PARLIAMENT OF KENYA

THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT-FOURTH SESSION

SELECT COMMITTEE ON IMPLEMENTATION

REPORT ON

THE PETITION TO RECONSIDER HOUSE RESOLUTION REGARDING IMPLEMENTATION STATUS OF THE REPORT ON THE CRISIS FACING THE SUGAR INDUSTRY IN KENYA

Approved for Tabling
5/8/20
DSNA

Directorate of Committee Services
Clerk's Chambers
National Assembly
Parliament Buildings
NAIROBI

AUGUST, 2020

TABLE OF CONTENTS

APPENDICES

Appendix I	Adoption List
Appendix II	Minutes of the Committee
Appendix III	Report of the Departmental Committee on Agriculture, Livestock and Cooperatives on the Crisis Facing the Sugar Industry in Kenya
Appendix IV	Petition by Ms. Bina Patel on behalf of M/s Shree Sai Industries Limited
Appendix V	A letter from Kenya Revenue Authority of Ref. No. *CUS/HQ/1*, dated 21st January 2019 confirming the petitioner did not import sugar into the country in 2013/14

CHAIRPERSON'S FOREWORD

The Committee on Implementation scrutinizes resolutions of the House *(including adopted Committee Reports),* Petitions and the undertakings given by the National Executive and examines whether such decisions and undertakings have been implemented within sixty (60) days as provided for in the National Assembly Standing Orders and whether such implementation has taken place within the minimum time necessary.

The Speaker issued a communication on Thursday, 5th December, 2019 in which he directed the Committee to reconsider the resolution of the House on the report of the Departmental Committee on Agriculture, Livestock & Cooperatives, that was adopted by the House on 26th February, 2016. The report stated that Shree Sai Industries Limited imported 1000Metric Tonnes of sugar into the country without the requisite permits from the then Kenya Sugar Board.

The Kenya Sugar Board declined to renew the sugar importation permit for M/s Shree Sai Industries Limited (the petitioner) on account of the negative mention of the petitioner in the report. It is against this background that Ms. Bina Patel, one of the Directors at Shree Sai Industries Limited, petitioned the National Assembly in November, 2019 alleging that the non-renewal of its sugar importation licence had affected its business adversely.

By committing the resolution of the House on the report of the Departmental Committee on Agriculture, Livestock & Cooperatives to the Committee on Implementation, the Speaker offered the petitioner an opportunity to present its case for consideration by the House which is also an opportunity for the House to remedy a procedural oversight.

The Committee invited M/s Shree Sai Industries Limited to present their submissions on the matter before making its observations and recommendations.

The Committee registers its appreciation to the Offices of the Speaker and the Clerk of the National Assembly for facilitation and support in the production of this report.

Pursuant to Standing Order 199(6), it is, therefore, my pleasant duty and privilege, on behalf of the Committee on Implementation, to lay this report on the Table of the House.

Hon. Moitalel Ole Kenta, MP

EXECUTIVE SUMMARY

The National Assembly, on 26th February 2016, adopted the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives on the crisis facing the sugar industry in Kenya.

The report listed M/s Shree Sai Industries Limited as one of the companies that imported sugar into the country during the period 2013/2014, without a permit from the Kenya Sugar Board. M/s Shree Sai Industries Limited alleged that its business was adversely affected since the Kenya Sugar Board declined to renew its sugar importation license owing to the negative mention of the company in the report.

The company petitioned the National Assembly in November 2019, alleging that they had been condemned unheard since they were not given an opportunity to appear before the Committee and respond to the allegations levelled against them.

The petitioner reiterated that they had imported sugar into the country in 2012 and 2016 only and it was therefore erroneous for it to have been listed among the companies that imported sugar into the country in 2013/2014, without any factual basis.

The Speaker of the National Assembly issued a communication on 5th December, 2019 and committed the petition on reconsideration of a House resolution to the Committee on Implementation. The Speaker found it necessary to afford M/s Shree Sai Industries Limited, an opportunity to present its case for consideration by the House. This would also offer the House the opportunity to remedy a procedural oversight.

More importantly, the House cannot be seen to be establishing a precedent of or condoning the condemning of persons without affording them the opportunity to be heard. Article 50 of the Constitution recognizes right to a fair hearing, which is one of the twin principles of natural justice. It precludes a person from being penalized by decisions affecting their rights or legitimate expectations unless the person has been given prior notice of the allegation/s and given a fair opportunity to respond appropriately.

The Committee invited M/s Shree Sai Industries Limited for a meeting on 20th February 2020 to adduce evidence and review the matter. The Company produced documentary evidence from the Kenya Revenue Authority and Kenya Sugar Board that established that it had not imported sugar into the country in 2013/2014.

The Committee observed that the Departmental Committee on Agriculture, Livestock & Cooperatives did not give M/s Shree Sai Industries Limited an opportunity to respond to the charges against them.

Having perused through the report the Committee on Implementation could not ascertain how and why M/s Shree Sai Industries Ltd was listed in the report as one of the entities that imported sugar into the country in 2013/14.

The Committee recommends that the House considers rescinding its resolution and expunging M/s Shree Sai Industries Limited from its records as contained in paragraph 90(e) of the report of the Departmental Committee on Agriculture, Livestock & Cooperatives on the sugar crisis in the country.

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

1. The Committee on Implementation is established under Standing Order 209 of the National Assembly Standing Orders.

2. The Committee is charged with scrutinizing the resolutions of the House *(including adopted committee reports),* petitions and the undertakings given by the National Executive and examines whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and whether or not legislation passed by the House has been operationalised and where operationalised, the extent to which such operationalisation has taken place within the minimum time necessary. The Committee may propose to the House, sanctions against any Cabinet Secretary who fails to report to the relevant select Committee on implementation status without justifiable reasons.

3. Standing Order 201 further provides that within sixty days of a resolution of the House or adoption of a report of a select committee, the relevant Cabinet Secretary under whose portfolio the implementation of the resolution falls shall provide a report to the relevant committee of the House. The mandate of the Committee is further enhanced by the provisions of Article 153(4) (b) of the Constitution which requires Cabinet Secretaries to provide Parliament with full and regular reports concerning matters under their control.

1.2 The Committee Membership

4. The Committee is comprised of the following members -

Chairperson
Hon. Moitalel Ole Kenta, MP
Narok North Constituency
Orange Democratic Party

Vice Chairperson
Hon. Godfrey Osotsi, MP
Nominated
Amani National Congress

Members

Hon. Maj. (Rtd.) John Waluke Koyi, MP
Sirisia Constituency
Jubilee Party

Hon. Paul Simba Arati, MP
Dagoretti North Constituency
Orange Democratic Party

Hon. Alois Lentoimaga, MP
Samburu North Constituency
Jubilee Party

Hon. Joseph Wathigo Manje, MP
Kajiado North Constituency
Jubilee Party

Hon. (Dr.) James Murgor, MP
Keiyo North Constituency
Jubilee Party

Hon. Johnson Manya Naicca, MP
Mumias West Constituency
Orange Democratic Party

Hon. Onesmas Kimani Ngunjiri, MP
Bahati Constituency
Jubilee Party

Hon. George Theuri, MP
Embakasi West Constituency
Jubilee Party

Hon. Francis Munyua Waititu, MP
Juja Constituency
Jubilee Party

Hon. Richard Onyonka, MP
Kitutu Chache South Constituency
Ford Kenya

Hon. Paul OdaloAbuor, MP
Rongo Constituency
Orange Democratic Party

Hon. Owen YaaBaya, MP
Kilifi North Constituency
Orange Democratic Party

Hon. Hassan Oda Hulufo, MP
Isiolo North Constituency
Kenya Patriots Party

Hon. Michael Thoya Kingi, MP
Magarini Constituency
Orange Democratic Party

Hon. Nelson Koech, MP
Belgut Constituency
Jubilee Party

Hon. Nixon Kiprotich Korir, MP
Langata Constituency
Jubilee Party

Hon. Joshua Mbithi Mwalyo, MP
Masinga Constituency
Wiper Democratic Movement-Kenya

Hon. Charles Ngusya Nguna, MP
Mwingi West Constituency
Wiper Democratic Movement

Hon. (Dr.) Daniel Kamuren Tuitoek, MP
Mogotio Constituency
Jubilee Party

Hon. Jared Okello, MP
Nyando Constituency
Orange Democratic Party

Hon. Silvanus Onyiego Osoro, MP
South Mugirango Constituency
Kenya National Congress

1.3 Committee Secretariat

5. The following secretariat supports the Committee in executing its mandate -

Ms. Tracy Chebet Koskei
Clerk Assistant I /Team Leader

Mr. Peter Mwaura
Senior Legal Counsel

Mr. Joseph Okong'o
Senior Media Relations Officer

Mr.Abdirahman Hassan
Clerk Assistant II

Mr. Donald Manyala
Research Officer II

Ms. Jane Serem
Audio Officer

2.0 INTRODUCTION

6. The Report of the Departmental Committee on Agriculture, Livestock & Cooperatives on the crisis facing the sugar industry in Kenya, was adopted by the House on 26th February, 2016 ***(see Appendix III)***.

7. The matter arose from a petition by Western Development Initiative Association on the imminent collapse of the sugar industry in Western Kenya of which the Committee also undertook to inquire into the issues raised in the petition on the status of the sugar industry in Kenya, with a view to finding a lasting solution to the crisis and making recommendations to salvage the industry. This would caution an estimated six million sugarcane farmers from the effects of the likely collapse of the industry.

8. Paragraph 90(e) of the report of the Departmental Committee on Agriculture, Livestock & Cooperatives states that M/s Shree Sai Industries Limited imported 1000Metric Tonnes of sugar into the country in 2013/2014 without a permit from Kenya Sugar Board.

9. The Kenya Sugar Board declined to renew the sugar importation licence for M/s Shree Sai Industries Limited's citing the fact that the company had been mentioned negatively in the report. It should however be noted that the report did not explicitly provide for the cancellation of the company's import licences. The Company however suffered as a result of punitive actions on the same referenced under paragraph 106 of the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives on *"The Crisis Facing the Sugar Industry in Kenya"* that recommended any company that imported sugar without a permit from the regulator be banned from import and export business.

10. M/s Shree Sai Industries Limited, through Ms. Bina Patel, petitioned the National Assembly in November, 2019 in relation to a resolution by the House with regard to the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives on "The Crisis Facing the Sugar Industry in Kenya" adopted in the Eleventh Parliament and in particular observation under paragraph 90(e).

11. The Petitioner alleged that they were not given an opportunity to appear before the Departmental Committee on Agriculture, Livestock and Cooperatives, and respond to the allegations against them.

12. In order to understand why it had been listed in the Report, the Petitioner sought clarification from the Kenya Revenue Authority, vide a letter dated 18th December, 2018 as to whether it had imported 1000MT of sugar in the period of 2013/2014. The Kenya Revenue Authority wrote back to the Petitioner vide a letter dated 21st January 2019 which stated that the Kenya Revenue Authority had reviewed its records and that the petitioner had imported sugar into the country in 2012 and in 2016, but not during the period of 2013/2014.

13. The Speaker of the National Assembly presented the Petition ***(Appendix IV)*** on behalf of the Petitioner pursuant to Standing Orders and thereafter referred the petition to the Committee on Implementation.

14. The Speaker in his communication to the House on Thursday, 5th December, 2019 directed the Committee on Implementation to confine itself to only receive and consider submissions from the Petitioner- M/s Shree Sai Industries Limited- on the resolution made by the House, and report its findings to the House thereafter.

15. In the meantime, the Speaker directed that the implementation of the resolution contained in paragraph 90(e) on the matter be suspended until such a time as the House makes a further resolution informed by this report.

16. The Committee further notes that the Speaker issued a similar communication on 30th August, 2018 on reconsideration of a House resolution by the Committee on Implementation. In its Report, the Committee on Agriculture, Livestock & Fisheries noted that the Kenya Sugar Board had identified KENAFRIC Industries as one of the manufacturers that repackage imported industrial sugar in locally manufactured branded sugar packages for sale as table sugar, a claim that had not been verified.

17. To achieve its objective, the Committee on Implementation invited Shree Sai Industries Ltd on 20th February, 2020 to present its oral evidence and written submissions on the matter. Thereafter, the Committee made its observations and recommendations as contained in the report.

3.0 EVIDENCE: SUBMISSIONS FROM M/S SHREE SAI INDUSTRIES LIMITED

18. Ms. Bina Patel, one of the Directors of Shree Sai Industries Limited appeared before the Committee on Thursday, 20th February, 2020 and apprised the Committee on the Petition regarding reconsideration of the Report by the Departmental Committee on Agriculture, Livestock and Cooperatives on the crisis facing the sugar industry in Kenya. She informed the Committee that-

    a) M/s Shree Sai Industries Limited is a family business located in industrial area that deals with commodities like wheat flour, salt, beans and retails on sugar. The company has about 25 employees.

    b) The company applied for renewal of license in November, 2018 but the Kenya Revenue Authority informed them that they have been implicated in a Parliamentary report and were instructed to approach Parliament over the matter.

    c) The Company suffered irreparable damage due to adverse recommendations contained in the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives on the *crisis facing the sugar industry*, which was adopted by the House in 2016.

    d) The petitioner informed the Committee that following the adverse findings and recommendations contained in the said Report, the company has been denied import licence for year 2019.

    e) The Petitioner reiterated that Shree Sai Industries has been undertaking lawful importation of sugar into the country since 2012 but was denied a trading license for the year 2019 on account that the company has been listed as one of the firms that imported sugar into the country in the period of 2013/2014, without the required permit from Kenya Sugar Board.

    f) Shree Sai Industries Limited wrote to the Kenya Revenue Authority (KRA) in December 2018 and sought for clarification as to whether the company imported 1000 MT of sugar in the period of 2013/2014.

    g) Through a letter, Reference *CUS/HQ/1,* dated 21st January 2019, the Kenya Revenue Authority confirmed that the petitioner did not import sugar into the country in 2013/14 ***(see Appendix V).***

    h) The Company thereafter wrote a letter dated 29th January, 2019 to the Honourable Speaker of the National Assembly and petitioned Parliament on 14th March, 2019 requesting that their name be expunged from the report on the crisis facing the sugar industry in the country.

19. The company imported 1000MT of sugar in 2012 from Uganda and 148MT of sugar from Egypt in 2016. The Company thus imported sugar twice in the company's history and has never been charged with any importation irregularities in the company's history and had not used another company's name to import sugar.

20. The Petitioner reiterated that she was surprised at how Shree Sai Industries Limited's name came about during the then Departmental Committee on Agriculture's deliberations on the sugar crisis and insisted that the company was erroneously included in the list of companies that imported sugar in 2013/14.

21. Ms. Bina Patel further informed the Committee that the company was not invited or given any opportunity to be heard by the then Departmental Committee on Agriculture, Livestock and Cooperatives despite being adversely mentioned in the said report.

22. While appearing before the Committee, the company submitted a letter from the Kenya Revenue Authority confirming that Shree Sai Industries Limited did not import sugar into the country in 2013/2014.

23. The Petitioner thus prayed that the petition be dealt with immediately in view of the urgency and gravity of the issues raised and requested Parliament to expunge the name of the Petitioner from the Report by the Departmental Committee on Agriculture, Livestock and Cooperatives on the crisis facing the sugar industry in Kenya and that Parliament issues a corresponding clearance report to the Petitioner.

4.0 COMMITTEE OBSERVATIONS

24. Having scrutinized the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives and considered the submission from the Petitioner and Kenya Revenue Authority, the Committee observed that -

a) M/s Shree Sai Industries Limited was listed as one of the companies that had imported sugar into the country in the period of 2013/2014 without the required permit from Kenya Sugar Board under item No. 90(e) appearing on page 46 in the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives;

b) Neither the contents of the Report, minutes of the proceedings of the investigation, nor the annexures of the Report of the Departmental Committee mentioned that the company imported sugar in 2013/2014 and the circumstances under which the petitioner's name was included in the report were unclear;

c) M/s Shree Sai Industries Limited was never invited or given any opportunity to be heard to make submissions on the matter prior to being adversely mentioned for impropriety relating to the importation of sugar into the country;

d) Based on the submission by Kenya Revenue Authority *vide* a letter dated 21st January, 2019, M/s Shree Sai Industries Limited did not import sugar during the period of 2013/2014 as alleged in the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives; and

e) Although M/s Shree Sai Industries Limited had been listed among companies that imported sugar into the country illegally under the Committee observations, the recommendations had not explicitly recommended for cancellation of the import licences of the company.

5.0 COMMITTEE RECOMMENDATIONS

25. The Committee having reviewed the said report and considered the evidence received, recommends that—

> **The House expunges M/s Shree Sai Industries Limited from the list of companies adversely mentioned in the Report for the alleged unlawful importation of sugar into the country.**

Signed ______________________ **Date** 05/08/2020.

Hon. Moitalel Ole Kenta, MP
Chairperson, Committee on Implementation

APPENDICES

APPENDIX I

ADOPTION LIST

The National Assembly

12th Parliament–4th Session-2020

Committee on Implementation

Agenda: Consideration and adoption of the Report on reconsideration of House resolution
Date: Wednesday 1st July, 2020
Start Time: 2.40 pm.

Venue: 5th floor, Committee Room Continental House
End Time: 3.30 pm.

S/NO.	NAME	SIGNATURE
1.	The Hon. Moitalel Ole Kenta, MP – **Chairperson**	
2.	The Hon. Godfrey Osotsi, MP - **Vice Chairperson**	
3.	The Hon. Richard Onyonka, MP	
4.	The Hon. Alois Musa Lentoimaga, MP	
5.	The Hon. Francis Munyua Waititu, MP	
6.	The Hon. George Theuri, MP	
7.	The Hon. (Dr.) James Kipkosgei Murgor, MP	
8.	The Hon. Maj. (Rtd) John Waluke Koyi, MP	
9.	The Hon. Johnson Manya Naicca, MP	

10.	The Hon. Joseph Wathigo Manje, MP	
11.	The Hon. Onesmas Kimani Ngunjiri, MP	
12.	The Hon. Paul Simba Arati, MP	
13.	The Hon. Charles Ngusya Nguna, MP	
14.	The Hon. (Dr.) Daniel Kamuren Tuitoek, MP	Dr Tuitoek
15.	The Hon. Generali Nixon Korir, MP	
16.	The Hon. Hassan Oda Hulufo, MP	
17.	The Hon. Jared Okello, MP	
18.	The Hon. Joshua Mwalyo Mbithi, MP	
19.	The Hon. Michael Thoya Kingi, MP	
20.	The Hon. Nelson Koech, MP	
21.	The Hon. Owen Yaa Baya, MP	
22.	The Hon. Paul Abuor, MP	
23.	The Hon. Silvanus Osoro, MP	

Committee Clerk

Name......Abdirahman A. Hassan............ .... **Date**......2/7/2020........

(Signature)

Director Committee Services .... **Date**......03/7/2020........

(Signature)

APPENDIX II

MINUTES OF THE COMMITTEE

MINUTES OF THE 16TH SITTING OF THE COMMITTEE ON IMPLEMENTATION HELD ON WEDNESDAY, 1ST JULY, 2020, IN THE 5TH FLOOR COMMITTEE ROOM, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS, AT 2.30 PM.

PRESENT

1. The Hon. Moitalel Ole Kenta, MP - **Chairperson**
2. The Hon. Godfrey Osotsi, MP - **Vice Chairperson**
3. The Hon. Alois Musa Lentoimaga, MP
4. The Hon. George Theuri, MP
5. The Hon. (Dr.) James Kipkosgei Murgor, MP
6. The Hon. Johnson Manya Naicca, MP
7. The Hon. Joseph Wathigo Manje, MP
8. The Hon. Charles Ngusya Nguna, MP
9. The Hon. (Dr.) Daniel Kamuren Tuitoek, MP
10. The Hon. Hassan Oda Hulufo, MP
11. The Hon. Jared Okello, MP
12. The Hon. Joshua Mbithi Mwalyo, MP
13. The Hon. Owen Yaa Baya, MP

APOLOGIES

1. The Hon. Richard Onyonka, MP
2. The Hon. Francis Munyua Waititu, MP
3. The Hon. Maj. (Rtd.) John Waluke Koyi, MP
4. The Hon. Onesmas Kimani Ngunjiri, MP
5. The Hon. Paul Simba Arati, MP
6. The Hon. Generali Nixon Kiprotich Korir, MP
7. The Hon. Michael Kingi, MP
8. The Hon. Nelson Koech, MP
9. The Hon. Paul Odalo Abuor, MP
10. The Hon. Silvanus Osoro, MP

IN-ATTENDANCE

COMMITTEE SECRETARIAT

1. Ms. Tracy Chebet - First Clerk Assistant/Lead Clerk
2. Mr. Abdirahman Hassan - Second Clerk Assistant
3. Mr. Peter Mwaura - Senior Legal Counsel
4. Ms. Jane Serem - Audio Officer I
5. Ms. Zeinab Wario - Sergeant-at-Arms

MIN. NO.NA/COI/2020/78: PRELIMINARIES

The Chairperson called the meeting to order at forty minutes past two o'clock and said the Prayer. The agenda for the meeting was adopted, as proposed and seconded by the Hon. Godfrey Osotsi, MP, and the Hon. (Dr.) James Murgor, MP, respectively.

MIN. NO.NA/COI/2020/79: CONFIRMATION OF MINUTES

The following Minutes were confirmed: -

1. The Minutes of the 11th Sitting held on Thursday, 4th June 2020, were confirmed as a true record of the proceedings as proposed and seconded by the Hon. Godfrey Osotsi, MP, and the Hon. (Dr.) James Murgor, MP, respectively.

2. The Minutes of the 12th Sitting held on Wednesday, 17th June 2020, were confirmed as a true record of the proceedings as proposed and seconded by the Hon. Godfrey Osotsi, MP, and the Hon. Charles Ngusya Nguna, MP, respectively.

3. The Minutes of the 13th Sitting held on Thursday, 18th June 2020, were confirmed as a true record of the proceedings as proposed and seconded by the Hon. Charles Ngusya Nguna, MP, and the Hon. (Dr.) James Murgor, MP, respectively.

MIN. NO.NA/COI/2020/80: MATTERS ARISING

There were no matters that arose from the Minutes of the previous Sittings.

MIN. NO.NA/COI/2020/81: MEETING WITH THE CS FOR TOURISM AND WILDLIFE

The Committee was scheduled to meet with the Cabinet Secretary for Tourism & Wildlife, for a meeting to consider implementation status of the Special Report by the Public Investment Committee on the Tourism Fund's Ronald Ngala Utalii College and the Statement by the Hon. Owen Baya, MP, regarding the progress of construction of Ronald Ngala Utalii College in Kilifi County.

However, the Principal Secretary for Tourism vide a letter Ref: MOT/1/14/1 dated 30th June, 2020, submitted that the Cabinet Secretary would not be available to attend the meeting as scheduled, due to unavoidable circumstances and requested for a reschedule of the meeting to a later date.

The Ministry however submitted a written response regarding implementation status of the aforementioned Report and Statement to the Committee for consideration.

The Committee noted the request and resolved to reschedule the meeting to Thursday 16th July, 2020.

MIN. NO.NA/COI/2020/82: ADOPTION OF THE REPORT ON THE PETITION BY SHREE SAI INDUSTRIES ON RECONSIDERATION OF HOUSE RESOULTION

The Committee, having scrutinized the Report on the Petition on reconsideration of House resolution, regarding implementation status of the report of the Departmental Committee on Agriculture, Livestock and Cooperatives on the crisis facing the sugar industry in Kenya, unanimously adopted the report, after it was proposed by the Hon. (Dr.) James Murgor, MP, and seconded by the Hon. Johnson Manya Naicca, MP. The Committee made the following observations and recommendations: -

Committee Observations

1. The Committee on Agriculture, Livestock and Cooperatives, under item No. 90(e) appearing on page 46 of its report, listed Shree Sai Industries Limited as one of the companies that had imported sugar into the country in the period of 2013/2014 without the required permit from Kenya Sugar Board;
2. Neither the contents of the Report, minutes of the proceedings of the investigation, nor the annexures of the Report mentioned that the company imported sugar in 2013/2014 and the circumstances under which the petitioner's name was included in the report were unclear;
3. There is no evidence of the proprietors of Shree Sai Industries Limited having been invited or given any opportunity to be heard to make submissions on the matter prior to being adversely mentioned for impropriety relating to the importation of sugar into the country;
4. Based on the submission by Kenya Revenue Authority through a letter dated 21st January, 2019, Reference CUS/HQ/1, Shree Sai Industries Limited did not import sugar during the period of 2013/2014 as alleged in the Report by the then Departmental Committee on Agriculture, Livestock and Cooperatives; and
5. Although Shree Sai Industries Limited had been listed among companies that imported sugar into the country illegally under the Committee observations, the recommendations had not explicitly recommended for cancellation of the import licences of the company.

Committee Recommendations

The Committee having reviewed the said report and considered the evidence received recommends that—

1) The House expunges the petitioners name from the list of companies adversely mentioned in the Report for the alleged unlawful importation of sugar into the country; and
2) The Speaker issues directives to all Committees on the need to corroborate their evidence with corresponding observations and recommendations.

MIN. NO.NA/COI/2020/83: CONSIDERATION OF THE STATEMENT REGARDING THE BANNING OF SECOND-HAND CLOTHES

The Committee considered the Statement by the Hon. Yussuf Hassan Abdi, the Member for Kamukunji Constituency, regarding the banning of importation of second-hand clothes in Kenya.

In its consideration of the Statement, the Legal Counsel attached to the Committee presented a legal opinion on whether utterances made by the Cabinet Secretary for Industrialisation, Trade and Enterprise Development during her vetting process amount to an Executive undertaking, the Committee was informed that the assurance/utterance was made in a personal capacity as a nominee for the position of CS and prior to occupying the office she now holds. As such, it is not tenable for the Committee to exercise its oversight/representative mandate on account of an utterance made by a nominee during vetting and prior to appointment to office.

Following deliberation, the Committee directed that the Secretariat write to Hon. Yussuf Hassan and inform him of the legal opinion and request whether he was still interested in pursuing the matter.

MIN. NO.NA/COI/2020/84: ADJOURNMENT

There being no other business, the meeting was adjourned at thirty Minutes past three o'clock.

Sign.. **Date**...14/07/2020.

(Chairperson)

MINUTES OF THE 2ND SITTING OF THE COMMITTEE ON IMPLEMENTATION HELD ON THURSDAY, 20TH FEBRUARY, 2020, IN THE 9TH FLOOR SMALL BOARDROOM, HARAMBEE SACCO PLAZA, PARLIAMENT BUILDINGS, AT 12.00 PM.

PRESENT

1. The Hon. Moitalel Ole Kenta, MP - **Chairperson**
2. The Hon. Godfrey Osotsi, MP - **Vice Chairperson**
3. The Hon. Richard Onyonka, MP
4. The Hon. Alois Musa Lentoimaga, MP
5. The Hon. George Theuri, MP
6. The Hon. (Dr.) James Kipkosgei Murgor, MP
7. The Hon. Maj. (Rtd.) John Waluke Koyi, MP
8. The Hon. Johnson Manya Naicca, MP
9. The Hon. Onesmas Kimani Ngunjiri, MP
10. The Hon. Paul Simba Arati, MP
11. The Hon. (Dr.) Daniel Kamuren Tuitoek, MP
12. The Hon. Generali Nixon Kiprotich Korir, MP
13. The Hon. Hassan Oda Hulufo, MP
14. The Hon. Jared Okello, MP
15. The Hon. Joshua Mbithi Mwalyo, MP
16. The Hon. Silvanus Osoro, MP

APOLOGIES

1. The Hon. Francis Munyua Waititu, MP
2. The Hon. Joseph Wathigo Manje, MP
3. The Hon. Charles Ngusya Nguna, MP
4. The Hon. Michael Kingi, MP
5. The Hon. Nelson Koech, MP
6. The Hon. Owen Yaa Baya, MP
7. The Hon. Paul Odalo Abuor, MP

IN-ATTENDANCE

SHREE SAI INDUSTRIES LIMITED

Ms. Bina Patel - Petitioner

THE NATIONAL ASSEMBLY

1. Mr. Abdirahman G. Hassan - Second Clerk Assistant
2. Mr. Rodgers Kilungya - Audio Officer
3. Ms. Moses Kariuki - Sergeant-at-arms

MIN. NO.NA/COI/2020/07: PRELIMINARIES

The Chairperson called the meeting to order at ten minutes past twelve o'clock and said the Prayer. The Agenda for the meeting was adopted as proposed and seconded by the Hon. Jared Okello, MP and the Hon. Nixon Korir, MP, respectively. A round of introductions were made thereafter.

The witness was informed of the mandate of the Committee, which was to follow up on implementation of resolutions and adopted reports of the National Assembly in order to ensure that the House does not act in vain.

MIN. NO.NA/COI/2020/08: CONFIRMATION OF MINUTES

The agenda item was deferred.

MIN. NO.NA/COI/2020/09: MEETING WITH SHREE SAI INDUSTRIES LIMITED

Ms. Bina Patel from Shree Sai Industries Limited appeared before the Committee and appraised the Members on her Petition regarding reconsideration of the Report by the Departmental Committee on Agriculture, Livestock and Cooperatives on *the crisis facing the sugar industry* in Kenya. She informed the Members as follows; THAT

Shree Sai Industries Limited is a family business located in industrial area that deals with commodities like wheat flour, salt, beans and retails on sugar. The company has about 25 employees.

The company applied for renewal of license in November 2018 but the Kenya Revenue Authority informed them that they have been implicated in a Parliamentary report and were instructed to approach Parliament over the matter.

The Company suffered irreparable damage due to adverse recommendations contained in the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives on the *crisis facing the sugar industry*, which was adopted by the House in 2015.

The petitioner informed the Committee that following the adverse findings and recommendations contained in the said Report, the company has been denied import licence for year 2019.

The Petitioner reiterated that Shree Sai Industries has been undertaking lawful importation of sugar into the country since 2012 but was denied a trading license for the year 2019 on account that the company has been listed as one of the firms that imported sugar into the country in the period of 2013/2014.

Shree Sai Industries Limited wrote to the Kenya Revenue Authority (KRA) in December 2018 and sought for clarification as to whether the company imported 1000 MT of sugar in the period of 2013/2014.

The company received a response from KRA vide a letter dated 21st January 2019 that confirmed that M/S Shree Sai Industries Limited did not import sugar during the period of 2013/2014.

The Company thereafter wrote a letter dated 29th January 2019 to the Honourable Speaker of the National Assembly, petitioned Parliament on 14th March 2019 and requested for their name to be expunged from the Report on the crisis facing the sugar industry in the country.

The company imported 1000MT of sugar in 2012, from Uganda and 148 MT of sugar from Egypt in 2016. The Company thus imported sugar only twice in the company's history.

Shree Sai Industry Limited was never charged with any importation irregularities in the company's history and had not used another company's name to imports sugar.

The Petitioner reiterated that she was surprised at how Shree Sai Industries' name came about during the then Committee on Agriculture's deliberations on the sugar crisis and insisted that the company was erroneously included in the list of companies that imported sugar in 2013/14.

Ms. Bina Patel further informed the Committee that the company was not invited or given any opportunity to be heard by the then Departmental Committee on Agriculture, despite being adversely mentioned in the said report.

The Company during their submission presented the following documents: -

i. A letter from KRA stating that Shree Sai Industries did not import sugar during the 2013/2014 period; and
ii. Sugar Import permits for the company for 2012 and 2016 from the Sugar Directorate.

The Petitioner thus prayed THAT

i. The petition be dealt with immediately in view of the urgency and gravity of the issues raised;
ii. Parliament expunges the name of the Petitioner from the Report by the Departmental Committee on Agriculture, Livestock and Cooperatives on the *crisis facing the sugar industry in Kenya*; and
iii. Parliament issues a clearance report to the Petitioner after expunging the Petitioner's name from the report in question.

MIN. NO.NA/COI/2020/10: ADJOURNMENT

There being no other business, the meeting was adjourned at five minutes to one o'clock.

Sign.. **Date**. 25th, February, 2020

(Chairperson)

APPENDIX III

REPORT OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES ON THE CRISIS FACING THE SUGAR INDUSTRY IN KENYA

25

KENYA NATIONAL ASSEMBLY

ELEVENTH PARLIAMENT

(THIRD SESSION-2015)

REPORT OF THE

DEPARTMENTAL COMMITTEE ON AGRICULTURE,

LIVESTOCK AND CO-OPERATIVES

ON THE

THE CRISIS FACING THE SUGAR INDUSTRY IN KENYA

CLERKS CHAMBERS

PARLIAMENT BUILDINGS,

NAIROBI

MARCH, 2015

CONTENTS

ACRONYMS

WEDIA	-	Western Development Initiative Association
DCALC	-	Departmental Committee on Agriculture, Livestock and Co-operatives
MSC	-	Mumias Sugar Company
NSC	-	Nzoia Sugar Company
BSC	-	Busia Sugar Company
BSM	-	Butali Sugar Mills
WKSF	-	West Kenya Sugar Factory
KRA	-	Kenya Revenue Authority
NIS	-	National Intelligence Service
IG	-	Inspector-General
DG	-	Director-General
CG	-	Commissioner-General
CS	-	Cabinet Secretary
NEMA	-	National Environment Management Authority
EMCA	-	Environmental Management and Coordination Act
KPA	-	Kenya Ports Authority
KSB	-	Kenya Sugar Board
KEBS	-	Kenya Bureau of Standards
COMESA	-	Common Market for Eastern and Southern Africa
KeRRA	-	Kenya Rural Roads Authority
IDB	-	Industrial Development Bank
RSCL	-	Rising Star Commodities Limited

DRC	-	Democratic Republic of Congo
EU	-	European Union
UK	-	United Kingdom
DPL	-	Dantes Peak Limited
GK	-	Government of Kenya
AFFA	-	Agriculture Fisheries and Food Authority
EACCMA	-	East African Community Customs Management Act
SDF	-	Sugar Development Fund
LATF	-	Local Authorities Trust Fund
CDF	-	Constituencies Development Fund
VAT	-	Value added Tax
NSE	-	Nairobi Stock Exchange
MT	-	Metric Tones
TCD	-	Tones Crushed Daily;
FCB	-	Fives Call Babcock
SCT	-	Single Customs Territory
KPMG	-	A merger leading audit firm between *Klynveld Main Goerdeler* And*Peat Marwick*
MW	-	Mega Watts
MSS	-	Mauritius Sugar Syndicate

PREFACE

Mr. Speaker Sir,

01. Arising from a petition by Western Development Initiative Association on the imminent collapse of sugar industry in Western Kenya, the Committee while investigating into the issues raised in the petition, undertook to sample investigations into the status of sugar industry in Kenya with a view to finding a lasting solution and making recommendations to salvage the industry and save the loss to be incurred by over six million sugarcane farmers across the country if the industry was to collapse.

02. Terms of Reference for the Committee

(i) Investigate and inquire into the current state of the sugar industry in the country;
(ii) Investigate and inquire into the issue of cheap sugar imports and smuggling;
(iii) Investigate and inquire into the alleged exports by Mumias Sugar Company between 2006 and 2012;
(iv) Look into the glut in the sugar market, which has, among other causes, contributed to the current crisis in the industry; and
(v) Report on the findings of the Committee's inquiry.

INTRODUCTION

03. The Departmental Committee on Agriculture, Livestock and Co operatives is established pursuant to provisions of Standing Order 216 (5). Under the provisions of Standing Order 216 (5) the Committee is mandated to:-

(a) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;
(b) study the Programme and policy objectives of the Ministries and departments and the effectiveness of the implementation;
(c) study and review all legislation referred to it;

(iv) Fisheries development,
(v) Co-operatives development, and
(vi) Production and marketing.

07. Under the above Ministries, the Committee covers the following subjects;

(i) Agriculture policy;
(ii) Veterinary policy
(iii) Fisheries policy
(iv) Cooperative societies

Membership

08. The Committee comprises the following Members:-

1. The Hon. Adan Mohamed Nooru, M.P. - Chairman
2. The Hon. Japhet M. Kareke Mbiuki, M.P. - Vice Chairman
3. The Hon. Kabando Wa Kabando, M.P.
4. The Hon. Raphael Letimalo, M.P.
5. The Hon. Patrick Wangamati, M.P.
6. The Hon. Francis Munyua Waititu, M.P.
7. The Hon. Mary Wambui Munene, M. P.
8. The Hon. Peter Njuguna Gitau, M.P.
9. The Hon. Maison Leshoomo, M.P.
10. The Hon. Anthony Kimani Ichung'wah, M.P.
11. The Hon. Alfred Kiptoo Keter, M.P.
12. The Hon. Ayub Savula Angatia, M.P.
13. The Hon. Justice Kemei, M.P.
14. The Hon. Philip L. R. Rotino, M.P.
15. The Hon. Korei Ole Lemein, M.P.
16. The Hon. Silas Tiren, M.P.
17. The Hon. Benjamin Jomo Washiali, M.P.
18. The Hon. (Dr.) Victor Kioko Munyaka, M.P.

(iv) Fisheries development,
(v) Co-operatives development, and
(vi) Production and marketing.

07. Under the above Ministries, the Committee covers the following subjects;

(i) Agriculture policy;
(ii) Veterinary policy
(iii) Fisheries policy
(iv) Cooperative societies

Membership

08. The Committee comprises the following Members:-

1. The Hon. Adan Mohamed Nooru, M.P. - Chairman
2. The Hon. Japhet M. Kareke Mbiuki, M.P. - Vice Chairman
3. The Hon. Kabando Wa Kabando, M.P.
4. The Hon. Raphael Letimalo, M.P.
5. The Hon. Patrick Wangamati, M.P.
6. The Hon. Francis Munyua Waititu, M.P.
7. The Hon. Mary Wambui Munene, M. P.
8. The Hon. Peter Njuguna Gitau, M.P.
9. The Hon. Maison Leshoomo, M.P.
10. The Hon. Anthony Kimani Ichung'wah, M.P.
11. The Hon. Alfred Kiptoo Keter, M.P.
12. The Hon. Ayub Savula Angatia, M.P.
13. The Hon. Justice Kemei, M.P.
14. The Hon. Philip L. R. Rotino, M.P.
15. The Hon. Korei Ole Lemein, M.P.
16. The Hon. Silas Tiren, M.P.
17. The Hon. Benjamin Jomo Washiali, M.P.
18. The Hon. (Dr.) Victor Kioko Munyaka, M.P.

19. The Hon. John BomettSerut, M.P.
20. The Hon. Millie Odhiambo, M.P.
21. The Hon. Fredrick Outa, M.P.
22. The Hon. Maanzo, Daniel Kitonga, M.P.
23. The Hon. James Opiyo Wandayi, M.P.
24. The Hon. Ferdinand Kevin Wanyonyi, M.P.
25. The Hon. Paul Simba Arati, M.P.
26. The Hon. Florence Mwikali Mutua, M.P.
27. The Hon. Hezron Bollo Awiti, M.P.
28. The Hon. John Owour Kobado, M.P.
29. The Hon. Zuleikha Hassan Juma, M.P.

Mr. Speaker,

0.9 This Report was considered at length by the Committee in a retreat at Windsor Golf and Country Club in Nairobi in 6th and 7th March , 2015 and the resolution to adopt this Report was reached unanimously in a meeting attended by a majority of the Members of the Committee Members. It is our hope that this Report will guide and inform the House on the status of sugar industry.

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the support and services extended to the Members to enable the Committee complete this report smoothly.

I am grateful for the Members of the Committee whose support enabled the Committee to accomplish this task. Special thanks to the secretariat for their support at all times.

On behalf of the Committee, I now have the honour and pleasure to present this Report to House for consideration and adoption.

Thank You

We the undersigned

1. The Hon. Adan Mohamed Nooru, MBS, M.P.- Chairman____________
2. The Hon. Japhet M. Kareke Mbiuki, M.P. -Vice Chairman____________
3. The Hon. Kabando Wa Kabando, M.P.____________
4. The Hon. Raphael Letimalo, M.P.____________
5. The Hon. Mary Wambui Munene, M.P.____________
6. The Hon. Francis Munyua Waititu, M.P.____________
7. The Hon. Peter Njuguna Gitau, M.P.____________
8. The Hon. Maison Leshoomo, M.P.____________
9. The Hon. Anthony Kimani Ichung'wah, M.P.____________
10. The Hon. Alfred Kiptoo Keter, M.P.____________
11. The Hon. Ayub Savula Angatia, M.P.____________
12. The Hon. Justice Kemei, M.P.____________
13. The Hon. Philip L. R. Rotino, M.P.____________
14. The Hon. Korei Ole Lemein, M.P.____________
15. The Hon. Silas Tiren, M.P.____________
16. The Hon. Benjamin Jomo Washiali, M.P.____________
17. The Hon. (Dr.) Victor Kioko Munyaka, M.P.____________
18. The Hon. John Bomett Serut, M.P.____________
19. The Hon. Millie Odhiambo, M.P.____________
20. The Hon. Fredrick Outa, M.P.____________
21. The Hon. Maanzo, Daniel Kitonga, M.P.____________
22. The Hon. James Opiyo Wandayi, M.P.____________
23. The Hon. Patrick Wangamiti, M.P.____________
24. The Hon. Ferdinand Kevin Wanyonyi, M.P.____________

25. The Hon. Paul Simba Arati, M.P.________________

26. The Hon. Florence Mwikali Mutua, M.P.________________

27. The Hon. John Kobado, M.P.________________

28. The Hon. Hezron Bollo Awitti, M.P.________________

29. The Hon. Zuleikha Hassan Juma, M.P.________________

CHAPTER 1

1.0 OVERVIEW OF THE SUGAR INDUSTRY IN KENYA

Historical Perspective

10. Sugar cane was first introduced in Kenya in 1902 with the first sugar factory being set up at Miwani near Kisumu in 1922. Later in 1927, another sugar factory was set up at Ramisi in the coast province, the area where the current Kwale International Sugar is located.

11. After independence, the Government of Kenya moved to expand sugar through investments in sugar cane growing schemes and establishment of more new sugar factories. These include Muhoroni Sugar Factory (MSF) in 1966, Chemelil Sugar Factory (CSF) in 1968, Mumias Sugar Company (MSC) in 1973, Nzoia Sugar Company (NSC) in 1978 and South Nyanza Sugar Company (SONY)-Awendo in 1979.

Cane Production, Quality and Supply

12. The total area under cane in the country presently is 203,730 Ha, comprising 189,390 Ha belonging to out-growers and 14,340 Ha Nucleus Estates (land owned/leased by mills to grow cane). There are 300,000 cane farmers, 4,500 of which are large scale.

13. The quality of cane as measured by pol % cane averages 12 compared 13.5% in the region. Pol % of cane dropped from a weighted average of 11.16 in 2012 to 11.08 in 2013, due to cane harvested below 13 months. However, there was an improvement in fibre % cane, from 17.18 to 17.01 during the period.

14 The average yield per Ha in Kenya is 60.5MT compared to the global average of 63MT. Columbia produces 115 MT per Ha. Total cane supplied for processing by mills in 2013 was 6,764,200 MT compared to 5,842,830 MT in 2012, representing a 15.77% increase.

Mills Performance and Contribution to GDP

15. Today, Kenya has eleven (11) operational sugar mills in the country, 1 to be commissioned in Kwale (Kwale International Sugar Company) while 2 mills (Muhoroni and Miwani) are under receivership. The 11 sugar factories have an annual production capacity of about 600,000MT of sugar against the annual domestic requirements of 800,000MT, running a deficit of 200,000MT.

16. The estimated 200,000 metric tons shortfall is offset by sugar imports which has created a lot of instability in the local domestic market. Kenya has only managed to achieve significant production of the commodity in 1980 and 1981 to meet domestic demand.

18. The combined installed current crushing capacity of operational mills is about 29,990 MT of cane per day. The current capacity is sufficient to produce about 1 million tons of sugar per annum. This is not sufficient to meet the domestic consumption capacity of sugar. The target is to expand the daily capacity to approximately 50,000 MT per day in order to produce 1,350,000 MT to make Kenya a sugar surplus producer.

19 The sugar industry in Kenya supports directly or indirectly six million Kenyans, which represents about 16% of the entire national population. The sugar industry contributes about 7.5% of the country's Gross Domestic Product (GDP) and has a major impact on the economies of Western Kenya and Nyanza regions and, to a lesser extent, Rift Valley. The sugar sub-sector is expected to equally have a major impact on the economy of Coast region once the mill being built in Kwale becomes operational.

20. Sugar production increased from 503,210 MT in 2012 to 599,070 MT in 2013 as a result of increased cane supply and better recoveries. Recoveries improved from Tonnes Cane/Tonnes Sugar (TC/TS) of 11.61 in 2012 to 11.29 in 2013. The Factory Time Efficiency (FTE) improved from 76.65% in 2012 to 79.98% in 2013. The Overall Time Efficiency (OTE) also rose from 60.27% to 64.13%. *(Annex VI)*

Sugarcane and Sugar Prices

21. Sugarcane prices dropped from an average of Ksh 3,755/MTat the beginning of 2013 to Ksh 3,476/MT at the end of the year. In 2013, ex-mill

sugar prices averaged Ksh 4,499 compared to Ksh 4,911 in 2012. Wholesale sugar prices ranged from Ksh 4,100 to Ksh 5,800 (mean Ksh 4,754) per 50-kg bag in 2013 compared to Ksh 4,200 to Ksh 7,800 (mean Ksh 5160) per 50-kg bag in 2012.

Cost of Production

22. The average cost of producing one ton of cane in Kenya is USD 22.5 while that of the regions is as low as USD 13 per ton. The average cost of producing a ton of sugar in Kenya is USD 870 (or USD 700 exclusive of finance charges) compared to USD 350 in Malawi and USD 400 in Zambia, Swaziland and Egypt and in USD 450 in Sudan. The cost of production in Brazil is USD 300, up from USD 270 three years ago.

National Sugar Consumption

23. The average annual consumption of sugar in Kenya, in the last six years (between 2008 and 2013), is approximately 787,320 metric tons. During that period local sugar production amounted to 3,173,850 MT while imports amounted to 1,277,020 MT. Kenya exported a total of 63,585MT during the period.

Sugar Imports and exports

24. In 2013, a total of 237,640 metric tons of sugar were imported into the country, which compares closely with 238,590 MT imported in 2012. Out of the total imports, 44% constituted Brown/Mill White for direct consumption while the balance was refined white sugar meant for manufacturing. Imports from the COMESA region were 106,810 MT, which represents 45% of total imports. The EAC supplied only 4,820 MT, which represents 2% of total imports. The Average CIF Mombasa landed price for sugar in 2013 was Ksh. 63,675/MT, which is about Ksh 3,950 per 50-kg bag.

25. Between the years 2006 and 2012, Mumias Sugar Company is said to have exported unknown quantity of sugar to a number of countries in Africa among them Democratic Republic of Congo, Ethiopia, Rwanda, Southern Sudan, Uganda and in Europe exports were made to Italy and the UK. The

amount of sugar is unknown due to the fact that records availed to the Committee by MSC and KRA vary in Tonnage. (Annex II & III)

COMESA Safeguards

26. Kenya has since 2002 been on COMESA safeguards to enable it take measures to improve competitiveness of its sugar industry. The initial safeguard period of one year was extended by another year before a four-year extension was granted in 2004. This was followed by another three years extension in 2008 and two years in 2012. The latest extension of one year ends in February 2015. During this period, the allowable quota of sugar to be imported into Kenya has been raised from 340,000MT to 350,000MT and any additional imports above the quota will be subject to a 5% tariff.

Privatization

27. All the 5 Government owned sugar factories are earmarked for privatization program. The Program received Cabinet approval in 2008 and debt writes offs has been approved by parliament as a precursor to Government divesture. This aims at transforming the industry towards commercial orientation and injection of the required fresh capital from the private sector. However, the Parliamentary Departmental Committee on Finance, Planning and Trade passed a resolution on 9th January, 2013 "that the privatization of the public Sector Sugar Companies should be postponed until such a time when all legislation affecting the Agriculture Sector (sugar) and the County Governments have been put in place". In order to kick start the privatization process, the approvalof the Parliamentary Committee on Finance, Planning and Trade is required.

Divesture

28. The Kenya Sugar Industry has the potential to generate up to 120 MW of electricity for export to the National grid without major investments. However, it is only Mumias Sugar Company that has divested into energy production and is currently generating 38MW out of which 26 MW is exported to the national grid. The rest of the factories generate electricity for their own use but do not export to the national grid.

Farmers Problems

29. The problems facing cane farmers are acute and need a multitude of mitigation measures to institute a radical shift in respect of industry policy and legislative action to tame the trend of farming cane from collapse.

30. The scenario is two-pronged with the cane farmer, on one hand producing the raw material and on the other hand, the sugar millers who have tended to hold the view that sugar farming is a business on their part and not to the farmers. At the same time reforms in the sugar sub-sector have been very slow. This has given room for scrupulous businessmen/women engaging into imports and exports that ruin the local farmer at the end.

31. The problems of sugar sector reflect serious policy flaws and inadequacies in the relevant legislations governing the sugar sub-sector. It is a pointer of a selective implementation and lack of enforcement of the existing legislation, that is, the Sugar Act (2001).

Mr. Speaker, Sir,

32. Between the months of September 2013 and August 2014, the Committee collected and collated views from the Sugarcane Millers and other stakeholders deliberating on the issues raisedin committee sittings both within and outside Parliament. The Committee also received memoranda from associations of Sugarcane farmers. Some of the Millers, interest parties and other stakeholders the Committee met include the industry regulator - Kenya Sugar Board (KSB), Mumias Sugar Company (MSC), Nzoia Sugar Company (NSC), West Kenya Sugar Factory (WKSF), Butali Sugar Mills (BSM), National Environment Management Authority (NEMA), the Inspector- General of Police, (IG) the Kenya Ports Authority (KPA), the Commissioner-General (CG) of the Kenya Revenue Authority (KRA), Kenya Bureau of Standards (KEBS), the Director General (DG) of the National Intelligence Service (NIS), former Managing Director (MD)Mumias Sugar Company, the Cabinet Secretary National Treasury, Cabinet Secretary for Agriculture, Livestock and Fisheries, and, Western Development Initiative Association (WEDIA).

0713 105 021

CHAPTER 2

2.0 EVIDENCE AND SUBMISSIONS FROM SUGAR COMPANIES AND OTHER WITNESSES

2.1 Submissions by Western Development Initiative Association (WEDIA)

33. Appearing before the Committee on 16th October, 2013, WEDIA made the following submissions: -

(a) WEDIA was registered as an association in 2010 and that it represents development interests of sugarcane farmers and other sectors in Western Kenya;

(b) It was among the first entities to raise the issue of cane poaching and was also at the fore-front in stopping the attempted disposal of land belonging to defunct Busia Sugar Company (BSC);

(c) Sugarcane poaching started about the year 2000 after the establishment of Butali Sugar Mills in Kakamega County.

(d) Sugar factories in Western Kenya, including Mumias Sugar Company, Nzoia Sugar Company and Butali Sugar Mills, have signed contracts with their cane farmers except West Kenya Sugar Factory;

(e) To-date, West Kenya Sugar Factory does not have any single contracted sugarcane farmer but has since inception been buying cane from farmers contracted by other millers, hence promoting poaching;

(f) West Kenya Sugar Factory does not have cane development programmes for farmers but harvests cane from farmers in Western Kenya. The factory has continued to buy cane from Busia Sugar Zone (*contracted by Mumias Sugar Company*), Nzoia Sugar Zone and Butali Sugar Mills farmers even when they (West Kenya) have no contracted farmers in those zones;

(g) West Kenya has gone ahead to construct a weighbridge at Tangakona area in Busia County where all the poached cane is collected for transportation to the factory in Kakamega County;

(h) The presence of the weighbridge has led to disputes and conflicts among the surrounding local communities/millers and at one point a tractor transporting sugarcane for Nzoia Sugar Company was burnt and six tractors belonging to West Kenya impounded by Nzoia Sugar Company;

(i) Kenya Sugar Board has allowed West Kenya to operate in Western Kenya despite the company failing to honour the licence issued to it to construct a factory in Kimilili area of Bungoma County way back in 2008;

(j) Kenya Sugar Board gave West Kenya a two-year reprieve under questionable circumstances even after failing to construct a factory in Kimilili and continued harvesting cane from farmers contracted by other factories;

(k) In some cases, cane is harvested by agents of West Kenya Sugar Factory without the consent of the owners.

2.2 Submissions by Management of Mumias Sugar Company (MSC)

34. Appearing before the Committee on 29th October, 2013 the then Managing Director of Mumias Sugar Company, Mr. Peter Kebati, submitted as follows;

(a) MSC was established 40 years ago and is the largest sugar producer in Kenya and is currently an integrated factory with installed capacity of 270,000 MT sugar plant, 38MW Co-generation Plant, 22 million - litre Ethanol Distillery and 15 million - litre Water Bottling Plant;

(b) The Company is listed on the Nairobi Stock Exchange and there are over 145,000 shareholders including Kenyan investors and the Government of Kenya which holds a 20% stake in the Company, pays approximately Kshs. 2.5 billion in taxes and remits Kshs. 500,000 million to the Sugar Development Fund (SDF) annually:

(c) MSC supports a population of 2 million people directly and over 5 million indirectly and the Company has a workforce of 1,896 permanent employees and 40,000 seasonal and contracted workers;

(d) The Company operates an Outgrowers Cane Development Scheme within Kakamega, Bungoma, Busia and Siaya counties and spends over Kshs 2.8 billion to provide services for land preparation, fertilizer/input supply, extension support, harvesting and transport to over 110,000 farmers;

(e) MSC signs cane farming contracts with the farmers committing them to supply their cane to MSC to enable recovery of what the Company has invested in cane development expenses to contracted farmers;

(f) MSC appreciates fair competition in the sector and wants emerging issues to be addressed as a policy intervention to restore sanity and fair practices in the industry;

(g) There is no fair competition in the sugar sector and unless the emerging issues are addressed from both policy and legislative fronts, then the industry is headed for collapse as rightfully observed by the Petitioners. There is urgent need to restore sanity and the rule of law in the industry.

2.3 Submissions by Nzoia Sugar Company (NSC)

35. Appearing before the Committee on 5th November 2013, the Managing Director for Nzoia Sugar Company made the following submissions;

(a) NSC was established in 1975 under the Company's Act Cap 486 of the Laws of Kenya with the Government as the majority shareholder owning 98% shares while Fives Call Babcock (FCB) and Industrial Development Bank owning the remaining;

(b) NSC serves over 67,000 farmers in the larger Bungoma, Kakamega, Lugari, and Malava Districts;

(c) NSC produces sugar and supports cane production through the provision of extension services to farmers through extensive Company Nucleus Estate covering 3600ha;

(d) NSC provides cane development services including supply of fertilizers and provision of extension services to out-grower cane farmers contracted by it;

(e) West Kenya was poaching cane from farmers contracted by Nzoia Sugar, Mumias Sugar and Butali Sugar factories;

(f) There were individuals acting as cane poaching brokers based at various points within Bungoma and Busia Counties;

(g) NSC sensitizes farmers on obligations of signed contracts with them and other millers and campaigns against cane poaching;

(h) In 2008, NSC set an anti-poaching unit comprising of NSC and the Kenya Police Officers that used to monitor cane poaching and later in 2010 an *ad hoc* committee of the Board was set up to help manage cane poaching which was at an all time high;

(i) NSC had instituted Court proceedings against West Kenya Sugar Factories (WKSF) in 2012 on the matter of cane poaching; and

(j) NSC has not been able to pay farmers in good time due to low sales as a result of a depressed sugar market;

(k) NSC has lobbied the government not to allow cheap sugar into the Country as it negatively affects sales, payment to farmers and other obligations.

2.4 Submissions from Butali Sugar Mills (BSM)

36. Appearing before the Committee on 5th November 2013, the Managing Director for BSM submitted as follows:-

(a) BSM was founded in 2010 by Sugarpower Consulting which is a consultancy firm in engineering after securing a license to build a sugar mill from Kenya Sugar Board (KSB). The firm has branches in India, Syria, Mauritius, Kenya, Tanzania and Uganda was not aware of any poaching of cane and no legal action had been instituted against it in regard to cane poaching;

(b) Kenya Sugar Board should come up with regulations in respect contractual obligations on the parts of contracted farmers and respective millers;

(c) The creation of too many weighbridges had contributed to cane poaching;

(d) West Kenya Sugar Company pays farmers after seven days.

(e) BSC received funding from Kenya Sugar Board for construction of weigh bridges and cane development.

(f) 2.5 Submissions by Kenya Sugar Board (KSB)

(g) Appearing before the Committee on 7th November, 2013 and 28th March 2014, the Kenya Sugar Board made the following submissions:

(h) KSB was established by an Act of Parliament, the Sugar Act of 2001, with the main function of regulating and facilitating growth of the sugar industry in the country. The Sugar Act 2001 is subject for repeal with the commencement of the Crops Act, 2013 and the implementation of the AFFA Act, 2013;

(i) KSB is charged with the role of developing regulations to guide the sugar sub-sector and the issuance of licences to import or export sugar and sugar by-products and manages jointly with the KRA any restrictions on imports and exports of sugar and sugar by-products;

(j) KSB also licences the establishment of sugar mills and defines zones with which they operate;

(k) KSB identified West Kenya Sugar Factory as the main sugarcane poacher in Western Kenya and had received complaints from neighbouring millers;

(l) KSB identified Kenafric Industries as one of the manufacturers that repackage imported industrial sugar in locally manufactured branded sugar packages for sale as table sugar;

(m) KSB issues licenses for importation and the role of verifying quality, quantities and values as specified in the KSB permit rests with KEBs and KRA before the consignments are released into the market;

(n) That KSB issued the licence to import 10,000 MTs of sugar in 2012 to MSC and it was unprocedural for the Permit to have been used by a Third Party, Dantes Peak Ltd since the permit was non transferable; (Annex II)

(o) While it was the resolution of the Ministries of Agriculture and Finance to allow millers to import sugar, there were no justifiable reasons for Mumias Sugar Company to import the 10,000 MTs from Kenana Sugar Company from Sudan in 2012;

(p) KSB was tracking some 14 containers of imported sugar that had been traced to Nairobi, a consignment of sugar where no documents for its release could be traced in KRA and KPA yet KSB had not licenced its importations. Each container carries 21-25 tones totalling to 301,000 metric tons for the 14 containers which translates into 6020 (50kg) bags worth of Kshs. 24 million;

(q) That KSB needs to be empowered with investigatory and prosecutorial powers independent of Kenya Police and KRA in terms of sugar imports and transit sugar;

(r) If there was sugar from India being traded in the Kenyan market, KSB submitted that it had not licenced the importation of table sugar from India in the last five years; and

(s) KSB has weak surveillance capacity and therefore it cannot effectively handle the issue of sugar smuggling through our porous borders; and KSB had been informed that Rising Star Commodities Ltd was repackaging imported sugar in its go-downs in Mombasa in Mumias Sugar Company branded bags and selling it as locally manufactured sugar.

2.6 Submission by West Kenya Sugar Factory (WKSF)

36. Appearing before the Committee on 5th November 2013, the Managing Director for West Kenya Sugar Factory submitted as follows:-

(a) West Kenya Sugar Factory was the second largest Miller in Kenya and had grown from 500 Tons Crushed Daily (TCD) in 1979 to its current crushing capacity of 5000 TCD and employs 2000 workers apart from indirect employment to harvesters, loaders and transporters;

(b) Until 2005 when the Kenya Sugar Board licensed Butali Sugar Mill Limited in controversial circumstances, the then existing millers sourced cane from their clearly demarcated zones and each miller was able to invest in cane development within their respective zones;

(c) When Kenya Sugar Board licensed Butali Sugar Mill Limited and supported its commissioning in the name of free competition in a liberalized market, cane zones were hitherto respected;

(d) A miller who buys cane from a farmer in an area presumed to belong to another miller cannot be deemed as either stealing or poaching cane;

(e) The Cane farmer has the right to sell his or her cane to a miller of his or her choice as guaranteed by article 40 of the Constitution and the Sugar Act 2001, which specifies that the farmer is the owner of the cane on his farm;

(f) West Kenya Sugar denied it was engaged in cane poaching activities and had taken legal action against the Ministry of Agriculture and the Kenya Sugar Board and Butali Sugar Mills Limited on the licensing of the mill against existing laws and regulations;

(g) The sugarcane crisis in western Kenya was occasioned by the licensing of Butali Sugar Mills Limited and the commencement of its operation in 2011, which has increased the number of millers competing for decreasing cane;

(h) West Kenya Sugar Company pays farmers after seven days with competitive prices and it chargers them a flat rate of Kshs.390 per ton irrespective of the distance with the option of the farmer using own transport; and

(i) West Kenya Sugar Company operated with the involvement of local communities, the provincial and County administration and champions the rights of farmers as regards correct tonnage, better prices, prompt payments and efficient extension services.

2.7 Submission by the Former Managing Director MSC Dr. Evans Kidero

37. Appearing before the Committee on 19th May 2014, the Former Managing Director for Mumias Sugar Company made the following submissions:-

(a) That between the years 2006 and 2012 MSC exported sugar to Ethiopia, Uganda, Sudan, Democratic Republic of Congo (DRC) and Rwanda and the EU especially Italy and United Kingdom;

(b) That he did not have any documents to corroborate his submissions but that he believed the current management should furnish the Committee with the necessary documents available on the exports;

(c) That during his tenure at MSC, the company was making good profits, paying farmers in good time and even the value of its shares at the Nairobi Stock Exchange was reasonable

2.8 Submission by the Director General – National Environment Management Authority (NEMA)

38. Appearing before the Committee on 7th November, 2013, the Director General for NEMA made the following submissions:

(a) That National Environment Management Authority (NEMA), was established under the Environmental Management and Co-ordination Act No. 8 of 1999 (EMCA) as the principal instrument of

Government for the implementation of all policies relating to environment;

(b) That the was mandated Authority to exercise general supervision and coordination over all matters relating to the environment and to be the principal instrument of the Government of Kenya in the implementation of all policies relating to the environment;

(c) That the role of NEMA in the establishment of a weighbridge at Tangakona in Busia County was to coordinate the various environmental management activities undertaken by the lead agency, West Kenya Sugar Factory (WKSF);

(d) That due diligence environmental assessment test was done on the land at Tangakona in Busia County and a report issued to West Kenya Sugar Factory to go ahead with the intended development on the said land;

(e) That NEMA is not involved in the issuance of Permits or Licences for trade;

(f) NEMA also establishes and reviews land use guidelines, examines land use patterns to determine their impact on the quality and quantity of natural resources and carries out surveys, which assist in the proper management and conservation of the environment.

2.9 Submission by Commissioner General – Kenya Revenue Authority (KRA)

38. Appearing before the Committee on 24th April, 2014, the Commissioner General of KRA made the following submissions:

(a) KRA was established by an Act of Parliament, Chapter 469 of the Laws of Kenya, which became effective on 1st July 1995. was aware of the presence of contraband sugar in the country, which had seriously affected the local industry;

(b) KRA was aware Mumias Sugar Company imported 10,000 MT of sugar in 2012 through a third party called Dantes Peak Limited and that Mumias paid all the duty for the consignment which was cleared in 2013; (Annex IV)

(c) The Commissioner-General admitted that KRA did not have the capacity to verify all containers of commodities imported but does random verification and scanning of the Cargo before release;

(d) The Commissioner-General was aware Mumias Sugar Company exported sugar to various countries between 2006 and 2012 but was not in a position to confirm if the sugar had indeed left the country as that would require confirmation from border officers and counterparts in countries of destinations;

(e) The Commissioner-General said if indeed the sugar never left the country then Mumias Sugar Company is duty bound to pay the equivalent of Value Added Tax (VAT) exempted;

(f) KRA does not have infrastructure at all borders of our country especially in Eastern and North Eastern where smuggling is rampant but they have formed a joint team with the Kenya Police Service and the Kenya Sugar Board to address the issue of illegal sugar entering the Country unregulated and untaxed;

(g) Sugar imports into Kenya is restricted under the 2nd Schedule Part B (1) of the East African Community Customs Management Act of 2004 where any import into Kenya must therefore first get approval from Kenya Sugar Board through a non-transferable Permit containing details of the importer, tonnage, origin of sugar and other relevant details, information which is used during clearance;

(h) The revenue or duty collected and paid is determined by the type of sugar whether it is industrial or table sugar and also the origin of the sugar. Sugar from COMESA region are exempted from duty while non-COMESA sugar attracts 100% duty;

(i) KRA has created special units to address non-compliance with KSB sugar import regulations and it was through such a unit that the case of non-compliance of the Mumias Sugar Company sugar import of 10,000 MT of 2012 was detected leading to a delay in clearance;

(j) In 2011 KRA noted increased importation of Industrial sugar from Egypt as a result of which joint investigations were conducted that revealed most of the said sugars were trans-shipments from Brazil. Thereafter, KRA in consultation with KSB implemented restrictions on Industrial Sugar imports from Egypt by imposing 10% duty as is the case with non-COMESA imports;

(k) KRA has made several sugar seizures leading to several court cases, one in point is that of Matt International who have since challenged KRA's decision to impose 10% duty on industrial sugar imported from Egypt *(the matter was still pending in Court).*

2.10 Submissions by Kenya Ports Authority (KPA)

39. Appearing before the Committee on 28th March, 2014, Managing Director for Kenya Ports Authority informed the Committee that: -

(a) KPA's mandate was to handle inbound and outbound cargo once they have been cleared by relevant authorities;

(b) KPA handled 40x20ft containers of sugar belonging to Mumias Sugar Company but imported through Dantes Peak Ltd;

(c) KPA waived a total of 15 million shillings in demurrage charges that accrued following delay of clearance the cargo after anomalies were detected by KRA and the interventions of Mumias Sugar Company accepted;

(d) KPA works in collaboration with KRA and KSB in monitoring the flow of sugar through the port.

2.11 Submissions by the Inspector General of Police (IG)

40. Appearing before the Committee on 29th April 2014, the Inspector General of Police made the following submissions: -

(a) National Police Service was established by Act of Parliament and mandated to enforce the law which includes surveillance of all goods, including sugar, entering or being traded within but some borders are extensive, porous and some areas may not be manned;

(b) The Kenya Police Service, Immigration Department, Kenya Revenue Authority, Kenya Ports Authority and Kenya Airports Authority work together in manning the borders and to ensurethat the necessary taxes and duties are paid;

(c) The Kenya Police escorts all the transit goods including sugar and ensure that KRA's main interest (tax) is paid and all other laws are adhered to;

(d) The Kenya police has managed to arrest and prosecute suspects in sugar smuggling although often courts release the suspects, especially cases concerning sugar through Kismayu and Kenya's border with Somalia;

(e) Legislation regulating the sugar industry is very weak and there is need for strengthening it;

(f) The National Police Service does not protect criminals and is not aware of a ware-house in Mombasa that is protected by police where even Kenya Sugar Board personnel denied access to the premises but promised to investigate the matter following complaints from the Principal Secretary Department of Agriculture and report to this Committee;

(g) The IG acknowledged that some police Officers had lost their lives while tackling contraband sugar which somehow abets insecurity terrorism in the country since all entries are not ascertained that it is Sugar;

(h) The IG acknowledged that the capacity in terms of resources is lacking at our borders and that there is need to develop a policy where a particular Officer can serve at a station for only three years per station;

(i) Officers are regularly appraised on the required documentation for importation of any goods in to the country, however the Service was dealing with isolated cases of integrity among the Officers as and when they arise;

(j) The Kenya Police Service had signed agreement memorandum with Kenya Sugar Board and Kenya Revenue Authority to establish anti-smuggling unit to deal with cases of smuggling;

(k) The Kenya Police Service has been underfunded for a long time but there is noted improvement in the allocation of resources to the Police Service;

(l) Police Officers are routinely seconded to the Kenya Revenue Authority to oversee operational matters including revenue collection and compliance to statutory requirements; and

(m) The various government agencies at the border points need to appreciate security as a cross-cutting issues and an important aspect of our national development.

2.12 Submissions by Kenya Bureau of Standards (KEBS)

41. Appearing before the Committee on 14th May, 2014 the Managing Director for Kenya Bureau of Standards submitted as follow: -

(a) Kenya Bureau of Standards (KEBS) was established in July 1974 under CAP 496 of the laws of Kenya. It offers several services including Standards development and harmonization, Testing, Measurement (Calibration), Enforcement of standards, Product inspection, Education and training in Standardization, Metrology and Conformity Assessment, Management Systems Certification and Product Certification;

(b) KEBS analyses sugar imports coming into the country on request and notification of arrival of the same by Kenya Ports Authority and Kenya Revenue Authority;

(c) Since 2012, seven consignments of sugar had been recommended for destruction by KEBS and other government agencies for non-conformance to quality specifications and KEBs is among the state agencies charged with destruction of goods that do not conform to the standard s;

(d) KEBS was aware of the impounding of a consignment of sugar that had been imported by Mumias Sugar Company although the IDF was reading Dantes Peak Limited;

(e) KEBS was facing the challenge of determining the importers of industrial sugar meant for manufacturing but which was being repacked for domestic consumption against the regulations;

(f) KEBS does not have up-to-date equipments and infrastructure for analysis of various commodities imported and exported.KEBS also lacks capacity for enforcement of standards and market surveillance and therefore cannot cope with demands like single window and 24 hour operations at the port of clearance or entry/exit.

2.13 Submissions by Management and Board of Directors for Mumias Sugar Company

42. Appearing before the Committee on 27th May, 12th June, 10th July and 17th July, 2014, the Board of Directors of Mumias Sugar Company submitted as follows:

(a) The Board and management were aware that the Company exported sugar to several European and African countries between 2006 and 2012 and concerns that the sugar may not have left the country and that revenue in the form of VAT payable could have been lost;

(b) The Board and management were also aware that certain information regarding the exports was missing from the Company's records and promised to institute forensic audit of all MSC exports in view of the fact that some of the key managers had since left the Company and would report the findings to this Committee;

(c) The Company was in a crisis as a result of serious management short fallings and the company was unable to meet its obligations including payment to farmers;

(d) The Company was on a restructuring process to address serious management bottlenecks and disciplinary measures had been taken against some managers following the findings of the forensic audit on sugar imports and other management shortfalls;

(e) The Board and management were not involved in the decision to import the consignment of the 10,000 MT of sugar in 2012 and there was an on-going Board investigation on the same and undertook to submit the outcome of the investigations to the Committee within two months. The Board had asked KPMG to investigate into whose accounts money from the imports went. The final KPMG report would also shed light on exactly how much monetary loss MSC incurred through fraudulent activities.

(f) The preliminary report of the Forensic Audit by KPMG on sugar imports by the Company could not be released to the Committee at that stage because there were certain transaction details that had not been captured in the report and the Board undertook to submit the report in two months when those aspects had been addressed;

(g) The Board admitted that it was having challenges from neighbouring Companies that had taken advantage of delay in payments for sugarcane by MSC to poach cane from its contracted farmers.

(h) The Board admitted that there was massive corruption and lack of clear management direction in MSC in the past, to this effect some officers had been sent home pending investigation; and

(i) The Board also affirmed that there were reforms going on at MSC to clean the mess and also to recover the money lost. The company did not have an Internal Audit Department and the Chairman promised to have a new department reconstituted;

2.14 Submissions by the Director General of the National Intelligence Services (NIS)

43. Appearing before the Committee on 10th July, 2014, the Director General of NIS made the following submissions: -

(a) That the function of NIS was to gather intelligence and compile reports on the same for action by the relevant authorities;

(b) That NIS has no prosecutorial powers;

(c) The sugar industry was crippled by among other issues, high cost of production and obsolete technology hence Kenya was a very lucrative market for the commodity and that has been a catalyst for sugar smuggling in the Country.

44. *The Committee expressed disappointment over the information presented by the Director General and informed him that Kenyans had very high expectations of his office. The DG expressed his appreciation of the Committee's need to deal with the sugar issue and requested that the Committee details out the information they required from him and he would respond within two weeks.*

45. *The Committee acceded to his request and outlined the required information as follows:-*

(a) Provide information on illegal sugar importation, exportation and smuggling;

(b) Provide the name of the illegal importers and smugglers and their local partners within and outside government Institutions;

(c) Provide information in the custody of National Intelligence Service if any concerning smuggling of sugar into the Country through Kismayu and along Kenya's border with Somalia;

(d) The names of companies, traders, dealers, transporters and any other persons involved in the alleged sugar exports by Mumias Sugar Company to regional countries and in particular owners of

the trucks that ferried the sugar for export from Mumias Sugar Warehouses; and

(e) The circumstances under which sugar meant for industrial use ended up being used as table sugar and the persons involved in the repackaging of the sugar for domestic consumption.

A letter detailing the above was sent for action however this has not been done to date

2.15 Submissions by the Cabinet Secretary, National Treasury

46. Appearing before the Committee on Friday 29th August, 2014, accompanied by a KRA official, the Cabinet Secretary made the following submissions regarding sugar Imports by Mumias Sugar Company:

a) The CS confirmed that the import of sugar by MSC was done by a third party.

b) In 2013, 10,000 metric tonnes of sugar was imported on behalf of MSC by a third party, The consignment took 46 days to be cleared by KPA due to clarification issues and attracted a penalty of 8.8 million payable to KRA and undisclosed amount of millions to KPA.

c) The Committee finally concluded that the permit transfer to a third party was done unprocedurally.

d) The KRA official clarified to the members that the import license issued to MSC cannot be used more than once as it shuts down when the system captures the consignment name and code.

e) The CS confirmed that Mumias Sugar exports were done from 2006 to 2012 and that there were no exports done in the year 2013.

f) The CS assured the members of his commitment to brief them on the privatization of sugar sector and proposed for a joint meeting for the Committee on Agriculture and Finance.

2.16 Submissions by the Cabinet Secretary Ministry of Agriculture, Livestock and Fisheries

47. Appearing before the Committee on Tuesday 9th September, 2014, the Cabinet Secretary made the following submissions on the status of the sugar sector in the country and other matters affecting the industry:

48. On the Status of the Sugar Sector in Kenya the Cabinet Secretary informed that: -

(a) The sugar subsector plays a major role in the Kenyan economy and was a source of income for millions of citizens. The Country was producing about 600,000 MT of sugar against the annual domestic requirements of 800,000 MT, running a deficit of about 200,000 MT.

(b) There were 11 operational sugar mills in the country, 1 additional new mill was to be commissioned in Kwale while 2 other mills (Muhoroni/Miwani) were under receivership.

(c) The combined installed crushing capacity of operational mills was about 29,990 MT of cane per day. The current capacity was sufficient to produce about 1 million tonnesof sugar per annum. The target was to expand this capacity to approximately 50,000 MT in order to produce 1,350,000 MT to make Kenya a sugar surplus producer.

(d) The sugar closing stocks held by the factories at the start of the year 2013/14 was at 27,392 MT up from 19,205 MT at the end of 2012/13. The stock level increased to a high of 42,845 MT in February, 2014 against optimal level of 9,000 MT.

(e) The Ministry embarked on a strategy to decrease the sugar stock to an acceptable level of 8,478 MT, which was achieved by 20th August 2014.

(f) The increased sugar stock was attributed to;

(g) Sustained high sugar production;

(h) Carrying forward huge stocks from the previous year;

(i) Surplus balances in the world market and depressed prices; and

(j) Increased presence of uncustomed sugar in the country attracted by our high cost of production.

(k) The Kenya Sugar Industry has the potential to generate up to 120 MW of electricity for export to the National grid without major investments. However, it is only Mumias Sugar Company that is currently generating 38MW out of which 26 MW is exported to the National grid. The rest of the factories generate electricity for their own use but do not export to the national grid.

(l) All 5 Government owned sugar factories are earmarked for privatization program. The Program received Cabinet approval in 2008 and debt writes off has been approved by parliament as a precursor to Government divestiture. This aims at;

(m) Transforming the industry towards commercial orientation; and

(n) Injection of the required fresh capital.

(o) The Parliamentary Departmental Committee on Finance, Planning and Trade passed a resolution on 9th January, 2013 "that the privatization of the public Sector Sugar Companies should be postponed until such a time when all legislation affecting the Agriculture Sector (sugar) and the County Governments have been put in place". In order to kick start the privatization process, the Parliamentary Committee on Finance, Planning and Trade approval is required.

49. On the Challenges faced in the Industry the CS submitted as follows: -

(a) Low productivity and high cost of sugar production

These had been caused by a number of factors that include the following among others;

- Deteriorating soil fertility;
- Low adoption of high yielding sugar cane varieties;
- Poor agronomic practices;
- Land subdivision into uneconomic sizes;
- Intermittent moisture stresses due to drought spells;

- Low quality seed cane materials;
- Insufficient and unsustainable technical support to out-growers;
- Frequent cane shortages which lead to immature cane;
- The high and rising cost of inputs such as diesel, imported fertilizers and machinery;
- High harvesting and transport costs;
- Sugarcane is grown by small holder farmers under rain-fed conditions;
- Poor roads within the cane catchment areas;
- Lack of sufficient finance for Government owned sugar factories to rehabilitate the machineries;
- Length of cane harvesting and milling time; and
- Lack of capacity to utilize the by-products for ethanol and power generation.

(b) Illegal sugar imports

That the high presence of illegal imports earlier in the year saw the industry continue to experience stock piles and declining ex-factory prices of sugar. The Un-customed sugar imports were re-packaged into local bags to conceal identity and evade the surveillance network. In the period January to July 2014 the market had experienced declining sugar prices to a low of Kshs.3, 200 for a 50 kg bag against an average industry break-even of Kshs.3, 800 pushing down cane prices to lows of Kshs.3,000 per ton.

(c) Intra Regional Trade

That this was especially for net deficit sugar countries that exported substantial amounts of sugar to partner states with disregard and /or compromise or laxity in the enforcement of the Rules of Origin. Egypt for example, despite being a net importer, is a significant supplier of sugar to Kenya.

2.16.3The CS gave the following recommendations on how to streamline the Sugar Industry

50. The Cabinet Secretary told the Committee that to mitigate these challenges, the following strategies were recommended and the Ministry had initiated a number of them with a view to streamlining the Kenyan sugar sector as follows:

(a) Cost Reduction and Increased Productivity Measures

Diversified product base

51. All new investments for setting up sugar factories must demonstrate a revenue stream beyond sugar when applying for registration. The existing mills will be required to provide a road map towards expanding their product base beyond sugar within the next 5 years. This will provide a transition from the single revenue stream which contributes heavily to the industries un-competitiveness.

Bulk procurement of inputs and machinery

52. The cost of inputs will be reduced through bulk procurement of high spend items such as fertilizer and farm machinery (tractors); a process that has already been put in motion. This will be implemented within the next 2 months.

Modernization of factory technology

53. Fresh injection of capital for the poorly performing Government owned mills was urgent hence the recommendation for speedy exploitation of viable options that can see Ministry fast track the stalled Privatization of the 5 Public Sector owned sugar mills. This will contribute quite significantly to the long term revitalization of the industry by way of injection of much needed capital estimated at Kshs 58billion to address the industry productivity challenge which may include Public Private Partnerships, auctions or private treaties with willing investors. This should be done by March, 2015.

Diminishing Land sizes

54. There is need to roll out of a land policy that introduces mandatory block farming to preserve economical land sizes that will enable the industry

benefit from economies of scale, planned cane development/harvesting and mechanization in the future. This should be done by December 2016

Payment System

55. The industry must shift from the payment system based on weight to one based on quality. Remuneration that rewards efficiency and penalizes inefficiency to be adopted by the entire industry by December 2016.The system will improve efficiency as it will remunerate based on quality

Development of a seed cane policy

56. This will guide the industry in the development and adoption of high yielding, early maturing and disease resistant certified seed cane of relevant varieties. This policy is targeted to be in place by June 2015.

Sugar production and consumption

57. In order to validate our statistics on the national sugar demand and supply, an independent study will be undertaken by 30th December 2014 to confirm the updated status based on changed fundamentals such as population and production growth.

Improvement/ Management of roads infrastructure

58. This will be done to encourage collaborative management of infrastructure in the sugar belt that will enhance the impact of the available pool of funds to the sugar value chain within the various agencies in the sugar belt.

(b) Intra Regional Trade and Rules of Origin

59. There is an urgent need for verification missions to deficit countries which have high export history to satisfy authenticity and the harmonization of regulatory/administrative processes within the trading blocks. A case should be put forward for the establishment of competent authorities in respective partner states for purposes of liaison on sugar matters. This specifically applies to Uganda and Rwanda who do not have regulatory bodies' specific to the sugar sector. Kenya and Tanzania have in place such authorities making collaboration and administration smoother. This should be done by 30th October 2014.

(c) Single Customs Territory

60. On the impact of the Single Customs Territory (SCT), a position paper seeking an amendment to exclude sugar based on its unique challenges will be submitted immediately.

61. In the meantime Agriculture, Fisheries and Food Authority (AFFA) will in collaboration with Kenya Revenue Authority station officers within the partner states and in Mombasa to ensure the sectors' interests are protected.

(d) Un-customed Sugar Imports

Ban on Sugar Auctions

62. It is recommended that instead of auctioning impounded un-customed sugar imports, it should be destroyed publicly and, to avoid conflict of interest, Sugar Millers/Manufacturers should not be allowed to import sugar from now on given the Mumias and Chemelil experience. This should be implemented immediately.

Single Desk Marketing and Distribution of Sugar

63. Replacement of dedicated factory distribution networks with a Single Desk Marketing arrangement that will minimize costs of marketing and unfair trade practices particularly among the poorly performing state owned mills should be done. This will mitigate the duplication on high individual publicity and marketing budgets and also allow the Companies to focus on milling of sugar and related activities such as ethanol production and manufacturing of specialty value added products. This should be done with immediate effect.

Establishment of permanent inter-agency surveillance and enforcement unit.

64. The Gazettement of a permanent inter-agency surveillance and enforcement unit on sugar trade that reports directly to the Director General of AFFA made up of the Sugar Directorate, KEBS, Public Health, Kenya Revenue Authority and the Police. This should be done immediately.

3.0 FINDINGS OF THE COMMITTEE

Mr. Speaker,

65. The committee investigations which, included site visits to the various areas of interest to the Sub-Committee terms of reference came up with the following findings.

3.1 Presence of Cheap and Unregulated Sugar in the Local Market

66. The Committee's investigations established that a huge quantity of sugar enters the Kenya market unregulated and untaxed. In the last six years, the country has consumed approximately 335,000 MT (*KSB statistics*) of sugar, either illegal or meant for industrial manufacturing. The sugar is re-packaged by unscrupulous business people in packages similar to those used by local millers which, is against regulations governing food products. Apart from such sugar not meeting the Kenya Bureau of Standards (KEBS) specifications for domestic consumption, the government loses in terms of taxes.

67. The illegal importation of sugar has led to the flooding of sugar in the local market which has caused market distortions resulting in unfair price competition to the disadvantage of local sugar millers and cane farmers. The unfair competition has led to low sales by the millers hence farmers cannot promptly be paid for their cane deliveries.

68. It is good to note that, despite Parliament in 2001 passing the Sugar Act number 10 of 2001 which outlined well the requirements for licensing of sugar millers and the functions of the Kenya Sugar Board, illegal and unregulated sugar imports still poses a major threat to the Sugar sector.

3.2 INDUSTRY CHALLENGES

69. Mr. Speaker, the Sugar Sector in Kenya is faced with many challenges namely:

(a) Poaching of sugarcane among sugar millers;

(b) High cost of production;

(c) Field and factory inefficiencies,

(d) Corruption and impunity;

(e) Lack of capital to modernise and automate the mills;

(f) Fast decreasing land sizes and loss of soil fertilities; and

(g) Failure by the regulator to properly manage and regulate the sector.

Cane Poaching

70. Traditionally, the Kenyan cane growing model has operated on an out-growers model whereby farmers are supported to grow cane on their farms and in turn they are expected to supply the cane to the millers who have provided cane development which include land preparation, supply of seed cane, supply of fertilizer, farmer extension services, harvesting and transport of the cane to the millers where the cost will be recovered.

71. In practice, development of own cane by millers, commonly known as Nucleus Estate as well as contracted farmers was a precondition for licensing of cane millers. This precondition is no longer adhered to, thereby creating the current wrangles in the cane zones as the new millers who have been licensed do not have enough cane to run their factory capacities. Further, these millers have encroached on contracted cane already established by existing millers.

72. Cane poaching has led to conflicts among surrounding local communities/millers, a case in point is the incident in Tangakona weighbridge where tractors transporting cane to Nzoia Sugar Company were burnt down.

73. The genesis of cane poaching is attributed to weak regulations regarding licensing of new factories and failure to honour contractual agreements by both the millers and farmers.

High Cost of Production

74. Kenya is ranked among the countries with the highest cost of Sugar production in the world, which makes it an attractive destination for both legal and illegal imports. While the cost of production in the region is about USD 415 per metric tonne of sugar, the cost of production in Kenya is well in excess of USD 550 per MT. This high cost of production is attributed to the following;

(a) Poor agronomic practices in the sugar growing zones;

(b) High cost of inputs and old machinery at farm and factory levels;

(c) Deteriorating soil fertility;

(d) Use low-yielding sugarcane varieties;

(e) Reliance on rain-fed farming;

(f) Small and uneconomic land sizes;

(g) Unsustainable technical support to out-growers;

(h) Poor road infrastructure and high transport costs; and

(i) Low by-product utilization.

Heavy Indebtedness

75. All public-owned mills are heavily indebted and lack the capital required to expand, modernise and automate the factories for the required efficiencies and economies of scale. At the moment, five public-owned mills are indebted to the tune of over Shs 100 billion with Nzoia Sugar Company

having a debt of Shs 37 billion, Miwani Sugar Company (in receivership) Ksh 28 billion, Muhoroni Sugar Company (in receivership) Ksh 27 billion, Chemelil Sugar Company Ksh 5 billion and South Nyanza Sugar Company Ksh 3 billion. The money is owed to the Government of Kenya, suppliers, banks, Kenya Sugar Board and farmers for cane deliveries.

Imprudent business decision, Corruption, Impunity and Fraud

76. The mills have engaged in a number of projects and programmes that have turned out be either misadventures or ones with low rates of returns. Mumias Sugar Company's investment in ethanol and co-generation plants and Nzoia Sugar Company's purchase of trailers that could not be used on Kenyan roads are cases in point in which huge sums of money have been lost in the process.

77. Sugar sales and exports and imports in particular have turned out to be avenues through-which monies are siphoned out of the companies. While the concept of distributorship in sugar sales has become a major case of corruption and impunity, the engagement of mills in regional sugar exports between 2006 and 2012 is suspect.

For instance examining the KRA Report (Annex V) on the sugar exports by MSC, there is glaring discrepancies on the volumes on actual exported sugar as provided in the Simba System entries and the summary of exports entries submitted to the Committee by MSC in the detailed submissions on company (Exporter) basis (Annex II & III).

Another case in point is where one Nesredin Mohamed (an Ethiopian importer) wrote to MSC requesting to be allowed export of 5,000MT of sugar to Ethiopia. Information received from MSC *indicates that 5,882MT were exported by Nesredin Mohamed. There are no clear records to ascertain this. (Annex II& III)*

78. That notwithstanding, a total summary all exports by MSC for the period 2006 to 2012 are given as 52,284MT while the detailed itemised list to individual companies total to 30,204.37 MT. However figures from KRA indicated that MSC had export entries amounting 71,272.58MT (Annex V), Further, KRA confirmed that only 8,133 MT were exported as per entries in Simba System and therefore there is no evidence of exports of the reminder sugar volumes estimated at 63,139.58 MT which translates to Kshs. 2,886, 681,516.70 (Annex V),

79. Further, the registration certificates provided by MSC have varied information. For instance, Mid Africa Commodities and Mega Laser are importer from South Sudan when the certificates indicate the firms are registered to operate in Kakamega and Malaba Border respectively (Annex II)

80. The Board of Directors of MSC instituted a forensic audit on the sugar exports and imports. This audit was undertaken by KPMG audit firm and the Committee received the "Draft Factual Finding Report" from KPMG on 19th December, 2014 (Annex VI).

Low Productivity

81. The total area under cane in the country presently is 203,730 Ha, comprising 189,390 Ha belonging to out-growers and 14,340 Ha Nucleus Estates (land owned/leased by mills to grow cane). There are 300,000 cane farmers, 4,500 of which are large scale.

82. The average yield per Ha in Kenya is 60.5MT compared to the global average of 63MT. For instance Columbia produces 115 MT per Ha. Total cane supplied for processing by mills in 2013 was 6,764,200 MT compared

to 5,842,830 MT in 2012, representing a 15.77% increase. However, Sugarcane yield in the industry has seen a steady decline in the last ten years hitting a low of 51 tonnes of cane per hectare per year. This decline is attributed mainly to:

(a) high cost of fertilizer

(b) application of inappropriate fertilizer combinations leading to acidic soils

(c) use of inappropriate heavy machinery leading to destruction of cane stools and compromising the viability of the ratoon crops;

(d) exhausted soils due to many years of sugarcane cultivation, and;

(e) cane husbandry practices that do not support the newer cane varieties.

83. Harvesting techniques in concomitant with poor harvesting programmes, poor transport arrangements through spillage, heavy wear and tear on transportation units and fewer than optimal trips per day.

84. At present, there are 11 working sugar mills in the country, four of which are Government-owned. The combined installed capacity of the operational mills is 29,990 Metric Tonnes of Cane per day (TCD), with an underutilized capacity of 60% due to technical, financial and management limitations. The sugar industry in Kenya supports directly or indirectly six million Kenyans, which represents about 16% of the entire national population. The sugar industry contributes about 7.5% of the country's Gross Domestic Product (GDP) and has a major impact on the economies of Western Kenya and Nyanza regions and, to a lesser extent, Rift Valley. The sugar sub-sector is expected to equally have a major impact on the economy of Coast region once the mill being built in Kwale becomes operational.

85. The Factory Time Efficiency (FTE) in 2013 improved from 76.65% in the 2012 to 79.98% in 2013while the Overall Time Efficiency (OTE) also rose from 60.27% to 64.13% in the same period, which very low compared to the industry standards of 92% for FTE and 82% for (OTE) respectively.

86. Sugar production increased from 503,210 MT in 2012 to 599,070 MT in 2013 as a result of increased cane supply and better recoveries. Recoveries improved from Tonnes Cane/Tonnes Sugar (TC/TS) of 11.61 in 2012 to 11.29 in 2013. (Annex VI)

87. During the investigations the Committee found that Mumias Sugar Company and Dantes Peak were involved in fraudulent activities where the latter used the Former's PIN and import licence when clearing imported sugar with both KRA and KPA

88. As regards the importation of 10000MT of sugar from Sudan by MSC, the committee found that Import Permit from KSB was issued to MSC which unprocedurally transferred to a third party (Dantes Peak Ltd). KRA admitted having noted the anomaly but still went ahead to release the consignment

3.3 OBSERVATIONS

The Committee's observations are as follows;

Repackaging of contraband sugar

89. That, substantial amounts of illegal sugar imports is repackaged into local branded bags to conceal identity and evade the surveillance network. Industrial sugars have been found repackaged and end up on the market to compete with table sugar that has been subjected to full duty hence evading taxation. (Annex KSB VII)

It was established that Ms. Rising Star Commodities repackages imported sugar into bags with Mumias brand details. The company denied officers from the then Kenya Sugar Board from entry into its warehouse for verification.

Rising Star commodities.

Flouting sugar Import license conditions

90. Rising Star Commodities Ltd, a licensed sugar importer, brought in sugar beyond licensed quantities and needs to be further investigated too over claims that it denied Kenya Sugar Board entry into its go-downs for verification. The Committee also observed that in 2013/2014, KRA allowed into the country 15,140.40MT without permits from KSB. The companies involved are;

(a) Hydrey (P) (3000MT)
(b) Krish Commodities Ltd (1,140.40MT)
(c) Reeswood Enterprises Ltd (4,000MT)
(d) Shake Distributors Ltd (6,000MT) and
(e) Shree Sai Industries Ltd (1000MT). *(Annex IV)*

Compromised consumer safety

91. Sugar auctioned by Kenya Revenue Authority is allowed back into the local market without KBS verifying if it is suitable for direct consumption or manufacturing. This also contravenes the Kenya Bureau of Standards regulations.

False declaration

92. In view of the fact that MSC made exports to the regional markets through various companies mentioned above, there is glaring disparities between records from MSC and the respective exporting companies. For example, Nesredin Mohamed of Addis Ababa wrote to MSC to purchase 5000MT for export and the records from MSC indicate a summary total of 5,882MT which still has a bigger variation from the detailed records submitted by MSC indicating a total of 117, 641MT having been traded by Nesredin Mohamed as exports to Ethiopia between 2006 and 2009. Records at MSC indicate a total summary of all exports by MSC for the period 2006 to 2012 as 52,284MT while the detailed itemised list to individual exporting companies total to 30,204.37MT which is a big variation from records held at the KRA indicating 70,431MT as exports of brown sugar by MSC the same period. *(Annex II (a) – (h),IV (a) & V (a))*.

93. Although the KRA submitted that it did not have sufficient capacity and equipment to verify all incoming cargo, the Committee after its visit observed that there was lack of proper coordination between KSB, KRA, KEBS and KPA in handling and verifying imports creating loopholes for sugar being imported as other commodities such as rice and fertilizer.

94. That, a total summary all exports by MSC for the period 2006 to 2012 are given as 52,284MT while the detailed itemised list to individual companies total to 30,204.37 MT. However figures from KRA indicated that MSC had export entries amounting 70,610.76MT Annex V(b), Further, KRA confirmed that only 8,133 MT were exported as per entries in Simba System and therefore there is no evidence of exports of the reminder sugar volumes estimated at 62,477.76 MT Annex V (i). *Split them into two Mumias figures and KRA figures i and ii*

95. That, imported low grade rice was being repackaged into superior quality bags by Ms Rising Star Commodities Ltd which led to the Government losing revenue in terms of duty.

Rising Star

Illegal points of entry

96. The Committee's investigations also found out that there is an illegal point of entry in Shimoni area, which is being used to facilitate illegal entry of sugar with the knowledge of Customs officers and police.

97. The then KSB had issued MSC licence to import sugar even at a time when there was a lot of un-harvested sugar cane in the local farms and plenty of sugar stocks in the local market.

98. The then KSB had been disbursing Sugar Development Levy Funds for cane development to Millers with no cane development schemes

99. That, as at the time of compiling this report, NIS had not provided any documents and/or reports despite several requests by the Committee in relation to all exports and imports of sugar between 2006-2012.

100. That, the Committee also observed that MSC exports and business dealings with the following companies were controversial:-

1) Czarnikow Sugar EA Limited.
2) E D & F Man Sugar Ltd.
3) Rising Star Commodities Ltd,
4) Kambale Nzagale of (DRC),
5) Osman Adan and Nesredin Mohamed of (Ethiopia),
6) S&G General Suppliers,
7) Star General Suppliers and Mugabe Thomas of Rwanda,
8) Mega Laser International,
9) Manyuon Samuel Deng,
10) Mid Africa,
11) Southern Sudan Mudland Co. Ltd,
12) Kapoeta Trading Co. Ltd,
13) International Relief Services of Southern Sudan,
14) Arua Mercantile Co. Ltd,
15) Quick Sellers Uganda,
16) Muru Enterprises,
17) Kasave Trading Co. Ltd,
18) Trident Investment Ltd,

19) Uchumi Commodities (Uganda) Ltd of Uganda.
(Annex II a-h& VII)

101. In view of the fact that MSC made exports to the regional markets to the companies mentioned in 102 above, there is glaring disparities between records from MSC and the respective importing companies. For example, Nesredin Mohamed of Addis Ababa wrote to MSC to purchase 5000MT for export and the records from MSC indicate a summary total of 5,882MT which still has a bigger variation from the detailed records submitted by MSC indicating a total of 117, 641MT having been traded by Nesredin Mohamed as exports to Ethiopia between 2006 and 2009. Records at MSC indicate a total summary of all exports by MSC for the period 2006 to 2012 as 52,284MT while the detailed itemised list to individual exporting companies total to 30,204.37MT which is a big variation from records held at the KRA indicating 70,431MT as exports of brown sugar by MSC the same period. *(Annex II (a) – (h), IV (a) & V (a))*

117
-5
882

102. The Committee observed that despite there being questionable dealings of MSC between 2006-2012, the then MSC Auditors Ms Delloite and Touché gave MSC a clean bill of health.

103. The Committee observed that, with regard to importation of 10000MT of sugar from Sudan by MSC, the Import Permit from KSB issued to MSC was unprocedurally transferred to a third party (Dantes Peak Ltd). Further, KRA admitted having noted the anomaly but still went ahead to release the consignment

104. That, KPMG has provided a disclaimer to its "Draft Factual Finding Report" as to the accuracy and completeness of the report, noting that any subsequent information may require the findings to be adjusted and qualified accordingly. However the Committee took cognizance of the report, which largely reflects the committee's findings.

CHAPTER 4

4.0 RECOMMENDATIONS OF THE COMMITTEE

The Committee therefore recommends:

105. THAT, the government establishes a permanent inter-agency enforcement unit on sugar trade which should enhance capacity to verify, scrutinise and monitor cross-border trade and step up border patrols to eradicate sugar smuggling. The unit should draw membership from KPA, Public Health, AFFA, KEBS, the Kenya Police, KRA and any other relevant government agencies.

106. THAT, KRA officer(s) should be investigated and appropriate action taken for clearing sugar without permit from the sugar regulator. Equally any company that imported sugar without a permit from the regulator should be banned from import and export bussines.

107. THAT, the reinforcement of re-packaging regulations to ensure consumer safety and that KEBS be held responsible for failure to prevent abuse of its seal which is supposed to be a standard measure for safety of goods in the country but has consistently been abused.

108. THAT, relevant laws and regulations governing sugar imports and exports should be amended to provide for higher accountability and public health standards for re-packaged sugar and for stiffer penalties for offenders. The Government should cancel import licences for the following companies: - Kenafric Industries, Czarnikow E. A. Ltd, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.

109. THAT, the government implements the sugar industry strategic agenda for increased competitiveness and reduction in consumer prices. There is need to lower production cost. improve extension services among others to reduce and eventually eliminate the incentive to smuggle sugar into the country

110. THAT, the National Government in collaboration with county government should provide mechanism for coordinated infrastructure development to avoid duplication of responsibilities by different bodies mandated to maintain roads.

111. THAT, the National Government should implement the National Land Policy to mitigate further land sub-division for improved productivity.

112. THAT, the fertilizer subsidy should be complemented by bulk procurement of other farm inputs and capacity utilization which should be done by the Sugar Directorate.

113. THAT, Investigations should be carried out on MSC and/or its agents, KRA and all importers and/or their agents who imported sugar from MSC in the period between 2006 - 2012 and appropriate action taken.

114. THAT, the KRA should be held responsible for the loss of VAT taxes amounting to Kshs 577 million for fictitious exports of sugar by MSC.

115. THAT, any officer from the Board and Management of MSC and KRA responsible for the fictitious exports of sugar between 2006-2012 be held responsible for abuse of procedures and abuse of office.

116. THAT, the National Government introduces landing certificates for all transit sugar as a confirmation of physical exit to stop any dumping into the local market,

117. THAT, the Government should consider offering tax breaks to encourage new investors into the sugar industry. Additionally, duty waiver for sugar industry farm inputs and farm machinery will go a long way towards reducing the high cost of sugar production.

118. THAT, KPMG having provided a disclaimer as to the accuracy of the Draft Factual Finding Report, Mumias Sugar Company avails with immediate effect the final KPMG report to the National Assembly.

119. THAT, officers from MSC/KRA who abused import procedures with regard to Import Permit requirements in the importation of 10,000MT of sugar in 2012 from Sudan be held to account for their misdeeds.

120. THAT, Deloitte and Touché be held responsible for misleading the government, other shareholders and public on the state of affairs in MSC during the period of their engagement as auditors.

APPENDIX IV

PETITION BY MS. BINA PATEL ON BEHALF OF M/S SHREE SAI INDUSTRIES LIMITED

National Assembly of the Republic of Kenya
C/O The Clerk
Kenya National Assembly
Parliament Building
P.O Box 41842-00100
Nairobi

NATIONAL ASSEMBLY
25 NOV 2019
CLERK'S OFFICE
P. O. Box 41842, NAIROBI

1) DLPs
Please deal.
26/11/19

RE: PETITION TO PARLIAMENT UNDER ARTICLES 37, 95 (2) AND 119 OF THE CONSTITUTION OF KENYA, 2010; PETITION TO PARLIAMENT (PROCEDURE) ACT OF 2012 AND STANDING ORDERS NO. 216 (5), 219 AND 223 OF THE NATIONAL ASSEMBLY ON THE EXPUNCTION OF SHREE SAI INDUSTRIES FROM THE ELEVENTH PARLIAMENT THIRD SESSION-2015 REPORT OF THE DEPARMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES ON THE SUGAR CRISIS FACING THE SUGAR INDUSTRY IN KENYA.

2) DID - L&P
Pls acknowledge receipt & process
26/11

WE, the undersigned,

Citizens of Kenya, being Directors and Representing Shree Sai Industries Limited being Non State Actors, working towards the manufacture, importation and exportation of Agricultural commodities wish to state that it is in the interest of the protection of our Constitutional rights that we lodge this petition concerning the final and adopted report by the Department Committee on Agriculture, Livestock and Cooperatives on the sugar crisis facing the Sugar industry in Kenya at the Eleventh Parliament 3rd Session – 2015.

3) Petition Shree
I thought this matter was earlier resolved. Lets review
26/11/19

We draw the attention of the House to the following:-

1. In exercising its right to carry on the lawful business of importation and sale of sugar within Kenya pursuant to Article 19(2) of the Constitution, the Petitioner sought to acquire a Sugar Import Licence for the year 2019 but was unable to acquire the Licence because the Petitioner had been listed as one of the companies to be banned from the import and export business; in the final and adopted report by the Department Committee on Agriculture, Livestock and Cooperatives on the sugar crisis facing the Sugar industry in Kenya at the Eleventh Parliament 3rd Session – 2015.

   It is important to note that the Petitioners name was included in the final report by Parliament before it had been given an opportunity to be heard on the matter.

2. The Petitioner herein having in the past imported sugar into the Kenya economy only in 2012 and subsequently in 2016 deems it unjust and unfair for it to have been listed among the companies enumerated in **Chapter 3.3, Page 46, Item 90 (e) of the said Report** as having imported sugar into the country during the period of 2013/2014 without any just or lawful basis.

3. In order to understand why it had been listed in the Report, the Petitioner sought clarification from the Kenya Revenue Authority, vide its letter dated 18th December, 2018 as to whether it imported 1000 MT of sugar in the period of 2013/2014.

4. That the Kenya Revenue Authority wrote back to the Petitioner vide its letter dated 21st January, 2019 clearly stating that KRA had reviewed its records and that the Petitioner had imported sugar into the country in 2012 and lastly in 2016 but not during the period of 2013/2014.

5. That prior to presenting this Petition to the House, the Petitioner had first written a letter dated 29th January 2019 to the Hon. Speaker of the House which was stamped received the same day.

6. The Petitioner has not presented as similar petition before any Honourable court within the Jurisdiction of Kenya.

HEREFORE, your humble Petitioner Prays-

i. That this petition be dealt with immediately in view of the urgency and gravity of the issues raised.

ii. That Parliament expunges the name of The Petitioner from the Report by the Department Committee on Agriculture, Livestock and Cooperatives on the sugar crisis facing the Sugar industry in Kenya at the Eleventh Parliament 3rd Session – 2015 as indicated on chapter 3.3, item 90 at page 46; and punitive actions on the same referenced under chapter 4, item 106 at page 50.

iii. That Parliament issues a clearance report to the Petitioner after expunging the Petitioner's name from the report in question.

And your PETITIONERS will ever PRAY

	NAME OF THE PETITIONER	FULL ADDRESS	NATIONAL ID/ PASSPORT NUMBER	SIGNATURE
	BINA. R. PATEL	BOX 43377-00100	31803955	[illegible]

SHREE SAI INDUSTRIES LTD.
P.O. Box 49796 - 00100
NAIROBI

PETITION concerning the expunction of the Petitioner's name from the list of companies listed in Chapter 3, item 90 at page 46 of the final and adopted report by the Department Committee on Agriculture, Livestock and Cooperatives on the sugar crisis facing the Sugar industry in Kenya at the Eleventh Parliament 3rd Session – 2015.

Name of the petitioner BINA. R. PATEL

Signature/Thumb Impression ....

SHREE SAI INDUSTRIES LTD.
P. O. Box 49796 - 00100
NAIROBI

JAMHURI YA KENYA REPUBLIC OF KENYA

SERIAL NUMBER 235912564 ID NUMBER 31803955

FULL NAMES
BINA RAJENDRA PATEL

DATE OF BIRTH
31. 08. 1959

SEX
FEMALE

DISTRICT OF BIRTH
STAREHE

PLACE OF ISSUE
KANGEMI

DATE OF ISSUE
02. 10. 2013

HOLDER'S SIGN.

DISTRICT
WESTLANDS

DIVISION
WESTLANDS

LOCATION
WESTLANDS

SUB-LOCATION
PARKLANDS

PRINCIPAL REGISTRAR'S SIGN.

T0160088703

IDKYA2359125643<<4721<<<<<4724
5908318F1310029<B031803955K<<2
BINA<RAJENDRA<PATEL<<<<<<<<<<<<

REPUBLIC OF KENYA
TWELFTH PARLIAMENT- (THIRD SESSION)

THE NATIONAL ASSEMBLY

COMMUNICATION FROM THE CHAIR

(No. 71 of 2019)

ON

RECONSIDERATION OF A HOUSE RESOLUTION BY THE COMMITTEE ON IMPLEMENTATION

Honourable Members, I wish to report to the House that my Office has received a petition by one Ms. Bina R. Patel of Shree Sai Industries, P.O. Box 49796-00100, Nairobi. Ms. Bina R. Patel contends that the reputation of M/s Shree Sai Industries has suffered irreparable damage due to adverse recommendations contained in the Report of the Departmental Committee on Agriculture, Livestock and Co-Operatives on *The Crisis Facing the Sugar Industry,* which was adopted by this House in 2015, during Eleventh Parliament. The Petitioner notes that following the adverse findings and recommendations contained in the Report, the company has been denied import licence for year 2019.

Honourable Members, the Petitioner avers that M/s Shree Industries has been undertaking lawful importation of sugar into the country since 2012 but was denied a trading license for the year 2019 on account that in **item No. 90(e)** appearing on **page 46** of its report the Committee listed the firm as one of the companies that had imported sugar into the country by the Kenya Revenue Authority in the period of 2013/2014 without the required permit from Kenya Sugar Board. She further avers that during the 2013/2014 period her company never imported sugar as claimed in the Report.

Following the adverse report M/s Shree Sai Industries wrote to the Kenya Revenue Authority (KRA) on 18th December 2018 seeking clarification on why the company was listed in the Report. In its response dated 21st January 2019, KRA confirmed that it had reviewed its records and established that the Petitioner's company had only imported sugar into the country in 2012 and 2016 but not during the period of 2013/2014.

Honourable Members, since the receipt of the Petition, I have scrutinized the text of the Report tabled and adopted by the House in 2015 and do confirm that **paragraph 90** of the Report mentions the Petitioner's company as one of those that imported sugar without the requisite permit. I have also perused a letter from the Kenya Revenue Authority, dated 21st January 2019, that states that M/s Shree Sai Industries Ltd, the Petitioner's Company did not import sugar in the Country in the period of 2013/2014. Further, I have scrutinized the Minutes of the Committee and could not find evidence of the proprietors of M/s Shree Sai Industries Limited having been invited to make submissions on the matter prior to being adversely mentioned for impropriety relating to importation of sugar into the country.

Honourable Members, you may recall that, on 30th August 2018, I did communicate to this House a similar complaint from M/s

Kenafric Limited, claiming that the Sugar Directorate had delayed processing and issuance of an import permit since the company had been adversely mentioned in a Report of this House. The company also lamented that it was not accorded an opportunity to be heard on the matter, even after formally requesting to appear before the Committee.

In addressing the concerns raised by M/s Kenafric limited, I did refer the matter to the Committee on Implementation, which is currently seized of the implementation of the resolutions made from the Report to act as an appellate forum for the Petitioners to present their prayers. Indeed, the Committee considered the matter and recommended that this House expunges the name of M/s Kenafric Limited from the list of companies adversely mentioned in the Report on the *Crisis Facing the Sugar Industry* for alleged unlawful importation of sugar into the country.

Honourable Members, on the same breadth, I refer this Petition to the Committee on Implementation for consideration. Just as I stated on the matter of M/s Kenafric, I also direct that, in considering the Petition, the Committee on Implementation shall confine itself to-

(i) only receiving submissions from the Petitioner, M/s, Shree Sai Industries Limited on the resolution made by the House from the recommendation contained at paragraph 90 (e) of page 46 of the Report;

(ii) considering the submissions from the Petitioner; and,

(iii) reporting its findings to the House.

I also hasten to clarify that in the meantime, the implementation of the resolution on this matter stands suspended until such a time as the House makes a further resolution informed by the report of the Committee on Implementation.

Honourable Members, I now commit this Petition to the Committee on Implementation with the knowledge that, today, Thursday 5th December 2019, the House will be proceeding on a long recess, to resume on Tuesday 11th February 2020 for the Fourth Session. In this regard, I direct the Committee to review the matter and table its Report within two weeks upon commencement of the Fourth Session.

The House is so guided.

I thank you!

THE HON. JUSTIN B.N. MUTURI, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Thursday, 5th December 2019

APPENDIX V

A LETTER FROM THE KENYA REVENUE AUTHORITY

KENYA REVENUE AUTHORITY
ISO 9001:2015 CERTIFIED

CUS/HQ/1

21st January, 2019

Bina Patel
Operations Manager
Shree Sai Industries Ltd
P. O. Box 49796
NAIROBI

Dear Sir,

RE: SUGAR IMPORTATION INTO THE COUNTRY

This is to acknowledge receipt of your letter dated 18th December, 2018 seeking clarification of sugar importation by your company.

We have reviewed records held at KRA and hereby confirm that M/S Shree Sai Industries Ltd PIN P051096118V did not import sugar into the country in the period 2013/2014. Your company imported sugar in the year 2012 and lastly in the year 2016.

We hope that the above information clarifies your inquiry.

Yours faithfully,

Kenneth Ochola
Ag.COMMISSIONER OF CUSTOMS & BORDER CONTROL

Tulipe Ushuru, Tujitegemee!

SHREE GANESHAY NAMAH

IMPORTERS,EXPORTERS
MANUFACTURERS OF DALLS,SPICES,
CURRY POWDER AND PRODUCE DEALERS.
SPECIALIST IN GRAM FLOUR

SHREE SAI INDUSTRIES LTD

P.O.BOX 49796 – 00100 CHANGAMWE ROAD, INDUSTRIAL AREA NAIROBI
TEL: 254 20 6558816/ 6555343/ 6555002/ 6555772/ 6553377
CELL: +254 722 517066 / +254 734 517066 / +254 723 115287 / +254 734 048756 / +254 722 711376
Email: shree@africaonline.co.ke

Pin: P051096118V

VAT: 0012287H

KRA
Reception Brenda
0709011734

KENYA REVENUE AUTHORITY
RECEIVED
11 DEC 2018
DEPUTY COMMISSIONER
MEDIUM TAXPAYERS OFFICE

TO:
KRA
THE COMMISSIONER
Nairobi

Dear Sir,

REF: Eleventh Parliament Third Session-2015
Report of the Departmental Committee on Agriculture Livestock and Cooperatives on the Sugar Crisis facing the Sugar Industry in Kenya

We refer to the above referenced report where our Company was adversely mentioned in :
Chapter 3.3, Item 90, Page 46 and
Chapter 4, Item 106, Page 50

Please be advised that we have not Imported Sugar in the stated period 2013/2014. We request that KRA checks our records and confirms that there was no Sugar Imported by us in the stated period.

We are writing to the Speaker of the national assembly that our name be expunged from the Report and that we are issued with a clearance report to allow us to continue with our process of renewing the Sugar Import Licence.

Thanking you and await an urgent response to our request,

Yours Faithfully,
Shree Sai Industries Ltd

Bina Patel
Operations Manager

More Sugar For Prosperity

KSB

KENYA SUGAR BOARD

PERMIT NO. KSB/CRI/206/11 (1)

FORM B

(r.4(ii))

THE SUGAR ACT

(No. 10 of 2001)

IMPORT PERMIT

UNDER THE SUGAR (IMPORTS, EXPORTS AND BY-PRODUCTS) REGULATIONS 2008

THIS IS TO CERTIFY THAT:

Consignee: SHREE SAI INDUSTRIES LIMITED

PIN No.: P051096118V

Postal Address: P.O. BOX 49796-00100

Physical Location: CHANGAMWE ROAD INDUSTRIAL AREA

Telephone No.: 558816/555343/555772/553377

Business Permit No. BP0703116

Bill of Lading: AL245557

I.D.F. No.: E1204045958

Type of Sugar: MILL WHITE/BROWN

Quantity (MT): 1000

Source of the Sugar: EGYPT

Destination of the Sugar: KENYA

Port of Entry: MOMBASA, KENYA

C.I.F. Value: US $ 874,000

Vessel Name BOXY LADY V.070/12

Shipping Agent: IGNAZIO MESSINA & C.

Expected Date of Arrival 24.02.2012

Issue Date: 19.04.2012

Expiry Date: 19.06.2012

KSB Official

For and on Behalf of Kenya Sugar Board

Chief Executive Officer

Kenya Sugar Board

Signature / Seal Stamp

N.B. This Permit is subject to conditions set out overleaf

LOT 1

AGRICULTURAL AUTHORITY SUGAR DIRECTORATE

ASD IMPORT PERMIT

Document	IMP001 - ASD IMPORT PERMIT
Document Type	PER - Permits
Process	IMP003 - APPLICATION FOR IMPORT PERMIT
Application Reference No : CD2016000ASDIMP0010000519429	Version.No : 1
Master Approval No	MD2016000ASDASD0010000516058
Master Approval Version No	1
UCR Number	UCR201600619485

Application Status

Approval Status :AP - Approved
Expiry Date :20161224
Issuance Date :20161206

Used Status :
Amended Date :

Application Date :20161206142659
Used Date :

Applicant Details

Name :SHREE SAI INDUSTRIES LTD
PIN :P051096118V
Address :49796 00100
Contact Person :HITESHKUMARPATEL

Application Code :SHI
Country :KENYA
Email : shree@africaonline.co.ke

Consignee Details

Name :SHREE SAI INDUSTRIES LTD
PIN :P051096118V
Physical Address :P.O BOX 49796-00100 NAIROBI
Postal Address :P.O.BOX 49796-00100 NAIROBI
Telephone :254722517066
Email :shree@africaonline.co.ke
Warehouse Code :

OGA Ref No :
Physical Country :KENYA
Postal Country :KENYA
Fax :25420558816
Sector of Activity :Trade
Warehouse Location :

Importer Details

Name :SHREE SAI INDUSTRIES LTD
PIN :P051096118V
Physical Address :P.O.BOX 49796-00100 NAIROBI
Postal Address :P.O.BOX 49796-00100 NAIROBI
Telephone :254722517066
Email :shree@africaonline.co.ke
Warehouse Code :

OGA Ref No :
Physical Country :KENYA
Postal Country :KENYA
Fax :25420558816
Sector of Activity :Trade
Warehouse Location :

Exporter Details

Name :KAKIRA SUGAR LTD

PIN :00000000000

OGA Ref No :

Physical Address :P.O.BOX 121
JINJA

Physical Country :REPUBLIC OF UGANDA

Postal Address :P.O.BOX 121
JINJA

Postal Country :REPUBLIC OF UGANDA

Telephone :2560414444000

Fax :2560414444000

Email :satish@kakirasugar.com

Sector of Activity :Manufacturing

Warehouse Code :COMBINED WAREHOUSES LTD

Warehouse Location :MSA

Consignor Details

Name :KAKIRA SUGAR LTD

PIN :00000000000

OGA Ref No :

Physical Address :P.O.BOX 121
JINJA

Physical Country :REPUBLIC OF UGANDA

Postal Address :P.O.BOX 121
JINJA

Postal Country :REPUBLIC OF UGANDA

Telephone :2560414444000

Fax :2560414444000

Email :satish@kakirasugar.com

Sector of Activity :Manufacturing

Warehouse Code :COMBINED WAREHOUSES LTD

Warehouse Location :MSA

Values - Header Level

Foreign Currency Code :USD	Forex Rate :101.95	FOB FCY :21,500.00
Freight FCY :0.00	Insurance FCY :0.00	Other Charges FCY :0.00
CIF FCY :21,500.00	FOB NCY :2,192,019.60	Freight NCY :0.00
Insurance NCY :0.00	Other Charges NCY :0.00	CIF NCY :2,192,019.60

Remarks

OGA Remarks :

1. Approved
2. Approved
3. Approved

Conditions Of Approval

1. Docs checked

Purpose Of Import/Export

Trading

Terms and Conditions

Item Details

Item No :1

Item Description :Kakira Light Brown Sugar in 50kg bags

Item HS Code :1701110000	HS Description :Cane sugar, raw, no added flavouring or colouring, solid		
Quantity :25000	Unit Of Quantity :kilogram	Supplementary - Quantity :25000	Supplementary - Unit Of Quantity :KGM
Package Type :Bag, polybag	Package Quantity :500	Foreign Currency Code :USD	Unit Price FCY :0.86
Total Price FCY :21,500.00	Unit Price NCY :87.68	Total Price NCY :2,192,019.50	Country Of Origin :REPUBLIC OF UGANDA
Item Net Weight :25000 kilogram	Item Gross Weight :25000 kilogram	Applicant Remarks :weight in kilograms	

Transport Details

Mode Of Transport :R	Mode Of Transport Desc :Road
Voyage No :KCH911E ZC8144	BLAWB :013399
Port Of Arrival :Malaba	Customs Office :MLB
Freight Station :MALABA	Cargo Type Indicator :General Cargo

LOT 2

AGRICULTURAL AUTHORITY SUGAR DIRECTORATE

ASD IMPORT PERMIT

Document	IMP001 - ASD IMPORT PERMIT
Document Type	PER - Permits
Process	IMP003 - APPLICATION FOR IMPORT PERMIT
Application Reference No : CD2016000ASDIMP0010000519183	Version No : 1
Master Approval No	MD2016000ASDASD0010000516058
Master Approval Version No	1
UCR Number	UCR201600619476

Application Status

Approval Status :AP - Approved
Expiry Date :20161224
Issuance Date :20161206

Used Status :
Amended Date :

Application Date :20161206153724
Used Date :

Applicant Details

Name :SHREE SAI INDUSTRIES LTD
PIN :P051096118V
Address :49796 00100
Contact Person :HITESHKUMARPATEL

Application Code :SHI
Country :KENYA
Email : shree@africaonline.co.ke

Consignee Details

Name :SHREE SAI INDUSTRIES LTD
PIN :P051096118V
Physical Address :P.O.BOX 49796-00100 NAIROBI
Postal Address :P.O.BOX 49796-00100 NAIROBI
Telephone :shree@africaonline.co.ke
Email :shree@africaonline.co.ke
Warehouse Code :

OGA Ref No :
Physical Country :KENYA
Postal Country :KENYA
Fax :25420558816
Sector of Activity :Trade
Warehouse Location :

Importer Details

Name :SHREE SAI INDUSTRIES LTD
PIN :P051096118V
Physical Address :P.O.BOX 49796-00100 NAIROBI
Postal Address :P.O.BOX 49796-00100 NAIROBI
Telephone :shree@africaonline.co.ke
Email :shree@africaonline.co.ke
Warehouse Code :

OGA Ref No :
Physical Country :KENYA
Postal Country :KENYA
Fax :25420558816
Sector of Activity :Trade
Warehouse Location :

Exporter Details

Name :KAKIRA SUGAR LTD

PIN :00000000000

Physical Address :P.O.BOX 121
JINJA

Postal Address :P.O.BOX 121
JINJA

Telephone :2560414444000

Email :satish@kakirasugar.com

Warehouse Code :COMBINED WAREHOUSES LTD

OGA Ref No :

Physical Country :REPUBLIC OF UGANDA

Postal Country :REPUBLIC OF UGANDA

Fax :2560414444000

Sector of Activity :Manufacturing

Warehouse Location :MSA

Consignor Details

Name :KAKIRA SUGAR LTD

PIN :00000000000

Physical Address :P.O.BOX 121
JINJA

Postal Address :P.O.BOX 121
JINJA

Telephone :2560414444000

Email :satish@kakirasugar.com

Warehouse Code :COMBINED WAREHOUSES LTD

OGA Ref No :

Physical Country :REPUBLIC OF UGANDA

Postal Country :REPUBLIC OF UGANDA

Fax :2560414444000

Sector of Activity :Manufacturing

Warehouse Location :MSA

Values - Header Level

Foreign Currency Code :USD

Freight FCY :0.00

CIF FCY :21,500.00

Insurance NCY :0.00

Forex Rate :101.95

Insurance FCY :0.00

FOB NCY :2,192,019.60

Other Charges NCY :0.00

FOB FCY :21,500.00

Other Charges FCY :0.00

Freight NCY :0.00

CIF NCY :2,192,019.60

Remarks

OGA Remarks :

1. Approved
2. Approved
3. Approved

Conditions Of Approval

1. Docs checked

Purpose Of Import/Export

Trading

Terms and Conditions

Application Reference No : CD2016000ASDIMP0010000519183 Version No : 1

Item Details

Item No :1

Item Description :Kakira Light Brown Sugar			
Item HS Code :1701110000	HS Description :Cane sugar, raw, no added flavouring or colouring, solid		
Quantity :25000	Unit Of Quantity :kilogram	Supplementary - Quantity :25000	Supplementary - Unit Of Quantity :KGM
Package Type :Bag, polybag	Package Quantity :500	Foreign Currency Code :USD	Unit Price FCY :0.86
Total Price FCY :21,500.00	Unit Price NCY :87.68	Total Price NCY :2,192,019.50	Country Of Origin :REPUBLIC OF UGANDA
Item Net Weight :25000 kilogram	Item Gross Weight :25000 kilogram	Applicant Remarks :OK	

Transport Details

Mode Of Transport :R	Mode Of Transport Desc :Road
Voyage No :KCH745H ZE1053	Port Of Arrival :Malaba
Customs Office :MLB	Freight Station :MALABA