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08 JUL 2020
RECEIVED
P.O. Box 30007 - 00100, NAIROBI

REPUBLIC OF KENYA
MINISTRY OF ICT, INNOVATION AND YOUTH AFFAIRS
Office of the Cabinet Secretary

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When replying please quote:

Ref: MICT/G/11/18

Date: 2nd July, 2020

Hon. (Amb) Ukur Yatani, EGH
Cabinet Secretary
The National Treasury
Treasury Building
NAIROBI

Dear

Wariri,

RE: GRANT FOR POSTAL CORPORATION OF KENYA TO CUSHION THE EFFECTS OF COVID-19 PANDEMIC

Postal Corporation of Kenya provides postal and financial services in line with the PCK Act of 1998. The mandate includes the Universal Service Obligations (USO) as prescribed under the Universal Postal Union. To achieve the USO the Corporation operates a network of 623 Post Offices which provide services regardless of their economic or commercial viability. As a commercial state enterprise, the corporation is expected to raise revenue to fund all its operations including USO services all over the country.

The advancement in technology and changing market trends has adversely affected the traditional postal mail business which has been the main revenue generator for postal organizations all over the world. Like other national postal corporations PCK has been experiencing diminishing market shares and revenues. This has resulted to serious financial challenges which have adversely affected its operations.

This has seen PCK outlets being reduced from 1039 in 1999 to the current 623. This means that PCK is not offering universal obligations-services to all citizens as required by law and the Universal Postal Union.

The COVID-19 pandemic has aggravated the situation with minimal postal activities especially with international flights being stopped. PCK is currently struggling to finance its mandatory and statutory expenditure as reflected by the four months staff salary arrears which the corporation has not paid its employees. The situation is likely to worsen in the near future if nothing is done.

As can be seen from the third quarter financial report the Corporation net revenue was KShs 344.7 million while salary expenditures for the quarter amounted to KShs 451.5 million leading to a deficit of KShs106.7 million. In the fourth quarter the projected net revenue is KShs 146 million against a salary expenditure of KShs 457 million leaving a deficit of KShs 310 million in salary arrears. The poor performance has left the Corporation in a serious cash crunch, hence not able to pay staff salaries and other operational costs as and when they are required. The trend is expected to continue as long as the COVID-19 pandemic persists.

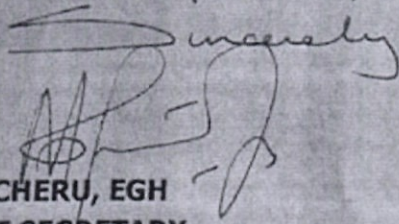
To revitalize the Corporation, the Ministry is planning for short term and long term solutions as proposed in the 2nd and 3rd Medium Term Plan of Kenya Vision 2030. The Government is expected to support and facilitate the implementation of a restructuring programme to revitalize the institution in line with the current market trends and emerging technology.

The revitalization programme will include both policy and financial restructuring as a priority stop-gap measure with a major objective to rescue PCK from the current situation. The Ministry has already initiated policy restructuring with the development of PCK recovery strategy which will be presented to the cabinet soon. However, in the meantime PCK urgently requires KShs 1.0 billion as a rescue measure to cater for salaries while a long term solution is being sought.

The purpose of this letter is therefore to request you to consider allocating and disbursing KShs 1.0 billion to the Corporation to enable payment of salary to its workers for six months as a stop gap measure to mitigate the effects of COVID-19 pandemic.

Attached is the PCK 2nd half financial performance for FY 2019-2020.

Yours



**JOE MUCHERU, EGH
CABINET SECRETARY**

Encl.

DF:5220/09/06/PMG/2020



Touching lives

9th June 2020

HON. AMB. UKUR YATANI KANACHO
CABINET SECRETARY
THE NATIONAL TREASURY AND PLANNING
P.O. BOX 30007 -00100
NAIROBI

Dear Sir,

RE: REQUEST FOR FUNDING

Postal Corporation of Kenya (PCK) is a commercial state enterprise operating under the Postal Corporation of Kenya Act 1998. The Corporation is mandated to provide postal and financial services under the Universal service Obligation (USO). PCK is expected to fund all its operations

PCK operates a vast network which currently stands at 623 post offices. This is in adherence to the universal services obligation (USO) which mandates PCK to provide accessible, affordable and reliable postal services to the citizens of Kenya in all corners of this country, regardless of the economic viability.

Over the past five years, the Corporation has consistently posted a deficit with an increasing trend. Table 1 below depicts this trend. This has thus led to financial challenges making it difficult to settle staff salaries for the last three months.

Table 1

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Office of the Postmaster General

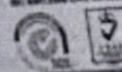
Postal Corporation of Kenya, Posta House, Kenyatta Avenue, P.O. BOX 34567 GPO-00100 Nairobi, Kenya. Tel: 020 3240000 Fax: 020 3242220 Website: posta.co.ke



Postal Corporation of Kenya



@Posta_Kenya





Performance trend analysis

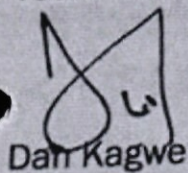
PERIOD	2019/2020 - Qtr 3	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
REVENUE	1,935,022,378	2,661,998,400	4,095,967,732	2,532,606,265	2,652,831,465	3,461,237,616
EXPENDITURE	2,273,198,019	3,634,683,280	4,179,418,706	3,797,122,790	5,936,415,207	3,608,545,670
NET SURPLUS/DEFICIT	(338,175,641)	(972,684,880)	(83,450,973)	(1,264,516,525)	(3,283,583,741)	(147,308,055)

The COVID - 19 pandemic has further aggravated the situation. This has led to a record low revenue generation from the month of April 2020, owing to slowed economic activities across the country and the world over.

The Corporation has thus found itself in a serious cash crunch, hence not able to settle its staff and other operational debts as and when they fall due.

The Corporation hereby requests the National treasury to consider a cash injection of Kshs. 1Billion which will cover six (6) months' salaries. The staff salaries are currently in three (3) months arrears.

Yours faithfully,



Dan Kagwe
POSTMASTER GENERAL



Touching lives

NO.	NAMES	DESIGNATION IN FULL	PCK P/NO. PF. NO.	ID NO.	CONTACTS	SIGNATURE
1.	MUKTAR ABDULLAHI	ASST. GENERAL MANAGER	23130	11224272	0722493875	<i>Muktar</i>
2.	Gichuki Njeru	Manager	22691	7236938	0726952580	<i>Gichuki</i>
3.	B.K. GITHAII	Assistant Manager	22099	5937603	0722222911	<i>B.K. Githaii</i>
4.	Sheila Nekesa	Secretary	24979	25173982	0122839351	<i>Sheila</i>
5.	Collins OMONDI	Admin	24914	24358223	0706094527	<i>Collins</i>
6.	MOSES ODoyo	ADMINISTRATION	24911	26482266	0710744290	<i>Moses</i>
7.	Rono Jennifer	Asst. Manager	21760	466946	0722252257	<i>Rono</i>
8.	ZULFIKHA MOHAMED	MANAGER	22429	3930313	0724724980	<i>Zulfi</i>
9.	Othman Joseph	HRD	21083	3469766	0721235010	<i>Othman</i>
10.	Samwel K. Rotich	HRD	21098	7062858	0720343286	<i>Samwel</i>
11.	Vera Rosey	HRA	25312	29594640	0728448857	<i>Vera</i>
12.	Brenda Chelangat	AgHRD	25179	30277722	0724943261	<i>Brenda</i>
13.	Juliana MURUKU	HRD	24678	11646932	0721535482	<i>Juliana</i>
14.	Violet Ojumu	AM	22687	9217246	0722293356	<i>Violet</i>
15.	Christopher K. Clemons	AM	22731	10704333	0722394622	<i>Chris</i>
16.	Timothy G. Mutai	HRD	24727	20008392	0721-579517	<i>Timothy</i>
17.	Dorcas Akubo	AM	24893	26056944	0727960932	<i>Dorcas</i>
18.	Carol Kaitira	HRA	24808	28645840	0725372747	<i>Carol</i>
19.	Spaulina Mohamed	HRD	24921	26289581	0705941612	<i>Spaulina</i>
20.	Paul Sawe	HRA	24395	8603515	0720256191	<i>Paul</i>

Hon. Speaker
You may approve this.
Kny 01/08/2020.

REPUBLIC OF KENYA



Approved
SNA
11/8/2020

TWELFTH PARLIAMENT (FOURTH SESSION)

THE NATIONAL ASSEMBLY

PUBLIC PETITION

(No 24 of 2020)

REGARDING PAYMENT OF SALARY ARREARS FOR STAFF OF THE POSTAL CORPORATION OF KENYA

I, the **UNDERSIGNED**, on behalf of the employees of the Postal Corporation of Kenya;

DRAW the attention of the House to the following: -

1. **THAT**, Article 41 of the Constitution provides that every person has the right to fair labour practices;
2. **THAT**, Postal Corporation of Kenya, a commercial state enterprise operating under the Postal Corporation of Kenya Act, 1998, is mandated to provide postal and financial services under the Universal Service Obligation;
3. **THAT**, over the past five years, the Corporation has consistently posted a deficit in an increasing trend which led to financial challenges making it difficult to settle staff salary arrears;
4. **THAT**, the COVID-19 pandemic has aggravated the situation with minimal postal activities;
5. **THAT**, the Corporation is undergoing a serious financial crunch and consequently has not paid salaries to its employees since March 2020;
6. **THAT**, efforts made by the Petitioners to have the Corporation address their plight have been unsuccessful;
7. **THAT**, the issues presented in this Petition are not pending before any court of law, constitutional or legal body;

THEREFORE, your humble Petitioners pray that the National Assembly through the Departmental Committee on Information, Communication and Technology:-

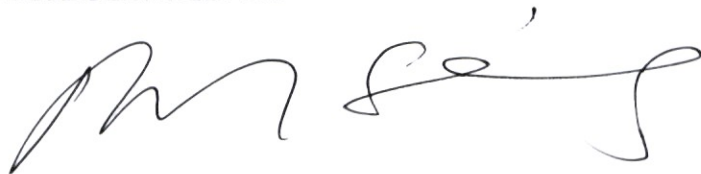


REGARDING PAYMENT OF SALARY ARREARS FOR STAFF OF THE POSTAL CORPORATION OF KENYA

- (i) investigates the matter with a view to resolve the issues relating to delays in the payment of salaries to staff of the Postal Corporation of Kenya;
- (ii) pursuant to the Employment Act, recommends that the Cabinet Secretary responsible for Information, Communications and Telecommunication initiates a process of rescuing the Postal Corporation of Kenya from its current financial crisis; and
- (iii) makes any other appropriate recommendations it deems fit in addressing the circumstances raised in this Petition.

And your **PETITIONERS** will ever pray.

PRESENTED BY



THE HON. RASHID KASSIM AMIN, MP
MEMBER FOR WAJIR EAST CONSTITUENCY

DATE:07/08/2020

