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REPORT

OF THE

KENYA-CHINA PARLIAMENTARY FRIENDSHIP GROUP

VISIT TO BEIJING, CHINA

5-12 JULY, 2007

KENYA NATIONAL ASSEMBLY

**Clerk's Chambers
Parliament Buildings
Nairobi, Kenya**

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KENYA-CHINA PARLIAMENTARY FRIENDSHIP GROUP VISIT

(Beijing, 5-12 July 2007)

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1.0 Foreword

Mr. Speaker, Sir,

The idea to form the Kenya-China Parliamentary Friendship Group was conceived during a visit to China by a Kenya Parliamentary delegation led by the Hon. Speaker of the National Assembly in August 2000. The existence of a counterpart friendship group in China necessitated the formation of the Sino-Kenya Friendship Group.

The Kenya-China Parliamentary Friendship Group came into being in 2001 during the 8th Parliament and was borne out of the desire to further cement the existing cordial relations between Kenya and China.

A total of eighteen Members of Parliament were registered as Members of this Group during its formative stage, with the Hon. David Musila, Deputy Speaker, as the interim Chairman.

To date, the Group has been very active in promoting and expanding the already existing cordial relations between the two countries.

The Kenya-China Parliamentary Friendship Group strives to cement further the excellent continuing Inter-Parliamentary ties between the People's Republic of China and the Republic of Kenya.

Mr. Speaker, Sir,

A Kenya Parliamentary delegation of seven Members of the Kenya-China Friendship Group paid a visit to China at the invitation of the **Chinese People's Association for Friendship with Foreign Countries (CPAFFC)** between 5th and 12th July, 2007. The Members of the delegation were:

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1. Hon. David Musila, MP - Deputy Speaker & Chairman, SINO-Kenya Group:
Leader of the delegation
2. Hon. (Eng.) Joshua Toro, MP
3. Hon. (Dr.) Abdulahi Ali, MP
4. Hon. Wycliffe Osundwa, MP
5. Hon. (Eng.) Philip Okundi, MP
6. Mr. Patrick G. Gichohi - Delegation Secretary
7. Mr. Daniel M. Mutunga - Assistant Delegation Secretary

Mr. Speaker, Sir,

I wish to record our appreciation to the hosts, the **Chinese People's Association for Friendship with Foreign Countries (CPAFFC)** for the warm and hospitable reception that was accorded us throughout our visit in China. The enthusiasm with which the Chinese people received the delegation confirms the level of the existing friendship and cooperation between the People's Republic of China and the Republic of Kenya.

Mr. Speaker, Sir,

During our meetings with the Chinese officials, the Kenya delegation emphasized on the need to further cement the cordial relations existing between our two countries and expressed appreciation to the government for the development aid that Kenya has received and continues to receive from China. The Kenya delegation took the opportunity to thank the **Standing Committee** of the **National People's Congress** of the **Republic of China** for the support that it has given to Kenya National Assembly in form of IT equipment.

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Mr. Speaker, Sir,

Throughout our visit, the Chinese officials showed great respect and appreciation to Kenya for the support that the country continues to give China at international fora, especially at the United Nations. In particular, China appreciates Kenya's stand on the 'One China' policy. The key objective of this visit, Mr. Speaker, was to renew and further to solidify the already existing cordial relations between China and Kenya. Details of the tour by the Kenya delegation to China are elaborated in the executive summary.

Mr. Speaker, Sir,

On behalf of the Kenya Delegation and pursuant to Standing Order No. 162 (2), I wish to table the report of the delegation on its visit to China between 5 -12 July, 2007.



The Hon. David Musila, MBS, MP
(Deputy Speaker & Leader of the Kenya Delegation)
Date: 24th July 2007

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2.0 EXECUTIVE SUMMARY

2.1 Introduction

The Kenyan delegation was invited to visit China by the **Chinese People's Association for Friendship with Foreign Countries (CPAFFC)**. CPAFFC is an organization formed in China and based in Beijing. Its core functions, among others, include; promotion of peace by working with like-minded Governments, Parliaments and Non-Governmental Organizations as well as the Civil Society to ensure that there is global peace; promotes socio-cultural activities with foreign countries through exchange programmes, and; bridges the gap between the cultural diversities of the People's Republic of China and the outside world by establishing friendly contacts with those countries.

The visit to Beijing by the Kenya-China Parliamentary Friendship Group was borne out the need to reciprocate to an earlier visit to Kenya by the **Standing Committee** of the **National People's Congress** of the **People's Republic of China** in December 2003. The visit was a major success and an understanding was struck for the Kenyan counterparts to visit China at their earliest convenience.

Out of the friendship and cooperation between the People's Republic of China and the Republic of Kenya, the National Assembly has benefited immensely from donations of electronics ranging from computers and laptops, to scanners and printers. This generous gesture has obviously contributed to capacity building in the National Assembly as well as enhancement of information technology, bearing in mind that the National Assembly was at the stage of establishing its IT department.

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2.2 Objectives

1. Bi-lateral ties

The key purpose of the visit to China by the Kenya-China Parliamentary Friendship Group was to promote bilateral ties between the two countries. It is important to note that the two nations have excellent cordial relations existing between them. However, it is prudent to renew and promote this friendship from time to time. At the invitation of the **Chinese People's Association for Friendship with Foreign Countries (CPAFFC)**, the Kenya delegation traveled to China where they met their Chinese counterparts and had very fruitful exchanges on bilateral issues such as promotion of the existing good relations between the two nations. The warm and hospitable reception accorded to the Kenya delegation by the Chinese people confirmed the friendship and cooperation existing between the two nations was indeed very cordial.

2. Trade

The Kenya delegation took the opportunity during the meetings with the Chinese leaders and officials to request the Chinese Government to increase their business ventures in Kenya by buying more Kenyan products and investing more in Kenya. In a key address to the **Chinese People's Association for Friendship with Foreign Countries (CPAFFC)** and **Chinese business entrepreneurs**, the Hon. David Musila implored the Chinese to invest more in Kenya and also improve the balance of trade, which currently is heavily in favour of China. The Chinese entrepreneurs on their part pledged to explore methods of making Kenya their preferred trading base.

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3. **Tourism**

The Members of the Kenya delegation also had the opportunity to visit major tourist sites in China such as the Great Wall of China, Mt. Emei-Leshan Giant Budha, the Qingcheng-Dujiangyan Irrigation System, the Summer Palace, the Jiuzhaigou Valley and the Panda Breeding Centre, among others. During the meetings with the Chinese leaders, the Kenya delegation took time to promote Kenyan tourism and asked the potential Chinese tourist market to make Kenya their preferred tourist destination. In a meeting with the Sichuan provincial leaders, Hon. Musila indicated to the leaders that if one third of the Sichuan Province population of about 90 million people visited Kenya's national parks and other famous tourist sites, this would remarkably change the face of tourism in Kenya in terms of foreign exchange earnings. The Chinese authorities undertook to consider Kenya as their preferred tourist destination. This was in accordance with the **Approved Tourist Destination Status** which was granted to Kenya in December 2003.

2.3 **The visit: Beijing**

Beijing is the capital city of China and the country's political, cultural and international exchange center. It is one of the four autonomous municipalities along with Shanghai, Tianjin and Chongqing, which enjoy similar economic and administrative autonomy as a province.

The delegates arrived in Beijing on Thursday July 5th 2007 and had a meeting with the Kenya's Ambassador to China, **Her Excellency Mrs. Ruth Solitei**. Important matters, which included the challenges facing the embassy while discharging its duties, were discussed during a luncheon hosted by the Ambassador in honour of the delegates.

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The delegation later visited one of the Beijing Stadiums which will be used to host the 2008 Beijing Olympics. They were informed that the Beijing government would invest a total of about RMB 280 billion to improve the city's infrastructure by 2008. These would include stadiums and related facilities, transport and telecommunication infrastructure, and so on.

On Friday July 6th 2007, the delegation had a meeting with the **Vice Minister of Foreign Affairs, His Excellency Mr. Zhang Yesui**. The meeting dwelt on the global issues affecting Kenya and China. One of the issues discussed was the Darfur question where the Vice Minister voiced his concern about the continued strife and the apparent lack of a tangible conflict resolution measures from the African Continent in particular and the international community in general. Also, the internal conflict in Somalia was an item of discussion. The Hon. David Musila assured the Vice Minister that Kenya was at the forefront in trying to resolve these civil strives with the help of other nations and had even fronted the matter at the various international fora such as at the United Nations General Assembly annual meetings in New York.

Afterwards, the Members left for the CPPCC Auditorium and had a meeting with the **Vice Chairman of the Chinese People's Political Consultative Conference and President of the Chinese-African People's Friendship Association, His Excellency Mr. Abdul'ahat Abdurixit**. The delegates also visited the Office of the leading Group for Western Region Development of the State Council as well as the Beijing Urban Planning and Exhibition Centre. The Members exchanged valuable information on bilateral issues affecting China and Kenya.

Later, the delegation met with the hosts, the **Chinese People's Association for Friendship with Foreign Countries (CPAFFC)** officials and Chinese entrepreneurs. Hon. David Musila, Deputy Speaker and leader of the delegation delivered a speech to these officials where he stressed the value of promoting the China-Kenya friendship to higher levels of cooperation and association. The speech centred on the bilateral gains made out of the cooperation and friendship between China and Kenya since the inception of the friendship group. Many of these gains were evident in infrastructure, trade and tourism sectors. Hon. David Musila said that there was need to further strengthen the already existing cordial relations between China and Kenya.

The **Vice President** of the **Chinese-African People's Friendship Association, Mr. Wang Yunze**, addressed the gathering where he emphasized on the importance of cementing further the friendship and cooperation between Kenya and China. He pointed out that the **CPAFFC** would continue to work with the African nations affiliated to it towards promoting peace, friendship and cooperation in the region.

On Saturday July 7th 2007, the delegates traveled to the outskirts of Beijing and had the chance to visit the **Great Wall of China**, one of the Seven Wonders of the World. The wall is a major tourist attraction, both locally and internationally. They learned that tourism is an important industry in Beijing. The city has been the capital of China since the Yuan Dynasty. Its tourist attractions, including the Great Wall, feature its rich palatial heritages. In 2005, the tourist market received 3.6 million overseas tourists, bringing foreign exchange revenue of US\$3.6 billion; 130 million local tourists were received, bringing revenue of RMB 125 billion.

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2.4 The visit: Shandong Province

Shandong lies in the Bohai Bay economic region. It spans a total area of 156,700 sq km. The total population stood at 92.5 million in 2005. Jinan is the provincial capital of Shandong.

Major cities include Jinan, Qingdao, Yantai, Zibo, Weihai, Weifang, Dongying, Rizhao which are collectively known as the cities cluster in the Shandong peninsular. The cities cluster represented 60% of Shandong's GDP in 2006. Qingdao and Yantai are two of the largest ports in China.

Shandong is endowed with rich mineral, agricultural and marine resources. It is the hometown of **Confucian**, and has many historic sites. Thus its tourism is well developed. Primary and service industries are prosperous.

The 2008 Beijing Olympic water sport projects will be held in Qingdao, where 154 related projects with an estimated gross investment of US\$ 9.1 billion are planned.

Rich in natural resources, particularly oil and coal, Shandong's excavating and energy industry is strong. It has the second largest oil field (Shengli Oil Field) in China. In 2005, its output of crude oil was 27.0 million tons. Coal mining is a major industry in the southern part of Shandong, whose production was 140.3 million tons.

As a base of agricultural and marine production, Shandong has developed strong food manufacturing and food processing industries. Yantai is an especially important export base of agricultural products, focusing on apples, peanuts and vegetables.

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The long coastline of Shandong has also endowed it with strong potential in developing the ocean industry. New industries making use of the ocean such as offshore petroleum, seaside tourism and seawater utilization have developed quickly and contributed increasingly to the economy. In 2005, output of the above three new industries were RMB5.9 billion, RMB57.5 billion and RMB3.9 billion respectively, which grew by 38.4%, 23.8% and 39.8%.

The delegation flew out of Beijing in the afternoon of July 7th 2007 for Shandong Province.

On Sunday July 8th 2007, the delegates were hosted to a luncheon by the **Deputy Mayor of Laixi People's Congress, Mr. Zhaoxisheng**. They then proceeded to a small scale factory, the Qingdao Sam Young Toys Co. Ltd. Here, they witnessed thousands of young men and women who were employed by the company in the toy production work. The Members also toured the Haier Group of Companies and were treated to a variety of electrical goods that the company produced. Some of these goods were already in the Kenyan market. Later in the evening, the Members met the **Vice Chairman of the Standing Committee of the People's Congress of Qingdao, Mr. Cui Xizhu** at the coastal town of Qingdao.

The delegation departed for Jinan City, the capital of Shandong, on July 8th, 2007. The Qingdao-Jinan Expressway took the team through the Shangdong countryside. The Members had a first hand account of Shandong's vast agricultural fields that were fed by irrigation canals.

The delegation arrived in Jinan on Monday 9th July, 2007. During their stay in Jinan, The Members visited some firms such as the Qilu Software

and the Jinan Mintian Flour Co. Ltd. Later, the delegates were hosted to a banquet by the **Standing Committee of the People's Congress of Shandong Province** led by the **Vice Chairman, Mr. Gao Xinting**.

During the meetings with the Shandong Provincial leaders, the discussions centred on the ways of strengthening the Kenya China friendship. Mr. Musila extended his invitation to Mr. Xinting and his group to visit Kenya whenever an opportunity arose.

2.5 The visit: Sichuan Province

The delegation left Jinan for Chengdu, the capital city of the Sichuan Province, on Tuesday 10th July, 2007. Sichuan is located at the upper reaches of the Yangtze River in Southwestern China. It has a total area of 485,000 sq. km. Its total population stood at 86.4 million in 2005.

Sichuan is rich in natural resources and has the most well developed industrial sector in the region. Sichuan is also one of the major agricultural production bases in China. Its output of rice, wheat, rapeseed, citrus fruit, peach, sugar cane, sweet potato and Chinese herbs all account for a significant share of China's total products.

Sichuan has abundant tourism resources: it is home to the giant panda; it has four world natural heritages and nine national AAAA grade nature parks, the largest number in China.

Sichuan is one of the most industrialized provinces in western China, its total value-added industrial output amounted to RMB251.3 billion in 2005. While heavy industries such as coal, energy and iron and steel

remain a dominant sector (67.5% of the total output value in 2005), the province has established a light manufacturing sector comprising building materials, wood processing, food, silk processing, etc.

Sichuan's production of colour TV, natural gas, electricity, steel, cement, Chinese medicine, wine and chemical fibre, etc are the highest among the western provinces.

Sichuan is richly endowed with herbs (around 5,000 species) and is the home to many senior Chinese medicine doctors. Sichuan is strong in Research and Development of modern Chinese medicine e.g. Chengdu University of Traditional Chinese Medicine (TCM) is one of the four oldest TCM colleges in China and has accumulated substantial expertise in modernizing Chinese medication throughout the past decade. Sichuan has over 130 pharmaceutical companies and output of TCM was the second highest in China. Chengdu is selected by the Ministry of Science and Technology to set up the first state-level Modernized Science and Technology Industry Base for Traditional Chinese Medicine. A number of Hong Kong companies have invested in modernising TCM, including New World Group.

The delegates met the Sichuan Provincial leaders and Members of the **Sichuan Provincial People's Association for Friendship with Foreign Countries (SIFA)** who were led by the **President, His Excellency Mr. Qin Li**. At a dinner hosted by SIFA, the leaders stressed the importance of further strengthening the already existing cordial relations between China and Kenya and explored methods of forging ahead with this cooperation.

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On Wednesday 11th July, 2007, the delegates visited the Youai countryside in Pixian, the home of rural tourism. The settlements of the rural folk away from the city buzz and the surrounding serene environment was very welcome. Later, the delegation visited the formidable Dujiangyan Irrigation system, which is a major tourist attraction. Tourism plays a more important role in Sichuan's economy. In 2005, the tourist market received RMB72.1 billion, accounting for 9.8% of GDP. Its internationally famous scenic attractions include Mt. Emei-Leshan Giant Buddha, Huanglong Scenic Area, Jiuzhaigou Valley and Mt. Qingcheng-Dujiangyan Irrigation System.

The delegation traveled to the famous Panda Breeding Park in Chengdu on July 12th 2007. The Center is another important tourist attraction site with thousands of tourists visiting it every year. Afterwards, the Members visited the flower farms of Hongsha village in Chengdu where the provincial Government has helped the villagers to turn into productive use the poor soils making the region an important horticultural base.

2.6 The visit: Guangdong Province

Guangdong lies in the Southern China and neighbours Hong Kong. Guangdong has a total area of 179,756 sq. km. The total population stood at 91.9 million in 2005. The Pearl River Delta (PRD) Economic Zone is the province's economic hub; its GDP was RMB1805.9 billion, accounting for 80.7% of Guangdong's GDP in 2005. The PRD's Economic Zone covers 14 cities and counties.

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Guangdong, as a leading industrial base as well as an export processing base for a wide range of products contributed markedly to the country's export growth. In 2005, Guangdong exported US\$241 billion, accounting for 31.3% of the nation's total, of which export processing accounted for about 73.8%. Major export items included machinery and electric products, electrical appliances, electronics, textiles, garments, toys, plastic articles and shoes. In 2005, Hong Kong was still the largest export market, accounting for 35.2% of the total. Other major export markets included the US, the EU and Japan.

In 2005, Guangdong imported US\$189.8 billion, accounting for 28.8% of the nation's total production. Being a manufacturing base, Guangdong imports a large number of capital and intermediate goods that include raw materials, parts and components, electronics, machinery, and complete set equipments. Leading items include integrated circuit, rolled steel, crude oil and plastics in primary forms. In 2005, Taiwan was the largest import market, which accounted for 16.3% of the total. Other major import sources included Taiwan, Japan, ASEAN, the US and the EU.

The delegation then flew to Guangzhou city in Guangdong Province on Thursday July 12th 2007. The delegates held a meeting with **Mr. Li Cheng Jie**, the **Vice-President of Guangdong People's Association for Friendship with Foreign Countries**, at the Guangzhou International Airport VIP lounge. At a luncheon hosted by Mr. Li Cheng Jie, the leaders pledged to work together to foster the already existing friendly relations between Kenya and China. They later flew back to Kenya.

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3.0 CONCLUSION

During the visit, the delegation had a first hand account of China's development record which has reached un-preceded levels in recent times, making the nation one of the fastest industrializing countries in the world.

The delegation noted that the *tourism sector* in China is well developed with the Government having substantially subsidized costs for local tourism. This has led to increased domestic tourism and thousands of local tourists visit the tourist sites such as the Great Wall of China, Mt. Emei-Leshan Giant Budha, the Qingcheng-Dujiangyan Irrigation System, the Huanglong Scenic Area, the Jiuzhaigou Valley, and the Panda Breeding Centre, among others. The Government has come up with a policy to significantly subsidize and minimize the cost for local tourists with the aim of making it more affordable to the ordinary citizens.

Agriculture, the Members observed, was another sector where China has been quite successful. The development of this sector has led to some provinces such as Shandong and Sichuan to become major economic bases and self reliant in food production. They produce enough food for the region and also manage to get surplus for export. This has been made possible through the elaborate irrigation systems that have been introduced to many regions in China. One example is the Qingcheng-Dujiangyan Irrigation System which feeds thousands of farms in Sichuan Province thus ensuring food security in the region. Agriculture is one of China's economic powerbase.

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The *infrastructure* in all the Chinese cities which the delegates visited is well managed and modernized. The road network is very good and so is the railway system with several expressways crisscrossing the nation. Every capital city in the various provinces has an international airport. The good network in infrastructure contributes immensely to the economic development of the country.

The delegation also took note of the *housing policy* which the Chinese Government has undertaken to provide decent and affordable housing units to its low and middle class citizenry, a venture which has been very successful. To this end, thousands of private and public developers have been engaged to put up building projects. As a result, many buildings are being constructed to accommodate the low income cadres. This has made more people to access decent housing.

Members of the delegation were impressed by China's serious *afforestation* campaign as a measure to recover from a sustained deforestation which had almost depleted the natural environment. The industrial emissions from the heavy industrial plants have negatively affected the environment and the measures taken by the Government are bearing fruit in that the pollution is steadily being brought under control.

The Kenya-China Parliamentary Friendship Group unanimously agrees that Kenya should continue to uphold the 'One China' policy and should therefore not support the application by Taiwan to join the United Nations. Indeed Taiwan ought to rejoin China so as to foster further development of one China. The benefits accruing from such unity cannot be overemphasized. Members of the Kenya-China

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Parliamentary Friendship Group take this opportunity to request Members of the Kenya Parliament to continue supporting and upholding the existing friendly relations between the people's of Kenya and China for the continued economic, social and political development of the people of the two great nations.

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