently expressed in this diplomatic blunder, the statement said.

"The Kenyan government views this behaviour as impolite and contemptuous and likely to hurt the relations between the two countries," the statement said.

The government's response was a veiled warning, saying British businesses had profited from Kenya, pointing out that Barclays Bank made £4-million last year.

Some Kenyan opposition politicians have welcomed the suspension of direct aid, terming it of dubious benefit to the majority of Kenyans.

While funds aimed at specific projects are unaffected and mostly welcomed — even if there are questions about the effect of Britain's police training programme on Kenya's notoriously brutal force — much of the £11-million of frozen aid was destined for the Moi administration's coffers.

In effect, it helped subsidise a web of political patronage and graft by enabling the government to release funds for projects such as the construction of a £62-million airport in Moi's home town, Eldoret — neither a tourist destination nor an economic centre. — The Guardian
Central bank confuses Kenyan banking

By Joe Khambis

Nairobi — The recent decision by the Central Bank of Kenya to increase discount rates in treasury bills has created confusion in the country’s banking industry and triggered a sharp rise in commercial bank base-lending rates.

The central bank intervened, accusing some banks of manipulating the exchange rate by creating an artificial shortage of foreign currency to increase their margins.

Michael Chyereen, the governor of the central bank, said no major economic fundamentals were at work to justify the shilling’s rapid loss. Soon after the statement, the shilling began to appreciate steadily and appeared to have settled at about 55 Kenyan shillings to the dollar.

Several central bank discount rates were increased between 6.5 and 10.5 percent on August 3. For 30-day treasury bills, the rate went up 3.5 percentage points while the rate for 90-day Treasury rose from 18.50 to 19 percent.

The central bank’s decision has prompted some leading banks to increase their base-lending rates, including Standard Chartered and Barclays, with the former raising the level from 18 to 26 percent. South Africa’s Stanbic Bank increased its lending rates marginally from 21 to 22 percent.

Apart from the government-linked Kenya Commercial Bank and the National Bank of Kenya, other private banks either increased their rates slightly or said they were studying the situation and might follow suit.

Officials at the central bank insisted the increase by commercial banks was unjustified. They explained the move affected only short-dated treasury bills and was meant to be a temporary measure until the money supply situation improved.

The bank noted with concern that treasury bill holdings had been falling while currency and deposit holdings had increased.

While analysts agree that the central bank’s move was a short-term measure to keep interest rates high and liquidity low, some experts are worried that the tendency to maintain high commercial bank base-lending rates could slow economic growth and erode consumer confidence.
Kenya leads the way for African airlines

BY AUDREY D'ANGELO

The success of Kenya Airways — which has turned its losses into a profit of about $14 million this year — is proof that a small African national airline can succeed "if it is run as a business and not as a status symbol," says Brian Davies, the airline's managing director and chief executive.

The airline is expected to be listed on the Nairobi stock exchange by the end of the year.

Davies said on a visit to G animated of the hopes to attract a foreign airline partner to take 20 percent stake and Kenyan institutions to take a further 20 percent. The Kenyan government would keep 20 percent. The remaining 40 percent would be floated on the Nairobi stock exchange.

Several foreign airlines were interested and one was carrying out a diligence test. But, Davies said, "we are not looking for the highest bidder, but the most benefit." Kenya Airways, which lost money for years, called in Speedwing as the management consultancy arm of British Airways three years ago.
Kenya leads the way for African airlines

BY AUDREY D'ANGELO
CAPE BUSINESS EDITOR

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Davies said on a visit to Gauteng it hoped to attract a foreign airline partner to take 20 percent and Kenyan institutions to take a further 20 percent. The Kenyan government was to keep 60 percent. The remaining 40 percent would be floated on the Nairobi stock exchange.

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Kenya Airways, which lost money for years after ceasing to be part of the East African Airways consortium, called in Speedwing, the management consultancy arm of British Airways three years ago. Davies was offered his present job with the airline and asked to implement the Speedwing report.
Reform helps
Kenya farmers

BY MARCAH KINOKI

CTBOK) 21/8/95

Egerton - Kenya's farmers say they have
begun to see gains from three years of re-
form, but want the government to clear the
remaining obstacles to maximum profits.

This was the message at an agricultural
liberalisation seminar at Egerton Uni-
versity, an agriculture school near Na-
irobi.

At the meeting, the Coffee Board of
Kenya estimated coffee production would
rise to about 85,000 tons this year from
81,000 tons last year and the tea board said
it saw improved production from the about
209,000 tons harvested last year.

But bodies managing sugarcane, maize and
cotton saw little short-term improvement
while crops attempted to recover from poor
farm policies and large imports since 1993.

Coffee and tea combined earn about
$600 million in foreign exchange a year. It is
the world's third biggest producer of black
tea with 15 percent market share.

"Shortages of cane due to lack of devel-
opment and falling yields explain much of
production shortfall. Quality is also a prob-
lem," said a Kenya Sugar Authority report.

"Declining crop husbandry, for weat-
ing and fertiliser application, and poor co-
ordination between agriculture and pro-
cessing departments at some factories has
meant that harvested cane can be of less
than optimal quality."

Sugar output fell to about 301,000 tons
last year from 381,000 tons in 1993 and
experts expect little improvement.

On cotton, delayed payments had for-
ced farmers to reduce acreage and input
use. "Lower cotton production and lower
capacity utilisation in co-operative societies
and ganneries have exacerbated problems," an Egerton researcher said.

A policy paper said transparency in pa-
rastatal reform and privatisation was elu-
usive and reforms requiring the sale of facto-
nies to private investors raised political and
equity problems.
Tanzania's inflation rate is over 28%

By Matt Begg

Dar es Salaam — Tanzania's inflation rate has risen to 28.9 percent from 27.7 percent last year, according to figures released by the Bank of Tanzania.

Tax changes, rising wages and an increase in the petrol price accounted for the inflation rise, the bank's report for the year ending in July of this year said.

A Flash Consumer Price Index (FCPI) has been established as an early-warning inflation indicator for monetary policymakers, the report says.

The value of Tanzania's exports increased by 3.8 percent in the first seven months of this year.

According to the bank's figures, export earnings rose from $294.51 million for January-July last year to $305.59 million in the same period this year.

Despite this, exports of coffee and cotton, two of Tanzania's most important export crops, declined in volume despite higher world commodity market prices.

During the same period, imports fell by 18.5 percent from $910.75 million to $742.62 million.

"Reduced disbursement of donor funds for balance-of-payments support may have accounted for the fall," the bank said.

Scandal

Tanzania's donors froze balance-of-payments aid, which accounts for about 20 percent of total aid to Tanzania, last November in protest at a tax-evasion scandal estimated to have cost the treasury around $70 million.

In the first half of this year only $19.7 million was disbursed in balance-of-payments support, compared to $110.15 million in the same period last year, according to the bank.

In the coming year the food supply in Tanzania is expected to be satisfactory, it added.

While an expected shortfall in wheat production will necessitate wheat imports, there will be a food-supply surplus in the year ahead.

"On account of the improved food supply this year and the next, food prices are expected to decline and thus ease the inflationary pressures during the year," the bank reported.

Kenya airline doubles profit

Nairobi — Kenya's national air carrier, Kenya Airways, has more than doubled its net profit for the year ending March, Koome Mwamba, the airline's public relations manager, said on Saturday.

The net trading profit of Kenya Airways doubled from 398 million Kenyan shillings ($7.23 million) in 1993/94 to 885 million shillings on sales of 1.9 billion shillings, representing a 10 percent margin on sales, said Mwamba.

During the same period the corporation repaid 1.1 billion shillings of external debt from its own resources, completing the carrier's debt restructuring and enabling its privatisation process to begin.

The margin was well in line with the more successful airlines, he said.
Overcrowding and a fall in standards leave Kenyan graduates kicking their heels

Nairobi—Unemployment among university graduates is so serious in Kenya that the International Development Association (IDA), a World Bank subsidiary, has commissioned a study to look into the problem.

Kenyan urban areas are replete with unemployed and underemployed economists, veterinarians, biologists and lawyers. Even teachers who once commanded a high stake in the job market find it impossible to get posts. Only doctors are assured of jobs on graduation.

The cause of graduate unemployment may lie within the institutions of learning themselves. In public universities, lecture huts are crammed with hundreds of students per session. Academic standards have been falling. This situation is worrying employers and educators, who are questioning the quality of Kenya's university graduates.

"Large classes of over 500 students helped to wipe out the tutorial system," said the IDA-sponsored report.

University authorities have denied these problems exist—Independent Foreign Service
IMF ultimatum shock for Kenyan officials

By Joe Khamisi

Nairobi — The International Monetary Fund (IMF) has told Kenya to prosecute financial offenders or forget any further donor funding.

The unprecedented ultimatum by IMF officials came at the end of their two-week visit to Kenya last week.

The officials were in Kenya to discuss a $200 million package under the enhanced structural adjustment facility.

The money, scheduled to be disbursed over three years, was intended to supplement the resources of the country's central bank.

But Hirono Hono, the assistant director for the African department of the IMF, said the structural adjustment facility arrangement could not be concluded because of the Goldenberg scandal in which the government lost about $500 million in questionable deals.

Kamlesh Pattni, an Asian businessman, and several former top officials of the central bank, are to face charges related to the scandal.

Pattni's Goldenberg International was allegedly paid billions of shillings in compensation claims for non-existent gold and diamond exports.

However, the case has dragged on for more than a year.

Hono said donors were unlikely to release more money to Kenya until the IMF was content that the matter had been dealt with to its satisfaction.

"The IMF must be satisfied that the government has taken steps to prevent the occurrence of scandals involving such huge amounts of money," Hono told a media conference in Nairobi.

He warned that any financial scandal involving huge public funds would have severe consequences for the IMF's relations with the government.

The IMF stance has shocked Kenyan authorities, who expected a more favourable outcome.

"The IMF has pulled the rug from under our feet," one senior treasury official said.

"We have been trying to prosecute these people and put the Goldenberg issue to rest. I think the IMF decision was rather harsh," the official said.

Experts said the continuing aid freeze could further destabilise the fragile shilling which had been performing rather erratically in recent months due to fears of aid cuts.
Kenya's port plan, may run shaky economy
ANC accuses rival parties of 'racism'
Kenya to sell maize mountain

By JOE KHAMIS
INDEPENDENT FOREIGN SERVICE

Nairobi — Kenya is trying to dispose of the several million bags of maize it accumulated during two years of corrupt dealings.

The country has stocks of 10 million 90kg bags, while its strategic reserves should ideally be around 3 million bags. Unfavourable policies and dubious deals involving government officials and politicians led to an over-importation of the grain in the 1993/94 period.

Reports on Friday said the country was about to sign a lucrative deal with five southern African countries, named by a source at the agriculture ministry as Namibia, Angola, Zambia, Botswana and Lesotho.

Over the past two years 70,000 tons of maize were imported into Kenya through official and unofficial channels. The importation was allowed in a partially liberalised atmosphere, despite the country's harvest of 34 million bags last year.

One publication dubbed the importation saga the "Maezeberg" scandal, likening it to the Goldenberg financial scandal in which Kenya is said to have lost millions of dollars to fraud.

As new harvests of dry maize came in this week, the open market prices fell drastically, prompting panic in the sector. The sales are already overflowing and urgent relief is required.

The scandal began when the government directed the cash-strapped state-run National Cereals and Produce Board to buy maize from farmers at 550 shillings (about $1.20) a bag but sell it to millers at 679 shillings (about $1.50) a bag.

Coincidentally, in 1993 poor rains led to a national surplus fall of almost 10 million bags. This gave government officials the opportunity to enter the maize import business.

The price plummetted by almost a third, forcing the government to impose a temporary ban on importation and a heavy variable tax for importers.

Critics claimed the action was taken to protect the interests of influential importers.

Unable to find a more profitable market due to prevailing poor prices, the importers persuaded the government to allow them to sell their maize to the cereals board at the fixed price of 550 shillings a bag, although it was selling at 300 shillings a bag in some parts of the country.

Traders colluded with the board's deputies using the millers' price of 670 shillings. They bought grain at the reduced price and resold it to the board at 950 shillings.

Internationally, the scandal pushed Kenya towards a collision with donors.

Donors stepped up calls for a complete liberalisation of the agricultural marketing sector. These included a cut in the number of main storage depots from 99 to 26.

The proposals, discussed in 1993, were not accepted until recently when President Daniel arap Moi announced plans for the full commercialisation of the board's operations.

A committee of local and external experts is to be established jointly by the government and the donors to work out the modalities of the changes.

Beginning with this year's crop, Moi said, all maize will be sold at market price, removing subsidies.

The board has been allowed to maintain a strategic reserve of 3 million bags and is permitted to buy from farmers and sell out surplus.

Sources say the sales to southern Africa will be at 865 shillings, exposing the cereals board to a loss of 85 shillings a bag.
Theft of medicines puts Kenyan patients at risk

By JOE KHAMISI
INDEPENDENT FOREIGN SERVICE

Nairobi - Pharmaceutical companies in Kenya have lost drugs worth more than Ksh 1 million through theft in the past year while millions of Kenyans go without medicine in public hospitals.

Industry sources say a cartel is at work at Jomo Kenyatta airport in Nairobi. Drugs are also disappearing between the central medical stores and provincial and district hospitals.

Opposition MP Charity Ngilu claimed recently that more than half the country's hospitals were crippled because essential drugs and equipment were being diverted to influential people.

Most of Kenya's public hospitals are severely short of drugs and equipment. Patients often have to provide necessities such as bandages and needles.

Six companies, among them subsidiaries of world pharmaceutical giants, have sent a memorandum to the Kenya Association of Pharmaceutical Industry (Kapi), complaining about airport thefts. Kapi has, in turn, complained to the airport authorities.

Importers say large consignments of drugs are pilfered when they arrive at the airport.

Kapi official Caroline Opondo says, "The number of reports we receive about missing drugs from pharmaceutical companies is increasing."

Industry sources indicate that the thefts occur in customs-bonded warehouses just before clearance. Companies that have reported losses include Pfizer, Nairobi Dental Supply, Hoechst, Howse & McGeorge, Bayer and Dawa Pharmaceuticals. The drugs are said to be finding their way to local chemists.
Kenya seeks help to rehabilitate oil refinery

BY JOE KHAMIS
INDEPENDENT FOREIGN SERVICE

Nairobi — Kenya is seeking help from South Africa and Britain to rehabilitate its only petroleum refinery at Mombasa.

Top managers of the Kenya Petroleum Refinery (KPRL) are intending to travel to the two countries to study how the plant could be transformed from a processing refinery into a buying and selling centre.

Allan Davey, the general manager, is scheduled to visit British Petroleum South Africa and Shell South Africa in Cape Town.

Van Leuwen, the sales manager, will hold discussions with officials of Shell International and Shell UK in London.

The move is being made in an effort to ward off the possible closure of the dilapidated 32-year-old refinery. Poor maintenance of equipment and lack of spare parts have reduced crude oil processing at the facility from 3.3 million tons to 2.2 million tons a year.

There has also been a significant drop in revenue from about $15 million in 1993 to about $9 million last year.

Earlier this year, the World Bank called for the closure of the Kenya refinery.

It also recommended the closure of refineries in Zambia, Tanzania and Madagascar.

It said the refineries were small and uneconomical and could not compete with sophisticated international refineries.

However, the bank’s proposals were largely ignored. Tanzania accused the bank of trying to create a market for South African petroleum products.

Kenya had three options: to close down the refinery altogether and lose more than $20 million in annual revenue; to embark on a massive rehabilitation programme which it could not afford; or to undertake a gradual transformation with foreign technical support.

Kenya chose the third option.

A KPRL board of directors recently directed the two officials to complete a feasibility study within six weeks.

Plans are for the KPRL to buy its own crude oil, refine it and sell it locally and to neighbouring countries. The company processes crude oil for companies and delivers the products to an appointed destination.

It also formulates greases and handles product storage for which the users pay the refinery a processing fee.

Eight international oil companies operate in Kenya, including South Africa’s Engen.

The industry imported over 2 million tons of crude oil last year.

Officials say about $35 million will be used to replace antiquated assets on a selective basis.

This will include the installation of an electricity generation plant and facilities for enhanced recovery of liquid petroleum gas.

A new computer control system will also be installed.

Until the feasibility study is completed and a report submitted to the government, it is difficult to speculate exactly how the transformation to buying and selling would be implemented.

Davey says the new measures would improve the company’s performance in productivity and help it to adapt to the competitive environment of the petroleum products’ market.

Damas Mbela, the energy minister, warned that unless the KPRL invested in operational efficiency, the future of the oil refinery could be at stake.

Since the industry’s deregulation last October, the government has taken measures to allow the company to compete with imported products.

It abolished a 15 percent refinery throughput tax and introduced an import duty on motor gasoline and fuel oils.

Companies were asked to process at least 1.6 million tons of cooking gas a year to end frequent shortages of liquid petroleum gas.

Before deregulation, oil companies were forced to buy 30 percent of their crude oil from the state-run National Oil Corporation of Kenya. However, this is no longer the case.

The government owns 50 percent of the shares in the KPRL.

The rest is shared by Shell, BP, Esso and Caltex.
Kenyan bank clamps down on rampant fraud

NAIROBI — Kenya’s central bank yesterday announced tough new rules governing private accounts, to combat rising financial fraud and money laundering.

"It is evident from the recent spate of financial frauds that commercial banks and non-banks have contributed through negligence in opening customer accounts to which fraudulent cheques are deposited," the bank’s chief banker Rev. Henry Marumbi said.

To seal banking loopholes, the bank now requires new account holders to provide names and addresses of referees, recent photographs of account holders, sources of finance, postal and residential address and occupation.

"Similarly, banks and non-banks are requested to carry out a review of all existing accounts to confirm that the above requirements have been met so that holders can be easily traced if the need arises," Marumbi said.

Marumbi said suspicion should be focused on accounts where large sums were deposited and large withdrawals made frequently, especially if the client could not justify the receipt or withdrawal of such large sums of money.

"Banks and non-banks which do not observe the above requirements will be held liable for any loss that might occur through their negligence," Marumbi said.

The bank said drug traffickers had begun using Kenya to launder illicit cash. — Reuters.
Kenyan institute hopes to end era of sloppiness

The Kenyan government together with USAID, the European Union and the African capacity building fund will pump an estimated $6 million into the project.

The three organisations will provide $4.4 million to cover the budget of the first four years.

Kang Eto Githinji, the director of planning, said the institute would provide policy analysis and conduct basic research with the aim of improving public policy co-ordination in the country.

"Policy research and analysis is critical at the moment as the country becomes integrated into constantly changing international economic environment," said Githinji.

The institute became necessary after donors lamented the enormous resources being lost because of bad planning.

Billions of shillings have evaporated through the construction of white elephant projects.

A good example is the multimillion dollar molasses plant which collapsed before producing a single drop of power alcohol.

The plant is now scheduled for auction to pay out more than $3 million in overseas loans.

The Eldoret airport in western Kenya is another example.

Despite strong objections from the World Bank, the Kenyan government went ahead and committed $25 million of public money to the airport construction.

Another $38 million was to be secured from ICF International.

The money was never disbursed because the Canadian-based company defaulted, prompting the government to scale down the project to about $36 million.

Although officials insist the country needs a third national airport for horticultural export purposes, no studies were ever conducted to determine the overall viability of the project.

Many think the decision was politically motivated. The airport expenditure was never budgeted for and received no parliamentary approval as required.

In another case, the government lost $36 million in building the Trans-Nzoia sugar factory.

The project flopped and equipment worth $16 million has been lying at the site for the past five years.

...and kickbacks...
US ambassador bluntly criticises top Kenyans

Nairobi — When the American ambassador to Nairobi, Aubéria Bazeal, bluntly told Kenyan politicians to return millions of dollars stashed away in foreign bank accounts, not a single leader raised a finger to challenge her.

"If you expect foreigners to invest here," she said, "then you should bring home all the money you have stashed away in overseas bank accounts." She told a stunned audience in the port town of Mombasa recently.

In one of her most brazen criticisms of Kenya's leadership, Bazeal said every country in the world was competing for investment capital. Kenya too, she said, had to seek ways of attracting more investors. But Kenyans must first be their own investors. The fact that her bold statement went unchallenged is telling. Figures quoted by opposition leaders in Kenya were hoarding about $10 billion in bank accounts overseas. Of this sum, about $2 billion was said to be in cash and the rest in assets.

President Daniel arap Moi and his vice-president, George Saitoti, were named by the late veteran opposition leader, Oginga Odinga, as some of those holding overseas accounts.

"It is ridiculous for Kenyan leaders to go abroad on begging missions while they have more than 40 billion Kenyan pounds here," he complained.

"Under Kenyan law it is an offence for a citizen to hold a bank account outside the country. But no one has been prosecuted. Kenyan leaders reportedly maintain accounts and residences in Europe, America and Australia.

Millionaire opposition leader Kenneth Matiba does not keep his London flat a secret. He jets to England at least once every three months for medical treatment and for business.

The East African Standard said that people "invested" overseas as they had no confidence in the stability of their own country and felt they faced smaller risks keeping their money outside. Many observers say the solution is for foreign countries to tighten their banking rules and bar such deposits.
Scandal strikes Kenya

Greg Barrow in Nairobi

THE Kenyan government was badly shaken last week by an official report which says that more than £166-million may have been misappropriated from public funds shortly after the country's first multi-party elections in December 1992.

The scandal will further undermine Kenya's reputation with its international donors. It follows Kenya's refusal last week to co-operate with the International War Crimes Tribunal for Rwanda by allowing access to Hutu extremists living in exile.

A detailed report by Kenya's auditor-general exposes irregular and untraceable payments from the treasury amounting to £178.6-million in the year after President Daniel arap Moi's election victory.

David Njorge, the auditor-general, told parliament last week he had been unable to account for large payments from public funds during 1993. "Documents to support the payments have not been made available to facilitate verification of the payments and the services rendered," he said.

Western diplomats in the Kenyan capital, Nairobi, said they were stunned by the implication that state corruption on such a scale was still continuing.

"It's been a difficult week for Kenya," said Henning Kjeldgaard, the Danish ambassador. "One scandal appears to soon surpass another, and it's always the poorest Kenyan citizens who pay."

The World Bank had an urgent meeting with the Kenyan treasury to discuss the report. "We're continuing our consultations and actively reviewing the auditor-general's report," said Richard Anson, the deputy head of mission for the World Bank in Nairobi.

It was not clear from the report whether the misappropriated funds include money that disappeared in the so-called Goldberg scandal in which more than £55-million of public funds were used to finance an export compensation scam.

The report has cast a dark cloud over Kenya's forthcoming meeting with aid donor countries in Paris. It may also reflect badly on Musalia Mudavadi, the finance minister, long considered a trustworthy politician.

— The Guardian
Kenya hopes for IMF loan despite criticism

BY MANOAH ENDELEI

Nairobi — Musalia Mudavadi, the Kenyan minister of finance, under fire over a damning report by David Njoroge, the auditor general, said yesterday he still hoped to clinch an IMF loan by the end of this year.

The report, issued early this month, blames the finance ministry for the loss of $268 million in deals in which names of beneficiaries or contracts for purchases were not disclosed.

"The Kenya government hopes that an IMF programme for $220 million will be in place by the end of the year," Mudavadi said.

The minister assured the IMF and World Bank that the government took current reform programmes seriously and would maintain reforms on track for the benefit of all Kenyans," the ministry said in Mudavadi's return from Washington.

Last week, Mudavadi said part of the payments mentioned by the auditor-general related to a company called Goldenberg, to which the government paid billions of shillings in an export compensation plan for gold and diamonds.

He attempted to explain to parliament how the rest of the money was used but did not say why the auditor-general was not given the details he sought.

Michael Kigen Wamalwa, the head of opposition in parliament, has since asked Mudavadi to present explanations to the powerful parliamentary Public Accounts Committee, which he chairs.

Haruyuki Hino, the IMF assistant director for Africa, said on a visit to Nairobi last month that agreement in negotiations for a new enhanced structural adjustment facility had been delayed over the slow progress in ending financial misuse.

At the time, Hino said progress in dealing with the protagonists in the Goldenberg case was slow and the government was not sending clear messages it would punish financial fraud.

He expressed concern over the delay in releasing the auditor-general's report and said any new major revelations of financial misuse would be a setback to negotiations.

But after "fruitful meetings" with IMF and World Bank executives, Mudavadi said project loans totalling $187 million for Kenya would soon be presented to the World Bank's board.

The money is for the rehabilitation of the crucial Nairobi-Mombasa road, an agriculture and resource management programme and improving roads infrastructure in 26 Kenyan towns.

He said annual borrowing from the International Development Association, the World Bank's concessional lending affiliate, would be in the region of $235 million to $250 million in the next three years and would depend on levels of growth and improved performance of the economy in that period.
Kenya to export maize to SA: Kenya would export 23,000 tons of maize to South Africa, an official of the state-run National Cereals and Produce Board said yesterday. He said the maize would be shipped from the port of Mombasa this week and would be the second maize export consignment to South Africa from Kenya.
LIKE a wounded buffalo, the Kenyan government appears to be charging at anything in sight.

One day it tells of an imminent invasion from American white supremacists the Ku Klux Klan. The next there is a threat from the Italian Mafia or Libyan-led invaders.

Within a week two "threats" to the country's sovereignty have been "exposed".

President Daniel arap Moi said on October 20 that mercenaries from South Africa were poised to invade Kenya from Uganda.

"It is absolutely absurd. I can tell you we do not have any such people," Uganda Defence Minister Amama Mbabazi retorted.

Three days later Mr Moi accused Kenya's opposition of planning a trip to Rwanda and Burundi to learn tricks on how to destabilise his government.

"We are not going for arms," he said in a statement. Opposition MP Nyega Mungai said claims of plots against Kenya had reached alarming proportions and now involved nations such as South Africa, Uganda, Rwanda and Italy.

Like previous allegations of external mischief, the latest barrage was not substantiated.

Political observers think the claims may be directed against the opposition as a prelude to a possible crackdown.

In the past few months Mr Moi has been particularly edgy over opposition criticisms of his regime.

Last week he claimed his detractors planned to introduce a motion in parliament to discuss his health. He said the move was "malicious" and insisted he was in perfect health, fit to lead the nation.

During the past four weeks two lawyers said to have been handling sensitive cases against senior government officials have been arrested. One of them, Raphael Wang'Oudo, has been charged with being a member of the clandestine February Eighteen Movement (Fem).

The Kenyan government claims the movement is based in Uganda, but authorities in Kampala have denied this.

Apart from worsening already poor relations with Uganda and Rwanda, the latest allegations of imminent aggression have revived internal criticisms of the way the country conducts its foreign policy.

Opposition party Ford-Kenya's vice-chairman James Ong'oro accuses the government of abdicating its international duties and obligations to pursue a policy that aimed at satisfying the "whims and narrow interests of the ruling clique".

In an editorial on Wednesday the East African Standard called for party politicking to be separated from foreign policy.

If this was not done, it said, Kanu could find itself a pariah, a lone ranger in the region.

Kenya general elections are more than one year away, but jostling for position has already begun.

Three leading opposition groups have begun talks aimed at nominating one presidential candidate to take on Mr Moi in 1997.

Opposition parties - the Kenya National Union, the Young Patriots and the Kenya Young Patriots Party - want to change all that.

Reflecting his strategy, recently Mr Moi put his colleagues under fire in parliament. He accused them of siding with the KANU of his predecessor and of undermining his own leadership.

But Mr Moi is also worried about the growing influence of the National Alliance for Trade Unionist, Robert Ouko, who used to be a friend of Mr Moi before breaking with him in 1992 and joining the opposition.

Although the party is still a thorn in his side, Mr Ouko, who is its leader, has not been involved in any plots against the government.
NAIROBI — Kenyan authorities are working closely with Interpol to stamp out an international drug ring involving Kenyan students in India and international smugglers in Europe and America.

According to drug enforcement sources here, the effort comes in the wake of an increase in the number of Kenyans being nabbed in Western capitals on suspicion of drug smuggling.

Twelve of them were nabbed in Sweden while two were arrested in New York.

Last year, 30 Kenyans were jailed abroad in drug-related cases.

They are serving long jail sentences in countries as far afield as Thailand and as close as home as Zambia.

A Kenyan, Godfrey Maina, was among 10 foreigners banged in Egypt in April 1994 after trying to smuggle heroin, opium and hashish worth $200,000 (R1.20 million) into Egypt.

In September this year, a 35-year-old Nairobi woman, Jacinta Mwala, began a six-year jail term in Sweden.

She was convicted of being in possession of 650 grams of pure heroin with a street value of $200,000 (R1.64 million).

She had swallowed 67 pellets when she left Nairobi for Stockholm on a Swissair flight.

Swedish anti-narcotics agents arrested her on July 11 as she passed on a drug parcel to her Malawian contact, Dennis Nkhuwa.

Nkhuwa was sentenced to six years for the same offence and both will be deported after completing their jail terms.

It is believed the couriers are directing from India and Kenya by a tightly-knit cartel of drug traffickers.

The drugs are procured in the Far East and conveyed by couriers on international airlines to Nairobi for onward transmission abroad.

The United Nations International Drug control programme has already singled out Kenya as being among the major drug transit points on the continent.

Last year, Kenya deported several foreigners suspected of being involved in the trade.

Mohan Chetandas Manku, a Pakistani and Mohamed Forde from Cameroon were expelled after investigations into their alleged part in an international smuggling ring.

And last June, eight suspected drug barons from West Africa were also deported.

In Nairobi, several Pakistanis and Indian drug couriers are languishing in prison. Six Kenyans supposed to be studying in India are on trial in Sweden for transporting heroin with a street value of $38 million (R28.4 million).

Swedish officials said the Kenyans and two Swedes were part of an elaborate and well-organised narcotics racketeering cartel with their sources in India and their linkman, a Kenyan, in Sweden.

The accused, among them two women, are aged between 25 and 34 years old.

A Stockholm court was told by Swedish prosecutor Amika Hadley that the Kenyans used their payoffs to finance their education in India.

But they were also found with a large assortment of expensive electronic gear. Some of the money also made its way to relatives in Kenya.

Early this year, the Central Bank of Kenya alerted commercial banks to be more vigilant regarding money laundering through drug trafficking.

All deposits or transfers of more than $500,000 (R1,000,000) must now be reported.

Kenyan anti-narcotics personnel with the help of Interpol are anxious to bust the Indian smuggling ring.

Last year, a senior drug enforcement officer, Michael Jack-Obaham said Kenya had replaced Nigeria and Egypt as the new transit point for drugs from South-East Asia.

"We want to get to the bottom of the problem and see if we can stem the tide," one official said.

Officials at the Kenyan embassy in New Delhi have been given details on how to follow up the matter. — Independent Foreign Service
Perils of foreign missions in Kenya

Foreign envoys no longer feel safe in Kenya and some have experienced devastating attacks by criminals who show no mercy. JOE KHAMISI of the Foreign Service reports from Nairobi.

UNTIL the Argentinian embassy in Nairobi was raided by gun-toting thugs last September, foreign missions in Kenya were considered secure and impregnable by organised crime cartels.

No more.

Foreign envoys have now asked the Kenyan government for protection after a series of vicious attacks.

They have formed a committee to press for the establishment of a diplomatic protective force.

But the local media are asking whether assaults on foreign missions are not a ploy meant to tarnish Kenya's international image.

The Argentinian embassy raid was the first on a foreign mission in Kenya's history.

Smartly dressed thieves stormed into the embassy premises at daylight and made away with an equivalent of $20,000 (Kshs 2.5 million) in cash and other property.

Since then two more embassies have been raided resulting in loss of property and serious injuries to diplomats.

 Barely two weeks after the first incident, the residence of the Pakistani high commissioner, Moazzam Khan, was attacked in the dead of night by armed gangsters.

Jewellery, electronic equipment and foreign currency worth thousands of rands were stolen.

But the most serious attack occurred in October when the Indian high commissioner, P. Sreenivasan, and his wife were seriously injured by armed thugs who penetrated their well-protected residence in a posh city suburb.

The two were treated for facial injuries and multiple body fractures. They are now under medical care.

The gangsters entered by boring a hole through the concrete perimeter wall before slicing their way through a window.

They severely beat the two and made off with mainly electronic goods.

"I did not think foreign diplomats could be targeted," an official at the Argentinian embassy said.

"This is very unfair, how can they do this?" she asked.

The American ambassador, Aurelia Brazzel, said the wave of attacks on foreign missions had raised fears among envoys over security.

"We want the government to step up protection for all envoys accredited to the country," she said.

Police Commissioner Shedrack Kiruki said security for diplomats had been intensified: But missions are reinforcing their premises and tightening restrictions.
Maize sold in face of starvation

Nairobi — Thousands of people living in the dry areas of northeastern and northern Kenya are faced with starvation and many have died but Kenya continues to export its “surplus” maize to southern Africa.

The nation does not even make a profit out of the sales. Of 270,000 tons sold in October mostly to Zambia, Botswana, Namibia, Zimbabwe, Angola and Lesotho, Kenya incurred a loss of $6.6 million according to local newspaper The East Africa.

The country losses $34.2 for every ton sold to southern Africa. This is the difference between the $191.9 a ton paid by the National Cereals and Produce Board when buying from farmers and importers and the sale price of $167.7 a ton. The price is, however, better than the world price of $159 a ton.

The present monetary loss would not have occurred but for earlier corrupt deals between some board officials and government-connected influential importers.

At the height of the scandal last year, maize silos were overflowing with an estimated 8 million 90kg bags as a result of indiscriminate imports. Kenya’s strategic reserve is 3 million bags.

Millions of dollars were reportedly lost through a carefully nurtured scheme of paper shuffling and outright theft.

Donors are so incensed by the scandal that they have successfully pressed for the restructuring of the board.

Last week, another consignment of 15,500 tons of white maize left for South Africa. By next June, a total of 350,000 tons will have been shipped to southern Africa.

Kenyan officials say the commodity was being sold to make room for an expected bumper harvest this year and to generate funds to pay off an outstanding debt of $45 million to farmers — Independent Foreign Service.
Kenya winning inflation battle

From Reuters

Nairobi — Kenya's chief banker said yesterday the East African country had met its economic priority for 1995 by bringing inflation down to a single-digit figure.

Central Bank of Kenya (CBK) Governor Micah Cheserem said: "It is our objective to do everything within our means to continue containing inflation at single-digit figures throughout 1996.”

Central bank figures showed average annual inflation to be just 1.7 percent in October against 36.9 percent in the same month last year.

The finance ministry has forecast GDP growth of 5 percent this year from 3.9 percent in 1994.

Cheserem said other economic indicators, such as interest rates and the shilling exchange rates, had shown stability.

In recent months, the shilling has stabilised at about 55 to the dollar from 42 in October last year.

The shilling showed violent fluctuations in late 1994, firming to 32 by November 1994 before losing to 44 and then further to 55.

"Stability does not, however, mean a fixed exchange rate. What we seek to achieve is an orderly movement of the exchange rate in whatever direction,” Cheserem said in a statement.

Excuse

Cheserem spoke of a general concern in the Kenyan money markets about high interest on government treasury bills, which commercial banks were using as an excuse to raise base rates.

He said the commercial banks and non-bank financial institutions held 50 percent of the approximately 65 billion shillings ($1.18 billion) in treasury bill stocks — and therefore did not have a good reason to raise their base lending rates.

Commercial banks have raised their base rates in the last two weeks in the range of 23 to 26 percent against treasury bill rates of 24 percent. Rates are expected to push upwards.

"Let us help the economy and ourselves by progressively lowering interest rates,” Cheserem appealed to the banks.

He said the CBK had cut treasury bill stocks from 95 billion shillings ($1.72 billion) in November 1994 to $1.18 to $1.27 billion to avoid releasing excess liquidity into the economy.

In the last year, Cheserem said Kenya licensed 40 private foreign exchange bureaux, 22 were already operational and had captured 7 percent of the foreign currency market.

Cheserem also spoke out against rising bank fraud and urged banking institutions to wipe out the "menace." In recent weeks, Kenyan newspapers have reported massive fraud cases that cost the sector millions of dollars.
Kenya opposition parties get together to oust Moi

NAIROBI: Kenya's fragmented opposition parties yesterday launched an alliance aimed at removing President Daniel arap Moi from power and expressed regret for divisions that denied them victory in landmark 1992 elections.

Conservationist Dr Richard Leakey, whose Safina (Ark) party has so far been refused registration, was named chief co-ordinator of an inter-parties secretariat to run the alliance's affairs.

"The Opposition Alliance is a coalition of parties to establish a new democratic order that will ensure good governance, social justice, human rights, and socio-economic prosperity for all Kenyans," an alliance statement said.

"The alliance will mobilise all resources necessary for removing the Kanu party from power, eliminating corruption and tribalism, bringing an end to political persecutions and murders, and establishing a government of national reconciliation and reconstruction," it said.

The statement was signed by FORD-Kenya chairman and official opposition leader Mr Michael Kijana Wamalwa, FORD-Asili leader Mr Martin Shikuku and Democratic Party chairman Mr Mwai Kibaki.

Dozens of opposition members of parliament and Western diplomats attended the alliance launch ceremony in Nairobi.

In December 1992 elections, Kenya's combined opposition won 88 parliament seats with 3.23 million votes versus Kanu's 100 with 1.39m votes. Opposition candidates got a combined 3.45m votes for the presidency but Mr Moi retained power by winning 1.82m votes. — Reuters
Kenyan bourse attracts foreigners

By Namba Mwaluko

Nairobi — Foreign investment at the Nairobi Stock Exchange, threatened at inception by stifling rules, was picking up as the bourse continued on a path towards reform, financial and market analysts said yesterday.

"Interest is increasing more and more and there have been major inquiries from four international fund managers," said Jane Briggs, a research director at Loita Asset Management, a Nairobi-based management investment firm.

Investment

Initial investment was pioneered by an American-based emerging markets fund.

In February, two months after Kenya embraced foreigners at the bourse, it peaked at $2.25 million. However, since then shrinking foreign trade has plagued the bourse as laws limiting the number and kind of shares for purchase effectively slowed down the pace of investment.

These laws included restricting foreign investment to only 20 percent of a locally based company's share capital for institutions and to 2.5 percent for individuals.

In March, the foreign investment board on the exchange recorded trade worth $492,426, down 76 percent from February.

The laws did not take into consideration multinational and joint-venture companies that exceeded the limited share capital before the rules were introduced.

An August revision through the Capital Markets Authority cleared the discrepancy.

Other measures to calm the market included a July decision to lower broker commissions to 2 percent from 2.5 percent and to allocate a 0.02 percent portion of the money received from commission to a compensation fund to recoup losses by investors.

Finance Minister Musa Mavado has also doubled a ceiling on foreign investment to 40 percent of a locally based company's share capital for institutions and 5 percent to individuals.

"Investors were obviously looking at South Africa as their primary emerging market, but with time they have become more and more acquainted (with the exchange)," Briggs said.

In November, foreign investment was $892,503 from just $1.25 million in October, with foreign traders targeting plantation and commercial stocks for profit-taking.

Vibrant

"In January (this year) foreign investors played the safest game and Kenya Breweries was the most sought after stock and the industrial sector the most vibrant," said Edgar Wamalwa, an equities analyst at Loita Asset Management.

But as investors grow to know the market they diversified, entering the commercial, industrial and financial sectors to position themselves for profit-taking, he said.

The exchange is sub-Saharan Africa's third-largest bourse with a market capitalisation of $3.3 billion. Foreign investment is at $38 million, or 3.14% of 612 shares — Reuters
Kenya - General
1996
Kenya's new cheque clearance system will help deter fraudsters

By Joe Khamis

Nairobi — Kenya, wise from years of run-away fraud in the banking industry, is to introduce a new system that will revolutionise cheque clearing procedures and save the industry millions in stolen money every year.

The Magnetic Ink Character Recognition surveillance system is to go into operation in all the 42 registered banks in Kenya this month.

In doing so, Kenya becomes the third country on the continent after South Africa and Zimbabwe to introduce the strict surveillance system.

Its introduction follows extensive study of cheque clearing procedures in other countries, including South Africa, Britain and America.

Experts estimate that Kenya loses more than KSh 3.6 million annually through obsolete cheque clearing procedures.

The Central Bank of Kenya blames former bank executives, acting in collusion with criminal elements in financial institutions, for the white-collar crime. Bankers also talk of an international connection.

The surveillance system will take over from a manual and largely obsolete procedure prone to human error.

In the new system, all cheques are to contain a transaction code and a cheque digit printed in magnetic ink at a specified position.

It will also contain a cheque number and details of the bank and branch.

The cheques currently being used are not security sensitive and can easily be reproduced.

To be able to process the new high-tech cheques, banks will need to acquire a reader and a reader/sorter machine which will be linked to the bank’s computer network.

The equipment is available on the market at between KSh 1,000 and KSh 600, depending on the volume of documents to be handled.

While officials say the reader may not be absolutely mandatory, a reader/sorter is essential, particularly when large volumes of cheques are involved.

When encoded cheques are passed through the machines, the code line information is promptly transferred, enabling banks to make postings immediately after the necessary verification.

The new system will detect bad cheques and speed up cheque clearance.

It will also free staff from boring paperwork.

At the moment in Kenya, cheques take up to 10 days to clear.

The new system, officials hope, will reduce this time significantly.

In a further attempt to eliminate fraud, the Kenya Bankers Association, which is behind the new innovation, has limited cheque printing to only two companies.

Code line information will be incorporated during printing, making the cheque printing companies solely responsible for any leaks. All cheques will have a standard design and size to discourage printing of fake documents.

Last September, international fraudbusters gathered in Nairobi and concluded that banking fraud was on the increase worldwide.

Their meeting was organised by the Common Market of Eastern and Southern Africa States, in conjunction with the Kenya Bankers Association and business interests. The new measures are the result of that meeting.

In Kenya, the biggest problem involves swapping genuine cheques for fake ones during the clearing process.

Although cheques are cleared in the normal way, they find their way into the bank accounts of criminals who promptly withdraw the money.

A few months ago, for example, a well-dressed man walked into a bank in casually withdrew nearly a million shillings from an account.

The crime was discovered weeks later, only after the criminals had vanished.

With the help of accomplices in banks, crooks present forged and altered cheques, treasury bills, title deeds and letters of credit and walk away free.

But financial fraud is not restricted to banks.

A newspaper report last September said brokers at the Nairobi Stock Exchange were losing millions of shillings in a syndicate involving non-existent shares.

Criminals offer for sale forged share certificates and transfer forms.

In one incident, a broker lost the equivalent of KSh 400,000 when he bought National Bank of Kenya shares for his client. The broker found out too late that the share certificates were fake.

— Independent Foreign Service
Industrialised-nation tag still eludes Kenya

Kenya has been aspiring to the status of 'Newly Industrialised Country'. Joe Khamisi of the Independent Foreign Service examines the process.

For most of last year, Kenyan authorities tried to convince the world that in another 15 years the country would walk out of poverty and become a newly industrialised country. The official premise was that the government of President Daniel Arap Moi was rapidly liberalising and taking measures to transform its third-world economy into a modern market-oriented entity.

The government mentioned the comprehensive economic reforms undertaken to free the country from years of bureaucratic stronghold. As a stepping stone for the great leap, it also cited an economic growth rate of 3 percent in GDP, achieved last year after five years of zero growth, as well as an improved balance of payments and terms of trade for the first time in nine years, and a reduced annual inflation rate of about 28 percent.

In parliament in October, George Saitoti, the deputy president, even boasted that Kenya's economy had achieved such remarkable successes that it was second only to South Africa whose economy, he said, was "narrow-based and heavily subsidised". The former mathematics professor had to be reminded by opposition legislators that the economies of Nigeria, Zimbabwe, Botswana and Mauritius had fared higher per capita than Kenya.

Many think the sudden optimism within Moi's government is based on wrong conclusions and analysts say more must be achieved for Kenya to achieve "industrialised" status.

The country's economy is heavily dependent on agriculture which contributes 23 percent to the GDP.

According to J Moronge Muyoyo, an industrial geographer at the University of Nairobi, for a country to be rated as industrialised, it must experience rapid growth, especially in the manufacturing sector. It must also be associated with production of higher-value commodities involving greater processing of raw materials.

Countries that have attained such levels include South Korea, Taiwan, Singapore, Hong Kong, Malaysia, Brazil, Mexico, India and Egypt. In such places manufacturing accounts for at least 20 percent of the GDP. Manufacturing in Kenya plays a distant third fiddle to agriculture and tourism, with a GDP contribution of less than 5 percent. Last year, it grew only 1.9 percent.

But even if manufacturing were to achieve the magic 20 percent of the GDP, "industrialised" status may be far fetched because of other factors. Higher-value commodities are limited and most processing of key raw materials is done elsewhere.

Local industrial technology is still primitive and the country continues to depend heavily on imported technologies. Furthermore, a majority of the large-scale manufacturing and industrial companies are subsidiaries of multinational firms. Key businesses in tourism, insurance, hotel and even agriculture are owned by foreigners.

Worse still, manufacturing has been adversely affected by foreign competition arising from economic reforms during the past few years. Stores are replete with much cheaper and higher quality goods from abroad. Heavy government taxes and import duties plus a strong shilling have led to a dozen of factories either closing down or scaling down operations.

Nevertheless, several factors are in Kenya's favour. The country has plenty of cheap labour, a large cadre of skilled personnel, a good climate and, so far, a relatively stable political environment. Negative factors include an unpredictable political future, corruption, bad government and an excessive bureaucracy. There is a serious lack of a clearly defined industrial policy. Foreigners often complain that Kenyans lack aggressiveness in marketing.

The joint-venture concept which many countries use to attract investors appears not to have been adequately pursued. Even the so-called incentives offered so far to investors have been insufficient to attract serious players.

In addition, basic infrastructure is seriously lacking. To qualify as industrialised, Kenya will need to diversify its exports and go for a bigger share of the international market. 

To achieve all this, however, a change in policy and approach will be required. But after 32 years in power, the government of the ruling party Kanu appears to have run out of ideas capable of catapulting the country to a higher plane — Independent Foreign Service.
Kenya's car dream fades away

By JOE KHAMISI

Nairobi — Although one of the poorest countries in the world, Kenya's obsession with the grandiose is unmatched. Take, for example, Kenya's dream car. Five years ago, President Daniel arap Moi launched what he said were prototypes of Kenya's own motor vehicle.

He called it the Nyayo Pioneer — Nyayo being his self-adopted philosophy of peace, love and unity. The car was to be a joint project between Kenya Railways and the University of Nairobi.

More than $100 million was pumped into the project without any feasibility studies being carried out. However, after a lavish launch, the auditor-general announced that the money allocated to the project had mysteriously disappeared.

To add to the secrecy, the Nyayo Motor Company was disbanded and replaced by another company, Niamutu Complex, in January 1994. No reasons were given for the name change.

Although the project stalled almost immediately after the prototypes were displayed, the government still injected a further $500,000 into the project.

Parliament never approved the expenditure and audited accounts were never produced.

Now, Moi says, the government plans to revive the project with the help of Japan's Mitsubishi.

But how such a car would fare in the face of an influx of reconditioned cars from Dubai and Japan is a mystery.

Cheap reconditioned models can be bought locally at 40 percent less than a new car. Reconditioned models already command 55 percent of the domestic market of 20,000 units a year.

Knowing what it takes to establish production lines, Mitsubishi officials shrugged off the idea, leaving many Kenyans wondering what their government was up to.

But this is not the only car project that has failed in Kenya. Ten years ago, Moi mooted an idea of an urban bus system to compete with a monopoly, the British-run Kenya Bus Service.

A decade later, only about 50 buses are left countrywide out of a fleet of 367.

More than $200 million injected into the project to buy the buses and spare parts disappeared. Although officials blamed the low fares and lack of proper workshop facilities, media investigations revealed corruption and theft.

It is estimated the project lost $10 million, a figure rising by $5 million a year. No one in the government is talking about the bus project anymore and the auditor-general has declared it "insolvent".

— Independent Foreign Service.
Kenya faces media clampdown

INTERNATIONAL NEWS
Coffee trade shake-up coming

NAIROBI: Kenya pledged further reforms yesterday in its coffee industry, covering output, quality and marketing.

Coffee, the country's third best foreign exchange earner after tourism and tea, has been hit by low world prices. But the government said it will continue with reforms started in 1992 to boost yields and diversify new markets.

(Reuters) 18/11/96
Remembering Kofi
in grief and bitterness

By HELEN WINTERFIELD

In the bungalow of Patricia Mokoena-Harvey's modest Orlando East home are two features that seem somehow out of place: one is the steel pained ceiling; the other the facade of a solid wood mantelpiece.

For more than 30 years, they belonged to the large three-bedroom Sophiatown house she shared with her parents and four sisters. Before they were forced out of their home, the family carefully removed the beloved fittings and installed them in their cramped new Soweto quarters.

They are pointed out as lovingly as the house hold or the coffee table which used to be her grandfather's - concrete reminders of a time that ended before it was swept out by a wave of apartheid's hand.

The family, installed in their Orlando East home, battled to adjust to their new way of life.

Everything was very different, Mokoena-Harvey recalled.

"We had to get used to all being cramped together in a two-floored house, far from the centre of town where we could still go to the city by catching one train."

"And in Sophiatown, we were all mixed up together - Sebenza, Zimbabwes and Zimbabweans - none of us could talk with each other. Here, at Soweto, we had to get to know different customs and traditions."

Mokoena-Harvey, a school teacher and former journalist with The World, is thankful she was away at college when her family were made to leave their home.

"I'm glad I wasn't there to experience the trauma of it. But afterwards, I loved so much of it through this father.

"She is still, she said, unflinchingly attached to Sophiatown and the people who used to live there.

"Sophiatown was truly ahead of its time a real rainbow city, based on its multi-racial mix, Indians, Africans, whites, Hindus and Chinese people. I can't drive through the area without feeling part of it still."

She added bitterly "Breaking up Sophiatown was equal to uprooting genes."

Sophiatown debate rages

A time for remembering: Pat Mokoena-Harvey weeps as she recalls her days in Sophiatown.

She spoke emotionally of her memories of the area drenched in Kofi's blood, of the.theme music which used to resound through the streets and the gangs which ruled the pavements.

"The two main gangs were the Americans and the Berliners. Those were two big groups of streetwise guys who were real fancy dressers and influenced much of their behaviour on what they saw on the bronco.

"But, although boys will be boys, they didn't cause wanton loss of life, like so many people seem to think.

"Mostly, their fights would be 'about something' (girls), the ones my mother referred to as schow-girls. We, meanwhile, went more bare, and catching a load and then when no showers were looking.

"We were five girls living in my house, sometimes surrounded by a sea of boys. We used to live at 10 Gilbow Street, but the boys used to call at 10 Downing Street."

"They would sit on the big old stoep and go all over the boys who came calling for his daughters.

"My mother used to work in Houghton and picked up some of the Houghton area.

One of Mokoena-Harvey's oldest friends was Father (now Archbishop) Trevor Huddleston, who was much more than a priest.

"He is my home boy, a truly good man. When Huddleston was in charge of the mission in Sophiatown, it changed over.

"He got rid of all the catness that might have been there before.

"I love Sophiatown... He reminded everybody whether they were Anglican or not. When the biggest tear was for Kofi, they got involved all the way He was a real father."

"Would she like to go back t Sophiatown again?"

"If I could return with a key number of people at the present residents would let us remember Kofi, that atmosphere, the streets, the shops, the bars and all the rest, then it would be great."

Times they are a-changin' - an elderly man shares a joke with fellow commuters at a Transit bus station, but whether Transit will be able to change its suburban tune altogether if it goes back to being called Sophiatown is the question which is foremost on residents' minds as a local NP councillor prepares a referendum.
Higher fuel price angers Kenya

BY JOE KHAMISI

Nairobi: The year-old liberalisation of the oil sector in Kenya is under threat of reversal, as authorities and the oil industry wrangle over pump prices.

The Kenyan government accuses oil companies of fleecing consumers of a whopping 3.77 billion shillings (about $80 million) in ill-gotten profit since the liberalisation took effect in October 1994.

The government claims the money accrued from unfair price adjustments by companies, despite reduction in international crude prices.

"These companies are pushing the government to the wall," Darus Mboya, the energy minister, told a news conference last week.

"They should not be surprised if we go back to the price controls... I am giving them a final warning to rectify their behaviour," he said.

The wrangle erupted early this month when petroleum firms announced further hikes in pump prices — the second in three months.

Eight companies Shell, BP, Keroil, Kobol, Agip, Total, Esso and Caltex, are involved in the importation, refining, distribution and marketing of oil products in the country.

South Africa's Engen, together with Castrol and Elf, are not involved in the confrontation because they only import refined oils which are bought by local companies.

The feud took a turn for the worse when some trade unions called for the boycott of products from Caltex, the company which spearheaded the latest increases.

"Unless the government re-introduces price controls immediately, these companies will continue their unfair behaviour of arbitrarily increasing prices of their products," said Joseph Bolo of the Kenya Shoe and Leather Workers Union.

The oil war has been going on since the government of President Daniel arap Moi reluctantly tred the sector from government control more than a year ago.

Oil companies claimed that high taxation influenced frequent rises in prices.

They cited two instances last year when the government raised taxes substantially but refused to allow companies to pass on the cost to consumers.

The government accuses the companies of being greedy in disputing the latest increases, the government argues that international crude prices were adjusted upwards in December.

It takes 50 days to arrange for importation, shipping and processing of crude oil before the product is distributed and apart from Esso and Kobol, the government says, none of the other companies had imported stocks of crude oil during the month of December.

None, therefore, had legitimate reasons to increase prices.

The latest confrontation is the first since an oil-price monitoring unit was formed by the government last September to check on fluctuating world prices and their effect on the local market.

"Our analyses has revealed that the timing for and the magnitude of the domestic price increase was unjustified," the unit reported.

But even more important, the present saga highlights the fragility of a strategic industry controlled largely by foreign companies.

Out of the eight importing companies, only two, Kobol and Keroil, are owned locally.

Both are controlled by Nicholas Bwett, a former energy minister and a close Moi ally.

Before liberalisation, fuel shortages were common.

Importations by the State National Oil Corporation were erratic and inadequate and dealers complained of stifled profit margins.

Any return to the pre-reform era could have far-reaching implications on an economy now trying to recover from years of inactivity.

Kenya uses 240,000 tons of crude oil a month. Most of it from the Gulf — Independent Foreign Service.
Air safety threatened by corruption in Kenyan skies

JOE KHAMISI
Foreign Service

NAIROBI — Once confined to the ground, Kenyan corruption has reached new heights, engulfing the civil aviation industry, threatening air safety.

Six small aircraft that were used for plying the business and tourist routes have crashed in the past six months alone. Out of the 12 passengers and pilots involved in the accidents, miraculously only two died.

Aviation experts blame corruption in the awarding of pilots' licenses and airworthiness certificates.

However, officials at the Directorate of Civil Aviation (DCA) say pilot error and potholes on the runway cause the frequent crashes.

One of the near misses involved 49 French tourists whose plane was forced to crash land in the resort town of Mombasa last November. Only three suffered minor injuries in what could have been a major international disaster.

Corruption had "reached such epidemic proportions," one pilot said, "that the Kenyan pilot's licence, which was once respected throughout the world, is now hardly worth the paper it is printed on."

A report, "The Flying Coffins," blames air companies for using fraudulent means to acquire air operators' certificates. Sources say a pilot's license can be bought for a mere $300 (R1 850).
Kenya: every donor’s headache

MICHELA WRONG

INCREASINGLY alienated from its foreign donors, Kenya is anxiously awaiting the outcome of the visit to Nairobi by a joint IMF/World Bank team which has been assessing its record on economic reform.

After a year of virtual deadlock between the government and the global lending institutions, the visit has given the authorities a chance to persuade the IMF to release a blocked $220m credit — proving to the public they have the international community’s backing — before polls due by next year.

The three-year enhanced structural adjustment facility (Esaf) has been on the table since late 1994. However, insiders say the delegation could return to Washington without disbursing it, which would mark the most serious strain in relations since President Daniel arap Moi announced he was breaking links with the fund in 1989.

“If they don’t conclude an agreement this time, I think we can expect the IMF to go away and put Kenya in the back,” said a local economist, who puts the country’s chances of clinching a deal at less than 50%. “There is a certain fatigue on all sides.”

By some criteria, Kenya’s economy is doing well. The-dominated business community appears convinced that liberalism is irreversible, last year’s growth is expected to touch 5% and inflation last year was below 7%.

However, donor misgivings include doubts about the government’s commitment to privatization and public service reform to alarm over the sudden, unbudgeted outlays that make a mockery of promises of financial transparency.

In 1994 it was the decision to build an airport in Eldoret, Moi’s home town, a costly white elephant. Last year it was the acquisition of a $50m presidential jet without competitive tender while the road network was in disrepair. That purchase prompt World Bank experts to postpone plans to ask their board to finance reconstruction of the key Nairobi-Mombasa road.

Increasingly, “political” factors are impinging on decisions once made on economic criteria alone.

Donors recognize that a free market economy cannot be introduced in Kenya without challenging the privileges of an entrenched ruling party.

IMF officials feel that little has been done to improve internal government policing.

Donors responded sceptically to the government announcement recently that four top officials had been suspended in what was described as a crackdown on corruption.

Those suspended included the head of the Kenya revenue authority, the MD of the Kenya ports authority, the commissioner of customs and excise and his assistant.

However, donors have yet to be convinced that it will turn out to be more than a carefully timed gesture. In addition, repression of the opposition has worsened, with the government drafting a Bill that, if passed in its current form, will give it sweeping powers to decide which parties are allowed to stand in the elections.

Officials on both sides in Nairobi know that far more is at stake than the $220m IMF facility itself, or the $90m World Bank structural adjustment credit it would trigger.

Although Moi continues to fulminate against foreign diplomats and journalists, the government is anxious for international blessing before the election machine whirs into action.

Officials are aware that if the economy has stood up well to the year-long and stalemate, reduced inflows in the long run mean a bigger budget deficit, higher government borrowing and a surge in inflation.

To make things worse, donors such as Britain, alarmed by the repressive climate in Kenya and frustrated by the lack of dialogue with the authorities, are making aid conditional on Esaf approval.

Only a fraction of the $800m pledged by donors at their Paris session in December 1994 has been disbursed and a new session scheduled for last November was postponed because of the hostile climate.

“If there is no Esaf there will be no Paris consultation group meeting,” says a World Bank official.

If the Esaf is not released, there is bound to be some tough talking when Kenya’s country assessment session comes up later this month before the board of the World Bank.

The bank is already sitting on several projects and has disbursed only $65m of the $300m in new commitments promised in Paris.

Within the donor community, some feel Kenya is being asked to meet higher standards than other countries in East Africa.

As a stable country in a region afflicted by terrible ethnic and tribal conflicts, Kenya, they argue, deserves support. But this is counterbalanced by growing pressure, at a
PRESTIGE AT PUBLIC EXPENSE

Moi’s R182m jet puts aid hopes in jeopardy

NAIROBI: The economy has improved, but the population grows and the people become poorer. Prestige government spending is discouraging foreign donors and investors.

WHEN President Daniel arap Moi flew to Uganda last week for talks with other East African leaders, he travelled in luxury aboard a brand-new private jet taxpayer of this cash-strapped country bought last month for about R182 million.

As the jet lifted off, it banked over the rutted and potholed two-lane highway to Mombasa, perhaps the most visible symbol of the dilapidated state of the country’s infrastructure.

Some opposition leaders and diplomats here say the jet and the road illustrate what is wrong with the government’s economic priorities. A long-standing tendency among politicians to let personal prestige outweigh public interest.

Moi bought the sleek Dutch-made Fokker at the same time his government was seeking a $200m (about R182m) low-interest loan from the World Bank to fix the road.

But government officials argue the expense is justified because in the past the president has had to take one of Kenya Airways’ two jets out of service every time he travels.

The plane is one of several expenditures not listed in Kenya’s budget that have jeopardised aid from the International Monetary Fund, World Bank and donor countries, diplomats and international development bank officials said.

Speaking on the condition of anonymity, they said the jet and two other budget-busting projects of questionable worth have come up during talks this month between the government and a joint mission from the bank and the IMF.

The two sides are trying to hammer out a plan for economic reform that would allow the IMF to release hundreds of millions of dollars in blocked aid.

Hanging in the balance are $200m (about R730m) in direct aid from the IMF and nearly $166m (about R605m) in loans from the World Bank for roads and other infrastructure projects needed to attract foreign investment.

Only a fraction of the $800m (about R2,92 billion) donor countries pledged to Kenya in November 1994 has been disbursed because of the stalled negotiations, diplomats said. Neither the IMF nor the World Bank would comment on the talks.

But diplomats and people familiar with the talks say the main sticking points have been the government’s inability to stamp out official corruption and the kind of prestige spending typified by the president’s new plane.

The government is also spending about R540m to build an international airport at Eldoret, the heart of the president’s home state in eastern Kenya.

Parliament never approved the project — the money was tucked away in a special debt service fund in this year’s spending plan. It was also hidden from World Bank auditors until a newspaper reported its existence.

The government says the airport is needed because of an economic boom in the area.

In another deal done without competitive bidding or legislative approval, the government recently awarded a multi-million-dollar contract to a French company to manufacture identification cards.

Paradoxically, the controversies over the airport and the jet have come to light after Kenya has made big strides over the past three years toward improving its moribund economy.

But the population continues to grow faster than the economy, and so Kenyans, with an average annual income of about R4 380, are in reality getting poorer — New York Times
Scared tourists avoid Kenya

By MARK DODD

Nairobi — Few countries in the world can boast Kenya's range of contrasts. The country features tropical palm-fringed beaches, arid escarp-studded desert and snow-capped alpine mountain ranges.

Though in some of the best wildlife parks in the world and the country should be assured of a bounty of rich tourist pickings.

But this is not the case. Battened by negative publicity about attacks on foreign visitors and decrepit infrastructure, Kenya's tourism business is forecasting lean times ahead.

From a meagre 10,000 tourists in 1963, Kenya's annual visitor intake hovers at about 800,000, providing 170,000 jobs and a record $501 million to the national coffers in 1994.

But while tourism remains Kenya's top foreign-exchange earner, industry analysts predict modest growth well below the country's potential this year.

Faced with a lackluster season, many hoteliers and resort managers blame the government for ignoring tourist security and the steady deterioration of the country's roads and power and water supplies.

"Two things are needed: massive investment in infrastructure and security, and massive investment in promotion," said a manager of a top coastal hotel.

"With these two problems fixed, there's no reason why Kenya shouldn't have an outstanding (tourism) future," he said. "Kenya is the world's number one destination for safaris — but the coast is suffering.

"His comments were echoed by the manager of another coastal hotel.

"Kenya gets a lot of bad press overseas — it's done tremendous harm, but there's no tourist board and we've a bad reputation for client security," he said. "We've to be named. "Hotels have had to become self-sufficient in power generation and have sufficient water storage capacity because we cannot rely 100 percent on the infrastructure available."

"Tribal riots last year in Nairobi's Kibera slums led to a rash of tourist cancellations. Other image-tarnishing incidents, such as last month's hijacking and robbery of a minibus carrying seven Danish tourists to the popular Masai Mara game reserve, reinforced the impression that Kenya is dangerous to visit."

The effect of bad publicity was best seen when 1992 earnings from tourism dropped to $295 million from $400 million in 1991 after a spate of attacks on tourists and political violence during elections.

"The unsolved murders of British tourist Julie Ward in 1988 in the Masai Mara and of conservationist George Adamson in 1990 highlight the lack of security in the country's game parks."

"Spurred to act, Kenyan police last month formed a special Tourist Police squad in a move hailed as long overdue.

"Kenya's tourism chiefs are now faced with stiff regional competition, particularly from the upstart market newcomer South Africa, and have vowed to reverse the country's negative image."

"Joe Nguru, the chief executive of the Kenyan Association of Tour Operators, said that many people in the West suffered from "collective ignorance" about Kenya. "A good case in point was when the Ebola [virus] broke out in Zaire — everybody thought it was contractible in Kenya and it was not," he said.

"But Kenyan officials who complain about negative press reports have ignored the industry's demands for a professional tourist promotion board with overseas offices to sell the country's charms."

Coastal hoteliers reported a profitable Christmas holiday season, but they predicted tough times ahead for the next two years.

"However, some sources in the industry are quietly confident of a boost in bookings from non-traditional markets such as the former Eastern bloc and well-heeled locals," said a manager of a top coastal hotel.
The ugly hidden face of racism in Kenya revealed

By JOE KHAMIS

Nairobi - Racism is outlawed in Kenya, yet the colour bar exists in its ugliest forms on both sides of the racial divide. Although nowhere near South Africa's apartheid, racial discrimination is practised, albeit in a subtle way, by blacks, whites and Indians alike. And some of Kenya's leading politicians cannot escape blame for the pervading atmosphere of racial suspicion.

A South African resident in Kenya, Sarah Kearney, wrote to a newspaper recently to complain about the use of the word "msingi" used derogatorily by blacks to refer to Caucasians. Kearney identified herself as an ANC supporter and lifelong campaigner against race prejudice. To most Kenyans, she wrote, the word means "This is the one who will give me, give me, give me, who I can make a quick bob out of; who doesn't understand blacks; not a person, only an msingi.

Kearney, who has been in Kenya for five months, asked whether it was time for a nationwide education campaign about humanity and non-racism. "Or is that too idealistic?" she asked.

A swift response from a black reader was as curt as it was charitable. "Kearney," he wrote, "should realise this is because of her grandfathers' brainwashing us to believe we are inferior."

"Msingi," said another, "is not derogatory. What's derogatory are words like 'kaffir' used by msingi. It's for them to stop, not us."

Thirty-two years of independence in Kenya appear not to have completely healed the wounds of years of colonialism. Racial polarisation still exists in workplaces, social settings and even in public facilities such as hotels and hospitals. Many believe this is born out of the wide disparity in economic levels between the majority of poor blacks and wealthy whites and Indians.

Africans continue to blame whites for colonialism and Indians for being enterprisingly arrogant.

Monopolising

Because of their low economic status, most Kenyans perceive themselves, rightly or wrongly, to be biologically inferior. They see whites and Indians as monopolising the houses, jobs and food while they labour hungry, fueling racial disharmony and sometimes physical brawls. For example, last month workers at a tourist hotel implored the government to deport an Italian investor for referring to them as "dogs of Africa." The government did not respond.

Reports of white-owned hotels barring entry to blacks have circulated for years.

Although on the surface Kenya is regarded as one of the most racially harmonious countries, ugly incidents over the years have shown the truth to be otherwise. President Daniel arap Moi, for example, does not hide his disdain for whites. He considers Dr. Richard Leakey, a budding opposition politician, to be an msingi, a "racist" and a "colonialist." Similar sentiments have been voiced by others in government - Independent Foreign Service.
Discord surfaces in Kenya's opposition alliance

Nairobi - Signs of discord within Kenya's opposition alliance, Muungano wa Ukombozi (Union for Liberation), came to the fore this week with the suspension of anthropologist Dr Richard Leakey from its secretariat following criticism of the alliance by Leakey's party, Safina. Muungano's Inter Parties Committee asked Leakey to choose between loyalty to his party and loyalty to the opposition alliance, saying he had a conflict of interests.

The move came hot on the heels of a Safina press statement that sharply criticised the opposition alliance. Safina's statement, which slammed the direction, composition and leadership of Muungano wa Ukombozi, was signed by Leakey (secretary-general of the as yet unregistered party), chairman Kigano Muturi, treasurer Njoroge Kasebani and parliamentarian Paul Muferi.

Arguing that the alliance's aim should be to seek a "level playing field" rather than a single presidential candidate, Safina proposed the introduction of "pro-democracy elements" from civil society, including non-governmental organisations and religious groups.

The statement also accused the alliance's leadership of being "self-imposed", having "failed the electorate in the 1992 elections", and called for new, "politically neutral" leadership.

Safina said that while it was committed to a united opposition - as outlined in its statement of intent of May 1995, which explicitly allows for the formation of coalitions with other parties - it would "restrict its participation in the alliance until its demands were met.

In response, the Inter Parties Committee rejected Safina's criticism. - Safa-IPS
Kenya's opposition parties return to SA

(163) Mon 11-12-96
Nairobi

Opposition parties in Kenya appear to have found a new friend in the African National Congress. Yesterday a group of Kenyan opposition leaders made a tour political visit to South Africa — the second in six months.

The first visit took place in July 1995 when James Orengo, vice-chairman of the official opposition party Ford-Kenya, held meetings in South Africa with ANC leaders, among them Walter Sisulu.

But unlike the previous one, which involved only Ford-Kenya members, the latest delegation comprises three leading opposition groups.

They are travelling under the umbrella of the recently founded Kenya Opposition Alliance which aims to defeat Moi in the 1997 elections.

But the six-day trip has raised questions here about Pretoria’s motives in hosting the Kenya opposition.

It has also brought into focus the broader issue of Kenya relations with South Africa, considered by many Kenyans to be less than cordial.

“We are certainly concerned that the ANC has chosen to host the opposition before meeting with Kanu,” one ruling party official who requested anonymity said.

“But the ANC like Kanu is at liberty to meet with any group or person it wants.”

Kenyans opposition parties do not hide their admiration of South Africa’s political system. They admit to being particularly impressed by SA’s power-sharing arrangement even after the ANC had secured 62% of the vote in the 1994 first all-race elections.

They compared Pretoria’s experiences to Kenya’s 1992 first multiparty election in almost three decades. In those polls, Moi won only a paltry 35% of the vote in a winner-take-all arrangement.

But it is the broader issue of bilateral relations between the two countries that appears shrouded in mystery.

For example, Dres Venter, the career diplomat who opened the Nairobi mission four years ago quietly left Kenya in mid-December without making the usual diplomatic farewell.

Kenyan officials argued Venter was not an accredited head of mission and the usual diplomatic norms accorded departure did not apply.

Several incidents during the past year have raised doubts about relations between the two countries.

Last April, the Kenyan government found itself greatly embarrassed when no cabinet minister showed up to greet President Mandela on his arrival at Nairobi airport while in transit for London.

A low-ranking foreign ministry official eventually arrived 35 minutes late.

A month earlier, Foreign Minister Alfred Nzo found himself in a similar predicament.

During a visit to Kenya, the ANC leader infuriated Kanu officials when he slighted Moi’s government for being insensitive to the former Kenyan freedom fighters.

Mandela was angered when he heard that the widow of Kenya’s leading freedom fighter, Dedan Kimathi, was living in poverty.

The sudden expansion of trade has also brought new problems. Kenyan leaders often grudgingly complain of “dumping” of sub-standard SA goods and of the huge disparity in balance of trade in favour of Pretoria.

In 1994 the difference in trade was close to tenfold. Kenyan officials say by offering subsidies to exporters, SA is not playing fair.

But political observers see last October’s allegations by Moi of South African alleged involvement in a destabilization campaign as the biggest blow to bilateral relations.

Moi claimed South African mercenaries were on their way to Uganda to link up with elements planning to topple his government — a claim vehemently denied by South Africa.

The Kenyan leader provided no evidence and many commentators saw the outburst as simply an exercise in shadow-boxing.

Observers think that by agreeing to host Moi’s detractors, the ANC may be sending out a message of its displeasure with Nairobi.
Kenyan Economy Grows as Donors Apply Pressure

The currency crisis and the Government's efforts to stabilize the economy have led to a growth in economic activity. Donors have increased their support, bringing much-needed funds into the country. This has helped to reduce the economic pressure and stabilize the currency.

However, the Government must continue to implement structural reforms to ensure sustainable growth. The need for reforms is evident as inflation rates remain high, and the economy is vulnerable to external shocks. The Government must also address the issue of unemployment and promote job creation to ensure social stability.

In conclusion, the Kenyan economy has shown resilience in the face of adversity. With continued support from international donors and the implementation of necessary reforms, the country can achieve sustainable growth and development.
Moi's anti-corruption drive could backfire on his family

By JOE KHAMISI

Nairobi — Kenyan President Daniel arap Moi has launched an unprecedented campaign against corruption in the tax sector.

But, observers say, if the drive is handled badly, it could boomerang and entangle avaricious members of his own family.

Moi's two sons, Jonathan and Gideon, have been involved in imports and exports through the port of Mombasa amounting to millions of rands every year.

No one has come up with proven evidence to link the two in a new scandal which has rocked the country, but port sources say the family have taken advantage of their position to import a wide range of goods, including luxury four-wheel-drive vehicles, duty free.

Purged

About 24 senior government officials and businesspeople have been sent on compulsory leave or arrested in the past two weeks. They were allegedly involved in a car manipulation scandal that, analysts say, cost the government more than K250-million a year in lost tax revenue.

Among those purged were the commissioner-general of the Kenya revenue authority, Edgar Manasseh, his counterpart in the customs and excise department, P Cherutuy, the managing director of the port of Mombasa, Simeon Mula, and Asian motor tycoon Manish Shah, who is owner of the Daewoo dealer-

ship in Nairobi.

Some media reports say heads began to roll when Ugandan's President Yoweri Museveni complained to Moi on January 18 about the seizure and sale at throw-away prices of five Toyota Land Cruisers. The vehicles, worth more than K15-million, belonged to Ugandan churches.

The revelation came as reports emerged that 1,228 cars had disappeared from the port on the eve of a much-publicised anticipation of retirement, had subdivided his 19,000ha farm at Kabarak near Nakuru for his four sons and two daughters.

The report indicated the Kenyan leader had bought a 4,000ha farm further west in Eldoret. Such land wealth is beyond the imagination of most Kenyans trying to survive in one of the world's poorest countries.

Most rural Kenyans own less than 5ha of land.

So far, opposition leaders have complained only that "sons" of a powerful politician were involved in the corruption at the port. The leaders called for their immediate arrest. But the government has remained mum over the allegation, fuelling further speculation.

Speculation

"The government should go for the big fish who were responsible for corruption at the port," opposition MP Professor Anyang Nyong'o said.

Reports of massive corruption at the port of Mombasa have circulated for years by using false customs forms, importers routinely collude with corrupt officials to avoid paying taxes and duty.

In one case last year, officials used forged receipts and stamps to defraud the government of millions of shillings on acres of cassettes. In another report, 550 containers belonging to former Rwandan officials killed during ethnic strife in their country disappeared. They contained goods worth about K130-million.

Independent Foreign Service
Coffee hybrid may brew up a storm

BY MANOAH ESIFITU

Nairobi — Leading coffee traders and roasters were warned yesterday against marketing reforms and new hybrids that would compromise quality by coffee delegation leaders from Germany, Sweden, Norway and the United States at the end of a four-day tour of Kenyan farms, estates and mills.

"We have learned that Kenyan coffee in the future may be from the (new hybrid) Ruru 11. That is worrying us. It (Ruru 11) is not up to the quality we pay for," said Willy Petterson, the leader of the Swedish delegation. "If you will plant too much of Ruru 11, we may have to substitute Kenyan coffee with others," he said.

Ruru 11 was launched about a decade ago and accounts for only 5 percent of Kenya's annual output. But the state Coffee Research Foundation has said smallholders wanted to increase their acreage under Ruru 11 to maximise output. Kenya's 500,000 smallholders account for 120,000 of the country's 160,000 ha under coffee. The rest of the land is managed by big estates, which have overwhelmingly rejected Ruru 11.

Rudolf Krafft of the German delegation said consumers wanted the Kenyan authorities to maintain stable farm policies and ensure that farmers did not uproot coffee.

"Quality gets its own price. If quality can be maintained, we will be willing to pay for it," Krafft said.

Martin Daidrich, the leader of the US delegation, said experiences in other countries showed new hybrids and other reforms were made at the expense of quality, and international roasters were concerned that Kenya should not fall into that trap.

"This is alarming us. When we hear about these things we are concerned," Daidrich said.

Krafft also urged Kenya to maintain the auction system, saying he would not want to see farmers selling coffee to Germany in private treaty deals. "The auction system gives Kenya flexibility in offering quality coffees. That is something Kenya really should keep up. It helps farmers obtain the best price," he said.

Estates in Kenya have demanded that growers be allowed to sell their coffee both by auction and by private treaty.

But Pithon Mwangi, the chairman of the state-run Coffee Board, said, "All farmers here have overwhelmingly rejected sales by private treaty and it will not be implemented in Kenya in the foreseeable future."

The board forecast production at 100,000 tonnes in 1995-1996 (October-September) compared with 90,000 tonnes in 1994-1995. — Reuters
Kenyan universities are ‘silently dying’

OWN CORRESPONDENT

NAIROBI — When Kenyan academics meet to discuss the state of the country’s public universities, they normally do so in secret. Their union is banned, its leaders have been sacked from their university posts, others have been arrested for holding illegal gatherings, or intimidated into silence.

But those still brave enough to criticise the system say universities are in danger of collapse because of the suffocating effect of heavy-handed government interference.

“The is the lowest we have ever sunk too,” said Kivutha Kibwana, law professor at Nairobi University, where he has taught for 20 years. “Nothing meaningful goes on here anymore. No research, no scholarship, no teaching. To call it a shell of an institution is too generous. It’s a run.”

As chancellor of all five public universities, President Daniel arap Moi appoints the vice-chancellors, the senior administrators, who in turn control a bureaucracy reaching down to every department.

Most faculties have dispensed with elections for dean because of pressure from above. Last August, Kibwana, dean of the law faculty, was arrested and manhandled on campus by a dozen policemen after discussing politics with two former students over tea in the senior common room. He later resigned as dean in protest. Elections for his successor were then annulled by the vice-chancellor.

On top of the academic frustration, poor salaries are a source of bitterness. A senior lecturer’s pre-tax earnings are less than 22,000 pounds a year. “Even buying a shirt is a family decision,” said Smokin Wanjala, a senior law lecturer. Many have opted to supplement their incomes in moonlighting activities ranging from consultancies to running a kiosk.

Students say they miss up to a third of all teaching hours as many lecturers put in only “technical appearances”, arriving late, if at all, and leaving early to pursue their outside interests.

Despite a $55m World Bank investment project, there is not enough money to sustain basic facilities. Chalk and paper are usually unavailable; some lecturers pay their own office telephone bills. Books in the libraries are mostly outdated and many of the shelves are empty.

Movements for change continue to be frustrated by the government. A nine-month strike by the Universities Academic Staff Union was crushed in September 1994. After 24 of its leaders were dismissed, evicted from their university houses, and some arrested.

Moi publicly declared the union illegal.

Staff union chairman Korwa Adar, one of those sacked, now faces criminal charges of addressing an illegal meeting and inciting students to violence in February 1994. Court cases filed by the union challenging the government’s refusal to register the union and its dismissal of the lecturers have been thrown out or deferred.

Gideon Kamau Kuma, one of Kenya’s most distinguished human rights lawyers, said: “These cases are a clear indication that the government is not telling the truth when it says it is committed to political reforms.” Since the strike fear and despondency have set in. One lecturer said: “We were fighting for better standards of education and for the integrity of this place. Nobody dares make a noise now, and I would not go through all that again. There’s been a silent death of the universities.”

The malaise has spread to the 40,000-strong student population.

University closures are frequent and have caused chaos in the academic calendar. Police are permanently based on all campuses and do not hesitate to use violence to quell student unrest.

Education Minister Joseph Kamotho says: “There is absolute freedom of movement and freedom of research, there is no muzzling whatsoever of academics in this country.” He said: “They (the union) are part of the opposition and that is why they make so much noise.” — Telegraph plc.

Nigerian minister rules out talks

WINDHOEK — Nigerian Foreign Minister Tom Ikimi yesterday ruled out talks with the Commonwealth on his country’s suspension from the organisation.

He also said Nigeria’s military ruler, Gen Sani Abacha, would visit Namibia “at a time appropriate” in response to an invitation last year by Namibian President Sam Nujoma, but gave no details.

Ikimi, on a two-day visit to Namibia, said his government rejected what he termed the “inflammarice decision” by a Commonwealth Heads of Government Meeting in November to suspend Nigeria after author Ken Saro-Wiwa and eight other activists were executed on November 10, the eve of the Commonwealth summit in New Zealand.

Ikimi said his government would not meet members of an eight-nation committee of Commonwealth foreign ministers to monitor Nigeria’s adherence to democratic principles.

Five committee members — the foreign ministers of Ghana, Jamaica, New Zealand, Malaysia and Zimbabwe — have been hoping to visit Nigeria for talks on a return to democracy. The other members are Britain, Canada and SA.

Ikimi, who arrived in Namibia on Monday, said he had brought a personal message from Abacha to Nujoma, thanking the Namibian leader for his “understanding of the Nigerian situation”.

Nujoma went along with the Commonwealth decision to suspend Nigeria, but has refused to condemn the hangings, maintaining that Nigeria is “a friendly country”.

Ikimi, who was due to leave Namibia late yesterday for Botswana, is on a tour of southern Africa in a bid to “enlighten” the countries. “If administrations such as SA’s become more aware of the facts of the Saro-Wiwa saga, they will modify their views,” Ikimi said, referring to SA’s leading role in the campaign to impose sanctions against Nigeria.

Ikimi will also visit Mozambique, Swaziland, Zimbabwe and Zaire before arriving in Addis Ababa for an OAU council of ministers meeting from February 26 to 28. — Sapa-AFP.
Kenya Airways to offer shares at bargain price

BY MUNOAH ENUREU

Nairobi — Kenya Airways was set to follow other successful flotations by offering its shares relatively cheaply to attract small investors, market analysts said yesterday.

In the four weeks between March 25 and April 19, 51 percent of the company, or 235 million shares, will be offered on the Nairobi stock exchange. The price a share could range between 12 shillings and 15 shillings (6c - 10c).

"That formula has never failed. Both individual and institutional investors jump on the bandwagon if the offer price is low enough," said Edgar Wamalwa, an investment analyst at Luata Asset Management.

He cited last year's sale of National Bank stock, which was oversubscribed three times because of a discounted offer.

Renée Blasky, a financial analyst at Middle Africa Investments, said: "I think the government wants to interest a large investor base as well as maximise the revenue."

The government stands to earn between 2,82 billion shillings and 3,32 billion shillings if the share offer is taken up.

Kenya Airways said that the flotation would allow all interested Kenyans to participate in the future success of the national airline and ensure that a majority of shares were held by Kenyan citizens.

The flotation of a 51 percent stake is the second phase of privatisation after the sale of 26 percent to Dutch national carrier KLM for about 1,5 billion shillings.

The KLM-Kenya Airways agreement aims at management cooperation, integration of routes and joint purchase of supplies, with the aim of tapping new markets in sub-Saharan Africa.

Kenya Airways made a profit of 450 million shillings in 1993, the first since its launch in 1977. But the airline was weighed down with debts of about 883 million shillings.

Profit rose to 868 million shillings last year and the government said it would take over its debts.

Blasky said the 1993 profit was the result of exchange rate movements rather than operational prudence. The shilling dropped as low as 83 against the dollar in 1993, it is presently at about 58 shillings — and companies which charged for their services in hard currency made foreign exchange gains.

It was not known what percentage of the cash would go to debt financing and what amount would be used to revamp the company — Reuter.

TRADE BOOST The US Secretary of Commerce Ronald Brown arrived in the Ivory Coast on Sunday on the first leg of a five-nation tour aimed at boosting US trade in sub-Saharan Africa. He will also visit Ghana, Uganda and Botswana. Here he is seen with a trader at the Abidjan Stock Exchange.
Protected Kenyan Asians face courts

By Joe Khamis

Nairobi — Shivers have gone through Kenya's wealthy Asian community as its members find themselves on the wrong side of the law, often after years of protection offered by their close connections to politicians.

Five leading entrepreneurs of Asian origin have appeared in the Kenyan courts over the past month to face charges of fraud and tax evasion. They joined several other highly placed Asians awaiting trial on charges of theft, drug trafficking and kidnapping.

The five were netted in an unprecedented crackdown on corruption ordered by President Daniel arap Moi in January.

Among the Asians on trial is Kamlesh Pattnu, who was charged with stealing nearly $300 million from the government. His trial began in 1994.

Pattnu owns a gold and diamond firm, the Goldenberg International, and the Exchange Bank. The authorities have shut down his companies down.

Along with four former senior officials at the central bank, Pattnu is charged with obtaining money through an export compensation scheme for gold and diamond exports, that officials say never existed. Pattnu's case is attracting investors' attention, and is often cited to illustrate the government's chronic financial mismanagement.

The traditionally protected Asian community now appears to be exposed to the rigours of Kenya's tough justice system.

Never before have so many Asians landed in court.

In 1993, the billionaire banker, Abhijit Kajemal, escaped arrest and fled overseas after the government detected irregularities at his bank.

Kassam was among a small group of Asian tycoons said to enjoy close relations with the ruling clique. He fell victim to hoardroom battles pitting him against some of Moi's closest aides.

Many believe he escaped by bribing senior security officials.

In the latest crackdown, more than 20 senior officials at the port of Mombasa and in the private sector appeared in court earlier this month on charges of corruption.

Among them were Manish Ramuldai Shait, a successful tyre dealer; and Daewoo franchise owner, his production manager, Babu Hiralal Mavada, and Muzahaim Sahn Mohammed, also a motor dealer. They were charged with tax evasion at the port.

Syed Mohammed Massoud and Jagnesh Thakorlal Patel were caught with uncleared goods in Nairobi. The scandal was exposed after hundreds of unclaimed cars that were to be auctioned by the government auction disappeared from the port. An investigation revealed a duty and customs evasion scam said to deprive the government of millions of dollars.

But it is the presence in court of such powerful Asians that is raising eyebrows.

Tom Mehlum, a columnist, wrote on January 16 that the arrest of so many Asians was intriguing, given their elevated connections.

"It is obvious that there is a dangerous liaison between unscrupulous business- men of the dominant Indian community and well-connected locals to loot the country either by outright theft, unfair deals, or by denying the government tax."

But in a country where corruption is a way of life, the Asian suspects are still able to enjoy special treatment, even in the police cells.

In its editorial of January 14, the East African Standard said the Asian suspects received special treatment.

"Other accused persons don't get a police Nile to go home and charge a shill while in police custody, nor get a human shield of warders to guard against press photographers."

One suspect was reportedly accommodated in a "luxurious" cell at the airport outside the city. — Independent Foreign Service
Kenya turns to Singapore

Nairobi — Less than a year after announcing plans to turn Mombasa into a free port, the Kenyan government has turned to Singapore for help to streamline its badly-run, corruption-infected Kenya Ports Authority.

A formal two-year contract will be signed giving officials of the Singapore Port Authority the go-ahead to manage and operate the port's container terminal.

Robert Brenneisen, a Swiss-born Kenyan mechanical engineer, was recently appointed to prepare the port for duty-free status.

Observers see the agreement with Singapore as the first fruits of a tour of Asia by the Kenyan leader Daniel arap Moi last year.

Singapore is one of the most efficient ports in the world, capable of handling 600 ships at any one time. The Singaporeans are expected to transform the manually operated Mombasa into a state-of-the-art operation.

Mombasa serves the landlocked countries of Uganda, Rwanda, Burundi, parts of Tanzania, Zaire and southern Sudan. However, it has been hobbled with problems ranging from lack of reliable equipment to theft of goods in transit and corruption. 25 senior port officials have been charged with fraud — Independent Foreign Service
Kenya imports yellow maize to replace white maize exports

BY JOE KHAMIS

Nairobi — Just as thousands of bags of maize are being exported abroad, large quantities of the staple are arriving in Kenya, apparently to bridge a major shortfall in the production of the commodity.

About 4.4 million bags (400,000 tons) of maize was exported by Kenya last year, mainly to southern Africa. Last month, 1 million bags left the country.

During the past few weeks, thousands of tons of yellow maize from the United States has arrived at the port of Mombasa. The paradoxical scenario is baffling Kenyans especially because they will be forced to eat the US yellow maize, which they dislike, instead of the preferred white variety.

A few months ago, the United Nations Food and Agriculture Organisation warned Kenya of a looming famine because of a food shortage arising from poor yields last season.

In another warning, a report by the regional intergovernmental authority on drought and development said the country needed 10 million bags (918,000 tons) of maize to prevent widespread hunger. The regional authority comprises Kenya, Uganda, Djibouti, Eritrea, Ethiopia, Somalia and Sudan.

But the warnings were ignored. Instead, the national cereals and produce board went ahead with the export sales, with government approval. The board was, however, instructed to maintain a strategic reserve of 3 million bags.

Questions are being asked about how the Kenyan government could allow maize to be exported when the country faced an emergency.

Observers think the people who were involved with the exports may be the ones importing yellow maize.

"This is obviously a case of someone creating an artificial shortage for monetary gain," one source said.

Three foreign companies were given contracts to export maize. These were the Rotterdam company Glencore Grain, International Commodity Dealers of the United Kingdom and Trade of Ireland.

Most of the maize was destined for southern Africa to assist with famine conditions before the recent rains. But the process appears to have backfired.

The Kenyan government has refused to respond to calls for an explanation.

Khalid Mwamuca, an opposition member of parliament, said: "The strategic national food reserves are still below the security levels and owing to bad weather, there will be a crisis."

Newspaper editorials and commentaries have hinted at corruption in the handling of the maize issue. Others have claimed that the government planned to use food as a weapon in its war against the opposition in the run-up to next year's general elections.

In the north and northeast, where famine has persisted for years, evidence has emerged that only supporters of the ruling party have benefited from food handouts. Already, millions of people in the arid north and north-east of the country have sent out a plea for food aid. — Independent Foreign Service
News 1/16/91

1992. The president of Kenya, Daniel arap Moi, in a speech to the nation, said that the "war on drugs" was a serious problem and that the government was taking steps to combat it. He also mentioned that the government was working with international organizations to find solutions to the problem.

Kenya, attempts to end age-old feud between Masaai and elephants

There is no love lost between the Masaai and the elephants. The Masaai are nomadic pastoralists who live in the dry, arid regions of Kenya, while the elephants are large herbivores that roam the savannas. The Masaai depend on the land for their livelihood, while the elephants feed on the same vegetation. This has often led to conflicts between the two groups.

Attempts have been made in the past to resolve these conflicts, such as introducing fences and creating reserves. However, these efforts have not been entirely successful. In recent years, there have been reports of elephants entering human settlements in search of food, leading to further conflicts.

The government has taken steps to address this issue. It has created the Kenya Wildlife Service (KWS) to protect wildlife and manage conflicts. KWS has been involved in various initiatives to reduce human-elephant conflicts, such as providing alternative sources of income for the Masaai to reduce their dependence on the land.

Despite these efforts, conflicts between the Masaai and elephants continue to occur. The government is working to find long-term solutions to this problem, including finding ways to coexist peacefully with wildlife.
Draft Bills Cause Angst Among Kenyans

Newsmen and women would have to be licensed, have specific training and work for controlled organisations...
Tip-top tea production in Kenya

NAIROBI - Power cuts, crime and unfavourable exchange rates are all hurting Kenya's tea sector but growers still forecast a rise in output that would make Kenya the world's second-largest, black tea producer.

Muna Sang, chairman of the powerful Kenya Tea Growers Association, said yesterday he saw production in 1996 marginally higher than 246 million kg, just above the 1995 record of 244 million kg.

This would be higher than Sri Lanka's annual production of black teas and would make Kenya the second largest producer of such teas behind India, he said.

Tea is Kenya's top commodity export and stands behind tourism in foreign-exchange earnings.

Mr Sang said the 16.8 percent rise in Kenya's tea output in 1995 had caused an imbalance in the world tea supply, with the result that prices fell steadily throughout the year.

"Many (Kenyan) producers were selling tea below their cost of production, a position exacerbated by the continuing strength of the Kenya shilling," Mr Sang said.

He said 1996 had started on a more optimistic note for producers as prices had been firmer - Reuter
White elephant molasses plant to be sold

By Joe Khamisi

Nairobi — A multimillion-dollar Kenyan molasses plant destined to be the biggest in Africa goes under the auctioneer’s hammer next month, ending years of acrimonious political wrangling over its viability.

The Kasumu molasses plant was built almost 20 years ago by the Kenyan government with the help of international lenders.

The cost then was 4.4 billion Kenyan shillings (about $299 million). But it never opened and never produced a pint of power alcohol — its intended main product.

The plant became a victim of official corruption and political interference that have caused the dormancy or collapse of several government-built enterprises.

Government officials inflated the costs of tenders and materials to a point where it was considered too expensive to continue with the power alcohol plant. Kickbacks were paid to officials who bought and installed inferior equipment.

Now the government has to find money to repay $3 million borrowed from the Union Bank of Switzerland and a Swiss process engineering company.

Kenyan officials said it would take seven years to repay the loans at the rate of 250 million Kenyan shillings annually.

The Kasumu plant was built in 1977 as a multi-product chemical industry.

It was meant to produce 20 million litres of power alcohol a year, 3,000 tons of citric acid, 1,800 tons of baker’s yeast, more than 3,000 tons of vinegar, and about 7,000 tons of oxygen.

The government pumped 102 million Kenyan shillings into the project before it stalled.

But now expensive machinery and heavy-duty vehicles are rusting away in the humid town on the shores of Lake Victoria.

In 1989, the government appointed EF Scheiffer consultants, a United States company, at a cost of 3.2 million shillings to study a possible revival of the plant.

The consultant’s report said the government would suffer huge losses if it injected more money into the project.

The report apparently prompted the government to dispose of the plant altogether.

This month, the auctioneers announced that the sale would be conducted on April 15. It would be sold either as a whole or be broken up in lots — Independent Foreign Service.
To topple Moi, opponents must regroup

Kenya's President Daniel arap Moi, embattled over the outcome of last month's presidential election, has been Programme, which was declared a success.

The government has been accused of rigging the election and Moi has been criticized for his handling of the opposition. The opposition has been quite vocal and has threatened to disrupt the election if they do not win.

To ensure a fair and transparent election, the government has promised to implement the recommendations of the Independent Electoral Commission. The opposition, however, remains skeptical and has called for international observers to monitor the election.

President Moi has called for calm and urged the opposition to accept the result. He has also assured the international community that the election will be fair and free.
Moi bounces back

Divided opposition feuds as Kenyans braced for early election

Daniel arap Moi, regarded as a political write-off, is winning over voters with elections just around the corner and the opposition in disarray. He has been in politics for 40 years – 18 of them as president of Kenya. But will the country be better off with him or without him? asks JOE KHAMISI of the Independent Foreign Service, who reports from Nairobi.

KENYANS, disenchanted by President Daniel arap Moi's rule, are looking for an alternative force to replace a wrangling opposition that has failed to unite

And a visiting British MP, Mr David Steel, said in Nairobi a few weeks ago that Kenyans deserved better.

"If South Africa, with its bitter inheritance can be an open society, if Botswana with its small population can run a successful democracy, if poverty-stricken Malawi can make this transformation, then why can't a powerful and prosperous country like Kenya enhance its worldwide reputation and improve the quality of life for its people?" he asked.

But the official opposition, Ford Kenya, which was expected to offer a gruelling challenge to Mr Moi in next year's general elections, is in disarray.

So are the other two leading groups - the Democratic Party and Ford Asti.

Top leaders are fighting over who should be the party's nominee for the presidency.

An inter-party alliance, formed to brainstorm over a single opposition candidate to take on Mr Moi, is beset with administrative problems.

Richard Leakey's Safina party pulled out of the alliance even though the white palaeontologist was selected to co-ordinate the union.

In the meantime, 72-year-old Mr Moi - written off only a few years ago - appears to be bouncing back.

Observers say his popularity is high enough to ensure him a comfortable win should elections be held now.

Since the last general election in 1992, when he won a meagre one-third of the votes, Mr Moi has waged a relentless campaign to woo opposition figures to his ruling Kanu (Kenya African National Union) party.

Several opposition parliamentarians have defected and more are expected in the run-up to the elections.

This has reduced the opposition majority in the national assembly by 10 to 78, compared to Kanu's 107.

Kanu has the further advantage of 12 nominated seats.

Two forthcoming by-elections are likely to increase Kanu's majority even further.

This will devastate the opposition, making it impossible for it to make any meaningful impact on the floor of parliament.

Critics accuse Kanu of waging a dirty tricks campaign of bribing opposition leaders to defect.

But Mr Moi cites tribalism as the cause of opposition disunity.

Although the election date has not been announced, Mr Moi is cross-crossing the country in a style meant to win votes.

This is fuelling rumours of a snap general election before the December deadline next year.

In some rural areas, Mr Moi is promising facilities such as health, schools and roads that the government has long neglected to provide.

He has made several forays into Kikuyu and Luo enemy territory, preaching reconciliation. Both areas denied him votes in 1992.

But while he is "reconciling", he continues to refuse opposition rallies the right to a licence.

Kenyans are, therefore, deprived of an opportunity to listen to alternative views.

The state-run media only portrays the opposition pressure to call a conference to discuss constitutional reforms.

Critics claim fresh elections would be considered flawed if certain changes are not made.

These include the independence of the Moi-appointed electoral commission and the judiciary, freeing opposition parties from old colonial laws, transparency and accountability in government, and unbridled press freedom.

Mr Moi has been in politics for 40 years, 18 of them as president.

But he has presided over a corrupt, inefficient and totalitarian regime that has left Kenyans poorer than they were when he took over.

Among groups lobbying for the ousting of Mr Moi is a consortium of the clergy.

On March 12, they formed a lobby group to find a compromise candidate to take on Mr Moi. Friends of Democracy (FOD), led by an influential retired Anglican bishop, Henry Okullu, warned of renewed "ethnic cleansing", increased landgrabbing, corruption and mismanagement of the economy if Kanu was returned to power.

FOD is only one of several initiatives by sections of intellectuals and the clergy to dislodge Mr Moi.

Mr Moi has described any attempt to oppose him as futile.

Apart from a recent successful eye operation in Israel, he appears healthy enough to rule for another five years.

The question is whether Kenya is better off with him or without him.

DANIEL ARAP MOI has presided over a corrupt, inefficient and totalitarian regime that has left Kenyans poorer than they were when he took over.
Kenyan govt in bid to block the Internet

NAIROBI — As Kenyans finally wake up to the benefits of state-of-the-art communications systems, anxiety is growing in government circles over its inability to control information.

With newspapers, radio and television all strictly regulated by the authorities, and even schoolbooks played subject to scrutiny, the latest information technology, the Internet, is proving harder to manage.

Two companies offer full access to the Internet, and in the coming months others are expected to bid for a share of this growing middle-class market in global communications.

Although Kenya has been slow to steer onto the information superhighway, being only the 13th African country to access the Internet, commercial pressure now seems to have made its spread inevitable.

An estimated 10,000 Kenyans currently use the Internet, mainly in the fields of business and academic research. Nairobi may soon offer cheap access to the general public, however, if Africa Online, a Kenyan subsidiary of an American firm, goes ahead with its plans to open “cyber cafes” — high street centres selling online services.

“Despite its commitment to economic and political reforms, the government has watched these developments with discomfort. Last year a memorandum from the office of the president was circulated to all government departments, warning staff to ‘seek clearance’ before using the Internet.

At least three government departments headed by enlightened officials keep their subscriptions to the Internet secret. “It’s politically very sensitive. President Moi definitely doesn’t want the Internet here,” said a Nairobi communications expert.

For years, the advent of the Internet was kept at bay by inefficiency in the government-run Kenya Post & Telecommunications Corporation. Private satellites for telephone communications, already in use in Uganda and Tanzania, are still not permitted in Kenya, where they are viewed as a threat to national security. Positive changes at the corporation, however, have just made available the high speed lines necessary for companies like Africa Online to operate.

After intensive lobbying, import tax on computer hardware has recently been reduced from a prohibitive 200% to 10% but parallel moves in the opposite direction continue to create an uncertain communications climate.

Two media Bills drafted by the attorney-general’s office and described by Western diplomats as “draconian” await tabling in parliament.

International and local pressure to free the airwaves has been ignored by the government, which controls the radio and two television stations.

The Internet, however, appears to offer an information forum beyond the reach of the government’s censor.

Kenyans can read the latest book by the jailed dissident Koina Wa Wamwere, written in prison and smuggled out on scraps of paper. The book is unlikely to find its way into Nairobi bookshops. The Kenya Human Rights Initiative, a group based in the US, has been using the Internet to send e-mail messages urging support for its campaign to free Koina.

Human rights groups say the Internet is a way of relaying confidential information safe from government intelligence officers who commonly tap telephones and faxes.

Those involved in the fledgling online market are nervously aware of the duality of the government’s attitude to their business.

Some practice self-censorship by excluding material that may be viewed as controversial. —© Telegraph plc
IMF to discuss Kenyan aid

By Joe Khamisi

Nairobi — The board of the IMF is expected to meet in Washington in the middle of this month to discuss a three-year, $200 million (about R320 million) aid scheme to Kenya under the enhanced structural adjustment facility.

If the board approves the aid, the way will be clear for the disbursement of aid pledged at the IMF consultative group meeting in Paris on March 22. At that meeting, donors promised to give $760 million in aid to Kenya.

The board will weigh the actions of the Kenyan government and results of recent policies very carefully before coming to a decision.

In February, President Daniel Arap Moi announced a policy framework paper. The paper lays down strategies for improving the country's economic performance.

Through the framework, the president seeks to strengthen monetary and fiscal management, improve infrastructure and public sector efficiency, enhance domestic competitiveness through further market liberalization and take measures to address the problems of disadvantaged groups.

The paper was well received by the donor community, some donors saying Kenya could become one of the fastest growing economies on the continent if it is implemented.

Donors were also impressed by Kenya's reform process, which realized economic growth of 5 percent last year and slashed inflation from 49 percent in June 1994 to 2 percent in February this year.

They were also happy about parastatal and public service reforms and what they saw as a serious effort by the Kenyan government to fight crime and corruption.

Donors still want to see an end to misuse of public funds by government officials and an increase in social and development spending, however.

At the Paris meeting, donors urged Moi to strengthen the democratic process in advance of next year's general election by opening up the media and allowing undisturbed activity by the opposition.

There have been signs that Moi is attempting to reach out to the opposition last month, for example, when he held his first joint meeting with three of his leading detractors.

Donors saw the move as an encouraging sign, though opposition leaders continue to be harassed and their meetings disrupted.

Sporadic and quiet discussions were also going on between the government and representatives of donor nations in Nairobi over the controversial press bill, which sought to impose restrictions on practicing journalists and media owners.

The bill was temporarily suspended by the government earlier this year after a flood of protests from the local media and the international community.

The IMF board will review all this to be satisfied that Kenya has reached its budget deficit and monetary targets for the year.

The Kenyan government promised the IMF that it would keep its budget deficit at $143 million, of a total budget of $2.2 billion, for the year to March 31. Government officials said the target would be met.

If it approves the aid, the IMF will release $760 million in balance-of-payments support by the end of May, through the structural adjustment facility.

This will trigger the disbursement of $85 million under the World Bank's structural adjustment credit and the transfer of 40 percent of the pledged aid package of $760 million within the next twelve months.

Kenyan officials are elated at the imminent turnaround in the aid situation. The country suffered a three-year aid freeze from 1991 to 1993 because of serious flaws in its economic and political policies.

Despite changes in those policies, aid was not immediately forthcoming. In 1994, donors pledged $850 million in balance of payments and project aid but only a quarter of it was disbursed last year.

Britain, Kenya's main trading partner, only released £51 million (about R32 million) of the money pledged in 1994 on March 22, when the Paris conference ended.

While Moi now believes he has won over the donor community, what happens between now and the election will determine whether his confidence is justified.

Independent Foreign Service
EU helps Kenya stimulate its coffee industry

BY MANOAH ESIPU

Nairobi — The European Union has given Kenya 650 million shillings (about $47 million) to increase its output of coffee and improve its quality.

On Friday, Jean-Michel Filon, the head of the EU delegation in Kenya, and Benjamin Kapilei, the permanent secretary of the finance ministry, signed the agreement for the financing under a programme called the second coffee improvement programme.

The funds are part of an agreement between Kenya and the EU on the stabilisation of export earnings that began in 1990.

Under the stabilisation of coffee earnings programme, the EU sent 135,000 tons of fertiliser to Kenya between 1991 and 1993 for auction to farmers.

The cash generated from the sale was placed in a bank and it was this that the EU had now freed for recycling back into the industry, Filon said.

Filon and Kapilei said the foreign currency component of the cash transfers had been used to procure fertiliser for the coffee sector and other agricultural concerns in general.

"This agreement aims at enhancing both the quality and quantity of coffee produced by the (co-operative) sector," they said. The co-operative sector accounts for about 75 percent of area planted under coffee and 56 percent of output.

"About 650 million shillings will be utilised for the sector to finance credit lines for coffee advance payment system, farm input supply scheme and coffee factory development," they said.

"The remaining 10 million shillings will be used to equip the existing training centre at the Coffee Research Foundation to enable it to be used efficiently as a training facility for the coffee industry."

Kenya produced about 95,000 tons of coffee between October 1994 and September last year, and the Coffee Board of Kenya has forecast a rise to 100,000 tons in the 1995-96 season.

Output peaked at 130,000 tons in 1986-87, but fell to 70,000 tons in 1991-92. — Reuters
Singapore firm’s $2m quote too pricey for Kenyan port

By Joe Kamusi

Nairobi — Kenya has rejected a Singapore company’s plan to reorganise and manage the chaotic port of Mombasa because the company called for a $2 million fee.

Kenya now wants to look at other proposals to restructure the port’s container terminal and has contracted a Canadian consultancy firm to draw up terms of reference for possible international tendering.

The terminal is beset by problems ranging from frequent equipment breakdown to congestion and delays.

The Singaporean plan contained many costs in addition to the contract price — a 50 percent share of profit, a $230,000 computer package and fat personal allowances.

Contract Singaporeans were to go home with $17,000 a year each. Those on temporary assignments were to earn more than $136,000 a day.

The Singaporeans wanted all payments to be tax free, with a penalty rate of 1 percent a month in case of payment delays.

The demands were made by a team from the Singapore Port Authority during a visit to Kenya early this month.

The Singaporeans were invited to Kenya when president Daniel arap Moi toured the authority’s facilities last year. But the contract demands kicked up a storm as soon as they were announced.

Labour leaders called them outrageous.

Robert Bremer, the Kenya Port Authority’s executive chairman, termed them too costly but he said that negotiations would continue.

At least 12 other port authorities have expressed interest in helping Kenya deal with the serious problems of lack of equipment, congestion and upgrading of the container terminal.

Australia, the ports of Liverpool and Hamburg, and French and Canadian companies have been mentioned as candidates for the contract.

It could not be established whether South Africans were among those bidding for the contract.

On April 2, Adam Kwailewa, the Polish ambassador to Kenya, said his country could offer a competitive rate.

But sources say Poland is interested in providing expertise and training in cargo handling, transporting goods and piloting ships within the harbour, rather than managing the terminal.

The Singaporeans proposed a one-year arrangement with the possibility of extension.

Discouraged by the high fees, Kenya has now asked the Toronto-based Hickling corporation to draw up a document that would form the basis for future talks. The Singaporeans were told to revise their terms if they wanted to be considered.

The Kenyan Port Authority has been bothered with myriad problems during the past decade.

And a string of political appointees over the years have failed to improve efficiency and cure corruption.

Bremer, a Kenyan of Swiss origin, was appointed in February to clean up the mess.

The restructuring would be undertaken to prepare the facility for free port status, but experts say it would take 10 to 15 years to transform the facility into a free port.

If implemented, however, Mombasa will face stiff competition from neighbouring free ports in South Africa, Mauritius, Seychelles, Madagascar and Zanzibar — Independent

Foreign Service
Kenya sets up agricultural commodities exchange

For example, a farmer who grows maize in the 

Kenyatta Institute of Science and Technology

in Nairobi sets up a commodities exchange

and starts to trade in maize. The exchange

is run by a group of farmers who

have formed a cooperative society

called the Kenya Agricultural 

Commodities Exchange (KACE). The

exchange provides a platform for

farmers to sell their produce at

fair prices and receive immediate

payment. Farmers can also

deposit their produce with

the exchange and receive

a fixed price for it when

they want to sell.

The exchange helps to

reduce the risks associated

with farming and

provides farmers with

a greater sense of

security.

The government

supports the

exchange by

providing

technical

and

financial

assistance.

The exchange has

helped to

increase

farmers' incomes and

improve their

standard of

living.

Source: Kenya Agricultural 

Commodities Exchange
The glory of Lake Nakuru National Park is under threat - but ecologists are at odds over the cause.
Kenya aims to boost production in sugar industry with reforms

By Mariano Esifu

Nairobi — The Kenyan government had embarked on a wide range of reforms in the sugar sector to boost production, Joseph Misoa, the deputy agricultural minister, said on Friday.

Misoa said the changes included the gradual privatisation of sugar companies, the financial restructuring and review of the management of poorly run companies, and the establishment of a fund for the internal generation of credit to finance cassava development.

Misoa said the government had also begun to improve roads in key growing areas and had directed more cash to cane research and rehabilitation.

"Other measures include liberalisation of pricing, marketing and distribution to enhance competition and efficiency, a flexible tax structure to prevent dumping of cheap imports and the reorganisation of the Kenya Sugar Authority to allow it more powers in management of the sector," Misoa said in a statement to parliament.

A top miller, the Mutha Sugar Company, would be floated on the Nairobi Stock Exchange by the end of this year as part of the government privatisation programme, agriculture ministry officials said.

Misoa's statement followed complaints from legislators representing the growing areas. They said that local produce was rotting in factories as the domestic market was flooded with cheap imports which also threatened jobs.

The legislators said the government did not provide adequate incentives to encourage growth in sugar production.

Senior officials at the Kenya Ports Authority in Mombasa recently issued a list of companies that imported sugar for the Kenyan market, showing that imports rose to 227,974 tons last year compared with 147,000 tons in 1994.

But between January and March this year only 10,262 tons of sugar was imported as businesses realised the market was flooded and retail profit margins had fallen.

Misoa said 120,987 tons of sugar was declared as having passed through Mombasa port last year.

"It should be observed that some sugar may have entered the country undetected and the list of importers and quantities of transit sugar may not be conclusive," said Misoa.

Sugar consumption in Kenya last year was estimated at 360,000 tons compared with production of 365,000 tons, leaving an import gap of only 192,000 tons.

The Kenya Sugar Authority has forecast production to grow to 404,800 tons this year while consumption will remain at 560,000 tons. — Reuter
Moi way will lead to anarchy

(1933) April 22

The assassin of the land is a renowned diplomat. He has made the government believe that it must negotiate political reform in order to prevent a violent uprising. However, the diplomat is not interested in reform. He believes that the only way to maintain order is through violence and anarchy.

In a letter to the United States Congress, the diplomat states that negotiation and dialogue are futile. He claims that the president and parliament are incapable of reform. Therefore, he recommends that the United States intervene militarily.

The letter has been leaked, and it has caused a political furor. Many politicians are calling for intervention in Kenya.
Government moves to rid industry of conmen and enforce minimum capital requirements

Kenyan insurers face a shake-up

BY JOE KHAMBESI

Nairobi—Kenya's shaky insurance industry is to receive a major shake-up to combat an invasion of conmen who are robbing the industry and the public of millions of Kenyan shillings in fraudulent deals.

Until last year, Kenya's Insurance Act was largely moribund. Bogus brokers and agents flashing fake accreditation papers colluded with schemers in the industry to peddle insurance services but once premiums were collected the perpetrators vanished.

There will now be stricter policing of the industry. Any salesmen who do not have a current license will not be allowed to operate.

Also, brokers must remit premiums to insurance companies within 60 days or face a 5 percent penalty a month.

Henry Arow, an insurance commissioner, said 80 percent of insurance investigators were former police officers with no insurance background.

Some of the investigators gave misleading investigation reports leading to poor judgment on payments of claims.

Arow said fraud in the industry had become a matter of great concern.

Musalia Mudavadi, the finance minister, said the shake-up would seal loopholes and identify areas that could be a source of instability for the economy as a whole.

"Since 1992, the government has concentrated on streamlining the banking sector without attention to the insurance sector," Mudavadi said.

In general, Kenyan insurance companies have fared badly in comparison with banks and other financial institutions.

While banks registered huge profits, insurance companies suffered huge losses, particularly in the motor vehicle business.

Thefts of vehicles have surged in recent years. Some companies have threatened to pull out of the car line altogether if vehicle theft is not brought down to manageable levels.

The Association of Kenya Insurers has said that if law enforcement agencies are unable to control this crime epidemic, insurers might consider the theft of motor vehicles an unsuseppeable risk.

The industry's problems were being exacerbated by rising road accidents.

About 2,500 people are killed on the roads every year, necessitating compensation claims amounting to 2 billion Kenyan shillings (about $45.55 million).

Sources in the industry complained that court awards are often unrealistic and fail to consider the ability of companies to pay.

The government is taking strong measures to enforce its traffic code. A new bill, which borrowed heavily from South African traffic laws, will soon be introduced in parliament.

There have also been allegations of complicity between lawyers and courts when awarding claims.

Heavy compensation claims have led to declining profits and severe liquidity problems for most insurance companies.

For example, 10 out of 19 companies transacting long-term business do not meet the minimum solvency requirements of 1 million Kenyan shillings.

Only eight out of 37 companies in general business comply with the requirements.

The other problem relates to share capital. Most of the companies are grossly under-capitalised.

The government has ordered all insurance companies to raise their share capital to a minimum of 50 million Kenyan shillings. Experts said the new requirement was likely to sink at least 25 percent of the companies, most of them owned by indigenous Kenyans.

The industry says it sees no need to put substantial investments into an unprofitable business.

Insurers cite the collapse of the state-owned Kenya National Assurance as a portent of a bleak future for the industry.

The company sank into severe liquidity problems last year, prompting the government to announce a shut-down plan.

The government changed its mind and the company is now being restructured in preparation for privatisation within the next two years—independent Foreign Service.
Kenya in a last-ditch bid to save its tourism

By putting wildlife sanctuaries in the hands of villagers the authorities hope wild animals will become valuable assets

SAMAP-AP
Amboseli, Kenya

Not so long ago, Joseph Saiko and his fellow Maasai warriors would have turned a blind eye to poachers, or might have been out killing animals themselves to protect crops. Today, they guard Cape buffaloes, zebras, elephants, Thompson’s gazelles, elands and wart hogs against danger and hope their efforts pay off in cash.

“They are like my goats,” Saiko says of his new charges.

“Why should I let anyone kill them?”

The 24-year-old is in charge of 16 guards at the new Kamana Wildlife Sanctuary near Amboseli National Park in the shadow of Mount Kilimanjaro.

Under a new programme of the Kenya Wildlife Service, the 16ha sanctuary belongs to 840 local people rather than the government, as do Kenya’s famed game parks.

Saiko and the other residents now have a financial stake in the well-being of the animals.

The sanctuary is part of what David Western, director of the national wildlife protection agency, calls “a new brand of conservation.” He says the concept is necessary not only to save Kenya’s wildlife and its 56 national game reserves but its economy as well.

Wildlife is the backbone of the tourism industry, which Western says brings in an average of $500 million (about R2 billion) a year and is the single largest earner of foreign currency.

Because of changes in rainfall and available food, wild animals must migrate in and out of the parks, Western notes.

If the animals are not allowed to live on and cross private property unmolested, the national reserves will eventually be choked off.

“The future of wildlife ultimately depends on what happens outside the parks more than (what happens) inside,” he says.

At the entry gate to the Kamana sanctuary, which opened in February this year, Saiko collects $10 (about R43) from each non-Kenya resident and about $2 (about R8) from each resident to see the animals.

Saiko and his colleagues hope it will make a profit and pay dividends to the local owners.

For now, the only real expense is the small salaries paid to Saiko and the other guards.

The wildlife service maintains the sanctuary’s roads.

A second experimental local

People need the money to survive

sanctuary, financed by the US Agency for International Development, is operating at Kwale in the elephant-rich Sumba Hills forest south of Mombasa near the Indian Ocean coast.

Western sees the two pilot sanctuaries as the first step in finding ways to make wildlife benefit more Kenyans and give them a reason to protect animals. Among the ideas under consideration are allowing hunting to cull wildlife herds and making it easier to get licences for tourism businesses.

By law, wild animals belong to the state, but about 75% of Kenya’s wild animals roam on private land.

Farmers and herdsmen hate sharing their turf with the wild animals because they kill people, livestock and crops and have brought no economic benefits.


Government compensation for such deaths is 30,000 Kenya shillings (about R150). There is no payment for injuries and medical bills or for damage to crops and property.

Patrick Balfoz, a Maasai in his late 20s, had expected a handsome onion harvest earlier this year from a 0.8ha plot outside Kamana, a settlement near the sanctuary. But one night, he said, a herd of elephants “dug them up systematically, following the rows,” eating the onions and a season’s income.

To Western, such farmers and herdsmen are a constituency to be won over.

The Kenya National Wildlife Association, a group of landowners, is pressing with Western’s support for changes in legislation to permit financial gain from wild animals on their land.

“There are alternative uses of land other than keeping wild animals without any benefits,” the association’s interim chairman, Koki Oloitptiyo, said.

“Some of the uses may not be viable in the long run, but people need the money.”

A report published in December 1994 by a five-member team appointed by the Kenya Wildlife Service recommended that landowners and communities be given “authority to utilise wildlife for economic benefits as well as take on certain responsibilities and costs of conservation.”

In addition to running sanctuaries, landowners should be allowed to operate tourist lodges and create jobs through industries like making leather bags and shoes from the skins of culled animals, the report said.
Kenya seeks $1bn to stem sea of poverty

Nairobi — Kenya is desperately looking for an estimated $1billion
to stem the tide of poverty raging
the country.

Forty-seven percent of Kenya’s
28 million people live below the
poverty line.

Efforts to convince donors to
part with the money in support of
the Social Dimensions for
Development programme have not
borne any results.

The development programme
was launched in 1994 by President
Daniel arap Moi He was anxious to
draw international attention to
problems arising from donor-
engineered structural adjustment
programmes.

Forty-nine projects were identi-
cified in areas of health, training and
education.

The programme’s backbone was
to have been donors, non-govern-
mental organisations and the govern-
ment itself which would have
provided about $280 million.

The government has integrated
the development programme into
its annual budget and the national
development plan.

However, the international sup-
port for the project intended to help
women, the youth, the landless
and the disabled is lacking.

Structural adjustment pro-
grammes have been widely blamed
for worsening the plight of the less
fortunate.

Since 1993, the government has
been forced to cut down on funds
for education, health and other
social projects in an attempt to cut
down on public expenditure.

It also deregulated the economy,
sending the cost of living rocketing
beyond many people’s reach.

But donors have argued that
poverty existed even before the
adjustment programmes were
introduced and blame an improper
use of resources as the cause.

The government presented its
proposals for funding in March this
year to two donor consultative con-
ferences in Paris. The proposals
were prepared in conjunction with
donor representatives in Nairobi.

The proposals were reviewed
again early in April by a co-ordinat-
ing committee composed of the
government, foreign missions, non-
governmental organisations and the
private sector.

Officials say they would like to
see the development programme
implemented as soon as possible.

But sources say the biggest prob-
lem hampering international inter-
est in the development programme
was donors’ widespread belief that
the money may not be used for its
intended purpose.

At the March donors’ meeting in
Paris, Kenya was also flayed be-
because of its poor rate of absorp-
tion of donor funds and the delays
in project implementation.

Foreign envoys have been
unable to put a figure on the unused
funds but say they run into millions
of dollars — Independent Foreign
Service.
Kenya finds favour with foreign donors

By Joe Kichima

Nairobi — Kenya has entered into the donors’ favoured list, with the recent approval of a $250 million IMF loan agreement.

Last month, the IMF offered to release the money under a three-year soft-loan enhanced structural adjustment facility.

The agreement broke the ice for countries and multilateral donors to begin disbursing millions of dollars.

And had been held back because of inconsistencies in Kenya’s economic reform process.

The IMF money will be disbursed in five semi-annual installments.

The loan carries a 0.5 percent annual interest and is repayable over 10 years with a five-year moratorium.

But the IMF warned that the disbursement would be subject to the country continuing with reforms and achieving macro-economic targets.

Nairobi — Jiang Zemin, the Chinese president, starts a four-day visit to Kenya today.

Jiang is also expected to visit Ethiopia, Egypt, Mali, Namibia and Zimbabwe.

The tour was to “enhance friendship, strengthen unity and promote co-operation with the African people”, said a Chinese foreign ministry official — Sapa-AP.

The tour was mostly towards the restructuring of the central bank.

The agreement was signed after Kenya issued a policy framework paper in February.

The paper concentrated on privatising inefficient parastatals and meeting budgetary targets over the next two years.

It promised to achieve a real GDP growth rate of 6 percent and limit inflation to 5 percent.

It also promised to reduce the external current account deficit, excluding official transfers, from 4.2 percent of the GDP last year to 1.3 percent of GDP this year.

The IMF money would go towards these reforms.

Economic liberalisation was unsatisfactory and political reforms had stalled.

“Corruption and misuse of public funds still abound and political tolerance did not accompany pluralism,” one said.

Oppositionists felt the IMF should have insisted on greater freedom of the press and a judiciary free of state interference.

Robert Shaw, an economic commentator, said the gulf and fragile economic recovery could easily be disrupted and reversed overnight.

However, most commentators agreed that Kenya had made enough economic progress to deserve recognition.

Import and export procedures had been freed, price controls had been removed and trading monopolies and controls numbed.

Monetary restrictions had also been removed allowing currencies to be freely converted — Independent Foreign Service.
Law and order gives way to mob violence

(163) MTG 10-16 5'96

Greg Barrow in Nairobi

The Kenyan government has published a 40-page dossier defending its human rights record. The report comes as Kenyan human rights groups grow increasingly vocal about a rise in mob violence and a breakdown of law and order.

In the report, The Way it Is, the government says its overall record is positive, and blames budgetary restraints for preventing authorities from addressing all human rights issues.

Kenyan human rights groups say the report offers no answers to the growing problem of civil disorder. Incidents of crowds taking the law into their own hands are on the increase. Almost every day the media carry reports of civilians being beaten, necklaced, or hacked to death by mobs seeking vengeance for petty crimes.

"The government is either unable or unwilling to curb crime in the country," says' director of the Kenyan human rights commission Maina Kiai.

"When a crime is committed, no action is taken. The police seem unable to move, so the people have decided that the best thing is for they themselves to do something about it."

John Githongo, a columnist in a regional newspaper which has campaigned against mob violence, believes the rulers are to blame. "Human life is cheaper here in Kenya than ever before," he says.

"The trouble is that people can't look to any part of our society for moral leadership if you have a problem, you either bribe your way out of it or you use violence."

Data collected by the human rights commission reveals that deaths in mob violence far outstrip deaths due to ethnic clashes and banditry.

The government dismisses its data as "a propagandist catalogue of criminal incidents."

But the commission says, "There's a feeling that the government actually accepts mob violence. We've become a society that doesn't care for the weak and the poor. We care much more about property and wealth. And if that's the case, we're a society in big trouble."

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Famine looms in north-eastern Kenya

NAIROBI — Famine looms in parts of north-eastern Kenya, threatening the lives of hundreds of thousands of people, community leaders warn.

“The situation is deadly,” says Aral Hassan Ahmed, an assistant minister of transport and communications. “If it is not checked, we expect to see livestock carcasses in the area in a few weeks and possibly even people.”

He says conditions are appalling in Habaabwe sub-district where 75% of the population need emergency relief food and boreholes for their livestock.

“There’s no point distributing food to people and not providing water for their livestock,” he says. “This is why we are appealing to the government, non-governmental organisations and individuals to help the people in the region before it is too late.”

He is calling for a scheme to buy up the livestock before they die so villagers in the drought-struck region will have some income. “If we can get such orders, it will save the community from losing its entire herd of livestock.”

It is not only Habaabwe that famine is threatening but also Mandera town and Garissa.

According to political activist Hussein Adam Adada, who has come to Nairobi to highlight the plight of the region, people have already begun dying of famine-related diseases in Mandera town, some 800km northeast of the capital.

“More than 1,000 people died of famine-related diseases in Mandera town alone two weeks ago. The victims, all weakened by starvation, developed vomiting and diarrhoea, and ultimately collapsed and died.”

The actual cause of death was probably cholera.

Last week the authorities in the region summoned all doctors on leave to report to work immediately, following an outbreak of an epidemic in the town.

“The first report, put out by the ministry of health, said 16 people had died of the disease, and the second one, put out by the district commissioner, Cosmos Maat, said only six people had died,” says Adada, a member of the opposition Democratic Party.

All the victims, he says, hailed from the suburbs of Mandera town and were too poor to afford medical care. “To me, they were victims of starvation, not cholera,” he says.

The situation in the region is a result of poor rainfall last season and the pullout by major international donor agencies who operated in the region at the height of the civil war in Somalia and the 1992/1993 drought.

Apart from the huge tide of refugees flowing in from Somalia to escape the conflict there, the local population abandoned their pastoral life in the rural areas due to insecurity and to take advantage of the relief food in towns, says Abdirahman Abdi of Northern Aid.

Many of these people are still in the towns. Farming and livestock production have declined drastically.

A town like Mandera, for example, with an original population of around 50,000 in 1992, jumped to about 100,000. Even after the departure of the Somali refugees, numbers stay hover around 50,000 because of the influx of nomads from the rural areas now camped on the town’s outskirts.

Major relief organisations, both local and international, who responded to the Somalia crisis and the 1992/93 drought, left or cut back their operations in 1994.

“Not until long after the border trade between Mandera and Somalia has declined considerably since Somalia was ravaged by civil war.

In better times, the bustling cross border trade ensured that residents had the capacity to purchase food and other essentials. Today many of them cannot afford to,” says a spokesman of Northern Aid. — Sapa IPS
No peace without justice
Protection against the rich

Coffee board won’t give up marketing

By Manooch Esfandyari

Nairobi — Kenya’s Coffee Board said yesterday it would not relinquish marketing, because that would allow the rich to fleece peasant growers and wreck the sector.

A senior board official said allowing private buyers to sell Kenya’s coffee would undermine quality and quantity, and erode confidence in Kenya’s produce.

The chaos that has reigned in the cotton, sugar and maize sectors would be repeated, he said.

A few rich individuals wanted the board to relinquish coffee marketing to enhance their own market positions at the expense of a majority of growers, said the official.

"Buyers around the world have confidence in our crop, they know we deliver the quality and quantity we promise. Any change in this direction will compromise our market position in the world," he said.

Rich individuals might pay high prices for the first year of such an arrangement, but there was no guarantee that long-term farmer interests would be protected.

The official said the hallmark of private sales was that people bought cheap to sell at a hefty profit if the farmers realised that their earnings had declined, they would lose confidence in the crop.

In September and October of 1994-95, coffee earned Kenya about 13 billion shillings. A few individuals or groups were upset they had no role in handling such cash.

Most of Kenya’s quality coffees are produced by about 380,000 smallholders, who account for 70 percent of yearly output. Many are members of societies that own the miller. Kenya Planters’ Cooperative Union.

The remaining 20,000 farmers are large growers or estates.

The union said the board had refused to relinquish marketing as envisaged by a 1992 government reform order giving the role to the union would have meant millions of dollars of farmers’ money through the union, not the board.

The board said it was legally the guardian of farmers’ money and coffee. Other groups were interested in laying their hands on the farmers’ incomes, without regard to crop development.

A government task force has since recommended that Kenya retain sales via the auction system.

— Reuters
Corruption scandal hits Kenya

Charles Wachira In Nairobi

Corruption in state firms alone has been costing Kenya an average of $104.5 million annually, according to a parliamentary report. The chances are not much will be done with the investigators’ findings.

In a 672-page draft report, Kenya’s Parliamentary Accounts Committee (PAC) reveals that in six years the heads of the country’s 56 state firms misappropriated 56.8 billion shillings.

And in hard currency terms, that’s $627 million—more than the $500 million, which, according to the World Bank, Kenya received in official development assistance in 1994.

The officials who committed the frauds were members of the ruling Kenya National African Union (KNU), according to the draft. Thus, when the 11-member PAC issued its report, state officials refused to release additional documents the committee needed to complete its investigations.

According to PAC Chairman Kjara Wamala, leader of the opposition Forum for the Restoration of Democracy, the officials have refused to provide critical information on audit queries and have stonewalled investigations by denying the PAC access to crucial sites.

Opposition members of the PAC also say the committee’s work has been hampered by the government’s application of the sub-judice rule. The sub-judice rule, he argued, “is under judicial consideration and therefore were prohibited from public discussion. The unco-operative attitude adopted by government officials shows that the state is against an independent inquiry,” Wamala said.

Those fingered by the report include Moi’s private lawyer Simon Masinde, whose two firms Yancoo Limited and Nibokito Limited are accused of fraudulently obtaining the equivalent of $55.172 from the National Cereals and Produce Board.

Another ally of the president, King’aro arap Ng’etich, former chief executive of the Kenya Posts and Telecommunications Corporation, is accused of charging the utility $1.431 million in consultancy fees for an abandoned project.

Time is running out for the PAC. Its deadline is June 11, by which time Parliament expects the final report to be tabled. In desperation, the committee’s five opposition members have written to President Daniel arap Moi, seeking his intervention to force the release of the outstanding documents.

According to Wamala, attorney general Amos Wako has written to his parliamentary colleagues, Francis ole Kaparo, Fares Kundwa—who heads the public service—Joseph Sang, permanent secretary in the Ministry of Lands, and financial secretary Joseph Kinyua should be forced to provide the information the committee needs.

“We have taken the unusual step of seeking your excellency’s intervention in view of the grave constitutional crisis that has been precipitated by your officers and the Speaker’s conduct,” the five PAC members explained in their letter at the end of May.

However, Moi dismissed the request as a political gimmick.

“Our appeal to the president was in realisation that the presidency is the confluence of the three arms of government, and that as the head of the executive he could order others to give the vital information required by the committee,” Wamala said.

On the other hand, Kenyans of the PAC team criticised their colleagues’ action:

“We condemn strongly this move which amounts to contempt of the law of standing orders of Parliament,” said Kamiti Mbatia. According to order number 161, no evidence received by and no documents presented to a select committee shall be published or otherwise disclosed to any person other than a member of the house.”

PHOTOGRAPH: SACHA J.
Kenyan budget again tries to force discipline

Naivasha — Kenya's 1996-97 budget announced by the government last week promises a tightening of fiscal and monetary discipline to encourage growth, but leaves many unanswered questions about how that task will be achieved.

Analysts said previous efforts to encourage sound fiscal management and combat corruption had not succeeded and fiscal transparency and accountability remained elusive.

"The government has been talking about tightening controls but very little has been achieved," one analyst said.

Critics pointed to the road maintenance levy fund, which was established three years ago. "We don't know how the money has been spent and the government cannot show us any road which has been repaired," said one.

The government set aside $7.9 billion for total gross expenditure for this financial year.

Importers also benefited from the budget. Import duty was reduced by as much as 5 percent, a cost-saving measure that will rationalize the import tariffs and boost imports of raw materials.

Vehicle assemblers, however, said the reduction would encourage the importation of more vehicles and parts.

The budget deficit has been trimmed from 2.5 percent of GDP in the last financial year to 1.2 percent this year.

Of about 200 money-losing parastatals, 143 have been sold, earning the government 374 million Kenyan pounds — Independent Foreign Service
I.M.F.

KENYA — GENERAL

1996 - 1997
All on board, but who should steer?

ALL parties in Kenya say they support moves to bring about constitutional reform, but an angry dispute has arisen over how to go about it, reports MUTHONI WANYIKI of the International Press Service in Nairobi.

The already heated debate over reforming Kenya's constitution has become even more acrimonious as the parties involved haggle over who should decide on the changes and when they should occur.

The main bone of contention now is whether the amendments will be made by the National Assembly or a constitutional convention - which would include civil society - and whether they should precede general elections due in January, 1998.

President Daniel arap Moi and his Kenya African National Union (Kanu) insist that amending the constitution should and will occur only in parliament which, they say, is the only institution that has a mandate to do so.

Nor does Kanu appear prepared to contest the country's second multiparty elections - the first were in 1992 - under a new constitution.

Attorney General Amos Wako said this week it was now too late to change the constitution before the next polls.

His statement drew sharp reactions from opposition parliamentarians, who noted that had Kanu moved on the issue when it first arose, the question of time would never have arisen.

As early as 1992, Wako had promised that reform would be high on parliament's agenda but he has not proposed anything specific since then. Similarly, no action followed Moi's assurance at the end of 1995 that Kanu would initiate constitutional change.

Opposition parties want Kenya's bill of rights amended before the elections.

They are also adamant that meaningful reform can only take place through a national constitutional convention which, they argue, is already in the making and will take place with or without Kanu's participation.

But civil society - which has been the most persistent advocate for constitutional and legal reform - is hoping that the ruling party will come around to the idea of the convention.

"We want the participation of not just the opposition but of the entire parliament, including Kanu," says Dr. Maria Nzomo, political scientist and co-chair of the Citizen's Coalition for Constitutional Change (Four Cs).

The Four Cs, Kenya's largest reform lobby, includes civic education and legal groups, women's organisations, religious groups, trade unions and business representatives. Together with the opposition Inter-Parties Committee (IIPC), it has been working towards a national convention since May and the two groups last week announced the formation of a convention secretariat.

"Our interest is in the modalities of the process of reform," said Nzomo. "Really, what's the worst that could happen at a national convention besides people expressing their views on what they want out of a new constitution?"

Reformists did win an unexpected victory last month, when a bill to review Kenya's electoral laws - sponsored by the opposition and supported by the opposition - sailed through parliament, where Kanu has an overall majority.

The opposition also managed to get Kanu legislators to agree to re-examine laws that limit freedom of association and of organisation, including those on sedition, the Public Order Act and the Preservation of Public Security Act.

However, some remain wary of the ruling party and believe that, faced with mounting pressure for change, it has simply chosen to avoid confrontation. Others link Kanu's softer stance to pledges government officials made when they met bilateral creditors in the French capital earlier this year.

"Don't forget that when Kanu allowed last month's bill to pass, government representatives had just returned from Paris where promises were made regarding progress on the political front," noted parliamentarian Kiraitu Murungi of the opposition Forum to Restore Democracy (Ford).

"Those promises were still fresh and in-service had to be paid to honouring them," added Murungi.

"My own feelings is that whereas on the surface, the government's decisions are a good development, we need to examine those decisions more carefully," noted Nzomo.

"The issues are more fundamental, we need to go deeper," she said. The opposition and civil society are pushing for at least a short list of constitutional reforms to be passed before the elections, including the restructuring of the electoral commission and legal guarantees of equal access for all political parties to state radio and TV.

"Even a simple amendment requiring the successful presidential candidate to garner 51 percent of the total votes, instead of the current majority in five out of eight provinces could totally change the political landscape in Kenya," notes Murungi.

"Kanu is aware of that, which is where all the delaying tactics come from."

Sasa-IPS

President Moi - he wants the National Assembly, where his party has a huge majority, to revise the constitution.
By Joe Khomsi

Nairobi — The entry of Tate and Lyle, the sweetener company based in Britain, has boosted the ailing Kenyan sugar industry, on the verge of collapse because of cheap foreign imports.

The company, along with the Commonwealth Development Corporation, has agreed to invest $35 million in a new sugar factory in Busia, in the country's western sugar belt.

Analysts say that the investment is the largest single foreign injection in years.

But they are divided over whether it signals a new investor confidence in the country.

Despite recent high profile marketing campaigns, foreign financiers have shunned the country, citing economic and political uncertainties.

In the past year, President Daniel arap Moi has travelled to Britain, Germany, Malaysia and Israel to woo investors. Only Britain, Kenya's former colonial master, appears to be responding.

A study released a few weeks ago by the Eastern Africa Association, representing 130 foreign companies, cited several factors hampering investment in Kenya.

It said that corruption by public servants, increased operating costs, bureaucratic delays, violent crime, fraud and civil disturbance were barriers to investment.

The problem was compounded by unreliable water and electricity supplies, and poor telecommunications and rail services.

Tate and Lyle's involvement in the Kenyan sugar industry is not new. Booker Tate, which Tate and Lyle owns jointly with Booker, is already working on the privatisation of another Kenyan company, the Muthus Sugar Company.

"We are not interested in controlling the Industry," Sir Neil Shaw, the chairman of Tate and Lyle, said in Nairobi last week.

"Our plan is to be a minority shareholder in the project as partners in the development of the sugar industry."

The new factory will join six other sugar processing plants.

Kenya produces 400,000 tons of sugar a year, but consumption is estimated at 600,000 tons. The Busia plant is expected to boost production to about 712,000 tons by 2001.

At present Kenya imports one third of its sugar. Mismanagement, political interference and poorly maintained equipment keep production low.

Liberalisation of the sector is also blamed for poor morale among farmers.

The government is now urging farmers to expand the acreage under sugar, and invest in irrigation to improve yields.

But in an industry monopolised by the state, farmers are rarely paid on time and cannot afford the expensive inputs efficient production requires.

Last year, 245,000 tons of sugar were imported, mainly from Brazil, Thailand, Belgium, Holland and Dubai.

Under the agreement between the Kenyan government and Tate and Lyle, imports must not undermine the local industry.

The biggest complaint from local producers revolves around the non-collection of duty on imported sugar, which they say drives imports at an unfair advantage over locally produced sugar.

Sources claimed that the bulk of the untaxed sugar was being brought in by politicians.

The country is also undergoing a shortage because of speculative hoarding by traders who want to drive the price up.

The government said that it was gradually privatising the six state-owned companies to improve efficiency.

It also planned to liberalise prices, marketing and distribution to discourage the dumping of cheap imports.

Apart from processing the primary commodity, the Busia plant will produce refined sugar said to be in great demand by food manufacturers. No Kenyan company produces the product at present.

The company has introduced modern processing technology and skills to improve production.

"With good management technology and adequate capital to start with, the country can be self-sufficient in sugar production and can also help the local community in the provision of infrastructure and other amenities," Shaw said.

— Independent Foreign Service
Kenya's once robust coffee industry falls on hard times

By Joel Khomis

Nairobi — Coffee, once Kenya's number one foreign exchange earner, has hit hard times.

Industry officials said high production costs, unending wrangling between farmers and state-run marketing organs, and government interference are threatening the future of the once robust industry.

Coffee production has declined during the past seven years from 130,000 tons to 7,000 tons, and dwindled to third place behind tourism and tea as a generator of foreign exchange.

Kenya produces only 2 percent of the world's coffee.

One analyst said nearly 40 percent of coffee plantations had been ruined because of poor management. Acreage had also been lost to human settlement, and the growing need for subsistence farming.

Many farmers who are not paid for their produce on time, shift to other crops. A law carried over from the colonial era carries a penalty of up to seven years' jail for those uprooting coffee bushes.

But because of the confusion in the industry, farmers have not been deterred from getting rid of their crop.

A task force appointed by the government to work out liberalisation plans urged the government to allow farmers to uproot coffee bushes, with the condition that they “inform the coffee board on the number of bushes or area of coffee to be uprooted.”

It recommended that farmers be paid directly, instead of channelling the money through middlemen, including local coffee unions, which had been accused of exploiting farmers.

Liberalisation will also allow more commercial millers to enter the lucrative coffee marketing and export business.

The task force said the moves would boost morale among farmers and maintain the high quality of Kenyan coffee. But existing brokerage firms are opposed to the arrangement, fearing loss of profit.

The Coffee Board of Kenya, the authority that licences millers, brokers and marketers, said full liberalisation would lead to the industry's collapse.

There is also disagreement between the board and millers over who should market the crop. Until now, the board has been the only body allowed to sell locally grown and processed coffee.

A few years ago, President Daniel arap Moi ordered that millers be given a free hand in marketing. But that contentious directive has not been implemented — Independent Foreign Service
Kenya tries to claw back into the ‘Big 5’

Prestige as tourist destination has dropped off considerably in comparison to its southern neighbours SA and Zimbabwe

By David Ongi
Nairobi

With the approach of the holiday high season in East Africa, tourism operators in Kenya are anxiously wondering if the country can ever regain the lion’s share of this lucrative market.

Once king of the safari scene, Kenya has been toppled from its plinth. Last year, the number of tourists fell by an alarming 20% — from 860,000 to 690,000 — and earnings from tourism, the country’s main source of foreign exchange, fell by 11%.

Increasingly over the years, visitors wishing to view the “Big Five” set their sights southwards.

With South Africa and Zimbabwe now drawing a greater number of holidaymakers, Kenya only just manages to hold its place among the continent’s tourism “Big Five.” Ahead of it lie, in order, South Africa, Tunisia, Morocco and Zimbabwe.

So concerned has the Kenyan government become about the figures that President Daniel arap Moi has recently appointed a new organisation, the Kenya Tourist Board, to re-establish the country as a prime destination.

At its head is former British Airways executive Brian Davies, currently managing director of Kenya Airways.

“An air of crisis has developed,” admits Davies. “But the situation is far from hopeless. Kenya is the best-known wildlife destination in the world. The wildlife in this country is unique. What is needed is massive promotion of Kenya’s assets. If we can launch a satisfactory promotion campaign we could start to see its impact by next year.”

Britain accounts for the highest percentage of visitors to Kenya. Hence, the Tourist Board’s decision to focus its attentions on the World Travel Market, the leading tourism trade fair held in London towards the end of the year.

To sustain its promotion campaign, Davies believes the board will need an annual budget of up to Sh70 million a year.

The quantity of tourists is not so important, it’s more about how much people spend.”

Many tour operators believe the industry’s problems have been caused by a failure to diversify. While clients have become more sophisticated, the product — a few days at a game lodge followed by a trip to the coast — has remained much the same.

The château of a lion surrounded by ten minibuses is all too real in both the Masai Mara and Amboseli game parks. Yet of the 59 parks and reserves, only seven are visited by tour operators.

The Kenyan government blames its misfortunes on negative publicity. Most criticism has been levelled at the foreign press which has had a strained relationship with President Moi’s ruling KANU party since it won multiparty elections in 1992.

The government says that coverage of Kenya’s spiralling crime problem has been misleading.

“Kenya has been battered in the press,” says a spokesman for the Ministry of Tourism.

According to one tour operator, the murder of Briton Julie Ward in the Masai Mara eight years ago continues to cast a long shadow over tourism sales, particularly in Britain.

South Africa is currently the only country in Africa to be included in the World Tourism Organization’s list of the world’s top tourism destinations. In 10 years, its ranking has moved from fifty-fifth to twenty-fifth place — The Independent News Service
Kenyans complain of harassment for their alleged support of Ethiopian rebels

SAPA-IPS

Nairobi - Tension is running high in the north of Kenya as residents claim persistent harassment by security forces for their alleged support of an Ethiopian resistance movement.

"Since February last year, local people have been harassed by the police, the administration police and the military for allegedly being sympathisers of the Oromo Liberation Front (OLF)," claims Rashida, a resident of Marsabit town in Eastern province, in the central part of northern Kenya.

"Our people, the Boran, are being arrested, remanded for lengthy periods without trial, beaten and women even raped," he adds. "Historically, insecurity has always been an issue in northern Kenya, where the infamous Shifta wars over the Kenyan/Somali border occurred.

The isolation of this area from the rest of the country induces a sense of lawlessness. Arms readily cross over the Ethiopian and Somali borders.

And the easy excuse of banditry has tended to give security forces a free rein to deal with the resident population.

All these factors, sources say, play a role in the current unrest.

"General insecurity always leads to more insecurity, creates more opportunities for harassment," notes Maine Kusali, executive director of the Kenya Human Rights Commission (KHRC), which is planning a fact-finding mission based on the reports received from the area.

So far it is unclear whether the government is actively sancioning the harassment of the local population. At the June celebrations of Madaraka Day, to mark when Kenya became self-governing, the local district commissioner for matarana supporting the Boran for matarana for supporting giving refuge to OLF members.

The provincial administration, he added, was aware of the sympathisers and promised to apprehend them all.

A Kenyan member of parliament says the DC's June statement was more than a mild warning to the people in his area.

"It was more of a threat and deeply shocked everyone present," says Jilo Afriki, MP of South for the ruling party, the Kenya African National Union.
Kenyan beverage industry fights off flood of counterfeit alcohol

By Joe Khamisi

Nairobi — The beverage industry in Kenya is fighting to ward off a flood of counterfeit drinks, ranging from whisky to wine, that are jeopardising businesses and confusing consumers. "Liberalisation has exposed us to a lot of unscrupulous traders," a consumer said. "We can no longer tell which wine is genuine and which is fake."

Rod Sweeney, a representative of William Grant and Sons International, the British-based whisky producer, said dealers of genuine products were facing an unfair competition from suppliers of illegal whisky. "We want to establish a bottling plant in Kenya but this problem of contraband whisky must first be settled." Local manufacturers of soft drinks are also complaining. "There has been an unprecedented influx of fruit drinks during the past three years, some of them much cheaper than our own," said one.

The multimillion-shilling contraband trade is said to be aided and abetted by corrupt government officials who allow the products into Kenya without paying full import duties and taxes. Often documents are altered and goods diverted. Soft drinks meant for the Gulf end up on the East African market and many Kenyan stores sell drinks with labels written in Arabic languages that are incomprehensible to local consumers.

Bottles of cheap wine are also craftily relabelled to reflect more expensive varieties and quality. Paul Chemung Oren, the director of Kenya Wines Agencies, a leading wine importer and manufacturer, says, "These illegal importers and tax evaders are the biggest threat to the liquor industry, locally and internationally, even though their range is small."

He called for fair play in the application of Kenyan laws to guard against dumping of substandard liquor. "The law requires that importers provide a certificate to prove that the product has undergone the required ageing process of at least three years," he said.

But industry sources are reluctant to comment on whether this requirement is strictly adhered to and the government has kept mum on the issue — Independent Foreign Service.
Kenya's Asians set the record straight

MOYIGA NDURU of International Press Service in Nairobi reports on a campaign to counter a wave of anti-Asian politicking in Kenya.

According to Gwadiri, the growing anti-Asian feeling is already hampering development efforts in Kenya. "I think a lot of Asians are beginning to sit on the fence again because of the type of remarks Mr Matiba makes," he said.

During a four-day state visit here late last month, Ugandan President Yoweri Museveni urged Kenyan politicians to drop their anti-Asian rhetoric. "Expelling Asians is not a solution but a destructive measure," he said.

Those who advocate such measures are simple-minded.

Asians have contributed considerably to East Africa's economy, Museveni said, adding: "We should instead encourage more to come. After all, they bring money and create employment and they don't take anything from our region."

A GROWING anti-Asian sentiment among politicians in Kenya has moved a group of Asians in the country to come together to respond and to set the record straight on their presence in the East African nation.

The group, known as the Eastern Action Club for Africa (EACA), has been placing advertisements in local newspapers to emphasize the role Kenya's Asian community has been playing in the economic development of the country.

It aims to follow this up with a book highlighting the role of Asians in Kenya's independence struggle over three decades.

The EACA's reactions followed statements in May by leading opposition politician, Kenneth Matiba, who lashed out at what he saw as the domination of Kenya's economy by Asians, who are the descendants of people brought to East Africa by the British in the 19th century to build a railway linking the countries of the region.

"You just drive around Nairobi and what you see is that all the shops are owned by Asians," he said. "If you go to Mombasa, all the shops are owned by Asians. This has created a very serious situation where indigenous Kenyans think they have become second-class citizens in their own country."

Matiba's feelings were echoed by colleagues from other parties, who accused him of being manipulative. But a new advertisement by the EACA aims to set the record straight.

"I think Mr Matiba is playing to the gallery," he charged. The problem is 70,000 Asians are not meaningful in terms of votes for him. But the vote of the majority of Kenyans, if they are instigated in the right way, could possibly be a larger contribution to him getting in the presidency.

Matiba, head of the Forum for the Restoration of Democracy (FORD-Asili), has made the Asian issue a key plank in his party's platform for elections due next year.

The total population of the Asians in Kenya is less than 70,000," Gwadiri said in an interview this week. "This mere 0.27 percent of the entire population is said to be responsible for the most significant contribution to the economy."

"This 0.27 percent creates employment, pays the majority of the taxes and anchors the foreign exchange earnings of Kenya. Why then is it perceived as a threat to the economy by misguided politicians?"

A recent survey by Dr David Humbra, a Nairobi-based Rwandese economist, shows that in the manufacturing sector, for example, Kenyan Asians own 73 percent of firms, providing jobs for thousands of other Kenyans.

"These figures show beyond all reasonable doubt that the Kenyan Asians are not getting rich at the expense of other Kenyans. They are creating jobs for many Kenyans," Gwadiri said.

The EACA's advertisements, which appeared on local newspapers, said the Asian community contributed up to 80 percent of Kenya's gross domestic product (GDP).

"I believe that the Asian community should not be made to feel like they are taking from the country," Gwadiri said.

According to Gwadiri, the growing anti-Asian sentiment is already hampering development efforts in Kenya. "I think a lot of Asians are beginning to sit on the fence again because of the type of remarks Mr Matiba makes," he said.

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"Those who advocate such measures are simple-minded. Asians have contributed considerably to East Africa's economy," Museveni said, adding: "We should instead encourage more to come. After all, they bring money and create employment and they don't take anything from our region."
New law will curb the government's overdraft facilities

Kenya to overhaul central bank

By Joe Khamisi

Nairobi — The Kenyan government finally appears intent on redressing long-standing anomalies that have allowed political interference in the functioning of its central bank and permitted crafty officials to milk it of huge sums of money.

The government of President Daniel arap Moi has published a far-reaching Bill that, if passed, will stem government overdraft facilities at the bank and pave the way for better management of public finances.

The Central Bank of Kenya Amendment Bill was published at the end of last month as a result of persistent pressure from the US and the World Bank under its enhanced structural adjustment facility.

The central bank has been accused in recent years of being a conduit for millions of shillings paid out illegally to other banks with political affiliations.

It was also accused of issuing falsified foreign-exchange contracts amounting to more than $200 million to a local businessman. Several former bank officials are facing fraud charges.

The Bill, expected to be passed by the end of the year, will increase independence of the bank by barring political patronage and restricting government borrowing.

At present the bank's governor is appointed and fired by Moi, but the new Bill will give the governor security of tenure.

While his appointment will still be made by the president, he can only be fired by a tribunal led by a high court judge if found to be incompetent.

The finance minister will lose his power to direct policies at the bank. However, the bank's governor will be expected to submit progress reports to the minister every six months to allow him to brief the national assembly.

The limit of net credit to the government will be restricted to 5 percent of the level of ordinary revenue in the latest audited government accounts.

Only direct borrowing will be allowed, meaning that securities purchased by the bank from the market to contain inflation will be excluded from the limit.

Moreover, the credit will be secured to avoid risk of default.

Any outstanding overdraft when the Bill becomes law will be converted into long-term government securities.

Government borrowing from the central bank is often blamed for the expansion of money supply and increased inflation.

"Where there is high inflation, investors are very unsure of the future, their confidence is destroyed since they cannot forecast the future," said Mosah Chiserem, the bank's governor.

Kenya has been able to reduce its inflation to single-digit figures during the past two years. However, inflation went into double figures for the first time since 1994 in July, when the rate rose to 11.2 percent from 9.7 percent in June. — Independent Foreign Service
Kenya plans coffee study

By Maooah Esposo

Nairobi — Kenya’s agriculture ministry has commissioned a European Union-funded investigation to determine future marketing and management policies in its coffee sector.

The investigation will consider the legal, regulatory and policy framework in the coffee sector and the roles of the coffee board of Kenya and the Kenya Planters’ Co-operative Union, industry executives said last Thursday. It will be carried out by Price Waterhouse, the audit and management firm.

However, the investigation was rejected last Thursday by a special delegates conference of the Kenyan coffee board. The Price Waterhouse inquiry follows an investigation ordered by Samson Nyachae, the agriculture minister, which recommended the retention of weekly export auctions.

Nyachae’s office said it had no comment on the latest news.
Split opposition parties strengthen Moi's hand

Michela Wanga

20 22/8/96

ELECTIONS may not be due in Kenya until the end next year, but most Kenyans believe they already know the outcome of the forthcoming polls: another term for President Daniel Arap Moi, at the helm since 1978.

That prediction, which the British ambassador in Nairobi was tactless enough to voice in public recently, is not based on the popularity of Moi, who belongs to a minority tribe and has probably lost support since 1992 when he garnered only 36% of the vote.

Rather, it is based on the condition of the opposition squabbling, self-obscured and split as never before.

In a syndrome being repeated across Africa, opposition failure to rise above personal rivalries and tribal affiliations is reinforcing an unpopular party's hold on power, making a mockery of western donors' insistence on the introduction of multiparty democracy.

Once, in simpler days, the opposition consisted of FORD, a broad-based alliance that aimed to present a united front to the ruling Kanu Party. Then came the first split and FORD-Kenya and FORD-Ashi were born.

Today, the choice is between FORD-Kenya (Wamalwa faction); FORD-Kenya (Ralia faction)—both vying for official recognition as the main opposition party—FORD-Ashi (Matiba faction), FORD-Ashi (Shiku faction), while the Democratic Party is riven by dissension.

Safina, the party set up by opposition dissidents and conservatives Richard Leakey, remains unregistered more than a year after its launch, unable to build on the excitement that greeted its creation.

With a real possibility of each faction fielding its own presidential candidate, splitting the opposition vote five ways and repeating the scenario that handed Moi victory in 1982, small wonder even traditional opposition supporters are looking at Kanu with new eyes.

"The prevailing mood as we approach the elections is 'better the devil that you know,'" commented Macharia Gatho, columnist for the Economic Review, usually highly critical of Kanu in retrospect. "It might have been a blessing in disguise that President Daniel arap Moi's corrupt and thoroughly discredited Kanu managed to retain power by hook or by crook.

Depressingly, tensions stem from inflated egos rather than ideological issues. Raila Odinga challenges Michael Wamalwa for the leadership of FORD-Kenya largely on the basis of his membership of a parliamentary committee last year cleared an Asian businessman implicated in the Goldenberg affair, the country's biggest ever financial scam. The surprise finding triggered immediate suspicions that committee members had been bribed.

But Odinga, son of Oginga Odinga, the late FORD founder, has always regarded the leadership of FORD-Kenya as his by right and was merely bowing his time until an opportunity to stage a coup presented itself.

Kenneth Matiba, nominal head of FORD-Ashi, has alienated party members with his autocratic ways, while refusing to acknowledge that several strokes while in detention have left him unequal to the job.

The squabbling has not only undermined plans to field a single opposition candidate in the polls. It is also weakening what many opposition supporters regard as even more crucial a campaign to reform a constitution heavily weighted in favour of the incumbent. Proposals for a "constitutional convention" have, predictably, been held up by opposition bickering.

The disruption has provided Kanu with easy pickings, with a growing number of opposition MPs being lured back to the former ruling party. Political commentators were astonished by the rapturous welcome Moi received on his tour of Luonland—a FORD-Kenya stronghold where he would normally never have dared to trespass.

Although its position looks strong, Kanu is aiming for much more than simple victory. A two-thirds majority in parliament would allow it to alter the constitution and the party is determined to achieve that in order to scrap a provision preventing Moi running after next year.
Illovo wins big Kenyan contract

Durban — Illovo Sugar, part of the CG Smith Group, announced yesterday that it had won a R21 million contract to rehabilitate a sugar mill in western Kenya.

Illovo Sugar would act as project manager for the rehabilitation and expansion of the mill over a 14-month period. This would result in an increase in the crushing capacity of the mill, and would improve factory efficiency and the extraction rate of sugar from the cane, the company said.

The Kenyan mill, which is owned and operated by the South Nyanza Sugar Company on the eastern shores of Lake Victoria, is one of seven Kenyan sugar mills. In the previous two years it has produced 68,700 tons of sugar, and it was hoped that after the completion of phase one of the project production capacity would rise to over 78,000 tons.

Phase two will involve a further expansion of the mill, raising production capacity to over 124,000 tons a year.

The decision to upgrade the mill and enhance its performance comes as a direct result of increasing cane supplies in the region from a rising number of small-scale growers, now estimated at over 1,500.

Don MacLeod, the managing director of Illovo Sugar, said the decision to tender for the Kenyan contract was part of a longer term company objective to expand its international interests at the same time as keeping to its core business.

"Illovo Sugar is well positioned to play a meaningful role in the development of other sugar cane-producing countries, particularly those in Africa that share similar operating conditions," he said.

An Illovo project team was already on site, according to Glyn Taylor, the chairman of Illovo Sugar.

Taylor said the company would in future pursue an "into Africa" policy to take full advantage of valuable business opportunities in sub-Saharan Africa.
Milling costs lower Kenya coffee profit

By Monech Eupisu

Nairobi—High milling losses of as much as 24 percent and a steady rise in milling charges threaten Kenya's coffee sector, a government agency said on Sunday.

It said that the liberalisation of coffee milling, the resultant enhanced competition and better technology had not eased milling losses or cut milling charges in one of Kenya's key farm industries.

An agriculture ministry agency report on coffee milling showed that milling charges had soared in the last three years, although inflation was falling and labour was cheap and easily accessible.

The report indicated that the Kenya Planters' Cooperative Union, until 1994 a virtual milling monopoly, had charged farmers 1,400 shillings (about $1.50) a ton to mill coffee during 1991/1992 (October/September) but raised the charges to 2,436 shillings in 1994/1995 and 3,770 shillings in 1995/1996.

It said that Tuka Coffee Mills, launched only two years ago, charged 3,480 shillings a ton to mill coffee and Socfinaf, one of the other five millers licensed since 1994, charged the cooperative union's rate of 3,770 shillings a ton.

"This would appear to be a cartel-like operation. We would expect that with better technologies and more competition, charges would come down and farmers would earn a little more from their efforts," the report said. "This is an area that requires streamlining to encourage increased production."

The report said that in the process of milling, the coffee beans were separated from the husks. The husks comprised the milling loss and were sold for firing boilers and as mulch. None of the Kenyan millers passed the proceeds of these sales to coffee farmers — Reuters
Economic gloom descends as Kenya starts rationing power

JOE KHAMIS

Mombasa — Earlier this week the lights flickered and then went out as Kenyan authorities implemented a three-month staggered power rationing plan that analysts say could seriously hurt the country’s struggling economy.

They are already predicting a fall in gross domestic product by 15 to 20 percent.

For the second time in four years, industrialists have been forced to reschedule shifts and, in some cases, lay off workers as the government tries to cope with a combination of bad weather and faulty equipment at two of its principal generators.

The last power rationing was in 1992, but since then there have been regular, unexplained power outages.

The latest plan calls for power rationing throughout the country for a minimum of three hours a day. Officials say privately that shutdown hours could be extended, depending on rainfall conditions during the short wet season expected to begin next month.

Officials say the two plants at Kuumire and Kipevu had to be closed down for extensive maintenance.

Mwai Kibaki, an economic commentator, says reduced industrial output occasioned by the shutdowns will be compounded by poor agricultural production, leading to the loss of thousands of jobs.

The production cutdown could scuttle the government’s hopes for a projected economic growth rate of 6 percent this year.

The production cutdown could scuttle the government’s hopes for a 6% growth.

Before the plan, Kenya suffered a shortfall of 50MW of electricity between the peak demand of 600MW and its generation capacity. With the shutdown of the two plants, the shortfall shot up to 105MW.

Warnings of impending rationing were given by the government as early as May.

Poor rainfall in catchment areas is one of the official reasons, but analysts blame slow reform policies in the energy sector and negligence in maintaining equipment.

The sector has not seen any new investments for the past seven years. The government has failed to attract the donor funding of $1 billion required to develop new power generation capacity because of its reluctance on privatisation.

The World Bank says funds will not be released until the government implements a privatisation plan to free the energy sector from government control.

Despite assurances contained in two government policy framework papers for economic development in 1993 and February this year, no action has been taken to depoliticise the sector.

Pressured for action, the government recently floated tenders for new projects to bridge the shortfall in power generation.

Officials say three or more private companies will be contracted to generate power, which they will then sell to the national grid.

But industrialists are said to be wary about the plan, the details of which have yet to be announced.

Kenya is not alone in the energy nightmare.

Its neighbours, Uganda and Tanzania, are unable to satisfy demand because of increased industrialisation, fast-growing populations and delays in project implementation.

Recently, the Uganda government announced plans for thermal power generation to supplement peak-hour supplies.

Demand there now stands at 226MW, leaving a shortfall of about 65MW.

The government expects the problem to continue for at least six years as it struggles to install additional generators.

The situation has possibly been worst in Tanzania, with no end in sight for the immediate future.

Tanzania relies on hydro-power, but the frequent drop-in water levels because of poor rainfall is pushing authorities towards the use of gas turbines.

Officials say it will be many years before the country is able to satisfy national demand of 300MW — independent foreign service.
Investors still shun Kenya despite perks

JOE KHAIRISI CT 1/10/96

Nairobi — Direct investment in Kenya shows no signs of increasing, despite improved economic conditions and better incentives, according to last month’s African Research Bulletin.

The London-based publication said that many American multinationals had pulled out of the country but Asian investors, particularly from Korea and Japan, were filling the vacuum. It said 115 of the 140 US firms established in Kenya in 1982 had left.

But the latest report from the US embassy in Nairobi said 73 subsidiaries of US firms were still operating in Kenya. Fewer than 10 percent of them were manufacturing subsidiaries while the rest were sales-based.

The report said US banks still considered Kenya a high-risk country. Analysts highlighted the country’s unpredictable political future, deteriorating infrastructure and chronic bureaucracy as the main hindrances to investment.

A German computer retailer in Nairobi said potential investors were being forced to divert their investments to South Africa and other African countries because it had become too costly to invest in Kenya. An investor in the hospitality industry, for example, required 46 different licences and manufacturers needed 22 to operate in the country.

Research showed that although some of the American companies had relocated because of stiff competition from local or foreign firms, others had been taken over by Kenyans. These included the First National Bank of Chicago, the Commercial Bank of Africa, Firestone East Africa and Union Carbide. Other companies closed down their Nairobi offices because ownership in the US changed hands.

Analysts said there was no reason to attribute declining American investment in Kenya to deteriorating investment conditions. But they agreed the pace of investment development in Kenya was slow compared with other countries in sub-Saharan Africa, such as Nigeria, Morocco, Egypt and even Zimbabwe.

Kenya has recently taken some drastic measures to attract foreign investment, including a 30 percent investment allowance for new investments and a 10-year tax holiday in the export-processing zones.

The government has also removed price controls and passed laws to make repatriating profit easier. But the one-stop shop concept envisaged by the Investment Promotion Centre (IPC) has not materialized. Some potential investors have suspended investment plans midway frustrated by the amount of paperwork involved. Britain remains Kenya’s biggest investor, the latest big spender being Tate & Lyle, which is investing 1 billion Kenya shillings into a sugar factory in western Kenya.

“Last year, a French government investment company, Proparco, opened an office in Nairobi to look into investment opportunities. Italian and German investors have substantial investments in the hospitality sector along the coast. As Western investors daily, the Asians are moving in. Korea’s Daewoo motor corporation said it planned to invest 55 million Kenya shillings (about $4 million) in an assembly line in the country. Manufacturers from Japan, Malaysia and India are reported to be on the brink of setting up facilities — Independent Foreign Service.”
No relief for 'rich' Kenya

JOE KHAMISI

Nairobi — Kenya is reeling under a $3.8 billion external debt, but stands little chance of immediate relief, not even from the multibillion-dollar international plan announced in Washington earlier this month.

The plan, unveiled at the annual summit of the IMF/World Bank in Washington, aims at bailiout the poorest nations by scrapping up to 80 percent of their debt.

One of the East African countries certain to benefit from the scheme is Uganda.

It has recorded economic growth of 10 percent, reduced inflation to single-digit figures, has shown serious commitment in fighting corruption and appears to be on the road to recovery.

But Uganda is struggling to free itself from a $3.8 billion foreign debt stranglehold Kampala wants the debt relief to begin as early as next year. Talks between Uganda and the IMF have already begun.

When completed the plan would reduce the country's debt repayments by between $60 and $100 million a year by the end of the century.

Tanzania, on the other hand, attracts sympathy but has won little confidence from creditors. Its less than enthusiastic response to structural adjustment programmes, unbridled corruption in high circles and unfocused trade and investment policies all appear to work against the country.

But with a debt burden of $8.5 billion and an income of about $100 per head, chances of future consideration cannot be ruled out.

But it is Kenya's story that is most poignant. Nairobi has already been told it cannot qualify simply because it is capable of adequately servicing its debt.

Returning from the Washington meetings, Musalia Mudavadi, the finance minister, admitted this exclusion would cause problems.

However, a criterion for selection is that the country must demonstrate it can put the support it receives to good use. Denmark claims that 26 percent of all foreign aid to Kenya was not reaching intended recipients.

There have also been too many financial scandals. The Goldberg scandal in which colossal amounts were paid by the Central Bank in export compensation claims for gold and diamond exports that allegedly never existed is one prominent example.

Donors have expressed concern over large public expenditure not authorised by parliament — Independent Foreign Service.
Bent lawyers crook system in Kenya

JOE KHAMISI

Nairobi — The legal profession in Kenya is going through a crisis of integrity.

This year alone, the Law Society of Kenya received 787 complaints of professional misconduct, 669 of them relating to theft of clients’ money.

But the law society, which has spearheaded public campaigns for transparency and accountability in government, is itself buried in a financial scandal involving misuse of thousands of shillings of members’ money.

The organisation has exceeded its budget and is now in the red.

The woes in the lawyers’ society appear to be symptomatic of the problems affecting the entire profession.

According to the advocates’ complaints commission, a growing number of Kenyans are being ripped off by most of the 2,000 lawyers in the country. The commission was formed in 1983 to deal with complaints regarding financial impropriety and professional misconduct by advocates.

The law society has a disciplinary committee which recommends to the attorney-general on prosecution of errant lawyers. Current laws are so inadequate that crooked lawyers are rarely prosecuted. Permission to prosecute has to be granted by the attorney-general but lawyers complain that the go-ahead to do so is not given.

The commission is wholly funded by the government which, says commissioner Peter Hewett, has drawbacks.

“The attorney-general has failed to act, to the detriment of professional standards and clients’ interests, in spite of receiving reports of proceedings inditing legal professionals and recommending prosecution,” he said — Independent Foreign Service.
US changes policy on Kenya aid

{FROM AFP

Nairobi — The US has decided to channel all future aid to Kenya through non-governmental organisations (NGOs) and private investment, instead of direct aid to the government, Prudence Bushnell, the US ambassador to Kenya, announced on Tuesday.

In a big policy shift, Bushnell said, "The US was very unhappy that 1 billion Kenyan shillings (about US$4 million) so far given to the Kenyan government as bilateral aid had left Kenyans poorer than before.

"This bilateral aid is not working, something has to change. A friend cannot keep on throwing to another money which makes people poorer than they were before," she said.

Bushnell, who took up her appointment in Kenya a few months ago from Aurelia Brazel, said in the policy shift the US would invest 6.6 billion shillings, mainly through NGOs and the private sector.

"My interest is to promote democracy in a non-violent way," Bushnell said, adding that experiences in Somalia, Burundi, Liberia and Rwanda and three years at the Africa Desk in the US State Department "had convinced me that outsiders can never impose democracy and peace on a nation. It must come from within."
Kenya’s ‘hotel apartheid’ under fire

Nairobi - Discrimination against blacks in Kenya’s hotels is hampering the development of domestic tourism and giving the country a bad name.

Officials say the trend is common in Nairobi’s tourist hotels. In coastal hotels, where 60 percent of tourists holiday, the main target of discrimination is African women. But black males are also routinely harassed. They complain about poor service and rude treatment by mainly black staff.

"It is common for blacks to be served long after white guests in beach hotels," Amos Anyasi, operating manager at the hotel Rock Paradise, complained.

A legacy of the colonial era, favouring whites, has existed in the hospitality industry for years.

But it made news headlines in September when a black Belgian journalist, Yvette Russel, accompanied by her white fiancé, was barred from a hotel in Mambasa. A security official said Yvette was improperly dressed.

But her fiancé, Charles Mann, said: "She was wearing a pair of jeans and a white blouse, while white foreign women were in bikinis and miniskirts." Mr Mann made a formal protest to the government and cut short their visit. - Independent Foreign Service
Kenya faces jobs dilemma

JOE KHAMisi

Nairobi — With unemployment hovering at 25 percent in Kenya, the informal sector might be the only safety net for some of the thousands of university graduates and high school leavers shut out from formal employment.

Every year, tens of thousands of unskilled and increasingly younger people file out of classrooms into the already saturated job market.

The public sector share of employment, which stood at 46.5 percent in 1983, has been declining following economic reforms imposed by donors.

The government has been directed to trim 200,000 jobs to reduce government expenditure. The tiny private sector is also not expanding fast enough because of the financial squeeze brought about by high operating costs and borrowing.

Scores of local firms have closed down during the past few years as a result of competition generated by economic liberalisation. The hardest hit has been the textile industry.

The flooding of cheaper garments, coupled with the import quota imposed by the US government two years ago on exports from Kenya, have virtually killed the sector.

Of 14 companies which exported garments to the US in 1984, only four are still in operation.

More than 100,000 workers are estimated to have lost their jobs in the textile industry alone during the past five years. — Independent Foreign Service
Kenyans leaving the land starve to death

Nairobi - Permanent drought, leading to a decline in farming and livestock activities in Kenya's northern-eastern province, has begun to take a toll on the local population.

In Mandera district, at least five people are starving to death every day, said Aden Mohamed Noor, an assistant minister of planning and national development.

"The worst-hit area is Elwak division, where at least a person dies every day," Noor said in Kenya's leading independent newspaper, the Sunday Nation, recently.

More than 40 people have starved to death in neighbouring southern Wajir, at Lagdera and Fafi in the Gansea district, according to Farah Maalim, an MP from the north-eastern district.

Kenya's assistant minister of transport and communications, Arade Hassan Ahmed, recently launched an appeal for assistance to the area.

Relief food, he said, was needed for thousands of residents of Wajir district who face starvation.

"There are also fears that more than 5000 head of cattle will die if no remedial measures are taken urgently," Ahmed said.

The government has sent 6 500 bags of maize to be freely distributed to the famine-hit families in the district and has promised to send more.

But a parliamentarian for an area in the province has pointed out that the people need more assistance than just one-off food relief.

"Currently, only famine relief in the form of maize is provided by the government in an irregular manner.

If the government is indeed serious about assisting its people, it must maintain regular supplies of relief and also make provisions for other necessities like cooking oil, beans and rice," he told IPS.

The situation in the region is a result of poor rains for the past two seasons, and the pull-out of major international relief and humanitarian agencies which operated in the region at the height of the civil war in Somalia and the 1992/1993 drought.

Relief agencies assisted the tide of refugees that flowed in from Somalia to escape the conflict there.

However, their recipients soon included the local population, too.

The local people abandoned the rural areas due to insecurity and to take advantage of the relief food in towns, explained Abdullah Abdi of the Nairobi-based Northern Aid non-governmental organisation.

Many of these people are still in the towns, and farming and livestock production have declined dramatically.

A town like Mandera, for example, with an original population of around 30 000 in 1992, jumped to about 100 000. Even after the departure of the Somali refugees, numbers still hover around 50 000 because of the influx of nomads from the rural areas who are now camped on the town's outskirts.

Local and international relief agencies which had moved into the area in 1992/93, left or cut back their operations in 1994.

The ongoing conflict in Somalia has also crippled cross-border trade, which was another avenue of survival for local populations.

Adequate food supply, especially in pastoral areas, is one of the major development issues facing this East African nation. -- Sapa-IPS
Kenya Airways’ profit dives as fuel costs rise

**MANOAH ESIPISU**

Nairobi — Kenya Airways, hit by rising fuel and labour costs, posted a 6.9 percent fall in first-half net profit on Thursday and said it was facing tough times after privatisation this year.

Net profit before tax and foreign exchange was Shs.538 million shillings (US$1.5 million) in the six months to September 30, compared with Shs.885.6 million the year before.

"Forecast for the remainder of the year to March 31 1997 include cost savings and revenue improvements as previously announced," Kenya Airways said.

"But profits are expected to fall below last year’s results," the airline said.

In the year to March 31, the company made a net profit before tax and exceptional items of Shs.1.59 billion shillings, compared with Shs.885.6 million the year before.

"Industry analysts expect oil prices to remain at present levels for the time being and this will continue to depress operating profits," the airline said.

Koome Mwamba, the company’s public relations manager, said "We are facing some hard times. But I think we should be able to pull through. Half the year is not the full year."

John Munge, the managing director of leading brokerage house Shah, Munge & Partners, added "The results are actually good for an airline, taking market conditions at the time."

Kenya completed privatisation of the airline this year, with Royal Dutch Airlines KLM buying 26 percent and another 31 percent floated on the Nairobi stock exchange.

The sale of 235 million shares by the Kenyan government, which retained 32 percent, was the biggest privatisation so far on the Nairobi stock exchange.

The shares were floated at Shs.11.25 shillings, rose initially to Shs.15 shillings but closed at Shs.8.66 shillings on Wednesday.

At the annual meeting last week, shareholders said they were unhappy about the poor share price performance, the airline’s attempt to retain government-appointed directors and its inability to make any strategic decisions without the approval of KLM — Reuter
AFRICAN BUSINESS

Crossed lines in Kenya

CT (BR) 2/12 96 (163)

JOE KHAMISI

Nairobi — The Kenyan government appears to be sending conflicting signals over its intended plans to liberalise the telecommunications sector.

About three years ago, it put in motion a programme of gradual liberalisation of the sector previously monopolised by the Kenya Posta and Telecommunications Corporation.

It licensed private firms to install and maintain telecommunications equipment including three US companies AT&T, MCI, and Sprint, the British company British Telecoms and Italian Cable and Canada's Teleglobe.

The companies were selling international calling cards that permitted subscribers to make calls from Kenya and overseas and be billed either directly or through international credit cards.

But in mid-October, the Kenyan telecommunications corporation suddenly suspended the international services.

The state parastatal said the country was losing money through widespread abuse.

It said such although the services were intended for use mainly by tourists, exchange students and travelling businessmen, more than 4,000 resident expatriates had been found to be using them.

The corporation claimed that the country was losing millions of shillings in revenue because home direct users were dialling overseas operators and reverse charging calls using the cheaper overseas rates.

Officials said the government charged 15 percent VAT on all overseas calls, but incoming and call-collect card services escaped the surcharge.

The corporation also claimed the foreign companies had breached an agreement that banned them from advertising their services locally.

But industry analysts say the government action demonstrated the telecommunications corporation's inability to compete in the highly advanced telecommunications sector.

Media reports quoted an AT&T spokesman who said because of the way the services were structured there was no possible way that anyone could be losing money.

"We pay rates to the national telephone company on a per minute basis for each call made through the service," Sue Flemming said from New York.

She said Kenya was repudiating whatever it initially cost to make calls from Kenya.

The move to suspend international services took foreign companies by surprise and was condemned by local businessmen. Some said the move may scare away investors.

"A foreign investor wants to have a choice of communication companies, otherwise, he will go elsewhere," one said.

Telecommunications officials say the corporation wants negotiations on new agreements that would guarantee fair competition. This month, top officials of the foreign companies were expected in Kenya for talks on the matter.

Analysts say Kenya's decision was a step backwards and put a question mark over the country's declared intentions to push ahead with the liberalisation programme begun five years ago.

"Kenya must come clean and say whether it is really committed to the liberalisation of the sector," one industry official said. "Half heartedness will not do." — Independent Foreign Service
Ethnic killings wipe out entire Kenyan villages

BY JOE KHAMISI
Nairobi

Heavily armed bandits killed 58 men, women and children last week in a raid on Turkana villages in the remote Samburu district of Kenya. Scores were injured and whole villages destroyed in the raid. In a major security operation, hundreds of cattle, goats and donkeys snatched by the bandits were recovered. Fourteen Pokot and Samburu tribesmen have been arraigned in court for murder.

The shocking massacre was the latest in a series of senseless ethnic killings linked to cattle rustling that continue to undermine insecurity in Kenya's remote rural areas.

Officials believe the raid was a revenge attack arising from an incident in October in which Turkanas invaded Samburu villages, killing two people and stealing more than 2,000 animals. Cattle rustling, especially along the frontier areas, and violent clashes over land disputes are legion in Kenya. While most raids are inter-tribal, cases of cattle rustlers from neighbouring countries crossing the border and causing mayhem in Kenyan villages have been increasing in recent years.

Last March, 55 Amankoke bandits from Ethiopia were killed in a gun battle with Kenyan security personnel around the northern town of Marsabit. In the Tana river district bordering Somalia, hundreds of people have been killed during years of insecurity.

Ten were beheaded in a single daylight atrocity in October.

Ethnic enmity between the Degodia and the Orma clansmen of Somali origin living in the district is responsible for a state of continuing instability. This is exacerbated by incidences of high way banditry. The situation is so serious that passenger and cargo vehicles entering the district from the port town of Mombasa must be escorted by heavily armed paramilitary-police.

Cattle rustlers who previously used bows and arrows now increasingly use automatic weapons. Remote-controlled landmines have also been used by Somali bandits to blow up Kenya government vehicles and facilitate easy getaways.

What has baffled many, however, has been the government's inability to curb the violence once and for all. In land clashes that almost plunged the country into a civil war three years ago, more than 1,000 people were killed and many others displaced as the government did little to intervene.

For almost two years Kalenjin and Kikuyu tribesmen battled it out in the country's Rift Valley region over land-settlement rights. Government critics alleged it was ethnic cleansing to clear the indigenous Kalenjin territory of Kikuyu settlers. The clashes which occurred during the run-up to the 1992 general elections were widely seen to be politically motivated.

A parliamentary committee set to probe the clashes named several highly connected politicians and administrators as masterminds of the clashes. President Daniel Arap Moi, himself a Kalenjin, denied any state involvement. Instead he accused the opposition of fuelling ethnic violence. But almost all the violence in the frontier districts has its roots in rustling.

Because of the remoteness of these volatile areas, government response is often slow and haphazard. — Star Foreign Service

[Box: Bonanza for Nairobi gangsters]
It's mob justice in declining Kenya

SAM KILEY

NAIROBI: Sexual torture, rape, beatings, mob killings and massive corruption have become hallmarks of Kenya's judicial system over the past half decade, according to a damning report on the former British colony by the London-based African Rights.

The human rights organization said in a recently published book by Lucy Hannan that "Kenyan justice is corrupt and abusive; its machinery and ethos have collapsed!"

"Until the 1990s, Kenya's courts were seen by opposition figures and government officials as the one part of the administrative system that was beyond excessive political influence and free of corruption."


She said, "Rather than turning to formal mechanisms for justice, the average man and woman live in fear of it - from the routine violence of the police through the corruption and inefficiency of the courts, to the congested prisons."

"The profound crisis of faith in the justice system is, increasingly, leading people to use alternatives - often resorting to the horrifying violence of mob justice."

No one who has watched the inexorable decline in personal security and standards of services in Nairobi, the capital, could disagree with Hannan.

Mob killings are an almost daily occurrence.

Jacqueline Wangari Ng'eno, wife of GG Ng'eno, a political activist sentenced in 1993 to four years for attacking a police station, an offence that was never on his charge sheet - was arrested in 1992 by 10 plainclothes policemen of the Kenyan CID.

She was taken to their headquarters with Lydia, her teenage daughter. Four policemen held her down while a female officer sexually abused her.

She was told she would be shot if she did not sign a confession saying that she had been hiding firearms in her house. She refused, was charged, released and repressed.

For the next two years she was.

Even hospitals are no longer considered a sanctuary. Hannan details several cases in which former patients are held by force as indented labour in sanatoriums after failing to pay medical bills.

Kenya's four operators are barred for another bad year.

Western diplomats, led by the British, have been impressed with Kenya's efforts at fiscal probity, which have reined in inflation to less than 7% and maintained a growth rate of 4.5% or more.

Earlier this year, the West agreed to release US$800-million (R3.7-billion) in balance of payments support, frozen since 1990, in an attempt to force President Moi down the road to multi-party democracy. - The Times, London.
MOI battles to control revolt from inside his ruling party

Kenya's President is under siege from dissidents within his own party, the Mighty Wango.
Kenya agrees to import grain after drought damages crops
Kenya agrees to import grain after drought damages crops

WORLD

(13) 02.23.1147

NATION — 1900- In a recent action, the government of Kenya has agreed to import grain in order to address the damages caused by a severe drought. The drought has had a profound impact on the agricultural sector, resulting in significant losses and shortages of food. The government has taken this decision to ensure food security for its citizens. The action is supported by international aid organizations, which have pledged assistance to help Kenya overcome the challenges posed by the drought.
Food crisis hits Kenya - Moi declares disaster

Nairobi - Kenyan President Daniel arap Moi has declared a national disaster because of food shortages caused by widespread drought and has ordered the finance ministry to waive taxes on food imports.

A statement issued by his office said: "The president has declared a national calamity or disaster that has been brought about by the current prolonged drought."

The statement continued: "This will enable the Ministry of Finance to waive duty and value added tax on importation of certain specified foods like maize, milk and rice earmarked to feed people in the areas affected by drought."

Last week Mr Moi said Kenya faced the risk of starvation as a result of drought and that the government would import large quantities of maize, the country's staple food.

Thousands of people in the semi-arid North Eastern and Eastern Provinces are already dependent on food aid.

Earlier this week 23 Roman Catholic bishops urged the government to declare the famine a national disaster.

Economists estimate Kenya will have to import more than 1.3 million tons of grain this year - more than half of it maize, but also including beans, rice and wheat.

The Kenyan agriculture ministry estimates that the maize harvest for 1996-97 in the western part of the country, the nation's breadbasket, will be 2.1 million tons.

This is a drop of a phenomenal 200,000 tons from the previous year's harvest.

The drought is also forcing Kenya to extend power rationing as reservoirs at hydroelectric stations drop to disturbingly low levels - Sapa AP"
Oil companies refuse to drop pump prices

AFRICAN BUSINESS

Joe Khamis

The movement card is used in a crisis or a price spiral. If the government decides to avoid a price hike, country enterprises are forced to agree with the government. Business Card is not presented.
times to be interred

outside the remains of a house at Vilaada, Zanz.

people were after the earthquake. The re-

societies blamed the government for not 

providing adequate assistance. 

The government, however, said it had done all it could to help the victims. 

A hospital director in the city council said they had received requests for help from the victims, but there were insufficient resources to assist them.

IMF delays loan to Kenya

Monetary Fund disbursement to Kenya under the three-months' programme for a new package has been delayed. The fund said the programme was not completed because a pre-assessment mission that was due to visit Kenya in November did not present a report at the end of its visit last month.
Kenya’s Moi set for ‘democratic’ poll

Kenya’s last election, in 1992, the first multi-party ballot in 26 years, was declared to have “serious imperfections” by foreign observers.

The party that had ruled since independence in 1963, the Kenya African National Union, was returned to power amid allegations of fraud.

Never mind, chuckled the observers, the next election, now due within a year, will be better.

It won’t. None of the bits of the constitution designed for a one-party state has been repealed.

Indeed, President Daniel arap Moi has several times let it be known he thinks multi-party elections are bad for Africa and that he tolerates them only because of pressure from Kenya’s aid donors.

So opposition parties get scant coverage in Kenya’s government-controlled media. Radio, the most influential, is exclusively in government hands except for a music station.

Opposition leaders have frequently been beaten up by police and one party, Safina, has not been allowed to register.

A law requiring a licence for all assemblies, including weddings and funerals, is regularly invoked to forbid political meetings. It is said identity cards essential for voting are being withheld in opposition strongholds. This week, students rioted for two days in Nairobi, after one of their colleagues, Solomon Muruli, died in a fire that followed an explosion. Last December, Mr Muruli had been abducted and tortured — by the police, he said.

Public confidence has taken two other knocks recently. One is the reappointment by President Moi of Zachaeus Chesoini, a former judge, to head the electoral commission. After the last election, it was revealed that Mr Chesoini was a former bankrupt with debts of more than $750,000 who had been forced to retire from the Bench in 1994.

Re-appointed by Mr Moi in 1990, he was forced off a second time when his debts grew. The government, however, then told the state-owned Kenya Commercial Bank, his chief creditor, to stop pursuing the debt. Mr Chesoini was appointed to run the election soon afterwards.

The second knock concerns another re-appointment, that of Nicholas Bwott, who was recently made minister of state in the president’s office.

Known as “Total Man”, a nickname he gave himself, Mr Bwott is a former minister of energy and personal assistant to Mr Moi. He has been widely accused, both at home and abroad, of corruption. He was also named as a suspect in the murder of Robert Ouko, then Kenya’s foreign minister, in 1990. The detective (from Britain’s Scotland Yard) in charge of the subsequent inquiry blew away the government version of events and said in court that he suspected Mr Bwott, who had refused to be interviewed. The incident forced Mr Moi to drop him.

Why should Mr Moi be prepared to offend foreign donors by making such a controversial appointment? The answer is that, although assured of electoral victory, the ruling party is in danger of falling apart.

In the 1992 election, it faced opposition parties based on two of Kenya’s largest ethnic groups, the Kikuyu and the Luo.

To be sure of success, Mr Moi had to persuade other, smaller, groups to vote for him. They did, in return for promises that have never been kept. A serious split recently began to open up in the party.

In January, Mr Moi acted, sacking the rebels and appointing the faithful Mr Bwott to crush them. Mr Bwott, a Kalenjin like Mr Moi, also has good connections among rich Kikuyu businessmen.

Simultaneously, Mr Moi has brought in a hatchet man to deal with disidents and opened up a line to the only ethnic group that could help deliver over 50 percent of the vote, a figure Mr Moi is keen to achieve.

Already independent-minded civil servants are being replaced by Bwott allies. Mr Moi’s share of the vote may rise, but at a cost — The Economist
Kenya's coffee industry under siege

The coffee markets are being hit hard and sales are falling. This is causing a significant loss in revenue and is putting pressure on farmers and the coffee industry as a whole. The Government of Kenya is working with coffee farmers to find solutions to this problem. However, the situation remains critical and more action is needed to stabilize the market.

1997-09-24
Investors urge Kenya to curb corruption

Many business leaders urged Kenyan officials to improve infrastructure and cut corruption to encourage investment in the country. Daniel Anya, head of the Kenya Investment Promotion Board, said: "Kenya needs to improve infrastructure and cut red tape." The government has promising infrastructure projects, he said, which will benefit the economy.

In a surprise move, the government announced a plan to reduce red tape and cut corruption. A task force is being established to monitor the process. The government has named a high-level committee to oversee the implementation of the initiative. The committee has named trade minister Samuel Moroto as chairman.

CT (BR) 1987 262
Kenya, Tanzania in row over maize seed

Kisumu, Kenya — A row over Tanzania’s importing of sub-standard maize seed varieties is dampening the new spirit of co-operation in East Africa.

In January last year, Tanzania’s agriculture and livestock ministry banned the importing of two maize seed varieties from the state Kenya Seed Company because the importers had breached government regulations that any seed from outside the country be tested for three years before import approval is given.

Kenya Seed has been unsuccessfully canvassing for the lifting of the suspension.

Seed imports are tested to verify if they are true to type, to establish their suitability for a particular environment, and to ensure they are free of disease.

Lumbada Nunga, a seed technologist at the Tanzanian agriculture ministry, said recently the Kenyan company or its agent had to provide parent lines of the suspended seed varieties for testing.

Paul Kumi, the Tanzanian agriculture and livestock minister, said “If we allow the importation of seed without testing it, this will adversely affect maize growing in our country. Things must be done in a scientific manner and with the approval of the government.”

Lawrence Kamba Mugesha, a Kenya Seed official, said the banned seed was tested and approved by Kenya’s Tropical Pesticides Research Institute in October last year. The Kenyan firm appointed as its agent the Tanzania Farmers Association. Up to the time of the ban 40,000 tons of the seed had been sold, according to Kenya Seed.

Tanzanian government seed specialists said the farmers’ association was not a legal importer, but a stockist that did not seek government approval to import the seed.

They said laboratory tests carried out by the agricultural research institute when the seed was first imported, under a drought emergency plan in the 1990s, did not include some genetic aspects.

Kenya Seed is under fire from various organisations that claim the company imports and distributes sub-standard seeds.

The Seed Trade Association in Nairobi is concerned over the company’s importing of low-quality varieties of seed that have not been tested by the Kenya Agricultural Research Institute but are being sold to local and foreign farmers.

JL Shah, the secretary of the trade association, said it had received complaints from overseas buyers about the flagging standards of French lentils and Indian vegetables in particular.

The parastatal Agricultural Development Corporation accused the seed company of failing to test the seed it imports, and said that the seed spreads a fungal maize disease.

Walter Kilele, the managing director of the development corporation, said it had lost 54 million shillings ($4.4 million) after an attack of the disease on its 1.75mha maize crop.

He said the disease affects maize planted from the SC501 variety imported from Zimbabwe three years ago. “The disease has been identified in South Africa, where it is called the grey leaf,” Johnani Thaya, a Kenyan agricultural scientist, said the air-borne disease could destroy adjacent fields — Independent Foreign Service
Dolphin chief fails to attend fraud hearing in Kenya

NELSPRUIT — Kenyan tycoon and Dolphin Group president, Ketan Somaia, arrived in SA last week to launch a public relations campaign designed to convince the public of his credibility — just days after refusing to appear before a Kenyan public accounts committee hearing on tender fraud.

Somaia was asked to appear to explain his part in a R34m tender fraud eight years ago when a British company that he represented in Kenya failed to deliver police equipment after being paid by the government.

Somaia said at the weekend he refused to attend the hearing because “the goods are now starting to be delivered with almost 86% of the tender being completed, so I don’t understand why they are making a fuss. I sent some of my people to tell the public accounts committee that I don’t have to attend ... all I did was represent the guilty company in Kenya as its agent.”

Somaia tried four months ago to secure an exclusive monopoly on vast chunks of Mpumalanga’s state-owned game reserves and other tourism attractions for 50 years.

The legal fraternity in Kenya wants Somaia extradited from Dubai after earlier refusal to testify and his alleged use of President Daniel arap Moi’s name to promote himself in SA.

Kenya’s parliamentary officials said Somaia’s failure to appear at the hearing had again delayed the probe into the alleged fraud. The committee met on Friday to discuss what steps to take against Somaia, who also faced possible legal action by Arap Moi’s office after the president accused Somaia of Mpumalanga Parks Board CEO Alan Gray of “provoking the presidency” by claiming Arap Moi had written a letter exonerating Somaia from dubious business dealings in Kenya.

Gray claimed he had received such a letter from Arap Moi and used it to argue against reports about Somaia’s questionable past. However, Gray refused to produce the letter at first insisting that he needed Arap Moi’s permission but later saying he needed legal counsel from Somaia’s attorneys before doing anything. — Sapa
Fiscal and monetary policy executed in line with recommendations

IMF holds aid carrot for faster Kenyan reform

FROM REUTER

Nairobi — Kenya was on course to receive a further $37 million in IMF assistance after a review of structural reform programmes showed that the country had made satisfactory progress in significant policy areas.

But the IMF warned yesterday that progress was still slow, particularly in privatisation and public enterprise reform, and urged greater effort in these areas.

Commenting after a mid-term review of Kenya's economy, Hiroshi Hino, a senior adviser at the IMF, said he would be recommending the completion of a review which would free the second tranche of a $74 million enhanced structural adjustment facility.

The three-year facility totalled $220 million, of which $74 million was for last year.

Hino said fiscal and monetary policy had been executed in line with recommendations.

"The external balance of payments remained strong and international reserves increased," he said. "Inflation was higher than expected, due to the drought, but underlying inflation remained broadly under control."

But Hino said real growth for last year was estimated at 4.6 percent — below the 5 percent target.

He said there were renewed instances of "a lack of discipline" in public finances, particularly irregular purchases in the health ministry and the awarding of contracts to independent power producers.

The government had pledged to tighten internal purchase processes and had commissioned an independent review of the tender process used in the power contracts.

Hino said the IMF would review its arrangement with Kenya and, if the reforms were approved, the $37 million would be available in June.

Kenya had asked the World Bank to organise a consultative group meeting in July to discuss how to use the funds.

GREATER EFFORT Progress is still slow in privatisation and public enterprise reform.
Sugar producers stir state authorities to take strong action to protect their local market

Kenya clamps down on illegal imports

EDMUND KAGENA

Mombasa — Kenyan authorities have announced new measures to stem illegal sugar imports and have impounded thousands of tons labelled for transshipment but found stored privately.

Kenyan revenue officials said shippers of sugar in transit for other countries must now deposit with the customs department a bankers' guarantee against imports into the local market.

Finance ministry officials have complained about sugar making its way into the Kenyan market without taxes being paid, making it cheaper than local produce.

Kenyan ports officials have detained two ships that arrived at Mombasa with 9600 tons of sugar for transshipment.

The Al Araba with 6600 tons from Thailand arrived on April 12, while the Trunorak with 3000 tons from Sudan arrived on April 14. Both were being held while importers sought clearances that met the new regulations.

Customs officials said they had seized a large amount of sugar found stored in a private home instead of a bonded warehouse.

Customs, revenue and Kenya Sugar Authority officials said they had also seized 260 000 100kg bags of sugar in a warehouse.

They suspected the sugar was labelled as being in transit but then offshipped into Kenya.

Kamau Chikya, the Kenya Sugar Authority chief executive officer, last week said he had demanded from ports authorities details of sugar imports this year and taxes levied. He called for tax evaders to be severely punished.

In February, President Daniel arap Moi ordered a crackdown on illegal imports after local millers complained they were unable to sell their sugar in the face of unfair competition.

In 1996, Kenya raised value-added tax on imports to 6 from 5 percent, confirmed a sugar development levy of 20 percent, raised a blanket sugar levy to 25 from 15 percent and launched a variable dumping duty of $0.65 to $1 per ton.

But in the first quarter of this year the government suspended taxes on essential commodities to encourage imports for drought relief. Government officials said all sugar taxes had since been restored.

Kenyan ports officials said 105 270 tons of sugar has been imported in the first quarter of the year. They did not provide comparative figures for last year. The country's production is forecast at 420 000 tons in 1997 against consumption of 560 000 tons.

The ports authority figures show most sugar was imported from Brazil, Thailand, Romania, India, Britain, Belgium and Panama. Thailand was the dominant player in the market, with 39 669 tons from Brazil, where 101 286 tons was sourced last year, provided only 9923 tons in the first quarter.

— Reuters
Opposition’s failure to agree on presidential candidate means Moi is

BY JOE KHANISI
Nairobi

The countdown to Kenya’s general elections scheduled for later this year began this month with the nationwide registration of voters. Almost 10 million out of the country’s estimated 28 million people are expected to go to the polls to choose a president and parliamentarians to lead the nation into the next century.

This will be Kenya’s second multi-party election and President Daniel Arap Moi’s fifth, and constitutionally his last, attempt at re-election.

He has ruled the country since the death of Jomo Kenyatta almost 19 years ago. As with the 1992 polls, this year’s election will be held under a cloud of suspicion by the opposition who claim the polls will not be free and fair without minimum constitutional reforms.

Early in April, the opposition, political NGOs and church groups gave Moi a June 1 deadline to agree to reforms or face civil disobedience.

Among changes they want are a constitutional provision for a coalition government, an independent electoral commission to replace the present body appointed by Moi, equal coverage by the state-run media, and the repeal of laws that provide for detention without trial and stifled freedom of expression.

They also demand that a presidential winner should garner more than 50% of the overall votes. Presently, the winner needs only 25% of the votes to win.

MoI says no such reforms will be instituted before the polls. Analysts predict a chaotic collision between Moi and his detractors as the election – the date of which is still to be announced – approaches.

Already, two parties have hinted they will boycott the exercise, but the disintegration of the opposition and its failure to agree on one presidential candidate give Moi the advantage of being the frontrunner.

The opposition ranks are hopelessly divided over who should be nominated as joint candidate to face Moi.

The three leading groups, Ford Kenya, the Democratic Party and Ford Asili, have been reduced to wrangling factions. This has led many ordinary Kenyans confused and politically restless.

“Another five years of corruption, land grabbing, mismanagement and official high-handedness under Moi may not necessarily be what Kenyans want, but there appears to be no alternative,” one observer says.

Many, therefore, believe there is no chance that the Kenyan leader will accede to opposition demands for constitutional reforms.

“He knows he has the presidency virtually wrapped up unless a miracle happens,” one says.

In the meantime, Moi continues to ensure that opposition politicians are not allowed a level playing field.

Their meetings are routinely disrupted by police; they get no coverage on the state-run media.

Zero growth after years of plunder

And their motions are often defeated by the KANU-dominated parliament.

However well-intentioned their proposals may be, despite all the evils of his rule, Moi is roundly credited for maintaining peace in a country largely surrounded by turmoil.

“But peace without economic transformation means little,” a university lecturer says.

“It is sad that a country endowed with abundant resources is unable to feed itself, lacks basic drugs in hospitals and has an education system which still allows pupils to study under trees,”

Until 1994, Kenya – listed by the UN as the 17th poorest nation in the world – had zero economic growth because of years of plunder by the powerful elite.

It was only after threats of aid cuts by donors that serious economic reforms were undertaken and a 4.5% growth achieved in 1995.

Economists say Kenya must attain an eight percent growth rate for trickle down effects to be felt by Kenyans in areas of poverty and unemployment.

According to some economists, it will take 48 years given the present rate of growth to achieve that target.

“If we want to grow,” a local business executive says, “we must eliminate corruption and have a political system working for the people of the country and not power brokerage.”

It was noted at a meeting of the privately-run Institute of Economic Affairs last month that Kenyans are today poorer than they were at independence in 1963.”

*Star Foreign Service*
Foreign investors vie for Kenyan telecoms

NAIROBI — Foreign investors are lining up for a stake in Kenya’s telecommunications industry in the wake of last year’s successful flotation of the national carrier, Kenya Airways.

British Telecoms, AT&T and companies from Malaysia, France and Japan have recently all met executives from the Kenya Posts & Telecommunications Corporation (KP&TC) and privatisation board officials to discuss the sale.

But telecoms and financial analysts warn that investors are alarmed by suggestions from senior Kenyan officials that local investors should be given priority.

Interest has been heightened by the publication two weeks ago of a bill that seeks to divide KP&TC into separate postal and telecommunications firms and also create a sector regulator.

"Kenya will not be without international interest. Many companies are examining the progress and what stake they can bid for," said UK diplomat Steve Martin.

KP&TC has already privatised its directory publishing and paging services and is in talks with British firm Vodafone on setting up a cellular phone company. It is also talking to a Canadian company about replacing land lines with a radio network.

But the biggest prize remains Telkoms Kenya, to be hived off from KP&TC when, if as expected, parliament approves the bill.

Nairobi Stock Exchange CEO Job Kihumba said investors saw the partial sale of Telkoms as the next logical step by the government after the successful flotation of Kenya Airways.

The Kenya Airways sale was boosted by a purchase of a 26% stake for $26m by Royal Dutch Airlines KLM and a government decision to float another 51% through Nairobi’s bourse.

KP&TC MD Jan Mutua said that KP&TC planned to sell only about 30% of the government stake in Telkoms — and that to "local strategic investors.

World Bank official Ian Knapps rejected that position as not reflecting government thinking. "Strategic alliances are an option. A strategic partner brings in expertise and funds and clearly in this case it does not preclude foreign investors."

He said consultants — paid for by the World Bank — would examine privatisation options.

According to KP&TC’s public relations manager Dick Raynor, the company posted after-tax profits of $67.92m in 1995/96. He could not give comparative figures for 1994/95 or a forecast for 1996/97.

Kenya’s privatisation board has set December next year as a target date for the sale — Reuter
Sigcau warns W Cape on sale of state assets
‘Consult central government first’

WILLIAM-MERWIN GUINEDE
POLITICAL STAFF

Public Enterprises Minister Stella Sigcau has warned the Western Cape and other provincial governments that they may not go ahead with selling state-owned assets in the provinces without consulting national government.

Ms Sigcau was responding to plans by the Western Cape government to sell off provincial state assets to fund capital projects, such as the construction of roads and buildings.

Finance MEC Kobus Meyring, in his budget speech in the provincial legislature, announced that all unused and costly fixed assets in the province would be sold and the proceeds transferred to a loan fund to bankroll new capital projects.

The Western Cape government also plans to rationalise office space in Cape Town saving up to R10 million over three years.

Mr Meyring has set aside R18 million for 1997/98 to kick-start what he called the "most ambitious provincial privatisation programme in South Africa."

Ms Sigcau warned that any privatisation drive by the Western Cape or any other province, should follow a structured route, approved by national government.

"National government has to agree with the route of privatisation taken by the provincial government before privatisation can take place," she said.

Ms Sigcau said national government had laid down strict criteria for the selling off of state assets. She expected the Western Cape government to follow the guidelines.

An inter-ministerial cabinet committee has already been appointed to oversee all privatisation of state-owned assets.

She said her department would meet soon, preferably next month, with provincial governments to outline the national government's position on the privatisation of provincial state assets.

The national government's preferred method of privatisation was to seek strategic equity partners for each provincial state-owned company.

Privatisation should also be to the benefit of historically disadvantaged groups in the province.

Ms Sigcau said the committee overseeing privatisation had agreed that shares in restructured enterprises should be sold, at a discount, to the National Empowerment Fund (NEF) which would be set up to empower historically disadvantaged communities.

It was the national government's intention that funding schemes would be developed with the private sector to enable the disadvantaged to get shares in the NEF.

"These principles have been accepted by the inter-ministerial cabinet committee and will soon be discussed at the level of the portfolio committee and with labour and other stakeholders," she said.

She said the national government had also agreed that the employees of state-owned enterprises that are privatised should benefit through employee share ownership schemes. The inter-ministerial cabinet committee had endorsed the share scheme with a limit of approximately R10,000 per employee.

Ms Sigcau announced this week that the Government expected the restructuring of five large state-owned enterprises: South African Airways, Safcol, Alexkor, Aventura and Eskom with a joint turnover of R40 billion to be completed or to be nearing completion in the next 12 to 18 months.
Kenyan enterprises enjoy offshore credit

Dar es Salaam — Kenyan entrepreneurs, constrained by high lending bank rates, now have an offshore line of credit from which they can borrow local and foreign currency for industrial and commercial ventures, says the state-owned Industrial Development Bank (IDB).

Almost $20 million has been obtained by the IDB for lending purposes at interest as low as 12 percent. The local commercial lending rate is between 25 and 30 percent.

The loans range from a minimum of 3,5 million Kenyan shillings (KSh 350 million) to a maximum of 106 million shillings or their US dollar equivalent.

The Export Import Bank of China has provided a credit of $10 million to be used specifically for the importation of plant machinery and industrial raw materials from China. This is a seven-year programme in which the Export Import Bank will make 80 percent of the total contract value available to the Kenyan entrepreneur.

The balance has to be deposited with the IDB by the applicant before the contract can be approved.

The Cairo-based African Export Import Bank, a trade-finance subsidiary of the African Development Bank, has offered $5 million to assist Kenyan importers and exporters to trade with companies within developing countries. Another $3 million is due to come from the Import Export Bank of Korea for a wide range of imports from that country.

The IDB is already managing a facility of the European Investment Bank Global Enterprise, which provides expansion and start-up finance to projects ranging from agro-industry to manufacturing, food processing and tourism — Independent Foreign Service.
Kenya waters down its stake in local Stanbic

JOE KHAMISI

Dar es Salaam — The Kenyan government has drastically reduced its stake in Stanbic (Kenya), allowing the only co-shareholder, the Standard Bank of South Africa, to assume near full control of the banking institution, Kenya’s Financial Standard reported on Tuesday.

Quoting government sources, the weekly pull-out edition of the Standard newspaper said the government retained as little as a 20 percent stake, leaving Stanbic with 80 percent.

The government’s initial 40 percent share was reportedly watered down by more than half through a rights issue. Such an issue occurs when a company creates new shares for effect in a bid to boost its share capital.

The sources indicated that the South African Standard Bank had injected additional funds into the institution, effectively reducing government participation.

“It is understood that both the government and the SA partners were requested to chip in additional funds towards improving the bank’s capital base, but despite several reminders, the government remained reluctant to commit the funds, thus giving the former an opportunity to meet the investment requirements,” the paper said.

The actual South African commitment was not divulged. Analysts said the government’s refusal to commit further funds was in line with its aim to divest from private investments in tune with IMF/World Bank recommendations.

“We leave this (business) to the private sector, ours is to facilitate and create an enabling environment for the private sector to thrive,” the government source said.

But some analysts described the move as unfortunate in view of the viability of the bank. Further reports said the share reduction move would eventually lead to a complete government pull-out from Stanbic.

Negotiations between the government and the SA bank were ongoing, according to the paper. It also said the bank was reluctant to give up its preemptive rights and was not eager to be listed on the Nairobi stock exchange.

Stanbic was established in Kenya after the thawing of relations between SA and Kenya about five years ago. — Independent Foreign Service
Kenya expects ‘mild’ growth

NAIROBI — Kenya, forecasting mild economic growth this year, yesterday described its infrastructure as dilapidated and said real interest rates were too high for business.

Vice-President George Saitoti blamed drought for increasing the budget deficit and slowing gross domestic product (GDP) growth. He saw GDP growth at 5.26% this year (4.8% last year) and lower than earlier projections of 7%.

Saitoti said the government was concerned about high interest rates but there was also a substantial amount of hard currency in the economy from foreign investors and a sharp reduction would lead to “a very swift capital flight”.

Lending rates for commercial banks are about 25%-35%. Mortgage rates stand at 30%-40%. Benchmark rates on 91-day government treasury bills have settled at 21% this year.


Saitoti said the single digit inflation of 1996 and last year would be maintained this year assuming the agricultural sector recovered.

He blamed relief food purchases for this year’s 7.12-billion-shilling deficit — Reuters.
Human rights watchdog tackles Kenyan government over abuses

Nairobi — Amnesty International has again come down hard on the Kenyan government for its violation of human rights.

In a report expected to be released in Nairobi on Monday, the London-based watchdog body says "Kenya's human rights record is stained by repression and lack of accountability."

While Kenya's official reaction is unlikely to be made known until after the report is formally released, reliable sources in the government call the "manifesto" an unwarranted interference in Kenya's internal affairs.

"The strictures cannot be taken seriously because Amnesty has obviously been influenced by the opposition parties and self-exiled dissenters," according to a high-level source.

Speeches

Amnesty's "Manifesto for Kenya" calls for the scrapping of laws which restrict "fundamental rights and freedoms because they breach basic standards agreed by the entire international community."

"Every Kenyan has the right to live in a society where basic rights are respected in law and practice."

It says Kenya is only "in theory a democracy. In practice, many critics of the government have been harassed and intimidated. Political prisoners have been subjected to sustained torture, and police routinely beat suspects."

Amnesty wants arbitrary detention to be prohibited and cruel, inhuman and degrading punishments such as floggings and executions should be outlawed. — Independent Foreign Service

mass on Sudan border before curtain

(63) Star 31 6 197
Amnesty International slates Kenya for human rights abuse

CHANDER MEHRA
Independent Foreign Service

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Amnesty wants arbitrary detention to be prohibited and "the president (Mr Daniel Arap Moi) should no longer be able to declare a state of emergency. Cruel, inhuman and degrading punishments such as floggings and executions "should be outlawed."

Among its proposals are press freedom and guarantees that journalists be "protected from interference or arbitrary arrest", an end to the deregistration and banning of different forms of media; abolition of the death penalty, and improvement of prison conditions.

"We want human rights to be at the top of the agenda for all the political parties in the build-up to this year's election. We are trying to arrange meetings with all the main political parties and we hope also with President Moi. Foreign Minister Kalonzo Musyoka and Attorney-General Amos Wako," Amnesty said.
Moi rejects changes to constitution

NAIROBI — Kenya's President Daniel arap Moi, defying demands by opposition leaders, told a state rally yesterday that there would be no change to the constitution before elections this year.

"The current atmosphere is not conducive to meaningful discussion on subjects such as the constitution. Such discussion can be held meaningfully only after the general elections," Moi told a crowd of about 10,000 people.

"A commission will be appointed then that will take into account all interested parties." Moi said.

Rioting brought Nairobi to a standstill on Saturday after security forces broke up a banned rally by opposition members and church groups pressing for a minimum package of constitutional change before the presidential and parliamentary elections.

One person died in the rioting, according to newspaper reports, and scores of shops and stalls were looted.

But there was no sign of protest during the rally, which was guarded by hundreds of heavily armed paramilitary general service unit troops, police and plain clothes agents.

Four opposition parliamentarians and at least two activists were placed under house arrest before the event, apparently part of precautions against a repetition of the Saturday protests, opposition spokesman said.

Those detained included National Development Party (NDP) leader Raila Odinga, Ford-Ashi chairman Kenneth Matiba, Ford-Kenya chairman Michael Kiguru Wamalwa and Paul Muite of Ford Kenya who is also active in the unregistered Safina party.

Wamalwa said by telephone from his house: "I am very frustrated. I wanted to go out there and see what would happen next." He said more than 100 troops had surrounded the building.

During the night an explosion started a fire in a building on Matiba's property, said an aide.

Moi, addressing the annual Madaara (Self Rule) Day rally, said the Public Order Act used to regulate public meetings would be replaced by a new bill, but gave no details.

"A new legislation entitled the Peaceful Assemblies Bill will soon be presented for debate in parliament. This will replace the Public Order Act," he said.

NDP secretary-general Charles Maranga poured scorn on Moi's speech and said the party would still press for a change. "Moi is trying to hoodwink Kenyans. This is not enough. We are going to press for minimum constitutional reforms before the elections," he said.

Moi must call elections by the end of the year, putting the ruling Kenya African National Union against an opposition undermined by ethnic, political and personal disputes — Reuters.
Report slams Kenyan judicial system

PUBLIC comments on pending legal proceedings by Kenyan President Daniel Arap Moi as well as the wide powers he had to appoint judges were factors which undermined the independence of the judiciary in that country, according to an International Bar Association report released yesterday.

The report, which follows an investigation into the Kenyan legal system and independence of its judiciary by a panel consisting of English lawyer Sir William Goodhart QC and SA attorney and Judicial Service Commission member Phineas Mqapelo at the request of the Kenyan Law Society, released simultaneously in London and Pretoria yesterday, the report detailed evidence of interference in judicial independence by the Kenyan government in a variety of ways, corruption of judicial officers, particularly at the level of magistrates, as well as deficiencies in the method of judicial appointments which gave the president too much power in this regard, further undermining judicial independence.

At a press briefing in Pretoria yesterday, Mqapelo said the fact that these abuses occurred in Kenya, which had a bill of rights, should serve as a warning to our own legal system that a bill of rights was worthless without a fearless and independent legal system to protect it.

Kenyan high commissioner Justice Musavadi, who was present when the document was released to the media, said he had not yet received the report.
Kenya faces power brawl with Uganda

Nairobi — Kenya and Uganda may be heading for a diplomatic storm unless Nairobi pays $4 million it owes to Kampala for power supplies under a tariff agreed to by the two governments last October.

Gerald Sendaula, the energy and natural resources minister of Uganda, said Uganda was considering legal action against Kenya for failing to honor last year's agreement on revised power tariffs.

On October 4 last year, Yoweri Museveni, the president of Uganda, warned that power supplies to Kenya might be stopped by the Uganda Electricity Board if Nairobi did not agree to realistic rates in accordance with market prices.

Responding to Museveni's warning, Daniel Arap Moi, the president of Kenya, agreed to the asked-for rates, and a memorandum of understanding was signed between Nairobi and Kampala. The tariffs were revised from 2c a unit, as set in a 1958 agreement, to 65c for 1996, 75c for 1997, 85c for 1998 and 95c for 1999.

However, according to Sendaula, Kenya had defaulted on payments.

Kenya has been facing severe domestic power-supply problems because of low capacity utilization of its own power plants and has resorted to load-shedding, which has been affecting the country's industrial, commercial and domestic consumers.

Attempts to reach senior officials of Kenya Power and Lighting were fruitless.

However, other sources said Uganda's power bills were in the process of being settled.

"The matter will not be allowed to go to court since payment is likely to be made this month," one source said.

— Independent Foreign Service
Kenya strongly denies human rights abuses

NAIROBI — Kenya yesterday strongly demurred accusations of widespread human rights abuses raised by Amnesty International, and accused the London-based group of seeking to incite Kenyans against the government.

A government statement said Kenya under President Daniel arap Moi had done a lot to rein in police officers "who have gone overboard in the execution of their duties".

Amnesty secretary-general Pierre Sane said on Wednesday at the end of a fact-finding tour of the East African nation that police brutality and torture were widespread and a number of people had died in police hands.

Sane, a Senegalese national, also told a news conference that forthcoming general elections would not be free and fair unless constitutional reforms were carried out.

"The situation is bad and it can become worse if these measures are not taken in the run-up to the elections," he said, urging restraint and dialogue between parties.

The Moi government, repeatedly accused of human rights abuses by western donors and opposition politicians, said the following in its statement: "The government would like to restate that it will not tolerate prescriptions from Amnesty International on how to deal with alleged violations of human rights.

"The government of Kenya has a machinery and a system of handling these matters. The government is treating the contents of the press release as allegations by Amnesty calculated to incite Kenyans against their government."

Sane described Kenya’s political climate as one polluted by laws, such as the Public Order Act, which restrict freedom of association and threaten elections due this year.

Kenya is set for presidential and parliamentary elections later this year, but the opposition complains the country’s constitution is tailored to the advantage of Moi’s ruling party and has called for amendments to reflect a pluralist environment.

Moi has ruled out constitutional reforms before the elections, and has also vowed to take tough action against opposition politicians agitating for change — Reuter
Irish priests spread the rights word in Kenya

Lodwar, Kenya - The Irish priest looked over the crowd of people - some draped in traditional red-checked cloth, others in rags and bare-footed - who gathered in the church for a seminar on human rights.

One after another they rose to ask questions which proved that Father Gabriel Dolan had much work to do.

What do I do when police beat me up?

How do I fight a ruling party official who evicted me from the government house?

What does "human rights" mean?

The Irish Kiltegan missionaries, led by Bishop John Mahon, are alone in teaching people about their civil rights in Lodwar, a town in the Turkana district some 500km north of Nairobi.

"As a church, justice is a must for us," Dolan said. "If we don't work for change, people's participation, democratic government, human rights, our charity work will go on forever."

"The system here is oppressive. People here have never known liberation," he said. "We are the only alternative."

The church's efforts have been made all the more difficult by pro-government thugs trying to quash opposition and stifle the Catholic peace and justice seminars ahead of this year's national elections.

Dolan had to move his seminars to the church because 50 drunken herdsmen armed with sticks and stones threatened to burn down the local education centre unless he left.

The men were backed by President Daniel arap Moi's ruling Kenya African National Union party (Kanu). Moi has repeatedly condemned "interference" by the church in secular life.

Roman Catholic, Protestant and Muslim leaders have joined the political opposition in demanding reforms as well as access to state-run radio and TV for all political parties, an independent electoral commission and the repeal of laws restricting public gatherings.

Police on May 31 used teargas and batons to break up a peaceful rally in Nairobi attended by people favouring constitutional reform.

Dolan said the church wasn't telling people who to vote for, just how to question authority.

Last week he called on Amnesty International and Kenyan human rights activists to help publicise the situation.

-Sana-AP
Kenyans wary of violence at rallies pushing for reforms

Nairobi — Many Kenyans are likely to stay indoors today, amid fears of violence during opposition rallies called to pressure the government into making constitutional reforms.

"I will stay at home. I do not want to be beaten by the police or stoned by mobs," office clerk James Onyango said yesterday.

Some 600 taxi owners, fearing their vehicles will be damaged if violence breaks out, have said their minibuses will not ply city roads during the saba saba rally (Swahili for the seventh day of the seventh month).

The Federation of Kenyan Employers (FKE) has urged workers to ignore calls to attend the rallies, planned for 48 centres countrywide.

"Riots and destruction of property will only be denying Kenyan workers their fundamental freedom of earning a living," said FKE director Tom Owuor.

In Mombasa, pro-reform activists have been urging residents to take part in a general strike today. Police have said they will "enforce the law", which means that anyone seen near the venue for a rally will be severely beaten or arrested.

"No amount of intimidation will stop us from demanding reforms," said opposition MP Paul Muite. Yesterday, the Roman Catholic archbishop of Nairobi, Ndungu Mwana a Nzeki, an ardent supporter of constitutional reform, urged organisers to call off rallies because they were likely to spark violence — Sapa-AFP.
Pledge to stop up protests despite violent clashes

Kenyan opposition calls for new demonstrations in effort to pressure govt to introduce constitutional reforms
Police 'animals' batter Kenyan students, dons

Nairobi - Choking with tear gas, the student almost made it through a gauntlet of whips, clubs and kicks before being pole-axed by a policeman who was laughing.

As the cry of "Uu! (kill) left the officer's lips, the art student crashed on to his side and immediately went into a seizure.

His head nodded unsteadily towards the tarmac, foam poured from his mouth as the police turned their attention to thrashing other students being teargassed out of their halls of residence.

Ordered by President Daniel arap Moi to prevent a threatened march on State House, where he was holding a summit with the presidents of Sudan and Eritrea and the Ethiopian prime minister, the police clearly relished their work.

With battle cries, they swarmed through Nairobi University campus yesterday beating students and dons indiscriminately. Teargas from the assault drifted on to the terrace of the Norfolk Hotel, where tourists waited for buses to Kenya's game parks, as police broke up a non-violent demonstration calling for the right to free assembly in Kenya and a day of mourning for students killed by police earlier.

This week's toll had climbed to 16 with the deaths on Tues-
15 DIE IN PRO-DEMOCRACY CLASHES

Kenyan riot police close university campuses

NAIROBI: In a bid to crush demands for democratic reforms yesterday, police stormed classrooms, broke down dormitory doors, dragged students off campuses and beat them with clubs.

There were no reports of violence at the Kisumu campus, 15km north-west of the capital.

Other students, carrying books and suitcases stuffed with their belongings, hurriedly funnelled out of dormitories and classrooms between flanking lines of riot police armed with AK-47s and clubs.

Vice Chancellor Francis Gichaga said the University of Nairobi's three campuses were closed to counter rising tensions among its 15,000 students, who have pressed for political reforms in Kenya.

The constitution gives Mwai Kibaki virtual total power, and no one argues he arrogates more

Parliament, despite noisy interjections by the opposition, is seen as a rubber stamp, with ruling MPs dependent on Moi’s patronage.

Opposition MPs and parliamentary candidates frequently defect to the ruling Kenya African National Union, which officially denies that the standard reward begins with a large plot of land, a new four-wheel-drive vehicle, and five million Kenyan shillings (about $45,000) or more.

Presidential and parliamentary elections are due by the end of this year, but opposition efforts to field a single presidential candidate have floundered on personal ambition.

In the 1992 presidential election, held under the simple majority rule, Moi won with just over 50% of the vote, while a combined opposition vote of nearly 70% was split among seven presidential candidates.

That scenario could well be repeated this year, observers say.

The latest to throw his hat into the ring is Mwajima Ngugi, a member of parliament who announced her candidacy on Tuesday.

But she “divorced” the Democratic Party, which looked as if it was not going to endorse her as its presidential candidate, to join the Social Democratic Party, which did.

Ngugi also clashed with opposition politicians demanding constitutional reforms before the elections. She announced she would ask parliament to amend the constitution after she was elected president — Cape-AFP
Kenyan university students say they will press for a new education policy.

By the time the university students spoke, the Kenyan police had arrested and closed the university in Nairobi after the end of term, over fears of violence from students and police.

In the Kenyan capital, students are pressing for policy reforms before elections later this year. When Kenya's electoral crisis is expected to win another two years.

The students say they will press for a new education policy.

In Nairobi, students have said they will press for a new education policy.

Violent clashes after 3 days of police and student protests.

The Kenyan government has said it will press for a new education policy.

Nairobi quiet after 3 days of violence.
NAIROBI — Students and police clashed again in Nairobi yesterday after more of those injured earlier died, bringing the death toll from battles between police and demonstrators on Monday to at least 15.

The students streamed into the city on their way to the out-of-town bus stop, carrying their suitcases on their heads, after authorities closed Nairobi University.

The capital remained tense, with riot police patrolling the city streets and many shops shuttered as political activists vowed to continue protests to demand constitutional reforms before elections due by the end of the year.

The opposition began three days of mourning for the dead, many of them shot by police in what the Law Society of Kenya termed "cold-blooded murder".

The government of President Daniel arap Moi, who has been in power for 18 years, meanwhile showed no signs of relaxing its iron grip on the country.

The demonstrators vowed to protest outside a summit of regional leaders who are discussing Sudan and Somalia, to force them to consider the unrest in Kenya as well, radio reported.

The summit of the Intergovernmental Authority on Development, attended by leaders of Kenya, Sudan, Ethiopia, Eritrea, Djibouti and Uganda, was being held at State House.

The umbrella National Convention Executive Council, which includes church groups, nongovernmental organisations, youth groups as well as opposition politicians, is now calling for Moi to resign.

Police spokesman Peter Kimathi apologised on Tuesday for a police attack on the Anglican cathedral on Monday.

The US and Britain both criticised the action of the police in charging what began as peaceful rallies. — Sapa-AFP
Arab Moi regime stumbles

Whether or not he allows political reform in Kenya, Daniel arap Moi's days as ruler are numbered, reports Ken Opara from Nairobi.

President Daniel arap Moi's 20-year unbroken hold on power in Kenya is under siege, and probably in its terminal phase following waves of protests to reform the Constitution. The key demand is that elections, due to be held before January, should be free and fair.

At least 13 people, including teachers and students, were killed on Monday when police acted against defiant pro-reform crowds in several towns.

The most recent protests were staged in the hours before the deadline for a new Constitution, which was due to be voted on by the National Assembly.

The government has been under growing pressure to introduce reforms, and the protests have become more frequent and violent.

The opposition says the current constitution is outdated and that Moi is trying to cling to power.

The opposition has called for elections to be held as soon as possible, and has threatened to step up protests if the government does not cooperate.

Arab Moi regime stumbles

As the government struggles to contain the protests, the opposition has called for a commission to be set up to investigate the violence.

The commission would be made up of international experts, and would report on the causes of the violence and recommend ways to prevent it from happening again.

The opposition says this is the only way to bring peace to the country.

Protesters face the onslaught when they left several people dead and scores injured on Monday.

Once were warriors Kenyan troops charge at pro-reform demonstrators in Nairobi this week.
Kenyan opposition demands reform, threatens revolution.
Kenya's credibility goes up in smoke

**WORLD**
I’m no dictator, says Moi after Nairobi riots

UNDER mounting domestic and international pressure, Kenya’s President Daniel arap Moi was reported yesterday to have agreed to convene talks on the constitutional crisis that sparked violent clashes in Nairobi this week.

At least 10 people are reported dead after police beat and shot protesters demanding reforms before this year’s elections.

Saying he was not a dictator, Moi has now promised talks, according to the Sunday Nation newspaper.

Moi said he will convene the ruling party’s governing council and national delegates’ conference, the paper said in a report released in advance of publication.

Those two top decision-making bodies last met six years ago, when they altered the single-party constitution to allow multi-party politics ahead of the 1992 elections.

While opposition figures welcomed Moi’s move, they caution that it may not be enough. They say reform talks must be structured, lest Moi drag out the process.

The US embassy in Nairobi released a statement saying the real source of political violence in Kenya is the government’s unacceptable “strong-arm tactics” and its failure to create a free and fair electoral climate.

The Anglican Archbishop of Cape Town, the Rev Nyongonkulu Ndungane, said in a statement faxed to Kenya that the attacks by police on pro-reform supporters on Monday at Nairobi’s All Saints Cathedral reminded South Africans of “the oppression of the worst days of apartheid.”

Police let off tear gas in the cathedral before storming the church and beating people at a service. They left behind broken pews and pools of blood on the floor.

Today the cathedral will hold an official cleansing ceremony.

LOUISE TUNBRIDGE reports that Richard Leakey, the conservationist who is interim secretary general of the unregistered Safina opposition party, called on Moi to “act or resign.”

Leakey said it was scandalous that the commissioner of police and the minister in charge of internal security should remain in their posts after paramilitary police closed Nairobi University.

Trouble started on Tuesday night when rumours spread that four students had died in hospital as a result of police brutality.

The death toll from the riots held in several towns had already been reported at around 10.

Police spokesman Peter Kamathi denied the rumours, saying one student had been run over by a truck and killed on campus.

The battles between police and students took place well within earshot of State House, where Moi is hosting the inter-governmental Authority on Development heads of state summit on the conflicts in Sudan and Somalia.

The presidents of Sudan, Ethiopia, Eritrea and Djibouti were at the meeting.

This week, opposition MP Charity Ngilu launched her campaign for the presidency, the first woman ever to run for the office.

She is presenting herself as a candidate to build a bridge between the present undemocratic and oppressive system that Kenyans have rejected and the future democratic one that Kenyans yearn for.”

— The Telegraph, London
Moi loses the middle class in decaying Kenya

“...The middle classes just want to be left in peace to make money,” says John Githongo, columnist for the East African newspaper. “But they look to the future and expect to get poorer. They see no avenues for self-advancement. Moi has killed hope.”

With such anger and frustration as a backdrop, Moi’s refusal to compromise is fast transforming the constitutional campaign from a list of precise legal demands into a spreading conviction that he himself must go.

Despite talk of the “Kabila effect,” a Zaire-style overthrow looks out of the question. A loyal army and Western support are not the only reasons in the run-up to elections, the opposition has gone into self-destruct mode, fracturing on ever more ethnic lines.

Had it agreed on a single candidate, the opposition could probably have won the polls despite a constitution weighted in Moi’s favour.

He may face as many as six separate candidates, all with narrowly ethnic constituencies, none with a national vision. Unless the opposition pulls off a miracle, its defeat seems certain.

But given the level of public discontent, the absence of a charismatic leader to polarise and channel protest carries its own dangers.

Analysts warn that Kenya could fall prey to bouts of random violence, with Kalenjin people and Asians as favourite victims. Britons could also become targets.

Significantly, recent demonstrations have been characterised by a swift descent into looting and thuggishness not seen during previous pro-reform protests.

Kenya’s long-standing image as a peaceful democracy has been so beguiling that its descent into the African cliché of riot-prone, crime-ridden hotspots would deal a big blow to confidence in the continent as a whole. Diplomats have started holding regular meetings with the presidency to press for compromise.

“It is already too late for far-reaching constitutional reforms,” says a diplomat. “But if Moi could just send out signals he is seriously willing to engage in real reform after the elections, maybe we could cool the temperature.”

The suggestion elicits a laugh from Njoroge: “You know our president as well as I do. Does compromise seem likely?” —Financial Times
Students seize Kenyan
highway in brief protest

The image contains text in English and some partially readable content, but the text is not fully legible due to the quality of the image. The text appears to be discussing a protest or a situation involving students seizing a highway. The exact details and context are not clear due to the image quality.
Businessmen in Kenya beg for dialogue

Manoah Esipisu

Nairobi — Kenyan business leaders are urging dialogue between opposition groups and the government to end a stalemate over constitutional reforms and help restore confidence in an emerging economy.

"Confidence is a very fragile thing. Any kind of instability hurts investor confidence. Dialogue is the key word," said Micah Cheserem, the governor of the Central Bank of Kenya.

"The main test for Kenya is that the nation holds together — to give confidence that this is a good place to invest," said Chris Kirubi, a leading businessman with interests ranging from real estate to cosmetics manufacturing and express mail delivery.

Kirubi said the main test for Kenya was that the nation held together to give investors confidence that it was a good place in which to invest.

Nine people died in strikes last Monday when opposition groups called rallies to put pressure on President Daniel arap Moi to institute reforms before general elections due later this year. They defied Moi's order which bans demonstrations.

On Friday, the Kenyan shilling recouped heavy losses following the strikes, after the Central Bank had unloaded $39 million to counter an outflow of cash.

One commercial bank bid 61.30 shillings (R4.79) to the dollar early on Friday; adjusted its offer to 58.69 shillings at the day's close.

Cheserem said the central bank was standing by to meet any demand yesterday, but indications were that pressure on the foreign exchange market was easing.

"The president must listen to the people. The government won praise for major economic reforms after the 1992 elections. A perception that the question of political reforms will drag on reduces confidence in the system," said Betty Mana, the executive director at the independent Institute of Economic Affairs.

At the weekend rally, Moi hinted he was prepared to discuss opposition demands with key organisations in his ruling Kanu party, but did not fix a date for such discussions. No date for elections has yet been set.

Kirubi, who has close links with Kenya's leadership, said the government was "prepared to make sure the situation does not deteriorate". He anticipated "that would calm markets".

Kirubi said Kenya's leading foreign exchange earner, tourism, faced a threat because "tourists only go to places where there is peace".

In addition, Kenya's top commodity exports, tea and coffee, were threatened by unfavourable weather, he said.

He said business was ready to expand manufacturing and create jobs because unemployment was one of Kenya's biggest problems.

Some 46 percent of Kenya's population of 29 million people live below the poverty line and income a head is $283, according to official statistics — Reuters
Kenyan police shoot at student rioters

16/11/2017
Pressure: Motives to devise reform pressure

Kenyan President gives first information that he is willing to consider reforms to the country's constitution.

After 16/1/97

PRESSEUDE MOLIRES TO DELUSE REFORM PRESSURE
KENYAN President Daniel arap Moi gave a Kenyan church delegation an undertaking on Tuesday that he was willing to initiate constitutional changes to bring about democracy in his country, Kenyan Bishop David Gitari, who is visiting SA, said yesterday.

Gitari is one of the bishops attending the All Africa Primate conference hosted by SA Anglican Archbishop Ndungane.

The aim of the conference is to caution and plan policy positions on issues of interest to Anglican church leaders in Africa.

Gitari, who arrived in SA on Tuesday after meeting Arap Moi, left Kenya amid student uprisings which left 11 dead and scores injured. The uprisings led to the closure of some institutions.

He said the situation in Kenya was tense and blamed the lack of democracy and Arap-Moi's refusal to accept changes as the cause of civil disobedience and rioting.

Gitari said his two-hour meeting with Arap Moi had ended on a promising note, with the latter pledging to call the National Delegates Convention of the ruling party before the next elections, which are due this year.

He said Arap Moi had previously been refusing to amend the constitution before elections are held.

Gitari said the major problems with the constitution were, firstly, that the election of the president was determined by 25% votes in five of the seven provinces. Kenyans want to change that to 51% of national votes.

The second problem was that the state media was not accessible to all parties. It was the ruling Kenya African National Union party’s tool.

He said Kenyans wanted the Public Assemblies Act changed because the constitution did not allow for freedom of association. Opposition parties could not hold rallies without permission from the provincial administrator.

Gitari said although they could not get the date when Arap Moi would change the constitution, the promised meeting of the national delegates was a step in the right direction.
KENYA

Moi firm as country slides

Opposition grows in face of economic and political decline.

Predictions of the imminent demise of Kenya’s President Daniel arap Moi may be based more on wish than reality. Even if the increasingly authoritarian Moi accedes to demands for constitutional reform ahead of elections due by December, the opposition parties are so divided that the man who has ruled Kenya for almost 20 years will probably emerge victorious at the polls, as he did in 1992.

But the possibility that retired Anglican bishop John Okuli, as he says “may succumb to pressure from the masses” and run for president, introduces a new factor in the groundswell against Moi. The last leader with cross-ethnic appeal was opposition leader Oginga Odinga, who died in 1994.

Kenya appears to be sliding deeper into economic and social decline, as government crackdowns fail to quell the protests.

Despite government’s acceptance in 1986 of the need for economic reforms and a policy of industrialisation, there were “grave lapses in monetary and budgetary discipline” in 1992, which sent consumer prices and interest rates soaring, says The Economist Intelligence Unit.

Until 1990 real GDP growth of 4% was sufficient to boost individual incomes, but it fell well below the rate of population growth in 1991-1993 at 0.9%. Drought and a short-lived donor freeze aggravated the slide. In 1994 real GDP grew 3%, in 1995 it was 4.6%, falling to 4% last year.

The ongoing security crackdown has strengthened the belief among many Kenyans that Moi himself is the problem and must go. But a popular, violent uprising to the overthrow of Moi — a la Laurent Kabila’s triumph in former Zaire — seems unlikely, analysts say.

The harshness of government’s reaction to the pro-democracy protests has amplified the clamour for constitutional change by all opposition parties, none of which stands a chance of coming to power under present rules. To make it fair for all, they say, several laws must be scrapped.

Chief among them is the Public Order Act, in terms of which a licence is required for public meetings of more than 20 people. Under this law, the rallies in various towns on July 7 — in which at least 13 people were killed, apparently as a result of police action — were illegal, says the Kenyan High Commission in Pretoria.

“The situation is under control,” it adds. “It’s an election year and elections generate a lot of heat. It’s nothing to panic about.”

The opposition, meanwhile, wants the constitutional provisions for elections changed so that the winner of at least 51% of the total national vote can become president. Currently, the successful candidate must draw at least 25% of his votes from at least five of Kenya’s eight provinces.

Other laws governing the registration of political parties, the holding of public meetings and allowing detention without trial are widely considered inimical to multiparty democracy.

Opposition parties also want the polls to be conducted by an independent electoral commission and not by Moi’s ruling Kenya African National Union (KANU), which they say enjoys unfair advantages in access to the media, security services and government funding.

Moi rebuffed these demands last year, saying there was “not enough time to make the changes before the election.”

“He hasn’t rejected them outright,” says the Africa Institute’s Kenneth Kotele, “but the way he unleashed his security forces last week indicates his answer.”

A year ago protests, mainly by students, were stamped out by the police. But this time the protests are more widespread. If the police maintain their hard line, Kotele says, the opposition parties could boycott the election.

“Possibly, this is what Moi wants,” he says. “He calls them tribalists who are unable to organise themselves but they have at least been able to unite around the call for constitutional reforms.”

Moi himself has packed the top jobs in the army, government and civil service with members of his minority Kalenjin tribe.

He became president in 1978, after Jomo Kenyatta died, and in 1982 made Kenya a one-party state. After protests and donors’ threat of an aid freeze in 1993, opposition parties were permitted to register. But despite support, they failed to defeat Moi in 1992.

Amar Nath Singh
Moi grants foes rally permits

NAIROBI - Kenya’s President Daniel arap Moi has made a second concession to the opposition ahead of elections due this year by announcing that henceforth all public rallies will be licensed automatically.

Moi said only in special circumstances will permits be denied, and a reason for denial would be immediate, the Daily Nation newspaper reported yesterday. Denying rally permits to opposition parties while granting them to ruling KANU party officials has been common practice over the past several years, and caused bitter resentment by opposition leaders and supporters who charged the government was not allowing free and fair electioneering.

Moi’s concession came a day after he also opened dialogue with church leaders and the opposition over constitutional reform. He has promised to meet leaders of all opposition parties next week for more in-depth talks.

Several weeks of protests culminated in violent clashes between demonstrators and police on July 7 leaving at least 10 dead.

With growing domestic and foreign pressure, Moi agreed to relax his hardline stance in what analysts see as a move to ease political tension in the run-up to elections. - Sapa-DPA
Kenya’s ‘settlers’ running the gauntlet as politicians look for election ammunition

By CHANDER MEHRA
INDEPENDENT FOREIGN SERVICE

Nairobi — Asians, Europeans and Arabs who have settled in Nairobi are being targeted in Kenya by opposition political leaders in the runup to elections planned for the end of the year.

In a recent interview, Martin Shikuku, a former Assistant Minister in Daniel Arap Moi’s government urged Asians, Europeans and Arabs who have settled in Kenya to mend their ways if the want any future in the country.

“That is the ugly truth,” he said, adding that the present generation of Africans had tolerated the Asians but “our sons will not do so if they fail to change.”

Election time is usually unnerving for people of Indian and Pakistani origin in Kenya. Populist opposition politicians tend to make harsh statements against the “Asians” which largely focus on a minority “dominating” the economy in collusion with powerful elements in the ruling Kenya African National Union (KANU).

Although such claims are hardly ever substantiated, they do tend to incite the impoverished masses.

Shikuku, referred to as the stormy petrel of Kenyan politics, continued: “I do not hate the Asians. I hate anybody who dominates the economy.”

He is generally regarded as a spokesman for the anti-immigrant lobby, is disliked by Indians and Europeans alike, and is said to be popular with a section of Africans, possibly some say, because of his “habitual” strong anti-Asian statements.

“The war is on for economic independence. This will be and must be achieved. Racial or non-racial, rational or irrational, it must be won,” he said.

“They say the Indian has worked very hard. Give the devil his due. But who has made him what he is? The black man, who sweeps his toilet, carries his bag of wheat; the black man works and the Indian enjoys,” he said.

Rumours

In Kenya, however, the current Asian population is less than 50,000 from a peak of 177,000 at the time of Independence in 1963.

“If such incendiary statements continue, many more will depart and that will worsen the already turgid economic situation,” said a Western diplomat.

The Kenyan government, like any other in the world, does not want the country’s economy to be seen to be dominated by a minority – tribal, racial, traditionally local or Kenyan by adoption or domicile.

Mot has often chided some Africans for blaming their failures on Asians and has at times even accused “cooks in Asian homes” of spreading baseless rumours about their employers.

But “a healthy business world is one free of domination by any grouping, whether tribal, ethnic or religious,” he said.

As far as the government is concerned, the Asians are not discriminated against.

One-time very powerful cabinet minister Charles Njonjo – once retired from politics – says people like Shikuku make baseless statements without substance.

“For every Shikuku, there are five Africans who believe the Asians are making a positive contribution to the economy. They did not become rich overnight as if money had dropped from heaven.”

He cited the examples of many individuals who worked their way up from small beginnings at the turn of the century.

“Some of them went into the most inaccessible parts, trekking through some of the most treacherous jungles, and established small businesses.”

But there remains an undercurrent of resentment against Asians’ apparent influence.

“They have the best houses, the best cars, the best businesses and industries and the best jobs,” wrote the editor of a major newspaper recently.
ured Moi tries to defuse reform pressure

from taking place if the reforms are not enacted.

Moi has ruled Kenya with an iron fist since 1982. The apparent clampdown came barely a week after he was widely criticized locally and internationally for ordering anti-riot police to violently break up rallies called by reformists in seven Kenyan towns to demand reforms.

A total of 22 countries, including the United States and Japan, have pressed Moi to make reforms.

The past week of violent turmoil has also led to a rush for US dollars, prompting Mika Chereny, the governor of the Central Bank of Kenya, to plead with all political parties to discuss the reforms to avoid scaring away foreign investors.

The reformists want a change of laws dating from British colonial rule which they say are unconstitutional and favor Moi's ruling Kenya African National Union Party, which has ruled Kenya since the country's independence from Britain in 1963.

At least nine people were killed when police broke up the rallies last Monday and at one time police fired tear gas canisters into Nairobi's All Saints Cathedral and clubbed demonstrators who had sought refuge there.

Since then, anti-riot police have clashed with university students demonstrating both for reforms and against a proposed law that would make university education more expensive.

Last Wednesday, the University of Nairobi, Kenya's University of Agri- culture and Technology were closed after students clashed with anti-riot police.

Violent clashes between police and Kenya Polytechnic students followed in Nairobi.

There has been no mention of a meeting between Moi and leaders of half a dozen political parties who have announced plans to seek the presidency in the general election.
DESpite the promises made by President Daniel arap Moi to accommodate increasing-ly strident demands for political reform, Kenyans this week felt the shadows of 1990 fall upon them. In that year thousands rose up in rebellion against the ruling party’s monopoly of political power. The Kenya African National Union had become exclusivist and dictatorial and, in response to the unrest at that time, Moi promised to introduce constitutional reforms.

It seemed to work. The people were placated and Moi went on to win the 1992 elections, beating a divided opposition under a constitution which diluted, but retained, his dictatorial powers.

With general elections expected to be held later this year, the party and its leaders have yet to deliver on their renewed assurances of constitutional reform and this time their opponents are far less likely to be placated by promises they expect to be broken.

As late as New Year’s eve 1994, Moi, in his address to the nation, said there would be constitutional reform in place for this year’s elections, even though party stalwarts insisted that non-party activists would not be allowed to participate in the debate on reforms.

Matters have been so delayed that even the National Convention Executive Committee, which groups opposition and government leaders, now agrees there is no time before the general election for comprehensive constitutional reform.

Nevertheless it has insisted on “minimal” changes to be introduced as a prerequisite for free and fair elections.

If the KANU-dominated parliament agrees and enacts a proposed reform bill, the repeal of 11 laws identified by the opposition would reduce the power of Moi — 73 and in power for 19 years — before presidential and parliamentary polls. Legislation to be repealed or amended includes the Public Order Act, the Preservation of Public Security Act providing for detention without trial and the Societies Act, under which all political parties must be registered.

The government and KANU, however, now insist that the constitution cannot be changed piecemeal and that any changes — including the “minimal” ones — must be postponed until after the election.

In the face of this stubbornness, opposition parties, non-governmental organisations and church-based groups formed the coalition for change upped the ante by organising rallies in defiance of the Public Order Act, which requires that activists seek licences for such gatherings.

The government reacted in typical knee-jerk fashion, outlawing the gatherings.

Opposition politicians and activists, however, grew defiant and headed for the Kamukunji grounds, the venue used by nationalists in the 50s and 60s to address rallies when agitating for independence from British colonial rule.

The police used force to disperse crowds and stop people from assembling at the venue.

Another rally called for Central Park in downtown Nairobi, next door to such landmarks as the Intercontinental, Grand Regency and Serena hotels, parliament building and the University of Nairobi, was aimed as a tactic to embarrass the Moi government in front of the country’s for-
Kenya’s promised reforms broken by policemen’s batons

July 7 becomes a date with destiny for an electorate betrayed

Kamukunji to press for political reform. They were arrested and detained without trial and conceded to government demands to retract their call for the rally. Mwanza nonetheless turned up in their thousands and engaged police in running battles in which nine people were killed.

Since then the reform lobby has designated July 7 as its version of South Africa’s June 16 Soweto day and used it as a rallying point.

This year on July 7, police stormed the Anglican All Saints Cathedral and broke up the service called there.

Western missions in Nairobi were aghast and the shuffling took a beating as it dropped by six percent in the aftermath of the riots, forcing the governor of the Central Bank, Mickey Cherera, to go on TV to assure investors that this was a temporary slide and that matters would change.

However, even Cherera joined the calls for dialogue as it became evident that there could be a flight of capital as visitors cancelled bookings and inflation increased.

But by Friday, leaders of the reform campaign were unconvinced by Kanu’s moves to meet their demands and said they would stick to their crusade for change.

“There is nothing I have seen so far that convinces me (the government’s) commitment is genuine,” opposition politician Richard Leakey said.

“We must see what is brought to parliament next week,” added Leakey, secretary-general of the unregistered Safina Party and a world-renowned paleontologist.

The constitutional review would be completed after the polls.

“I am apprehensive Kanu is trying to stem the crisis but not to change genuinely,” said Reverend Timothy Njorah, a Presbyterian cleric whose arm was broken in clashes between riot police and demonstrators earlier this month.

“We don’t want (Kanu) to represent himself as the reformist. But if we welcome it, it is a change of heart,” he said.

But the confusion generated by Kanu appeared to have had the opposite effect. The convention executive committee minutes after the time set by the reform movement for the start of an open-air prayer service in a Nairobi park on Friday, only a few people had gathered.

The July 7 clashes were followed by student unrest, prompting tourist cancellations and a crisis of confidence among investors. Tourism is Kenya’s main foreign exchange earner.

Kanu’s proposals were announced after the committee called for a series of new “mass actions” including a rally on Saturday in Kenya’s second city Mombasa, the centre of its coast tourism industry, and a nationwide general strike and sit-in on August 8.

Members of Kanu’s national executive council went beyond a statement issued after Thursday’s meeting which made proposals and said that they were meeting opposition demands for reform.

“They asked for so-called minimum constitutional (political) reforms. We have only agreed to these, but have also proposed that comprehensive reforms be amended,” said Nicholas Biwott, a government minister of state.
Kenya still in shock after rioting

Dar es Salaam — The Nairobi Stock Exchange (NSE) is struggling to recover from the effects of the political violence of July 7 and the rippling aftermath which saw the bourse slump to its lowest level in more than a year.

The shilling, which was battered to a 6 percent depreciation in three days of chaos, rallied to around 57.50 to the dollar a week later from a low of 61.50.

A dozen people were killed in the turmoil linked to an opposition campaign aimed at forcing a stubborn President Daniel arap Moi to accede to constitutional reforms before general elections later this year.

Although Moi now appears to be softening, the economic shock could take a longer time to recover.

During the mayhem, banking and investment transactions estimated at millions of dollars stalled, while manufacturing, retail trade and transportation remained paralysed for three days.

At the NSE, most foreign investors instructed their brokers to defer commitments.

The majority of foreign investors in Kenya go for short-term investment because of the country's high debt and stock returns.

However, such investment is often prone to market sensitivities. "Returns from the bourse here are as high as 25 percent, and no investors will make speedy decisions," one broker said. "They will wait for fresh instructions."

In June, the daily turnover at the NSE averaged around $85 million. But during the week of the chaos it dropped to between $5 and $7 million. Tour operators have reported cancellations of visits booked for July.

Economic analysts fear the shilling's slump will trigger inflation beyond single-digit levels and affect the economic growth projections of 4 percent envisaged for this year — Independent Foreign Service
Students trickle back in Kenya
(169) CT 22/7/97
NAIROBI. Students at universities in Kenya that closed two weeks ago trickled back yesterday after the government defused a violent political crisis by promising reforms demanded by the opposition.

Final-year students at the University of Nairobi and at Jomo Kenyatta University to the north were asked to report back yesterday and other students were called for staggered returns over the next week.

The two universities, with 25,000 students, were closed two weeks ago during clashes with police to press the government for political reforms before elections this year.

At least nine people were killed in Kenya on July 7 when riot police broke up demonstrations called by an alliance of opposition-backed groups demanding constitutional reforms.

After the worst political unrest in Kenya in seven years, the ruling Kenya African National Union party led by President Daniel arap Moi, offered its own package of reforms and a constitutional review, which would end after the polls. — Sapa
Kenya calmer but reform still on agenda

Nairobi - Students from Kenyan universities, which closed two weeks ago, trickled back yesterday after the government defused a political crisis by promising reforms demanded by the opposition.

Following the worst political unrest in Kenya in seven years, the ruling Kenya African National Union (KANU) led by President Moi offered its own package of reforms and a constitutional review.

Attorney-General Amos Wako said he had begun work on draft legislation which would be ready in two weeks. One bill would repeal or amend 11 laws that the opposition says are oppressive.

However, leaders in an opposition alliance, known as the National Convention Executive Committee (NCEC), campaigning for reforms before a general election, hit out at Wako for starting to draft legislation without consulting them.

Moi has agreed to meet opposition leaders this week to discuss reforms. But opposition parties are divided over whether to attend the talks, with some parties demanding a comprehensive dialogue including, but not led by Moi.

The NCEC said protests scheduled for the rest of July and August will go ahead.

Reuters
Kenyan students return to campus

NAIROBI — Students from universities in Kenya which had closed two weeks ago trickled back yesterday after the government defused a violent political crisis by promising reforms demanded by the opposition.

Final year students at the University of Nairobi and at Jomo Kenyatta University to the north were asked to report back yesterday and other students were called for staggered returns over the next week. The two universities had 26,000 students and were closed by authorities two weeks ago during clashes with police to press the government for political reforms before elections this year.

At least nine people were killed in Kenya on July 7 during a day of not police breaking up demonstrations called by an alliance of opposition-backed groups demanding constitutional reforms.

Following the worst political unrest in Kenya in seven years, the ruling Kenya African National Union (Kamu) party led by President Daniel Arap Moi offered its own package of reforms and a constitutional review, which would end after the polls.

Attorney-General Amos Wako said on Friday he had begun work on draft legislation which would be ready in two weeks. One bill would give the president powers to appoint a commission to review the entire constitution, he said.

The second would repeal or amend 11 laws the opposition says are oppressive. The bills would be presented to the cabinet for approval before being tabled in parliament, Wako said.

Leaders in an opposition-backed alliance, known as the National Convention Executive Committee (NCEC), campaigning for reforms before a general election, hit out on Sunday at Wako for starting to draft legislation without consulting them at all.

Moi agreed last week to meet opposition leaders this week to discuss reforms but opposition parties are divided over whether to attend the talks.

The NCEC says protests scheduled for the rest of July and August will go ahead, starting with a day of prayer at Kenya's Indian Ocean port of Mombasa on Thursday and a rally on Friday.

It is unclear how much Moi's move will draw support for the alliance of opposition parties, human rights groups and other bodies demanding reforms before presidential and parliamentary polls. — Reuters
How deep will Moi’s reforms run?

Judging by his failure to deliver on past promises, Kenya’s president will no longer find many willing believers, writes Stephen Buckley from Nairobi.

A series of dramatic moves last week by Kenya’s government gave the appearance that President Daniel arap Moi is backing down in the face of protests for constitutional and other legal reforms. But opposition activists and politicians say that the government’s new enthusiasm for reform stems from a desire to strangle, not strengthen, calls for change.

Moi, in power since 1978, met with prominent clergy, promised to meet opposition leaders this week, agreed to ease tough laws concerning public rallies and said he plans to create a commission on constitutional reform.

The actions “are welcome, but they are piecemeal and half-baked,” said the Reverend Timothy Nyaya, a Presbyterian minister at the forefront of the reform movement. “They are still not dealing with the presidency. As long as he maintains the kind of power that he does, changing of laws does not matter.”

Moi, who is happy to engage in political maneuvering and manipulation that makes it hard to determine whether he truly has embraced constitutional reforms, has long been a master of subverting the opposition with just enough concessions to cool protests and tamp down the dangers of foreign investors and diplomats.

Moi has, for example, declared support for constitutional reforms before. In 1995, he promised a thorough review of the country’s governing document, only to change his mind months later.

Such memories are seared into the collective psyche of the reform movement, and its leaders say they are determined not to be so easily pacified this time.

Nonetheless, Moi’s opponents express fear that his actions this week will soothe public enthusiasm for protests planned throughout the country in the next month. The demonstrations, including a national strike and a day of prayer, will follow a series of protests that have resulted in at least 11 deaths, as security forces have put down the unrest with sometimes brutal force.

In addition, reform movement leaders stepped up their call last week to disrupt elections to be held this year. They said they plan to ensure that even if a vote occurs, the turnout will be too low to make it legitimate.

Moi is “trying to make the protests meaningless,” said Richard Leakey, the famed paleontologist and conservationist who has become a leading political activist in Kenya during the past two years. “It’s going to be tough for the reform movement to figure out how not to lose the initiative.

Concerning Moi’s proposed reforms, he added: “I don’t think it’s an entire sham. The question is just how deep it goes.”
KENYA'S CONSTITUTIONAL REFORM TALKS STALL

NAIROBI - Negotiations on constitutional reform in Kenya in the wake of political violence stalled yesterday as the government party ruled out discussions with a pro-reform lobby.

Its leaders paid a call on President Daniel Arap Moi on Wednesday to present pre-election demands, but found the president was not there to receive them, and ended up leaving their documents with his cabinet secretary.

Joseph Kamotho, the secretary general of the ruling Kenya African National Union (Kanu), said his party would not "abandon its responsibility or delegate it to non-elected bodies".

Kanu would negotiate only with elected representatives of the people, he said.

The leaders who met cabinet secretary Paree Kandwa urged their followers afterwards to be "extremely peaceful" in the run-up to presidential and parliamentary elections expected late this year, but firebrand Muslim cleric Khalid Balala threatened a "popular uprising".

Opposition members of parliament and civic groups agitating for a more democratic constitution met on Tuesday and resolved that negotiations with the government should be spearheaded by the National Convention Executive Council, which tried to meet Moi on Wednesday. The council groups opposition politicians, non-governmental organisations, and church and youth groups.

Reacting to Kamotho's remarks, Richard Leakey, a renowned paleontologist and conservationist and a leading member of the unregistered Safina party, said Kanu was "totally unable to grasp issues" and described the party as a "political dinosaur".

"Nobody wants to negotiate with Kanu. The National Convention Executive Council would like Kanu to participate as a component of the council in negotiations with the government about constitutional and legal reforms," Leakey said.

"It is essential for everyone to come to terms with the reality, which is that in a multiparty system, the elected president has a constitutional obligation to distance himself from party politics where these impinge on national issues," he said.

The ruling party called on the government last week to introduce a bill during the current parliamentary session that would empower the president to establish a constitutional review commission.

Moi last week promised to meet a delegation of opposition members of parliament this week to discuss constitutional reform.

Kanu's stand followed violent clashes between political demonstrators and riot police which peaked on July 7. Thirteen people were killed and hundreds injured as the unlicensed but initially peaceful protests turned into running battles after police moved in to break them up.

Opposition leaders want reforms introduced fast to ensure that the elections are free and fair, and have threatened to disrupt them if the reforms are not implemented.

Britain announced on Wednesday that it was reviewing its aid to Kenya. International Development Secretary Clare Short told parliament: "We are very worried indeed by the situation in Kenya.

"We are monitoring the situation closely and have indeed been reviewing our aid contributions.

"It would be a tragedy if Kenya were to become more and more repressive and cut off from the rest of the world," she said. "But we cannot tolerate the kind of behaviour that is continuing and continue to give the same sort of contribution and donations that Britain has historically given to Kenya." - Sapa-AFP
Kenya urges SA government to level the playing fields

As more and more SA companies reach out for new markets in East Africa, Kenyan businessmen say they are being left behind.

Since the end of apartheid in 1994, the volume of trade between the two countries has increased by more than 50% to a total of about $240m, but the balance is heavily weighted towards SA.

SA imports to Kenya grew from about R646m in 1994 to R953m last year. Kenyan exports to SA over a similar period improved from R28m to R125m.

More than 100 SA firms, the majority representing SA companies, are now living in Nairobi.

According to the SA high commission, this influx has occurred during the past nine months and is a measure of the success of SA companies in gaining a steady foothold in Kenya. Since its opening in 1994, the high commission has had a trade commissioner tasked with investigating potential opportunities and facilitating access for SA businesses.

Some of the larger firms already established in Kenya include Bell Equipment, Engen, Sappi and Multichoice, with SA Breweries due to enter the lucrative beer market towards the end of the year.

There are large amounts of money invested but most is invested in goods or services for sale. For example, Wemasters, part of BP Investments, imports 24 containers of wine from the Stellenbosch vineyards every year.

So far, however, little SA money has been invested infrastructure, although two large projects indicate a new thrust in that direction.

SA Breweries is spending $40m on a new plant at Thika, about 100km north of Nairobi, and McCormick is investing a further $50m constructing the Fox City shopping mall on the site of the Fox Drive-in cinema on the outskirts of town.

This month 35 companies selling a wide range of goods and services from packaging, wine and glass to financial services, health equipment and furniture joined an SA trade mission to East Africa.

They included the Premier Group, one of the largest blue-chip companies in SA with a turnover of about $3.5bn, and its dairy arm, Bonnita, which operates the largest cheese and milk factories in southern Africa.

But for many Kenyans, the galloping advance from down south is seen more as a threat than an opportunity.

"The South Africans have definitely made a very aggressive entry into our market and it's very much one way at the moment," said Kenyan businessman and economist Robert Shaw.

Over the years, import tariffs and taxes have kept Kenyan coffee, tea and horticultural products out of the SA market.

SA's ongoing policy of reducing tariffs has not moved fast enough for some Kenyan exporters, who have tried to compete and have failed miserably.

According to Kenya's Chamber of Commerce chairman, Kassim Owango, SA still has a controlled economy and should do more to level the playing field.

"We appeal to SA to help us bring up the Kenyan baby at the same pace as you are growing," he urged delegates at this month's trade mission.

The Kenyan government points out the steps it has taken to liberalise the economy and provide an attractive climate for investment. Most import is that licensing requirements have been abolished, except those on certain products restricted for reasons of national security, public health or environment.

Foreign exchange controls have been removed and importers no longer have to apply to the central bank for hard currency.

A recently established export processing zone offers a package of incentives to investors, including tax holidays and duty-free importation of raw materials.

Broader investment by South Africans in Kenya may be a prospect for the future, but for the time being those leading the present trade boom say Kenyans must tighten up and make the most of it.

"Kenya is in a better position now than ever before," said an SA diplomat. "SA is four hours away, price wise it's good and also tariffs are easing. Kenyans are free to compete."
IMF loan at risk after Kenya sacks official

Kenyan president Daniel arap Moi's international credibility has been dented by two new developments, writes Michael Holman and Michela Wrong.

KENYA's relations with the International Monetary Fund (IMF) hung in the balance this week as western donors assessed the implications of government's decision to sack its top customs official, who has played an important role in fighting corruption.

The dismissal of Samuel Chebu, the commissioner for customs and excise, coincided with the publication of an official report which detailed, for the first time, a series of controversial government transactions. Both developments happened last week but details emerged only on Monday and are likely to renew doubts about President Daniel arap Moi's commitment to clean government.

The IMF last week gave Nairobi until tomorrow to take "strong steps" to tackle government graft or see its $220m enhanced structural adjustment facility suspended. This would constitute the first break in relations between the fund and Kenya since 1991.

IMF officials have been awaiting Moi's decision on whether to establish an independent anti-corruption authority with sweeping powers to investigate and prosecute top government officials. Although attorney-general Amos Wako is reportedly drafting a bill to establish such an authority, western diplomats warn that the dismissal of Chebu has dented the President's credibility.

Also hanging over Moi are long-standing donor questions about the transparency of two power contracts as well as doubts about the management of Kenya's inefficient energy sector.

Observers in Nairobi now expect the IMF loan to be suspended. This would damage Kenya's financial standing and lead to reduced aid flows.

Chebu is regarded as a key figure in an IMF-backed campaign to clean up Kenya's graft-ridden port of Mombasa. He lost his job after challenging the importation of 6,000 tons of sugar by a powerful businessman in the city.

The commissioner suspected the consignment, nominally destined for Tanzania and therefore exempt from duty and taxes, was about to be dumped on the Kenyan market - a widespread practice which has undermined the country's sugar industry.

A report in a local business magazine claimed Chebu, who has been transferred to the finance ministry, had been sacked on the instructions of a member of Moi's office.

The official report, compiled by parliament's public accounts committee, focuses on "unconstitutional expenditures" in the 1994/95 financial year, including the purchase of a presidential jet and the building of a new international airport in Moi's rural home town.

Eldoret airport, completed last year in the president's country retreat, about 250km from Nairobi, was built despite strong World Bank opposition at a cost of $49m. The government has always claimed that the airport would handle flower and vegetable exports from central Kenya, but it still remains unused by commercial airline operators.

The committee's report noted that "most of the relevant records have not been made available for audit review." The project was not put out to competitive tender, it said "No details have been seen to indicate how the contractor for the project was identified before the contract was awarded."

The committee also reported that between September 1994 and December 1995 the Kenyan treasury had paid $46.5m for a Fokker presidential jet although "no budgetary provision had been made and approved by parliament." — Financial Times.
Kenya asks IMF to extend aid deadline

NAIROBI — Kenya's finance minister said yesterday the government had asked the International Monetary Fund (IMF) to extend a deadline for it to fight corruption, or lose a big aid package.

"We asked for extra time and we are waiting for an answer," Finance Minister Musalia Mudavadi said.

The IMF deadline had been due to expire yesterday.

Last month it demanded that the government take action to show its commitment to fight corruption and reform the energy sector.

The Kenyan shilling fell against the dollar and pound yesterday because of market uncertainty. The Nairobi stock market was nervous as foreign investors and local businessmen awaited the IMF verdict expected to be announced in Washington.

The shilling weakened to 58.92 to the US dollar yesterday. The IMF extended a three-year enhanced structural adjustment facility loan, worth $205m in April last year but payments were conditional on Kenya meeting its reform promises.

The last scheduled payment of $36m was delayed by the IMF for a month from June 30, mainly because of concerns about Kenya's handling of the multi billion dollar Goldenberg International financial scandal.

The IMF cited the Kenyan authorities' failure to "take decisive steps to ensure transparency and accountability in the use of public funds and to resolve outstanding energy sector reform". — Reuters
Coffee price fears dispelled

Maja Wallgren

Nairobi — Kenya's drought-affected mild-washed arabica coffee continued to attract high prices while the cup quality remained high, an official of the Coffee Board of Kenya said at the weekend.

"When I saw the effect of the drought in March I was shocked. I expected the cup quality to be very poor," said Simeon Onchere, the board's London-based representative.

"But the quality of the coffee coming from the drought-affected areas has been surprisingly good," Onchere said.

The cup quality was reflected in high prices for Kenya's premium mild-washed arabica coffee, which was selling above average prices on the New York arabica market, he said.

Onchere predicted prices on the coffee auction in Nairobi today would be higher than general expectations, given the competition on the world market for high-quality coffees for the gourmet sector.

"The prices will be better than people expect because the competition is stiff and people are starting to buy the top-quality arabica coffee for Christmas now," Onchere said.

"The premiums are fetching prices above New York. What is going to happen in the next year is that the top-quality end of the market will continue to attract high prices."

Kenya's coffee crop in the 1996-97 season has been badly affected by a severe drought which swept East Africa from late last year to March and which led to huge drops in original crop forecasts.

Kenya produces two coffee crops a year, the main and smaller mid-crop, which is reaching auction markets now.

Onchere said the fly-crop was seen at 20 to 30 percent lower than early predictions, but he was unable to give any figures.

"There is going to be a potential drop of anything between 20 and 30 percent of the fly-crop, but we don't know how much yet," Onchere said.

"The bags are being brought in from the farms, and we will have the final count by the end of September." After the drought this year, coffee production in 1996-97 is now estimated at around 75,000 to 78,000 tons, compared to 97,578 tons in 1995-96 and 96,867 tons in 1994-95.

Coffee stands third behind tourism and tea as a leading foreign exchange earner.
Only gossip safe from state control

The Kenyan government’s rigid grip on the media has hoodwinked the country, writes Michala Wrong

ON Friday night at Nairobi’s Machakos bus station, Kenya’s most independent, if haphazard, news network springs into life. As the thousands of workers board buses for the countryside, they take with them a week’s worth of political gossip.

However sketchy, the stories they feed the people back home will often be the only unbiased information on events that hit a government nerve.

If a new opposition party is launched, a human rights organisation criticises Kenya or donor nations threaten to cut aid, isolated rural communities may only know about it by word of mouth.

Five years after the introduction of a multiparty system, the state’s grip on the media remains rigid.

As a result, free access to the media as a bone of contention between the government and reformers in the run-up to elections is expected this year.

“The majority of Kenyans do not understand what is going on in their own country,” says David Makai of the Media Institute, a non-governmental organisation working for freedom of expression.

“So they cannot participate in debate on the issues of the day.”

“This murky vision is partly the result of a careful licensing regime and the ruling Kanu party’s heavy hand — if you’re present in the media industry.

Illiteracy and poverty levels put the usual sources of uncensored information — satellite and cable television, international radio services and the Internet — out of reach of all but a tiny elite.

In a population of 28 million, there are 40,000 television sets. Given that four people probably have access to each set, that still means only a tiny fraction of Kenyans watch the state-run Kenya Broadcasting Corporation (KBC) and even fewer see the private Kenya Television Network (KTN), available only in Nairobi.

With their rituals opening to most news broadcasts — “his excellency President Daniel arap Moi today,” neither is a bastion of free speech.

When KBC switches to the BBC World Service’s television or KTN hooks up to CNN, the US television news organisation, sensitive items on Kenya are slashed.

Critical journalism is the prerogative of the print media, in the form of the hard-hitting Daily Nation and East African (both owned by the Aga Khan), Economic Review and The People.

However, distribution reaches only the big towns, and readership is confined to a literate, urban public.

As in most African countries, the only medium that reaches every village is the radio, listened to by more than two-thirds of adults. This is where the Kenyan government’s hand is most evident, in the range of vernacular services offered by KBC.

Licensing of potential rivals is very slow. The Media Institute estimates the government is sitting on 103 applications for television broadcasting licences and 43 applications for radio licences. With the exception of the BBC, which recently won permission to broadcast its Swahili and Somali service on FM, the handful passing the test offers the blandest of fare.

The problem has dragged on for so long that members of Kenya’s opposition are playing with the idea of setting up a pirate radio station on a vessel floating in the Indian Ocean.

When criticised by western donors, the government points to the range of nominally independent newspapers, radio and television stations.

However, the reality is that what calls the shots at KTN, for example, was recently made very clear.

When riot police cracked down on demonstrators calling for constitutional reform on July 7, KBC read a government message thanking Kenyans for not joining the protests.

KTN, instead, showed police breaking down doors and clubbing women with children strapped to their backs.

The next day, KTN’s head of news and his deputy were summoned by the board. The dressing-down, which culminated in the two being temporarily suspended, was delivered not at the KTN offices, but at State House — in front of Moi. — Financial Times.
Kenya runs into mounting problems

Maja Wallengren

NAIROBI — The International Monetary Fund’s (IMF’s) recent decision to cancel its loan agreement with Kenya has exacerbated uncertainty about the country’s economy.

Analysts agree that the economy has been declining in recent years, despite having had good potential.

Donors have repeatedly cut or suspended aid programmes to Kenya because of corruption, which they have seen as generating greater losses in some years than the sums contributed via development aid.

Kenya’s aid from the United Nations Development Program was at $597m and $857m in 1992 and 1993 respectively.

President Daniel arap Moi has been facing growing pressure from scared investors — as well as air traffic controllers who entered the fourth day yesterday of a go-slow over pay which has caused chaos at the airports. The airport in Nairobi is considered the hub of east African transport routes and businesses face mounting losses.

The Kenyan shilling also continued to drop in value this week and was at 63.50 to the dollar yesterday, down from 58.90 on Thursday before the IMF decision was announced.

Investor confidence dived and many foreign investors pulled out of the Nairobi Stock Exchange, selling treasury bonds worth 250-million shillings against 13.25-million shillings for the whole of the previous week.

Businessmen complain about the poor state of telephones and roads, and say power cuts and potholes are even common in the capital, Nairobi.

Corruption is another key problem in the country. Last year the Berlin-based group, Transparency International, rated Kenya, Nigeria and Pakistan as the most corrupt places in the world to do business.

However, a senior manager from a big SA company in Kenya said he was hopeful conditions would improve. “From a business point of view you are not thinking too much about elections or immediate problems, you are thinking 10 years into the future, and things have to be better by then.”
Kenya foresees
tougher times
without IMF aid

MANOAH ESPISU

Nairobi—Kenyan executives and
industrial analysts yesterday re-
jected as “nonsense” a cabinet
statement that called for investor
calm and declared that Kenyans
should become self-reliant after the
International Monetary Fund
(IMF) cancelled a key aid package.

“The cabinet is saying that
Kenya can manage on its own
That is very disappointing
Kenyans must prepare for severe
hardships in the next year,” said a
high-ranking corporate executive.

The government gave no spe-
cific proposals on future manage-
ment, but in an apparent appeal to
bilateral donors not to follow the
lead set by the IMF; it said it wel-
comed support from development
partners.

The IMF last Thursday sus-
pended a $235 million three-year
loan, citing concerns over corrup-
tion, highlighting a scandal in-
volved Goldenberg International
to show how authorities were ret-
ient in cracking down on corrup-
tion.

Goldenberg was paid about
$100 million by the government in
1992 under a compensation
scheme for gold and diamond ex-
ports Kenya produces little gold
and no diamonds

The IMF decision severely rat-
ted foreign exchange and equity
markets. On Monday, the shilling
shed with high dollar demand, eas-
ing to close at 63, some 3.25 per-
cent down on Friday’s close.

The World Bank has said it
was studying the situation, but
other bilateral donors have yet to
make their positions clear.

The Kenya Association of Man-
facturers (KAM) and political
and business leaders expressed
disappointment that the cabinet
had not said how it would fight en-
demic corruption.

Manu Chandaria, the chair-
man of KAM, said there were ob-
viously difficult times ahead and
urged the government to return to
the negotiating table with the IMF
as soon as possible to save the
economy from any further batter-

Investor confidence is not
just in the hands of government.
There are many forces that influ-
ence investment, and the Kenyian
government must be seen to take
steps that will help streamline
what was derailed last week,”
Chandaria said.

He said Kenya needed foreign
funds to develop the energy sector
as well as dilapidated infrastruc-
ture. These would be deeply un-
dermined without Western donor
help. — Reuters
Fall in Kenyan output blamed on weather

Kenyan tea production fell by about 26 percent in the first six months of this year compared with the same period last year on account of bad weather, Africa Tea Brokers (ATB), a leading brokerage, said yesterday. 'The cumulative figure for 1997 (January to June) now stands at 96,73 million kg — a decrease of 28 million kg, or 21.99 percent, over the previous year,' ATB said.

The crop figure for June this year was 16,244 million kg, a fall of 1,584 million kg over the same month last year, ATB said.

Although there were "fairly useful" rains in the Nandi and Kericho districts in the latter part of June, most growing areas remained cold and wet, the brokerage said.

It said growth was inhibited and plucking rounds had been reduced. "Currently, with slightly warmer temperatures, leaf workers will show a gradual improvement except in Sotik and both ends of the Rift (Valley) where crops remain very low," ATB said.

Last year, Kenya was the world's leading exporter of black tea. That position is widely expected to be reclaimed by Sri Lanka this year. Kenya's production last year was a record 117 million kg, according to official statistics. — Reuters, Nairobi
IMF ruling 'will not affect Kenya's industry'

The Central Bank of Kenya (CBK) said this week the industry could not be affected by the International Monetary Fund's (IMF) ruling to cancel a huge loan under its soft-lending Enhanced Structural Adjustment Programme. The IMF decision forced the government to tighten belts over fears of long-term damage to the economy.

Warren Mundia, Kenya's finance minister, said he had expected 50 million from the IMF and other donors in this financial year before the IMF halted the loan last Thursday in a row over corruption. But a senior CBK official said the move would not affect the industry as World Bank and European Union support of small farmers would continue.

He said farmers would benefit from a sharp fall in the shilling against the dollar — blamed on investor worries following the IMF decision — because coffee auctions were denominated in dollar terms.

The official, who declined to be named, said a rise in inflation could affect the prices farmers would need to pay for inputs such as fertiliser and chemicals. The World Bank said the week its support for the coffee sector would not be affected by the IMF decision — Reuters, Nairobi.
Angola puts squeeze on Unita

LUANDA — Angola had asked Botswana, Namibia and SA to restrict flights into areas held by opposition former rebel movement Unita, officials said yesterday.

“The Angolan government is talking to the South Africans, the Namibians and Botswanans about stopping flights into Unita areas,” one western diplomat said.

SA embassy officials in Luanda said they were not aware of any Angolan request to SA to restrict flights to Unita zones.

Diplomats and officials close to the peace process have said in recent weeks that the country was drifting toward war as the government and Unita positioned troops and arms around the country.

Unita and the government fought a two-decade civil war that ended when the sides signed a peace treaty in 1994.

Although the former rebels entered a power-sharing agreement with the government in April, Unita still controls vast areas of the countryside.

Last month Unita agreed to a series of United Nations security council proposals including handing over its territory to the government and defining the number of troops still under arms.

But diplomats and officials said the former rebels were showing little inclination to go along with the proposals.

Fuel and arms sanctions are in place against Unita and the security council has threatened sanctions on travel and banking if Unita does not comply.

Most Unita supplies came from the former Zaire before the fall of veteran president Mobutu Sese Seko to Laurent Kabila in May.

Now most flights to Unita areas came from SA, diplomats, military officials and pilots said.

“Most of the cargo flights into Ballunbe, Andulo and Luambo are coming from SA these days,” one contract pilot said, referring to three important Unita cities in the interior.

Officials close to the peace process said the government had indicated in recent days its willingness to give the new sanctions another chance before embarking on a military offensive against Unita.

“They have said they are going to wait and give the sanctions a chance,” an official said. “But they aren't going to wait forever, especially if the sanctions are not working.”

The cumulative figure for 1997 (January to June) season now stands at 36,733-million kg — a decrease of 37.6-million kg or 27.99% over the previous year,” the ATB said.

The crop figure for June 1997 was 16,264-million kg, a fall of 1,634-million kg or 9.13% over the same month in 1996, the brokerage company added.

The ATB said that although there were a few useful rains in the Nandi and Kericho districts in the latter part of June, most growing areas remained cold and wet. It added that growth was inhibited and picking rounds had been reduced.

“With the slightly warmer temperatures, leaf intake will show a gradual improvement except in Sotuk and areas east of the Rift Valley where crops remain very low,” the ATB said.

Last year Kenya was the world's leading exporter of black tea. That position is widely expected to be reclaimed by Sri Lanka this year. Kenya's production in 1996 was a record 287-million kg, according to official statistics — Reuter.
Moi gets ultimatum from reformists

NAIROBI: Advocates of constitutional reform have given President Daniel arap Moi an ultimatum to accept negotiations or face a general strike, a reformist said yesterday.

The ultimatum was handed down late on Tuesday by opposition figures, 22 religious leaders and the executive council of the National Convention Assembly, the umbrella organisation seeking the reforms, assembly official Mr John Munuve said in a telephone interview.

In a report yesterday, the independent Daily Nation said the group had given Moi until noon (0900 GMT) today to agree to negotiations with religious leaders as mediators, otherwise they would go ahead with their call for a nationwide general strike tomorrow.

The reformists want the government to suspend preparations for yet-to-be scheduled general elections pending an agreement on reforms and to withdraw draft legislation the government is proposing as reforms.

If the 73-year-old Moi, who has been in office for 19 years and is seeking a fifth, five-year term, agrees in writing to the proposal, the reformists will abandon plans for the strike.

Calling the strike is the boldest move yet by the reformists since they began agitating for change four months ago. A general strike would be yet another blow to Kenya’s economy — Sapa-AP
Shilling continues slide as Moi faces a general strike

NAIROBI — Kenya's central bank appealed for calm on foreign exchange markets yesterday and intervened to halt the shilling's slide against the dollar as the currency came under new pressure.

The shilling dipped to a commercial average of 67 against the dollar compared to 64.26 at Tuesday's close — a decline of 4.28%, commercial dealers said.

The new losses meant that the shilling had depreciated by 12.6% since the news last Friday that the International Monetary Fund (IMF) had halted a three-year enhanced structural adjustment facility to Kenya following a dispute over corruption.

Central Bank governor Michah Charem urged foreign exchange market players to trade "in an orderly manner so losses arising from the panic and speculative transactions would be minimised."

Commercial dealers said investors had been seriously alarmed by President Daniel arap Moi's comments that Kenyans would have to become self-reliant and that the IMF aid was insignificant compared to Kenya's economy.

Adding to Kenya's woes, advocates of constitutional reform have reportedly given Moi an ultimatum to accept negotiations or face a general strike.

The ultimatum was handed down late on Tuesday by opposition figures, 22 religious leaders and the executive council of the National Convention Assembly, the umbrella organisation seeking the reforms, assembly official John Munuze said.

In a report yesterday, the independent Daily Nation said the group gave Moi until noon today to agree to talks with religious leaders as mediators, otherwise they would go ahead with their call for a nationwide general strike tomorrow. This would include a go-slow by air traffic controllers.

Reformists want the government to suspend preparations for yet-to-be scheduled general elections until agreement on reforms, and to withdraw draft legislation.

Munuze said the group would have preferred that Moi should find out about the ultimatum from them, before it appeared in the press. — Sapa-AP, Reuter.
Kenya cracks down on aliens

Lucy Hannan in Nairobi

Kenyan police are rounding up hundreds of refugees and foreigners after President Daniel arap Moi announced that "foreign spies and criminals" were masquerading as refugees and invading the country.

Buses carrying 123 Burundian, Rwandan, Sudanese and Somali refugees drove under police escort last week to Kakuma camp, more than 800km from Nairobi. Most had spent almost two weeks in police cells - despite having protection letters from the United Nations High Commissioner for Refugees (UNHCR).

One Burundian refugee who stood by the bus to say goodbye to his arrested wife and children said he was sleeping with about 20 other refugees in a church for protection. "The Kenyan government has problems in its own country and wants to turn the focus on us," he said.

A police representative Peter Kusimba, said that about 600 people had been arrested during the last two weeks and being held at Nairobi, Mombasa and Eldoret police stations.

But the number is believed to be much higher. People are being rounded up by the police and immigration officers from all over the country. There have been reports of people being taken to police stations and interrogated.

"Those people are a burden to us and we would like to get rid of them as soon as possible," said Kusimba. Each case would be investigated before a decision was made on what to do, he added.

Peter Kessler, a UNHCR representative, said the agency would help those who wanted to leave. "We will work with the police to make sure that the process is efficient and that the people are treated properly," he said.

Only those who agreed to go to the camps - where conditions are harsh - are being recognised as "legitimate" refugees by the government and UNHCR. While the agency says it must abide by a government mandate, critics accuse it of complicity.

Public protests by Moi and his allies have been a source of frustration for the local police and immigration department. They have accused the operation of secrecy and claim it is being done on orders from "the top.

But a Kenyan lawyer, Kathuri Mwanja, described the operation as "totally illegal." Under the law, illegal aliens should be charged and taken to court within 24 hours. Overcrowding and sanitary conditions in the cells led to numerous legal challenges from international organisations.

At Pangani police station, Kenyan nationals have also been caught up in the swoop, particularly ethnic Somalis. It is claimed that they are being held because they are suspected of being spies or criminals. The police have denied these allegations.

Some of the Rwandan prisoners are middle-class professionals who were linked to the former Rwandan regime. Since 1994, they have resided in Kenya as a sanctuary, with Moi refusing to accept international demands for the extradition of genocide suspects.

That changed when Rwanda's Vice-President and Minister of Defence, General Paul Kagame, visited Moi last month and discussed the issue of fugitives. This apparent rapprochement leaves those who claim persecution few places to hide.

The Kenyan operation began with a crackdown on Rwandans suspected of involvement in the 1994 genocide. On July 15, seven suspects were arrested and handed over to the US international criminal tribunal in Arusha, Tanzania.
KENYA

More headaches for Moi (Fm 8/197)

President's refusal to tackle graft topples financial dominoes

Kenyan President Daniel arap Moi is caught between a rock and a hard place following the International Monetary Fund's cancellation of a US$205m loan package to the country because of government's failure to tackle corruption. Moi's discomfort is easy to understand, says Kenyan academic Rok Ajulu of Rhodes University if he cracks down on corruption to comply with IMF conditions for continued assistance, he will soon implicate senior figures in his ruling coalition, including vice-president George Saitoti and strongman Nicholas Biwott.

If he does nothing, the local currency, which took a knock after the IMF pulled the plug on July 31, will continue to slide. The Kenya Shilling stood at 57 to the US dollar before the protests of July 7, and dropped to 61 on August 4.

Moi slammed the IMF's move as "purely political and lacking economic sense."

The fund had offered Kenya a $205m, three-year loan under its Enhanced Structural Adjustment Facility pending adequate action being taken against corruption.

It was particularly angered by government's handling of the 1992 multimillion dollar Goldenberg International financial scandal. But the final straw seems to have been government's refusal to restate a diligent Customs commissioner who was sacked for refusing to permit a fraudulent sugar consignment. Those implicated in both scandals are "right inside Moi's coalition," says Ajulu.

Finance Minister Musalia Mudavadi admitted days before the July 31 deadline, and after government had drafted an anticorruption Bill meant to satisfy IMF concerns that "losing the money would be a big blow to our economic programme and could affect growth. The opposition was sceptical of the anticorruption Bill.

A day after the IMF acted, a number of foreign investors, who account for between 40% and 50% of bourse business, bailed out of the Nairobi Stock Exchange. One trader was quoted as saying "Now that we've lost the IMF package, many foreign investors are suspending their orders or making cancellations. If foreigners start selling, that could crush the market."

Anupri Singh

FINANCIAL MAIL  AUGUST 8  1997
Stability returns to Kenya shilling

FROM AP-DOW JONES

Nairobi — The Kenyan shilling was stable yesterday following last week’s rapid decline against the dollar, but the Central Bank of Kenya feared the warning by the World Bank to reduce its lending could lead to another plunge.

The shilling traded at 68.30/69.30 a dollar yesterday morning, the same as Friday’s closing, the bank said.

“It is stabilising, but we cannot predict the pattern,” Charles Musawo, a foreign exchange dealer at the bank, said.

Musawo said the latest threat to the shilling’s stability might come from the warning last week by World Bank officials.

The London-based Financial Times reported on Friday that unless Kenya’s government tackled high-level corruption, the World Bank was considering “substantially reducing” aid facilities.

The warning followed a cut-off in a $200 million three-year soft-interest loan to Kenya by the International Monetary Fund. The IMF cited government failure to combat corruption and mismanagement in the energy sector.

Kenya was relying on World Bank funding to renovate its dilapidated road network and to modernise its energy sector.

The Financial Times quoted World Bank officials as saying that in the circumstances it would be impossible to disburse a $13.6 million structural adjustment credit, due this year but already delayed by Kenya’s failure to satisfy conditions dealing with privatisation and energy sector management.

The shilling’s decline since the IMF decision on July 31 has been rapid, with the currency having fallen by 18 percent on Thursday. The fall led to an immediate increase in oil prices and imported consumer goods.
World Bank's wariness knocks Kenyan shilling

NAIROBI — The Kenyan shilling opened at a record low against the dollar after the World Bank said it had delayed paying part of a loan and would find it hard to hand over the money until Kenya addressed concerns about graft.

The shilling was posted at a commercial mean rate of 70.48 to the dollar against Monday's close of 70, representing a 0.69% drop, commercial bank dealers said. The previous official low of 70.26 was touched last Thursday after the International Monetary Fund (IMF) cancelled a key aid package following a row with Kenya over corruption. Before the shilling turmoil last week, the Central Bank of Kenya had listed 68.92 as the official low.

"Judging from the new information, we expect to see further shilling weakening," one dealer said. Others said they expected inflows from the coffee sector to cushion the shilling yesterday but that that would be followed by further depreciation because commercial and foreign investor demand for the dollar remained very heavy.

On Monday, the shilling fell 1.64% from 68.87 as nervous foreign investors pulled out of the market, no longer certain about the country's economic stability after the IMF halted its three-year $2.05bn package on July 31.

Conditions

A World Bank official in Washington, who asked not to be named, said the bank shared the concerns of the IMF, which cancelled the first year of its loan programme complaining that government was not doing enough to stamp out corruption.

The second tranche of the structural adjustment loan had been suspended because policy conditions (on privatisation) had not been met, but we would find it difficult to release the money until the IMF programme is back on track," he said.

He said the Kenyan government had received a first tranche of the loan last year, but the second one, totalling just more than $71m, had not been paid.

Last week, Finance Minister Musalia Mudavadi said the government was considering talks with the IMF over a second year arrangement for the aid, under the soft-lending enhanced structural adjustment facility, but the IMF said such talks would only take off after the issue of graft was dealt with.

President Daniel arap Moi has said that he will fight graft at all levels of the government and all implicated would be probed. But diplomats say the veteran Kenyan leader must stop talking and take some tangible action to be seen to be serious.

Kenya's equity and currency markets have also been hit by investor perception of political instability after spurs of violence in Nairobi and other provincial towns since May 31 when an opposition-backed pro-reform group launched a campaign for constitutional reforms before general elections — Reuters.
Kenyan leaders seek dialogue

NAIROBI — Kenyan leaders have urged political dialogue to end a stalemate after violence rocked the country on the day of a national strike called to press for political reforms.

President Daniel arap Moi answered mounting criticism at the weekend by declaring himself a champion of reform and saying he wanted speedy changes.

Four people, two of them policemen, were killed when a strike called by the opposition-backed National Convention Executive Council turned violent on Friday.

The strike call attracted limited support, but mobs in the capital Nairobi looted shops and set fire to trees in the city centre.

Police responded with threats to "deal firmly" with any dissent.

"The opposition must avoid the tag of prone-to-violence. The party (the ruling Kenya African National Union party) must give up its old inflexible ways and the national dialogue, whose end result will either make or break Kenya as we know it, must get under way," the Sunday Nation newspaper said.

"It is crucial that dialogue, once under way, does not degenerate into a farce and become just one more political circus hanging about Kenyans' most cherished hopes and trampling upon them."

The strike put further pressure on Moi's government, whose reluctance to fight graft led to the cancellation of a key International Monetary Fund (IMF) package and put its August 5 General Election in jeopardy.

The IMF decision rocked Kenya's economy and left foreign currency markets in disarray.

"We cannot continue with this kind of hooliganism and violence. We do not want to see a violent country where anarchy prevails. All interested parties must start constitutional talks immediately to steer Kenyans through this difficult period."

The strike, called by the ruling party and the opposition, is the latest attempt to break the deadlock.

Moi, 73, in power since 1978, has managed to divide the fragile National Convention Executive Council by offering limited constitutional reforms and pledging a full constitutional review after elections.

Moi said late on Friday: "These people called for reform and I accepted. They thought that I would not accept that I am not for change. Now I am a champion of change. They seek other methods to destroy the country. They are bent on anarchy."

Official parliamentary opposition leader Michael Ruto and opposition Ford-African party chairman Kenneth Matiba declared their rejection of the strike and other planned "mass actions".

Wamalwa said he wanted dialogue with Moi.

The National Convention Executive Council denounced on Saturday that it was out to cause anarchy and said it would renew its request to the government to engage in dialogue. Its key leaders include world-renowned palaeontologist Richard Leakey, opposition legislator Paul Muite and leading lawyers Kivutha Kibwana, Willy Mutunga and Gibson Kaura.

They demand constitutional reforms before presidential and parliamentary polls due by December. The election date is yet to be announced.

Attorney-general Amos Wako has published a bill providing for minimal constitutional reforms and another for a commission to carry out a full review of the constitution expected within days.

Mute has rejected the bills as "giving too little too late". He says only a bill drafted jointly by the National Convention Executive Council and Wako would be acceptable.

Mute held a parliamentary majority and anything the government presented to it would be approved, politicians said — Reuters
Kenyan aid crisis affects neighbours

WAMBUI CHEGE

Nairobi: — The belting of an aid package from the International Monetary Fund (IMF) has joined Kenya's thriving markets but has turned into a mixed blessing for the national currencies in neighbouring Tanzania and Uganda.

Currency and equity markets in Kenya, east Africa's economic powerhouse, are still struggling after the July 31 decision to freeze the IMF's $205 million aid package, citing corruption.

Yesterday the shilling sank to a record official low to the dollar of 70.42—a decline of 18.45 percent since July 31.

Foreign currency dealers estimate that just over $100 million has left the country since the IMF move, of which 10 percent was pulled out by local investors seeking a safer place to put their money.

Some of this went to Tanzania, where the Tanzanian shilling had posted daily gains because of surplus of dollars for sale, financial experts said.

But in Uganda, the Ugandan shilling had dropped to its lowest against the dollar this year because of a surge in dollar demand, partly from investors buying dollars to sell in Kenya.

Since the IMF decision on Kenya, the Tanzanian shilling had strengthened 0.809 percent against the dollar while the Ugandan shilling had weakened by a

'World Bank shares the concerns of the IMF about corruption in Kenya'

A Tanzanian dealer said between $3 million and $4 million was trading daily on the inter-bank market, an estimated decrease of up to $12 million a month from the same period six months ago.

Banking sources said unconfirmed estimates of millions of hard currency from Kenya were up to $42 million a week.

The Tanzanian shilling was posted at a commercial mean of 619.7301 to the dollar from 619.8577 on Monday, a 0.02 percent gain. The Ugandan shilling was yesterday unchanged at 1022.9 to the dollar.

At the heart of the shilling's bruising two weeks is a multi-million dollar financial scandal involving a Kenyan company's Goldenberg International, civil servants and businessmen accused by the opposition of being protected because of political links.

The shilling's crisis since the IMF decision worsened yesterday after the World Bank said it was contemplating withholding further aid to Kenya until the country tackled graft.

A World Bank official said on Monday the bank delayed paying part of a loan to Kenya and would find it hard to hand over money until the government dealt with corruption. The official, who asked not to be named, said the bank shared the concerns of the IMF about corruption. — Reuters
Kenya’s Moi: the next ‘Mobutu’?

Cornered Kenya leader’s chances of survival look numbered, reports

Joe Khamisi in Dar es Salaam

World Bank and IMF openly condemn his policies, and the reality is that the once-darling of the West has now degenerated into an international villain.

Added to his political problems are economic woes that appear to worsen daily. The economy, beginning to recover last year, was dealt a blow on August 1 when the IMF announced the suspension of a key aid package that would have supported the budget and propped up the reforms exercise.

Analysts are expressing concern over capital flight which is seen to be partly responsible for the decline of the shilling in the past two weeks. Investors, uncertain about the immediate direction of the East African country, are decamping in hordes. And tourists, backbone of the nation’s foreign exchange reserves, are staying away.

At home, insecurity has intensified. Nairobi is no longer the safe “city in the sun” it was a decade ago. As soon as darkness descends, only prostitutes and their daring customers and street criminals burning bonfires at street corners, remain. Dwinding visitors remain closed in their hotels and residents now barricade themselves behind grilles and burglar bars in their homes.

The once-revered Moi, popularly referred to as Mukufuli (the exalted one) is now publicly ridiculed and called “Mobutu” by pro-reformists, likening him to the former Zairian dictator.

Moi insists Kenya and Zaire have nothing in common and the two cannot be compared. But others think differently. Like Mobutu, Moi is said to be extremely wealthy, although he continues to deny speculation that he too has millions stashed in a myriad of secret overseas bank accounts.

More seriously, many think Moi, in his advanced age, may be abdicating his responsibilities to a small but powerful clique of dethard allies within his Kalenjin tribe. Along with Moi’s immediate family, these associates are said to have benefited immensely from the status quo. They therefore, have a morbid fear of reprisals should Moi exit the scene.

— Star Foreign Service
Police and troops battle armed youths in Kenya

Police today began hunting out suspects

WITNESS: A witness said at a press conference yesterday that they had been informed of a major operation to round up suspects who had been involved in disturbances in the west of Kenya. The witness, who asked not to be named, said that the operation was being carried out in response to a number of incidents in the area. The witness said that the police had been informed of the whereabouts of several suspects and that they were being hunted down. The witness said that the police were well-prepared for the operation and that they had a team of highly trained officers who were well-equipped to deal with any resistance from the suspects. The witness said that the operation was expected to last for several days and that the police had a clear plan of action. The witness said that the police were determined to bring the suspects to justice and that they would not rest until they had achieved their goal.

TYLER (163)

Police and armed youths in Kenya

Police today began hunting out suspects who had been involved in disturbances in the west of Kenya. The police had been informed of the whereabouts of several suspects and that they were being hunted down. The police were well-prepared for the operation and that they had a team of highly trained officers who were well-equipped to deal with any resistance from the suspects. The police were determined to bring the suspects to justice and that they would not rest until they had achieved their goal.

Four youths were arrested on Wednesday in which

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Kenyan police clash with armed youths

Massive hunt launched

Ukunda, Kenya - Police and the crack General Service Unit (GSU) have clashed with armed youths south of Kenya's Indian Ocean city of Mombasa two days after six policemen were killed by unknown attackers.

"GSU and regular police are battling youths in Ngombeni," a witness said yesterday at Ukunda on Kenya's lush south coast, a haven for foreign tourists. Ngombeni is 10 kilometres from Mombasa.

Police reinforcements and the army were being sent to the area, witnesses and security officials said. The fighting cut the main road to Tanzania and all vehicles were turned back.

"A search operation is on in Ngombeni, we are waiting for information," a police spokesman said.

Fighting began as police hunted dozens of attackers who burned down two police stations at Likoni in Mombasa on Wednesday night, killing 15 people, including six policemen.

The well-organised assailants stole police weapons, released prisoners and picked up ordinary civilians.

Witnesses said police were fleeing the Likoni area yesterday and police and the GSU had found some 15 youths, some with gunshot wounds, while combing adjacent areas. Some of the youths were armed with guns suspected to be stolen from police.

Residents in Mombasa said police, army, navy and general service paramilitary units had launched a huge operation to hunt down the killers.

They said the operation, involving hundreds of men, was led by intelligence officers flown in from the capital Nairobi.

Kenyan newspapers reflected confusion among officials and witnesses over the precise identity of the attackers, who were described as well-organised "gangsters" on a night-long rampage.

The assailants burned down a tourist police office and a police station, releasing scores of prisoners and stealing 30 firearms and thousands of rounds of ammunition in the surprise onslaught, which jolted Kenya's security chiefs.

The attack was launched at a time of high political tension in Kenya ahead of a general election later this year.

In an editorial, The Nation headlined: "What's behind this bastardly attack?". The independent Daily Nation newspaper ruled out common criminals and said the main objective was probably to seize arms and deliver the message that they would kill.

It said the Likoni raid was the trickiest security challenge for Kenya since ethnic clashes in the Rift Valley in 1992.

The attack began about 8.30pm when the tourist police post at Likoni was hit. The post is at the landing point of the ferry from Mombasa Island, separated from Likoni by a narrow sea channel.

Minister of State in the Presidency Jackson Kakwezi vowed fast action against the dozens of machete-wielding attackers.

Some witnesses said the attackers were local people taking reprisals against Likoni police for alleged brutality - Reuters
Nairobi's army again renewed in Mombasa
Slasher killings take Mombasa toll to 33

Mombasa - Attackers slashed two Kenyans to death with machetes overnight in a poor district of the port city of Mombasa, witnesses said today.

They said one of those killed was a priest and the other a member of a vigilante group. The killings took the toll in violence on Kenya's coast since last Wednesday to at least 33 dead.

The witnesses said the two were attacked and killed in the Mishi-mbokut district.

Coast police chief Francis Gichuki dismissed the incidents as "pure thuggery." Police said last night had been the quietest since a raid on police posts last Wednesday.

In the Diani beach area, a tourist haven south of Mombasa, witnesses said today a timber workshop and a kiosk selling groceries had been set ablaze overnight, but there were no reported casualties.

Meanwhile, a dozen suspects from five days of mayhem in Mombasa were to appear in court today.

"We are still talking to the main suspects," police spokesman Peter Kemantho said.

President Daniel arap Moi has blamed the violence on opposition leaders fanning tribal hatred ahead of elections this year. Opposition leaders in turn accuse Mr. Moi's ruling party of orchestrating attacks - Reuters
Kenya's politics turn hostile
Asians are packing to leave as

ECONOMIC

(12) 188 | 47
Kenyan violence spreads to coast

forces loyal to the Kenyan regime

where the estimated 20,000 civilians and soldiers are under threat of attack from

a Cambodian regime phase near a marshland border shelter in Cambodia.

A Cambodian regime phase near a marshland border shelter in Cambodia.

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A Cambodian regime phase near a marshland border shelter in Cambodia.
Finger pointing as 'political thuggery' hits Kenya

Mombasa - Kenya's government and opposition are blaming each other for violence on the Indian Ocean coast that has left 37 dead ahead of a general election this year.

One senior legal expert, while agreeing that politics underpinned the violence, said police treatment of suspects would provide clues to which side was responsible.

"It is pure political thuggery and if it is allowed to go on it will bring down Mombasa which is very much tourist-centred," said Gikandi Ngubu, a Mombasa lawyer and the chairman of the Law Society of Kenya Coast.

Seven days of violence on the coast, centre of Kenya's top foreign currency earner tourism, have shaken the country where President Daniel arap Moi (73), in dictatorial power since 1978, faces elections later this year.

No date has been set for the elections, which threaten to bring more violence.

The violence, which has further tarnished Kenya's international image, comes hard on the heels of protests by an opposition-backed group pressing for constitutional reform that have left at least 12 dead after clashes with police.

An estimated 375 curio stalls were burned at Malindi, north of Mombasa yesterday in the first attack on a tourist site.

No tourists have been hurt but foreigners have been told by their governments to avoid troublespots and the United States has warned Americans against going to the coast.

Moi, speaking in Nairobi, said the country had been "pushed to the wall" and blamed the opposition for creating the chaos - Reuters.
Violence in Kenya hits tourist centre

MALINDI—Two people were killed on Kenya's coast early yesterday and fire destroyed more than 300 curio stalls in a resort as a week of violence hit a tourist area for the first time.

The destruction of the stalls was also the first time unrest reached as far as Malindi, 120km north of Mombasa, the centre of attacks and violence in which at least 37 people have been killed since last Wednesday.

On the Malindi beachfront, stallholders wept as they sifted through the charred remains of about 375 stalls, salvaging some blackened trinkets.

"Someone saw people come with a jerrycan of petrol which they sprayed on the stalls before lighting them," stallholder David Kanyakenga said.

"This was the start of the high season and what we make now helps us through the hard times later," said Joyce Aduma, picking up stone chess pieces from what was left of her stall.

Residents said the blaze began at about midnight but no one was hurt. They said that the site was owned by the town council, which wanted the stall owners to move so it could be sold to a developer.

Most civilian casualties since last Wednesday were Kenyans from outside the Indian Ocean coastal region. Handwritten pamphlets have called for them to be driven out by natives.

Hasan Haji, deputy commissioner of the coast province, said police believed the arson was "a criminal act" by people taking advantage of the violence around Mombasa.

No tourists have been injured in the unrest, but foreigners have been told to avoid trouble spots.

In Mombasa, Haji said 150 people armed with bows and arrows and G-3 and AK-47 assault rifles attacked a seven-man police patrol in Mtwapa just north of Mombasa early yesterday. In an exchange of fire police shot dead one person.

He said vigilantes killed a man in Kitaruma when he tried to torch a house. Five people were slashed with machetes when thugs burned three homes and attacked residents.

In the capital Nairobi, President Daniel arap Moi warned Kenyans yesterday against tribalism, saying the country had been "pushed to the wall" but Kenyans knew it was unlike Rwanda and Burundi, which were destroyed by ethnic hatred.

Mo's government and the opposition, heading for elections later this year which threaten to bring more trouble, have blamed each other for the string of brutal attacks on the coast.

Haji said anything that threatened tourism was a threat to most Kenyans. The industry is the country's top employer and foreign currency earner, bringing in $465m last year. Meanwhile, tourist officials said cancellations were picking up — Reuters.
Kenyan violence strikes tourist site

MALINDI, Kenya: Two people were killed on Kenya’s coast early yesterday and fire destroyed more than 300 curio stalls in a resort as a week of violence hit a tourist site for the first time.

The destruction of the stalls was also the first time unrest reached as far as Malindi, 120km north of Mombasa city, the centre of attacks and violence in which at least 37 people have been killed since last Wednesday.

On the Malindi beachfront, stall-holders from tribal areas deep in Kenya wept as they sifted through the charred remains of an estimated 375 stalls, salvaging some blackened trunks.

"Someone saw people come with a jerrycan of petrol which they sprayed on the kiosks before setting them alight," stall-holder Mr David Kenyakenga said. "We had not received any direct threats here."

"This was the start of the high season and what we make now helps us through the hard times later," said Ms Joyce Atuma, picking up stone chess pieces from what was left of her stall.

"I am going back to my land in Kieni (in western Kenya) I have no other choice," she said before bursting into tears.

Residents said the blaze began about midnight, but no one was hurt. They said the site was owned by the town council, which wanted the stallholders to move so it could be sold to a developer.

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In Mombasa, Hajj said, 150 people armed with bows and arrows and G-3 and AK-47 assault rifles attacked a seven-man police patrol in Mtwapa just north of the Indian Ocean port city early yesterday in an exchange of fire, police shot one person dead.

Haji also said that early yesterday vigilantes killed a man in Kitaruni, 9km north of Mombasa, when he tried to set fire to a house — Reuter
Fears that Kenyan chaos may spread

Orgy of killing, looting and arson as Moi continues to reject constitutional reform

BY JOE KHAMISI
Star Foreign Service, Nairobi

The next few months preceding the general election in Kenya will determine whether or not President Daniel Arap Moi’s government survives.

During the past week tourists along the Diani beaches have been stranded and unable to leave hotel grounds after an orgy of killing and violence.

Thousands of people are fleeing the trouble spots, leaving some localities looking like ghost towns.

Political observers fear the killings and arson around the coastal holiday resorts could be the beginning of widespread chaos.

Presidential and parliamentary polls must be held before December 31. Since May 31, 56 people have been killed in political and tribal violence that has rocked the capital Nairobi and the country’s second largest town Mombasa as Moi continues to dismiss opposition demands for constitutional changes.

On August 18, a gang of 500 stormed the southern suburbs of Mombasa at night, killed six policemen, burnt their offices and took 50 guns and 5,000 rounds of ammunition.

In the days that followed, more policemen and civilians were murdered. Moi had to call in a combined force from the army, the navy and a special para-military General Service Unit and regular police to track down the attackers.

Similar attacks were reported in the northern suburbs where many people lost their lives and property and business premises were burnt down. Dozens of suspects, including some politicians, have been arrested.

Initially, the government treated the violence as acts of criminal thuggery, but with leaflets circulating in the town from a hitherto unknown local political group calling for war against non-indigenous ethnic groups, the situation has increasingly taken on a political basis.

Compared with the rest of the people, the Mijikenda tribes of the Kenya coast appear to have suffered most in the wave of land scandals that started during the rule of Jomo Kenyatta.

Over the years, the indigenous tribes have lost large tracts of prime beach and agricultural land to politically-connected individuals, leaving the majority of them squatters.

The current wave of hatred against up-country people, mainly Kikuyus and Moi’s Kalenjin, is, therefore, seen as a manifestation of years of social neglect in the region.

A movement for some form of autonomy is gaining ground at the coast. Sixty percent of an estimated 700,000 tourists holiday along the coast and yet indigenous people see little of the vast income which accrues from the trade.

But some opposition leaders say the violence was perpetrated by the government to deflect the current clamour for constitutional changes.

Moi instead accuses the opposition of fanning tribal hatred.

The constitutional reform talks between the government and pro-reformists are due to be launched on August 20. The exercise is facilitated by a broad-based group of religious leaders.

Pro-reformists want constitutional changes before the elections. Until now, Moi has insisted that reforms could only be carried after the polls.
Tourist cancellations rise after violence in

Kenya

Tourist cancellations rise after violence

in Kenya

From today, tourism cancellations have been

recorded in 2014, with 55% cancellations due to

violence in the country. The cancellations have

been attributed to the recent attacks in the

country, which have caused a decline in tourist

traffic. The situation has led to a decrease in

revenue for the tourism industry, with

estimates of up to 80% of cancellations

expected in the next few months.

The Kenyan government has been quick to

respond to the situation, with measures taken

to improve security and reassure tourists. The

government has also been in contact with

tourism agencies to ensure that cancellations

are kept to a minimum.

Tourist cancellations have also been

reported in other countries, with

estimates of up to 70% cancellations due to

violence in the region. The situation has

caused concerns among travelers, with

many choosing to cancel their trips to the

countries affected.

In response to the situation, the

government has been working closely with

tourism agencies to ensure that

cancellations are kept to a minimum.

The government has also been

working with international

organizations to ensure that

travel warnings are kept up to date.

Despite the challenges, the

government remains committed to

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Tourists in Kenya keep to hotels as violence spreads

MALINDI: Frightened tourists were keeping to their luxury hotels yesterday in this Kenyan coastal resort after vigilante groups patrolled overnight with bows and arrows.

Many people have cancelled their holidays. The general manager of the Tropical Village and African Dream Village hotels, Mr Bruno Fontana, said he had been expecting 130 tourists from Italy on Monday, but only 39 arrived.

Arsonists burned down close to 400 stalls at a curio market in the Indian Ocean resort on Monday night.

The stallholders were rebuilding their kiosks yesterday among charred souvenirs, and they were angry.

They said the arson was an attempt at land-grabbing and may not have been connected with attacks around Mombasa in which 37 people have been killed since Wednesday last week.

But the stallholders here are almost all from inland tribes, and the gangs attacking villages around Mombasa are leaving leaflets telling the non-coastal tribes there to go home.

Kenyan opposition leaders are interpreting this as government-inspired "ethnic cleansing" of coastal electorates before presidential and parliamentary elections expected late this year, while President Daniel arap Moi is accusing the opposition of being behind the violence.

Malindi's hotels are usually full at this time of year, but Fontana estimated that the occupancy rate overall had fallen by at least 70% in the past week.

Many of the tourists here are Italian, and most do not know enough English to understand local radio or read local newspapers. They are getting news of the violence in worried telephone calls - "hundreds a day," said Fontana - from family in Italy who relay reports in the Italian media.

The streets of Malindi were virtually deserted yesterday morning.

The stallholders at the curio market said the arsonists looted many of the kiosks before torching them, but that no one was killed.

"We patrolled last night with bows and arrows to make sure they did not come back," said Mr William Nyabwani, whose stall was one of the few to escape destruction.

He said the Malindi council, which owns the beachfront land, was trying to move the curio market inland, far from the hotels which provide customers, and sell the land to developers.

To rebuild and restock it costs about $700 (R3 280) a kiosk, Nyabwani said.

The vendors fear the rebuilt stalls will be burned down again.

Last year an entire shanty town in a Nairobi suburb was burned down to make way for development. - Sapa-AFP
Kenya court charges suspects

MOMBASA — A court in Kenya’s Indian Ocean city of Mombasa yesterday charged 62 suspects with robbery with violence during a raid on a police station that set off more than a week of attacks and clashes along the coast.

The 62, including an Islamic prayer leader, were accused of attacking Likoni police station on August 13 and in the process killing a police constable, stealing weapons including 40 G3 rifles, and damaging property.

The accused included Amr Hamisi Ah Banda, Imam of prayer leader, and Ali Salih Chamando, chairman of the National African Democratic Union.

All denied the charges and will appear again in court in two weeks’ time.

Police said the attacks were the work of thugs, but President Daniel arap Moi’s government and the opposition have blamed each other for fuelling tribal tensions on the coast.

Six policemen and seven civilians — including five attackers were killed in the attack on Likoni police station near Mombasa and a nearby tourist post.

Police have reported a further 26 people killed since the Likoni raid in a spate of attacks on the usually sleepy coast mainly directed at Kenyans originally from outside the region.

Police have rounded up more than 300 people since the Likoni raid, including two activists with Moi’s ruling Kenya African National Union (KANU) party, who are being questioned.

Meanwhile, thugs continued attacking people from noncoastal tribes around Mombasa yesterday as tourists kept off the streets.

“More than 30 men invaded our compound,” said Ruth Auma, a young Luo woman, as heavily armed paramilitary police arrived at the village of Ujamaa, south of Mombasa.

The dozens of heavily armed police searched houses and a nearby bush, arresting about 20 young men — Reuters, Sapa-AFP.
Kenyan ‘third force’?

Dalal Magan and Mail & Guardian correspondent

Kenyan President Daniel arap Moi begins his 18th year in office this week, but as anniversaries go this isn’t a happy one. Violence has swept through the country’s palm-fringed coastal resorts, and hundreds of well-heeled tourists have cancelled their bookings.

With 59 people known to have been killed in a week of bloodletting in and around Mombasa and Malindi, opposition groups in Kenya are pointing to a South African-style “third force” operation along the coast.

In the widely discredited general elections of 1992, Moi won only a single parliamentary seat out of four in this area. With new elections now just two months away, opposition groups say members of Moi’s ruling Kenyan African National Union (Kanu) party are behind efforts to frighten away coastal people not normally resident in the area. Already 5,000 who work the coastal resorts and live in villages around Mombasa have fled.

The successful candidate for the presidential election must secure 25% of the vote in at least eight provinces. Pamphlets found in unrest-marked areas have been urging people to expel non-coastal residents. There is a mounting body of evidence now pointing to government involvement in instigating the violence.

Tourism is Kenya’s second-largest industry after tea. It earns more than $450 million annually, and while tourists have not been targeted during the unrest, the industry is particularly vulnerable to civil strife. The Kenyan tourism board has warned the government that huge numbers of tourists have cancelled their bookings.

Since 1,931 thousands of civilians have been killed and internally displaced in the Rift Valley and in Kenya’s north-eastern and coastal provinces.

Moi, who has never stood in or won a credible Kenyan election, is a former rural primary-school teacher given a seat in the colonial legislative council in the 1950s. Many Kenyans believe Moi and his family have stripped the treasury of foreign-currency earnings in much the same way as his friend and ally Mobutu Sese Seko did in Zaire before being ousted after more than 30 years of despotic rule.

In the wake of the recent unrest, Kenyan police have arrested both opposition supporters and a well-known activist loyal to Moi. Nine police officers are now known to have died in the violence.

Moi has blamed the trouble on opposition leaders, saying they are fanning tribal hatred ahead of the October elections. He has refused to introduce constitutional reforms which opposition groups say are essential if the coming elections are to be free and fair.

Kenya’s umbrella reform group, the National Convention Executive Council (NCEC), said this week that Moi had backtracked on his decision to effect reforms before the general election, and had decided to have no further crunch-mediated talks with the NCEC.

“Since Kanu will not hold a dialogue with NCEC the mediation process has come to an end,” the group said. “Clearly the ethnic violence in Mombasa, Kwale and now Malindi was government- and Kanu-sponsored,” the NCEC charged.

“The precision with which the operation was being executed and the inability or reluctance of the regular forces to contain the violence indicated that it was being instigated by official security forces.”
Good news as Kenya's Shilling rises

Central bank raises interest rates to 24% and lures T-bill investors back to the market

AFRICAN BUSINESS
IMF team wants Moi to act over govt corruption

NAIROBI — An International Monetary Fund (IMF) team met Kenya's President Daniel arap Moi yesterday to seek personal assurances that he would stamp out official corruption in return for a steady flow of IMF cash.

The meeting in the port of Mombasa was the first since the IMF halted a $206m loan package on July 31, citing governance issues and corruption.

Government officials said the talks at the presidential residence in Mombasa lasted about 45 minutes. They said discussions with key ministers would precede another meeting with Moi tomorrow.

"President Moi said they held useful discussions with the IMF team. He expressed hope that following the talks a solution will be found regarding the suspension of the enhanced structural adjustment facility," the presidential press service reported.

The service said the IMF delegation was made up of deputy director Goddard Gedweba and resident representative Reimer Carsten, Moi was flanked by Kenya's leading economic reform figures — Finance Minister Musalia Mudavadi and Kenya's Central Bank governor Michiru Chisemw — as well as other treasury officials.

The aid suspension, which coincided with pre-election political unrest, hit the economy hard, driving the Kenyan shilling down by nearly 20% against the dollar as foreign investors pulled out.

Yesterday the shilling gained 3.57% against the dollar and traded at a commercial mean of 62.62 from 64.74 while on the pound, it gained 4.8% to 99.96.

Businessmen said they awaited progress in the IMF talks.

"It's easy to talk, it's not so easy to agree. We have not seen any sign of any action being taken on the issues raised by the IMF. I'm pessimistic people are pretty pessimistic," said Charles Gardner, resident representative of the Eastern Africa Association that groups mainly British companies.

"I believe it's very important for Kenya's long-term economic progress that there should be an agreement," Gardner said.

IMF MD Michel Camdessus said last week that he was sending a team to Kenya for talks after a personal request by Moi. Carsten said the talks with Moi were aimed at agreeing on a date when negotiations could begin.

Kenyan officials said the IMF wanted pledges from Moi that Mudavadi had the president's authority to lead talks for IMF loans — Reuter.

Zimpapers hit by pay strike

HARARE — Zimbabwe's publishing group, the state-controlled Zim papers, said yesterday that a pay strike had led to losses in advertising revenue and disrupted production of the group's flagship and national daily, The Herald.

In an advisory to clients The Herald and truncated issues of the daily newspaper as well as the weekly Sunday Mail were being produced by journalists and technical staff in managerial positions.

The advisory said the newspaper's cover price "does not even pay the production and distribution costs and the company is making losses without traditional advertising support."

The strike started at the weekend with reporters, drivers and technical staff pushing for implementation of a job evaluation exercise carried out last year which spelt out new worker grades and salary scales — Reuter.

Raymond James Stewart

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NOTICE TO SHAREHOLDERS

The Board has declared a dividend of 10 cents per preferred ordinary and ordinary share. The dividend will be paid on or about 4 November 1997 to shareholders registered at the close of business not on 4 October 1997, as previously announced but on 3 October 1997.

Johannesburg 26 August 1997
Moi flies to coastal trouble spot amid fears violence will spread

The violence which has claimed 42 lives appears carefully orchestrated, reports Louise Tunbridge from Nairobi

President Daniel arap Moi flew to the troubled coast yesterday to assess the death toll after a spate of violence in the seaside town of Mombasa and reached 42. The government and opposition politicians have blamed each other for fomenting the unrest that set the stage for a few meetings that were meant to be held in the country the next day.

However, as thousands of people flee Mombasa by bus, train and on foot, Kenyans and observers are describing the violence as the worst in the country's first multiparty election under a cloud of violence.

The trouble began in the Rift Valley and other western provinces. Hundreds of people were killed and thousands were displaced.

The majority of those displaced were Kikuyu, Luo and Luyia — tribes hugely supported with political and economic power because of the violence, tens of thousands were unable to rent their homes.

A delegation of foreign lawmakers and officials from the Organization for Security and Cooperation in Europe will travel to the coast today to assess the situation.

The International Monetary Fund's (IMF) latest mission to Kenya could determine the future of the economy, Kenya is one of the few countries in the world where the government has committed to spending almost half of its budget on the embattled security sector.

The trouble was sparked when a series of attacks on police and electoral officials led to the cancellation of a series of attacks on police and electoral officials led to the cancellation of a series of attacks on police and electoral officials led to the cancellation of a series of elections.

In some cases, residents were circled, armoured vehicles were seen, and police were using live ammunition.

Kenyan sugar growers taste bitter fruits

The sugar industry in Kenya has been hit by falling prices and a decline in demand. The average sugar price in the country has fallen by 20% in the last six months, putting pressure on the industry to find new markets for its products.

At the same time, the global market for sugar has been volatile, with prices fluctuating between $0.50 and $1.50 per pound in recent years. This has made it difficult for producers to predict their future earnings.

The sugar industry in Kenya has long been a source of livelihood for many farmers. However, the recent downturn in demand and price has put many of them in financial trouble.

The government has been trying to find ways to support the industry, including by expanding production in other countries and by encouraging consumers to consume more sugar.

However, experts caution that these efforts may not be enough to save the industry, and that additional measures may be needed to ensure its long-term viability.

The situation in Kenya is not unique, as the sugar industry is facing similar challenges in many countries around the world.
Moi set to curb corruption and improve governance, says IMF

NAIROBI — The International Monetary Fund (IMF) said yesterday that Kenyan President Daniel arap Moi was "very determined" to stamp out corruption and enhance good governance in return for international donor assistance.

IMF deputy director Hodal Gondwe and resident representative Reimer Carstens met Moi in Mombasa on Monday in the first contact between the IMF and Moi since the IMF halted a $205m aid package on July 31.

"We had an in-depth talk with the president about the issues — corruption and governance. We are going to pursue these issues throughout," said Carstens.

"He (Moi) gave us the impression that he is very determined to improve the situation and to resolve these issues."

On Monday, one business executive said he had not seen evidence of Moi’s determination to resolve the stalemate.

"It’s easy to talk. It’s not so easy to agree. We have not seen any sign of action being taken on the issues raised by the IMF. I am pessimistic," said Charles Garnder, resident representative of the Eastern Africa Association that groups mainly British companies.

Carstens said the IMF mission was not in Kenya to negotiate on programmes but to agree on a start date for talks, which would follow "once the issues on the table are dealt with satisfactorily."

The IMF mission and a Kenyan working group were due to hold discussions yesterday and today and meet Moi again tomorrow when a date for fresh negotiations would probably be announced, said Kenyan treasury officials.

The 73-year-old Moi initially poured scorn on the IMF decision, saying IMF cash was not a large amount compared to Kenya’s total economy. But after the shilling took a thrashing against the dollar and international investors began pulling out, he changed tack.

Moi was further convinced of impending economic problems when his economic advisors told him that without IMF aid, Kenya was in danger of defaulting on its $6.1bn external debt.

Moi has previously said economic reforms implemented at the behest of the IMF and World Bank deeply hurt his people. But Carstens said yesterday Moi understood the value of donor aid.

The IMF cited bad governance for halting the aid package amid mounting concern at high-level corruption in Kenya. Slow reform of the energy sector and delayed sales of government firms have also been issues of concern, Kenyan officials say.

The IMF has angled out the so-called Goldenberg affair to make its point. In 1991 and 1992 the government paid a company called Goldenberg International up to $100m in compensation for gold and diamond exports. Kenya produced little gold and no diamonds.

The scandal has become synonymous with Kenyan corruption, deemed as among the most rampant in Africa. Government officials faced charges over the affair but no case has been completed.

Kenyan newspapers and magazines have in the last two weeks reported that the IMF wanted several high-ranking government officials in the energy sector sacked because they are tainted with corruption or impeding the pace of sectoral reforms.

They have also said that the IMF wanted the reinstatement of Samuel Chebn, a senior customs executive who was sacked while investigating tax evasion by senior politicians in the sugar imports business.

The breakdown in talks with the IMF and continuing political violence ahead of elections later this year have eroded investor confidence in Kenya and undermined its economy — Reuters
Kanu members among six charged in wake of violence

MOMBASA — Six suspects, including two activists in Kenya's ruling party, were charged in the Indian Ocean city of Mombasa yesterday in connection with violence on the coast.

Omar Masumbuko, a local activist in President Daniel arap Moi's Kenya African National Union (Kanu) party, and five others were charged in court with robbery with violence, arson and taking unlawful oaths.

Emmanuel Matha, another Kanu member, was charged with possession of weapons. They were all refused bail and remanded in custody until September 4.

The appearance of the six in the chief magistrate's court took to 165 the number of people charged in connection with ethnic violence since a raid on a police station south of Mombasa by on August 13.

Matha and Masumbuko were the first Kanu activists charged in connection with the pre-election violence on the coast.

At least 46 people have been killed in the attacks, mostly against “up-country” Kenyans, originally from outside the coastal region, by gangs armed with stolen police rifles and machetes.

Thousands of up-country Kenyans have fled the coast in fear of being caught up in the attacks or a sweep by security forces.

Many accuse Kanu of being behind the violence because they planned to vote for the opposition in the election. Moi blames opposition parties for fuelling ethnic tensions.

The violence has caused some cancellations by foreign tourists but no tourists have been targeted. Tourism is Kenya's leading foreign revenue earner and the leading employer.

Moi, 73 and in power for 19 years, on Wednesday threatened tough action against the armed raiders, saying no guns had been surrendered and that harsh action would be taken when a deadline expired yesterday.

Roman Catholic bishops challenged the government on Wednesday to show it was in control of the coastal region.

"The government has shown itself powerless and has not been able to explain, let alone prevent, such a well-planned and executed operation," they said.

"Either the government is in control or should admit that it is not."

They also urged the government to postpone preparations for this year's general election to allow for political reforms. — Reuters
Moi pledges anti-corruption authority

AFRICAN BUSINESS
Mombasa schools stay closed after residents flee violent suburb

MOMBASA: Schools in the violence-hit Likoni suburb of Kenya's port city of Mombasa failed to open on the first day of this year's final term, after residents fled the area, teachers said.

The suburb was deserted during the weekend after people left their homes fearing that police would launch a search operation for 33 guns still missing after an armed band attacked a police station there earlier on August 13.

"Almost all parents have fled to safer areas with their children," said Mr Said Hamis Ganzala, the head teacher in Likoni primary school.

Not one of the 1,400 pupils enrolled in the school turned up for classes yesterday morning. Ganzala said teachers too, did not report for work. Most had fled the area.

Residents have been leaving Likoni, saying that police deployed in the area to search for the guns were beating civilians, raping women and asking for bribes.

Others fear that armed gangsters, who have warned members of inland tribes living in this Indian Ocean coastal region to leave or be killed, will carry out their threats.

At least 47 people, mostly from the interior, have been killed since the start of the violence, when the police station was raided. Twelve victims were policemen.

Five boys turned up for classes in the Likoni secondary school, but there were no teachers to teach them.

About 500 boys and girls attended school before the violence erupted.

"If the government does not restore security, our lives will be disrupted, because we will not be able to sit our final examinations in November," said Said Abdallah, a pupil at Likoni secondary school.

"It will be very sad if we are not able to sit our exams. Teachers are afraid of coming to school because police are beating people indiscriminately," said Augustine Omondi, another pupil.

The head teacher of Consolata primary school, Mr Patrick Jacob Ouma, said teachers from upcountry districts were applying to be transferred to inland schools because of insecurity in the coastal region.

Ouma said 90% of teachers in the Mombasa district came from the interior.

None of his 630 pupils and 22 teachers turned up for classes yesterday morning.

"I intend to leave this place to go and teach in Busia district in western Kenya," said Ouma. He said he had moved his two children from Likoni to a school in Busa — Sapa-APP.
Kenya's shilling takes breather after slump

FROM REUTERS

Nairobi — Kenya's foreign exchange market was calm yesterday but lacked clear direction, commercial dealers said.

The Kenyan shilling opened at a commercial mean rate of Ksh56.90 against the dollar compared with Ksh56 at Monday's close. Against sterling, it was at Ksh106.08 from Ksh106.15.

Dealers said most investors — importers and exporters — had relaxed in the absence of any market-shattering factors and were now watching the market while keeping an eye on each other to see who would make the first move.

"Whoever makes the first move will determine the short-term direction for the shilling," a senior dealer said.

Another dealer said "nobody is in a hurry; the market is in a stalemate."

Yesterday's breather came after Kenya's worst currency turmoil in four years. That followed a decision by the International Monetary Fund (IMF) to halt a $205 million aid package on July 91 because of corruption and bad governance.

The shilling slumped to record lows, losing up to 20 percent after nervous investors launched a wave of panic-dollar buying.

An IMF mission last week agreed with Kenyan leaders on measures required to restore the aid, but no date was set for the resumption of talks.
Crackdown on rally in Kenya

KISUMU, Kenya: Kenyan police detained an opposition legislator, broke up an open-air market and fired tear-gas canisters in the western city of Kisumu yesterday to prevent an anti-government rally taking place.

Police patrolled on trucks and jeeps and authorities warned people against gathering at a downtown rally called by groups demanding legal and constitutional reforms before this year’s elections.

The rally in Kisumu, an opposition stronghold 300 kilometres north-west of Nairobi, on Lake Victoria, was supposed to be the first in a series of demonstrations the reformists announced earlier this week.

They hope to pressure the government of President Daniel arap Moi — 74 and in office for 19 years — to repeal the colonial-era laws and enact constitutional reforms, without which, they argue, free and fair elections are impossible.

Moi is seeking a fifth, five-year term. No date has been set for the elections, but they must be held before the end of the year.

Kisumu was deserted and tense and many people, fearing trouble, stayed out of regular Sunday church services.

Police detained Mr Othieno Mak’Onyango of the opposition Forum for Restoration of Democracy-Kenya while he was waiting for other opposition leaders at the Kisumu airport. Mak’Onyango was being held under police surveillance, without explanation, at the airport lounge.

More than 20 opposition legislators and activists were expected to fly in for the rally, considered illegal because the reformists refused to apply for a mandatory licence.

Anti-riot police broke up the downtown bustling Kibuye open-air market, apparently fearing that the reformists may use the crowd to cause trouble.

At the same time, police fired tear-gas canisters at the local bus station to disperse crowds of youth who began arriving for the rally from elsewhere.

On Thursday, the National Convention Assembly, a group of opposition leaders, civic rights activists and lawyers, announced a country-wide mass action programme to protest Moi’s refusal to include their movement in reform dialogue.

Moi’s ruling Kenya African National Union has refused to talk to the reformists, saying the Parliament was the only body to discuss laws and constitution — Sapa-AP
Opposition MPs detained in Kenya

KISUMU — Kenyan police detained four opposition MPs and three pro-reform lobbyists yesterday when they arrived in the western town of Kisumu to address a rally called to press for constitutional reform, witnesses said.

The seven, all members of the National Convention Executive Council (NCEC), were detained at the airport after their plane landed. Travellers were stranded outside and inside the airport after police shut the airport gates, reporters on the scene said.

Sunday’s rally was intended to be the first action in a series of national protest activities announced by the NCEC on Thursday to pressure the government to start negotiations on constitutional reform with the umbrella pro-democracy lobby. The mass action programme groups opposition politicians, church leaders, youth groups and nongovernmental organisations, includes general strikes planned for September 18 and 19 and October 8 and 9.

Riot police earlier cordoned off the stadium where the rally was to be held.

The NCEC has denounced as “betrayal” constitutional reforms discussions between 76 MPs of the ruling Kenyan African National Union (KANU) party and 34 opposition MPs, saying religious leaders and civic groups should be included.

Opposition parties in July mandated the council to negotiate constitutional reforms with KANU, but KANU refused to meet the reform lobby, saying it was not an elected body.

President Daniel arap Moi has denounced the council as a “foreign-funded” group which has no stake in the country’s constitution — Sapa-AFP
Kenya’s flower growers plan blooming SA trade

Dar es Salaam — Satisfied with their volume of exports to Europe and the Middle East, Kenyan horticultural producers are now eyeing South Africa for a marketing push planned for early next year, officials of the Fresh Produce Exports Association said in Nairobi yesterday.

“We feel South Africa has the potential of not only being a significant importer of cut flowers but of fruits and vegetables as well,” said the association.

It said South Africa was one of the new markets, including Australia, being targeted for intensive market research early next year. A trade mission would then undertake a tour of the country to meet South African dealers.

“This is part of our long-term global approach to enhance horticultural trade with countries we do not have trading relations with,” said the association.

South Africa imports mainly cut flowers from Kenya. But it exports a wide variety of fruit to the east African country.

The horticultural industry is Kenya’s fourth largest foreign exchange earner behind tourism, tea and coffee. Last year, the industry earned KSh12 billion Kenyan shillings from exports which totalled 84,000 tons — Independent Foreign Service
Bloody prelude to Kenyan elections

Locals are fleeing the district of Likoni after recent massacres, and the promise of more to follow.

Chris McGreal reports from Mombasa, Kenya

If the Kenyan government is to be believed, a group of marauding drug addicts and drunks have raided a police station, driven 100,000 people from their homes and throttled foreign tourism to Mombasa's pristine beaches.

Many of the victims of the recent violence, plus President Daniel arap Moi's opponents and the clergy see it differently. Amid growing suspicions that hit squads are being trained near Mombasa, they accuse the administration of precipitating chaos ahead of this year's presidential and parliamentary elections, with attacks reminiscent of the ethnic killings which claimed more than 1,000 lives across Kenya before the previous ballot five years ago.

The latest violence has centred on Likoni, a Mombasa district settled largely by people from other parts of the country. The bloodshed began with a raid on the local police station last month in which seven policemen were killed and 44 guns stolen. They are presumed to be the weapons used in a spate of killings that has claimed more than 50 lives in attacks on "up-country" Kenyans.

The raids have taken on religious and ethnic tones fuelled by resentment at exploitation of local peoples by outsiders and international tourism. Most of Likoni's native residents are Digo and Muslim. Those from other parts are invariably Christian. "Up-country" Kenyans also gave the opposition an electoral victory in the port city in 1992, and many believe they have been driven out for that reason.

Among the favourite targets for attack are bars and clubs. On September 3, a gang hacked six Kenyans to death including a child aged two — in a bar at the gates of a tourist hotel.

Likoni's streets are almost deserted. All but a few businesses are closed. On the wall of a paint shop is the ominous graffiti "Three days to go or you die." It is repeated several times along the main road. Tens of thousands of people have heeded the warning, packing the ferry to Mombasa and buses to the interior.

More than 2,000 residents have sought shelter in Likoni's Catholic church, including Emilia who lived in a room with her four children until the attacks started. Three weeks ago a gang of men came to the house waving guns, machetes, axes and sticks.

"They started to beat me. We were crying and shouting. Nobody came to help," she said. The gang looted the house and left, but worse was to come.

"Men went to my brother's place around midnight. They took him to the lake. There were bodies there. They told my brother he was going to sleep with the dead. He dived into the lake and stayed there all night. When he escaped and went to the police, they told him they didn't have any radios, and couldn't help."

Emilia's brother disappeared for days until he was found sleeping in a tree, afraid to come down. Emilia said he lost his mind and was sent home.

"I'm ready to leave too. If I had the money I would go," she said.

After the raid on the police station, the government twice set deadlines for the surrender of the stolen weapons. While it failed to persuade the attackers to give up their guns, the deadline sent a new wave of fear through Likoni, provoking another exodus among residents who feared the dreaded paramilitary General Service Unit would use the hunt for the weapons to launch a round of rapes and beatings.

There is growing evidence that far from being a random group of thugs, the attackers are a trained militia.

Some in the gangs have called themselves the "Kaya Bombo" (after a forest where local people say they have witnessed groups of young men being given weapons training). There are reports of similar activities around the Shimoni caves.

Mombasa's archbishop, John Njenga, compared the attacks in Likoni to the wave of politically motivated ethnic violence that claimed hundreds of lives in the Rift Valley before the last polls.

"I think it is political," he said. "I am not saying the government is definitely involved, but I am not exonerating the government. The government has to provide security."

Deputy provincial commissioner Hassan Haji is dismissive. "These attackers are criminals. If it was political it would have targeted only one group. It is erroneous to say they've only targeted up-country people. Local people have died too," he said.

"We don't know what triggered it, it's too premature to say."

Hundreds of people have already been arrested for the attacks, including prominent local activists with Moi's party. But it has done nothing to deter further killings.

Moi visited the area to deny his party had any hand in the violence. He retained, however, an acute political interest in Likoni, where in 1992 the "up-country" residents provided the winning margin for the opposition's defeat of a government MP.

There is more at stake for Moi this time. He must win at least 25% of the vote in five provinces to avoid a run-off that would almost certainly cost him power. The coastal region will be crucial.

The tens of thousands of voters forced out of Likoni have effectively been eradicated from the ballot, because they have left their registered constituency.

As the raids continue, even Likoni's Catholic church proved unsafe. Two weeks ago, about 25 gunmen attacked the refugees.

Charles Otelo was in the church grounds. "Some wore police hats and fatigue jackets," he said. "They walked along the street and everybody thought they were police until they got to the gate. Then they opened fire."

Two people were killed before the attackers were fought off by policemen guarding the church. But it does not make the refugees any less suspicious of the authorities.

"The attackers were well-organised because some went to burn bars, some came from here and some went shooting about 200m from here," Otelo said. "They split themselves into groups during their operations and nobody stopped them. Why?"
Bloody prelude to Kenyan elections

Locals are fleeing the district of Likoni after recent massacres, and the promise of more to follow.
Chris McGreal reports from Mombasa, Kenya

If the Kenyan government is to be believed, a group of marauding drug addicts and drunks has riddled a police station, driven 100,000 people from their homes and threatened foreign tourism to Mombasa’s prime beaches.

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Among the favourite targets for attack are bars and clubs. On September 5, a gang hacked six Kenyans to death—including a child aged two—in a bar at the gates of a tourist hotel. Likoni’s streets are almost deserted. All but a few businesses are closed. On the wall of a paint shop is the ominous graffiti: “Three days to go or you die.” It is repeated several times along the main road. Tens of thousands of people have heeded the warning, packing the ferry to Mombasa and buses to the interior.

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Kenyan extremists spread reign of terror around Mombasa

By Joe Khamisi
Star Foreign Service

Mombasa — Kenya faces its biggest armed threat to peace and stability in its 34-year history as a group of extremists continues to expand its reign of terror around the palm-fringed, idyllic resort of Mombasa.

By Sunday the group loosely known as Jeshu la Pwani (Army of the Coastal People) had extended its terror activities from the southern and northern tourist resort towns to the northern interior. A dozen business stalls belonging to non-indigenous settlers were burnt down on Saturday.

Yesterday police were rushing security forces to Kaloleni to protect a foreign-owned cement factory with a large component of non-coastal workers after the group warned of an impending attack.

The factory has been at the centre of a dispute with locals who claim its pollutants are endangering lives and killing plants.

The rebels, in their trademark black overcoats and red headbands, are largely targeting security installations and upcountry settlers they accuse of grabbing their land.

The land loss has left the majority of the indigenous Mijikenda tribesmen as squatters.

The attackers are said to have taken traditional oaths to kill upcountry people. They also apparently wear charms to “protect them from bullets”.

By last week, an estimated 200,000 people had fled the area.

A fresh exodus of those who remained behind began on Saturday after leaflets written in red ink warned civilians to vacate the area by yesterday.
SAB's entry prompts price cuts from Kenya Breweries

Dar es Salaam — As competition hotted up for control of the lucrative Kenyan beer market, Kenyan distributors of South Africa's Castle Lager yesterday said they had no intention of engaging in a price war with Kenya Breweries (KBL), which controlled 35 percent of the local market.

Last week KBL slashed prices on all its brands after South African Breweries (SAB) introduced three beers into the Kenyan market — Castle, Kilimango and Safari — from its Dar es Salaam plant.

"We will not get into a price war with KBL," Joe Wanjau, the general manager of Karume Investments, said yesterday. "But we will produce low-cost brands for the low-income consumers, though not under the Castle brand."

Yesterday KBL installed a new bottling line at Uganda Breweries, its subsidiary. Next year, it will open a brewery in Moshi, Tanzania. Meanwhile, Karume Investments is expanding countrywide to get SAB products to remote areas.

"We are all set to fight it out in the beer business. That is the only way to tackle competition," Wanjau said. — Independent Foreign Service
SA: Kenyan businessmen to forge links

Nairobi — South African businessmen would be in Nairobi next week for a business-to-business exhibition aimed at building partnerships with their Kenyan counterparts. It was learnt yesterday that the exhibition, to be organised by the South African Chambers of Commerce and Industry, would offer opportunities to discuss joint ventures, agencies and distribution agreements. The two-day event, from September 22 to 23, will also offer a look at the economic opportunities presented by the new trade deal between South Africa and Kenya. The event follows the 1978 East Africa Trade Mission to South Africa last July, composed of government officials and traders, which was said to have been successful in identifying needs and areas of potential economic cooperation.
Kenya's beer market ferments

Joe Khamisi

Dar es Salaam — As competition heats up for control of the lucrative beer market, Kenyan distributors of South Africa's Castle Lager said this week they had no intention of engaging in a price war with Kenya Breweries (KBL), which controls 95 percent of the market.

Last week, KBL slashed the prices of all its brands after South African Breweries (SAB) introduced three varieties into the Kenyan market — Castle, Kilimanjaro and Safari — from its Dar es Salaam-based plant.

Three years ago, SAB bought substantial shares in Tanzanian breweries that transformed the once poorly managed public company into a money maker.

"We will not get into a price war with KBL," said Joe Wanjau, the general manager of Karume Investments.

"But we will produce low cost brands for the low income consumers, though not under the Castle brand."

In response to SAB's assault on its monopoly, KBL has introduced new brands and lowered prices. A 1 billion shilling (about $73 million) bottling plant was commissioned in Nairobi.

Earlier this week the company installed a new bottling line at its Uganda Breweries subsidiary. Next year, the Kenyan company will open a brewery in Moshi, Tanzania. In the meantime, Karume investments is expanding countrywide to get the SAB products to the most remote areas.

Kenya brewer cuts prices and introduces new brands to fight competition from SAB

"We are all set to fight it out in the beer business. That is the only way to tackle competition," Wanjau said.

There has been unprecedented activity in the beer industry since SAB entered the region. Then, a few months ago, it announced that it would build a brewery in Kenya jointly with a local company.

A new firm, Sportant, was formed with the SA company holding 51 percent of the shares. A local company, Donyo Sahak, holds 49 percent, with the balance reserved for international participation.

Work on the SAB factory is already under way, with production scheduled to start next July — Independent Foreign Service
Kenya goes shopping ahead of election

Nairobi – The Kenyan government appears to be on a shopping spree to acquire hi-tech riot control and security equipment. Speculation is that this could be in anticipation of chaos during or after the election later this year.

The Nairobi weekly, The People, reported that a South African company, which it identified as TFM Ltd, had offered to sell to Kenya its RG-12 armoured personnel carriers.

TFM's defence division was sold to Remert Defence last year. Wessie Westhuizen, managing director of Remert Defence, said yesterday that a Kenyan delegation interested in "identifying an agent" to buy equipment from his company had visited SA three months ago. Westhuizen said it had been decided not to sell defence equipment to Kenya.

The People claims the government had already paid two UK companies for the supply of control tools and equipment. Items already allegedly supplied by the British firms include gun-fired teargas grenades, rubber bullets, 12-gauge riot guns, propulsion cartridges for launching grenades and rubber bullets, and adaptors for launching grenades.

An official in the internal security department within the office of the president declined to comment.

Kenya has been hit by violent incidents along beach resort areas, with dozens killed in the past month. Security personnel continue to comb forests in search of raiders. Indigenous tribes are fighting for land they claim has been grabbed by upcountry people. President Daniel arap Moi has vowed to quell the violence through dialogue. – Independent Foreign Service

DANIEL ARAP MOI
Is Kenya buying arms?

Photo 20/9/97 (163)
Mismanagement closes 31 banks

By CHANBER MICHA
Nairobi

Thirty-one banks in Kenya have failed in the past 10 years, including two this month, because of mismanagement and corruption. Yet no one has been charged with any bank fraud-related offence.

A Coopers and Lybrand expert said: "A disregard of others is still evident in the banking sector. The get-rich-quick phenomenon seems to be the driving force behind business decisions while political interference has also left its mark."

The expert, Farzana Mangat, added: "A culture which does not consider paying back loans has compounded the problem. And management's accountability to shareholders and depositors is practically non-existent."

She drew attention to the poor quality of directors, lack of professionalism, weak internal controls and excessive concentration of power in one person as the hallmark of some of the weak financial institutions.

About 70% of banking is in the hands of Barclays, Standard Chartered, Kenya Commercial Bank and the National Bank of Kenya.

The 67 other banks compete for the remaining banking business.

The top four also get better-qualified staff. Some 56% of players in banking are rated fair or below on the basis of asset quality because of poor loan policies.

As at December 1996, the proportion of loans and advances to total assets of banks was 52%.

Mangat said: "Asset quality is the crux of a bank's success. It was rated marginal as the level of non-performing loans rose to £759 million in December 1996 against £572 million in 1995 and averaged 18% of the total advances for the two years."

Inadequate capital base has also contributed to bank failures. "Add to this bloated overheads, with high interest rates compounding the woes of honest depositors and borrowers," Mangat said, calling for mergers in the long-term interest of the economy - Star Foreign Service
Corrupt Kenya heads for worst

Mal holds power through force and duplicity; chance for south Africa to undergo change from its model high ground, but time is short

\[ (163) \]
in raid on lawless district

Kenyan bandits kill five

Bandits attacked the border town of Lamu. A group of nationals from the East African country were attacked and killed by armed bandits. This has been the third such attack in the Lamu region in recent weeks. The attack occurred near the border town of Lamu, where several people were killed and many others were injured. The international community has condemned the attack and called for an investigation into the matter.
SAB'S ARRIVAL PUTS KENYA BREWERIES ON THE BEER MARKETING DEFENSIVE

Nairobi — The arrival of South African Breweries (SAB) in the east African market had forced regional leader Kenya Breweries (KB) to expand production and mount a media blitz to defend its 75-year virtual monopoly of the beer market in the region, analysts said yesterday.

SAB has splashed full-page advertisements in Kenyan newspapers trumpeting Castle as "Africa's best-selling beer". KB has gone the same route in Tanzania, describing itself as the largest beer exporter.

After purchasing a 46 percent stake in Tanzania Breweries in 1995, SAB is building a $45 million beer plant just outside Nairobi. The plant is due to start production next July, and Castle is on the product list. "As Africa's foremost brewer, it is natural for us to explore a market of the size and strategic importance of Kenya," said Andre Parker, a SAB executive.

— Reuters

CT (CR) 28/9/97
Muzzling the media

President Daniel arap Moi sat in his lounge in State House on the evening of July 7 and watched in amazement as the Kenya Television Network news bulletin showed scenes of his policemen beating up demonstrators and bystanders alike.

He did not like what he saw, not the police brutality that KTN, the channel owned by his party, had dared to show the police in such a “poor light”.

Scoffing, he called his vice president, Professor George Saitoti, and the general secretary of his party, the Kenya African National Union (Kamu), Mr Joseph Kamotho.

As the trio discussed the bulletin, they were all agreed that the people responsible for the broadcast, KTN News head Vilis Musoebe and his deputy Isayiah Kabara, had been unpatriotic, had embarrassed the head of state and were intent on showing Kenya as a repressive country.

Something needed to be done — and quickly too. So a few phone calls were made to KTN chairman Wilson Kibet, who then called general manager Sam Chemutu, who then ordered that the bulletin should not be repeated for the 11pm newscast.

That done, the trio at state house deliberated further and decided that the two errant journalists should be put in their place. So, at midnight, both Musoebe and Kabara were called by their two bosses and told to report to Moi’s office at State House at 6.30 the following morning.

At the meeting which included Moi, Saitoti, Kamotho and presidential press services head Leo Njiru, the two were accused of embarrassing Moi by showing the footage while it was a summit of regional heads of state in the city.

The footage — which shows police pulling workers returning from work out of their transport and beating them up and other cops in the Makongeni area breaking into houses, lobbing teargas canisters and flushing people out and beating them — was dissected and judged sub-standard and politically motivated by the Moi group.

Four men fumed

KTN is a privately owned station which was started by Robert Maxwell but is now owned by Kamu leaders and the party. It is their station, it is not the Kenya Broadcasting Corporation (KBC) which is state-owned and state-run. How could these two men use Moi’s own TV channel to show such things, the four men fumed.

The matter was then referred to the KTN board, which includes Kamu bigwigs, and the two men were suspended. They remain out of work to date.

Musoebe and Kabara’s experience was a rerun of a similar situation in 1995 when the then KTN editor-in-chief Sydney Quntas was at first demoted and then fired for showing footage of police searching the house of a fugitive MP.

Kibaki, who had written a supposedly seductive article in a magazine.

Quntas told Sovetan in Nairobi that the police had been looking for Kibaki for some time. When they raided his house and searched under the bed, KTN cameras were on the scene and when the footage was shown Quntas was summoned to State House the following morning and admonished today he runs a media consultancy in Nairobi.

These two cases show the atmosphere in which what is supposed to be private media operates. The KBC is supposed to be a public broadcaster but it is known to many in Kenya as the Kau Broadcasting Corporation, as it grows to the whims of Moi and his party.

Each Sunday afternoon and evening unless Moi is not in town, the first item on both radio and TV news is something like “Today the head of state, his excellency President Daniel arap Moi, attended church.

This item is invariably followed by whatever Moi did after church, whatever donations he handed to fundraising events or even donations that were handed on his behalf in his absence, etc.

Opposition parties hardly get mentioned in KBC news bulletins and it is that has led the Inter Parliamentary Parties Group (which includes Kamu members) to recommend that KBC be made to give equal air time to opposition parties during the imminent general elections scheduled for the end of the year.

Kamu also owns the Kenya Times, a seven day paper with minimal circulation. The major papers in Kenya are the Nation and East Africam Standard, who do a professional job in covering the issues of the nation.

The government uses a number of laws to suppress the media, such as the Public Safety Act, which allows for the banning of meetings and detention without trial, the Chiefs Act, which gives chiefs the right to expel journalists from areas under their jurisdiction, and the Official Secrets Act and Restricted Areas Act, which is used to keep the media out of areas where the police and army are conducting what in many instances turns out to be political and ethnic cleansing of areas for the benefit of Kamu.

Initiatives under way

A number of initiatives are now under way to force Moi to release his grip on the KBC and repeal the above laws. These initiatives include the Media for Democracy project of the International Federation of Journalists, The Media Institute, the Kenya Union of Journalists, the Task Force on the Press, Kenya Professional Journalists Association and the Media Development Association.

Together they are producing a list of laws to be repealed and guidelines for the self-regulation of the media to ensure that Musoebe’s and Kabara’s experiences are not repeated.
German medics face disease, graft in Kenya

Overcrowded Kenyatta Hospital places heavy load on volunteer doctors in Nairobi's fetid slums

At six o'clock in the morning around 50 patients are sitting in the waiting room hoping for treatment by Dr Wolfgang Schaufnitze, a cardiologist from Pforzheim in southern Germany.

The premises are not the sparkling clean ones the doctor is used to in his native country but part of a sparsely equipped clinic surgery in the slums of Nairobi.

Here the doctor does not attend to the typical European ailments of heart troubles, circulatory problems or angina, but diagnoses diarrhea, weeping abscesses, infection, respiratory illness, malaria and AIDS.

More often than not children are the patients.

Schaufnitze voluntarily spends his holidays helping the poor and needy in Third World countries as a member of the "Doctors for the Third World" organisation. Yet has as a special mission.

A hundred Kenyans are dying each day from AIDS.

The Kenyatta National Hospital is the only hospital with free medical help in the whole city. It is hopelessly overcrowded and many people who want to see a doctor are obliged to offer bribes.

Next to Nigeria and Pakistan, Kenya also has the highest corruption rate in the world.

So Schaufnitze has his hands full both dealing out medical treatment and establishing and equipping the outpatients' clinic.

Owing to the lack of drinking water, there is a high rate of diarrhoea, worm infestation and contagious skin infections.

Prevention is better than healing. But the lack of clean water is a major headache.

Help appears to be on the way. Recently Father Klaus of the Benedictine Order enlisted German aid and is to embark on a rehabilitation and accommodation programme in Mathare 4a.

Tropical malaria, which in spite of the high altitude of the town, is on the increase.

Another threat is another threat to the people suffering from the HIV virus, which can lead to full-blown AIDS. In 1997, a third of the victims are under the age of 30.

The victims are getting younger. Peter Pirot, director of the UN anti-AIDS programme, says more than half of the new HIV victims are of school age.
Kenya unlikely to benefit from joint World Bank-IMF initiative

Nairobi — Kenya would not benefit from a joint initiative of the World Bank and the International Monetary Fund (IMF) to help heavily indebted developing countries because it was able to pay its foreign debts, Rainer Carstens, the IMF representative resident in Nairobi, said this week.

Carstens said the Heavily Indebted Poor Countries (HIPC) initiative would be discussed during the IMF-World Bank annual meeting in Hong Kong.

"Kenya is not on the preliminary list of HIPC because its external indebtedness is not that bad," he said.

"The country is still in a position to service its debts, and this may increase the confidence of investors and donors," Carstens said.

The HIPC was endorsed by the two institutions in September last year.

Its intention is to reward countries which have a good record in economic reforms by offering them easy debt relief.

Carstens said the only countries in Africa considered for the programme were Burkina Faso, Ivory Coast and Uganda.

He also said that Bolivia was the only non-African country to benefit from the HIPC.

Kenya’s external debt up to December last year was estimated at $2 billion.

President Daniel arap Moi, the country’s president, complained last week that donors were imposing extremely harsh conditions before giving his country aid.

Carstens, however, said that the IMF was “only reiterating the conditions of restructuring (Kenya’s) economy.

“The IMF hopes this recent show of commitment (to economic reform) by the Kenyan government will pave the way for the second Enhanced Structural Adjustment Facility (ESAF) to proceed without a hitch, and that Kenya’s economic growth will pick up after the general elections,” Carstens said.

The IMF suspended a $305 million ESAF for Kenya in July.

The organisation accused Nairobi of not doing enough to combat high-level corruption.

Tour operators panic as unrest hits coast

Nairobi — Tour operators on Kenya’s coast have asked the government for a six-month tax moratorium because violence in the Mombasa region has chased away visitors.

An official in association of hotel and restaurant owners said the situation was “very bad”, confirming a report on the requested tax relief in Monday’s edition of the weekly East African Standard.

The Standard said industry professionals wanted the government to exempt them from paying VAT and electricity and phone bills for six months.

Serious ethnic and political violence broke out around Mombasa last month, apparently linked to upcoming elections, and 67 people have been killed since August 13, according to police. While tourists have not been directly targeted, many have cancelled holidays.

Hotel owners have reported a 40 percent drop in clientele and fear their losses could double to $20 million a month unless calm is restored between December and April.

At the beach resort of Malindi, the number of guests has dropped to about 35 percent of capacity from the usual rate of between 80 and 90 percent at this time of year — AFP
Moi makes a comeback with promise of reforms in Kenya

Stephen Buckley

Nairobi — Only a few weeks ago, the government of President Daniel arap Moi was staggering from a series of political protests that had brought international criticism cascading down on him and his regime.

Now, days after a group of ruling party and opposition politicians crafted a package of legal reforms, Mr. Moi and his Kenya African National Union (KANU) appear to have calmed critics and strengthened his position in this year's presidential election.

Mr. Moi's government, which allowed multiparty politics for the first time in 1993, has been under increasing pressure this year to enact further legal and constitutional reforms. The government agreed earlier this month to repeal or amend 12 laws affecting a range of issues, from the make-up of Kenya's electoral commission to the registering of political parties.

Critics of the package of proposals say they will not make for a fairer presidential election this year and do not begin to carve into the president's sweeping constitutional powers. But the package of proposed reforms had a powerful effect on the Kenyan public that the national convention executive committee, which spearheaded the recent demonstrations, cancelled protests it had scheduled for a week ago.

"We could not justify (the protests) without explaining" the committee's view of the proposed reforms, said Gibson Kamau Kuria, a critic of the proposals. He added: "There was too much confusion about what had really happened."

Some politicians, however, admit that what happened was that Mr. Moi shattered the fragile unity his opponents had forged a few months earlier, led by the committee, a collection of human rights activists, clergy and others.

The opposition had been prodiging the government, through mass protests, to make constitutional and legal reforms before this year's election, which has not yet been scheduled. It will be the East African country's second presidential election under a multiparty political system to which Mr. Moi grudgingly acceded in 1993.

Paul Muite, an opposition MP and one of Mr. Moi's most vociferous critics, said: "The government has pulled off, I concede, a major public relations exercise as far as the donor community and the Kenyan public are concerned."

He added: "The government had to do something. Unfortunately, they have succeeded in splitting the opposition. Moi saw that NCEC was a forum that brought the opposition together."

Mr. Muite had especially bitter words for Mwai Kibaki, leader of Kenya's Democratic Party, which had several MPs taking part in the negotiations that produced the government's reform package. He called Mr. Kibaki "naive" and said the Democratic Party chairman's positive interpretation of the negotiations and the reforms was "a very foolish way to look at the process."

Mr. Kibaki, who at first said critics of the reform package were "insincere," took a more conciliatory tone as the week progressed.

"The opposition has not been split," he said. "The fact that we disagree on what has been achieved, and have different interpretations, is not a split."

And he insisted that the government had suffered a public relations setback.

"A month ago," he said, "Kanu was saying..."

But the laws would be amended after the election.

"They have come to accept something they did not agree to do one month ago. People are looking at this upside down."

Mr. Kibaki, a candidate for president, said detractors of the reform package had forgotten that the opposition was pushing for minimal changes before the election. He contended that that was exactly what the opposition got.

"By that criteria, a lot has been achieved," he said. "Nobody's saying everything has been achieved. A lot still has to happen."

The next stage is that the reform proposals will be fashioned into bills. But some political analysts worry that the language of the proposals is too murky to lead to measures that will bring meaningful change.

"There's a lot, at first blush, in the reforms, but there's a certain amount of ambiguity in the language," said one Western diplomat.

"The key question is how will the attorney-general draft the bills? How will the government implement them?"

Many critics of the reform package accuse the government of agreeing to these proposals simply to mollify foreign donors and the Kenyan public.

"The history of this government suggests that many of its (most recent) moves are tactical," said the Western diplomat. "They may try to get away with less than what they're promising."

Supporters of the reform package say they will enter the post-election negotiations with their eyes wide open. -- Washington Post News Service
Kenya's road to disintegration

Chris McGreal in Nairobi

It used to be that Kenya was considered a rock of stability in a sea of despair. While all around it conflict raged—from the horrific slaughter in Uganda in the 1970s and the almost forgotten war in Sudan to the horror of Somalia and genocide in Rwanda—Kenya remained relatively tranquil.

Even today, the most promising of its neighbours, Uganda, is still affected by civil war. Yet it is Kenya, under a leader with few friends left, that is looking increasingly isolated in the region. Decades of corruption, neglect and oppression are pushing it closer to economic collapse.

The fall of President Daniel arap Moi's former Zaareen ally, Mobutu Sese Seko, in May has left him looking very much the dinosaur after almost 20 years of authoritarian rule. As one of the last of Africa's "big men", Moi continues to lead his country into decline while all around him Africa's former basket cases are making progress.

Moi has reason to be unnerved. During his rule, rebel armies have seized power in Uganda, Ethiopia, Eritrea, Rwanda and in former Zaare. The guerrilla campaigns have invariably been waged to overthrow Africa's tired, abusive tyrants.

Laurent Kabila's victory over the Mobutu regime in renamed Congo has affected Kenyans, notably the young. "Mobutu is gone and Moi is next," Nairobi youths chanted at police at a recent demonstration.

Few are thinking of civil war. For a start, Kenya's army is a very different outfit from Mobutu's. But Mobutu's downfall reinforced the feeling that the days of Africa's old leadership are numbered.

The real threat to Moi's rule comes from the large numbers of Kenyans who are becoming increasingly discontented as the economy slides.

But Moi is also eying suspiciously Kenya's neighbours, particularly Ugandan President Yoweri Museveni, who he views as an upstart with Napoleonic ambitions.

Uganda's role in the overthrow of Mobutu, on top of its close relationship with the present Rwandan government, has reinforced Moi's suspicions that Museveni has grander plans.

Earlier this year, Moi accused Uganda of backing a little-known Kenyan guerrilla group via a local aid agency. He alleged a Ugandan Cabinet minister and the head of Ugandan intelligence had met the group's leader in a small Kenyan town.

Moi's critics allege paranoia. But Uganda's backing of rebellions in Rwanda and the former Zaare adds credence to Moi's claims.

Investors are also backing away from Kenya in favour of its neighbours. In contrast to Nairobi, the Ugandan capital has a regular electricity supply, modern telephones and roads which are not potholed.

While graft has not been eliminated in Uganda, it is not the way it is in Kenya. Tanzania is trying to siphon off Kenya's tourist trade, badly hit by political violence.

The International Monetary Fund (IMF) delivered another blow to Kenya last month when it withheld a $130 million loan because of rampant corruption and bad governance. It laid down a series of demands for the restoration of the loan.

The IMF named 10 powerful individuals it alleged were behind the worst graft. It also demanded the reinstatement of Kenya's customs chief, who had tried to break a smuggling ring run by powerful importers close to Moi.

Kenya's finance minister agreed to the demands, but Moi decided otherwise. He wrote to the IMF accusing it of interference in Kenya's internal affairs. Then he confirmed the customs chief's dismissal. The IMF cut off the funds.

Diplomats see in the IMF's stand global concern that Kenya could slide into conflict and upset progress elsewhere in East and Central Africa.
Donor agencies to watch Kenya closely

MANOAH ESIPISI

Nairobi — Kenya’s government has taken steps to stabilise its economy in the face of the worst economic turbulence in five years, analysts said this week.

But donor agencies warned close monitoring would be required to ensure that the government did not raid core expenditure sectors such as health to finance elections or “political” projects.

They also said the government had not taken any measures to combat an expected drought that could cause the worst food crisis since 1982 and did not see from where cash for relief supplies would come.

Ethnic and political violence in the country have also affected the tourism industry, with widespread tour cancellations and no new bookings for next year.

One leading tour operator said the presidency had finally ordered “genuine action to repair Kenya’s image as a tourist destination” and expected an end to the violence.

Investment advisers estimate Kenya’s losses from the tour sector at $100 million, in addition to severe repercussions on the agriculture and transport sectors. Last year tourism was Kenya’s leading hardcurrency earner, bringing in about $465 million.

Adding to the country’s economic woes, a drought in the last quarter of last year is expected to cut earnings from tea, coffee and horticulture.

Kenya will hold presidential and parliamentary elections sometime later this year. President Daniel arap Moi and his ruling Kenya African National Union party are firm favourites to win.

The International Monetary Fund’s (IMF) July 31 decision to halt a $205 million Enhanced Structural Adjustment Facility (ESA) loan further undermined international investor confidence and battered financial markets.

Musalia Mudavadi, Kenya’s finance minister, said in Hong Kong that total IMF losses amounted to about $200 million. But investment analysts said an additional $350 million held in government securities might also have been withdrawn.

Rumer Carstens, the IMF resident representative in Kenya, said an anti-corruption draft bill being debated by parliament and an electricity bill to set up an independent regulator were crucial steps towards opening fresh ESA negotiations.

The regulator is a World Bank condition for a $145 million credit approved in June for the energy sector, but not yet released.

Authorities have already created a separate power generation company, leaving distribution to the state utility Kenya Power & Lighting Company Staff for the two companies have already been separated.

Carstens said contracts for two independent power producers, which the World Bank said were flawed, had been renegotiated and donor concerns had been addressed.

The crunch remained the anti-corruption law. The IMF wants an anti-corruption board independent from the attorney-general’s office, which, under Kenyan law, can terminate criminal cases. Carstens said the IMF would wait for that authority before releasing further funds.

Mudavadi said ESA talks were likely to reopen next year, Kenya’s gross domestic product is forecast to grow at 4 percent in 1997. Mudavadi said that could be about 3.5 percent, but the IMF and other financial leaders said a 2 to 3 percent estimate was more accurate because of minimal growth in key areas — Reuter

SA business not deterred in Nairobi

JOE KHAMISI

Dar es Salaam — Thirteen representatives from South African manufacturing companies ended a three-day business-to-business exhibition in Nairobi yesterday, and expressed cautious optimism about future business prospects while being wary over short-term political uncertainties in Kenya.

“The market appears very depressed at the moment because of political reasons,” said Bev Vivian of Waco Distributors, the Johannesburg-based electrical manufacturing firm. “I doubt this will change any time soon.”

He said reports of political violence were scaring away investors and high interest rates were restricting imports. Presently, commercial banks in Kenya charge upwards of 26 percent in interest on borrowed money.

But Jeremy Brown of Dowermap Trading did not think the temporary unfavourable conditions should worry investors.

“What is happening in Kenya happens in many other countries, and I am not unduly worried about investing here,” he said.

Mombasa was rocked recently by ethnic violence in which more than 60 people were killed. Thousands remain displaced. The violence, coming close to general elections scheduled before the end of the year, has disturbed the tourism industry and knocked investor confidence.

The South African businessmen presented their products to Kenyan importers in an effort to build partnerships and encourage joint ventures, agency and distributorship arrangements — Independent Foreign Service
SA and Kenya to weed out thorny trade issues

JOE KHAMISI

Dar es Salaam — South Africa and Kenya would hold talks “quite soon” to discuss some thorny trade issues blamed for hindering the growth of commercial ties between the two countries, said a member of the South African high commission in Nairobi last week.

The talks would hinge on areas of concern to the two countries: tariffs, subsidies and market access, and two draft agreements relating to double taxation and investment protection, said W. Obermeyer, a spokesman for the high commission.

The talks became necessary after Kenya complained in July of an uneven playing ground in trade matters. They claimed South Africa was restricting Kenyan goods from entering the country and that subsidies given to South African manufacturers were pricing Kenyan goods out of the local market.

"Kenya complained of an uneven playing ground in trade matters."

Obermeyer said a bilateral mechanism was being worked out to provide a forum for ironing out the differences through talks, to be held either in Nairobi or Pretoria.

“We have sent South African tariff scales to Kenyan trade authorities to study because we do not believe they have the correct tariff percentages, a factor that may be causing a misunderstanding,” he said.

Two standard agreements on double taxation and investment protection were also supplied to Nairobi two months ago for study and comment.

South Africa has a strong trade advantage over Kenya, even though exports from the east African country grew by 300 percent last year. South Africa exported to Kenya goods worth 12 billion Kenyan shillings ($297 million), while Kenyan sales to South Africa amounted to only 2.5 billion Kenyan shillings. — Independent Foreign Service.
Kenya moves on Aids scourge

At least 280,000 people between 15 and 39 have died of the disease since 1984 – and the number is expected to increase to 1 million by the year 2000.

Widespread concern in Nairobi that Kenya is heading towards an Aids storm has prompted the government to formulate a long-term strategy to deal with a scourge that has already killed nearly a quarter of a million young Kenyans.

New ministry of health figures show Aids has claimed the lives of about 280,000 Kenyans between 15 and 39 years since 1984 and will have killed about 1 million by 2000.

The human immuno-deficiency virus (HIV), which causes AIDS, has so far infected up to 1.5 million Kenyans, Assistant Health Minister Basil Criticos said when he tabled a bill aimed at tackling the disease – the government’s first official acknowledgement of the magnitude of the scourge, “some did not even know that they carry the virus”, he said.

The bill, which was adopted in September, calls for a concerted campaign to change society’s attitudes towards casual sex and proposes that anyone who intentionally infects another with the killer virus be found guilty of manslaughter.

But some legislators argue the bill does not go far enough to address the problems that encourage the spread of the killer disease, including polygamy, a common practice in Kenya.

One parliamentarian even demanded that the paper include the castration of male adults who defile young girls, as part of a policy to stop the spread of the disease.

Beyond the moral considerations such proposals arouse, they reflect a growing awareness of the threat. The National Aids Control Programme (NASCOP) has warned that unless Kenya comes up with a comprehensive set of interventions, 10% of its adults could be HIV-positive by 2000.

It estimates about 300,000 Kenyan children under 15 have already lost their mothers to AIDS. This number is projected to reach nearly 600,000 by the year 2000 and 1 million by 2005.

“Some Kenyan households are being led by children as young as 10 to 12. In other families, the entire structure has fallen apart, leaving orphaned homeless on the streets, themselves vulnerable to HIV infection,” said a recent joint report by NASCOP and the US-based Family Health International.

The report said the extended family in Kenya had traditionally fostered orphaned children, but the high incidence of HIV/AIDS and the growing number of AIDS orphans had already overwhelmed traditional care structures.

Unless Kenya moves fast, the virus would deal a severe blow to its economy. One in seven workers in Nairobi is infected with HIV and projections are that the rate will climb to one in four by 2000.

Kenya, Tanzania, Zambua, Uganda, Botswana, Zimbabwe and Côte d’Ivoire have the worst HIV infection rates in sub-Saharan Africa.

The UN World Health Organisation (WHO) estimates there are more than 20 million HIV infections in the world – 18.5 million adults and 1.5 million children in sub-Saharan Africa, 13 million carry the virus.
Kenya hit by teacher strike

NAIROBI — More than 200,000 school teachers in Kenya went on an indefinite countrywide strike yesterday to demand pay rises ranging from 150 to 200%, trade union officials said.

The teachers have refused to accept a 10% to 25% salary increase announced by government early last month, instead demanding the full implementation of recommendations made by a government committee set up to review teachers' remuneration.

Kenya National Union of Teachers vice-chairman Joseph Chuchur told reporters that teachers would strike until their demands were fully met. But the government has said it cannot afford to pay higher salaries, because of budgetary constraints. — Sapa-AFP.
NAIROBI. Conservationist Dr Richard Leakey is to appeal to the Kenyan attorney-general against a government refusal to register his 27-month-old political party Safina (Swahili for Noah's Ark).

A letter sent to Safina by Registrar of Societies Mr Omondi Mbago said: "It appears to me that the society has among its objects, or is likely to pursue or to be used for, any unlawful purpose or any purpose prejudicial to, or incompatible with, peace, welfare and good order in Kenya."

Mbago added that the name of the party was "undesirable", but did not elaborate.

Leakey, a third-generation white Kenyan, said the wording of that letter was drawn from a 1948 British colonial law enacted to clamp down on freedom fighters.

"The KANU (ruling Kenya African National Union party) government wants to continue in power, retaining the status quo, and knows that Safina enjoys countrywide respect and support," Leakey said.

General elections are expected before the end of the year.

Leakey said the decision not to legalise Safina was preceded by "a campaign of vilification, much of it racist and tribal", by President Daniel arap Moi.

Moi has frequently attacked Leakey in public, describing the former head of Kenya's wildlife service as a "colonialist", since he ventured into opposition politics.

The Safina ban is despite a constitutional reform agreement between KANU and opposition MPs to register all political parties whose application documents have been gathering dust at the registrar's office.

"Let nobody be fooled by the claims that there is a change in Kenya," Leakey said. — Sapa-AFP
Kenyan govt says no to Leakey’s party

NAIROBI — Kenyan authorities had refused yesterday to register a political party created by white conservationist Richard Leakey, saying the group was likely to promote actions “prejudicial to peace”, Leakey said.

Leakey and his opposition colleagues applied for registration of Safina, the Swahili word for Noah’s Ark, after the party was formed 27 months ago.

The palaeontologist immediately rejected the government’s decision and said Safina would launch an appeal to the attorney-general’s office.

A letter sent to Safina by registrar of societies Omondi Mhago said, “It appears to me that the society has among its objects or is likely to pursue or to be used for, any unlawful purpose or any purpose prejudicial to or incompatible with peace, welfare and good order in Kenya.”

Mhago also said the name of the party was “undesirable”, but did not elaborate.

Leakey, a third-generation white Kenyan, said the wording of that letter was drawn from a 1948 British colonial law enacted to clamp down on freedom fighters. “The KANU (the ruling Kenya African National Union Party) government wants to continue in power, retaining the status quo, and they know that Safina enjoys countrywide respect and support,” Leakey said.

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The president has frequently attacked Leakey in public, describing the former head of Kenya’s wildlife service as a “colonialist”, since he ventured into opposition politics.

The decision not to register Safina comes despite an agreement on constitutional reform reached between Kanu and a group of opposition members of parliament, which guarantees that all political parties will be registered. General elections are expected before the end of the year — Sapa-AFP
Scams costing Kenya billions, says opposition

NAIROBI — A Kenyan opposition leader has compiled a list of financial scams through which, he charged, more than 140-billion Kenyan shillings had been stolen from the state since 1990.

That money is worth more than $2.4bn at a rate of 58 Kenyan shillings to the dollar. It amounts to about a third of the east African nation’s external debt, which was $7.3bn in 1994.

Kenneth Matiba, leader of the opposition Forum for Restoration of Multiparty Democracy in Kenya, made the allegation in a two-page document entitled “Financial scandals theft of public funds 1990-1997”, a copy of which was made available to the press. His list, which includes top government officials and business people, reads like a “Who’s Who” in Kenya.

Matiba, who is also a multimillionaire businessman, said the money stolen would have been enough to give each of Kenya’s 700 000 public servants an additional 3,000 shillings a month for more than five years. “Our teachers should have been earning double what they are earning now.”

Matiba said the state-employed teachers, who began an indefinite strike last Wednesday to demand a pay increase, would not have resorted to industrial action if the government had invested in the public service.

Matiba’s list came just about two months after the International Monetary Fund (IMF) halted a crucial $215m aid package to Kenya on July 30, accusing the government of President Daniel arap Moi of not doing enough to combat corruption in high places.

The IMF was followed by the European Union which, on September 19, withheld an aid package to Kenya. It said it would disburse the money only after the Moi government cleaned up its act. — Sapa-IPS.
Kenyan police beat up and arrest MPs at rally called to snub Mutharika

SATURDAY OCTOBER 11/12 1997
Don’t do what we did, Kenya will tell eco-tourism summit

Nairobi – Kenya will get a unique opportunity to showcase its vast wildlife conservation potential when experts from 16 countries, including South Africa, gather here later this month for an international eco-tourism conference.

The four-day Eco-Tourism Society event, starting on October 27, will be followed by field seminars.

Dr J H Grobler of the Natal Environmental and Development Parks Board will join other experts from Zimbabwe, Namibia, Uganda, Tanzania, Botswana, the USA and Europe in discussions on how ecotourism can be used as an important tool of wildlife conservation.

Kenya is considered one of the countries in greatest danger of ecological destruction that may ruin its rich tourism heritage.

Dr David Western, director of the Kenya Wildlife Service which is sponsoring the conference, says action is being taken to correct the situation.

“Today Kenya is better known for its tourism gone wrong,” he says.

“This conjures up visions of minibus congestion around lions, harassment of cheetahs, mindless destruction of habitat due to unregulated off-road driving, lodge congestion in parks and coral reef destruction by rapacious tourists.

“Kenya is developing new and innovative approaches that will put it back at centre stage of the ecotourism map.”

– Independent Foreign Service
Warning that tougher economic times are ahead

MADOAH ESIPisu

Nairobi — Data issued by the Treasury and Central Bank of Kenya this week confirmed economic recession ahead of a general election and Kenyans must brace themselves for tough times, market analysts said yesterday.

The finance ministry said in its quarterly budget review that the government ran an overall budget deficit of 2.1 percent of GDP in 1996/97 against an initial target of 1.3 percent.

It blamed the larger-than-expected deficit on a slowing economy which produced a shortfall in revenue collection of Sh2.42 billion Kenya shillings (US$47.6 billion) or 1.1 percent of GDP.

Growth slowed to an estimated 4.6 percent last year against a projected 5.5 percent, the ministry said. The "poor economic performance continued into the first half of 1997.

A leading financial analyst who declined to be identified said: "These figures represent rising government needs against a static revenue base and tight control over government ability to borrow its way to finance expenditure."

But the analyst said it was not easy for governments in countries such as Kenya to cut spending, because these governments were the motor of most other economic activities.

Charles Gardner, resident representative of the Eastern Africa Association that groups mainly British companies, said businesses faced tough times because very high interest rates made costs.

Investment cash will only return if the elections are peaceful

The central bank said on Tuesday the economic effects of the IMF aid decision emerged more strongly last month.

It said inflation rose to 8.8 percent year-on-year in September from August's 7.7 percent. On an underlying basis, excluding food prices, inflation was 8.8 per cent in the year to September, up from 8.7 percent in August.

The IMF action sent the shilling to a fall of 23 percent in August. The weakness of the shilling and tight domestic money market conditions put upward pressure on interest rates last month. The state also raised taxes to plug the revenue gap.

The central bank said the average interest rate on the 91-day Treasury bills rose to 26 percent from August's 19.7 percent, while inter-bank rates averaged

24.1 percent against 17.6 percent in August.

On Tuesday Musaba Mudavadi, the finance minister, said the government's shareholding of 60 percent in Kenya Commercial Bank would be slashed to 25 percent before the end of the 1997/98 financial year.

Mudavadi's statement came after the government agreed to pay massive increases in teachers' salaries in the wake of a 12-day strike from October 1 that paralysed the education system.

Violence on the Kenyan coast, where at least 65 people were killed in August and last month, undermined the tourism industry — Kenya's leading hard currency earner — and increased pressure on government finances, investment analysts said.

They said political uncertainty ahead of presidential and parliamentary elections later this year had made investors nervous and it was certain that investment cash would only return if the elections were peacefully held. — Reuter
Aid agency takes swipe at Kenya

Nairobi - British aid agency ActionAid's blistering attack on Kenya for its atrocious human rights record has left Nairobi outwardly unmoved. However, insiders said State House was worried because "ActionAid enjoys widespread support from almost all global lenders and donors whose decisions are likely to be greatly influenced by the agency's annual report, The Reality of Aid".

A World Bank source said: "We are assessing ActionAid's grouses and conclusions."

ActionAid questions whether Kenya deserves continued donor aid without "much better governance". — Star Foreign Service

[Star 16/10/97]
Police fire teargas to break up Kenyan rally

Nyahururu, Kenya – Kenyan riot police fired volleys of teargas shells yesterday to disperse hundreds of people gathering for an opposition rally in Nyahururu, 175km north-west of Nairobi.

They also set up roadblocks on the two roads leading into Nyahururu, an AFP correspondent on the spot reported.

The rally, called by the broad-based National Council Executive Committee, was declared illegal by local authorities despite a recent promise by President Daniel arap Moi that such meetings would be allowed.

That pledge followed political violence which has cost more than 75 lives since July and led to the displacement of tens of thousands of people from the Indian Ocean coast.

"This meeting is illegal so far as we are concerned," the police commander told opposition leaders as they tried to make their way to Nyahururu's Kamukunji grounds, where a small rally was already being staged by the ruling Kenya African National Union.

Onyango Mbita, a leader of the opposition grouping and a former member of parliament retorted: "You are behaving like the South African police before (President Nelson) Mandela."

In July, riot police in Nairobi and other towns opened fire with live bullets at opposition rallies and stormed into Nairobi's Anglican cathedral. That brought protests from foreign embassies in Kenya.

The rallies are part of demands for constitutional reforms to dilute presidential power before elections expected near the end of the year.

– AFP
Pay hikes in Kenya, but no poll date

Nairobi – President Daniel arap Moi prolonged the guessing game about the date of Kenya’s elections yesterday, but ordered a 10% pay increase for civil servants and police.

In a speech in the capital, Moi said the increases for civil servants, police and prison officers, in addition to an interim increase earlier this year, would be paid next month.

He said the 10% would correct anomalies in public sector salaries since 200,000 teachers won much larger awards after a 10-day strike this month.

Moi has yet to announce the date of presidential and parliamentary elections which, according to the constitution, must be held this year.

He is expected to dissolve parliament ahead of the polls as soon as two bills endorsing political and constitutional reforms are enacted.

About 10,000 people gathered for Moi’s speech in Freedom Park. He told them he was prevented from stepping into retirement because Kenyans were still not unified.

Reflecting on the country’s progress since 1963, Moi said two vices – corruption and tribalism – had to be eradicated.

“From today I appeal to all Kenyans to join me in declaring war on corruption and tribalism. I caution all those who seek to continue engaging in corruption to stop forthwith.”

Reuters
Kenyan police crush reformers

KENYA — Police unleashed a cloud of tear gas and swung clubs in the coffee-growing town of Nyeri yesterday, choking and scattering hundreds of prodemocracy demonstrators as the nation honoured its independence fighters.

Eight reformists, including two legislators, were arrested and two others were hurt after police swooped on hundreds of reformists gathered to plant a tree in memory of Dedan Kimathi, an independence fighter who was captured and hanged by the British in 1957.

"The base reason for our visiting this place was not political, but just to plant a tree to remember the heroes of our country," said Kivutha Kibwana, a spokesman for the National Conventional Assembly, which has lobbied for democratic change.

On Monday, police violently broke up an antigovernment rally in the farming town of Nyahururu, 150km northwest of the capital.

Police have used violence to break up all but one pro-reform rally this year, earning President Daniel arap Moi worldwide condemnation.

The reformists boycotted festivities in Nairobi for Kenyatta Day, a holiday named after the East African country's first president, the late Jomo Kenyatta.

The reformists are demanding the repeal of laws dating from colonial rule which they believe will give Moi an edge in elections. Their battle cry is, "No elections, no reforms."

Moi, 74, has ruled Kenya for 19 years and is seeking a fifth, five-year term. A date for the vote has not been announced.

In Nairobi, Moi told hundreds of guests invited to Uhuru Park that the government would "not hesitate to take action against anyone who dares to interfere with the electoral process."

Any attempt to deny Kenyans the right to vote was "not only a gross violation of their constitutional rights, but also a lack of appreciation for the great sacrifice that Kenyans paid for freedom," he said — Sapa-AP.
Engen enters buyout talks with Kenyans

Dar es Salaam — Engen, the South African petroleum company, has entered into buy-out negotiations with several oil firms in Kenya as part of its expansion programme in the region.

JohnSlee, the managing director of Engen Kenya, said: "We expect to conclude these negotiations before the end of next year when we will be launching fully into the market."

A few weeks ago, Slee announced that Engen had allocated $60 million for a marketing plan in sub-Saharan Africa in the next three years. Part of the sum would be used to open petrol stations.

In Kenya, Engen has an uphill task to penetrate a $1 billion market dominated by European and American oil leaders including Shell, Mobil, Agip and Esso.

Engen entered Kenya three years ago but its expansion has been slowed down because of market forces.

Slee said there were two factors inhibiting expansion. These were the huge capital outlay required to open retail outlets, and the fact that Engen was restricted by the high cost of open land spaces for construction of petrol stations especially within Nairobi and Mombasa.

So far, it has been focusing on lubricants, petrochemicals and bitumen — Independent Foreign Service
Moi threatens to clamp down ahead of election

Own Correspondent 4.10.97

NAIROBI — Kenyan President Daniel arap Moi says he will clamp down on anyone seeking to destabilise the nation in the run-up to elections, amid signs that tourism, fundamental to the economy, has fallen.

The stench of tear gas has become familiar in many urban areas as troops fight demonstrators seeking the repeal of electoral laws that they say give Moi a free hand to extend his 19-year rule.

Riot police have been regularly used in Nairobi and other towns since pro-democracy campaigners began a series of protests, in which at least 12 people died, earlier this year.

The growing violence has had a devastating effect on the nation's tourist industry. European tourists have stayed away from the country's beaches and game parks, leaving tour operators to face their bleakest season yet.

Worst hit are the resorts along the white sands of Mombasa on the Indian Ocean. A spate of terror unleashed in August left 50 Kenyans dead.

While no foreigners were killed or injured, tourists were evacuated from hotels near the centre of unrest on the Shelly, Ukunda and Diani beaches.

Responding to the drop in demand, charter flights into Mombasa are cutting their capacity by more than half from the beginning of next month in Malindi, a nearby resort favoured by Italians, three-quarters of all charters have been cancelled.

The tourist industry estimates that 90% of hotel trade in the area during the coming high season depends on such charters, mainly from Germany, the UK and Italy — ©Telegraph plc
Over 130 killed in cholera outbreak, medics on high alert

A cholera outbreak in Kenya’s Nyanza province has killed more than 130 people in the past three months with 10 dying in just three days last week.

Medical staff are on high alert and the health department has launched a campaign to contain the outbreak.

Andrew Jameson of British Airways Travel Clinics said the risk of travellers getting the disease was low. It was prevented by practising food and water hygiene. Vaccination was of little value — Health Reporter.
Brutality blamed for massive fall in Kenyan tourist trade

Mombasa – The number of tourists visiting Kenya’s Indian Ocean coast has fallen by 70%, a tourist authority said yesterday, blaming police brutality for scaring them off.

Despite offers of cheap rates, tourism has fallen, said Najib Balala, chief of the Mombasa and Coast Tourist Association.

Tourism officials visited Europe last week to try to repair damage to the country’s image. Tourism is Kenya’s main foreign currency earner.

President Daniel arap Moi last week ordered police to stop attacking peaceful protesters.

Violence broke out in May, when the government halted at making democratic reforms. Police killed more than a dozen demonstrators in July and August in violent scenes that were reported around the world.

Nearly 70 were killed in political violence on the Indian Ocean coast in August and September.

Although no foreigners were hurt, tourists cancelled reservations in massive numbers. Few reservations are coming in for December to April, normally a peak period.

Recent floods have added to woes on the coast – Sepa-AP.
IMF maintains its hard line on aid to Kenya

FROM AFP

Nairobi — The International Monetary Fund (IMF) would resume a suspended enhanced structural adjustment facility (Esaf) arrangement with Kenya only when government implements bold economic reforms, the IMF representative said yesterday.

On July 31 the IMF suspended a $205 million Esaf arrangement with the government on the grounds of poor governance and high-level corruption.

Reiner Carstens, the resident IMF representative, said in spite of recent assurances by President Daniel arap Moi of his government's commitment to stamping out corruption, the Esaf programme would resume only after all economic reform proposals had been enacted.

In late August, the IMF held discussions with the government to address the areas of concern which had led to the suspension and stipulated necessary political and economic reforms.

Moi had promised that an anti-corruption authority would be established as soon as the appropriate enabling bill was passed in parliament.

The IMF representative was categorical that corruption must be addressed.

"Corruption erodes the moral fabric of every society, violates the social and economic rights of the poor and vulnerable and subverts the rule of law which is the basis of every civilised society," Carstens said.

He added that non-governmental organisations (NGOs) in Kenya were playing a leading role in educating Kenyans on the need to stamp out corruption.

Last week, NGOs in Nairobi organised a workshop on corruption and consolidation of democracy which drew participants from all over Africa.

Case studies on the level of corruption in African countries highlighted the nature and scale of the problem across the continent.
Kenya Reinsurance privatisation set for first quarter of next year

NAIROBI — The privatisation of Kenya Reinsurance Corporation was moving ahead, but the sale of the parastatal was not likely until the first quarter of next year, a Kenyan privatisation unit official said yesterday.

A parliamentary bill transforming the parastatal into a private entity was given the assent of President Daniel arap Moi on October 1, the official said.

The next step is for Finance Minister Musalia Mudavadi to set down a date for the bill to be enacted, at which point the company will move forward with its privatisation.

The official said 75%-80% of the work had been done.

"We had been looking at the end of this year but I think a few things took a bit longer than anticipated," he said.

"We should be looking at the first quarter of next year."

Kenya Reinsurance Corporation is currently 100% government-owned.

Some part will probably be sold to a strategic investor, a portion floated on the Nairobi Stock Exchange and a further part retained by the government, the official said.

Share capital

In its last published company report, for 1996, Kenya Reinsurance showed share capital of 280-million shillings, although this was to have been increased prior to privatisation.

Net assets — total paid up share capital and reserves — stood at 1.4-billion shillings, with pre-tax profits of 116-million shillings in 1995.

The company’s investments were chiefly split between government securities and real estate, the report said.

Reports for 1996 and 1997 are currently being prepared, the company said.

Barclays Merchant Bank, part of Barclays Kenya, is handling the privatisation.

Earlier this month, the finance ministry announced that the government would also be reducing its share in Kenya Commercial Bank to 35% from 60% by the end of this financial year in June next year — Reuter
Kenyan tycoon has looks to take him to the top (163)

He may not be related to Kenya’s president, but the country’s top businessman has pull in high places, writes Michela Wrong

MARK Too, chairman of Langmo East Africa, is not a provincial man. That became clear to me as I fretted in the lounge of his colonial home in the Kenyan Rift Valley town of Eldoret.

Meeting an 8am breakfast appointment is not something that comes easily to Mr Too, who had chosen the lane, seemed to share my difficulty.

The wait did at least allow easy exploration of the room, surprisingly modern by the standards of most African executives. But the eye was quickly drawn to twoidences arranged over the mantelshelf. The first was a photograph of President Daniel arap Moi, the second a painting of Too. The similarity of the poses highlighted a striking resemblance. Could Too, so popularly reputed to be Moi’s illegitimate son, be deliberately drawing his guest’s attention to the rumoured blood tie?

Apparantly not. Emerging nearly an hour late — with a brief mention of a bullying child in place of an apology — Too was categorical on the issue of his paternity. “We are not related. My father comes from Baringo and my other mother comes from Nandi. I’ll introduce you later to my brother and you’ll see he looks just like me.”

The resemblance between Too and Moi should, perhaps, rather be put down to the fact that both belong to the Kalenjin, a grouping of minority Rift Valley tribes. This does not change the fact, however, that the vital nature of his relationship — or otherwise — with the president has dominated the career of this self-made man, who went from selling water from the family holding to running a network of mills, butcheries, and trucks, becoming a farmer, media magnate and influential political player.

While Too clearly possesses entrepreneurial flair, few in Kenya believe he would have been appointed head of Lomro’s East African branch had Tiny Rowland, Lomro’s former chairman, not recognised the value of having a Moi confidant as Lomro’s local representative.

Too recalled how they first met.

Too was one of the teenagers herding sheep and goats in Kenya’s cool highlands when Moi, vice president at the time, drove by on his way to the opening of a new cattle dip. “It was raining and his motorcade got stuck in the mud.”

There was then another chance encounter in Naivasha, when Too was hanging around government offices in the hope of persuading a politician to sponsor him through secondary school. He never got the sponsorship, but won something far more precious — the patronage of the president of East Africa’s leading economy.

“We hit it off, just like that. We started having long chats. He would ask me about my ambitions and plans and listen to me. Eventually he said, you can come and stay in my home.”

Too attributes their friendship to his instinctive affinity for an older generation. “I make the point that friendships with two ‘Waters’ — a Swedish term of respect for older men — have dominated his life since and Rowland. But Too rejects that idea. “One was a friend. In Lomro I was on orders and fees, one was a friend. At Lomro I was on orders and fees, and yes, sir. Rowland never showed the kind of personal interest in me that Moi did.”

In return for that personal interest, Too has come to fill a unique niche as an informal mediator for the Kenyan government.

He acts as an advisor and assesses the readiness of political leaders and politicians to play a role in peace initiatives and deals. In Naivasha, Mombasa, Nyeri, Mau, Dikela, and the Musevini, Kikuyu, and Kikuyu, the insights he offers are not particularly profound, the unspoken wisdom is to avoid saying too much, rather than subtle intellectualism.

The question of how often Kenyan interests clash with his loyalties to Lomro, and which side wins, goes quietly unanswered.

The role of discretion between government and the president is occasionally crossed. “I try to play it close to my heart,” Too says. “I have to be careful.”

When the government’s proposed constitutional changes were brought to Too for his approval, he flatly refused to support them.

Too’s ultimate goal is to return to the land of his birth. He has a large piece of land and a ranch that he hopes to run once he retires from his current position. He also has a large estate in Nairobi that he plans to sell.

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NAIROBI — Kenya implemented a key plank of a pre-election reform deal yesterday by appointing 10 opposition nominees to its electoral commission.

President Daniel arap Moi, who must hold elections this year, ratified their appointment as agreed by the Inter-Parties Parliamentary Group (IPPG), a statement from attorney-general Amos Wako’s office said.

Moi acted “in accordance with the IPPG recommendation that the president appoints an additional 10 members of the electoral commission on the recommendation of parliamentary opposition parties,” the statement said.

Ford-Kenya, Ford-Aid and the Democratic Party nominated three people each, and the Kenya Social Congress proposed one person.

The IPPG, grouping Moi’s ruling Kenya African National Union and about half the opposition members of parliament, agreed on a package of political reforms ahead of the polls. However, hardliners in the National Convention executive council rejected the deal as a cosmetic sellout, and greeted the expansion of the electoral commission from 11 to 21 with scepticism.

It said based arrangements for the election were already in place.

“Even assuming that these fellows are able to be a countervailing force, the government still has a majority,” convention leader Kivutha Kibwana said. “All the arrangements that have been made so far have to be scrutinised and if they are not right, reversed.”

Parliament was due to vote yesterday on the Constitution of Kenya Amendment Bill, the second of three IPPG-sponsored bills the government says it will pass before parliament is dissolved. No election date can be set before its dissolution — Router.
Kenyan President Moi denies he is wealthy

NAIROBI - Two African leaders have found it hard to deny accumulations of wealth contrary to their public statements, but only one leader is currently in power and his wealth has only recently been scrutinized.

President Daniel arap Moi of Kenya has long been suspected of hoarding much of his country's wealth. HisỘ Office of the President has denied allegations that he has accumulated substantial wealth.

A key opponent of Moi, State House spokesman Tom Matiang'i, saidMoii would not comment on the matter. "I don't have any comment to make on the matter," he said.

Moi has not made any public statement about his wealth, and his office has not responded to questions from the media.

The issue of wealth accumulation is crucial in Kenya, where poverty and corruption are widespread. Many Kenyans believe that their leaders have benefited from the country's wealth.

Moi has been in power for over 30 years, and his regime has been accused of corruption and mismanagement.

The Kenyan government has recently introduced anti-corruption measures, but critics say these are not effective.

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Kenya admitted to developing nations bloc

KUÂBA LUMPUR — The Group of 16 admitted Kenya yesterday as the 18th member of the bloc of developing nations, Kenya's high commissioner said.

The group admitted Kenya on the first day of a three-day summit in the Malaysian capital.

The African nation joined Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela and Zimbabwe within the seven-year-old Group of 16 nations.

Nicholas Bwoti, the minister of state in the office of Kenyan president Daniel arap Moi, said yesterday that Kenya had already paid its membership fee and annual subscription fee to the group.

Bwoti said Kenya was on the path to full economic liberalisation and was committed to a peaceful and stable political climate through pursuit of democratic institutions — Reuters.
Mo's reforms: a sop to democracy

No extra loan
PWD to shed 5 000 jobs in next five years

Minister set to privatise services

THABO MBASA
BUSINESS REPORTER

The Department of Public Works is planning to cut 5 000 jobs within the next five years as part of efforts to streamline and improve its operations.

Minister Jeff Radebe yesterday told a meeting to introduce his department's white paper that areas affected by the restructuring were the cleaning, gardening, horticulture and security services.

He said these services would be outsourced to private companies.

The job cuts would come partly from routine retirements and resignations, and partly from retrenchments, he said.

"So that we make sure that former employees do not end up in the streets, we will encourage them to form small companies and tender for the services," Mr Radebe added.

Department of Public Works director general Sipho Shezi said there were now 8 700 in the employ of the department, which would be staffed by a maximum complement of 3 000 in five years' time, he added.

"Doing this provides the department with the opportunity to cut down on fragmentation and duplication. We will also save a lot of money through constructive management," Mr Radebe told the briefing that the white paper laid the foundation for a new vision and image into the 21st century.

Among other things, the white paper's objectives included attempts to refine a uniform procurement policy, and the cost-effective and efficient acquisition, management and maintenance of state properties.

"As a department we have been championing the process of transformation in the public sector and I believe that we are making a pioneering contribution to setting new standards for the full-scale renovation of government relations and structures in South Africa," Mr Radebe said.

Kenya will down R1.2-bn from SABI plant

Nairobi – A plant being constructed by South African Breweries International (SABI) is expected to raise $255.6-million (R1 275-million) for the Kenyan government over five years.

SABI managing director Andre Parker said yesterday the company would initially employ 600 Kenyans directly and create 6 000 jobs indirectly at retail and supply level.

"Besides investing over $40-million (R135-million) in Kenya, SABI also operates 20 other breweries in Africa and other parts of the world, including Hungary, Poland, Romania and China, in partnership with other local ventures," he said.

The entry of SABI into the Kenyan market, which has over the years been monopolised by Kenya Breweries Ltd (KBL), will boost revenue collection to the exchequer.

Last month, KBL launched a new ultra-modern plant which produces 80 000 bottles an hour.

SABI recently acquired management control and 40% ownership of Uganda's largest brewing firm, Nile Breweries – Sapa-AFP
of Africa

The corruption of power in Kenya does not involve tontop politicians.fliching the contents of the odd hotel mini-bar. It involves tontop politicians.fliching the country. "There is so much that could happen here if you just got rid of not even 100 thieves, just 20 of them," says one local businessman.
The corruption is on a mammoth scale. Everyone's favourite case is the Goldenberg scandal. This resulted from a scheme whereby exporters were encouraged by substantial incentive payments from the government. An Asian businessman got millions of points as reward for exporting gold and diamonds back into Kenya, of course, has no gold or diamonds.

In Nairobi, public toilets and car parks have been quickly sold off to well-placed figures for development. In the suburbs, a big new supermarket has been unable to open because, at the last moment, the crown of a minister popped up and announced that he had just been given title to the verge between the supermarket land and the road, and wanted 500,000 before he would allow access. Meanwhile, the roads got worse with every occasion.
The corruption is built into daily life. Kenya depends on the "harambee" system. This was supposed to be an admiral method of self-help, widely used to improve, for instance, education. It works in almost the same way as the primary school sponsored walk or the Parent Teachers' Association jumble sale. Except for two things: (a) since the central funds have almost certainly gone missing, the school will be wholly or partially dependent on harambee; (b) politicians traditionally donate to all the harambees in their constituency.

To maximum face, they have to give large sums to each one. Since they are only paid E50 a month or so, most of the money must be stolen. Kenyans seem unable to make the connection. MPs who have tried to be brave, and make small donations, have had the money flushed back at them as an insult. There are other ways for politicians to raise funds. On a cool Nairobi evening, Joe M'Mukundia, the Minister for Energy, began his forthcoming campaign for the Meru constituency in the garden of his pleasant suburban home. After a buffet dinner and plenty of drink, Mr Mukundia's manager rose and began soliciting contributions. The guests then rose in turn, made a little speech of praise and offered their pledges. Some came in cash. E1 000 was the biggest offer. Most gave sums to help the campaign. Most speeches were subtle. Some were not.

"The Minister for Energy is one of my favourite politicians," said one man. M'Mukun- dia did not know him. "What do you do?" he asked. "I sail sail," came the reply. "I'd like to pledge 300 T-shirts." And so on. - 100 footballs, 300 umbrellas, 300 posters, 200 caps, 70 dartboards, a ton of sugar, "for the men", a ton of salt "for the ladies". Kenyan rural housewives grow salt highly. The manager was hoping for more sail.

All this might have been shocking in the Western context, though it happens more discretely, and at the national rather than local level. It is not very different from what happens in the United States. It can hardly be wrong in Kenya, since my presence was no secret. But this is the tip of the iceberg, and one has to be very alarmed about what might be under the water. "I don't call any of this bribery," said one guest. "I call it sapaar."

M'Mukundia thanked his donors and promised he would always listen to their requests and then make up his own mind. It was, in other words, influence peddling. He is young, bright, highly regarded, said to be straightforward, and, in the re-arrangement that would follow a defeat for Moe, might fetch up in another government.

In Kenya currency, "I don't think it's worse than Uganda or Tanzania," he says. Most analysts agree. On the wall of his downstairs office he has put up a strip cartoon called Jolly Giraffe: "It's the jungle election soon," says a bird, "You gonna vote for me?" Giraffe, "What's the difference?" Bird: "The giraffes make some animals better off and some worse off. The crocodiles make all animals worse off ."

In Kenya, the villagers have overdone it. Too few animals are better off. There has to be a reckoning. And if it does not come at the ballot box, then it may well come in a manner too terrible to contemplate.

Wildlife experts are currently worried about the possible extinction of a rare type of antelope the harambe. What also worries thoughtful Kenyans is the possibility of the disappearance of the high roller, the rich tourist who has sustained the country all the while its neighbours were collapsing into chaos.

Out in the bush, I caught a family of cheetahs devouring a freshly killed impala. It was a moment of timeless, brutal, beautiful majesty. A group of camera-clicking Americans were there too. But natural selection for them is that animals take on the characteristics of their surrounding. I could swear that when the mother cheetah looked up, she was mouthing "You want pictures? Gunna dollars, bwaar."
The slippery slope to cronism

The commission, as the ANC well knows, was not created to get into the miner's tricks in the gold field. Instead, the commission spent much time and energy in an unsuccessful attempt to make the Motoho contract with the Mmapungka government as long as possible. While uncovering an arrogant consciousness about public business, the commission discussed around the core problem that the great danger for public life in this country.

The most distressing aspect, from the beginning, has been the lack of public awareness of the regulations — how an unknown developer managed to screen a R107 million contract for the same structure of 150 houses in the middle of nowhere after provincial housing authorities routinely ignored virtually all the procedures — but the relationships between the key players.

Those in the Motoho corner have parroted allegations about the irregularities by point

ing out that the developer's bid was too urgent a matter to be held back by red tape. We agree, but that is not the point. Our concern is over the relationships between the key players in which the players themselves and the government have eroded them.

And without even asking the tough questions about the minister, the commission members had influenced the awarding of the scheme.

The public has still been denied an explanation why the minister's formal agreement with the chief director general, Billy Cobbert, that the project should not be approved before funds were available, why, fully briefed about the irregularities, she went ahead and launched it anyway, why she instructed Cobbert when he reported the project to the auditor general why she later stood by the assertion that the matter was being dealt with, and why she misinformed the public by claiming that Cobbert resigned.

No one has yet told the public how the commission, its chairman, its secretary, its members, and its officers, acted as an obstruction to the public interest.

Business of knowing

If there was ever an example of failure to recognize that circumstances have changed in the new South Africa, it is the written submission made to the Truth and Reconciliation Commission by the Chamber of Mines. The commission might have been a possible defender of the Chamber of Mines足够 for the nation.

The submission could not be seen as the difficulties the chamber and the other players in the business establishment are having in dealing with the truth commission can be put down to the fact that the purpose of the in-

vestigation is not to uncover criminality as the video for investigation into "gross human rights abuses" and corporate South Africa, as represented by the men and women in powerful positions, is not understood.

But that is to misunderstand the role of the commission.

Desmond Tutu and his team have quite rightly interpreted their brief as one of ensuring that "it does not happen again." To avoid a repetition is necessary to understand the past. And understanding as to be not discovered in superficialities such as those of the Chamber of Mines. Or in the silence which some other sectors of the business community have preferred to maintain.

The country does not want derailments, it lived through apartheid and will not be tolerated by those. It does not want excuses, they are quickly recognized as such. It does not just trivially want apologies, although they are rare when they come. It wants explanations, analysis, un-

derstanding.

The former Barclays Bank chair of the executive, Chris Ball, has shown the way with an incisive portrait of business under apartheid. African businessmen, however, are in a position of struggle — have also shown a degree of understanding as to what is required by the commission. "The rest of corporate South Africa needs to follow suit.

No renaissance without better living conditions

T he attempted military coup in Zim-

babwe should send a strong message to all those who dream of a country where poverty and unemployment can be tackled in a South Africa that is becoming a stable region.

The proponents of an African renaissance or African rebirth, especially Deputy Presi-
dent Thabo Mbeki, who think that the wave of democracy which swept through the continent in the 1990s has succeeded and prosperity is in for a big surprise.

This is not the case. In Africa, democracy cannot be consolidated in Southern Africa. It is a bad idea to expect the people to respect the principles of democracy if the government is not respected. It will not bring back the democratic regimes in Southern Africa — especially Zambia, Zimbabwe and South Africa — will be blessed the country, as happens in Congo. Military rule is going to be a permanent feature in most countries in Africa and unless ordinary people enjoy better living conditions, the country will not know the changes that can be made in their standard of living.

The Zimbabwe attempted coup is a classic example of what has happened in most of the governments in Southern Africa continue failing to deliver. This dramatic coup attempt must also be treated as a warning to those who think democracy can come only through elections and peace of mind.

It's all in the spelling

Please be aware of the following errors in the text:

- 'In 1980, Portuguese noblewoman D'Aledma was on her way back to Portugal after a 10-year stint as a governor of India, when her boat sank off the coast of Brazil. She was among those killed in the disaster. The letter was sent to the Indian High Commission in London.'
- 'The Khoi launched a rescue attempt. A fight broke out and the Portuguese rushed back to their ship.'
- 'On their return they grabbed a group of Khoi children. As a result they appealed to the authorities for the protection of the Khoi people.'
- 'Most of the other casualties were members of the Khoi people.'
A box to beat the coffee robbers

Geoffrey Gibbs in London

AnVesper has a problem. People steal its coffee beans. The company has environmentally friendly flat-pack coffee, and he is not sure how to deal with the problem.

Building an Internet site for his small company based in Cambridge, England, seemed like a good idea as the occasional order came in from green-minded consumers. Vesper’s beans, supplied by a fair-trade co-operative in Tanzania, were grown under conditions that favor the environment.

But, for a business producing 30 coffees a day, the call from an export company in Mexico City was another proponent among many.

"Eco-Friendly Coffee——trading under the laudatory title "D.Apply Cofe" and "Caskites"—is being asked to turn out 600,000 coffees a year for the Mexican government agency that runs the country’s floral services.

Samples of the flat-packed coffee, especially marketed to include a plastic lid, were despatched for approval last week and Vesper was reminded of nothing down the contract short of a disaster.

The problem now is to find preserving bags big enough to accommodate the expanded production, and a vendor of coffee or a business associate who is prepared to help finance the deal.

"The hope is to keep the company from collapsing, and the prospect of an order for 100 coffees from Anguilla—means the company will need about 10 times its current space and a similar increase in its four-storey work force.

The coffee, which is sold at about $1 per pound, can start breaking down within an hour of being brewed. It is a formula he believes will stand the company in good stead in countries where unsupervised grove robbers have found a market for recently inspected coffee.

"The coffee will still be there, food and fun, but it will be brittle and break up if it is picked up on it will be no good to sell on the black market."
Always something familiar out of

Matthew Engel reports on the troubled heart of Kenya, once Africa's greatest hope, now with its social fabric crumbling and an election due before the end of the year.

It is half-way through the equatorial afternoon. In the wood-paneled parlor of the Nairobi Hotel, Daniel arap Moi, the former president of Kenya, basks in the sun-like beams of adulatory light reflected from the polished marble floor. The aging statesman has aoints of the West have bought into almost every continent. He has performed the simplicity of South Africa, where goodness and badness have been thoroughly defined. That huge chunk of the world beats Libya and -- if I am to be tolerated, at least by the International Monetary Fund which they do not always do being known in the world, the Kenya economy has not recovered from the crisis that followed the 1985 election. The currency is still in free fall, and the country's foreign reserves are at a record low.

The government has announced a new austerity program, which includes cuts in public spending and a rise in taxes. The country is facing a major recession, with inflation running at double digits and unemployment rising.

The situation is further complicated by the separatist movements in the country, which are demanding more autonomy and even independence for some regions.

President Daniel arap Moi has tried to win again, even though he is much hated.

Tribal leaders, party people

Matthew Engel

The current election is one in which President Moi has sought to unite his country by appealing to the common interest of all Kenyans. However, the opposition has been divided and fragmented, making it difficult to challenge the government.

Most of the opposition parties are led by tribal leaders, who use their influence to gain support and control over their regions. They are known for their ability to mobilize their followers and their desire to maintain power.

The upcoming election is expected to be a test of the government's ability to maintain control over the country, as well as a test of the opposition's strength and unity.

The situation in Kenya is complex, with many factors at play. The government is facing a growing economic crisis, while the opposition is divided and fragmented. The future of the country is uncertain, and the upcoming election will be a key factor in determining its path.

The Weekly Review is not regarded as a newspaper. But it is known for its in-depth coverage of the country's political and social issues. Its articles are widely read and respected, and its editors are considered to be some of the most knowledgeable and influential in the country.
KENYA Investors wait for halted IMF aid package to be renegotiated

Election jitters blunt economy

Mangoah Epifu

Nairobi — The Kenyan shilling has shown a weak streak against the dollar from about $6 last July — mainly because of election jitters. A key aid package halted by the International Monetary Fund (IMF) is likely to be renegotiated only after the national elections.

The IMF deal is important because it is seen by the business community as a sign of approval of the country's economic management. Only after a deal is reached with the IMF can the key questions of corruption and governance be addressed.

Investors expected to start moving into Kenya again.

Kenyans are also watching the weather. Heavy rains, blamed on the El Nino climatic phenomenon, have battered most parts of the country, resulting in at least 38 deaths in the past two weeks and destroying property worth millions of dollars. That has put further pressure on government resources at a time when the focus had turned almost exclusively to the polls.

The countdown to Kenya's general elections begins this week when parliament completes its agenda for the reform of key laws ahead of the poll. The authorities have yet to announce the poll date. Under Kenyan law, presidential elections must be held before January 4, when President Daniel arap Moi's five-year term ends. Parliament is due to finish its agenda tomorrow or on Wednesday and will then adjourn. In Kenya's complicated ballot system, the presidential poll is linked to parliamentary elections.

And, although Parliament's term could technically be stretched to April, the president must also be an MP and so there must be a parliamentary election to go along with a presidential poll. Moi launched the ruling Kanu party's election manifesto on Friday and has already been formally nominated by his party to defend his seat in parliament. Last week, Kenya's Roman Catholic bishops said reforms passed by parliament were inadequate to provide an even playing field before the elections.

Operators on Kenya's financial markets say most investors have put their orders on hold until after the poll, which should give a long-term direction to Kenyan affairs. "We need to get over these elections. Many businesses are at a standstill until after the elections, when everyone will know what team has been put in place to manage the economy," said a chief executive at a leading brokerage house.

Most commentators say it will take at least six weeks from the announcement of the polling date to the poll itself and see a mid-December date as probable. Kenyan law gives at least 21 days for campaigning.

Political analysts say Kanu is confident going into the poll against a highly fractured opposition, and the only worry for Moi may be a rule requiring the president to gain 25 percent of the vote in five of Kenya's eight provinces. Such analysts say the president could be in a difficult position if electors vote along ethnic lines, as they did in 1992, because this would favour his opponents.

With official opposition leader Mwai Kibaki and prominent activists Raila Odinga, Martha Kibaki and Charity Ngilu as candidates from the populous Luo, Kikuyu and Kamba tribes, the president's vote is severely threatened in at least four provinces. If there is no clear result in the first presidential poll, a run-off will be needed — something never before experienced in Kenya. — Reuters
Kenyan parliament dissolved before poll

Nairobi - Kenyan President Daniel arap Moi dissolved parliament yesterday, setting the stage for elections likely to be held in December, when he will seek a final five-year term after two decades in power. There was no mention of the polling date.

Moi, in power since 1978, is viewed as favourite by most political analysts against an array of candidates from the divided opposition. But predictions are risky because there is no reliable opinion research into the intentions of Kenya's 11 million registered voters.

Hardline opposition figures are advocating a boycott and disruption of the polls.

Moi (73) won with 36% of the vote in 1992.

The long uncertainty about polling day has hit business and industry, with potential foreign investors preferring to wait until the outcome.

Constitutional lawyers say Kenya's laws mean a gap of five to six weeks between dissolution and polling day. With Moi's term ending on January 4, this means the presidential and parliamentary elections are likely to be held in mid- or late December. - Reuters
Moi dissolves parliament for elections

NAIROBI — Kenyan President Daniel arap Moi dissolved parliament yesterday to make way for elections, State House announced.

The multiparty presidential and parliamentary elections are expected to be held before the end of the year.

The electoral commission — enlarged on October 4 to include opposition representatives — will decide the date of the elections. It will also decide on the electoral system for the elections. It said Moi told Kenyans he could be tried to hear that the new parliament would not do business.

Commercial banks were quoting the shilling between 64.50 and 66 to the dollar yesterday afternoon, from 63.50 to 64 at the open. The shilling has traded at between 62 and 64 to the dollar since mid-September.

"It's sheer nervousness. We have not done any deals and we have not seen any client demand," a treasurer from a leading bank said.

"Quite frankly there's no reason the dissolution of parliament should move the market, because everyone was expecting it," another treasurer said.

The announcement of an election date is seen as the new short-term benchmark for the shilling — and unless an election date is known, the market was expected to remain nervous, dealers said. — Sapa-AFP, Reuters.
KBL rights issue brews discontent

NAIROBI One of Africa's biggest brewers, Kenya Breweries (KBL), has run into protests over its controversial rights issue designed to finance a fight against rival South African Breweries (SAB).

KBL plans to raise R23m to fund expansion into Tanzania -- part of its strategy in a "beer war" with SAB as the two firms battle for market share in east Africa.

SAB has expanded aggressively in east Africa, buying into breweries in Tanzania and Uganda and plans to open a bottling plant in Kenya in July next year.

But the rights issue, under which existing shareholder Guinness Kenya has agreed to buy all the rights not taken up by other shareholders, has fallen foul of stockbrokers and shareholders alike.

In an editorial yesterday, the influential Daily Nation argued that KBL and stock market authorities "need to do more to convince Kenyan investors that the issue is not a plot to give Guinness a bigger shareholding and whether this is to the benefit of all Kenyans."

KBL is offering shareholders the right to buy three new shares in the company for every seven they hold, at 53 shillings (82c) a share. -- Reuters.
Kenyan poll set for December 29

NAIROBI—The presidential and parliamentary election in Kenya on December 29 was announced yesterday. The announcement was made by the Chairman of the Independent Electoral Commission, Dr. Musalia Mudavadi. The election is expected to be one of the most closely contested in the country's history, with opposition parties promising a robust campaign. The ruling party, the Kenya African National Union (KANU), is led by President Daniel arap Moi, who is seeking re-election after serving for 24 years. The opposition parties, including the National Rainbow Coalition (NRC) and the National Alliance (NA), are vowing to challenge the incumbent administration. The campaign has been marked by allegations of vote buying and, in some cases, violence. Several people have been killed and many injured during election rallies. (163)
Alleged abuse of employees results in Kenyan expulsions

NAIROBI — Kenya has expelled two expatriates — a Briton and a South African — after President Daniel arap Moi accused them of treating their African employees with contempt, immigration officials said yesterday.

Wesley Winter, 53, a director in a subsidiary of the British security firm Securcor, who had been in Kenya for three years, and Alan Reynolds, 46, a former manager in a pharmaceutical company who had been in Kenya for 21 years, left the country this week.

Moi claimed last weekend that the two men had called Africans "stupid" and that Reynolds had said that South Africans were "more evillised" than Kenyans.

The Presidential Press Service quoted Moi as saying that "Kenyans were not ready to sell their dignity and self-esteem for foreign investment."

And in a commentary titled "Moi's lone crusade against racism in all forms," the ruling party mouthpiece, the Kenya Times, yesterday wrote, "They (white expatriates) are here to eat well, enjoy the sunshine, take a lot of money back home, and eventually leave for the next African country that is ready to maintain their racial egocentrism."

Meanwhile, businessmen of Asian origin are fleeing Kenya in the run-up to general elections which have been announced for December 29, an airline manager said yesterday.

The same phenomenon occurred during elections in Uganda and Tanzania last year, when businessmen of Asian origin — usually Indian — took holidays abroad with their families.

In those two cases, the Asians returned after the elections and their aftermath proved peaceful.

Charles Kutwa, Air Mauritius regional manager for East and West Africa, said Kenyan businessmen of Asian origin were already leaving the country in masse for holidays in Mauritius and elsewhere.

"We are ferrying quite a number of the Asian businessmen from Nairobi to Mauritius who are running away from the heat of the election and we expect that as the date approaches we will have many more," he said.

The Asian community in East Africa is often the target of racial abuse, accused of corruption and of ill-treating African employees.

Kenya's 100,000 Asians, who dominate the retail trade, are often accused of amassing wealth but holding themselves aloof from African society.

Several prominent Asians have been implicated in financial scandals which have destabilised the Kenyan economy in recent years.

They are also suspected of acting as front men for corrupt politicians.

Prominent opposition politician Kenneth Matiba called the Asians "cheap" in April, and vowed to expel them should he be elected president, but he ended up refusing to register as a voter and is thus ineligible to stand.

He accused the Asians of "stealing Kenyan wealth and taking it to India."

Matiba was backed at the time by Raila Odinga, another prominent opposition politician, who called for a redistribution of the nation's wealth.

The US, Japan and EU embassies protested at what they called "inflammatory remarks." — USA-AFP
Kenyans Breweries Rights Issue Stirs Storm

Shareholders and stockbrokers allege bias towards Chinese Kenya

AFRICA BUSINESS
NAIROBI In her short political career, Ms Charity Kaluki Ngilu has been beaten by riot cops, tossed into jail and tear-gassed by police breaking up opposition rallies.

Now the 45-year-old opposition figure wants to be Kenya's next president so she can reverse the East African country's decline.

Few expect Ngilu, who is to file her candidacy on the tiny Social Democratic Party's ticket, to win, but she has a good chance of spoiling President Daniel arap Moi's hopes of being returned for a fifth successive term in the December 29 elections.

In Kenya, women are expected to leave politics to the men and most do, so Ngilu's bid is considered downright impudent.

Yet she is convinced she is qualified for the job. "The voters will decide," she said. Her candidacy acquired momentum in February with the League of Women Voters endorsing her.

She has three children and runs a successful plastics business. Her husband, Mr Michael Ngilu, owns an electrical engineering firm. He usually tries to keep a low profile, but at a rally on October 24, he urged men to allow their wives to take part in politics. He reassured them that his wife still made his breakfast.

Ngilu was elected to Parliament on the Democratic Party ticket in 1992. Straightforward and outspoken, she soon made a name for herself. In a recent poll, she was placed fourth. Moi, with a well-oiled political machine and compliant state bureaucracy behind him, was first.

However, the poll did not take into account Kenyans' penchant for voting along ethnic lines, nor that 65% of the estimated 10 million registered voters are women. To dilute the strength of Kenya's large tribe, electoral law dictates that the winner must capture 25% of the votes cast in five of Kenya's eight provinces.

In 1992, voters cast 3,338,871 ballots for three opposition candidates, while 1,927,640 voted for Moi, including 290,000 in Eastern Province, home of Ngilu's Kamba tribe.

At the least, Ngilu could be expected to win most of the Kamba vote and deny Moi the fifth province he is banking on. This would mean a run-off between the top two candidates.

Ngilu portrays herself as a unifying figure. She says she seeks a single term only as a bridge between the present undemocratic system and the democracy Kenyans yearn for.

She promises an economic "turnaround" in five years. "Kenyans are resourceful and will be ready to work hard as soon as they see a committed, willing and able leader. That is what is lacking," she said. — Sapa-AP
Preaching Good News

FROM AFP

Foreign media scaring away investors, says Moi

Need to report on Kenya has failed to highlight its economic liberalization and poverty alleviation efforts

AFRICA BUSINESS
Nairobi — Harsh economic times await Kenya no matter who wins the December 29 general elections, Robert Shaw, the leading opposition economic analyst and activist, said yesterday.

Shaw said although the announcement of elections had ended uncertainty, which in turn would result in more settled economic times, the present trials and tribulations went far beyond the immediacy of an election.

"The government is already facing an economic deficit of 10 billion shillings (R763 million), and whichever way this will be addressed, it will affect the economy adversely," he said.

He warned that increasing taxes would not only reduce the purchasing power of the people, but would also limit economic activity especially in the private sector.

"I predict that the International Monetary Fund will not resume aid to Kenya before mid-1998 at the earliest," Shaw said.
Dramatic twist to Kenya 'beer wars' 

NAIROBI — Kenya's 'beer wars' took an unusual twist when a ceremony to begin work on a new SA-owned brewery was delayed by a rival local brewer's delivery truck overturning nearby.

SA Breweries broke ground at their new site near Nairobi later than scheduled after a lorry belonging to Kenyan Breweries overturned and blocked the road.

Local police officials said they had to close the road after empty beer bottles blocked the route.

The two companies are gearing up for a fierce fight in East Africa, in what the locals are calling "the beer wars".

REPORTS Business Day Reporters, Reuters, Sapa.
El Niño is washing away export crops

Adverse weather believed to be connected with the El Niño phenomenon may severely reduce Kenyan exports, Peter Muthoka, the chief executive of Kenya’s Export Promotion Council, said on Wednesday.

Muthoka said that although exports were expected to rise by about 25 percent this year, heavy rains would reduce Kenya’s exports next year. Heavy rains on the east African Indian Ocean coast have caused severe flooding in Kenya, Somalia and Ethiopia, at a season when the countries expected only short rains.

Kenyan exports earned a total of $1.8 billion dollars last year, 24.1 percent over the previous year. But “the current torrential rains and floods will reduce exports of traditional export products like coffee and tea”, Muthoka said, explaining that “agricultural produce was either rotting on the fields or cannot reach markets at all, as many roads in farming districts have been washed away.” — AFP, Nairobi
Green light for Leakey’s party

Nairobi - The Kenyan government said today it had authorised the registration of conservationist Richard Leakey's Safina opposition party ahead of general elections on December 29.

"The government has allowed the registration of all political parties whose applications are pending with the Registrar of Societies. This includes Safina," said a brief statement by the Presidential Press Service.

Safina appealed to attorney-general Amos Wako last month after its application for registration, first submitted in June 1996, was turned down. When the party was mooted in 1995, it claimed it provided the best means of uniting Kenya's divided opposition against President Daniel arap Moi, who has been in power since 1978." - Reuters
Ngilu not doing it for Charity, but for the people

Candidate Charity Ngilu has promised to remain in office as Kenya's president for one term only. She has pledged to another corruption in one of the world's most corrupt countries. She has implored Kenyans to choose her because of something she's not - a traditional, Old Guard politician.

As Kenya's opposition scrambles to prepare for presidential elections on December 26, a kind of political schizophrenia has come over this East African country. On the one hand, pervasive disunity, disorganisation and lack of resources dog opposition politicians even more so than in 1992, when Kenya held its first multi-party elections.

On the other, there is an increasing sense that if the opposition can force a second round of voting it might have a shot at removing from office President Daniel arap Moi, in power since 1979.

The top two vote-getters in the first round: virtually certain to include Moi will move to the second round. If no candidate wins an overall majority of the vote and 25% of the votes in at least five provinces.

The sluice of optimism about opposition prospects has come from Ngilu, who could become sub-Saharan Africa's first elected female president. A poll in late summer by the US Agency for International Development (AID) suggested that, among Moi's five major challengers, only Ngilu would defeat him in a runoff.

Perhaps Ngilu's strongest asset is that, in a country where corruption has muddled many politicians - fomenting the cynicism of Kenya's 27 million people - she is unscathed by scandal.

"She's a fresh face," one diplomat said in a recent interview "I think she's the only person who's addressing the issues that people here really care about."

Ngilu, however, has numerous obstacles. Foremost is getting enough votes to qualify for a second round of voting. And she would have to hope a divided opposition would back her.

Many opposition parties, including some major ones, are desperate for funds. And many of the 25 parties, at least 20 of which are fielding presidential candidates, have failed to articulate a meaningful agenda.

It has been an odd year for Kenya's opposition. Earlier this year, it was unified long enough to push the government into drafting a political reforms package that parliament passed this month. But dozens of politicians have defected to the ruling Kenya African National Union as it has become clear the party is likely to continue its three-decade dominance with at least a parliamentary victory.

"This is even more depressing than 1992," said activist and human rights lawyer Gibson Kamau Kera "There is really a sense of hopelessness."

Last week, the government registered the Safina party, led by famed conservationist Richard Leakey after a two-year delay, clearly hoping to show its commitment to reform. But in many ways the delay epitomised Moi's ability to shake the opposition since 1992.

"The ruling party has had a chance to prepare while the opposition has been locked out of the process," Leakey said at a news conference.

Leakey has become an enthusiastic supporter of Ngilu, whom many Kenyans had not heard of until a few months ago. Ngilu (46), married with three children, says her rising popularity has resulted from her message.

"Kenyans see me as someone who will demystify power," she said last week. "I want to give them back power. They are used to all the power being at the top."

Washington Post
'Mo's people behind attacks'
Kenyan mother seeks top job

A feisty female presidential candidate is seeking to unify the fragmented opposition in Kenya, writes Louise Tunbridge in Nairobi.

"BE A real man, vote for Ngulu," proclaimed the bumper stickers as the fleet of vehicles weaved through the crowds thronging the streets around Nairobi's parliamentary buildings.

The city came to a standstill as Charity Ngulu, 45, a businesswoman and mother of three, rode in an open-top Mercedes to present her nomination papers as a presidential candidate in this month's Kenyan elections.

Jubilant supporters lined the pavements, crammed into shop doorways and leaned out of office windows to catch a glimpse of the woman they are already calling "madam president."

Few women venture into the macho world of Kenyan politics, but Ngulu has earned a name for herself by taking on baton-wielding policemen and once even slapping an aggressive district officer.

Standing for the small Social Democratic Party, she clearly poses an obstacle for veteran President Daniel Arap Moi, who was looking for victory in his native coastal province to return him to the post he has held since 1978.

Under election rules, the winner must garner at least 25% of the vote in five of eight provinces.

If Kenyan women, who form more than two-thirds of the 10-million registered voters, were to vote along gender lines, Ngulu could present an even bigger threat. Her campaign, however, pitches her not as a woman, nor as a member of her Kamba tribe, but as a unifying figure.

"I'm not going to be a presidential candidate for women. I'm a presidential candidate for Kenyans," she said. "I'm seeking a one-term mandate during which I will bring constitutional reform."

Gender is also much less of an issue than unity, an ideal that has eluded the opposition since the last elections, Kenya's first multiparty polls, in 1992.

Efforts to rally the forces opposed to the Moi regime around one organisation or figure have failed miserably. Nine opposition candidates have already put their names forward for the presidency.

Most Kenyans vote along tribal lines, a fact that has been exploited by opposition leaders to the detriment of their greater effectiveness. So far, 26 opposition parties are to take part in the elections, presenting a bewildering choice to the voter and a head start to Moi's ruling Kenya African National Union (Kanu).

Many of the parties are offshoots of others, the results of squabbles between rival personalities and ethnic groups. Split within splits have spawned as many parties as the original Forum for the Restoration of Democracy.

A series of 11-hour manoeuvres by the government has added to the confusion, clearly by design and not default.

Last week, the Safina party fronted by white conservationist Richard Leakey, was given the go-ahead to field candidates, after being prohibited from political activity for more than two years.

Safina officials had been accused of plotting subversion to overthrow the government. Awarding their certificate of long-awaited registration, however, attorney-general Amos Wako said he had decided to give them "the benefit of the doubt."

A few days later, the country's number one dissident, Kogi wa Wamwera, was freed to contest the elections after his four-year prison sentence for robbing a police station was quashed. Human rights groups said the charges against him were fabricated.

"Moi is playing his political games by denying us adequate time to prepare," said Wamwera. "But we have to go for the election, it's our basic right."

Under pressure at home and from external critics, state broadcasting company KBC this week began giving airtime on radio and television to opposition parties.

But with so many opposition parties vying for government time left before polling day, the ruling Kanu party, which has monopolised coverage for years, will face little competition.

Nevertheless, Ngulu and her team are confident that even with a divided opposition vote, Moi does not have an open road ahead. If he fails to win outright, he would be forced to a second round run-off against his nearest rival.

"If it's just Moi and I, I will win," said Ngulu confidently.

[Note: The date 5/12/1997 is visible in the image, but it is not relevant to the content of the text.]
Moi appoints supporter to head anti-graft body

Kenyans President Daniel arap Moi yesterday appointed John Harum Mwwau, a former fringe presidential candidate who now backs Moi, as head of the Kenya Anti-Corruption Authority.

Mwwau threw in his lot with the president two weeks ago after withdrawing from the presidential race putting Moi against opposition candidates divided along ethnic and personal lines.

The Anti-Corruption Authority is a key element of an anti-corruption law passed last month and is designed to satisfy demands from foreign donors and the International Monetary Fund (IMF) for a serious attack on rampant official graft in Kenya.

Mwwau was a fringe presidential candidate in 1992 and again this year until his withdrawal from the race.

Mwwau complained of a crowded and fragmented opposition and urged his supporters to vote for Moi in the December 29 polls.

"Following the first inaugural meeting of the Advisory Board on Prevention of Corruption and graft held at State House Nairobi on Tuesday, the president has appointed Mr John Harum Mwwau to be director of the Kenya Anti-Corruption Authority," said a brief statement signed by Fares Kundwa, the head of Kenya's civil service.

Mwwau's appointment takes effect immediately and will last for four years, the statement said.

The advisory board on corruption was announced late on Monday and included Mwwau as one of its members.

Opposition political analysts on Monday described Mwwau's appointment to the advisory board as a bad omen, given his support for Moi.

The other six members are lawyer Paul Kariuki, chairman of state-owned sugar company Chemul, Alphonse Mulama, Christopher Nzuki Manji, Fatma Alhadi Hyde, Kenneth Kiplogo and Mohamed Maalim Hayir.

Mwwau's appointment follows the moving of Zacharia Chonki from chairman of the Electoral Commission to the key post of chief justice, a decision which one western diplomat described as "amazing."

The IMF suspended its three-year $200 million dollar aid package to Kenya at the end of July to reinforce its protest against endemic corruption and poor governance.

In August, after talks with the IMF, the Kenyan government promised, among other measures, to create an anti-corruption authority with full autonomy to stamp out public corruption.

IMF officials said they wanted to see the formation of an anti-corruption authority before negotiations on the suspended loans could re-open — Reuters
SUNDAY

Kenyas pukka Big Man speaks with forked tongue

ALEC RUSSELL: Nairobi

F OR the home of a "Big Man", Nairobi's State House looks a little too bare. In the palace's moats, a number of swans and ducks are swimming, and in contrast to the palace of former dictator Mobutu sese Seke, where busloads of Congolese maintained order if you so much as looked at them, here attendants groan good-naturedly if you ask to queue for hot tea. There are pictures of parade shooting in the entrance hall and comely chairs. It seems more equable than African custom.

Now he is gone, as the old Daniel arap Moi is known to friends, in crumpling form he crosses the courtyard of the State House, with me, whatever the time. His arms swing at his sides as if he were half his age. He was clearly still reveling in parliament's pass- ing the night before of a package of political reforms, overlooking his critics again.

But Kenya's crisis has merely been postponed. Quite whose Moi has to be Mr party about was difficult to imagine. Since he took office 19 years ago, Kenya's political system has not been as efficient. It has been informal to the point of having a few parties in parliament, but the government's political opposition, the anti-Moi forces, have never been as efficient as the leadership.

Moi's attempt to silence his critics was made in 1994, when his party took control of the government, and the newspapers proved to be the only way to do so. The media were silenced, and the State House was a cozy place.

Now Moi has shown an uncanny ability to make the right move. In 1995, in the flying days of British rule, he was selected as one of five African members of the Legislative Council, and was put on the British government's list of candidates to be president. By refusing Leigo and fellow Kenyans, and other African nationalists were in prison, he implicitly took the colonialist's side.

As the country moved towards independence, he had little chance of control of key areas, but when Kenyatta became president in 1963, Moi quietly shifted from being the white settlers' "blue-eyed boy" to the indispensable right-hand man. In 1967, he became vice-president.

People used to play the anti-colonial card. The most convincing explanation for his success seems to be that he can run as an ethnic from a mixed bag. With half of English, he was seen as too tough by the opposition. But in the 1970s, he was the ultimate outsider, and the way in which he managed his court while being the "He's like a tortoise," said one politician: "He has the time to do it all.

Crucially, he has also got the feel for what the ordinary Kenyans like. Kenneth Kaunda, the former president of Zambia, has said he has found the right thing to do: to do with food after he had raised the price of corn "Kemehi�. Moi is said to have replied, "only one thing matters in Africa, and that is keeping the people's stomachs full". He common touch undoubtedly stems from his upbringing, although linking the truth about his past is difficult.

What is known is that he was born in the Baringo area of North Kenya. His father died when he was a child, and, given the drought ridden nature of the area, the family would often have gone hungry. The recall moment in his life is that he was one of four boys from his district to enrol at the local mission school. Like many other African leaders of his generation, he had been recruited into political activity. But he maintained a close link with the land. Every weekend he travels with his officials to his farm, Kabarak, outside the central town of Nakuru.

Then he was ignoring his critics, but his iron rule is tempered by a pastoral side. Every Sunday he goes on an impromptu hunt of me, whatever the time. He thought he had spent more than 250 days on the road addressing voters. And his close ties with a puritan, rising at dawn, dressing in fancy foods and rather dining in considerably.
BRITAIN has tried to keep faith, partly for commercial reasons, but also for realpolitik. Moe has made himself indispensable to regional security in East Africa. But his veneer of respectability is wearing thin. There is anxious talk in the west of Kenya of it becoming another Nigeria and exporting treachery and drugs. Even Moe's defenders concede his self-indulgence "Apres Moe le deluge" may no longer hold. The argument that Africa's young states need a firm hand works only if that hand is benevolent, and the few dissidents who have seen the government from the inside say that, far from being a naive old man, Moe is the hydra's head, the ultimate tribal chieftain. Now another election looms and, seemingly, another victory for Moe. According to the constitution, this has to be his last term in office. The only question is whether he will bow out of office before 2002.

At a state parade in Nairobi's Uhuru Park in October, Moe claimed he would love to retire. It was Kenyatta Day, marking the anniversary of the 1962 arrest of the then-freedom fighter by the British. Some 20,000 people had gathered to watch as a military band marched back and forth. Paratroopers, forest guards, city council workers, even the national youth service, lined up. It was an impressive performance, reminding any doubters that government is very much in charge.

Moe stood ramrod straight, patriarchal and impasive. He set his English speech was pedantic, but once he switched to Swahili he came alive. To the crowd's delight, he joked fun at the diplomas on the podium behind him, telling them to "leave us alone. They are accredited as ambassadors and are welcome to play their role. But when they come and say, 'You must do this,' we are reminded of our colonial days. "He施策 so wisely as he declared he would have stepped down if it were not that Kenya still needed him.

In the interview, he would not be drawn on his personal plans. People asked him, he said, only because they wanted to be president. He, by contrast, was "a humble man" who wanted only to help Kenyans "who have given me the confidence to lead them."

He closed with a Cassandra-like prediction: "Although people blame Moe now, one day they will understand what he was." — @ The Telegraph, London.
Charity may bring fame to Kenya dorp

KITUI, Kenya: As a one-horse town where the leading hotel, Flames, charges the equivalent of R27 a night for its best room, Kitui is convinced its destiny is to be Kenya's answer to Hope, Arkansas.

Kitui's Bill Clinton is called Charity Ngilu and her supporters say she will be Africa's first woman president after Kenyans go to the polls on December 29. "If she doesn't win, it will only be because of ngang," said Mr David Mundi as he sat with a few dozen of Kitui's wealthiest sons and daughters in the Reflections Resort Club.

Eating grilled meat and downing beer after beer, they waited until the early hours - in vain as it turned out - for their favourite politician.

"Come Dine and Dance for Charity," said the invitation to the campaign fundraiser at the cheerful if shabby venue, the premier night-club in a very poor town.

Mundi, a forwarding agent in Nairobi, the capital, drove the 268km home to Kitui and paid 1,000 shillings (R78) for the chance to meet the most talked-about woman in East Africa.

"I would say we are one tribe which respects women very much," Mundi said, explaining why Kenya's Kamba people have produced the first woman to mount any serious challenge to President Daniel arap Moi.

"How serious is difficult to predict in a country where opinion polling is in its infancy."

During an interview with Reuters, Ngilu quoted a poll which suggested that she alone among a crowded field of opposition candidates could beat Moi if a run-off second round was needed.

She ignored another poll which gave her third place with 12% and said Moi would romp home on the first ballot.

"I want that office so much," Ngilu said as she sat in her garden in Kitui, surrounded by Kamba villagers. "If I pull out now, Moi will win because all the other candidates are seen as tribal representatives."

"But Kenyans see Ngilu as a woman, not as a tribe. They see someone who is going to unite the country," she said.

In truth, 45-year-old Ngilu has plenty going for her. She has no political baggage and if the skeletons of financial corruption are hidden in any of her cupboards, Moi's ruling Kenya African National Union (KANU) has yet to find them.

She was a late entry into national politics, winning Kitui Central constituency in 1992. The closest she got to the corridors of power was as secretary to the governor of Kenya's central bank between 1972 and 1975. After that she went into business as a baker and manufacturer of plastic buckets.

Unlike many of the candidates, she has a manifesto with a few simple and appealing ideas.

She knows most of her 28 million compatriots are sick of the cancer of corruption which has spread through their lives.

"The first thing I will do as president is to restructure the civil service and remove those who have been holding senior positions, and those who are corrupt, from office. We know them, I know them. I do not have to have a commission to investigate them." - Reuter
Terrorism from Moki, Pakistan

Kenyan immigration officers have arrested thesimi, who is reportedly a member of the al-Shabaab militant group, at the border between Kenya and Somalia.

Kenyan authorities have been on high alert following a series of attacks by al-Shabaab in the region. The arrest comes days after a similar operation in Somalia.

The officer said the individual was found to be carrying a weapon and was after escaping from a nearby camp.

"He was carrying a weapon and was caught after a brief chase. We have handed him over to Somali authorities," the officer said.

The arrest is the latest in a series of operations targeted at members of the militant group who have been crossing the border.

Local residents have been urged to remain vigilant and report any suspicious activities to authorities.
Kenyan poll rigging impossible, says Moi

KISII — Kenyan President Daniel arap Moi said yesterday that constitutional reforms enacted by parliament two months ago made it impossible for him to rig elections on December 29.

Moi, 73, said the west had imposed democracy wrongly on Africa in total disregard for the local reality. But he said he would win the vote anyway. "Kanu (the ruling Kenya African National Union party) is winning, no doubt at all," said Moi, who faces 14 opposition candidates.

Nine-million Kenyans, aged 18 or more, have registered to vote in presidential and parliamentary elections in which Moi, in power since 1978, is running for a fifth term which he says will be his last.

Moi's main challenger are Mwan Kibaki, Raila Odinga, Michael Kuama Wamalwa and Charity Ngwu, Kenya's first credible woman presidential candidate.

"How can we rig the elections when the electoral commission is independent? How can we rig when the electoral commission has more opposition commissioners than those from Kanu?" Moi asked.

Opposition leaders say Kanu, in power since independence in 1963, wields state resources to unfair electoral advantage despite a reform deal hammered out in October. Under the cross-party deal, which followed months of often violent protest, parliament reduced the power of public servants over politics, increased opposition access to state-owned media and set up a body to review the constitution after elections.

Moi approved yesterday the appointment of 10 new members of the electoral commission nominated by opposition parties. The 21-member board includes 10 Kanu members, with the 21st, chairman Samuel Kuvuru, chosen by the president.

Key election issues include national unity in a country of multiple ethnic groups, as well as corruption and development.

Kenya, despite coffee, tea and stunning tourist attractions, remains one of the world's poorest countries.

Moi, in a recourse to a familiar theme, said he had accepted western-style democracy but castigated the west for imposing it on the world's poorest continent — Reuters.
Blood flows on campaign trail in Kenya

(167) Mar 20/12/97

Nairobi — It's almost impossible to distinguish between the manifestos of Kenyan President Daniel arap Moi, and the 14 other candidates who are asking Kenya's voters to make them president on December 29.

But the lack of ideological diversity has not diminished the enthusiasm with which their supporters turn on one another with sticks and stones — or on the candidates themselves if they fail to satisfy public demands for cash in return for votes.

Several people have already been killed or injured in the campaign. Nairobians fear a return to the hooliganism that disrupted the rallies for constitutional reform held earlier this year. At those rallies, middle-class and well-to-do Kenyans were the targets of gangs of youths who took advantage of the political meetings to relieve them of their possessions.

Urban Kenyans now observe a new dress code at political rallies: Caution suggests the following: no watches or gold chains, running shoes to escape violent charges by the police, a thick packet to absorb bullet blows if you fail to escape, a water bottle for washing tears out of your eyes, or for drinking if you end up in prison, and clean underpants, in case a television camera captures you being stripped.

Facing an opposition that is even more divided than it was in the 1992 election, President Moi is the favourite to win. Aged 70-something, he has held on to office with tenacity and ruthlessness for more than 19 years.

But people who are not in some way beholden to the ruling group are exceedingly nervous at the thought of another five years of rule by Moi and his cronies. They wonder aloud whether Kenya can survive more of Moi's mismanagement and corruption that has devastated what was once east Africa's most successful economy.

Moi has recently made some conciliatory noises, especially about getting to grips with corruption. But his actions point to business as usual after the election. In particular, he has caused outrage by appointing a controversial judge, Zacharias Obesot, to be chief justice.

In 1982, campaign finance floated down from the printing presses, sending the economy into a sharp inflationary spiral. This time Moi is raising money by more conventional means. On December 6 the ruling party invited 1500 businessmen to lunch at a Nairobi hotel. For the honour of sitting next to the president at the top table, they were asked to cough up $50,000. Others were reported to have contributed something like $1,500 each. The event raised a total of $1.5 million — not bad for one of the world's poorest nations.

Most Kenyans seem pretty confident that Moi and his party will win the election. They are much less certain about the state of the nation. The economy is in bad shape, and life is made harder by the unusually heavy rains that have rendered many roads impassable and disrupted Kenya's already shaky telephone and electricity services.

Workers are restive. The health and education services are in crisis. Entrenched corruption and an overloaded judiciary mean that almost nothing gets done when it should.

Getting the country going again will be a task to test the talents of the man who likes to call himself "Africa's foremost professor of politics" — The Economist.
Moï favoured for another win

NAIROBI: President Daniel arap Moï hunted for votes in key areas yesterday as he entered the last week of campaigning for Kenya's elections on December 29.

The 73-year-old is brimming with confidence as he takes on 14 challengers vying to end the political career of one of Africa's last "Big Men." Moï, in power since 1978, is seeking a final five-year term in which he says he would eliminate official corruption, Kenya's greatest scourge and a major campaign issue.

In the absence of reliable opinion polls, most foreign experts and many independent analysts say Moï and his Kenya African National Union (Kamu) are favourites to win the presidency and a parliamentary majority.

But Moï has a fight on his hands to win the first ballot and avoid an unprecedented second-round run-off against whoever emerges as his leading challenger. To avert this, he must collect at least 25% of the vote in at least five of Kenya's eight provinces.

"Kamu has already won, so please do not waste your vote. Vote for Kamu and myself," he told a crowd in Narok, capital of the mainly hostile Nyanza Province.

Former vice-president Mr. Mwai Kibaki, leader of the Democratic Party, has proved to be the best-organised opposition candidate. Ms. Charity Ng'uru, the first credible woman candidate for the presidency, has strong backing from the Kamba people. Her campaign has an amateurish look, but her greatest threat to Moï is that she could prevent his gaining 25% of the vote in Eastern Province.

Mr. Kenneth Mathio, who came second to Moï in 1992, is boycotting the polls, saying they will be rigged.

Ruthless raids have left rural roads almost impassable in many areas, threatening balloting. — Reuter
Kenyan polls violence claims two more lives

NAIROBI: At least two people died in weekend violence linked to campaigning for the December 29 general elections. The deaths occurred when about 50 unidentified youths attacked about 100 supporters of Mr Raila Odinga, the opposition National Development Party (NDP) presidential candidate, in Kisumu in the west on Saturday. The supporters were attacked as they took shelter from heavy rains that had interrupted an evening NDP rally in Kisumu, the party’s heartland.

They retaliated, killing one of their attackers, a police spokesman said. The attackers fled through the town, beating people indiscriminately and killing a man. Another was seriously injured.

The Daily Nation newspaper said yesterday that the “attackers were linked to President Daniel arap Moi’s ruling Kenya African National Union (Kanu),” but there was no police confirmation of this.

The police spokesman said 100 incidents of election-related violence, involving five deaths and 61 arrests, had been reported since mid-November.

Electoral Commission chairman Mr Samuel Kivuitu said he had told party leaders to attend an important meeting tomorrow to discuss the violence.

“It is essential we meet them as the remaining days are of the greatest significance to the sovereignty of Kenya,” he said.

There were conflicting reports about violence at an opposition Safina party rally in the north-eastern town of Garissa on Sunday. Newspapers said 10 people were injured by Kanu supporters.

Safina officials here said armed Kanu supporters had approached the rally, but were dispersed peacefully. Police had advised the rally organisers to leave the town immediately after the rally, they said.

The KTN television channel and newspapers said not police were involved later in running battles with armed youths.

The police, however, said there had been no violence, only “angry words” between Safina and Kanu supporters.

Although the campaign has been less violent than that in 1992, there has been serious trouble in Trans-Mara area in the south-west, where it has been reported that 50 people died in ethnic fighting between Masai and Kisi tribesmen last month.

Noting that about 1,000 people died in the Rift Valley during the 1992 campaign, some analysts have linked these clashes and those on the Indian Ocean coast around Likoni in August and September to this year’s campaign.

Safina complained that the state-owned KBC television station had cancelled a party political broadcast on Saturday, ostensibly because it “did not believe the 25-minute programme met the standards of KBC production.” Rejecting this as an “excuse,” party treasurer Ms Njeri Kabebe said KBC had carried a Safina programme earlier in the week.

The East African weekly newspaper said the programme’s criticism of Moi had angered media functionaries close to the president and leading Kanu officials.

Kivuitu said heavy rains, blamed on the El Niño phenomenon, meant voting would not be “as smooth as possible” in some areas. His commission had hired helicopters to ease problems. — Reuters
Malaria kills 143 in Kenya

Nairobi—A deadly strain of malaria has killed 143 people in northeastern Kenya in the last three months, provincial commissioner Maurice Makhau said. “The medical authorities tell me it is a special type of malaria,” he said. “We had serious floods here. Now they are subsiding and there are a lot of mosquitoes.”

Newspapers reported that a “mystery disease” with symptoms of fever, diarrhoea and bleeding from the nose and mouth had struck Kenya’s northeast province, raising fears of an outbreak of the deadly Ebola virus. But Makhau said Kenya Medical Research Institute officers had confirmed it was malaria.

Malaria is endemic to Kenya, but recent heavy rains caused in part by the El Nino weather effect have significantly increased the incidence of many water-borne diseases. The World Health Organization said last week that 555 people had been killed by cholera in Kenya since the end of June. – Reuters
Kaunda held over coup bid

Ex-President vows to fast until charge laid
Murder and riots as rivals fight ahead of Kenya's general election

(63) 26/4/1997

Kenya - Police have fired...
New era for white Kenyans

Sounds almost radical in his views

The son of Kenya’s last white police chief inspector, he was ready to stand in next Monday’s general elections in his home area of Langata — but bungling by the Social Democratic Party made him narrowly miss the parliamentary nominations deadline.

In the tiny community of Kenyan citizens of European origin, not more than 5,000 strong, he represents a new generation that feels uncomfortable with the attitudes of its conservative forefathers.

Even the residents of the Nairobi suburbs of Langata and neighbouring Karen, named after the Danish settler Karen Blixen, characterised by large houses and sprawling gardens, can no longer ignore the effects of the stagnation of public services in the country.

In a parochial kind of unilateral declaration of independence, residents are paying their rates to the Karen-Langata District Association, which is pursuing a court case against the city council for failure to collect the rubbish, repair the roads, ensure water and electricity supplies, and keep the street lights on.

Activists like Murton are working out ways of providing and paying for their own services.

There are more white rhino than there are white Kenyans but we’re not an endangered species,” he says. “Since independence most of us have shied away from politics. It’s no good sitting and moaning when you see things going downhill, we’ve got to do something.”

More white Kenyans are expected to vote in these elections than in the first multi-party polls in 1992.

Some have been inspired by the famous conservationist Richard Leakey, himself a third-generation Kenyan, who threw himself headlong into politics as secretary-general of the opposition Safina party.

Safina, meaning Noah’s Ark in Swahili, had a stormy entry into the political fray Leakey was whipped and beaten by policemen and supporters of the governing Kenya African National Union (Kanu) party when he announced his intentions in 1995. The party was given last-minute clearance to contest the elections just four weeks ago.

But glorification of Kenya’s colonial past still colours the vision of many Europeans’ present-day reality.

And fear of a backlash is a strong deterrent to political involvement for white Kenyans. The whole community heard when police raided Dominic Martin’s printing presses and destroyed the presses he was using to print opposition magazines.

President Moi has accused Leakey of being a racist seeking to resurrect colonialism: “You can marry our women,” Moi said, “but no to politics.”
Countdown to election erupts in violence

Two more people were killed and scores injured in campaign violence between the opposition National Resistance Movement and the government-backed party in Kenya. The attacks, including one in which a man was killed in the street, have heightened tensions ahead of the election scheduled for December 4th.

The violence has damaged the country's reputation as a bastion of democracy, with international observers warning that the elections are at risk of being marred by violence.

Facts:
- Population: 28.3 million
- Official language: English
- Religions: Muslim, Christian
- GDP: $189 billion
- Presidential institutions: The election will be watched closely by the international community, with concerns over the fairness and transparency of the process.

The situation in Kenya is well known for its history of political violence, with past elections marred by violence and allegations of fraud.

Key figures:
- Raila Odinga: Kenyan politician and opposition leader, facing charges of inciting violence.
- Uhuru Kenyatta: President of Kenya and leader of the government-backed party.

The opposition has accused the government of using state resources to influence the election, while the government has denied any wrongdoing.

The International Criminal Court has issued a warrant for Odinga's arrest on charges of inciting violence, but he has vowed to stay in the country and fight for his rights.

The Kenyan police have been accused of using excessive force in quelling demonstrations, with allegations of torture and disappearances.

The election is crucial for Kenya's future, with Odinga and Kenyatta both claiming to have the backing of the majority of the population.
Kenyan voters vent anger on officials after polling delays

station delays

Chairman

station delays
Moi still the man to beat as Kenya goes to the polls
Economic Recovery - Elections the Key to Clashes Before Kenyan Polls

Kenyans' recovery from the pandemic and economic downturn is the key to averting further clashes before the elections in Kenya. The elections, scheduled for August 9, 2022, are expected to be the most competitive and potentially violent yet in Kenya's history. The country has a history of political tension and violence, particularly during election periods. The opposition has threatened to protest against any election results they perceive as unfair or manipulated, and there are concerns about the safety of those supporting the opposition.

The economy has been severely hit by the pandemic, with unemployment rates rising and businesses struggling. The recovery is seen as a critical factor in maintaining stability during the election period. The government has implemented various measures to support the economy, including tax cuts and increased public spending, but the impact of these measures has been mixed.

In addition to the economic challenges, there are also ongoing tensions between the government and opposition parties. The opposition argues that the government has not done enough to address corruption and economic inequality, while the government disputes these claims and accuses the opposition of being uncooperative.

The election period is also marked by concerns about the security of the country. The police force has been criticized for its handling of protests and for human rights abuses, and there is a risk of further violence if the opposition's demands are not addressed.

Overall, the recovery of the economy and the outcome of the elections are seen as critical factors in determining the future of Kenya. The country needs to navigate these challenges carefully to ensure a peaceful and fair election process, while also addressing the underlying issues that have contributed to political tension in the past.

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**Three Milestones to Watch in the Kenyan Election Process**

1. **Pre-Election Period:** The pre-election period is characterized by increased political campaigning and media coverage. This is a critical time for both parties to gain support and influence public opinion.
2. **Election Day:** The election day is the most critical day of the process, with high levels of voter turnout expected. The results of the election will determine the future direction of the country.
3. **Post-Election Period:** The post-election period is marked by the period of transition, during which the new government is formed and the country moves towards the next phase of development.
Kaunda in court again to apply for bail

Zambia's ex-dictator says hunger strike has made him physically weak, spiritually strong

LUSAKA — Detained former Zambian president Dr Kenneth Kaunda, accused of involvement in a coup plot, made his second appearance in the Lusaka High Court yesterday to apply for bail.

Proceedings were postponed to Friday after one of his lawyers, Mr Daniel Lusulo, collapsed in the courtroom as he was about to conclude submitting an application for Kaunda's release on bail.

Lusulo is known to suffer from hypertension.

"It is my suggestion that the applicant could be in the court's order, put under house arrest at his home in Kalundu," he had said before collapsing.

Lusulo urged the court to grant bail to Kaunda because of his status and stature.

"Here we have to look at the applicant's status and stature. He fought for this country's independence," Lusulo noted, adding that Kaunda had been the country's first prime minister and president and now was an internationally acclaimed statesman.

Kaunda (73), who has been on hunger strike since his arrest on Christmas Day, looked weak, tired and pale. He has still not been formally charged. He was arrested two days after his return from abroad, on suspicion he was part of the abortive October 28 coup attempt.

He told hundreds of his supporters who had gathered at the court that he was physically weak but was in high spirits.

"Physically, I am very weak, but spiritually I am strong," Kaunda told his chanting backers when he entered the courtroom waving his traditional white handkerchief.

Dressed in white-and-black striped golf T-shirt with the same green pair of trousers he wore last Friday, Kaunda warned President Frederick Chiluba's government that its days were numbered.

"This is the beginning of their end. They cannot win this one," he said, adding that he was not bitter.

"Events are unfolding. Let them produce evidence. We will teach them a lesson they will never forget, but it must be peaceful, we are winning this one," Kaunda told his cheering supporters.

His supporters were in a confrontational mood but remained calm amid tight security which included mounted police. — Sputnik
NAIROBI – Angry voters shouted at officials yesterday as polling stations opened up to four hours late in Kenya’s second multi-party election in 31 years.

President Daniel arap Moi was counting on Kenyans’ fear of the violence that has swept through neighbouring countries to win a fifth, five-year term.

In a final campaign message, the 73-year-old urged the nine million registered voters to go to the polls “with sober reflection that will ensure continued peace and stability for our country.”

Long lines had formed outside polling stations before the scheduled opening time of 6am, but many voters were disappointed.

The Electoral Commission reported problems at numerous polling stations – some ballots were delivered late and to wrong locations. It was considering whether to extend voting hours beyond 6pm.

At a primary school in Nairobi’s Westlands neighbourhood, police struggled to control crowds who shouted angrily at election officials who delivered the wrong ballot papers.

In western Kisumu, Hammington Dache waited impatiently in a line of 250 people. “The exercise is very, very slow, and people as old as I will get tired and walk away before they vote,” the 70-year-old said.

Scores of election observers witnessed the confusion. Armed police were posted outside voting stations, a sign of the violence that has marked the campaign.

Moi, who voted in Tandi, near his rural home in central Kenya, had to be reminded to cast a ballot for his parliamentary seat. Kenya’s president for 19 years has not faced legislative opposition since 1966.

“We are winning,” Moi said after dropping his ballots into sealed boxes.

Commission chairman Samuel Kivuitu said results would be announced three days after polling. Counting was to begin immediately after voting closed, however, and other officials expected results sooner.

On the eve of the national voting holiday, three people were killed and four wounded in ethnic violence in southwest Kenya, police said. About 50 people were killed in the Trans Mara area in the weeks before the election – *Sapa-AP*
Kenya poll threatens to descend to near farce, say observers

Delays, poor organisation and ballot-paper mix-ups to blame

Reuters
Nairobi

Kenyans resumed voting today in an extended general election that started badly and has threatened to descend into near farce.

Citizens who were unable to vote yesterday because of poor organisation, logistical problems, ballot-paper mix-ups or just the crush of numbers, would get the chance to do so today, the Electoral Commission ruled.

In areas where polling had been carried out relatively smoothly, counting was due to begin at 8am.

Queues of voters began forming in Kisii in southwestern Kenya from as early as 5am. Many had camped overnight outside polling stations, suspicious that ballot boxes would be tampered if they didn’t keep watch.

In Kibagare constituency in Central Province, local party agents informally agreed that counting could begin last night. Counting officers report that opposition leader Mwai Kibaki, a former vice-president, had taken a clear lead in the presidency race.

The official decision to delay counting until today enraged opposition leaders, who accused President Daniel arap Moi’s ruling Kenya African National Union (KANU) party of manipulating the vote.

“The Electoral Commission has been infiltrated and it is being manipulated by the government with the intention of distorting the results of this election,” Kibaki, Moi’s main challenger, told a news conference late yesterday.

The election, in which Moi is seeking a fifth five-year term, is seen as critical to reversing the economic losses of the past five months in a country once known as an oasis of stability in East Africa, one of the poorest regions of the world.

Moi (73), faces 12 other candidates in the race for the presidency and, in the parliamentary elections, KANU is battling 22 other parties for the 210 elected seats in the National Assembly.

Opposition leaders threatened to reject the results and warned of possible violence if there was any evidence of poll rigging.

Kibaki urged his supporters to remain peaceful but cautioned that trouble could result if the will of the Kenyan people was subverted.

“There will be action, very serious action,” he said.

A statement issued by Kenyan election observers yesterday said there had been “major shortcomings in the voting exercise”, including ballot-paper mix-ups and shortages, voter names missing from registers and lengthy delays in the start of polling.

There were only scattered reports of violence yesterday. Poll observers, politicians and ordinary Kenyans said voting was far more peaceful than in Kenya’s landmark multiparty polls in 1992.

Central Nairobi was calm early this morning but tension was reported to be high in some areas as opposition supporters tried to prevent any interference with the ballot boxes.

The runup to the elections was marked by violent protests in mid-year as an opposition-backed lobby called the National Convention Executive Council (NCCE) led a campaign for constitutional reforms.

Moi took the steam out of those protests when he agreed to a set of reforms designed to create a level playing field for the general election.

The Kenyan economy suffered a serious blow at the end of July when the International Monetary Fund (IMF) suspended a $205-million loan to reinforce its protests over corruption and poor governance.

Moi, in power since 1978, has promised to stamp out corruption if re-elected. He set up an independent Anti-Corruption Authority in December.

Ethnic violence on the coast in July and August, in which at least 65 people were killed, dealt a serious blow to the tourist industry, the country’s top foreign exchange earner.

In the presidential poll, the winner must gain the highest number of votes and also get 25% of the vote in at least five of Kenya’s eight provinces.

Failing that, the top two will enter a run-off to be held within 21 days. The 50% rule will apply if there is a second round.
Nyerere adds pressure for Kaunda's release

Lusaka - Former Tanzanian president Julius Nyerere arrived in Lusaka yesterday from Dar es Salaam to urge authorities to release Kenneth Kaunda and defuse the current political crisis.

Officials in Dar es Salaam said Tanzania's founding president had been mandated by the Southern Africa Development Community (SADC) to plead for the release of Zambia's first president.

A Zambian foreign affairs ministry spokesman said Nyerere, elder statesman and mediator in the Burundian civil war, would discuss Kaunda's detention with President Frederick Chiluba and other top officials.

Kaunda was detained five days ago on allegations of involvement in a coup plot. He appeared before the high court yesterday and sought to be placed under house arrest before his hearing.

His lawyers urged the court to consider Kaunda's status and stature as the founding father of Zambia and an internationally-acclaimed statesman, and grant him bail.

The case was adjourned to Friday after Kaunda's chief lawyer Daniel Lesulilo, who suffers from hypertension, collapsed in court.

Kaunda (72), who has been on hunger strike since his arrest on Thursday, looked weak, tired and pale. He has still not been formally charged. He was arrested last Thursday, two days after his return from abroad, on suspicion he was part of the abortive October 26 coup attempt.

He told hundreds of highly vocal but restrained supporters outside the Lusaka High Court that he was feeling physically weak but remained in high spirits.

Dressed in white-and-black striped golf T-shirt with the same green pair of trousers he wore last Friday, Kaunda warned Chiluba's government that its days were numbered.

Security outside the court was extensive and included mounted police. Kaunda is represented by seven lawyers including some of the country's top counsels. – AFP
clamp on Kunda's son

Nyerere, SADC back call to free Kunda
Chaos reigns in Kenyan poll

Fiery presidential candidate uncovers irregularities

ROSS HERBERT
FOREIGN SERVICE

Nairobi – Charity Ngilu, the fiery political newcomer hoping to win the Kenyan presidency, defied police to shoot her over a cache of blank ballot papers and burnt voter cards that she had uncovered and which police tried to confiscate.

The dramatic stand-off, reported in the government-owned Daily Nation newspaper, was part of widespread chaos and irregularities that marred Kenya's second multiparty elections for president and parliament on Monday.

So pervasive was the disorganisation that the Kenya Election Commission extended voting a second day, until 6pm today. The delay immediately raised fears that the beleaguered KANU ruling party would find a way to alter the outcome during the delay.

“We are not sure of the security of the ballots overnight. We are not sure if voters will continue to vote in isolated areas. We are not sure if counting has begun. We aren't sure of anything,” said Peter Weke, an official at the Catholic Justice and Peace Commission, one of three independent organisations monitoring the elections.

President Daniel arap Moi and KANU have held power for the past 19 years. Although deeply unpopular, President Moi managed to maintain power in Kenya's 1982 elections through a convoluted electoral system that allowed him to win with only 36% of the vote. He could win again with as little as 25% of the vote in five of eight provinces.

Election monitors reported dozens of examples of polling stations opening hours late, some receiving no ballots or ballots bearing the wrong candidates or with insufficient ballots. Others reported no ballot boxes or voter rolls. Even in Nairobi, close to Election Commission headquarters, polls opened late, with improper or inadequate materials.

The election commission added to fears of fraud by ordering that Kenya's highly partisan police guard election materials overnight. And instead of counting votes at stations that did open successfully, the commission ordered that no votes be counted until polling ends today.

Ms Ngilu, who has found surprisingly broad support running a militant campaign against government corruption, went to the election commission offices in her Eastern Province district to complain of widespread irregularities.

There she found a stock of blank ballot papers and a hidden stash of partially burnt voter cards. When the responsible official returned, he could not offer an explanation and was photographed exhaling blows with an opposition supporter.

Ms Ngilu confiscated the ballots and documents to take them to the election commission in Nairobi, but police intercepted her car and, guns drawn, tried to take the papers.

The situation was diffused when a member of President Moi's cabinet happened on the scene and told police to stand down.

Meanwhile, at least three people and several homes were burnt in clashes between ruling party and opposition supporters.

Voter turnout appeared heavier than expected, but officials could not predict what effect the delays and a second day of voting would have.

The Salina political party, co-founded by conservative Richard Leakey, called for new elections to be held within two years.
‘Mystery virus’ sweeps flood-ravaged Kenya

GARISSA — Oliver West, a French aid worker from the Medecins du Monde agency, sat in a flood-ravaged field in eastern Kenya and listed the diseases he had found that morning among the local population.

“We’ve got lots of cases of malaria, cholera, dysentery, bloody diarrhoea,” he said, his designer climbing boots sinking in the brown mud left behind after flood waters receded a few days previously. “And then we have this — haemorrhage fever.”

“We’ve been taking blood samples from dead animals and from humans; we don’t know what we’re up against yet, but the symptoms are the same. Fever, vomiting, bleeding from body orifices, then they’re dead in 24 hours.”

Experts from the World Health Organisation (WHO), African Medical Research Foundation, Medecins sans Frontières and other agencies have spent two days in the bush around the towns of Garissa and Wajir in eastern Kenya, taking blood from dying victims and infected livestock.

WHO, Kenyan health ministry experts and the Somali Red Cross say that more than 800 people have died from the disease in the past three weeks. In eastern Kenya, more than 80 people have died in the past three days, while around the former Somali capital, Mogadishu, WHO estimates that about 350 people have died in the past three weeks.

“We know that there is cross-infection with animals,” says Louise Martin, an epidemiologist attached to WHO from the Centre for Disease Control in Atlanta. “The closest possibility in my estimation is that it is anthrax, whose spores have been dormant in the soil until the flood waters washed them out. Then the cattle and goats and camels graze on it, and pass on the infection through their meat.”

Martin describes seeing infected animals suffering from pustules and running sores.

“We found a group of Kenyan Somalis who were about to eat a dead, infected goat,” she says, sitting in the clattering noise of a former Soviet Mi-8 helicopter hired by the United Nations (UN) World Food Programme, flown by Ukrainian pilots. “They cut it open and its chest cavity and throat were full of yellow, infected pus. We said, ‘Eat that and you’ll die.’ They replied that hunger was worse than death.”

The area around Garissa and Wajir consists of thousands of wildly populated bush. The area has been hit by the worst floods in a hundred years. There is a cholera and malaria epidemic. Roads are washed away. There is no medical infrastructure. From the tarmac airstrip in the middle of the bush, the UN is running dozens of relief flights every day to deliver aid to flood victims in Somalia and Kenya.

“We’ve been forbidden from eating any local meat for fear of catching the disease,” says Stig Larsen, flight coordinator for the World Food Programme. “I’ve been trying to reassure the pilots and the aid workers, but until we know what this is everybody is very nervous.”

“What we are afraid of,” says Martin, “is that there are just thousands of people out there in the bush dying.” — Sapa-DPA
Kenyan voting extended after opposition claims of rigging

NAIROBI — Kenya’s electoral commission said polling stations would remain open an extra day because of logistical problems during general elections yesterday.

Earlier the late start to polling had resulted in the opposition accusing the ruling Kenya African National Union (Kanu) of rigging the elections.

“... They (Kanu) sense that they are going to lose — they’re going to do everything they can to rig the vote,” said George Mu roku, campaign director for presidential candidate Mwai Kibaki of the Democratic Party, one of the main challengers to President Daniel arap Moi, who is seeking a final five-year term after 19 years in power.

The polls were to have closed last night, but the commission said they would remain open until today at 6pm.

The polling stations that experienced problems — including insufficient ballots or ballot boxes and absence of electoral officials — which either opened late or not at all, were nevertheless ordered to close as originally planned at 6pm last night, to reopen at 6am.

“Meanwhile there will be no counting of votes anywhere in the country until further notice,” the commission said. “Candidates and/or their agents are advised to keep vigilance on the voting materials in the custody and security of the election officials.”

The commission said “bad weather conditions” were partly to blame for the delays.

Hundreds of polling clerks were notably stranded on the Indian Ocean coast by floods caused by more than two months of torrential rain.

In Nairobi, many polling stations had still not opened three hours after the official 6am start.

Officials said voting materials had not yet arrived at some polling stations, staff had failed to turn up at others, and one delayed opening for an hour until daylight because there was no electricity.

The official Kenya News Agency, whose correspondents also reported polling stations opening late, reported around midday that voting had still not started in the northeastern Turkana district, where ballot boxes had still not arrived, or in Nanyuki, in the Rift Valley, where ballot papers were still awaited.

Regional electoral lists were incomplete at some stations in Nairobi’s Westlands constituency, for example, the list omitted all names which began with “W.”

About 27,000 observers, mostly Kenyans but including several hundred representing foreign embassies, are watching the voting.

— Sapa-AFP
Opposition Hands Mf Viljory on a Plate

COMMENT & ANALYSIS
VOTING EXTENDED

Kenyan poll in shambles

NAIROBI: Voting was generally peaceful yesterday, but with material going missing or landing up in the wrong place, opposition parties found room to allege a conspiracy.

Kenya yesterday extended voting by a day and suspended counting after chaotic general elections in which many polling stations opened hours late, or not at all.

Opposition spokespeople charged that the ruling Kenya African National Union (Kamu) was rigging the voting.

At least three people, including a four-month-old baby, were killed in electoral violence in western Kenya on Sunday and yesterday, and one person was wounded and three vehicles damaged when ruling party and opposition supporters clashed yesterday in central Kenya, witnesses said.

But the voting appeared to be generally peaceful.

The Kenya News Agency and KBC radio, both official, put out bulletins throughout the day detailing the chaos at many of the 12,754 polling stations, with material missing or sent to the wrong constituency, staff missing and even one presiding officer who turned up drunk. He was fired.

The electoral commission said, some seven hours after the polls were meant to open at 6am, that it was sending missing supplies to polling stations aboard military helicopters.

It announced shortly after the close of polling that it was suspending counting and that voting would continue today.

"Candidates and/or their agents are advised to keep vigilance on the voting materials in the custody and security of the election officials," it said. "Today, like yesterday, would be a public holiday, the commission added.

The logistical problems were compounded in some areas by flooding, following more than two months of torrential rain, which left hundreds of polling agents blocked.

"Turnout among Kenya's nine-million voters (out of a population of 29 million) nevertheless appeared high."

"President Daniel arap Moi, 73, in power for 19 years, is seeking a final five-year term against 12 challengers — and 883 candidates for 23 parties are contesting the 210 parliamentary constituencies."

"We have no confidence in the government or the commission," he said.

Mr Moi's main opponents are Mr Moi's main opponents are Mr Mwai Kibaki (Democratic Party), Ms Charity Ngilu (Social Democratic Party), Mr Raila Odinga (National Development Party) and Mr Michael Kijana Wamalwa (Ford-Kenya).

For a first-round win a presidential candidate must be ahead — even with less than 50% of the vote — and also gain a minimum of 25% of the vote in at least five of Kenya's eight provinces.

If that does not happen, the two leading contenders will face a run-off within three weeks.

Mr Raila Odinga, an official with Odinga's campaign, claimed that yesterday's delays could not have been "fortuitous."

"We have no confidence in the government and we doubt the independence of the electoral commission," he said. — Sapa-AFP
Violence, intimidation mar Kenyan election

FRANKFURT — Security forces have used tear gas, rubber bullets and clubs to disperse the crowd who gathered on Monday in front of the French Embassy in Nairobi a day earlier to protest against the election results. The security forces then fired tear gas and rubber bullets to disperse the crowd.}


decision in favor of the opposition.
President Moi is looking to assure himself of a fifth term. As in the 1992 election, the incumbent is being accused of blatant cheating. Chege Mbitru reports ...

Two Masai women in traditional dress cast their votes in Kajiado, 70km south of Nairobi, on Monday.

PIC AP

**Kenya poll disarray**

NAIROBI - Voters struggled to the polls in an unprecedented second day of voting yesterday after widespread delays and confusion disrupted Kenya's election on Monday and fuelled suspicions of government-backed cheating.

Worried that votes would be rigged in favour of President Daniel arap Moi and his party that has ruled this East African country for 34 years, rival candidates spent a feastful night guarding ballots already cast.

"You can kill me, but you're not taking these votes away. They stay here," an opposition candidate screamed at officials in coastal Mombasa.

In constituencies that had finished polling, counting was scheduled to start at 7am yesterday but delays occurred. It was not clear when results would be announced.

Two people were killed in political violence, an election not erupted in one town and observers reported blatant fraud, with some Kenyans' votes being bought for as little as R7 each.

"These elections might as well be cancelled," Justus Nyang'aya, chairman of the Social Democratic Party, said late on Monday.

"This is not giving us free and fair elections."

Commission official Tom Ongalo said he was besieged overnight by complaints, but denied sinister motives were behind the chaos.

"There were problems all over the country, but the mistakes were all logistical," he said yesterday "I think it is still a free and fair vote."

Moi (73) is seeking a fifth, five-year term in Kenya's third multiparty election since independence in 1963.

Even if most of Kenya's nine million registered voters opted for opposition candidates, Moi would still likely win because he faces 12 challengers divided along ethnic lines.

Unable to agree on a single challenger, the opposition's only hope of winning was in forcing a run-off, which might unite the anti-Moi vote.

The Electoral Commission reported problems at many of Kenya's 12,700 polling stations. Some ballots were delivered late or to the wrong locations and others never arrived.

A not erupted in Kayado North, 25km southwest of Nairobi, when vice-president George Saitoti, who represents the area and faces stiff competition, showed up with extra ballot boxes.

Police fired into the air to break up the crowd which stoned Saitoti's car and burned the extra ballots, a witness said.

Citing heavy rains and flooding in parts of Kenya and logistical delays, the commission said voting would be extended to Tuesday to make up for time lost. If a polling station opened three hours late on Monday, for example, it would reopen for three hours on Tuesday.

Commission chairman Samuel Kavuma instructed police to guard ballot papers and boxes overnight "to ensure there will be no interference whatsoever."

Despite the chairman's order, some ballot boxes in Kenya's two largest cities, Nairobi and Mombasa, were improperly removed from polling stations on Monday, angering candidates and voters.

"They don't trust police. All they want is a free and fair vote, but they're so afraid it may be rigged," said Margaret Mwamido, head of the Electoral Commission in the Indian Ocean port.

Striking a compromise, she decided that police, officials and candidates would spend the night together with the ballots at a counting hall. Some of Moi's rival presidential candidates cried foul.

"The Electoral Commission has been infiltrated and manipulated by the government with the intention of distorting the results of this election," said Mwai Kibaki, a former vice-president.

Too few presidential ballots were sent to areas known to favour opposition candidates, he said, adding that the town of Gagakai had 4,600 registered voters but received just 400 presidential ballots. After five hours' delay, additional ballots were delivered, he said.

Another top rival, Charity Ngilu, charged Moi's ruling Kenya African National Union party with vote-rigging and said she would challenge the results if Moi won.

Moi's critics have blamed him for corruption that has cost Kenya international loans and ruined roads, schools and hospitals.

In Mombasa, an election observer at the Sakana mosque polling station said votes were openly being bought.

"This voting is a joke," said Phoebe Naamani, an observer for the National Council of Churches in Kenya. "An old woman came in, she voted and then asked the presiding electoral agent, 'Where is my money?' If I am not paid, I'll burn this place down."

In addition to winning a seat in parliament, the successful presidential candidate must also win a minimum of 25 percent of the vote in at least five of Kenya's eight provinces.

Kenya held its first multiparty elections in 1966. The next general elections were held 26 years later in 1992 and in these Moi won more than 25 percent of the vote in five provinces and 36 percent nationwide.

However, monitors at the time said the 1992 elections were badly flawed, with Moi cheating openly to secure the win - Sapa-AP
‘Miraa’ narcotic is becoming Kenya’s most favoured crop

Stemming from the bark and leaves of a certain tree, it sends thousands into a dream world – and also generates cash.

By Judith Achieng
Kangeta-Nyambene, Kenya

Chewing “miraa” or “khat” - a light narcotic stemming from the bark and leaves of a tree in northeast Africa - sends thousands of people into a dream world stripped of the hardship that characterises their real lives.

Trade miraa provides different, more material benefits for other Somalis, Ethiopians and Kenyans at the supply end of the chain. But for women in this farming district, the drug has brought only misery.

“Instead of wealth, we only see poverty around us,” says one woman, who refuses to be identified by name.

The poverty in the area, she explains, is due to a growing culture of gambling, promiscuity and heavy drinking among the men, which they pay for with the proceeds from selling miraa.

“Instead of helping the family, the man goes out to spend the money with friends,” another said of her husband.

Miraa brings in millions of shillings to farmers in this town on the eastern slopes of Mount Kenya.

The “green gold”, as those involved in the business call it, is the most lucrative cash crop here and in the adjacent centres of Maaka, LLC and Muruwait, which together form Nyambene district.

“You can never compare miraa with any other crop. A single tree can pay for a child’s education from nursery school to college,” says one farmer.

In fact, land formerly used to grow food crops like maize is gradually being turned over to miraa. Three-quarters of the arable land in this area is believed to be taken up by the small, hardy evergreen shrub crop. Even export crops are being replaced by miraa.

Farmer Francis Ntabiri says he has stopped growing coffee, Kenya’s leading cash crop. He now concentrates on his hectares of miraa, delegating the planting of food to his wife. “Men should not bother with food crops when they have miraa to look after,” he says.

The Miraa people, on whose ancestral lands the narcotic plant is cultivated, consider miraa sacred and do not allow women to grow it. “It is almost taboo to touch it, let alone grow it,” says Maryanne Nikroto, 36, from her hut overlooking her husband’s 10ha miraa farm.

A single tree can pay for an education from nursery to university

Ntabiri says women are not involved in the miraa trade because it’s tough business. “Only men can handle it. It is a man’s job. How do you expect a woman, for example, to climb up a tree to harvest miraa?”

The 56-year-old farmer says he makes as much as 2000 shillings (about R160) a day, almost three times the amount a middle-level civil servant earns daily.

More than 1,000 retailers buy the stimulant from the farmers and sell it to the growing number of consumers in Kenya and overseas. Before, it used to be chewed only in parts of north-east Africa and the Middle East. Today, its market has spread to Europe, the United States and Canada.

In the Netherlands, for example, a 2kg bundle of the drug costs upwards of R250. But the proceeds are hardly invested into the community, say the women here. To make ends meet, they have had to join the informal sector, doing things like selling second-hand clothes in the market.

“It is better than staying at home and getting nothing at the end of the day,” says Maryanne Nikroto.

A debate is currently raging in Kenya on whether to ban miraa. Some argue that it is responsible for the significant high-school dropout rate in Nyambene, where official figures show that up to 50% of boys quit school every year in order to engage in the business.

In one area, a 10-year-old boy boasted openly of earning an average of R40 a day.

Also participating in the debate are some of the roughly one million people in Nyambene - those who depend on the stimulant as a cash crop. They have sent a petition to the government to allow them to continue growing it.

Those advocating the ban argue that miraa is the cause of idleness among abusers, who waste hours chewing it. They say the drug damages the teeth and general health. Doctors add that miraa’s amphetamines effects cause first alertness and increased energy, then depression and mental disorders.

A first-time abuser usually finds the miraa bitter, but soon one gets addicted to it. The juice is swallowed while the chaff collects in a bundle in one side of the mouth forming what the chewers call a “cut.” After prolonged chewing, one feels lulled into relaxation. “It makes me feel high,” says one user. “I feel as if the whole world belongs to me.” - Sapa-IPS.
Kaunda’s hunger strike over

Lusaka - Zambia’s former president Kenneth Kaunda has ended a hunger strike he began after being detained under emergency laws on Christmas Day, Tanzania’s ex-president Julius Nyerere said yesterday.

Nyerere, a close friend of Zambia’s “father of the nation”, visited him in the maximum security prison in the town of Kabwe yesterday and the two shared a small meal.

“Together we had a nice drunk of orange juice and a little biscuit. He broke his fast,” Nyerere said after spending several hours with Kaunda.

He did not comment on the prisoner’s state of health.

Kaunda (73), who ruled Zambia from independence in 1964 until he was ousted in 1991 in the country’s first multi-party elections, had been refusing food and water since his arrest last Thursday.

The Zambian government accuses him of involvement in a failed October coup attempt.

Kaunda has denied any connection with disaffected junior army officers who tried to topple President Frederick Chiluba.

Nyerere said he had met Chiluba after visiting Kaunda in jail, but did not elaborate on the meeting. “I came here purely on a personal visit,” he said before leaving for home.

Diplomats said Nyerere’s mission was part of an effort by eastern and southern African leaders to secure Kaunda’s freedom and lower the rising political temperature in Zambia.

A spokesman for the presidency, Richard Sakala, said Chiluba would make an important announcement today.

Police, meanwhile, seized the passport of Kaunda’s son and aide, Wazi, when he tried to cross into Zimbabwe. – Reuters
Kenya facing strife as
crises mars elections

Reform lobby rejects poll as ‘staggering fraud’
while president accuses his own commission of rigging

By Ross Herbert
Nairobi

Civil strife moved from a possibility to a probability yesterday as a growing number of opposition parties denounced the Kenyan elections as an attempt to steal the contest through organised chaos.

Widespread problems with lack of voting papers, ballot boxes and voter rolls in Monday’s presidential and parliamentary elections forced the Kenya Election Commission to extend voting for an extra day.

President Daniel arap Moi, who has ruled for 19 years, has left a legacy of corruption so pervasive that the election disorder is being broadly interpreted as a plot to steal the election by denying opposition supporters the chance to vote through seemingly innocent mistakes.

For months the political temperature has been rising in Kenya.

Traditionally politically passive, Kenyans took to the streets in a series of violent strikes to demand changes to the constitution that allowed Moi to retain power with only 36% of the vote in 1992.

To win again, he needs the highest number of votes and at least 25% of the vote in five of eight provinces.

As word of growing election confusion spread, people vowed that he would not be allowed to remain in office. "If Moi steals it, there is going to be rioting," said Red Cross worker Francis Mungai.

"This is certainly the biggest crisis the country has ever faced," said conservationist Richard Leakey, co-founder of the opposition Safina party, which condemned the elections as not free and fair.

The National Council Executive Committee, the opposition group that demanded and won limited reforms this year, branded the elections a farce.

Compounding it, Moi accused the Electoral Commission, which he appointed, of conspiring to rig the elections in favour of the opposition.

In a statement read on radio, Moi said he was extremely unhappy with the commission and that it should take responsibility for the chaos.

"President Moi said it was absurd that since the start of the voting yesterday, the Electoral Commission had targeted Kakamega’s strongholds, ensuring their polling stations opened late and had insufficient ballots, the radio said.

Opposition candidates charged that the problems were targeted on opposition strongholds. The Electoral Commission said it would not comment on Moi’s accusations, and monitoring groups, initially forthcoming, refused to comment.

Moi has masterfully diffused tensions this year, granting just enough reform to end protests without meaningfully weakening his position. However, it is not business as usual.

Economic pressure, has been steadily rising and in July the International Monetary Fund refused to grant further aid, citing Moi’s failure to fight corruption, which sent the stock exchange and currency market into a tailspin.

The limited package of reforms agreed to by Moi in November to defuse protests, also changed the political dynamics here.

It allowed opposition candidates access to television for advertisements and promised equal coverage in state media.

Opposition candidates also gained the right to hold rallies without the police permission routinely denied in the past.

Political newcomer Charity Ngilu, in particular, launched and hammered away with an intense, articulate denunciation of the corruption of Moi’s rule. She seems sure to win convincingly in her home central province, which Moi won in the previous election.

Such attacks put Moi on the defensive. In one full page advertisement on “eating,” a Kenyan euphemism for corruption, he essentially conceded the point that his government was thoroughly corrupt but tried to deflect the charge by asserting.

"Let’s not talk about ‘eating’ Let’s talk about ‘building’ Kenya’s ‘eating’ culture is changing slowly with more accountability and transparency being instilled into our state organisations."

Moi is in a position to hold on to his office in the short term. The question now is how willing Kenyans are to take on Moi’s shock troops for the sake of democracy - Star Foreign Service
throwing away its advantages

Government is consistently bad

It was when they jailed a friend of mine, the editor of an innocuous church magazine in Nairobi, that I first realised just how corrupt and dangerous was the regime of Kenyan President Daniel arap Moi.

My friend was a Kenyan of utmost probity who had dared to criticise the dictator in the mildest of terms. That was almost a decade ago and it set the seal, for me, on a raft of evidence about the malign influence of the man whose behaviour had already led his countrymen to use the term “parricide”.

Whatever the outcome of the election in which Moi has stood for a fifth term of office, the country which was once the jewel in the post colonial crown is exposed as a morass of corruption, favouritism, patronage and worse.

Moi’s mendacious fingers control the police, courts and media. Rape, beatings and mob killings are his tools, torture of political prisoners and criminal suspects is routine, according to Amnesty.

The United Nations today ranks Kenya as the third most corrupt country in the world, a vast fraud involving fictitious exports of gold has reached right to the heart of government and cost the nation the equivalent of 10% of its annual gross domestic product (GDP).

Kenya’s failure to deal with corruption led the International Monetary Fund (IMF) to suspend a $316-million (R1,606-billion) loan agreement last July.

What is it with Africa? In next-door Zambia the country’s former leader, 73-year-old Kenneth Kaunda, languishes in jail by order of his successor, a regime under the tyranny of generals.

Elsewhere the continent is in the grip of civil war or the aftermath of it. In Malawi and the former Zaïre, people are coming to the hard realisation that life after a despot is not much easier than before.

Even in South Africa increasingly disillusioned citizens are wondering when real change will come in their daily lives.

Events in various countries show that Africa must still learn the politics of opposition, writes PAUL VALLELY in London.

We know part of the answer: These were countries which were ill-prepared for independence by a colonialism which left them with unbalanced economies and an inadequate civil service.

Next nature heaped on the challenge of climate change and excessive population growth. And then, a one-sided system of international finance has added manipulative terms of trade, an oppressive burden of debt and the half-hearted pace of IMF-policed economic structural adjustment.

But there is more to it than that. The colonial period was too brief to develop in most Africans anything more than the most tenacious instinct for what democracy is about.

It was not helped by the conviction in the early days of independence that the one-party state was the solution to ethnic rivalries inside the national boundaries which the Europeans had met in Berlin to draw across the continent.

There are 40 tribes in Kenya alone. But the Party proved a passport to the patronage which might have been effective within the tribe but which descended into corruption within the state.

The West tolerated the fact because powerful dictators like Mobutu in Zaïre and Moi in Kenya were bulwarks against the spread of communism. But with the end of the Cold War, the nations which controlled the aid purse strings began to demand multiparty democracy.

The concept was so alien to many Africans that in Zambia a large number of voters thought that Multi-Party was actually the name of the party which was to oust the ruling UNIP party.

Even so, when UNIP and its founder, Kenneth Kaunda, were defeated, the father of the nation accepted the judgment of the electorate and stepped down. It was greeted as a victory for the democratic process but the rejoicing was premature.

Kaunda’s successor as president, Frederick Chiluba, is demonstrating a growing authoritarianism which is disconcerting.

It ought to have been easier for Kenya and Nigeria, with their greater wealth and expertise. But those advantages have been mostly thrown away by a consistently bad government.

President Moi has amassed a fortune to rival the $25-bilion ($400-billion) stolen from the people by his leopard-skin-hatted friend Mobutu. But politically he has been more subtle.

In response to pressure from Western aid donors, he introduced multiparty elections in 1992, and then smothered the opposition in rules that distorted the spirit of democracy.

Yet tragically, one of the factors which has aided him most has been the inability of the opposition to co-ordinate against him.

As in South Africa, it has been only the churches which have held together the opposition, monitoring human rights abuses and calling for free speech and accountable government.

Yet South Africa also holds a model for a solution. It does not just benefit from a more developed economy and civil society and a larger middle class. It also has a helpful democracy.

Though the African National Congress is the dominant party, the Western Cape is run by the National Party and Kwazulu Natal is under the control of Inkatha. It has had, perforce, to learn the politics of opposition.

But it is a lesson which the rest of Africa can only learn for itself. - The Independent, London.
Moi's early lead in Kenyan polls

Nairobi – President Daniel arap Moi took an early lead today over his main challenger, Mwai Kibaki, in the presidential contest of Kenya's troubled general election.

Results announced on television from just 11 of the 210 constituencies showed Mr Moi winning in nine, four of them in traditional strongholds in Rift Valley Province. The electoral commission confirmed nine of the 11 results.

Mr Moi was also ahead in three constituencies in Nyanza Province, normally an opposition area.

Mr Kibaki led easily in two constituencies, Ukuu and Ndhiema, in densely populated Central Province – an area so hostile to Mr Moi that he collected only 2% of the vote in the last poll in 1992.

Voter turnout so far has ranged from about 60% to 85%.

Mr Moi has been in power since 1978 and at the age of 73 is seeking a final five-year term against opponents who say corruption and mismanagement are rumbling Kenya.

In the parliamentary contest, Kenyan television said early results showed opposition parties had won eight seats and Mr Moi's ruling Kenya African National Union (Kanu) four. Kanu was unopposed in 11 of the 210 seats at stake.

Analysis said it was too early to draw any conclusions from voting patterns.

Kenya's election crisis deepened yesterday after Mr Moi condemned the electoral commission for "its obvious scheme to rig the ongoing general election in favour of the opposition". But on Monday night opposition candidates accused the commission of rigging the poll for Kanu and threatened to reject the results.

Mr Moi and Kanu stopped short of urging that the election be scrapped after logistical chaos on Monday plagued voting and forced the poll to be extended to yesterday. But cancellation, with uncertain consequences for the country's stability and frail economy, could not be ruled out.

Electoral commission chairman Samuel Kyuyu responded to the barrage of criticism last night by issuing a statement in which he blamed most of the problems on bad weather and the supplier of ballot papers.

"It is the view of the commission that the electoral process has been conducted in a free, fair and transparent manner," he said. - Reuters
MFA claims elections are being
neared in favour of opposition

PEG attacks proposed water fluoridation laws

The general election campaign in KwaZulu Natal, which is due to start on Monday, will provide the opportunity for the public to express their views on issues such as water fluoridation.
CONFLICT FEARED

Moi cries foul after Kenyan election chaos

NAIROBI: An opposition group in Kenya has urged the formation of a government of national unity to avert conflict as charges of fraud follow the shambolic elections.

KENYAN President Daniel arap Moi has accused the electoral commission of trying to rig extended presidential, general and local elections in favour of the opposition.

In a statement issued yesterday by the presidential press service, Moi said he was "extremely unhappy with the electoral commission because of its obvious scheme to rig the ongoing elections in favour of the opposition."

Moi, 73, is running for a final five-year term against 12 challengers, while 883 candidates are contesting the 210 seats in parliament on behalf of 23 parties.

He said it was absurd that since the start of the poll on Monday the commission had targeted traditional strongholds of the ruling Kenya African National Union (Kamu) in the Rift Valley and parts of western and eastern provinces.

It had made sure that returning and presiding officers reported as late as 2 pm — voting was meant to start at 7 am — to deny voters sufficient time to cast their ballots, he alleged.

The president added that in all these areas the commission had made sure that there was a shortage of ballot papers.

He recalled that when he had presented his nomination papers to them on December 3, he had impressed on commissioners the need to carry out their duties judiciously and justly to satisfy everybody, including observers.

"In this regard, I call upon the electoral commission to honour and take full responsibility for these irregularities, which are disenfranchising many people," he said.

The opposition had already charged on Monday that fraud was "indeed, the elections are emerging as a fantastic farce worse than the 1992 elections," he alleged.

Six people had died in election-related violence in one constituency in western Kenya on Monday and yesterday, the official Kenyan News Agency reported.

Police collected the bodies of five people believed to have died during a confrontation between the ruling party and opposition supporters in Alego-Usonga electoral district on Monday, it said.

Another man had been killed during another clash in the same constituency early yesterday.

"On behalf of the NCEC, Kibwana stated that "pretended inefficiency and staggering fraud have irreparably marred the 1997 attempt to hold an election."

He was reading a communiqué from the reform group.

"In pursuance of the constitutional doctrine of necessity, a mandatory national unity government should be formed," he argued.

The NCEC spearheaded a campaign of often-violent mass protests earlier this year to force the government to negotiate constitutional reform with the opposition.

Nearly 20 people were killed in clashes between pro-reform demonstrators and police in July and August.

The NCEC's groups opposition politicians, religious organisations, civil and youth groups.

The council said its proposed government of national unity should include members of the last parliament, the NCEC and religious leaders.

Kibwana said the NCEC had received "overwhelming" evidence that Kenyans had voted against Moi.

But he said the elections had been organised in such a manner that "Moi must win," — Sapa-AFP