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PARLIAMENT OF KENYA



Paper laid by the Hon. Kanini Kega, Co-chairperson
Wed 1st August, 2018

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THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT – SECOND SESSION

THE JOINT DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND TRADE, INDUSTRY & COOPERATIVES

REPORT OF THE INQUIRY INTO ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

DIRECTORATE OF COMMITTEE SERVICES
Clerk's Chambers,
Parliament Buildings,
NAIROBI

AUGUST, 2018

NB. The Report was considered by the House on Thursday, August 9, 2018 and NEGATIVED (Rejected) on the same day.

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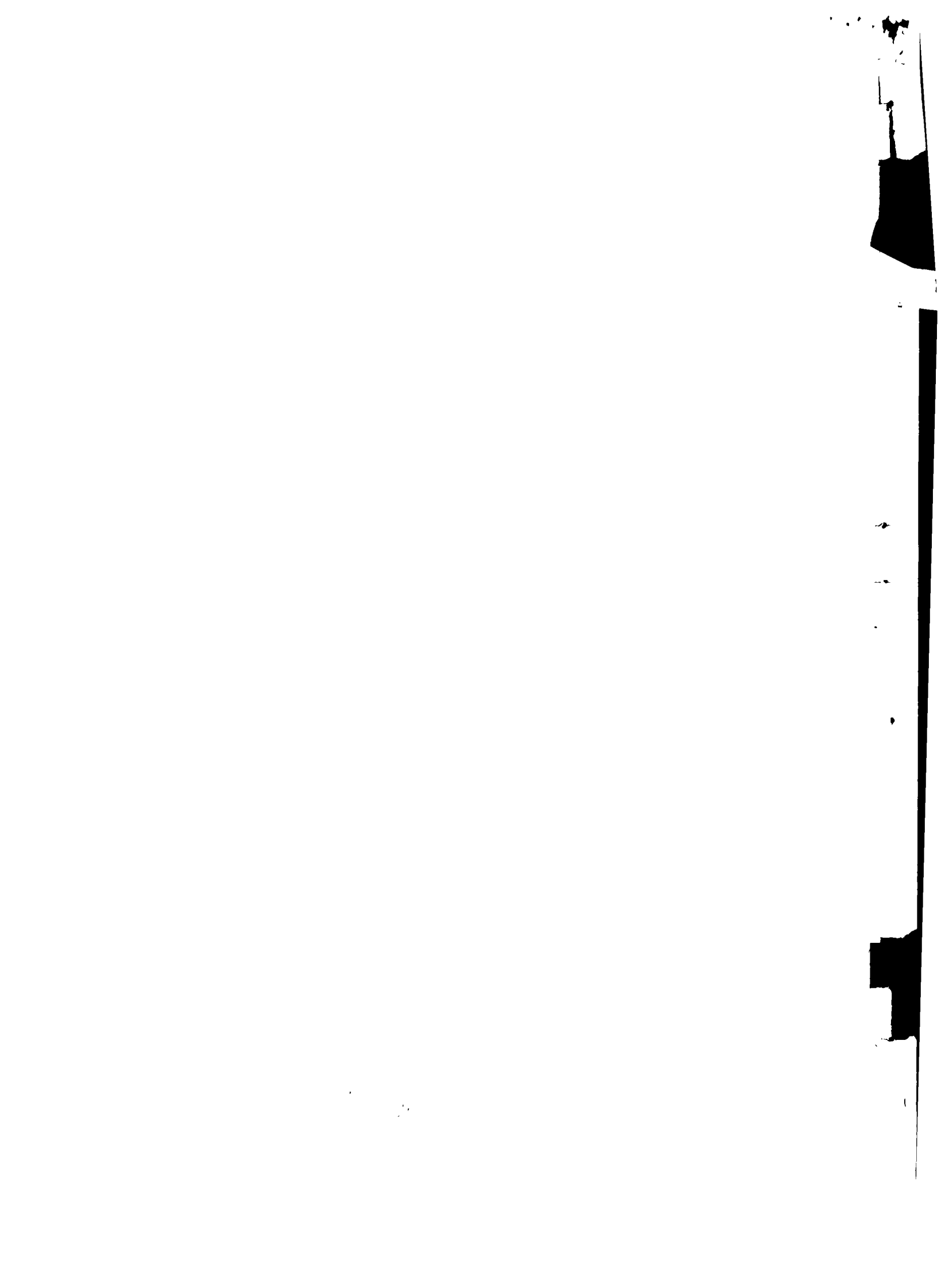

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ABBREVIATIONS

ACA	-	Anti – Counterfeit Agency
AFA	-	Agriculture Food Authority
CS	-	Cabinet Secretary
CoG	-	Council of Governors
CFS	-	Container Freight Services
COMESA	-	Common Market for Eastern & Southern Africa
CoC	-	Certificate of Conformity
DCI	-	Directorate of Criminal Investigation
EAC	-	East African Community
EGH	-	Elder of Golden Heart
KEBS	-	Kenya Bureau of Standards
KEPHIS	-	Kenya Plant health inspectorate Service
KISM	-	Kenya Import Standardization Mark
KSB	-	Kenya Sugar Board
KRA	-	Kenya Revenue Authority
KPA	-	Kenya Ports Authority
MICD	-	Multiple Inland Container Depot
MP	-	Member of Parliament
MT	-	Metric Tonnes
PVOC	-	Pre–export Verification of Conformity
PS	-	Principal Secretary
RRI	-	Rapid Results Initiative
SGS	-	Specialized Germany Services '
ToR	-	Terms of Reference
WCO	-	World Customs Organization

CHAIRPERSON'S FOREWORD

A Statement was sought by Hon. Naisula Lesuuda, MP Samburu West Constituency, pursuant to Standing Order No. 44 (2) regarding the contraband sugar recently seized in most parts of the Country. In addition, a Motion of adjournment was sought by the Hon. George Otsosi, MP on the safety of sugar.

In that regard, the Speaker of the National Assembly on 19th June 2018 directed that the Departmental Committee on Trade, Industry & Cooperatives and that on Agriculture & Livestock, jointly inquire into the matter and report to the House within ten days.

The Committee commenced its inquiry on 22nd June 2018 under specific terms of reference as contained herein the report. The Committee held a total of twenty-five (25) sittings and received oral and written submissions from Government Ministries, State Agencies and Government Departments and various Stakeholders in the sugar industry. In addition, the Committee undertook inspections and fact-finding visits to Nairobi, Mombasa, Nakuru, Kakamega and Bungoma Counties.

The Committee appreciates facilitation provided by the Office of the Speaker and the Clerk of the National Assembly that enabled it to discharge its functions during the inquiry and report writing exercises.

Finally, I also wish to thank Honourable Members of the Committees for participating in this inquiry with enthusiasm for a difficult subject and with a commitment to bipartisanship hence discharging their mandate.

EXECUTIVE SUMMARY

This report contains proceedings of the Joint Committees on Trade, Industry & Cooperatives and Agriculture & Livestock in the inquiry into alleged importation of sugar unfit for human consumption into the Country. Following the Statement requested by the Hon. Naisula Lesuuda, MP regarding whether sugar currently in the Country was fit for human consumption and subsequent debate by a number of Honourable Members on the same, The Speaker of the National Assembly in his ruling dated Wednesday, 20th June, 2018 directed the Departmental Committees on Agriculture & Livestock; and Trade, Industry & Cooperatives to jointly ***'investigate, inquire into, and report within ten (10) days on the alleged importation of contraband sugar into the Country'.***

From the House proceedings debate, Honourable Members raised concerns of the imported sugar alleged to be unfit for human consumption as it contains substances believed to have adverse effects on human health. There were claims that Government Agencies including; KEBS, KRA, ACA, AFA, Ministry of Agriculture & Livestock, Ministry of Trade, Industry & Cooperatives and the National Treasury & Planning had failed to discharge their mandates leading to unregulated importation of contraband sugar by traders.

During the inquiry, the Committee met with several Stakeholders including Government Ministries represented by Hon. Mwangi Kiunjuri, EGH, MP, the Cabinet Secretary, Ministry of Agriculture & Livestock; Mr. Henry Rotich, EGH, the Cabinet Secretary, Ministry of National Treasury & Planning; Dr. Adan Abdulla Mohammed, EGH, the Cabinet Secretary, Ministry of Trade, Industry and Cooperatives; Dr. Fred Matiang'i, EGH, the Cabinet Secretary, Ministry of Interior and Co-ordination of National Government; State Agencies and Departments and sugar industry stakeholders (Importers and Traders). Further, the Committee undertook field inspections and fact-finding visits to Nairobi, Mombasa, Nakuru, Bungoma and Kakamega Counties.

It was established that there was negligence by Government Agencies concerned with sugar importation to regulate and inspect imported sugar. It was apparent that there was unlimited

importation of sugar following Gazette Notice No. 4536 dated 11th May, 2017 on importation of duty-free sugar.

Mandate of the Committees

The Departmental Committees on Agriculture & Livestock and Trade, Industry & Cooperatives of the National Assembly are established under Standing Order No. 216 and 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 Ministries and Departments and the effectiveness of the implementation;
c) study and review all legislation referred to it;
d) study, assess and analyse the relative success of the Ministries and Departments as measured by the results obtained as compared with their stated objectives;
e) investigate and inquire into all matters relating to the assigned Ministries and Departments as they may deem necessary, and as may be referred to them by the House;
f) to vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments); and
g) make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.

Pursuant to the mentioned roles of the Committees, the Speaker of the National Assembly directed the Committees to investigate the matter under the following Terms of Reference as requested by the Hon. Naisula Lesuuda, MP, Samburu West Constituency: -

1) To establish whether the sugar imported during the 2017 duty-free window was fit for human consumption.
2) To establish measures in place to ensure that the sugar in the market is safe for human consumption.
3) To inquire whether there is contraband sugar in the market and measures taken regarding the same.

4) To establish if the required procedures were followed in the importation of sugar under the 2017 duty-free window.
5) The disposal mechanism for the unfit sugar and contraband goods

MEMBERSHIP OF THE JOINT COMMITTEE

The Joint Committee Membership is comprised of the following;

1. Hon. Kanini Kega, MP– **Chairperson**
2. Hon. Adan Haji Ali, MP – **Vice-Chairperson**
3. Hon. Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP
6. Hon. Francis Munyua Waititu, MP
7. Hon. Florence Mutua, MP
8. Hon. Ferdinand Wanyonyi, MP
9. Hon. Simba Paul Arati, MP
10. Hon. Kathuri Murungi MP
11. Hon. Alois Musa Lentoimaga, MP
12. Hon. Kipruto Moi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Jones Mlolwa, MP
15. Hon. James Mukwe, MP
16. Hon. Daniel Maanzo, MP
17. Hon. Bunyasi John Sakwa, MP
18. Hon. Silas Kipkoech Tiren, MP
19. Hon. Alexander Kimutai Kigen Kosgey, MP
20. Hon. Yegon Brighton Leonard, MP
21. Hon. Gabriel Kago Mukuha, MP
22. Hon. John Paul Mwirigi, MP
23. Hon. Dr. Wilberforce Oundo, PhD, MP
24. Hon. Dr. John Kanyuithia Mutunga, MP
25. Hon. Adan Haji Yussuf, MP

26. Hon. Janet Jepkemboi Sitienei, MP
27. Hon. Dr. Daniel Kamuren Tuitoek, MP
28. Hon. Fred Ouda, MP
29. Hon. Joyce Kamene, MP
30. Hon. Justus Makokha Murunga, MP
31. Hon. Rahab Mukami Wachira, MP
32. Hon. Anab Mohamed Gure, MP
33. Hon. Robert Gichimu, MP
34. Hon. Patrick Kimani Wainaina Jungle, MP
35. Hon. Generali Nixon Kiprotich Korir, MP
36. Hon. Joseph Nduati Ngugi, MP

COMMITTEE SECRETARIAT

1.	Mr. Ahmad Kadhi	- First Clerk Assistant
2.	Mr. Erick Nyambati	- Second Clerk Assistant
3.	Mr. Nicodemus Maluki	- Third Clerk Assistant
4.	Ms. Nuri Kitel Naatan	- Third Clerk Assistant
5.	Mr. Peter Mwaura	- Legal Counsel I
6.	Ms. Colletah Sigilai	- Legal Counsel II
7.	Mr. Erick Kariuki	- Research Officer
8.	Mr. Chelang'a Rotich Maiyo	- Research Officer
9.	Ms. Deborah Mupusi	- Media Relations Officer
10.	Mr. Yaqub Ahmed	- Media Relations Officer
11.	Ms. Rose Omtere	- Audio Officer
12.	Mr. Alex Mutuku	- Sergeant At -Arms
13.	Ms. Faith Makena	- Sergeant At- Arms
14.	Mr. Richard Sang	- Sergeant At- Arms

1.0 INTRODUCTION

Referral of the Inquiry and Terms of Reference

1.1 On 13th June, 2018 the Cabinet Secretary, Ministry of Interior and Coordination of National Government Dr. Fred Matiangi, made a public pronouncement while at the Directorate of Criminal Investigations alleging that sugar in the Country was laced with mercury which triggered a national debate leading to a public outcry.

As a result of the public pronouncement, the Hon. Naisula Lesuuda, MP, Samburu West Constituency, on Tuesday 19th June, 2018 requested for a Statement from the Chairperson Departmental Committee on Trade, Industry and Cooperatives regarding the contraband sugar seized in most parts of the country pursuant to Standing Order No. 44 (2) (c). The Speaker invited Members to comment on the issues raised in the Statement where the matter was deliberated. He subsequently directed that the matter be dealt with jointly by the Departmental Committees on Trade, Industry & Cooperatives and Agriculture & Livestock and report back to the House within a period of ten (10) days.

1.2 The Committee was guided by the following Terms of Reference in responding to issues raised in the Statement; To establish: -

i. measures in place to ensure that the sugar in the market was safe for human consumption.
ii. the source of the contraband sugar and the entities responsible for importation of the sugar.
iii. mechanisms for disposal of the contaminated sugar.
iv. measures in place to guarantees the safety and fitness of food items in the market.
v. the circumstances under which the contraband sugar acquired Kenya Bureau of Standards stickers.

1.3 The Committee began its investigations on 22nd June, 2018 by developing its operational guideline, timetable and schedule of activities. The Committee held a total of twenty-six (26) sittings during which it received information from the following institutions: -

i. The Ministry of Agriculture, Livestock, Fisheries and Irrigation;
ii. The Ministry of National Treasury and Planning;
iii. The Ministry of Trade, Industry and Co-operatives;
iv. The Ministry of Interior and Coordination of National Government;
v. The Ministry of Health;
vi. Diamond Wholesalers;
vii. SGS Kenya;
viii. Rai Group Representing West Kenya Sugar Company Limited Sukari Menegai Oil;
ix. Hydrey (P) Limited;
x. Kenya Revenue Authority;
xi. Kenya Bureau of Standards
xii. Council of Governors
xiii. Sony Sugar Company Limited

Written Submissions by Companies;

i. Sukari Investments
ii. YH Wholesalers
iii. Regional Bargains Limited
iv. Cosmocare Industries Limited
v. Anwar Oil Limited
vi. Inland Africa Limited
vii. Herob Enterprises; and
viii. Haleel Commodities

STATUS OF KENYA'S SUGAR INDUSTRY

1.4 Kenya's sugar production remained low in the year 2016/2017 due to severe drought experienced in Kenya in 2017 and continued poor performance of the state-owned sugar milling plants caused by depressed cane production by milling Companies to meet their production target. According to statistics by Ministry of Agriculture, Livestock and Fisheries, the monthly local sugar production was on a downward trend from 53,071MT in January to 10,871MT in August, 2017 against a monthly demand of 50,000MT. Resulting from this deficiency, the

Country has been importing sugar to bridge the shortfall based on the statistical analysis and advice by the Agriculture Food Authority.

1.5 The import safeguard that limits duty free sugar imports from the Common Market for Eastern and Southern Africa (COMESA) Countries remains in place. In furtherance to the regulations in the sugar industry Kenya remains steadfast in expanding its sugar production by putting safeguards to leverage its performance as well as sustaining local demand. In COMESA region there was a shortfall of 210,000MT.

1.6 The prolonged drought and famine experienced in 2016/18 in most parts of the Country culminated in severe shortage of vital foodstuff, mainly sugar. The scarcity of these key food items caused serious challenges as prices escalated beyond the reach of Kenyans.

1.7 To mitigate on the effects of drought and famine; His Excellency the President and the Commander in Chief of the Defence Forces declared drought and famine National Disaster through Executive Order No. 1 of 2017 on 10th February, 2017.

1.8 The Food Security Committee meeting held at Harambee House on 5th May, 2017 and 21st June, 2017 reviewed the prevailing maize shortage and high prices of sugar and milk in the market.

1.9 The Committee noted the escalation of prices and resolved to request the National Treasury to Gazette duty – free imports of sugar and milk for purposes of lowering their prices and make them affordable to the general public.

1.10 The Sugar industry in Kenya was currently faced with grave problems that include high costs of inputs and stiff competition from low cost manufacturers (KSB, 2017). The current state of sugar sector is primarily as a consequence of destructive political policies that have seen corruption, mismanagement and shortage of partisan goodwill ruins the sector (SCAM, 2002).

1.11 The resultant effect of these policies is a perennial increase in insufficiency levels amongst farmers and subsequent decline in a maintainable competitive gain and growth of the subsector (Barney, 2006). The condition has been worsened more by non-sequenced trade liberalization treaties.

1.12 This policy has contributed to uncontrolled influx of imported (often dumped) sugar into the national market. The sector is presently operating under COMESA safeguard measures which will terminate in February 2018. There is an urgent need for radical reforms and scanning of the turbulent competitive landscape for the industry all the stakeholders (Peteraf, 2003).

1.13 Kenya Sugar segment is destined to undertake key reforms in several aspects to build competitiveness and introduce effective governance in the commodity supply chain. Sugar from the international market and other low-cost manufacturers such as Malawi, Zambia and Swaziland who are members of COMESA and SADC trading blocks, pose a great threat to Kenya sugar segment survival attributable to zero tariff tax regimes operated by COMESA that allows free motion of sugar within member states.

1.14 Kenya is presently enjoying a temporary protection through a COMESA safeguard that was granted to allow Kenya build its economic advantage until 2018 when the safeguard measure will be lifted.

2.0 EVIDENCE AND SUBMISSIONS FROM GOVERNMENT MINISTRIES AND STAKEHOLDERS

The Ministry of Agriculture, Livestock, Fisheries and Irrigation

Hon. Mwangi Kiunjuri, EGH, MP, the Cabinet Secretary for the Ministry of Agriculture, Livestock, Fisheries and Irrigation appeared before the Committee on Monday 25th June, 2018 and submitted as follows;

2.1 Kenya and East Africa region experienced severe drought in late 2016 and 2017 which led to reduced production of essential food stuff like maize, sugar and milk.

2.2 To mitigate on the effects of the drought and famine the President through Executive Order No. 1 of 2017 declared drought a national disaster and directed the concerned ministries to take immediate action to ensure that there were enough supplies of the essential food commodities in the country. (Annex 4)

2.3 Sugar production trends was on the decline as a result of the drought and consequent low cane supply; that depressed monthly production of local sugar declined from 53,071 MT in January 2017 to 10,872 MT in August 2017 against a monthly demand of 60,000 MT.

2.4 Statistics indicate that on May 2017, the average sugar prices increased from Kshs. 130 per kilo in January to Kshs. 179 in cities and Ksh. 250 in rural areas; this sudden increase in sugar prices was occasioned by the decline in production against average demand.

2.5 Kenya produces on average 60% of her domestic sugar requirement, while the deficit is imported from COMESA and EAC countries. During this period the imports from COMESA and EAC were also on a downward trend from 25,113 MT in January 2017 to 15,740 MT in April 2017.

2.6 In view of the above trends, there was an urgent need for Government to take urgent measures to address the acute sugar shortage and stabilize retail prices that had skyrocketed, in a bid to cushion the public.

2.7 On 12th May 2017, the Cabinet Secretary National Treasury issued a Gazette Notice No. 4536 seeking for the importation of sugar and powdered milk duty free from the world markets to mitigate on the escalating prices of sugar and guarantee availability to the public. This gazette notice was to remain in force to 31st August, 2017. **(Annex 5)**

2.8 Further, the Cabinet Secretary noted that on 4th October 2017 the Cabinet Secretary National Treasury through Gazette Notice No. 9801 extended the duty-free importation of sugar consigned to local millers up to 31st December, 2017. **(Annex 6)**

2.9 Based on the available quantities and market assessment the Ministry of Agriculture advised the Cabinet Secretary, National Treasury to bring forward the duty-free importation since there was sufficient stock of sugar in the country; consequently the Cabinet Secretary National Treasury on 13th October, 2017 through Gazette Notice No. 10149(Annex 8) brought

forward duty free importation of sugar under Gazette Notice No. 9801 from 31st December 2017 to 13th October 2017 as requested by the Cabinet Secretary Agriculture.

2.10 A total of 829,871 MT of brown sugar was imported in the year 2017.

2.11 The Cabinet Secretary tabled the list of companies that imported sugar during the duty-free period with the quantities associated to each company and also the sugar millers involved in the importation. (**Annex 9**)

2.12 The Ministry of Agriculture, Livestock, Fisheries and Irrigation does not have the mandate to impound contraband sugar or its products. However, the Ministry collaborates with relevant authorities under whose mandate this falls, by providing any information required if any.

2.13 Sugar importers took advantage of the duty-free period arising from the Gazette Notice No. 4536 which allowed everybody to import sugar in to the country without observing the requirements of regulatory agencies specifically the sugar directorate of AFA.

2.14 On quality of the imported sugar and other contraband sugar in the country; when issuing licenses, AFA specifies the type and quantity to be imported while the Kenya Bureau of Standards (KEBS) has the mandate, capacity and procedures to determine quality as per the applicable standards.

2.15 To eliminate the resurgence of contraband goods including sugar importation; the Kenya Bureau of Standards (KEBS) and the Anti-Counterfeit Agency (ACA) ought to undertake market surveillance and coordinate their activities to ensure that no counterfeit goods are brought into the country.

2.16 The role of the Ministry was to advise on sugar and other products to be imported whereas the application and enforcement of Standards is carried out by the Kenya Bureau of

Standards. Additionally, the Ministry collaborates with other Government agencies on matters of Food Safety.

2.17 Kenya is currently enjoying COMESA safeguards and one of the conditions of the safeguards is that Kenya has an obligation to import 210,000 MT from COMESA member states in 2018, this is based on the extension of the safeguard following the government's request to facilitate restructuring of the Sugar industry and enhance self-reliance in sugar production.

2.18 The sugar sector in Kenya is faced with myriad of challenges that require multifaceted approach to mitigate them and realize optimal production; these challenges are: -

i. Litigations on the proposed regulations
ii. Ageing equipment and obsolete technologies in public mills
iii. High debt burden
iv. Cane poaching
v. Non-payment to farmers
vi. Low uptake of high yielding varieties
vii. Low diversification initiatives within the value chain
viii. Over employment in public mills

2.19 The Ministry in consultation with the County Governments is currently working to expedite the gazettement of sugar regulations, which will streamline the operations of the sugar sector. There are also consultations regarding the future ownership and management of public mills with the aim of modernizing and improving efficiency.

The Minister submitted written evidence that;-

2.20 The Cabinet Secretary submitted written evidence that consultations on sugar importation were done during food security meetings held on Friday, 5th May 2017 and Wednesday 21st June 2017 at Harambee House to discuss the prevailing maize shortages and high prices of commodities. The meetings were chaired by the Head of Public Service. The excerpts from both meetings are as follows.

Excerpt: Minute No. 5 of 5th May 2017: Milk and Sugar Supply in the Country

"The meeting reviewed the supply of sugar and milk in the market and noted that their prices had escalated beyond reach of many Kenyans. To ensure steady supply of the products at affordable prices, the meeting requested the National Treasury to gazette duty free imports of sugar and milk for purposes of lowering their prices". Action: National Treasury

Excerpt: Minute No 3 of 21st June, 2017 Part 2 on Sugar

"The meeting noted that adequate sugar had been imported but traders were overcharging beyond the recommended price. It was thus agreed that the Ministry of Interior and Coordination of National Government and the Ministry of Trade should mobilize their officers to enforce the government price. It was also agreed to invite the Director General –National Intelligence Service and the Principal Secretary for Interior to attend the next meeting to discuss the modalities of monitoring and enforcing the price" Action: Interior, Trade, National Intelligence Service

The National Treasury and Planning

Mr. Henry Rotich, the Cabinet Secretary Treasury and National Planning appeared before the Committee on Monday 25th June, 2018, and informed the Committee that;

2.21 In 2016/17, the Country was hit by drought and famine that led to depressed yields and production on Agriculture and in effect caused the skyrocketing of food prices including sugar, milk and maize.

2.22 Due to the said drought, as one of the initiatives to mitigate this, on 10th February, 2017 the President through Executive Order number 1 of 2017(**Annex 4**) declared drought a national disaster and directed all relevant ministries to take immediate necessary action to ensure that there were enough supplies of essential food commodities in the country thus alleviate the effects of the drought.

2.23 Further the East Africa Community Customs Management Act, 2004 under section 114 (2) allows for the importation of goods duty free by a member state upon a phenomenon being declared national disaster. **(Annex 10)**

2.24 Subsequently, the Cabinet Secretary National Treasury and Planning issued Gazette Notice No. 4536, **(Annex 5)** of 11th May, 2017 on importation of sugar and powdered milk duty-free between 12th May, 2017 to 31st August, 2017;

The Gazette notice in part stated as follows;

a) Sugar imported by any person with effect from the date of the notice to the 31st August 2017..."

2.25 The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be dully observed including health safety, quality specifications and standardization by Kenya Bureau of Standards in accordance with the standards Act, Cap. 496. Importation was time bound and not quantity

2.26 Since Gazette notice no. 4536 was open, it allowed any person to import sugar. Stakeholders reached out to CS for Agriculture and Livestock and the Sugar Directorate of AFA to discuss the need of reviewing the Gazette Notice No. 4536 issued by CS Treasury and National Planning to restrict importation of sugar by limiting the quantities and persons to import, such as millers, who had the capacity of ensuring quality sugar was sourced and imported.

2.27 By the expiry of the Gazette Notice the Ministry of Agriculture in their supply/demand analysis observed that; -

i. There was a 50% deficit on domestic production leading to an overall national deficit of about 50 %,

ii. Sugar millers were facing underutilization of the domestic factories due to shortage of cane: and

iii. High sugar prices persisted

2.28 The Ministry of Agriculture therefore recommended that sugar millers be granted permission to import sugar duty-free up to 31st December 2017.

2.29 The Cabinet Secretary Treasury and National Planning following the advice from CS Agriculture issued Gazette Notice No. 9801(**Annex 6**) which allowed local sugar millers to import sugar from 1st September, 2017 to 31st December, 2017.

The Gazette notice in part stated as follows;

"...Duty shall not be payable for sugar which will have been loaded into a vessel between 1st September 2017 and 31st December 2017 destined to a port in Kenya and consigned to a local sugar miller.

2.30 On 10th October 2017 following further analysis of the sugar situation in the Country, the Ministry of Agriculture advised that the sugar in the country was reasonably sufficient and that the was no need for more sugar importation hence the need to revoke Gazette Notice No. 9801 of 2017. Consequently, the CS Treasury through Gazette Notice No. 10149 of 13th October 2017 moved the deadline for duty-free importation from 31st December 2017 to 13th October 2017.

2.31 On the issue of clearance of goods at the port of Mombasa, the Kenya Revenue Authority uses automated scanners as well as pre-arrival declaration forms for bulk clearance hence reducing mis-declaration of imports.

2.32 To address the challenge of illicit trade on all commodities and support the Kenya Revenue Authority address revenue leakage through tax evasion the president has launched a multi-sectoral agency with clear terms of reference on eliminating counterfeits and contraband goods in the country.

The Kenya Revenue Authority (KRA)

2.34 The KRA Commissioner General Mr. John K. Njiraini appeared before the Joint Committee on 3rd July 2018 and informed the committee as follows;

Administration process during the Duty-Free Importation Window

2.35 Pursuant to the Declaration of the National Disaster by the Government of Kenya, the Cabinet Secretary, National Treasury, in accordance with the provisions of Section 114 (2) of the EAC Customs Management Act, 2004, approved the importation of sugar on duty free basis with effect from 12th May 2017 to 31st August 2017 vide the Kenya Gazette Notice No. 4536 dated 11th May 2017

2.36 Subsequently, Gazette Notice No. 9802 dated 29th September 2017 (**Annex 7**) amended Gazette Notice No. 4536 of 11th May 2017 by deleting the word "imported" and substituting therefore the words *"loaded into a vessel destined to a port in Kenya"*. The amendment meant that duty was not to be charged on sugar loaded into a vessel destined to a port in Kenya between 12th May 2017 and 31st August 2017.

Gazette Notices relating to Sugar Millers

2.37 Gazette Notice No. 9801 dated 29th September 2017 granted duty waiver on sugar loaded into a vessel destined to a port in Kenya between 1st September 2017 and 31st December 2017 and consigned to a local sugar miller.

2.38 Subsequently, Gazette Notice No. 10149 dated 13th October 2017 amended Gazette Notice No. 9801 of 29th September 2017 by deleting the expression "31st December 2017" and substituting therefore the expression "13th October 2017" This amendment means that duty shall not be charged on sugar loaded into a vessel destined to a port in Kenya between 1st September

Internal Communication

2.39 The Kenya Revenue Authority, in consultation with the National Treasury developed administrative guidelines to facilitate the implementation of the aforementioned Gazette Notices on Duty-free sugar importation.

2.40 Due Diligence

Upon expiry of the initial exemption deadline of 31st August 2017, KRA received requests to facilitate duty free entry of sugar whose arrival was said to have been delayed by various logistical challenges. Upon processing the request, KRA advised the National Treasury of its inability to admit the sugar on duty free basis given the strict timelines stated in Gazette Notice No. 4536. **(Annex 13)**

2.41 Additionally, while conducting due diligence to ensure that only sugar that met the requirements specified in the Gazette Notices 4536 was allowed into the country on duty free basis, KRA intercepted an importation of 40,000 MT of brown sugar purported to have originated from Brazil and declared to have been loaded within the gazette period.

Upon verification of the import documents, several inconsistencies were detected in regard to certificate of origin; date and place of loading; place and date of the inspection and change of ownership; among others. Consequently, KRA declined to allow the importation on duty free basis and demanded Kshs 2.5 billion in taxes.

The importer objected to the demand and filed a case in Court. The matter is currently before the Supreme Court.

Raw versus Table Sugar

2.41 The report noted that;

(i) Raw sugar is obtained by processing sugar cane (or beet) juice into crystalline solid sugar. A number of processes are involved in production of raw sugar and includes processes such as milling the canes, crushing, juice clarification, evaporation, crystallisation and centrifugation

(ii) Raw sugar can then be categorised into various grades depending on the colour of the sugar in solution and sucrose content. Traditionally some of the grades of raw sugar

generally encountered include brown sugar and mill white sugar classified on the basis of colour.

(iii) The colour of raw sugar in solution is a property that is greatly dependent on the efficiency of sugar production process and other factors such as the condition of the raw material, seasons of the harvest of cane and prevailing environmental conditions during processing.

(iv) Raw sugar (brown or mill white) having satisfied quality criteria set out for fitness for human consumption by a qualified body is often referred to as 'table sugar' or 'common table sugar'.

(v) On further processing or purification of raw sugar under specific conditions, industrial sugar is obtained. Industrial sugar has reduced colour and very high sucrose content.

(vi) The terms 'common table sugar', 'mill white sugar', 'brown sugar', 'white sugar' and so on refer to the various grades of raw sugar based on the quality parameters such as colour, sucrose content and fitness for consumption.

2.43 **Customs Classification of Raw Sugar**

(i) The classification of raw cane sugar for the purposes of international trade is guided by the World Customs Organisation (WCO) Harmonised Systems Convention of Commodity Coding (HS) of which Kenya is a Party.

(ii) Chapter 17 of the Harmonised System covers the classification of Sugar and Sugar Confectionary.

(iii) Raw cane sugar in solid form is classified under the tariff heading 17.01.

(iv) Under the tariff heading 17.01 "raw sugar" means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5°.

(v) The sugar imported under the exemption regime falls under the tariff codes: -

a) 1701.13.90 .....raw cane sugar obtained without centrifugation and having sucrose content on dry basis corresponding to a polarimeter reading of 69° or more but less than 93°

b) 1701.14.90..... other raw cane sugar

(vi) The distinction between the two tariff codes is based on the sucrose content as given by the polarimeter readings and not based on suitability for consumption.

(vii) Polarimeter reading is an expression of sucrose content of sugar in solution. A polarimeter is a scientific instrument used to measure the angle of rotation caused by passing polarized light through an optically active substance.

(viii) Sugar contains optically active sucrose which rotates polarized light to an extent that is directly proportional to the quantities present in sugar sample.

(ix) In order to establish fitness for consumption, the raw cane sugar imported under the exemption regime were accompanied by Certificates of Conformity (CoC) from the Kenya Bureau of Standards.

2.44 Types of Packaging of Raw Cane Sugar Encountered During Importation

(i) The raw cane sugar imported under the exemption regime was presented to customs in 50 kilogram bags and in un-bagged bulk carriers.

(ii) Whether sugar is imported bagged or un-bagged, release by customs is conditional upon confirmation by relevant regulatory agencies of the fitness of the product for entry into the country. In all cases where un-bagged sugar was imported, all regulatory agencies including Kenya Bureau of Standards (KEBS), Port Health, and Radiation Board certified the consignments as fit for importation.

2.45 Customs and border control department's mandate is to ensure strict compliance by importers to the exemption provisions and other import requirement in collaboration with other government regulatory agencies in terms of customs documentation on importation.

2.46 The following are the pre-condition for sugar imports:

i. Import declaration form;

ii. Preparation of an import entry and payment of taxes due such as VAT/IDF/DUTY/RDL/MSS among others;

iii. COMESA rates approval by customs rules of origin office (if COMESA rates apply, import duty is waived 100% or as per agreement on the COMESA rates platform);

iv. Pre-export verification of conformity to standards (PVOC or local certificate of conformity). The inspection for quality standards is undertaken by KEBS locally or by their appointed agents (Intertek, SGS, CCIC and bureau Veritas) from countries of supply/origin;

v. Commercial invoice;

vi. Sugar permits issued by Agriculture Authority Sugar Directorate;

vii. Bill of lading/Air waybill/ road manifest;

viii. Internal exemption approval by customs exemptions office; and

ix. Any other relevant documents including Marine insurance cover note;

2.47 Joint verification is undertaken at entry point (port or border stations) to confirm that goods declaration tally with imported goods. Prior to the customs release, the following government agencies must be satisfied and grant approval; KEBS, Port Health, Radiation Board and Kenya Ports Authority.

2.48 Whether sugar is imported bagged or un-bagged, release by customs is conditional upon confirmation by relevant regulatory agencies of the fitness of the product for entry into the country. In all cases where un-bagged sugar was imported, all regulatory agencies including Kenya Bureau of Standards (KEBS), Port Health, and Radiation Board certified the consignments as fit for importation. The raw cane sugar imported under the exemption regime was presented to customs in 50-kilogram bags and in un-bagged bulk carriers
Alist of importers was provided **(Annex 17)**

2.49 **Mshale Commodities Limited**

There is evidence confirming existence of Mshale Commodities Uganda Limited and Mshale Commodities Limited Mombasa. Mshale Commodities Limited Mombasa is a registered entity in Kenya vides PIN P051216534Y.

In July 2016 one of the 4X20FT container number MEDU3333950 on manifest number 2016MSA130073, bill of lading number MSCUZS683812 on transit to Uganda imported by Mshale Commodities Uganda Limited. Verification was conducted by Government agencies led by Anti-Narcotics Police Unit and found with four unsealed polypropylene bags Concealed within the bags of sugar with a substance packaged in block shape suspected to be narcotic drugs. The four bags yielded 90 blocks of the item. Marks on the blocks of the substance read "Lacoste".

The 90 blocks suspected to be narcotics were marked as exhibits and packed in evidence bags and detained by the Anti-Narcotics Police Unit.

All four containers were secured under F89 number 203728 dated 29/07/2016 issued to OCS Port Police

Currently the matter is being handled by the relevant Government Agency (Anti-Narcotics Police Unit).

Record available show that Mshale Commodities Limited Mombasa imported 300MT Swaziland VHF brown sugar supplied by ED&F MAN SUGAR LIMITED after being granted authority by KEBS and ASD and Customs had no reasons to deny importation.

Takaba Investment Limited

2.57 Takaba Investments Limited has two directors namely; Hanan Adan Abdullahi of KRA Pin No A008110244X and Josephine Wanjiku Njoroge of KRA PiN No A008145285X. During the exemption period the company imported 780 MT of sugar.

ED & F MAN Sugar Limited

2.58 The available records indicate that the company supplied sugar to Mshale Commodities Limited Mombasa and Sukari Industries Limited after being granted authority by KEBS and Agricultural Authority Sugar Directorate. Details on the sources of sugar imported by Sukari Industries Limited and Mshale Commodities Limited Mombasa are provided in tables 11 and 12 below respectively.

The Ministry of Trade, Industry and Cooperatives

2.59 Mr. Adan Mohamed the Cabinet Secretary for the Ministry of Industry, Trade and Cooperatives, appeared before the Committee on Monday 25th June 2018, and informed the Committee that;

2.60 The responsibility of determining the sugar deficit, the quantities and the resultant gazettement of duty free importation window fall under the mandate of the relevant user Ministry.

2.61 The role of the Ministry through Kenya Bureau of Standards (KEBS) is to inspect and test imported sugar to ensure that each consignment meets the requirement of the Kenya sugar Standards.

2.62 As at 22nd June 2018 a total of 587,668 bags of sugar were impounded from 20 companies. Further, he noted that there are two key areas through which goods and particularly sugar can come into the Country that is the port of Mombasa and land borders.

2.63 95% of the sugar importation came through the port of Mombasa and had Certificate for Conformity (CoC) for each shipment of sugar, proving tests and conformity to Kenyan Standards.

2.64 In addition sugar importation is governed by East Africa Customs Management regulations as well as the COMESA quota levels assigned to each member country; Kenya was granted sugar importation safeguard extension by COMESA for a further period of two years from February 2018 on the understanding that Kenya will provide during the period an increase, based on the deficit, of quotas already set by the council.

2.65 The sugar seized from Diamond Wholesalers in Eastleigh and Paleah stores in Ruiru have undergone testing by the Kenya Bureau of Standards and the results tested positive for copper and lead. Further tests are being undertaken on the consignments seized by the multi-agency team in other parts of the Country to ascertain possibility of contamination with heavy metals and other impurities.

The Kenya Bureau of Standards (KEBS)

2.66 The Acting Managing Director, Mr. Moses Ikiara of KEBS appeared before the Committee on 17th July 2018 and submitted that;

The Mandate of Kenya Bureau of Standards

2.67 The Kenya Bureau of Standards (KEBS) is a statutory organization of the Government of Kenya established by the Standards Act, Cap 496, Laws of Kenya in July 1974.

The functions of KEBS as per the Standards Act Cap 496 Section 4 are as follows:

a) to promote standardization in industry and commerce;

b) to make arrangements or provide facilities for the testing and calibration of precision instruments, gauges and scientific apparatus, for the determination of their degree of accuracy by comparison with standards approved by the Minister on the recommendation of the Council, and for the issue of certificates in regard thereto;

c) to make arrangements or provide facilities for the examination and testing of commodities and any material or substance from or with which and the manner in which they may be manufactured, produced, processed or treated;

d) to control, in accordance with the provisions of this Act, the use of standardization marks and distinctive marks;

e) to prepare, frame, modify or amend specifications and codes of practice;

f) to encourage or undertake educational work in connexion with standardization;

g) to assist the Government or any local authority or other public body or any other person in the preparation and framing of any specifications or codes of practice;

h. to provide for co-operation with the Government or the representatives of any industry or with any local authority or other public body or any other person, with a view to securing the adoption and practical application of standards;

i) to provide the testing at the request of the Minister, and on behalf of the Government, of locally manufactured and imported commodities with a view to determining whether such commodities comply with the provisions of this Act or any other law dealing with standards of quality or description.

2.68 There was no prohibition for importation of brown sugar in bulk form, provided that the transportation complies with the *(CAC/RCP 47-2001 - Code of Hygienic Practice for The Transport of Food in Bulk and Semi-Packed Food.*

2.69 The key things that the standard requires to be confirmed are:

i. Previous commodities shipped in the vessel/container

ii. Risks for contamination of the commodities being shipped from the vessels' materials, paints etc.

iii. Presence of locks and seals for containers to prevent environmental contamination.

2.69 The following companies imported raw bulk sugar for processing;

West Kenya, Sukari Industries, Menengai oil and Amnav requested to be allowed to import sugar for processing at their factories into table sugar.

2.70 KEBS permitted the importation and gave the following conditions for its transportation to the factories:

1) The sugar be inspected at the country of origin.

2) The sugar be bagged in 50kg bags at the port.

3) The bags be labelled "NOT FOR SALE"

4) Sugar to be inspected, sampled and tested for compliance with KS EAS 749.

2.71The firms complied with the conditions given by KEBS with regards to transportation. Audit at the factories to confirm processing of the quantities imported was an ongoing process.

2.72 KEBS gave the following conditions for the bagging.

1) The sugar be inspected at the country of origin.
2) The sugar be bagged in 50kg bags at the port.
3) The bags be labelled in conformity with KS EAS 749:2010
4) Sugar be inspected, sampled and tested for compliance with KS EAS 749 and the firms complied with the conditions as given.

Copies of Certificate of Conformity

2.73 Copies of the Certificates of Conformity for the shipment of sugar imported between May 2017 and October 2017 were submitted to the Committee.

2.74 One of KEBS' mandate is to ensure that goods offered on sale in the local market outlets are compliant with the requirements of relevant Kenya Standards and/or approved specifications. This is done through controls and measures undertaken at the manufacturing level through product certification schemes and import inspection through Pre-export verification of conformity (PVOC) program and destination inspection. The two quality assurance activities are supported by market surveillance activities and testing infrastructure which is spread across the country. KEBS testing laboratories are accredited to ISO/IEC 17025:2005 - *General requirements for competence in Testing and calibration laboratories* by SANAS of South Africa.

The measures that KEBS has put in place to give assurance of the quality of the products being offered for sale in the market are;

Quality Inspection of Imports

2.75 Submitted that Quality of imported products is controlled through:

1. The Pre-Export Verification of Conformity to Standards (PVoC) programme.

2. Destination inspection at the ports of entry.

PVOC Programme

2.76 This is a programmer under which imported products are inspected at the countries of exportation and if complying with the relevant Kenya Standards or other approved specifications are issued with certificates of conformity (CoC).

2.77 Goods accompanied with CoCs are subjected to surveillance inspection and sampling at the port of entry on risk assessment basis.

2.78 The sugar imported is pre- inspected by KEBS appointed agents and issued with Certificates of Conformity (CoC) at the country of supply. A CoC is only issued for complying products which means the tested parameters are within limits allowed by the Kenya standards. The KEBS inspection agents are SGS and INTERTEK.
Some of these imports which come with a CoC are sampled and tested at the port of entry for surveillance purposes.

The certification of sugar is done against the following standards:

1) KS EAS 749: 2010 *Brown Sugar – Specification*
2) KS EAS 16:2010 *Plantation (Mill) white Sugar – Specification*
3) KS EAS 5:2009 Refined *white sugar — Specification*

For sugar to be cleared at the ports of entry, the following agencies must approve release based on their individual requirements:

1) Kenya Revenue Authority (Customs).
2) Kenya Bureau of Standards (Quality).
3) Port Health (Food safety).
4) Sugar Directorate (Licensing).
5) Radiation Protection Board (Safety)
6) Kenya Ports Authority (Logistics).

Destination Inspection

2.80 In the event some imports arrive at the entry points without CoC, the products are detained while samples are taken for testing for compliance with the relevant standards. Only compliant products are released while those that fail to meet the requirements are rejected. In order to enhance the fight against contraband products, KEBS is working with other Government agencies through a multi-agency framework at the entry points targeting the following consignments:

1) 100% inspection of consolidated cargo.
2) 100% inspection of products arriving without a COC.
3) 100% inspection of used clothes and shoes,
4) 100% inspection of imports through Eldoret Airport.

Certification of Imported products

2.81 All imported products are required to have Import Standardization Mark (ISM) before they are put on the shelf for sale. ISM is a secure mark with a track and trace solution which enables verification of authentic marks through special bar code readers and mobile application. This is to enable consumers as well as KEBS market surveillance to identify certified products in the market.

Some of the activities undertaken to mitigate substandard products include:

1) Conducting scheduled market surveillance to confirm the quality of locally manufactured and imported products to confirm presence and authenticity of KEBS marks.

2) Conducting targeted market surveillance based on receipt of complaints and intelligence information.

3) Confirming conditions of products including marking and labelling and taking appropriate action where products are found to be in poor state or marking and labelling is found wanting.

4) Confirming whether imported products have genuine Certificates of Conformity.

5) During surveillance activities our officers conduct awareness to businesses/stakeholders. This assists in promoting a quality culture in the general population.

6) We also organize awareness workshops on sectors noted to have perennial problems/complaints.

2.83 In 2017-2018, KEBS inspected and tested market samples totalling to 1396 from various sectors. This lead to 168 seizures most of which have been condemned and destroyed.

Results of Analysis for the various types of sugars

2.84 Kenya Bureau of Standards tested two categories of sugar samples as follows:

1. Samples of Sugar drawn from consignments seized by the Multi Agency RRI on fight against illicit trade.
2. Samples taken by KEBS Market Surveillance team from various outlets across the country.

2.85 The samples were tested against the following standards:

EAS 749: 2010 EAST AFRICAN STANDARD Brown sugars - Specification
This specifies for tests on polarization, colour, insoluble matter, lead, conductivity ash, moisture content, *E. coli, Salmonella*, Total viable count, yeast and moulds. On top of these parameters, mercury, arsenic, cadmium, and copper were also tested.

EAS 16: 2010 EAST AFRICAN STANDARD Plantation (mill) white sugar - specifications.
This specifies for tests on polarization, heavy metals such as arsenic, copper and lead, moisture content, sulphur dioxide, colour, conductivity ash, staphylococcus aureus, yeast and moulds. On top of these parameters, mercury, cadmium, manganese and nickel among others were also tested.

EAS 5: 2009 EAST AFRICAN STANDARD Refined white sugar - Specification.
Parameters tested in this case includes; invert sugar, polarization, arsenic, copper, lead, water insoluble matter, Coliforms, *Staphylococcus*, yeast and moulds, among others.

2.86 KEBS had tested two categories of sugar samples, the first category of sugar samples was drawn from consignments seized by Multi agency constituted to fight against illicit trade and the second category of sugar samples was taken by KEBS market surveillance team from various outlets across the Country.

Test result of sugar samples drawn from Seized sugar consignments;**(Annex 14)**

2.87 From a total of 1,319,668 50-kg bags seized in various locations across the country of the by the Multi Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags which translated to 96% of the total. The results indicated that 157,392 bags complied with standards while 705,000 failed. The failed bags were from lots of sugar meant for reprocessing and failed to meet standard in respect of the following parameters: -

- Moisture content
- Yeast and moulds

- Colour
- Total viable count
- Polarisation

2.88 The samples were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 mg/kg against a maximum acceptable limit of 2 mg/kg and lead was at 0.35 mg/kg on sugar which had been seized in Eastleigh and Ruiru, the consignment had been detained at DCI headquarters. The committee was informed that the seized sugar from Eastleigh and Ruiru was not from known sources. There was no other sample tested by KEBS have shown presence of these heavy metals. KEBS confirmed that there was no Mercury was detected on all the samples tested.

Test result of sugar samples drawn in Market surveillance; **(Annex 15)**

2.89 KEBS drew a total of 219 samples from 45 counties through market surveillance to establish on quality of the sugar in the Market. KEBS has tested 72 samples representing 21 counties'.42 samples complied with the standards representing 58.33 percent of the samples tested

30 samples failed to meet standard representing 41.7 percent of the samples tested in respect of the following parameters:

- Moisture content
- Yeast and moulds
- Color
- Total viable count
- Polarization

2.90 The samples from market surveillance were tested for the following heavy metals: Mercury, Arsenic, Lead and copper and did not detect any of these heavy metals in any of the samples drawn.

The Ministry of Interior and Coordination of National Government

2.91 Dr. Fred Matiang'i, the Cabinet Secretary Ministry of Interior and Coordination of National Government appeared before the Committee on Thursday 28th June 2018 and informed the Committee that;

2.92 The intelligence reports from the Directorate of Criminal Investigation has sufficient evidence and reason to believe that there were contraband and contaminated sugar in circulation in the country;

2.93 It was on that intelligence that a Multi-Agency Team mounted an aggressive campaign to protect public interest by impounding ALL suspect goods from circulation. He submitted that their first priority in dealing with the vice was to clean up the ecosystem to remove contaminated sugar and other products, from circulation;

2.94 The exercise by the Multi-Agency Team was successful as more goods were seized from various locations around the country and that his public pronouncement on the contraband good and counterfeits was intended to act as a cautionary statement to the public.

2.95 He undertook to assure the country that adequate measures have been put in place to ensure that going forward; no more contraband and/or contaminated goods find their way into the Kenyan market.

2.96 Regarding the Gazette Notice No. 4536 of 11th May 2017; he accepted Cabinet collective responsibility in the issuance of the Notice pursuant to the Executive Order No. 1 of 2017 by the Head of State on the declaration of drought and famine as national disaster.

2.97 Illicit trade from the port of Kismayu in Somalia was a big threat with many other ramifications including terrorism and movement of small arms. He also noted that Kenya has approximately 700 km of porous borders and the government is investing heavily to secure it through heightened border control. He further informed the Committee that plans were underway

to build infrastructure across the borders and move disciplined forces to secure the country and control illicit trade.

2.98 There was need to restructure the Kenya Revenue Authority (KRA) by separating the customs management and other revenue administration in an effort to stamp out illicit trade and contrabands in the local market through enhanced surveillance and customs management.

2.99 Excess sugar in the country was curtailing the growth of the local sugar industry by reducing the competitive advantage in production and thereby depressing revenue from sales.

2.100 The Ministry of Interior was undertaking investigations into the illicit trade, contrabands and counterfeits in the country with the assistance of international police (Interpol), it was meant to establish the origin and movement of these goods into the country hence develop mechanisms to eradicate the existence of such dealing.

SGS- Kenya Limited

2.101 Mr. Gringnard Stockell, the Director for SGS- Kenya appeared before the Committee and submitted that: -

2.102 The Kenya Bureau of Standards contracted SGS to carry out inspections. Kenya's PVoC ensures that goods meet mandatory safety, quality and security requirements, enables international trade, avoids delays in customs and reduces potential losses from the import of non-compliant products.

2.103 In 2017 there were four inspection companies approved by the Kenya Bureau of Standards (KEBS) including SGS-Kenya for the certification of sugar imports into the country. SGS – Kenya has a market share of 21% in certification of sugar imports measured by FOB value.

2.104 The SGS contract were entered and signed by the Kenya Bureau of Standards and the SGS-South Africa headquartered in Geneva, Switzerland, whereas SGS-Kenya Limited is hosting the Contract Management Office (CMO) representing the parent company in Kenya.

2.105 SGS-Kenya Limited was mandated to liaise with the Kenya Bureau of Standards on contractual agreements relating to the Pre-Verification of Export Certification (PVoC) on behalf of SGS- South Africa, as well as dissemination of KEBS regulations and standards.

2.106 The Certificates of Conformity (CoC) are issued by overseas affiliates domiciled in country of origin of the goods/exporters. That in the case of SGS-Kenya the certification process is undertaken by a technical centre referred to as the Certification Centre (CC) based in Manila, Philipines.

2.107 The certification process was conducted by the affiliates and the outcome delivered to the SGS certification centre for review of documents and certification decision is made by analysts hence the issuance of the Certificate of Conformity (CoC) for the cargo.

2.108 Certificate of conformity would be availed to the Kenya Bureau of Standards and Kenya Revenue Authority as well as the trading parties (importers and exporters) automatically. The progress relating to specific order can be tracked online in the SGS Certification system by the trader hence transparency in the certification of goods.

2.109 Metals such as Mercury, Cadmium, Arsenic and Lead enter the environment primarily as a consequence of industrial emissions or via the disposal of products containing these metals, including mercury-cadmium or cadmium –nickel batteries, lead-containing ceramics and glass, mercury thermometers.

2.110 Past uses, such as, the use of mercury as a seed dressing and as an antibacterial, the use of lead in water pipes and as an antiknock agent in petrol, and the use of arsenic as a rodenticide, have been largely phased out because of the toxicity and persistence of the metals.

2.111 Sugar cane grown on contaminated soils, such as oil landfills, might have increased amounts of heavy metals, which could be found in the brown and/or refined sugar, some fertilizers contain small amounts of heavy metals. Arsenic, cadmium and lead are found quite frequently, whereas mercury is only found in some specific cases.

2.112 The presence of lead and copper in sugar seems more possible, but in the Codex Alimentarius standards, no limits are set for lead and copper in sugar. In the Codex Alimentarius 193 (General Standard for contaminants and toxins in food and feed) sugar was not included.

2.113 Copper in general is not considered a heavy metal or a toxic element. Many food additives or food supplements contain copper in their formulae. World food programme (WFP) has set a maximum copper limit for white sugar at 1ppm and at 0.5ppm for lead.

2.114 SGS –Kenya is contractually obliged to use the Kenya Standards or East Africa Standards and for the case of brown sugar the applicable standard was the EAS 749:2010; However, in the process of certification Codex standard for sugar – CODEX STAN 212-1999 shall apply.

2.115 There were various types of sugar available in the world market, noting that sugar imported to Kenya is bagged at the manufacturers' premises and health certificate issued for such consignment. When refineries buy sugar for further processing, the consignment will be delivered in bulk.

Rai Group of Companies

2.116 Mr. Jaswant Rai and Mr. Tejveer Rai the Chairman and the Managing Director for Rai Group of Companies respectively appeared before the Committee and informed the Committee that;

2.117 The Rai group of companies has grown over the years to become a key player in the sugar industry by developing their facilities, processes and investing in their employees and communities as well as establishing and maintaining high standards of practice across the range of their operations.

2.118 In addition their efforts to produce products of the highest quality have been rewarded by the popularity of premium white sugar and golden-brown sugar that the West Kenya sugar company produces under the Kabras brand. The Rai Group of Companies had invested over 9

Billion in sugar related businesses over the last three years, paid 2.6 Billion in wages, contributed over 7.2 billion in taxes to the government and paid farmers over 14 Billion.

2.119 Further in the year 2015, the Rai Group of Companies crushed over 1,869,014 tonnes of cane producing 179,159 MT of sugar but in 2017 it reduced to 1,194,045 tonnes of cane crushed producing 100,607MT of sugar. The shortage of cane and resultant reduction in the quantity of sugar produced predictably gave rise to increase in prices.

2.120 The Kenyan Government responded in an effort to contain escalating prices through Gazzette Notice No 4536 published on 12th May 2017 by granting four-month duty exemption for the importation of sugar up to 31st August 2017.

2.121 Having been granted this lifeline by the Government the West Kenya Sugar Company limited along with other companies applied for and was granted a license to import bulk raw sugar by the Agriculture and Food Authority (AFA).

2.122 Millers under the umbrella Kenya Millers Association reached out to CS for Agriculture and Livestock and Sugar Directorate of AFA to discuss the need of restricting importation of sugar to only allow millers who had the capacity of ensuring quality sugar was sourced and imported. The response the millers got through their representative was that restricting permission to import sugar to millers would amount to discrimination against other traders.

2.123The Rai Group imported the following quantities of bulk raw sugar through the following listed companies; from Brazil 34,100 MT imported by West Kenya Sugar Company limited; 34,500 MT imported by Sukari Industries limited; and 40,000MT imported by Amnav Limited; from Thailand and COMESA region the following quantities: 21,000MT of bagged brown sugar imported by Menengai oil refineries limited all amounting to 129,600 MT of bulk raw brown sugar imported from Brazil and Thailand by Rai group of companies while the following quantities were imported from Swaziland; 34,800 MT by Amnav Limited and 25,200MT by Menengai Oil refineries Limited, altogether amounting to 60,000 MT.

2.123 The bulk raw brown sugar that was imported was stored in various warehouses in Mombasa, Nairobi, Nakuru, Webuye, Kakamega & Ndhiwa by making use of facilities owned by Rai Group of Companies to control costs and exercise control over the conditions of storage.

Some bags were stored in pan paper which is a recent acquisition of Rai Group of Companies with ample storage facilities which is ideal due to its proximity to processing plant in Kakamega.

2.124 The sugar stored at pan paper's premises was stored in a food safety godown normally utilized for the storage of paper that is used for packaging unga, wheat flour and other food products.

2.125 The sugar was bagged into 50 kilograms bags having been shipped in bulk. Bagging was done at qee side whereas some were bagged at the CFS with proper tagging 'NOT FOR SALE'. The sugar was stored at various locations such as JB Maina Warehouse, Multiple Internal Container Depot and Motrex Warehouse within the port. Due to the huge consignment imported by the Rai group of companies' raw bulk brown sugar that was imported was stored in various warehouses in Mombasa, Nairobi, Nakuru, Webuye, Kakamega & Ndhiwa.

2.126 The brown sugar found in Eastleigh, Nairobi labelled "NOT FIT FOR HUMAN CONSUMPTION" were not from his company as bagging and labeling of West Kenya Sugar Company were in white bags written "NOT FOR SALE".

2.127 All records, locations, documentation and can account for all the sugar imported by the company.

Diamond Wholesalers

2.128 Mr. Mohammed Sheikh Ahmed one of the Directors at Diamond Wholesalers with a shareholding of 4,000 shares out of a total of 15,000 shares appeared before the Committee on Thursday 28th June 2018. Diamond wholesalers had been adversely mentioned in regard to seized sugar consignment from their go downs in Eastleigh. He informed the Committee that:

2.129 The Company was registered in August 2004 to operate as a wholesale for various foodstuff within Nairobi.

The Company 1,600 bags of sugar were confiscated from their premises and that the matter was currently in court.

The company had purchased the commodity from West Kenya Kabras Sugar in packets of one kilogram each and in 50kgs bag from Landmark Freight Services that was sourced from Brazil.

Hydery (P) Limited

2.230 Mr. Naushad A. Merali the Director, Hydrey (P) Limited appeared before the Committee on Monday 2nd July 2018 and informed the Committee that; -

2.231 He joined the Hydery (P) Limited in 1980 and became the Managing Director in 1998. The Company exports Maize Bran, Wheat Bran, and Green Grams among many other goods to the regional markets and has been exporting sugar for the last 18 years. In the year 2017, the Company had planned to import sugar from COMESA ranging from 60,000 to 70,000 MT for the local market.

2.232 The Company imported 35,000 MT of Bulk Brown Sugar that was ready for consumption, having complied with the necessary conditions and tests. The sugar was imported from Brazil and Thailand which is outside COMESA region under close supervision and approval by KEBS.

2.233 The company sought the permission of KEBS to sell the product upon arrival at the Port of Mombasa since the sugar was a finished product ready for consumption requiring no further processing.

2.234 With regard to transportation and handling of the consignment, upon arrival at the port of Mombasa, the sugar was bagged into 50kgs bags and transported to designated warehouses.

2.235 The sugar sample was taken on 21st August 2017 and tested against the EAC 749 Standards and it complied.

2.236 The company is licensed to import sugar in the country and it operates under the Agricultural Food Authority (AFA) guidelines. The Company received all necessary and relevant certification from KEBs in every importation process.

2.237 He was not privy to the recommendation that Hydrey (P) had been black listed in the 11th Parliament report from importing sugar into the Country.

2.238 There was no relationship between the Hydery P Ltd and Holbud Limited as one is UK based Company and the other one is based in Mombasa. He confirmed that he has been regularly mistaken for Mr. Naushad Merali of Sameer Group of Companies

The Ministry of Health

2.239 Mr Peter K. Tum the Principal Secretary, Ministry of Health, appeared before the Committee on Tuesday, 3rd July, 2018 and informed the Committee as follows;

2.240 Part of the mandate for the Ministry of Health includes monitoring of Public Health hazards and inspection of storage facilities, amongst other functions in order to safeguard health and safety of citizens. In performing its functions, the Ministry is guided by legal instruments such as the Public Health Act Cap 242, Food, Drugs and Chemical Substances Act Cap 254. Further the Executive Order No. 1 of June, 2018 has placed the mandate of food safety under the Ministry of Health.

2.241 The Port Health officers conduct inspection of vessels, cargo as well as the crew before granting clearance for the same to dock. Sugar imports can either be in the form of a container or bulk cargo provided the standards specified are adhered to and a certificate of conformity was issued. In addition when sugar is imported in bulk form, it should be offloaded into bags and stored in a warehouse based on specific handling and storage procedures to avoid contamination.

2.242 Due to poor conditions of storage and handling, sugar may get contaminated after clearance to enter into the country. This is the major entry point to this country, upon inspection, raised safety issues on handling and storage of bulk sugar. He further informed the Committee that surveillance of foods placed in the market was further conducted by the county governments.

2.243 In Kenya there were three national standards for different types of sugar namely:

i. Brown sugar- specifications (KS EAS 749: 2010
ii. Refined White Sugar - Specifications (KS EAS 5: 2009)
iii. Plantation (mill) white sugar – specification (KS EAS 16: 2010)

2.244 In the three standards, the levels of arsenic, copper and lead are the same and are 1mg/kg, 2mg/kg and 0.5mg/kg respectively. However, the levels of moisture content are different, that is maximum of 0.2 % m/m and 0.15% m/m moisture content for brown sugar and light brown sugar respectively.

2.245 On the eradication of counter-feit and illicit trade, the Ministry of Health is participating in the ongoing Presidential Rapid Result Initiative (RRI) on eradication of counterfeits and illicit trade. The members include KRA, KEBS, Anti- counterfeit Agency, Ministry of Health, Police, Immigration, and Directorate of Criminal Investigation (DCI) amongst others. The RRI has resulted to seizure of various food commodities meant for human consumption.

2.246 In view of action taken by the Ministry of Health regarding health safety of goods, the Ministry issued two circulars to the county governments' officers, points of entry, the Kenya Association of Manufacturers and retailers giving guidance on surveillance and responsibility to safety of food stuffs such as sugar and cooking oils/ fats for the purpose of safe guarding the general public. The Ministry and the county governments conduct routine inspections and sampling of food articles at various parts of the country along the supply chain.

2.247 Following the circulars some consignments of sugar have been seized and sampled by the public health officers in some counties such as Nakuru, Kiambu and Nairobi amongst other counties and that the sampling exercise was still ongoing although some results were already out.

2.248 The laboratory analysis results as of 23rd June 2018 had found that copper, lead and arsenic contamination is within the standard specification. The analysis of mercury contamination was ongoing. **(Annex 16).**

2.249 Further the results have shown that 60% of the samples analyzed did not comply with the national standards making it unfit for human consumption. To this effect the respective counties have been advised to keep the contaminated lots under seizure pending destruction. **(Annex 16)**

2.250 In addition industrial sugar was also sampled and analyzed and the results of 29th June 2018 had found that sugar conforms to the standard specification and is fit for use in preparation of food meant for human consumption.

2.251 The results are based on each sample taken for analysis and including the safety conditions of the sampled lot. Additionally, analysis of these samples is ongoing at the government Chemist in Nairobi.

2.252 The broad objective of the Ministry of Health is to safeguard the public health of the consumers, population from consuming contaminated sugar. The ministry is aware that sugar is widely used in industrial and domestic hence it is of major public health interest. He promised to continue with enhanced surveillance to ensure that the risk is reduced.

The Council of Governors

2.253 H.E Hon. Okoth Obado the Governor for Migori County on behalf of the Council of Governors as the Chairperson for Agriculture Committee appeared before the Committee on Tuesday, 3rd July, 2018 and informed the Committee that;

2.254 Agriculture is a shared function between the National and the County government. County government is mandated with but not limited to Crop husbandry, trade development and regulation whereas the National Government has been assigned agriculture policy and international trade. The Kenya Gazette Supplement No. 116 of 9th August 2013; Legal Notice NO. 137 transferred enforcement of regulations and standards on quality control of inputs, produce and products from the National Government to county government.

2.255 It is therefore the duty of County Governments to ensure that all agricultural produce and products that are sold in our markets meet the national standards and thus fit for human consumption.

2.256 The County Governments have ensured that there is adequate human capacity, infrastructure and enough tools to undertake continuous testing and inspection of agricultural products. However, this process requires huge sum of financing.

2.257 Contraband and sugar unfit for human consumption has been lately flooding our markets which have largely been occasioned by weak regulatory institutions mandated to safeguard local farmers.

2.258 The National Governments should consult county governments in making international trade policy decision inclusive of Importation and Exportation of Sugar that meet the domestic and international requirements and ensure Kenyan consumers are protected.

2.259 Commodities that have been frequently dumped in the Country includes; sugar, fish and maize and it is unfortunate that even with the National Government`s initiative to promote manufacturing as a key pillar to industrialization, the country continues not only to have excess imports but also contaminated products.

2.260 Even with myriad of challenges, Kenya has a great potential and there is great political will to revitalize the sugar sector. The County Governments are key in seeing this sector grow to not only meet the country's sugar demand but also have surplus for exports.

2.261 He concluded by proposing that the Committee intervene in the following: -

i. Disbandment of AFA whose functions are a clear encroachment on County Governments;
ii. Fast- tracking of gazettement of the Sugar General Regulations.
iii. Inclusion of County Governments in matters of importation and exportation of sugar to ensure any import request is justified by prevailing deficits/surplus market conditions;
iv. Imposition of tougher penalty charges for those found culpable of Cane poaching and importation of contraband Sugar;
v. Write-off of all debts and claims owned by the Government to Public owned Sugar mills; and
vi. Injection of Capital to ailing factories to resuscitate their revival and that action be taken against individuals involved in illicit trade.

The South Nyanza Sugar Company Limited (SONY)

2.262 That Sony sugar company is a public owned state corporation with over 99% government of Kenya Ownership.

2.263 The decision to pursue importation of sugar during the duty waiver period was informed by the decline in cane production as well as to meet financial requirements for shareholders and farmers.

2.264 He informed the committee that Sony Sugar Company produces both brown and while granular (Plantation white) sugar for local consumption.

2.265 To shore up cash flows arising from continuous decline in local production and competition from duty free imports from NON-COMESA regions, collapse of market prices before and cane poaching by competitors the company undertook to take advantage of the scheduled government policy to waive duty on sugar importation during the period.

2.266 Sony Sugar Company Limited imported 50500 MT of bulk brown sugar in two consignments having followed the due process as per regulations representing about 5% of the total sugar imports for the year, 2017. The importation was effected through a buyback arrangement with MS. Holbud Limited, United Kingdom.

2.267 That Sony sugar in response to Gazette Notice. 9801 dated 29th September, 2017 decided via Board of Directors meeting of 12th October, 2017 to fast track a buy-back arrangement.

2.268 The company issued tender notice for expression of interest for partnership in the importation of sugar under a buyback arrangement. The buy- back process was formalized and an agreement entered with MS. Holbud, United Kingdom based on evaluation from three responsive bids.

2.269 That the sugar imported by Sony Sugar Company under went through due process in certification based on the KS-EAS 749:2010 and a pre-shipment permit and certificate of conformity issued by KEBS contracted agents. The Ag. Managing Director informed the Committee that sugar imported by Sony sugar was specified as Brown sugar for direct human consumption matching the specifications under East Africa Standards –EAS

749:2010 and inspection for product compliance certificates issued respectively by the regulatory agencies.

2.270 It is important to note that there was no further processing envisaged from the certification done by KEBS since EAS standards 749:2010 represent brown sugar for direct human consumption. Additionally, Sony Sugar Company Limited lacked in-house capability to re-process granulated sugar knowing that re-processing capability is inherent in a sugar refinery.

2.271 He further reported the committee that MS.Holbud being the primary contracted agent for Sony Sugar Company Limited retained the custody of the consignment upon clearance at the port. Storage arrangements, packaging and sale to the six buy-back local companies as per terms of the joint collateral management and buy-back agreement.

2.272 He submitted that the importation 50500 MT of sugar by Sony sugar company Limited was petitioned in the High Court by Mr.Okiya Omtatah on the basis of non-compliance to import duty clearance caused by the falsification of shipping documents to evade duty payment, safety measures of the consignment despite being offloaded to warehouses not under the custody of the company.

3.0 COMMITTEE FIELD INSPECTION VISITS

3.10 The Committee undertook inspection visits in **Nairobi, Mombasa, Nakuru and Kakamega/Webuye** to ascertain on the alleged/illegal and /or unfit sugar in the country with respect to public information, media reports and the seizure of sugar lots made by the multi-agency team in various parts of the country;

Below are the specific findings from the respective field visits: -

3.1 Mombasa

i. Port of Mombasa

3.11 The Sub - Committee while on inspection visit at the port of Mombasa was informed on various processes and aspects as follows: -

3.12 The Committee observed that for sugar to be cleared at the ports of entry, the following agencies must approve release based on their individual requirements:

1) Kenya Revenue Authority (Customs).
2) Kenya Bureau of Standards (Quality).
3) Port Health (Food safety).
4) Sugar Directorate (Licensing).
5) Radiation Protection Board (Safety)
6) Kenya Ports Authority (Logistics).

3.13 The Committee was provided with a summary report of sugar imported from May 2017 to date and copies of the Certificates of Conformity (CoC).

3.14 Members were further informed as follows;

- KEPHIS played no role in the importation of sugar as it did not fall within their mandate.
- The Anti Counterfeit Agency played no role in the importation of sugar.

3.15 Members noted that The Port Health Officer at Kilindini Sea Port had issued a notice to all sugar importers regarding the bagging of bulk sugar. In the letter dated 23rd October and delivered to the clearing agents, the document from the Ministry of Health notes that;

- Ideally sugar should be bagged at the country of origin
- Bulk consignments were imported without rebagging
- It was expected that bagging be done on arrival
- Consignments leaving the ports without bagging was against the Food Drugs and Chemical substance Act Cap 254 of the Laws of Kenya

1.16 The Officials from the Department of Criminal Investigations informed the Members that a total of eleven (11) godowns had been sealed for testing and verification. The facilities that had been sampled included following;

1. Freight Forwarders Limited
2. Ballore Logistics
3. Allied Wharfage
4. OCO Limited
5. Ligna Godow
6. Equity Logistics Ltd at NCPB Godown
7. Damaris Kandoli (Kinango)
8. Hyder (P) Limited at Bandari
9. Adil Wahab Adil at Mariakani
10. Cyber Commodities at Focus CFS
11. Kwale International Sugar Company

3.17 Members heard that the process was ongoing noting that facilities not yet sampled were those of, West Kenya Sugar Company (J.B. Maina Godown) at Kipevu, Ballore Logistics

ii. Quay Side, KPA Berth

3.18 During the tour of facilities members were shown how sugar was bagged quay side. The Committee was thereafter informed that the Kenya Ports Authority had the role of stevedoring which involved loading and offloading of cargo. Vessels expected at the port were declared a fortnight to the arrival with their Particulars listed e.g Name of the vessel, arrival date and length of the vessel. The Committee was informed that the role of the Immigration officers was to check the entry documents of the crew whereas the role of the Port Health Officer was to check the health status of the Officers and safety of the vessel before allowing anyone to board.

3.19 Members noted that before any cargo was offloaded clearance must have been given by the KRA, KEBS, Port Health, Anti – Counterfeit and KEPHIS hence KPA could not commence any cargo operations until a release order was issued by KRA. Therefore, KPA ideally was involved at the tail end of all other processes. Further, Members heard that it was the Importers'

responsibility to make arrangement for storage facilities outside the port of Kilindini Port as it doesn't have any storage facilities for bulk or bagged cargo.

3.20 Members were informed of the Cargo offloading processes that were used to offload the sugar;

1. Bulk Handling – sugar was scooped using grabs then offloaded to the awaiting trucks (tippers) which parked under the hoppers.
2. Bulk bagging – the process involved bulk cargo offloaded to the bagging plant and then bagged cargo loaded onto trucks.
3. Bagged sugar – Process of offloading sugar using cargo slings onto the waiting trucks.

3.21 The same tippers are used for other purposes like carrying clinker, fertilizer, sand, they informed the Committee that the trucks are cleaned and a lining attached when carrying and other foodstuff items.

iii. Hydery (P) Warehouses

The Committee visited the warehouse and was informed that;

3.22 The Warehouse had been sealed by the Multi-Agency taskforce. Samples had been taken for testing and verification. The facility contained bagged sugar in 50 kilograms bags.

3.23 Thereafter, the Committee noted that bagging of sugar from the shipment was done at quay side and appeared better than transporting and storage in open sheds as it was exposed to various impurities.

iv. Multiple Inland Container Depot (MICD)

3.24 Members visited the bulk storage facility and were informed that the facility handled bulk cargo where the activities involved depositing and bagging of raw sugar belonging to West Kenya Sugar which was deposited in bulk, bagged on site, and thereafter transported to Warehouses for storage pending further processing, a process that took a period of about 30 days.

3.25 Members observed that the structure was large enough to enable Lorries and Tippers to move freely. It was noted with concern that; the facility was located next to the Kibarani Dumpsite, there was heavy dust, clinker, mud and sand and there were remnants/deposits of sugar stuck on walls and surfaces of the facility.

3.26 Members heard that the sugar was dumped on the ground and that tippers and open trucks were used to transport the sugar from the ship, further, the raw sugar was unfit for direct human consumption and was to be subject to further processing. Finally, it was noted that at the time of visit there was no sugar stored at the facility.

3.2 Nairobi

3.27 The Committee undertook inspection visit to seized warehouses in Industrial Area, Nairobi at the Menengai Oil Facility; The Members were informed that Sugar Samples were collected from the facility and submitted for testing and analysis on 19th June 2018 by the Multi-Agency taskforce on illicit trade. Menengai Oil Company was a distributor agency selling to different food items to retailers and wholesalers including Diamond wholesalers, The Company had not previously been in the sugar importing business as this was their first time to import sugar.

3.28 Members thereafter observed that;

a) The godown with sugar was locked securely using two seals that were serialised.
b) The packaging was in 1-kilogram bags labelled "Ndhiwa sugar" and 50 kg bag from Brazil and Thailand.
c) The facility was well secured.
d) There were 230,000 bags of 50 kg sugar.

3.3 Nakuru

3.29 The Committee visited five godowns while undertaking an inspection visit in Nakuru.Four of the five godowns belonged to Menengai Oil Refeneries and one for United Millers.During the inspection the members observed that: -

1) Nakuru Industries

3.30 Menengai Oil Refineries ltd has leased Nakuru industries/Nakuru Blankets Warehouse in which over one million bags of seized sugar was found in three godowns. The three godowns were each secured with 2 padlocks belonging to the Multi -Agency team and that of Menengai Oil Refineries and a seal of a bank security agent Vallon as agreed by the parties.

3.31 The sugar was imported as Brown sugar in Bulk from Brazil for further processing thus not ready for consumption and the bags were labelled to that effect .The Bulk Sugar was packed in bags of West Kenya Sugar in Mombasa on arrival. Menengai imported the brown sugar to be processed by Sukari Industries/Ndiwa Sugar co. and West Kenya Sugar Company. The sugar was imported in May, 2017 after the publication of the Kenya Gazette notice number 4536 on importation of Sugar and Milk duty free. The sugar in the ware House had been cleared by KEBS and KRA.

3.32 The Colour of the Bulk brown sugar was not any different from processed brown sugar that is sold for consumption thus the bulk brown sugar can easily get into the market.

The storage of the sugar was wanting as the bags were stacked on each other on the floor that was dirty and damp.

No documentation was provided in regard to the Bulk brown sugar imported from Brazil.Photos and Samples of the sugar was taken.

2) **Menengai Godown**

3.33 Journalists were barred from accompanying Members into Menengai Oil Refineries premises but through the intervention of Members, they were allowed in.

The seal of the main door to the warehouse with seized sugar was tampered with; the seal that was found was 0144413 against what was recorded as 0144412.There was only one Padlock that belonged to the Multi-Agency Team thus a padlock belonging to Menengai Oil Refineries was missing.

3.34 The sugar seized in the godowns within the premises of Menengai Oil Refineries was imported as sugar ready for consumption. The seized Sugar in the store was as follows;

a. 1000 Metric Tonnes(MT) from Zimbabwe

b. 2,750 MT from Swaziland

c. 1000MT from Mozambique

3.35 The 14,750 MT of sugar were imported at a cost of USD 7,076,250 in May, 2017 after the Kenya gazette notice that opened a window for importing sugar duty free. The sugar had been cleared by KEBS and KRA

3.36 The storage of the Sugar was wanting. It was stored directly on dirty and dump floor thus vulnerable to contamination. Food hygiene licence had been issued despite the unhygienic condition/manner of sugar storage.

Samples and photos were taken.

3) **United Millers**

At United Millers godown, the delegation observed that:

3.36 The sugar was seized on 26th June, 2018 by the Multi Agency Team, it was the Thailand sugar is to expire on December 2018;The sugar was stacked on wooden beds/flats; The sugar had been cleared by KEBS and KRA; They had Thailand Sugar in small quantity and their main Godown is in Kisumu.

3.3. Kakamega and Webuye

3.37 The Sub-Committee undertook an inspection visit to Pan African Paper Mills and West Kenya Limited in Webuye and Kakamega respectively. The inspection visit targeted the warehouses where the seized sugar by the multi-agency team had been stored.

3.38 The Committee was informed that: -

3.39 West Kenya Sugar Company Limited was the leading sugar processing firm based in Kakamega County producing Kabras Premium White Sugar and Kabras Brown Sugar. The company has invested heavily in an ultra-modern sugar processing plant that has resulted to the growth of its market share by producing exceptional sugar. The factory had contracted over 60,000 small-scale sugar cane farmers to supply the factory with sugar cane.

3.40 The Committee heard that as result of the extended drought experienced in Kenya in 2016-2017 which was subsequently declared a national disaster through Gazette Notice No. 4536, the

Company requested and was granted authority by KEBS to import raw sugar in bulk from Brazil for processing and packaging in the factory.

3.41 The Committee was further informed that 59,000(50kgs) bags had been seized by the multi -agency team at their warehouse in Pan African Paper Mill in Webuye. The Committee also heard that six bags had been collected by KEBS for testing and analysis.

3.42 The West Kenya Sugar Company imported bulk brown sugar for further processing for the first time under the Rai Group and storage of the consignment provided by Menegai Oil Company and Pan African Paper Mills.

3.43 The Committee observed that: -

- The raw bulk brown sugar was packaged in 50kgs white bags marked "NOT FOR SALE".
- The warehouse where the impounded sugar was kept was under guard by the multi-agency security team.
- The storage facility was dusty, dumpy and lacked adequate ventilation.
- The Company only imported the raw brown sugar in bulk for further processing.

4.0 OBSERVATIONS

Having received oral and written evidence, the Joint Committee made the following observations:

Test Results of Sugar Samples by the Kenya Bureau of Standards

4.1 The Mandate of KEBS includes among others testing of locally manufactured and imported commodities with a view to determining whether such commodities comply with provisions of the Standards Act and any other relevant laws which provide for the Standards of Quality or description of commodities.

4.2 The certification of sugar is guided by the following standards: **(Annex 18)**

(a) KS EAS 749: 2010 *Brown Sugar – Specification*
(b) KS EAS 16:2010 *Plantation (Mill) white Sugar – Specification*
(c) KS EAS 5:2009 Refined *white sugar — Specification*

4.3 **No traces of Mercury were detected in the samples collected from seized sugar and from market surveillance by KEBS.** KEBS tested two categories of sugar samples; the first category of samples was drawn from consignments seized by the Multi-Agency Taskforce, **(Annex 14)** while the second category was collected by the KEBS market surveillance team from various outlets across the Country **(Annex 15)**. These market surveillance samples were collected from outlets most frequented by members of the public.

4.4 From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags. This translated to 96% of 1,319,668 50kg bags.

4.5 Out of the sample of 1, 266, 351 50kg bags, 837, 244 50kg bags equivalent to 66% of the sample failed the KEBS test. Only 157,392 of the sampled 1, 266,351 bags equivalent to 34% of the sample passed the KEBS test. It was noted that 705, 125 bags amongst the ones that did not meet the standards were meant for further processing. **(Annex14)**

4.6 To date KEBS has drawn a total of 261 samples from fourty five (45) counties with the exception of Tana River and Mandera, through market surveillance routine checks to

establish the quality of the sugar in the market. KEBS has tested 109 samples representing 42 Counties of which, 75 samples complied with the standard representing 68.81% of the total samples tested. Thirty four (34) samples failed to meet the set standards representing 32% of the samples tested for moisture content, yeast and moulds, colour, total viable count and polarisation. **(Annex 15).**

4.7 The samples collected by the KEBS **market surveillance** team were tested for the following heavy metals; Mercury, Arsenic, Lead and Copper. KEBS **did not detect any non-conformity** from the samples tested and analysed since Lead and Copper were within the recommended threshold.

4.8 The samples collected from sugar seized at Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm from samples of sugar seized at Diamond Wholesalers against a maximum acceptable limit of 2.0 ppm and the levels of Lead was at 0.35 ppm in samples collected from Paleah stores against the recommended limit of 0.05 ppm. **(Annex 14)**

Laboratory Sample Test Results from the Ministry of Health

4.9 The Mandate of the Ministry of Health includes amongst others, monitoring public health and safety and inspection of storage facilities. The Department of Public Health under the Ministry is singly responsible for the inspection and certification of storage facilities. Port health officers are required to conduct inspection of vessels, cargo as well as crew before a vessel is authorized to dock at the port.

4.10 The initial report from the Government Chemist as submitted to the Committee by the Ministry of Health on 23rd June, 2018 indicated that from 174 samples collected from 19 Counties, 60% of the samples tested and analysed for moisture content did not comply with KS:EAS 749:2010. The standard requirement is 0.2% m/m and 0.15% m/m maximum moisture content for brown sugar and light brown sugar respectively.

4.11 The sugar is therefore not fit for human consumption. In respect to heavy metals; laboratory analysis results **revealed that Copper, Lead and Arsenic contamination were within the standard specification for brown and light brown sugar.** Industrial sugar was also tested and analysed for conformity with the standard specifications. The tests showed that the **industrial sugar was fit for use in preparation of foods meant for human consumption.**

4.12 A subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for Mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample tested positive for Mercury at 0.5910 ppm hence not fit for human consumption. **(Annex16).** Correspondence through letter reference **Ref. F/MISC/270/17-18** between the Director of Public Health and the Public Health Officer, Bungoma County indicates that the sample was obtained from Webuye West. The Committee efforts to establish the ownership details of the consignment were unsuccessful. The contaminated sugar is under seizure by the Multi–Agency Taskforce (MAT) pending further action.

Cabinet Secretary for Interior and Coordination of National Government

4.13 The Cabinet Secretary for Interior and Coordination of National Government submitted that his allegation on presence of sugar contaminated with mercury in the country was cautionary and intended to call the attention of the general-public to the existence of contaminated products in the market.

4.14 The Government Chemist was moved from the Ministry of Health to the Ministry of Interior and Coordination of National Government through Executive Order No.1 of 2018 dated 5th June 2018. The CS did not corroborate his statement on presence of mercury in sugar despite the Government Chemist being housed in his docket by the time he appeared before the Committee.

Cabinet Secretary National Treasury

4.15 The Executive order No. 1 of 2017 dated 10th February, 2017 declaring drought and famine as a national disaster directed government Ministries, Agencies and Departments to institute measures aimed at alleviating the ramifications of the drought experienced in the country.

4.16 Inter-Ministerial meeting held at Harambee House on 5th May 2017 **(Annex 21)** resolved to import sugar duty free into the country. The meeting reviewed the supply of sugar and milk in the market and noted that the shortages had led to an escalation of prices of these products. The objective of the Inter-Ministerial consultations was to explore measures to mitigate the escalation of prices of sugar and milk.

4.17 The Gazette Notice No. 4536 **(Annex 5)** issued by the Cabinet Secretary National Treasury Mr. Henry Rotich published on 12th May 2017 allowed importation of;

(a) Sugar by any person, with effect from the date of the notice to 31st August 2017

(b) 9,000 metric tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board, with effect from the date of the notice to 31st July 2017.

4.18 The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be observed as per the law including health and safety, quality specifications and standardization by the Kenya Bureau of Standards and other relevant agencies in accordance with the law. The importation of sugar was time bound and not quantity based.

4.19 During this period 829,871 MT of sugar were imported against a deficit of 343,889MT based on the local production of 376,111 MT hence resulting to over importation by 453,760 MT. A total of 194 Companies imported sugar during the duty-free window. **(Annex)**.

4.20 The Gazette Notice No. 4536 failed to give guidelines on quantity and type of sugar that was to be imported, whereas importation of milk powder was specified in

paragraph (b) of the same Gazette Notice. The CS National Treasury opened up the otherwise well regulated sugar importation process to abuse by any person. This allowed for importation of 829, 871 MT of sugar when the deficit based on the local production was 343, 889 MT, hence an over importation by 453,760 MT.

The Role of CS Agriculture, Livestock, Fisheries & Irrigation

4.21 According to Executive Order No.1 of 2013, the then Ministry of Agriculture, Livestock and Fisheries was responsible for food safety, security and inspections. In this regard, the National Treasury published Gazette Notice No.4536 based on the Executive Order No. 1 of 2017 declaring drought and famine as a national disaster. A consultative inter-ministerial meeting chaired by Head of Public Service held on 5th May, 2017 **(Annex21)** at Harambee House directed the National Treasury to gazette the importation of sugar duty-free.

4.22 Registration of sugar importers is conducted pursuant to Legal Notice No. 114, Sugar Imports, Exports and By-Products (Amendment) Regulations, 2001 importers are required to file a pre shipment request with AFA by submitting documentary evidence of;

(a) Quantity and type of sugar to be imported;
(b) Country of origin;
(c) Pro-forma invoice showing all charges (FOB, Freight, Insurance Premium);
(d) Intended time of importation; and
(e) The supplier of the sugar.

4.23 After the expiry of Gazette Notice No. 4536 on 31st August 2017, the CS for National Treasury following the advice of the CS Agriculture, Livestock and Fisheries published a subsequent Gazette Notice No. 9801 on 4th October, 2017 **(Annex 5)** extending the duty free window for the importation of sugar. The Gazette Notice provided that duty would not be payable on sugar loaded into a vessel between 1st September, 2017 and 31st December, 2017 destined to a port in Kenya and consigned to

a local sugar miller. Gazette Notice No. 9801 as amended by Gazette Notice No. 10149 published on 13thOctober, 2017 created an avenue for tax evasion by sugar millers who imported sugar between 1st September, 2017 and 3rd October, 2017.

4.24 Gazette Notice No. 9802 amended Gazette Notice No. 4536 to specify that only sugar loaded on a vessel between 12th May, 2017 and 31st August, 2017 would quality for importation on a duty free basis. The failure to specify whether the waiver of duty was applicable to "sugar loaded on a vessel within the duty free window" or "sugar imported within the duty free window" was abused by unscrupulous dealers. Gazette Notice No.9802 was specifically designed to benefit fourteen (14) companies **(Annex 9)**. There were no justifiable reasons why the fourteen companies were given preferential treatment during the clearance of imported sugar.

4.26 The Gazette Notice No. 9801 was published on 4th October 2017 **(Annex 6)**. Therefore, sugar imported between 1st September and 3rd October 2017 was not within the duty free window. As such, millers who imported sugar outside the duty free window are obligated to pay import duty. The Gazette Notice contravened the basic principle on retrospective application of the law.

4.27 The Parliamentary report on the investigation into *"The crisis facing the sugar industry in Kenya"* by the Departmental Committee on Agriculture, Livestock and Co-operatives in the 11th Parliament established that certain companies were involved in illegal importation and repackaging of contraband sugar. The Committee had recommended that their import licences be withdrawn. The licensing body AFA did not withdraw the licences. Therefore some of the companies participated in and benefited from the duty free importation of sugar in 2017. The companies were; Czarnikow E. A. Ltd, Kenafric Industries, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.

The Role of South Nyanza Sugar Company Limited (SONY)

4.28 The South Nyanza Sugar Company applied for a licence to import 90,000 MT under Gazette Notice No. 9801. The Company was however allowed to import 50,500 MT on 19th October, 2017, six (6) days after the expiry of Gazette Notice No. 9801 on 13th October, 2017. In addition, the Company did not have the financial capacity to pay for the imports as it was technically insolvent. **(Annex 22)**

4.29 The Management of Sony Sugar Company informed the Committee that they were not involved in the handling of the imported sugar and could therefore not guarantee the quantity and quality of sugar imported. The licence issued to them was not transferable to a third party; they were paper consignees.

South Nyanza Sugar Company entered into a contractual agreement with Ms Holbud Ltd, an international supplier of commodities to secure the consignment. The Contract involved a *buy back* arrangement under which, Ms. Holbud would sell the imported sugar to Sony Sugar Company and the agents of Ms. Holbud would take responsibility for the importation, clearing and handling of the sugar. The six *buy back* companies along with Sony Sugar Company were required to meet all necessary legal and regulatory mechanisms as per the requirements of KS: EAS 749:2010. **(Annex 23)**

4.30 The Company made a commission of Kshs. 82 Million in a transaction worth approximately Kshs. 2.5 Billion. The contract lacked a clear formula for sharing the profit earned. If duty was paid on the imported sugar the country would have earned approximately Kshs. 2.5 Billion.

Handling, Storage and Disposal

4.31 The handling, offloading, bagging, storage and transportation of some of the sugar was done in contravention of the standards set out in KES:EAS 749:2010. From field visits conducted by the Committee in Mombasa (Multiple Inland Container Depots), it was evident that the sugar had been stored in unhygienic conditions contrary

to Section 127 of the Public Health Act. Specific violations included transporting sugar in open tippers which were also used to ferry other non-food products such as fertilizer. The sugar was stored in open warehouses on dusty contaminated with foreign elements such as klinker and cement.

4.32 According to the Cabinet Secretary Interior and Co-ordination of National Government 95% of sugar imported into the country gained entry through the port of Mombasa whereas 5% contraband sugar found its way into the country through porous borders. The quality and safety conditions of the contraband sugar could not be ascertained.

4.33 It is not possible to differentiate raw sugar (for further processing) and brown sugar (for direct consumption) in absence of laboratory analysis.

4.34 Some supermarkets, wholesalers and retail outlets served as avenues in the distribution and sale of the sugar, by virtue of the fact that most supermarkets, wholesalers and retail outlets purchase unpackaged sugar from millers in 25 kg bags or 50kg bags and consequently package it into smaller quantities under uncontrolled conditions.

4.35 From the samples collected from forty five (45) Counties by KEBS and laboratory analysis by the Government Chemist, contamination of sugar was majorly in moisture, yeast, moulds, total viable count and polarisation. Sugar contaminated with Mercury was detected in two samples; from Moi Airbase in Eastleigh, Nairobi and Webuye West in Bungoma County. The consignments of contaminated sugar are under the custody of the Multi-Agency Team pending further action.

4.36 Efforts by the Joint Committee to validate the findings of the Government Chemist on the presence of Mercury in the seized consignment of sugar by independent agencies namely the University of Nairobi and the Kenya Plant and Health Inspectorate Service (KEPHIS) were unsuccessful after they were denied entry to the two sites by the Multi-Agency Team.

COMMITTEE RECOMMENDATIONS

From submissions received and observations made, the Joint Committee recommends that:-

5.1 All sugar that does not comply with the set standards and hence unfit for human consumption should be destroyed by the Multi-Agency Taskforce or any other appropriate government agencies within twenty one (21) days of adoption of the report of the Joint Committee Departmental Committee on Agriculture and Livestock and Trade, Industry and Co-operatives by the House.

5.2 The importers, wholesalers and millers dealing in contaminated sugar should be investigated by the relevant government agencies with a view to prosecution for violating the provisions of Section 3 of the Food, Drugs and Chemical Substances Act (Cap. 254), Section 131 of the Public Health Act (Cap. 242) and any other relevant law.

5.3 The Kenya Revenue Authority should recover duty payable on all sugar imported between 1st September and 3rd October, 2017. The importers benefited as a result of the retrospective application of the law vide Gazette Notice No. 9801.

5.4 The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should investigate the alleged irregular transaction between South Nyanza Sugar Company Ltd and all other companies for the alleged tax evasion of approximately Kshs. 2.5 Billion.

5.5 The relevant investigative agencies should investigate the Cabinet Secretary for National Treasury to ascertain the circumstances under which Gazette Notice No. 4536, Gazette Notice No. 9801, Gazette Notice No. 9802 and Gazette Notice No. 10149 were issued, leading to importation of excess sugar into the country and evasion of taxes.

5.6 The relevant investigative agencies should investigate the then Cabinet Secretary for Agriculture, Livestock and Fisheries to establish the circumstances under which the CS recommended waiver of duty for the fourteen (14) companies which imported sugar under Gazette Notice No.9802.

5.7 The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should conduct further in-depth investigations of all irregularities relating to the importation of sugar into the country.

5.8 The Government should ban importation of un-bagged/bulk sugar and institute measures to guarantee the safety of sugar and other food commodities imported into the country.

5.9 The Government should ban the importation of raw sugar meant for further processing as table sugar to avoid diversion of this sugar into the local market and safeguard the local sugar cane farmers.

5.10 KEBS should undertake a thorough review of its existing standards for sugar importation to provide that all sugar imported into the country is tested for presence of heavy metals prior to issuance of Pre-verification of Export Certificate and Certificates of Conformity from the country of origin.

5.11 The relevant investigative agencies should investigate the then Cabinet Secretary, Ministry of Trade, Industry and Co-operatives under whose docket KEBS falls to establish the circumstances under which KEBS failed to undertake adequate market surveillance to guarantee the safety and quality of sugar in the country.

5.12 The Government, through the Multi-Agency Team should speed up investigations into the unfit and contraband sugar and publish its findings within twenty one (21) days of adoption of the report of the Joint Committee Departmental Committee on Agriculture and Livestock and Trade, Industry and Co-operatives by the House.

5.13 The relevant agencies should ensure that all raw sugar imported into the country during the duty free window is reprocessed in compliance with the set KEBS standards.

5.14 The Multi-Agency Taskforce should ensure that seized Sugar which has complied with the relevant tests and the set standards is released back to the owners immediately. (Annex)

5.15 The samples collected from sugar seized at Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested by KEBS for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm from samples of sugar seized at Diamond Wholesalers against a maximum acceptable limit of 2.0 ppm and the levels of Lead was at 0.35 ppm in samples collected from Paleah stores against the recommended limit of 0.05 ppm. (Annex). The Relevant government agencies to investigate the circumstances leading to the contamination of sugar with Copper and Lead.

5.16 In view of the findings submitted by the Government Chemist that two samples tested positive for Mercury (Moi Air Base, Eastleigh **Ref. F/MISC/267/17-18** at 0.1141 ppm and Webuye West, Bungoma **Ref. F/MISC/270/17-18** at 0.5910 ppm) and the obstruction of the University of Nairobi (UoN) and Kenya Plant Health Inspectorate Service (KEPHIS) to validate the same finding through independent testing agencies, the relevant Government agencies should immediately conduct further investigations on:-

(a) Why the contracted institutions were denied access by the Multi-Agency Taskforce to the consignments or lots on two occasions; and,

(b) The circumstances leading to the contamination of sugar with Mercury.

Signature..... Date....1/8/2018.....

HON. KANINI KEGA
(CHAIRPERSON)
JOINT COMMITTEE ON TRADE, INDUSTRY & COOPERATIVES AND AGRICULTURE & LIVESTOCK

Signature..... Date....01/08/2018.....

HON. ADAN HAJI ALI
(VICE CHAIRPERSON)
JOINT COMMITTEE ON TRADE, INDUSTRY & COOPERATIVES AND AGRICULTURE & LIVESTOCK

MINUTES



Report - Negatived
on 9/8/18

9/8/18

MINUTES OF THE 24TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 1ST AUGUST 2018 IN THE COMMITTEE ROOM 12, MAIN PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Maison Leshoomo, MP
5. Hon. Ferdinard Wanyonyi, MP
6. Hon. Jones Mlolwa, MP
7. Hon. Bunyasi John Sakwa, MP
8. Hon. Daniel Maanzo, MP
9. Hon. Silas Kipkoech Tiren, MP
10. Hon. Simba Arati, MP
11. Hon. Kathuri Murungi, MP
12. Hon. Andrew Mwadime, MP
13. Hon. Dr. Daniel Kamuren Tuitoek, MP
14. Hon. Justus Makokha Murunga, MP
15. Hon. Rahab Mukami Wachira, MP
16. Hon. Dr. Wilberforce Oundo, MP
17. Hon. Gabriel Kago Mukuha, MP
18. Hon. Joseph Nduati Ngugi, MP
19. Hon. Robert Gichimu Githinji, MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Joyce Kamene, MP
23. Hon. Fred Ouda, MP
24. Hon. James Mukwe, MP
25. Hon. Generali Nixon Kiprotich Korir, MP
26. Hon. Yegon Brighton Leonard,MP
27. Hon. Adan Haji Yussuf, MP
28. Hon. Janet Jepkemboi Sitienei, MP

APOLOGIES

1. Hon. Florence Mutua, MP
2. Hon. John Paul Mwirigi, MP
3. Hon. Cornelly Serem, MP
4. Hon. Francis Munyua Waititu, MP
5. Hon. Dr. John Kanyuithia Mutunga, MP
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1 (HoD)
2.	Mr. Ahmad Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Ms. Nuri Kitel Nataan	-	Third Clerk Assistant
5.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
6.	Ms. Lynette Otieno	-	Legal Counsel
7.	Mr. Peter Mwaura	-	Legal Counsel
8.	Ms. Roseline Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer
10.	Ms. Deborah Mupusi	-	Media Relations Officer

MIN.NO. DCS/ JCAL& TIC 2018/085: PRELIMINARIES
The Chairperson called the meeting to order at 10.00am. Members were welcomed to the sitting, proceedings began with a word of prayer.

MIN.NO. DCS/ JCAL& TIC 2018/086: ADOPTION OF THE REPORT ON THE INQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAINATED SUGAR
The Committee adopted the report as per the following observations and recommendations.

Test Results of Sugar Samples by the Kenya Bureau of Standards

4.1 The Mandate of KEBS includes among others testing of locally manufactured and imported commodities with a view to determining whether such commodities comply with provisions of the Standards Act and any other relevant laws which provide for the Standards of Quality or description of commodities.

4.2 The certification of sugar is guided by the following standards: **(Annex 18)**

(a) KS EAS 749: 2010 *Brown Sugar – Specification*
(b) KS EAS 16:2010 *Plantation (Mill) white Sugar – Specification*
(c) KS EAS 5:2009 Refined *white sugar — Specification*

4.3 **No traces of Mercury were detected in the samples collected from seized sugar and from market surveillance by KEBS.** KEBS tested two categories of sugar samples; the first category of samples was drawn from consignments seized by the Multi-Agency Taskforce, **(Annex 14)** while the second category was collected by the KEBS market surveillance team from various outlets across the Country **(Annex 15)**. These market surveillance samples were collected from outlets most frequented by members of the public.

4.4 From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags. This translated to 96% of 1,319,668 50kg bags.

4.5 Out of the sample of 1, 266, 351 50kg bags, 837, 244 50kg bags equivalent to 66% of the sample failed the KEBS test. Only 157,392 of the sampled 1, 266,351 bags equivalent to 34% of the sample passed the KEBS test. It was noted that 705, 125 bags amongst the ones that did not meet the standards were meant for further processing. **(Annex14)**

4.6 To date KEBS has drawn a total of 261 samples from fourty five (45) counties with the exception of Tana River and Mandera, through market surveillance routine checks to establish the quality of the sugar in the market. KEBS has tested 109 samples representing 42 Counties of which, 75 samples complied with the standard representing 68.81% of the total samples tested. Thirty-four (34) samples failed to meet the set standards representing 32% of the samples tested for moisture content, yeast and moulds, colour, total viable count and polarisation. **(Annex 15).**

4.7 The samples collected by the KEBS **market surveillance** team were tested for the following heavy metals; Mercury, Arsenic, Lead and Copper. KEBS **did not detect any non-conformity** from the samples tested and analysed since Lead and Copper were within the recommended threshold.

4.8 The samples collected from sugar seized at Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm from samples of sugar seized at Diamond Wholesalers against a maximum acceptable limit of 2.0 ppm and the levels of Lead was at 0.35 ppm in samples collected from Paleah stores against the recommended limit of 0.05 ppm. **(Annex)**

Laboratory Sample Test Results from the Ministry of Health

4.9 The Mandate of the Ministry of Health includes amongst others, monitoring public health and safety and inspection of storage facilities. The Department of Public Health under the Ministry is singly responsible for the inspection and certification of storage facilities. Port health officers are required to conduct inspection of vessels, cargo as well as crew before a vessel is authorized to dock at the port.

4.10 The initial report from the Government Chemist as submitted to the Committee by the Ministry of Health on 23rd June, 2018 indicated that from 174 samples collected from 19 Counties, 60% of the samples tested and analysed for moisture content did not comply with KS:EAS 749:2010. The standard requirement is 0.2% m/m and 0.15% m/m maximum moisture content for brown sugar and light brown sugar respectively.

4.11 The sugar is therefore not fit for human consumption. In respect to heavy metals; laboratory analysis results **revealed that Copper, Lead and Arsenic contamination were within the standard specification for brown and light brown sugar.** Industrial sugar was also tested and analysed for conformity with the standard specifications. The tests showed that the **industrial sugar was fit for use in preparation of foods meant for human consumption.**

4.12 A subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for Mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample tested positive for Mercury at 0.5910 ppm hence not fit for human consumption. **(Annex16).** Correspondence

through letter reference **Ref. F/MISC/270/17-18** between the Director of Public Health and the Public Health Officer, Bungoma County indicates that the sample was obtained from Webuye West. The Committee efforts to establish the ownership details of the consignment were unsuccessful. The contaminated sugar is under seizure by the Multi–Agency Taskforce (MAT) pending further action.

Cabinet Secretary for Interior and Coordination of National Government

4.13 The Cabinet Secretary for Interior and Coordination of National Government submitted that his allegation on presence of sugar contaminated with mercury in the country was cautionary and intended to call the attention of the general-public to the existence of contaminated products in the market.

4.14 The Government Chemist was moved from the Ministry of Health to the Ministry of Interior and Coordination of National Government through Executive Order No.1 of 2018 dated 5th June 2018. The CS did not corroborate his statement on presence of mercury in sugar despite the Government Chemist being housed in his docket by the time he appeared before the Committee.

Cabinet Secretary National Treasury

4.15The Executive order No. 1 of 2017 dated 10th February 2017 declaring drought and famine as a national disaster directed government Ministries, Agencies and Departments to institute measures aimed at alleviating the ramifications of the drought experienced in the country.

4.16 Inter-Ministerial meeting held at Harambee House on 5th May 2017 resolved to import sugar duty free into the country. The meeting reviewed the supply of sugar and milk in the market and noted that the shortages had led to an escalation of prices of these products. The objective of the Inter-Ministerial consultations was to explore measures to mitigate the escalation of prices of sugar and milk.

4.17 The Gazette Notice No. 4536 (annexed) issued by the Cabinet Secretary National Treasury Mr. Henry Rotich published on 12th May 2017 allowed importation of;

(a) Sugar by any person, with effect from the date of the notice to 31st August 2017
(b) 9,000 metric tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board, with effect from the date of the notice to 31st July 2017.

4.18 The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be observed as per the law including health and safety, quality specifications and standardization by the Kenya Bureau of Standards and other relevant agencies in accordance with the law. The importation of sugar was time bound and not quantity based.

4.19 During this period 829,871 MT of sugar were imported against a deficit of 343,889MT based on the local production of 376,111 MT hence resulting to over importation by 453,760 MT. A total of 194 Companies imported sugar during the duty-free window. **(Annex).**

4.20 The Gazette Notice No. 4536 failed to give guidelines on quantity and type of sugar that was to be imported, whereas importation of milk powder was specified in paragraph (b) of the same Gazette Notice. The CS National Treasury opened up the otherwise well-regulated sugar importation process to abuse by any person. This allowed for importation of 829, 871 MT of sugar when the deficit based on the local production was 343, 889 MT, hence an over importation by 453,760 MT.

The Role of CS Agriculture, Livestock, Fisheries & Irrigation

4.21 According to Executive Order No.1 of 2013, the then Ministry of Agriculture, Livestock and Fisheries was responsible for food safety, security and inspections. In this regard, the National Treasury published Gazette Notice No.4536 based on the Executive Order No. 1 of 2017 declaring drought and famine as a national disaster. A consultative inter-ministerial meeting chaired by Head of Public Service held on 5th May, 2017 at Harambee House directed the National Treasury to gazette the importation of sugar duty free.

4.22 Registration of sugar importers is conducted pursuant to Legal Notice No. 114, Sugar Imports, Exports and By-Products (Amendment) Regulations, 2001 importers are required to file a pre-shipment request with AFA by submitting documentary evidence of;

(a) Quantity and type of sugar to be imported;
(b) Country of origin;
(c) Pro-forma invoice showing all charges (FOB, Freight, Insurance Premium);
(d) Intended time of importation; and
(e) The supplier of the sugar.

4.23 After the expiry of Gazette Notice No. 4536 on 31st August 2017, the CS for National Treasury following the advice of the CS Agriculture, Livestock and Fisheries published a subsequent Gazette Notice No. 9801 on 4th October, 2017 extending the duty free window for the importation of sugar. The Gazette Notice provided that duty would not be payable on sugar loaded into a vessel between 1st September, 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar miller. Gazette Notice No. 9801 as amended by Gazette Notice No. 10149 published on 13th October, 2017 created an avenue for tax evasion by sugar millers who imported sugar between 1st September, 2017 and 3rd October, 2017.

4.24 Gazette Notice No. 9802 Amended Gazette Notice No. 4536 to specify that only sugar loaded on a vessel between 12th May 2017 and 31st August, 2017 would quality for importation on a duty free basis. The failure to specify whether the waiver of duty was applicable to "sugar loaded on a vessel within the duty-free window" or "sugar imported within the duty-free window" was abused by unscrupulous dealers. Gazette Notice No.9802 was specifically designed to benefit fourteen (14) companies (Annex). There were no justifiable reasons why the fourteen companies were given preferential treatment during the clearance of imported sugar.

4.26 The Gazette Notice No. 9801 was published on 4th October 2017. Therefore, sugar imported between 1st September and 3rd October 2017 was not within the duty-free

window. As such, millers who imported sugar outside the duty free window are obligated to pay import duty. The Gazette Notice contravened the basic principle on retrospective application of the law.

4.27 The Parliamentary report on the investigation into *"The crisis facing the sugar industry in Kenya"* by the Departmental Committee on Agriculture, Livestock and Co-operatives in the 11th Parliament established that certain companies were involved in illegal importation and repackaging of contraband sugar. The Committee had recommended that their import licences be withdrawn. The licensing body AFA did not withdraws the licences. Therefore some of the companies participated in and benefited from the duty free importation of sugar in 2017. The companies were; Czarnikow E. A. Ltd, Kenafric Industries, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.

The Role of South Nyanza Sugar Company Limited (SONY)

4.28 The South Nyanza Sugar Company applied for a licence to import 90,000 MT under Gazette Notice No. 9801. The Company was however allowed to import 50,500 MT on 19th October 2017, six (6) days after the expiry of Gazette Notice No. 9801 on 13th October, 2017. In addition, the Company did not have the financial capacity to pay for the imports as it was technically insolvent.

4.29 The Management of Sony Sugar Company informed the Committee that they were not involved in the handling of the imported sugar and could therefore not guarantee the quantity and quality of sugar imported. The licence issued to them was not transferable to a third party; they were paper consignees.

4.30 South Nyanza Sugar Company entered into a contractual agreement with Ms Holbud Ltd, an international supplier of commodities to secure the consignment. The Contract involved a *buy back* arrangement under which, Ms. Holbud would sell the imported sugar to Sony Sugar Company and the agents of Ms. Holbud would take responsibility for the importation, clearing and handling of the sugar. The six *buy back* companies along with Sony Sugar Company were required to meet all necessary legal and regulatory mechanisms as per the requirements of KS: EAS 749:2010.

4.31 The company made a commission of Kshs. 82 Million in a transaction worth approximately Kshs. 2.5 Billion. The contract lacked a clear formula for sharing the profit earned. If duty was paid on the imported sugar the country would have earned approximately Kshs. 2.5 Billion.

Handling, Storage and Disposal

4.32 The handling, offloading, bagging, storage and transportation of some of the sugar was done in contravention of the standards set out in KES:EAS 749:2010. From field visits conducted by the Committee in Mombasa (Multiple Inland Container Depots), it was evident that the sugar had been stored in unhygienic conditions contrary to Section 127 of the Public Health Act. Specific violations included transporting sugar in open tippers

which were also used to ferry other non-food products such as fertilizer. The sugar was stored in open warehouses on dusty contaminated with foreign elements such as klinker and cement.

4.33 According to the Cabinet Secretary Interior and Co-ordination of National Government 95% of sugar imported into the country gained entry through the port of Mombasa whereas 5% contraband sugar found its way into the country through porous borders. The quality and safety conditions of the contraband sugar could not be ascertained.

4.34 It is not possible to differentiate raw sugar (for further processing) and brown sugar (for direct consumption) in absence of laboratory analysis.

4.35 Some supermarkets, wholesalers and retail outlets served as avenues in the distribution and sale of the sugar, by virtue of the fact that most supermarkets, wholesalers and retail outlets purchase unpackaged sugar from millers in 25 kg bags or 50kg bags and consequently package it into smaller quantities under uncontrolled conditions.

4.36 From the samples collected from forty-five (45) Counties by KEBS and laboratory analysis by the Government Chemist, contamination of sugar was majorly in moisture, yeast, moulds, total viable count and polarisation. Sugar contaminated with Mercury was detected in two samples; from Moi Airbase in Eastleigh, Nairobi and Webuye West in Bungoma County. The consignments of contaminated sugar are under the custody of the Multi-Agency Team pending further action.

4.37 Efforts by the Joint Committee to validate the findings of the Government Chemist on the presence of Mercury in the seized consignment of sugar by independent agencies namely the University of Nairobi and the Kenya Plant and Health Inspectorate Service (KEPHIS) were unsuccessful after they were denied entry to the two sites by the Multi-Agency Team.

COMMITTEE RECOMMENDATIONS

From submissions received and observations made, the Joint Committee made the following recommendations: -

5.1 All sugar that does not comply with the set standards and hence unfit for human consumption should be destroyed by the Multi-Agency Taskforce or any other appropriate government agencies within twenty-one (21) days of adoption of the report of the Joint Committee Departmental Committee on Agriculture and Livestock and Trade, Industry and Co-operatives by the House.

5.2 The importers, wholesalers and millers dealing in contaminated sugar should be investigated by the relevant government agencies with a view to prosecution for violating the provisions of Section 3 of the Food, Drugs and Chemical Substances Act (Cap. 254), Section 131 of the Public Health Act (Cap. 242) and any other relevant law.

5.3 The Kenya Revenue Authority should recover duty payable on all sugar imported between 1st September and 3rd October 2017. The importers benefited as a result of the retrospective application of the law vide Gazette Notice No. 9801.

5.4 The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should investigate the alleged irregular transaction between South Nyanza Sugar Company Ltd and all other companies for the alleged tax evasion of approximately Kshs. 2.5 billion. (Annex)

5.5 The relevant investigative agencies should investigate the Cabinet Secretary for National Treasury to ascertain the circumstances under which Gazette Notice No. 4536, Gazette Notice No. 9801, Gazette Notice No. 9802 and Gazette Notice No. 10149 were issued, leading to importation of excess sugar into the country and evasion of taxes.

5.6 The relevant investigative agencies should investigate the then Cabinet Secretary for Agriculture, Livestock and Fisheries to establish the circumstances under which the CS recommended waiver of duty for the fourteen (14) companies which imported sugar under Gazette Notice No.9802.

5.7 The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should conduct further in-depth investigations of all irregularities relating to the importation of sugar into the country.

5.8 The Government should ban importation of un-bagged bulk sugar and institute measures to guarantee the safety of sugar and other food commodities imported into the country.

5.9 The Government should ban the importation of raw sugar meant for further processing as table sugar to avoid diversion of this sugar into the local market and safeguard the local sugar cane farmers.

5.10 KEBS should undertake a thorough review of its existing standards for sugar importation to provide that all sugar imported into the country is tested for presence of heavy metals prior to issuance of Certificates of Conformity.

5.11 The relevant investigative agencies should investigate the then Cabinet Secretary, Ministry of Trade, Industry and Co-operatives under whose docket KEBS falls to establish the circumstances under which KEBS failed to undertake adequate market surveillance to guarantee the safety and quality of sugar in the country.

5.12 The Government, through the Multi-Agency Team should speed up investigations into the unfit and contraband sugar and publish its findings within twenty-one (21) days of adoption of the report of the Joint Committee Departmental Committee on Agriculture and Livestock and Trade, Industry and Co-operatives by the House.

5.13 The relevant agencies should ensure that all raw sugar imported into the country during the duty-free window is reprocessed as required.

5.14 The Multi-Agency Taskforce should ensure that seized Sugar which has complied with the relevant tests and the set standards is released back to the owners immediately. **(Annex)**

5.15 In view of the findings by the Government Chemist that two samples tested positive for Mercury (Moi Air Base and Webuye West) and Copper at 20.7 ppm against a maximum acceptable limit of 2 ppm and Lead at 0.35 ppm against the recommended standard of 0.05 ppm (Diamond Wholesalers, Eastleigh, Nairobi and Paleah Stores, Ruiru, Kiambu County) and the obstruction of the Committee to validate the same through independent testing agencies, the relevant Government agencies should conduct further investigations on:-

(a) Why the Committee was denied access to the consignment on two occasions; and
(b) The circumstances leading to the contamination of sugar with Mercury, Copper and Lead.

MIN.NO. DCS/ JCAL& TIC 2018/087: ADJOURNMENT

The Chairperson thanked the Members for their attendance and adjourned the meeting at five minutes past one o'clock.

Signed.....

Chairperson

Date...1/8/2019.....

MINUTES OF THE 23RD SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 31ST JULY, 2018 IN PANARI HOTEL, NAIROBI AT 2.30 PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Simba Arati, MP.
6. Hon. Ferdinard Wanyonyi, MP
7. Hon. Maison Leshoomo, MP.
8. Hon. Kathuri Murungi, MP
9. Hon. Silas Kipkoech Tiren, M.P.
10. Hon. Andrew Mwadime, MP
11. Hon. Bunyasi John Sakwa, MP
12. Hon. Daniel Maanzo, MP
13. Hon. Daniel Kamuren Tuitoek, M.P.
14. Hon. Rahab Mukami Wachira, MP
15. Hon. Joyce Kamene, MP.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon Nduati Ngugi,MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Gabriel Kago Mukuha, M.P
23. Hon. Anab Mohamed Gure, MP
24. Hon. Yegon Brighton Leonard,MP
25. Hon. Adan Haji Yussuf, M.P.
26. Hon. James Mukwe, MP

APOLOGIES

1. Hon. Generali Nixon Kiprotich Korir, MP
2. Hon. John Paul Mwirigi, M.P.
3. Hon. Justus Makokha Murunga, MP.
4. Hon. Robert Gichimu Githinji, MP
5. Hon. Fred Ouda, M.P.
6. Hon. Patrick Kimani Wainaina Jungle, MP

7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Florence Mutua, MP.
9. Hon. Francis Munyua Waititu, M.P.
10. Hon. Alexander Kimutai Kigen Kosgey, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Kariuki	-	Researcher
7.	Mr. Chelanga Maiyo	-	Researcher
8.	Ms. Rose Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/082: PRELIMINARIES

The Chairperson called the meeting to order at 3.00pm and thereafter the meeting continued with consideration of the Committee recommendations to the report of the inquiry into alleged importation of illegal and contaminated sugar in the country.

MIN.NO. DCS/ JCAL& TIC 2018/083: CONSIDERATION OF THE RECOMMENDATIONS TO THE REPORT OF THE INQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Having received written and oral submissions from the key witnesses the Committee the considered its recommendations as follows:-

1. All sugar that does not comply with the set standards and hence unfit for human consumption should be destroyed by the Multi-Agency Taskforce or any other appropriate government agencies within twenty one (21) days.

2. The importers, wholesalers and millers dealing in contaminated sugar should be investigated by the relevant government agencies with a view to prosecution for violating the provisions of Section 3 of the Food, Drugs and Chemical Substances Act, Cap. 254, Section 131 of the Public Health Act, Cap. 242 and any other written law.

3. The Kenya Revenue Authority should recover duty payable on all sugar imported between 1st September and 3rd October, 2017. The importers benefited as a result of the retrospective application of the law vide Gazette Notice No. 9801.

4. The Director of Criminal Investigations and the Ethics and Anti-Corruption Commission should investigate the suspect deal between South Nyanza Sugar Company Ltd and all other companies for the alleged tax evasion of approximately Kshs. 2.5 billion. (Annex)

5. The Cabinet Secretary for National Treasury should be held responsible for the excess importation of sugar into the country and consequent tax evasion based on the Gazette Notice No. 4536, Gazette Notice No. 9801, Gazette Notice No. 9802 and Gazette Notice No. 10149.

6. The then Cabinet Secretary for Agriculture, Livestock and Fisheries should be held responsible for recommending waiver of duty for 14 companies which imported sugar under Gazette Notice No.9802.

7. The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should conduct further in-depth investigations of all irregularities relating to the importation of sugar into the country.

8. The Government should ban importation of un-bagged bulk sugar and institute measures to guarantee the safety of sugar and other food commodities imported into the country.

9. The Government should ban the importation of raw sugar meant for further processing as table sugar to avoid diversion of this sugar into the local market and safeguard the local sugar cane farmers.

10. KEBS should undertake a thorough review of its existing standards for sugar importation to provide that all sugar imported into the country is tested for presence of heavy metals prior to issuance of Certificates of Conformity.

11. The then Cabinet Secretary, Ministry of Trade, Industry and Co-operatives under whose docket KEBS falls should be held responsible for failure to undertake adequate market surveillance to guarantee the safety and quality of sugar in the country.

12. The Government, through the Multi-Agency Team should speed up investigations into the unfit and contraband sugar and publish its findings within twenty one (21) days.

13. The relevant agencies should ensure that all raw sugar imported into the country during the duty free window is reprocessed as required.

14. The Multi-Agency Taskforce should ensure that seized Sugar which has complied with the relevant tests and the set standards is released back to the owners immediately. (Annex)

15. In view of the findings by the Government Chemist that two samples tested positive for Mercury (Moi Air Base and Webuye West) and Copper at 20.7 ppm against a maximum acceptable limit of 2 ppm and Lead at 0.35 ppm against the recommended standard of 0.05 ppm (Diamond Wholesalers, Eastleigh, Nairobi and Paleah Stores, Ruiru, Kiambu County) and the obstruction of the Committee to validate the same through independent testing agencies, the relevant Government agencies should conduct further investigations on:-
    (a) Why the Committee was denied access to the consignment on two occasions; and
    (b) The circumstances leading to the contamination of sugar with Mercury, Copper and Lead.

MIN.NO. DCS/ JCAL& TIC 2018/084: ADJOURNMENT

The Chairperson adjourned the meeting at 8.15pm

Signed.....

Chairperson

Date.....11/8/2018.....

MINUTES OF THE 22ND SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 30TH JULY, 2018 IN PANARI HOTEL, NAIROBI AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Simba Arati, MP.
6. Hon. Maison Leshoomo, MP.
7. Hon. Kathuri Murungi, MP
8. Hon. Andrew Mwadime, MP
9. Hon. Bunyasi John Sakwa, MP
10. Hon. Daniel Maanzo, MP
11. Hon. Daniel Kamuren Tuitoek, M.P.
12. Hon. Rahab Mukami Wachira, MP
13. Hon. Robert Gichimu Githinji, MP
14. Hon. Joyce Kamene, MP.
15. Hon. Jones Mlolwa, MP
16. Hon. Janet Jepkemboi Sitienei, M.P
17. Hon. Dr. Wilberforce Oundo, MP
18. Hon Nduati Ngugi,MP
19. Hon. Alois Musa Lentoimaga, MP
20. Hon. Kipruto Moi, MP
21. Hon. Gabriel Kago Mukuha, M.P
22. Hon. Anab Mohamed Gure, MP
23. Hon. Yegon Brighton Leonard,MP
24. Hon. Adan Haji Yussuf, M.P.
25. Hon. Generali Nixon Kiprotich Korir, MP

APOLOGIES

1. Hon. Silas Kipkoech Tiren, M.P.
2. Hon. John Paul Mwirigi, M.P.
3. Hon. Justus Makokha Murunga, MP.
4. Hon. Ferdinard Wanyonyi, MP
5. Hon. Fred Ouda, M.P.
6. Hon. James Mukwe, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP
8. Hon. Dr. John Kanyuithia Mutunga, M.P.
9. Hon. Florence Mutua, MP.
10. Hon. Francis Munyua Waititu, M.P.
11. Hon. Alexander Kimutai Kigen Kosgey, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Kariuki	-	Researcher
7.	Mr. Chelanga Maiyo	-	Researcher
8.	Ms. Rose Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/079: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and thereafter the Committee continued with consideration of its observations to be incorporated in the report.

MIN.NO. DCS/ JCAL& TIC 2018/080: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Having received written and oral submissions from the key witnesses the Committee considered and agreed on the following observations:-

Test Results of Sugar Samples by the Kenya Bureau of Standards

1. The Mandate of KEBS includes among others testing of locally manufactured and imported commodities with a view to determining whether such commodities comply with provisions of the Standards Act and any other relevant laws which provide for the Standards of Quality or description of commodities.

2. The certification of sugar is guided by the following standards:

   (a) KS EAS 749: 2010 *Brown Sugar – Specification*
   (b) KS EAS 16:2010 *Plantation (Mill) white Sugar – Specification*
   (c) KS EAS 5:2009 Refined *white sugar — Specification*

3. No traces of Mercury were detected in the samples collected from seized sugar and from market surveillance by KEBS. KEBS tested two categories of sugar samples; the first category of samples was drawn from consignments seized by the Multi-Agency

Taskforce, while the second category was collected by the KEBS market surveillance team from various outlets across the Country. These market surveillance samples were collected from outlets most frequented by members of the public.

4. From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags. This translated to 96% of 1,319,668 50kg bags.

5. Out of the sample of 1,266, 351 50kg bags, 837, 244 50kg bags equivalent to 66% of the sample failed the KEBS test. Only 157,392 of the sampled 1,266,351 bags equivalent to 34% of the sample passed the KEBS test.

6. To date KEBS has drawn a total of 261 samples from fourty five (45) counties with the exception of Tana River and Mandera, through market surveillance routine checks to establish the quality of the sugar in the market. KEBS has tested 109 samples representing 42 Counties of which, 75 samples complied with the standard representing 68.81% of the total samples tested. Thirty four (34) samples failed to meet the set standards representing 32% of the samples tested for moisture content, yeast and moulds, colour, total viable count and polarisation. **(Annex).**

7. The samples collected by the KEBS market surveillance team were tested for the following heavy metals; Mercury, Arsenic, Lead and Copper. KEBS did not detect any non-conformity from the samples tested and analysed since Lead and Copper were within the recommended threshold.

8. The samples collected from sugar seized at Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm from samples of sugar seized at Diamond Wholesalers against a maximum acceptable limit of 2.0 ppm and the levels of Lead was at 0.35 ppm in samples collected from Paleah stores against the recommended limit of 0.05 ppm.

Laboratory Sample Test Results from the Ministry of Health

9. The Mandate of the Ministry of Health includes amongst others, monitoring public health and safety and inspection of storage facilities. The Department of Public Health under the Ministry is singly responsible for the inspection and certification of storage facilities. Port health officers are required to conduct inspection of vessels, cargo as well as crew before a vessel is authorized to dock at the port.

10. The initial report from the Government Chemist as submitted to the Committee by the Ministry of Health on 23rd June, 2018 indicated that from 174 samples collected from 19 Counties, 60% of the samples tested and analysed for moisture content did not comply with KS:EAS 749:2010. The standard requirement is 0.2% m/m and 0.15% m/m maximum moisture content for brown sugar and light brown sugar respectively.

11. The sugar is therefore not fit for human consumption. In respect to heavy metals; laboratory analysis results revealed that Copper, Lead and Arsenic contamination were within the standard specification for brown and light brown sugar. Industrial sugar was also tested and analysed for conformity with the standard specifications. The tests showed that the industrial sugar was fit for use in preparation of foods meant for human consumption.

12. A subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for Mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample from Webuye West **Ref. F/MISC/270/17-18** tested positive for Mercury at 0.5910 ppm hence not fit for human consumption. **(Annex).** The Committee efforts to establish the ownership details of the consignment were unsuccessful. The contaminated sugar is under seizure by the Multi–Agency Taskforce (MAT) pending destruction.

The Role of the Cabinet Secretary for Interior and Coordination of National Government

13. The Cabinet Secretary for Interior and Coordination of National Government submitted that his allegation on presence of sugar contaminated with mercury in the country was cautionary and intended to call the attention of the general-public to the existence of contaminated products in the market.

14. The Government Chemist was relocated from the Ministry of Health to the Ministry of Interior and Coordination of National Government through Executive Order No.1 of 2018 dated 5th June 2018. The CS did not corroborate his statement on presence of mercury in sugar despite the Government Chemist being housed in his docket by the time he appeared before the Commit

The role of the Cabinet Secretary National Treasury

15. The Executive order No. 1 of 2017 dated 10th February, 2017 declaring drought and famine as a national disaster directed government Ministries, agencies and Departments to institute measures aimed at alleviating the ramifications of the drought experienced in the country.

16. Inter-Ministerial meeting held at Harambee House on 5th May 2017 resolved to import sugar duty free into the country. The meeting reviewed the supply of sugar and milk in the market and noted that the shortages had led to an escalation of prices of these products. The objective of the Inter-Ministerial consultations was to explore measures to mitigate the escalation of prices of sugar and milk.

17. The Gazette Notice No. 4536 (annexed) issued by the Cabinet Secretary National Treasury Mr. Henry Rotich published on 12th May, 2017 allowed importation of;
    (a) Sugar by any person, with effect from the date of the notice to 31st August, 2017
    (b) 9,000 metric tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board , with effect from the date of the notice to 31st July, 2017.

18. The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be observed as per the law including health and safety, quality specifications and standardization by the Kenya Bureau of Standards and other relevant agencies in accordance with the law. The importation of sugar was time bound and not quantity based.

19. During this period 829,871 MT of sugar were imported against a deficit of 343,889MT based on the local production of 376,111 MT hence resulting to over importation by 453,760 MT. A total of 194 Companies imported sugar during the duty free window.

20. The Gazette Notice No. 4536 failed to give guidelines on quantity and type of sugar that was to be imported, whereas importation of milk powder was specified in paragraph (b) of the same Gazette Notice. The CS National Treasury opened up the otherwise well regulated sugar importation process to abuse by any person. This allowed for importation of 829, 871 MT of sugar when the deficit based on the local production was 343, 889 MT, hence an over importation by 453,760 MT.

The Role of CS Agriculture, Livestock, Fisheries & Irrigation

21. According to Executive Order No.1 of 2013, the then Ministry of Agriculture, Livestock and Fisheries was responsible for food safety, security and inspections. In this regard, the National Treasury published Gazette Notice No.4536 based on the Executive Order No. 1 of 2017 declaring drought and famine as a national disaster. A consultative inter-ministerial meeting chaired by Head of Public Service held on 5thMay, 2017 at Harambee House directed the National Treasury to gazette the importation of sugar duty free.

22. Registration of sugar importers is conducted pursuant to Legal Notice No. 114, Sugar Imports, Exports and By-Products (Amendment) Regulations, 2001 importers are required to file a pre shipment request with AFA by submitting documentary evidence of;
    (a) Quantity and type of sugar to be imported;
    (b) Country of origin;

(c) Pro-forma invoice showing all charges (FOB, Freight, Insurance Premium);

(d) Intended time of importation; and

(e) The supplier of the sugar.

23. After the expiry of Gazette Notice No. 4536 on 31st August 2017, the CS for National Treasury following the advice of the CS Agriculture, Livestock and Fisheries published a subsequent Gazette Notice No. 9801 on 4th October, 2017 extending the duty free window for the importation of sugar. The Gazette Notice provided that duty would not be payable on sugar loaded into a vessel between 1st September, 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar miller. Gazette Notice No. 9801 as amended by Gazette Notice No. 10149 published on 13thOctober, 2017 created an avenue for tax evasion by sugar millers who imported sugar between 1st September, 2017 and 3rd October, 2017.

24. Gazette Notice No. 9802 amended Gazette Notice No. 4536 to specify that only sugar loaded on a vessel between 12th May, 2017 and 31st August, 2017 would quality for importation on a duty free basis. The failure to specify whether the waiver of duty was applicable to "sugar loaded on a vessel within the duty free window" or "sugar imported within the duty free window" was abused by unscrupulous dealers. Gazette Notice No.9802 was specifically designed to benefit fourteen (14) companies (Annex). There were no justifiable reasons why the fourteen companies were given preferential treatment during the clearance of imported sugar.

25. The Gazette Notice No. 9801 was published on 4th October 2017. Therefore, sugar imported between 1st September and 3rd October 2017 was not within the duty free window. As such, millers who imported sugar outside the duty free window are obligated to pay import duty. The Gazette Notice contravened the basic principle on retrospective application of the law.

26. The Parliamentary report on the investigation into *"The crisis facing the sugar industry in Kenya"* by the Departmental Committee on Agriculture, Livestock and Co-operatives

in the 11th Parliament established that certain companies were involved in illegal importation and repackaging of contraband sugar. The Committee had recommended that their import licences be withdrawn. The licensing body AFA did not withdraw the licences. Therefore some of the companies participated in and benefited from the duty free importation of sugar in 2017. The companies were; Czarnikow E. A. Ltd, Kenafric Industries, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.

The Role of South Nyanza Sugar Company Limited (SONY)

27. The South Nyanza Sugar Company applied for a licence to import 90,000 MT under Gazette Notice No. 9801. The Company was however allowed to import 50,500 MT on 19th October, 2017, six (6) days after the expiry of Gazette Notice No. 9801 on 13th October, 2017. In addition, the Company did not have the financial capacity to pay for the imports as it was technically insolvent.

28. The Management of Sony Sugar Company informed the Committee that they were not involved in handling of the imported sugar and could therefore not guarantee the quantity and quality of sugar imported. The licence issued to them was not transferable to a third party; they were paper consignees who did not handle the sugar.

29. South Nyanza Sugar Company entered into a contract agreement with Ms Holbud Ltd, an international supplier of commodities to secure the consignment. The Contract involved a *buy back* arrangement under which, Ms. Holbud would sell the imported sugar to Sony Sugar Company and the agents of Ms. Holbud would take responsibility for the importation, clearing and handling of the sugar. The six *buy back* companies along with Sony Sugar Company were required to meet all necessary legal and regulatory mechanisms as per the requirements of KS: EAS 749:2010.

30. The company made a commission of Kshs. 82 Million in a transaction worth approximately Kshs. 2.5 Billion. The contract lacked a clear formula for sharing the profit earned. The country lost duty of approximately Kshs. 2.5 Billion.

Handling, Storage and Disposal

31. The handling, offloading, bagging, storage and transportation of some of the sugar violated the standards set out in KES:EAS 749:2010. From field visits conducted by Members in Mombasa (Multiple Inland Container Depots), it was evident that the sugar had been stored in unhygienic conditions contrary to Section 127 of the Public Health Act. Specific violations included transporting sugar in open tippers which were also used to ferry other non-food products such as fertilizer. The sugar was stored in open warehouses on dusty contaminated with foreign elements such as klinker and cement.

32. According to the Cabinet Secretary Interior and Co-ordination of National Government 95% of sugar imported into the country gained entry through the port of Mombasa whereas 5% contraband sugar found its way into the country through porous borders. The quality and safety conditions of the contraband sugar could not be ascertained.

33. It is not possible to differentiate raw sugar (for further processing) and brown sugar meant for direct consumption in absence of laboratory analysis. In addition, the Committee observed that there exist no mechanisms to ensure that raw sugar is reprocessed before consumption.

34. Some supermarkets, wholesalers and retail outlets served as avenues in the distribution and sale of the sugar, by virtue of the fact that most supermarkets, wholesalers and retail outlets purchase unpackaged sugar from millers in 25 kg bags or 50kg bags and consequently package it into smaller quantities under uncontrolled conditions.

35. From the samples collected from forty five (45) Counties by KEBS and laboratory analysis by the Government Chemist, contamination of sugar was majorly in moisture, yeast, moulds, total viable count and polarisation. Sugar contaminated with Mercury was detected in two samples; from Moi Airbase in Eastleigh, Nairobi and Webuye West in Bungoma County. The consignments of contaminated sugar are under the custody of the Multi-Agency Team pending destruction.

36. Efforts by the Joint Committee to reconfirm the presence of Mercury in sugar in the market as reported by the Government Chemist with independent agencies namely the University of Nairobi and the Kenya Plant and Health Inspectorate Service (KEPHIS) were unsuccessful after the agencies were denied entry to the two sites by the Multi-Agency Team.

MIN.NO. DCS/ JCAL& TIC 2018/081: Adjournment

The Chairperson adjourned the meeting at 7.45 pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 21ST SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 30TH JULY, 2018 IN PANARI HOTEL, NAIROBI AT 9. 00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Simba Arati, MP.
6. Hon. Maison Leshoomo, MP.
7. Hon. Kathuri Murungi, MP
8. Hon. Andrew Mwadime, MP
9. Hon. Bunyasi John Sakwa, MP
10. Hon. Daniel Maanzo, MP
11. Hon. Daniel Kamuren Tuitoek, M.P.
12. Hon. Rahab Mukami Wachira, MP
13. Hon. Robert Gichimu Githinji, MP
14. Hon. Joyce Kamene, MP.
15. Hon. Jones Mlolwa, MP
16. Hon. Janet Jepkemboi Sitienei, M.P
17. Hon. Dr. Wilberforce Oundo, MP
18. Hon Nduati Ngugi,MP
19. Hon. Alois Musa Lentoimaga, MP
20. Hon. Kipruto Moi, MP
21. Hon. Gabriel Kago Mukuha, M.P
22. Hon. Anab Mohamed Gure, MP
23. Hon. Yegon Brighton Leonard,MP
24. Hon. Adan Haji Yussuf, M.P.
25. Hon. Generali Nixon Kiprotich Korir, MP
26.

APOLOGIES

1. Hon. Silas Kipkoech Tiren, M.P.
2. Hon. John Paul Mwirigi, M.P.
3. Hon. Justus Makokha Murunga, MP.
4. Hon. Ferdinard Wanyonyi, MP
5. Hon. Fred Ouda, M.P.
6. Hon. James Mukwe, MP

7. Hon. Patrick Kimani Wainaina Jungle, MP
8. Hon. Dr. John Kanyuithia Mutunga, M.P
9. Hon. Florence Mutua, MP.
10. Hon. Francis Munyua Waititu, M.P.
11. Hon. Alexander Kimutai Kigen Kosgey, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Kariuki	-	Researcher
7.	Mr. Chelanga Maiyo	-	Researcher
8.	Ms. Rose Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/076: PRELIMINARIES

The Chairperson called the meeting to order at 9.30am and prayed. He welcomed and thanked the Members present for finding time to participate in the retreat. He further reminded the Committee that the objective of the retreat was to consider and adopt the report on the enquiry into the alleged importation of illegal and contaminated sugar in the country which was scheduled for tabling before the House on Wednesday 1st August, 2018.

MIN.NO. DCS/ JCAL& TIC 2018/077: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Having received written and oral submissions from the key witnesses the Committee considered and agreed on the following observations:-

Test Results of Sugar Samples

1. The Mandate of KEBS among others includes testing of locally manufactured and imported commodities with a view to determine whether such commodities comply with provisions of the Standards Act and any other laws dealing with Standards of Quality or descriptions.

2. The test samples from seized sugar and market surveillance by KEBS revealed that there were no traces of mercury detected. KEBS had tested two categories of sugar samples, the first category of sugar samples was drawn from consignments seized by Multi-Agency constituted to fight against illicit trade and counterfeit goods, while the second category of sugar samples was taken by the market surveillance team at KEBS from various outlets across the Country. These samples were collected from the most frequented outlets.

3. From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags which translated to 96% of the total. The results indicated that 157,392 bags complied with standards. The number of bags not complying with standards were 837, 244 of which 705,000 bags were meant for reprocessing, which makes them compliant. which complied with the national standards. The samples that failed to meet the following parameters:- moisture content, yeast and moulds, colour, total viable count and polarization.

4. KEBS drew a total of 219 samples from 45 Counties through market surveillance routine checks to establish on quality of the sugar in the market. KEBS has tested 72 samples representing 21 Counties of which 42 samples complied with the standard representing 58.33% of the total tested. Thirty (30) samples failed to meet standards representing 41.7% of the samples tested in respect of moisture content, yeast and moulds, colour, total viable count and polarization

5. The samples collected from the seized sugar from Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm for Diamond Wholesalers against a maximum acceptable limit of 2 ppm and lead was at 0.35 ppm for Paleah stores against 0.05 ppm in sugar.

Ministry of Health (Laboratory Sample test results)

6. The Mandate of the Ministry of Health amongst others is to monitor public health and safety as well as inspection of storage facilities by the Department of Public Health. Port health officers conduct inspection of vessels, cargo as well as crew before getting clearance for the same to stock.

7. The Ministry of Health submitted an initial report dated 23rd June, 2018 from the Government Chemist that from a sample size of 174 collected from 19 Counties in the country, 60% of the sampled sugar tested and analyzed for moisture content did not

comply with KS:EAS 749:2010 specification of 0.2% m/m and 0.15% m/m moisture content maximum for brown sugar and light brown sugar respectively, therefore the sugar is not fit for human consumption. In respect to heavy metals; laboratory analysis results found that copper, lead and arsenic contamination were within the standard specification for brown and light brown sugar. Industrial sugar was also tested and analysed for conformity with standard specification and found fit for use in preparation of foods meant for human consumption.

8. A subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample from Webuye West Ref. F/MISC/270/17-18 tested positive for mercury at 0.5910 ppm hence not fit for human consumption.

On both instances, the Committee was never provided with information about the ownership of the consignments or lots despite several appeals.

The contaminated sugar is under seizure by the Multi – Agency Taskforce (MAT) pending destruction.

MIN.NO. DCS/ JCAL& TIC 2018/078: Adjournment

The Chairperson adjourned the meeting at 1.45pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 20TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY 26TH JULY, 2018 IN THE MINI CHAMBER, MAIN PARLIARMENT BUILDING AT 3.00 PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Silas Kipkoech Tiren, MP
6. Hon. Simba Arati, MP
7. Hon. Kathuri Murungi, MP
8. Hon. Andrew Mwadime, MP
9. Hon. Jones Mlolwa, MP
10. Hon. Daniel Maanzo, MP
11. Hon. Francis Munyua Waititu, MP
12. Hon. John Paul Mwirigi, MP
13. Hon. Ferdinard Wanyonyi, MP
14. Hon. Janet Jepkemboi Sitienei, MP
15. Hon. Daniel Kamuren Tuitoek, MP
16. Hon. Justus Makokha Murunga, MP
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Generali Nixon Kiprotich Korir, MP
20. Hon. Gabriel Kago Mukuha, MP
21. Hon. Joseph Nduati Ngugi, MP
22. Hon. Robert Gichimu Githinji, MP
23. Hon. Alois Musa Lentoimaga, MP
24. Hon. Kipruto Moi, MP
25. Hon. Yegon Brighton Leonard, MP
26. Hon. Joyce Kamene, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP.
2. Hon. Florence Mutua, MP
3. Hon. Bunyasi John Sakwa, MP
4. Hon. Patrick Kimani Wainaina Jungle, MP
5. Hon. Dr. John Kanyuithia Mutunga, MP

6. Hon. Adan Haji Yussuf, MP
7. Hon. James Mukwe, MP
8. Hon. Fred Ouda, MP
9. Hon. Alexander Kimutai Kigen Kosgey, MP
10. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant I
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Ms. Nuri Kitel Nataan	-	Third Clerk Assistant
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Chelanga Maiyo	-	Research Officer
8.	Mr. Alex Mutuku	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/072: PRELIMINARIES

The Chairperson called the meeting to order at 11.00 am and Hon. Simba Arati, MP said a prayer.

MIN.NO. DCS/ JCAL& TIC 2018/073: CHAIRS COMMUNICATION

The Chair read a letter from the Head of the Public Service, Dr. Kinyua and regarding the appearance of the Multi-Agency Team and the Government Chemist before the Committee.

The Multi-Agency Team was requesting for the rescheduling of the meeting with the Committee from Thursday 26th July, 2018 at 2.30pm to Friday 27th July, 2018 at 9.00am. The Team requested for more time so as to prepare sufficient responses to issues that the Committee had raised in its letter Ref: NA/DCS/A7L/55 dated 25th July, 2018.

The Committee deliberated on the matter and resolved to reschedule the meeting as requested.

MIN.NO. DCS/ JCAL& TIC 2018/074: WAY FORWARD

The Members ventilated on the how to proceed with the sugar inquiry and resolved that;-

1. Members should carry themselves with decorum during Committee Sittings since the media covers the proceedings live and it would not
2. The independent testing to be done by the Committee through the University of Nairobi and KEPHIS should be on the same samples from Moi Airbase and Bungoma which showed presence of mercury so as to confirm the results.
3. The report tabled by the Ministry of Health through Mr. Ombacho is credible for the Committee to rely on irrespective of the department of the Government Chemist being moved to the Ministry of Interior and National Security through an Executive Order.
4. All the submissions presented to the Committee should be analyzed critically by the secretariat so that important information is not over looked.
5. The submissions before the Committee are adequate enough to come up with a report on the inquiry as the Committee awaits the result from the independent consultant on Monday 30th July, 2018.
6. The Committee should undertake a report writing retreat from Monday 30th July, 2018 preferably within Nairobi.

MIN.NO. DCS/ JCAL& TIC 2018/075: ADJOURNMENT

The Chairperson adjourned the meeting at 4.35 pm. The next meeting will be called on notice.

Signed..... **Date**...1/8/2018

Hon. Kanini Kega, MP
Chairperson
Joint Committee on Trade, Industry & Cooperatives and Agriculture & Livestock

MINUTES OF THE 19TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 25TH JULY, 2018 IN COMMITTEE ROOM 12, PARLIRMENT BUILDINGS AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Ferdinard Wanyonyi, MP
6. Hon. Francis Munyua Waititu, MP
7. Hon. Simba Arati, MP
8. Hon. Generali Nixon Kiprotich Korir, MP
9. Hon. Jones Mlolwa, MP
10. Hon. Kathuri Murungi, MP
11. Hon. Alois Musa Lentoimaga, MP
12. Hon. Yegon Brighton Leonard, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Daniel Kamuren Tuitoek, MP
15. Hon. Justus Makokha Murunga, MP
16. Hon. Rahab Mukami Wachira, MP
17. Hon. Dr. Wilberforce Oundo, MP
18. Hon. Robert Gichimu Githinji, MP
19. Hon. Kipruto Moi, MP
20. Hon. John Paul Mwirigi, MP
21. Hon. Bunyasi John Sakwa, MP
22. Hon. Joyce Kamene, MP
23. Hon. Adan Haji Yussuf, MP
24. Hon Nduati Ngugi, MP
25. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Florence Mutua, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Gabriel Kago Mukuha, MP
5. Hon. Janet Jepkemboi Sitienei, MP
6. Hon. Dr. John Kanyuithia Mutunga, MP

7. Hon. Silas Kipkoech Tiren, MP
8. Hon. Fred Ouda, MP
9. Hon. James Mukwe, MP
10. Hon. Alexander Kimutai Kigen Kosgey, MP
11. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Ahmed Kadhi	-	First Clerk Assistant
2.	Mr. Eric Nyambati	-	Third Clerk Assistant
3.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
4.	Ms. Nuri Kitel Nataan	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Alex Mutuku	-	Sergeant At- arms
7.	Ms. Rose Njuki	-	Sergeant At- arms
8.	Ms. Rose Ometere	-	Audio Officer
9.	Ms. Deborah Mupusi	-	Public Relations Officer

MIN.NO. DCS/ JCAL& TIC 2018/068: PRELIMINARIES

The Chairperson called the meeting to order at 11.00am followed by a prayer from the Hon. Cornelly Serem, MP. He then reminded the Committee that during its Sitting on Wednesday 23rd July, 2018 it was resolved that the Government Chemist be invited to respond to the following concerns:-

1. Reports on the latest test results
2. The test results of non-compliant samples from Bungoma and Moi air base Nairobi
3. The sampling collection and analysis methods
4. Possible sources of contamination
5. The effects of consumption of contaminated sugar to the humans and the environment
6. Actions taken to mitigate, contain and dispose of the contaminated sugar

MIN.NO. DCS/ JCAL& TIC 2018/069: MEETING WITH THE GOVERNMENT CHEMIST TO CONSIDER THE TEST RESULTS ON THE SUGAR SAMPLES

The Committee deliberated on this agenda and resolved to defer the matter to Thursday 26th July, 2018 at 3.00pm. It was further resolved that the Cabinet Secretary, Ministry of Interior and Coordination of National Government Dr. Fred Matiang'i, the Government Chemist and the Multi-Agency Team should appear together. The secretariat was requested to communicate the same to the relevant authorities.

MIN.NO. DCS/ JCAL& TIC 2018/070: ANY OTHER BUSINESS

1. The Chairperson informed the Committee that the Speaker of the National Assembly had approved engagement of experts, pursuant to Standing Order 203, to assist it in determining whether or not there is presence of heavy metals, specifically mercury, in the sugar under seizure by the security agencies. This had been occasioned by the contradictory results from the Ministry of Health and the Kenya Bureau of Standards.
2. He further reminded the Committee that the Report will be tabled on Wednesday 1st August, 2018. The secretariat was requested to clean up the report awaiting the meeting with the Cabinet Secretary, Ministry of Interior and Coordination of National Government Dr. Fred Matiang'i, the Government Chemist and the Multi-Agency Team.

MIN.NO. DCS/ JCAL& TIC 2018/071: Adjournment

The Chairperson adjourned the meeting at 11.55am

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 18TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SUNDAY 22ND JULY, 2018 AT ENGLISH POINT, MARINA AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.

14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Ms. Florence Abonyo	-	Director Committees
2.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3.	Mr. Ahmed Kadhi	-	First Clerk Assistant
4.	Mr. Eric Nyambati	-	Third Clerk Assistant
5.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Alex Mutuku	-	Sergeant At- arms
8.	Mr. Richard Sang	-	Sergeant At- arms
9.	Ms. Deborah Mupusi	-	Media Relations Officer
10.	Ms. Rose Ometere	-	Audio Officer
11.	Ms. Beatrice Auma	-	Secretary
12.	Mr. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/065: PRELIMINARIES
The Chairperson called the meeting to order at 3.30pm and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/066: COMMITTEE SCHEDULE OF MEETING

The Committee resolved to undertake the following activities as indicated below.

DATE	TIME	ACTIVITY	RESPONSIBILITY
TUESDAY 24th JULY, 2018	10: 00 AM	Government Chemist Plus Signatory of the certificate of test results	• To shade light on the test results particularly results from AFCO and Webuye West in Bungoma County. • Describe the methods of sampling, sample representative and issues of validity • Action taken after the results • Possible sources of contamination • What are the medical effects to human life especially for those who may have consumed the

			contaminated sugar • Remedial measures for those already affected by the contaminated sugar
WEDNESDAY 25th JULY, 2018	10:00 PM	Engage **KEPHIS** and University of Nairobi on sampling	• Seek expression of interest • Whether they have the capacity to conduct the tests • ToR to include parameters
	3: 00 PM	Multi – Agency Task Force	• Quantities of Seized Sugar • Owners of the Sugar • Destruction Schedules and Action taken
THURSDAY 26th JULY, 2018	10: 00 AM	Consideration of the Test Results from KEPHIS and University of Nairobi	• ToR of the Consultancy to test heavy metals in samples from selected stores in accordance to KS:EAS749:2010
FRIDAY 27th JULY, 2018	10.00AM	Consideration of Observations and Recommendations	
MONDAY 30th JULY , 2018		The Committee to Review and Adopt the Report for Tabling	

MIN.NO. DCS/ JCAL& TIC 2018/067: Adjournment

The Chairperson adjourned the meeting at 5. 15am

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 17TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SATURDAY 21ST JULY, 2018 AT ENGLISH POINT, MARINA AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.

14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo	-	Director Committees
2. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3. Mr. Ahmed Kadhi	-	First Clerk Assistant
4. Mr. Eric Nyambati	-	Third Clerk Assistant
5. Mr. Nicodemus Maluki	-	Third Clerk Assistant
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Mr. Richard Sang	-	Sergeant At- arms
9. Ms. Deborah Mupusi	-	Media Relations Officer
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Beatrice Auma	-	Secretary
12. Ms. Stephen Omunzi	-	Office Assistant

MINISTRY OF HEALTH

1. Dr. Kepha Ombacho	-	Director Public Health

MIN.NO. DCS/ JCAL& TIC 2018/061: PRELIMINARIES
The Chairperson called the meeting to order at 3.30pm and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/062: CONSIDERATION OF THE COMMITTEE OBSERVATIONS
The Committee further considered other observations as follows:-

The Role of CS Agriculture and AFA

1. Pursuant to the provisions of the Executive Order No.1 of 2013, the then Ministry of Agriculture, Livestock and Fisheries was responsible for food safety, security and inspections. In this regards the Ministry failed to advice on regulations to address the deficit based on supply and demand analysis to determine the quantity of sugar to be imported.

2. The Agriculture and Food Authority (AFA) is responsible for the administration of the Crops Act and the Agriculture and Food Authority Act No. 13 of 2012. The evidence tabled before the Committee did not indicate that the Authority offered advice to the CS National Treasury on the type and quantity of sugar to be imported.

3. Gazette Notice No. 9801 was a well calculated scheme to facilitate tax evasion by entities that imported sugar between 1st September, 2017 and 13th October, 2017. After the expiry of Gazette Notice No. 4536 on 31st August 2017, the CS for National Treasury following the advice of the CS Agriculture, Livestock and Fisheries issued a subsequent Gazette Notice No. 9801 on 29th September, 2017 extending the duty free window for the importation of sugar shall not be payable on the sugar which would be loaded into a vessel between 1st September, 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar miller.

4. Gazette Notice No. 9802 amended Gazette Notice No. 4536 to specify that only sugar loaded on a vessel between 12th May, 2017 and 31st August, 2017 would quality for importation on a duty free basis. The failure to specify whether the waiver of duty was applicable to "sugar loaded on a vessel within the duty free window" or "sugar imported within the duty free window" may have been abused by unscrupulous dealers to import sugar loaded on a vessel prior to publication of Gazette Notice No. 4536 on a duty free basis.

5. The Gazette Notice No. 9801 was published on 4th October 2017 and being the effective date, miller who imported sugar between 1st September 2017 and 4th October 2017 was not within the duty exemption period and hence obligated to pay import duty accordingly.

6. According to the National Treasury the following companies imported sugar within the stated period and evaded taxes;

No.	IMPORTER	B/LNo.	MT
1	Flora Bakers Limited	DXB0373587C	520
2	Piccadilly Holding	960750595	5400
3	Landmark Freight Services	769855882	780
4	Darasa Investments Ltd	BRSS802017	40010

5	Pillarmatt Limited	DXB0374640C	2990
6	The Option Two limited	DXB03746	2990
7	Ifox Commodity Limited	DXB0373587E	2990
8	Paleah Stores Limited	MSCCUZC238582	3000
9	Mapping Trading Company	MSCUZC239119	3000
10	Sukari Investment Limited	769859553	1300
11	Elon Commodities (K) Ltd	DXB0368738A	1040
12	Coast Terminal East Africa Limited	ElD0193398	2080
13	Zack Petroleum Limited	DXB0373587B	540
14	Export Trading Company Limited	2017MOY20602	4400

Sugar Importers and quantities imported by vessels that docked in September 2017 carrying sugar

No	Ship Name	Date of Arrival	Quantity (KG)	Name of importer extracted from the KPA manifest and Quantities in kg	
1.	Ken Moonys	01/09/17	33,000,000	Korbash Traders Ltd	2,008,000
				YH wholesalers	5,020,000
				Kifaru feeds Ltd	3,012,000
				Holwathag Enterprise Ltd	2,008,000
				Landmark Freight Services Ltd	4,016,000
				Haleel Commodities Ltd	6,726,800
				Sky Agencies Ltd	1,506,000
				Manono Energy Ltd	3,815,200
				Salole Enterprises ltd	5,020,000
				Total	**33,132,000**

2	Iliana	05/09/17	40,000,000	Grainergy	7,500,000
				One Traders Ltd	7,500,000
				One Commodities Co Ltd	12,500,000
				Hydery P Ltd	12,500,000
				Total	**40,000,000**
3	Global Harmony	08/09/17	22,000,000	**Manifest not provided**	
4	Skelt	11/09/17	33,000,000	Awwal oil Co Ltd	33,160,140
5	Georgios P	15/09/17	39,000,000	Amnav Ltd	39,600,000
6	Western Baltic	21/09/17	34,500,000	Sukari Industries Ltd	34,500,000
7	IVS Orchard	04/10/17	25,000,000	Menengai Oil Refineries Ltd	25,200,000

Information extracted from KPA schedule on vessels that docked at the port of Mombasa carrying sugar and Ships Manifest

From the above tables, it is clear that the information given by the National Treasury and that of KPA is conflicting on quantity, name of importing companies and even one manifest is missing.

Role of South Nyanza Sugar Company Limited

7. Under Gazette Notice No. 9801 South Nyanza Sugar Company Ltd (Sony Sugar Company) applied for a license to import 90,000 MT. of brown sugar on 12th October 2017 a day before the expiry of the duty free waiver period (13th October 2017) but was issued with an import license to import 50, 500 MT. of brown sugar on 19th October 2017, seven days after the expiry of the duty free window.

8. The Sony Sugar Management despite being aware that the company was technically insolvent, decided to apply for the license and transferred their importation rights to Ms. Holbud Limited due to lack of financial capacity contrary to section 7 (3) of the sugar imports, exports and by-products regulations.

9. Although Sony sugar Company entered into a buy-back agreement with Ms. Holbud Limited being the Supplier for the importation of 50,500 MT, Sony Management did not take any measures to guarantee quantity and type of sugar imported by Ms. Holbud Limited as per the requirements of the licence issued to them. Further, Sony Sugar Company failed to familiarize itself with the handling procedures employed by Ms. Holbud Limited in offloading, transportation and storage of the sugar.

10. The Management of Sony Sugar Company rendered the company which is a public entity to abuse by an international entity. The company was used as a conduit to import sugar into the country under suspect circumstances in a deal worth approximately Ksh.2.2 Billion but out of which the company recouped a meagre sum of Ksh. 82 Million hence Kenyans did not get value for money from the deal between Sony Sugar Company and Ms. Holbud Limited.

11. Thereafter Gazette Notice No. 10149 dated 13th October, 2017 amended Gazette Notice No. 9801 of 2017 which was extending the period of duty free imports to 31st December, 2017 by shortening the duty free period to 13th October, 2017. In effect, any importation between 1st September and 4th October should have attracted import duties.

Handling, Storage and Disposal

12. The failure by the CS National Treasury to specify the quantity and type of sugar to be imported under Gazette Notice No. 4536 occasioned importation of sugar in large volumes. Subsequently, some importers who were not adequately equipped to handle large volumes of sugar and bag at the designated area within the port as required before transportation, instead they offloaded and transported sugar in tippers and open trucks to warehouses in a manner that violated the KS:EAS 8:2010 standards. Due to poor handling and storage conditions, sugar is likely to be contaminated.

13. Presentation from the Ministry of Health indicated that from a sample size of 174 collected, 60% did not meet the national standard on moisture content due to hygroscopic nature of sugar hence not fit for human consumption. The Ministry of Health assured the Committee that the contaminated lots are under seizure pending destruction.

14. Supermarkets, wholesale and retail outlets served as conduits in the distribution and sale of the sugar, by virtue of the fact that most supermarkets, wholesale and retail outlets purchase unpackaged sugar from millers in bulk then consequently package it on location under uncontrolled conditions.

MIN.NO. DCS/ JCAL& TIC 2018/063: MEETING WITH THE MINISTRY OF HEALTH TO CONSIDER TEST RESULTS OF THE SUGAR SAMPLES

The Director Public Health, Dr. Kepha Ombacho appeared before the Committee to clarify of the test samples that indicated traces of mercury. He confirmed that:-

The initial report from the Government Chemist submitted to the Committee by the Ministry of Health on 23rd June, 2018 indicated that from a sample size of 174 collected from 19 Counties,

60% of the samples tested and analyzed for moisture content did not comply with KS:EAS 749:2010.

The standard requirement is 0.2% m/m and 0.15% m/m maximum moisture content for brown sugar and light brown sugar respectively. The sugar was therefore not fit for human consumption. In respect to heavy metals; laboratory analysis results found that copper, lead and arsenic contamination were within the standard specification for brown and light brown sugar. Industrial sugar was also tested and analyzed for conformity with standards specification and found fit for use in preparation of foods meant for human consumption.

In the subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample from Webuye West Ref. F/MISC/270/17-18 tested positive for mercury at 0.5910 ppm hence not fit for human consumption.

The Committee efforts to establish the ownership details of the consignment or lots were unsuccessful. The Committee was informed that the contaminated sugar is under seizure by the Multi–Agency Taskforce (MAT) pending destruction.

MIN.NO. DCS/ JCAL& TIC 2018/064: Adjournment

The Chairperson adjourned the meeting at 5. 45pm

Signed.....

Chairperson

Date.....11/8/2018.....

MINUTES OF THE 16TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SATURDAY 21ST JULY, 2018 AT ENGLISH POINT, MARINA AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.
14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Ms. Florence Abonyo	-	Director Committees
2.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3.	Mr. Ahmed Kadhi	-	First Clerk Assistant
4.	Mr. Eric Nyambati	-	Third Clerk Assistant
5.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Alex Mutuku	-	Sergeant At- arms
8.	Mr. Richard Sang	-	Sergeant At- arms
9.	Ms. Deborah Mupusi	-	Media Relations Officer
10.	Ms. Rose Ometere	-	Audio Officer
11.	Ms. Beatrice Auma	-	Secretary
12.	Ms. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/058: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/059: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Test Results of Sugar Samples

1. The Mandate of the Ministry of Health amongst others is to monitor public health and safety as well as inspection of storage facilities by the Department of Public Health. Port health officers conduct inspection of vessels, cargo as well as crew before getting clearance for the same to stock.

2. The Ministry of Health submitted that from a sample size of 174 collected in the country, 60% of the sugar sampled and analysed for moisture content from 19 Counties did not comply with KS:EAS 749:2010 specification of 0.2% m/m and 0.15% m/m moisture content maximum for brown sugar and light brown sugar respectively. In addition, samples collected from Moi Airbase Eastleigh, Nairobi and Webuye West, Bungoma tested positive for mercury at 0.1141 ppm and 0.5910 ppm respectively hence not fit for human consumption. (See Annex)

The contaminated sugar is under seizure by the Multi – Agency Team pending destruction.

3. The Mandate of KEBS among others includes testing of locally manufactured and imported commodities with a view to determine whether such commodities comply with provisions of the Standards Act and any other laws dealing with Standards of Quality or descriptions.

4. The test samples from seized sugar and market surveillance by KEBS revealed that there were no traces of mercury detected. KEBS had tested two categories of sugar samples, the first category of sugar samples was drawn from consignments seized by Multi-Agency constituted to fight against illicit trade and counterfeit goods, while the second category of sugar samples was taken by the market surveillance team at KEBS from various outlets across the Country. These samples were collected from the most frequented outlets.

5. From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags which translated to 96% of the total. The results indicated that 157,392 bags complied with standards. The number of bags not complying with standards were 837, 244 with 132,244 bags completely failing to meet the standards while 705,000 bags which complied with the national standards KS: EAS 749:2010 were from lots of sugar meant for reprocessing and failed to meet the standards in respect of the following parameters:- moisture content, yeast and moulds, colour, total viable count and polarisation. **(See Annex).**

6. KEBS drew a total of 219 samples from 45 Counties through market surveillance routine checks to establish on quality of the sugar in the market. KEBS has tested 72 samples representing 21 Counties of which 42 samples complied with the standard representing 58.33% of the total tested. Nevertheless 30 samples failed to meet standards representing 41.7% of the samples tested in respect of moisture content, yeast and moulds, colour, total viable count and polarisation **(See Annex).**

7. The allegations by the Cabinet Secretary for Interior and Coordination of National Government on Sugar contaminated with mercury, although he alleged that the sugar had mercury a statement he termed cautionary and intended to inform the general public on contamination of some products in the market, caused panic across the country. The CS did not corroborate his statement of sugar having been contaminated with mercury as he failed to provide the Committee with tested analysis evidencing presence of mercury.

8. The samples collected from the seized sugar from Diamond Wholesalers godown in Eastleigh and Paleah in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm for Diamond Wholesalers against a maximum acceptable limit of 2 ppm and lead was at 0.35 ppm for Paleah stores against 0.05 ppm in sugar.

The role of the Cabinet Secretary National Treasury

9. The Gazette Notice No. 4536 (annexed) issued by the Cabinet Secretary National Treasury Mr. Henry Rotich published on 12th May, 2017 allowed importation of;

   (a) Sugar by any person, with effect from the date of the notice to 31st August, 2017
   (b) 9000 metric tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board , with effect from the date of the notice to 31st July, 2017.

10. The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be observed as by law required, including health safety, quality specifications and standardization by the Kenya Bureau of Standards and other relevant agencies in accordance with the Public Health Act, Cap. 242, Food, Drugs and Chemical Substances Act, Cap. 254, Standards Act, Cap. 496 and the Crops Act, No. 16 of 2013. The importation was time bound and not quantity based. Registration of sugar importers is conducted pursuant to Legal Notice No. 114 (sugar imports, exports and by products amendments regulations 2001). Prior to importation of sugar in to the country, importers are required to file a pre shipment request with AFA by submitting the following documents –

(a) Quantity and type of sugar to be imported ;

(b) Country of origin;

(c) Pro-forma invoice showing all charges (FOB, Freight, Insurance Premium);

(d) Intended time of importation; and

(e) Supplier

Despite the CS submitting that the importation of sugar was time bound to provide equal opportunity to importers during the duty waiver window 829,871 MT was imported when the deficit based on the local production was 343,889 MT hence resulting to over importation by 485,982 MT.

Further, by failing to give guidelines on the quantity and type of sugar to be imported as specified for milk in paragraph (b) of the Gazette Notice, the CS National Treasury opened up the otherwise well regulated sugar importation process to abuse by any person. This allowed for importation of 829, 871 MT. of sugar when the deficit based on the local production was 343, 889 MT. hence the over importation by 485,982 MT.

MIN.NO. DCS/ JCAL& TIC 2018/060: Adjournment

The Chairperson adjourned the meeting at1.45pm

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 15TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON FRIDAY 20th JULY 2018 AT ENGLISH POINT, MARINA AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.
14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Ms. Florence Abonyo	-	Director Committees
2.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3.	Mr. Ahmed Kadhi	-	First Clerk Assistant
4.	Mr. Eric Nyambati	-	Third Clerk Assistant
5.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Alex Mutuku	-	Sergeant At- arms
8.	Mr. Richard Sang	-	Sergeant At- arms
9.	Ms. Deborah Mupusi	-	Media Relations Officer
10.	Ms. Rose Ometere	-	Audio Officer
11.	Ms. Beatrice Auma	-	Secretary
12.	Ms. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/055: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed. He then reminded the Committee that its mandate was to:-

i. To establish whether the sugar imported during the 2017 duty-free window was fit for human consumption.

ii. To establish measures in place to ensure that the sugar in the market is safe for human consumption.

iii. To inquire whether there is contraband sugar in the market and measures taken regarding the same.

iv. To establish if the required procedures were followed in the importation of sugar under the 2017 duty-free window (Annex 3)

v. The disposal mechanism for the unfit sugar and contraband goods

MIN.NO. DCS/ JCAL& TIC 2018/056: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

The Committee considered the draft report by reading through the preliminary pages and the submissions from the key witnesses.

It was noted that and pointed out several sections of the report needed improvement. The secretariat was tasked to improving the following areas:-

i. Executive Summary

ii. The Terms of Reference

iii. Introduction

iv. Status of the Sugar industry in the Country

v. Submissions from the key witnesses

Members deliberated on the draft report and made the following observations that;

- The Fact-finding visits should indicate the specific place visited
- The Video recording of Cabinet Secretary, Interior and Coordination of National Government video was played to the Members, which started with the proclamation that, "the Sugar in the Country was laced with Mercury and other poisonous heavy metals"
- Rai had given testimony to the committee that sugar meant for further processing would be introduced midway through the production line.
- The Cabinet Secretary for the National Treasury had requested the Kenya Revenue Authority to exempt collection of taxes from some fourteen companies.

MIN.NO. DCS/ JCAL& TIC 2018/057: Adjournment

The Chairperson adjourned the meeting at 6.00 pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 14TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON FRIDAY 20TH JULY, 2018 AT ENGLISH POINT, MARINA AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.
14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo	-	Director Committees
2. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3. Mr. Ahmed Kadhi	-	First Clerk Assistant
4. Mr. Eric Nyambati	-	Third Clerk Assistant
5. Mr. Nicodemus Maluki	-	Third Clerk Assistant
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Mr. Richard Sang	-	Sergeant At- arms
9. Ms. Deborah Mupusi	-	Media Relations Officer
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Beatrice Auma	-	Secretary
12. Ms. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/052: PRELIMINARIES

The Chairperson called the meeting to order at 10.00am and prayed. He welcomed and thanked the Members present for finding time to participate in the retreat. He further reminded the Committee that the objective of the retreat was to consider and adopt the report on the inquiry into the alleged importation of illegal and contaminated sugar in the country which was scheduled for tabling before the House on Tuesday 24th July, 2018.

MIN.NO. DCS/ JCAL& TIC 2018/053: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

The Committee deliberated on the agenda item and resolved to defer the agenda to Friday 20th July, 2018 at 2.30pm to allow the secretariat to finalize compiling the evidence and submissions received from the key witnesses. The secretariat was requested to expedite the exercise.

MIN.NO. DCS/ JCAL& TIC 2018/054: Adjournment

The Chairperson adjourned the meeting at 11. 15am

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 13TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 16TH JULY, 2018 IN THE MANI CHAMBER, PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Florence Mutua, MP.
5. Hon. Silas Kipkoech Tiren, M.P.
6. Hon. Simba Arati, MP.
7. Hon. Andrew Mwadime, MP
8. Hon. Dr. John Kanyuithia Mutunga, M.P.
9. Hon. Maison Leshoomo, MP.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Dr. Wilberforce Oundo, MP
12. Hon. Joseph Nduati Ngugi, MP
13. Hon. Kipruto Moi, MP
14. Hon. Adan Haji Yussuf, M.P.

APOLOGIES

1. Hon. Cornelly Serem, MP
2. Hon. Daniel Maanzo, MP
3. Hon. Ferdinard Wanyonyi, MP
4. Hon. Bunyasi John Sakwa, MP
5. Hon. Kathuri Murungi, MP
6. Hon. Janet Jepkemboi Sitienei, M.P.
7. Hon. Dr. Daniel Kamuren Tuitoek, M.P.
8. Hon. Robert Gichimu Githinji, MP
9. Hon. Yegon Brighton Leonard,MP
10. Hon. James Mukwe, MP
11. Hon. Joyce Kamene, MP.
12. Hon. Alois Musa Lentoimaga, MP
13. Hon. Rahab Mukami Wachira, MP
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. Gabriel Kago Mukuha, M.P.
16. Hon. John Paul Mwirigi, M.P.
17. Hon. Fred Ouda, M.P.

18. Hon. Francis Munyua Waititu, M.P.
19. Hon. Alexander Kimutai Kigen Kosgey, MP
20. Hon. Anab Mohamed Gure, MP
21. Hon. Jones Mlolwa, MP
22. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1.	Mr. Ahmed Kadhi	-	First Clerk Assistant
2.	Mr. Eric Nyambati	-	Third Clerk Assistant
3.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
4.	Ms. Colletah Sigilai	-	Legal Counsel
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Karuiki	-	Research Officer
7.	Mr. Chelanga Maiyo	-	Research Officer
8.	Mr. Richard Sang	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/049: PRELIMINARIES

The Chairperson called the meeting to order at 3.00 pm and prayed. The Chairperson urged the Members to stick to issues raised by the Statement requested by the Hon. Naisula Lesuuda, MP on 19th June, 2018 in the House so as to be able to handle the inquiry wholly without creating room for any qualms from the House when tabling the Committee report on the same.

MIN.NO. DCS/ JCAL& TIC 2018/050: WAYFORWARD REGARDING THE INQURY INTO THE ALLEGED IMPORTATION OF ILLEGAL/UNFIF SUGAR INTO THE COUNTRY

The Members deliberated on the way forward regarding the inquiry into alleged importation of illegal/unfit sugar for human consumption and resolved that:-

1. Kenya Bureau of Standards and Sony Sugar Company be invited to appear before the Committee on Tuesday 17th July, 2018 and Wednesday 18th July, 2018 respectively.
2. Dr. Fred Matiang'i the Cabinet Secretary for the Ministry of Interior and National Security need to be invited once more before the Committee to substantiate his remark regarding the presence of mercury in sugar.
3. The report of the Committee on the inquiry should:-

a) A chapter in the report that scrutinize the Gazette Notice allowing the importation of sugar and the repercussions of the same. In addition the list of companies that sought for extension of the duty-free window and those that imported the raw bulk sugar that need processing and if processing was done therafter.
b) Have a whole Chapter in the report which looks into the Companies that imported sugar before, during and after the duty-free window, the quantities they imported and the type of sugar imported.

4. Two Members from both the Committee on Trade, Industry & Cooperatives and that of Agriculture & Livestock should be picked to help the secretariat in coming up with the draft report before its submitted to the whole Committee.
5. Clear measures have to be put in place in destroying the unfit sugar seized and some that was still in the market as earlier submissions by the Ministry of Health indicated that as much as there was no mercury in the sugar the moisture content however was above the recommended level therefore the sugar was unfit for consumption
6. The government agencies charged with the responsibility of testing the sugar that is the Kenya Bureau of Standards and the Ministry of Health should provide a detailed summary of all the tests for the 47 Counties as requested by the Committee in the previous meetings.
7. In situations where the Committee finds an individual complicit in the importation of illegal/unfit sugar for human consumption, that individual should be held responsible and face the justice system.
8. The Committee to retreat in Mombasa from Thursday 19th July, 2018 to Monday 23rd July, 2018 for the report writing exercise.

MIN.NO. DCS/ JCAL& TIC 2018/051: ADJOURNMENT

There being no other business the Chairperson adjourned the meeting at 2. 05 pm. The next meeting will be called to order on notice.

Signed..... **Date**..1/8/2018.....

Hon. Kanini Kega, MP
Chairperson
Joint Committee on Trade, Industry & Cooperatives and Agriculture & Livestock

MINUTES OF THE 12TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY 5TH JULY, 2018 AT WINDSOR GOLF CLUB, KIAMBU AT 9.30AM.

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Robert Gichimu Githinji, MP
21. Hon. Alois Musa Lentoimaga, MP
22. Hon. Kipruto Moi, MP
23. Hon. Joyce Kamene, MP.
24. Hon. Fred Ouda, M.P.
25. Hon. James Mukwe, MP
26. Hon Nduati Ngugi,MP
27. Hon. Generali Nixon Kiprotich Korir, MP
28. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Deborah Mupusi	-	Media Relation Officer

MIN.NO. DCS/ JCAL& TIC 2018/046: PRELIMINARIES

The Chairperson called the meeting to order at 9.30am and prayed. He then informed Members that, the Ministry of Health and KEBS had requested to be given more time to finalize on the text results. In respect to this the Chairperson consulted with the Speaker of the National Asembly for guidance on how to move forward with the enquiry. The Speaker directed that the Committee to table a progress report awaiting the other results.

MIN.NO. DCS/ JCAL& TIC 2018/047: CONSIDERATION OF THE PROGRESS REPORT ON THE ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY.

The Committee considered the progress report based on the evidence and submissions received from the witnesses with a view to responding to the issues raised in the request for a Statement tabled by the Hon. Neisula Lesuuda, M. P., Samburu West. The key issues contained in the report were as follows:-

i. Sources of Contraband Sugar
ii. The Process of clearing Sugar at the Port
iii. Who were the importers
iv. Whether the sugar was inspected prior to consumption
v. How did the contraband sugar acquire KEBS stickers
vi. What are the disposal plans if any
vii. Measures to ensure that food stuffs in the market is safe for human consumption
viii. Whether any culprits have been arrested for culpability in the sugar importation

Preliminary Conclusions

The Committee further agreed to the following pleliminary conclusions

1. The preliminary laboratory test and the ongoing analysis test no traces of mercury have been found. However, investigations on the same were ongoing.
2. Kenya Bureau of Standards should coordinate with other relevant government agencies to ensure that raw sugar that was imported during the duty exemption window be reprocessed by the importers.
3. All sugar imported bagged or bulk should undergo fresh tests and if found unsuitable for human consumption be destroyed by the Multi-Agency team.
4. Kenya Revenue Authority should recover duty lost from importers who imported sugar outside the duty free window.
5. Kenya Revenue Authority should recover the applicable duty from any entity that imported industrial sugar during the duty free window.
6. The government should ban importation of raw and bulk sugar.
7. Millers be investigated for any misconduct in the importation of sugar during the duty exempt period as provided in the Gazette Notice No.4536. Considering that Sony sugar was adversely mentioned.

MIN.NO. DCS/ JCAL& TIC 2018/048: Adjournment

The Chairperson adjourned the meeting at 1.45pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 11TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 4TH JULY, 2018 AT WINDSOR GOLF CLUB, KIAMBU AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Robert Gichimu Githinji, MP
21. Hon. Alois Musa Lentoimaga, MP
22. Hon. Kipruto Moi, MP
23. Hon. Joyce Kamene, MP.
24. Hon. Fred Ouda, M.P.
25. Hon. James Mukwe, MP
26. Hon Nduati Ngugi,MP
27. Hon. Generali Nixon Kiprotich Korir, MP
28. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Deborah Mupusi	-	Media Relation Officer

KENYA BUREAU STANDARDS

Mr. Bernard Nguyo	-	Ag. Head of Quality Assurance

MIN.NO. DCS/ JCAL& TIC 2018/043: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed. He then informed Members that the Ministry of Health and KEBS were expected to bring their response on the test results as directed in the earlier meetings.

MIN.NO. DCS/ JCAL& TIC 2018/044: CONSIDERATION OF THE DRAFT REPORT ON THE ALLEGED IMPORTATATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

The Committee deferred consideration of the draft report to receive submissions from KEBS regarding test results and other relevant information. The Secretariat was request to make the relevant changes as proposed by the Members.

MIN.NO. DCS/ JCAL& TIC 2018/045: MEETING WITH KEBS TO CONSIDER THE TEST RESULTS ON THE SUGAR SAMPLES.

Mr. Bernard Nguyo from KEBS appeared before the Committee and made the following presentation:-

Clarification on Mandate of KEBS

The Kenya Bureau of Standards (KEBS) is a statutory organization of the Government of Kenya established by the Standards Act, Cap 496, Laws of Kenya in July 1974.
The functions of KEBS as per the Standards Act Cap 496 Section 4 are as follows:

a) to promote standardization in industry and commerce;

b) to make arrangements or provide facilities for the testing and calibration of precision instruments, gauges and scientific apparatus, for the determination of their degree of accuracy by comparison with standards approved by the Minister on the recommendation of the Council, and for the issue of certificates in regard thereto;

c) to make arrangements or provide facilities for the examination and testing of commodities and any material or substance from or with which and the manner in which they may be manufactured, produced, processed or treated;

d) to control, in accordance with the provisions of this Act, the use of standardization marks and distinctive marks;

e) to prepare, frame, modify or amend specifications and codes of practice;

f) to encourage or undertake educational work in connexion with standardization;

g) to assist the Government or any local authority or other public body or any other person in the preparation and framing of any specifications or codes of practice;

h. to provide for co-operation with the Government or the representatives of any industry or with any local authority or other public body or any other person, with a view to securing the adoption and practical application of standards;

i) to provide the testing at the request of the Minister, and on behalf of the Government, of locally manufactured and imported commodities with a view to determining whether such commodities comply with the provisions of this Act or any other law dealing with standards of quality or description.

Allegation of Discrimination

There is no prohibition for importation of brown sugar in bulk form, provided that the transportation complies with the ***(CAC/RCP 47-2001 - Code of Hygienic Practice for The Transport of Food in Bulk and Semi-Packed Food.***

The key things that the standard requires to be confirmed are:

i. Previous commodities shipped in the vessel/container
ii. Risks for contamination of the commodities being shipped from the vessels' materials, paints etc.
iii. Presence of locks and seals for containers to prevent environmental contamination.

Companies that imported bulk sugar for processing

West Kenya, Sukari Industries, Menengai oil and Amnav requested to be allowed to import sugar for processing at their factories into table sugar.

KEBS permitted the importation and gave the following conditions for its transportation to the factories:

1) The sugar should be inspected at the country of origin.
2) The sugar should be bagged in 50kg bags at the port.
3) The bags should be labelled "NOT FOR SALE"
4) Sugar to be inspected, sampled and tested for compliance with KS EAS 749.

The firms complied with the conditions given by KEBS with regards to transportation. Audit at the factories to confirm processing of the quantities imported is an ongoing process.

Companies that imported bulk brown sugar for bagging

Several companies including One Commodities Co limited, One-Traders limited Hydery P and Grainergy (k) Limited requested for authority to import brown sugar for bagging at the port of entry.

KEBS gave the following conditions for the bagging.

1) The sugar should be inspected at the country of origin.
2) The sugar should be bagged in 50kg bags at the port.
3) The bags should be labelled in conformity with KS EAS 749:2010
4) Sugar to be inspected, sampled and tested for compliance with KS EAS 749.

Results of Analysis for the various types of sugars

Kenya Bureau of Standards has tested the 2 categories of sugar samples as follows:

1. Samples of Sugar drawn from consignments seized by the Multi Agency RRI on fight against illicit trade.
2. Samples taken by KEBS Market Surveillance team from various outlets across the country.

The samples have been tested against the following standards:

EAS 749: 2010 EAST AFRICAN STANDARD Brown sugars - Specification

This specifies for tests on polarization, color, insoluble matter, lead, conductivity ash, moisture content, *E. coli, Salmonella*, Total viable count, yeast and moulds. On top of these parameters, mercury, arsenic, cadmium, and copper were also tested.

EAS 16: 2010 EAST AFRICAN STANDARD Plantation (mill) white sugar - specifications.

This specifies for tests on polarization, heavy metals such as arsenic, copper and lead, moisture content, sulphur dioxide, color, conductivity ash, Staphylococcus aureus, yeast and moulds. On top of these parameters, mercury, cadmium, manganese and nickel among others were also tested.

EAS 5: 2009 EAST AFRICAN STANDARD Refined white sugar - Specification.
Parameters tested in this case includes; invert sugar, polarization, arsenic, copper, lead, water insoluble matter, Coliforms, *Staphylococcus*, yeast and moulds, among others.

The progress of testing and recommendation for each category is as below:
Samples of Sugar drawn from consignments seized by the Multi Agency RRI on fight against illicit trade.
From the total of **661,252 bags** seized. We have tested **596,830** bags and the summary is as shown in the table below.

Table 1: Summary of test result status and Recommendations for sugars seized during the RRI

Date of seizure	Owners	Location	Quantity 50Kg Bags	KEBS Sample reference number	TEST Status	Results
05-06-18	WAREHOUSE 1	Eastleigh	1,400	BS201818544	Tested	Non-Compliant
				BS201818547	Tested	
				BS201818548	Tested	
				BS201818549	Tested	
				BS201818550	Tested	
				BS201818552	Tested	
				BS201818553	Tested	
11-06-18	WAREHOUSE 2	Ruiru, Kamakis Area	462	BS201819526	Tested	Non-Compliant
				BS201819527	Tested	
				BS201819528	Tested	
				BS201819529	Tested	
				BS201819530	Tested	
				BS201819531	Tested	
				BS201819532	Tested	
07.06.2018	WAREHOUSE 3	Mitchell Cotts logistic , Mombasa road	91,000	BS201819800	Tested	Partial compliance
				BS201819802	Tested	Partial compliance
				BS201819803	Tested	Compliant
14.06.2018	WAREHOUSE 4	Majengo Soko estate mombasa	230	No Sample	Not Tested	Destroyed by health officials
14.06.2018	WAREHOUSE 5	Makenzie Gowdon Shimanzi	741	BS201821062	Tested	Compliant

14.06.2018	WAREHOUSE 6	Allied Wharfage Godown Changamwe	105,551	BS201820356	Tested	Compliant
	WAREHOUSE 7			BS201820339	Tested	Compliant
	WAREHOUSE 8			BS201820389	Tested	Compliant
	WAREHOUSE 9			BS201820394	Tested	Compliant
	WAREHOUSE 10			BS201820400	Tested	Partial compliance
				BS201820374	Tested	Partial compliance
				BS201820361	Tested	Partial compliance
12.06.2018	WAREHOUSE 11	Kilindini	10,000	BS201819398	Tested	Compliant
12.06.2018	WAREHOUSE 12	Kilindini	10,000	BS201819407	Tested	Compliant
12.06.2018	WAREHOUSE 13	Kilindini	10,000	BS201819411	Tested	Compliant
12.06.2018	WAREHOUSE 14	Kilindini	10,000	BS201819416	Tested	Compliant
16.06.2018	WAREHOUSE 15	Matuu & Kitui	1,463	BS201820039	Tested	Partial compliance
				BS201820040	Tested	Partial compliance
				BS201820041	Tested	Partial compliance
				BS201820042	Tested	Partial compliance
				BS201820043	Tested	Partial compliance
19.06.2018	WAREHOUSE 16	Nyandarua	2,693	BS201820511	Tested	Partial compliance
				BS201820510	Tested	Partial compliance
				BS201820509	Tested	Partial compliance
				BS201820513	Tested	Partial compliance

19.06.2018	WAREHOUSE 17	Thika	2,970	BS201820512	Tested	Partial compliance
				BS201820513	Tested	Partial compliance
19.06.2018	WAREHOUSE 18	Industrial area	390	BS201820514	Tested	Compliant
				BS201820515	Tested	Compliant
				BS201820516	Tested	Compliant
				BS201820517	Tested	Compliant
19.06.2018	WAREHOSUE 19	Menengai Oil refineries industrial Nairobi	212,521	BS201820385	Tested	Compliant
				BS201820388	Tested	Partial compliance
				BS201820391	Tested	Partial compliance
				BS201820523	Tested	Compliant
				BS201820526	Tested	Compliant
				BS201820527	Tested	Compliant
				BS201820528	Tested	Compliant
				BS201820520	Tested	Compliant
19.06.2018	WAREHOUSE 20	Meru Town	2,900	BS201820382	Tested	Compliant
				BS201820379	Tested	Partial compliance
				BS201820378	Tested	Partial compliance
				BS201820377	Tested	Compliant
				BS201820375		
				BS201820369		
				BS201820367		
				BS201820366		
				BS201820365	Tested	Partial compliance
				BS201820363	Tested	Partial compliance
21.06.2018	WAREHOUSE 21	Garissa	320	BS201820865	Tested	Compliant

				BS201820857	Tested	Partial compliance
21.06.2018	WAREHOUSE 22	Embakasi	-	BS201820033	Tested	Partial compliance
				BS201820035		Partial compliance
21.06.2018	WAREHOUSE 23	Embakasi	-	BS201820034	Tested	Compliant
				BS201820036		Partial compliance
				BS201820037		Compliant
16.06.2018	WAREHOUSE 24	Webuye		BS201820025	Tested	Partial compliance
16.06.2018	WAREHOUSE 25	Webuye		BS201820023	Tested	Partial compliance
16.06.2018	WAREHOUSE 26	Webuye		BS201820025	Tested	Partial compliance
12.06.18	WAREHOUSE 27	Malaba		BS201819457	Tested	Compliant
21.06.2018	WAREHOUSE 28	Maua	3,000	BS201821236	**Testing incomplete**	
				BS201821233	**Testing incomplete**	
				BS201821234	**Testing incomplete**	
20.06.2018	WAREHOUSE 29	Maua	3,000	BS201821236	Tested	Compliant
				BS201821233	**Testing incomplete**	
				BS201821234	**Testing incomplete**	
30.06.2018	WAREHOUSE 30	Nyahururu	12,550	BS201822240	**Testing incomplete**	
				BS201822241		
				BS201822242		
				BS201822243		
				BS201822244		
21.06.2018	WAREHOUSE 31	Focus Godown	332	BS201820948	**Testing incomplete**	
21.06.2018	WAREHOUSE 32	Denco Godown	116,525	BS201820903	**Tested**	Compliant

				BS201820942		
21.06.2018	WAREHOUSE 33	Ligna Warehouse Shimanzi	17,664	BS201820756	**Tested**	Compliant
				BS201820758	**Tested**	Compliant
				BS201820759	**Tested**	Compliant
				BS201820760	**Testing incomplete**	Compliant
				BS201820761	**Tested**	Compliant
22.06.2018	WAREHOUSE 34	NCPB Godown Shimanzi	41,000	BS201821048	**Testing incomplete**	
18.06.2018	WAREHOUSE 35	Ol Kalau	4,540	BS201820508	**Testing incomplete**	
				BS201820212		
			661,252 **bags**			

MARKET SURVEILLANCE RESULTS

Market Surveillance Department undertakes regular market surveillance to ascertain the quality of products in the market.

Since 4th June, 2018, samples have been collected across major outlets in the country and Table 2 summarizes the outcome of testing.

Table 2: Status of Testing of Samples drawn from KEBS Market Surveillance

NO.	Region	Number of samples collected	Number of Samples Tested	Number of Test Pending	Remarks
1	Coast	49	17	32	14 Samples complied, 3 Partial compliance
2	North Rift	8	0	8	Results ready by 10th July, 2018
3	Nairobi	6	0	6	
4	Lake	4	0	4	
5	South Rift	8	8	3	
6	North Eastern	2	2	0	The samples complied in all the test parameters.
7	Mt. Kenya	21	15	6	15 samples complied in parameters tested.

MIN.NO. DCS/ JCAL& TIC 2018/046: Adjournment

The Chairperson adjourned the meeting at 7. 10pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 10TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 4TH JULY, 2018 AT WINDSOR GOLF CLUB, KIAMBU AT 10.00PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Robert Gichimu Githinji, MP
21. Hon. Alois Musa Lentoimaga, MP
22. Hon. Kipruto Moi, MP
23. Hon. Joyce Kamene, MP.
24. Hon. Fred Ouda, M.P.
25. Hon. James Mukwe, MP
26. Hon Nduati Ngugi,MP
27. Hon. Generali Nixon Kiprotich Korir, MP
28. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Debra Ghati	-	Media Relation Officer

MIN.NO. DCS/ JCAL& TIC 2018/040: PRELIMINARIES

The Chairperson called the meeting to order at 10.30am and prayed. He welcomed all the Members present and thanked everyone for finding time to attend to the retreat. He further reminded Members that the Committee was scheduled to table its report on Thursday 5th July, 2018 at 2.30pm.

MIN.NO. DCS/ JCAL& TIC 2018/041: CONSIDERATION OF THE DRAFT REPORT OF THE INQUIRY INTO ALLEGED IMPORTATION OF ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY.

The meeting was adjourned to the afternoon of Wednesday 4th July, 2018 at 2.30pm to allow the secretariat to finalize compiling the draft report. The secretariat was requested to ensure that all the relevant information submitted by the key witnesses was incorporated in the final draft report.

MIN.NO. DCS/ JCAL& TIC 2018/042: Adjournment

The Chairperson adjourned the meeting at 10.45am

Signed.....

Chairperson

Date....1/8/2018.....

MINUTES OF THE 9TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 3RD JULY, 2018 IN MINI CHAMBER COUNTY HALL, AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Joseph Nduati Ngugi, MP
21. Hon. Robert Gichimu Githinji, MP
22. Hon. Alois Musa Lentoimaga, MP
23. Hon. Kipruto Moi, MP
24. Hon. Joyce Kamene, MP.
25. Hon. Fred Ouda, M.P.
26. Hon. James Mukwe, MP
27. Hon Nduati Ngugi,MP
28. Hon. Generali Nixon Kiprotich Korir, MP
29. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP

8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Chief Whip
2. Hon. Jared Okello, MP		
3. Hon. Paul Abuor, MP		

COUNCIL OF GOVERNORS

1. H.E Hon. Okoth Obado	-	Governor Migori(Chair Agricuture Committee Council of Governors)

MINISTRY OF HEALTH

1. Mr. Peter Tum	-	Principal Secretary
2. Dr. Kepha Ombacho	-	Director Public Health

MIN.NO. DCS/ JCAL& TIC 2018/036: PRELIMINARIES

The Chairperson called the meeting to order at 3.00pm and prayed. He welcomed all present and requested everyone to make self-introduction

MIN.NO. DCS/ JCAL& TIC 2018/037: SUBMISSION BY COUNCIL OF GOVERNORS

H.E Hon. Okoth Obado the Governor for Migori County on behalf of the Council of Governors as the Chairperson for Agriculture Committee appeared before the Committee and submitted that:-

The Constitution has devolved agriculture including but not limed to Crop husbandry, Trade development and regulation as a county function. Further, the National Government has been assigned agriculture policy and international trade.

The Kenya Gazette Supplement No. 116 of 9th August, 2013, LEGAL NOTICE NO. 137 transferred enforcement of regulations and standards on quality control of inputs, produce and products from the agricultural sector to county government.

It is therefore the duty of County Governments to ensure that all agricultural produce and products that are sold in our markets meet the national standards and thus fit for human consumption.
The County Governments have ensured that there is adequate human capacities infrastructure, and enough tools to undertake continuous testing and inspections for agricultural products. However, this process requires huge some of financing.

He further noted that Contraband sugar unfit for human consumption has been lately flooding our markets. Unfortunately, this has largely been occasioned by weak regulatory institutions mandated to safeguard local farmers. AFA which is the regulatory body mandated to do this function should be held responsible.

The National Governments should put adequate measure to ensure Kenyans consumers are protected. In the same spirit we expect the National Governments to consult county governments in making international trade policy decision and this should be inclusive of Importation and Exportation of Sugar that meet the domestic and international requirements.

The Commodities that have been frequently dumped to this Country includes; sugar, fish and maize. It's unfortunate that even with the National Government`s initiative to promote manufacturing as a key pillar to industrialization, we continue not only have excess imports but also contaminated product entering the country.

Consequently, this will not only have health implications but also add to the misery to our farmers who have borne the brunt of unregulated Sugar Importation.

He noted that even with the myriads of challenges, Kenya has a great potential and there is great political will to revitalize the sugar sector. The County Governments are key in seeing this sector grow to not only meet the country's sugar demand but also have surplus for exports.

He concluded by requesting the Committee to intervene in the following areas that are of key focus to Counties;

i. Disbandment of AFA whose functions are a clear encroachment on County Governments.
ii. Fast- tracking of gazettement of the Sugar General Regulations
iii. Inclusion of County Governments in matters importation and exportation of sugar to ensure any import request is justified by prevailing deficits/surplus market conditions
iv. Imposition of tougher penalty charges for those found culpable of Cane poaching and importation of contraband Sugar
v. Write-off of all debts and claims owned by the Government to Public owned Sugar mills
vi. Injection of Capital to ailing factories to resuscitate their revival
vii. Those involved in importation of contra band sugar should be brought to book and charged as per the law.

MIN.NO. DCS/ JCAL& TIC 2018/038: SUBMISSION BY THE MINISTRY OF HEALTH ON THE ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

Mr. Peter K. Tum the Principal Secretary, Ministry of Health, appeared before the Committee and informed that;

Part of the mandate for the Ministry of Health includes monitoring of Public Health hazards and inspection of storage facilities, amongst other functions in order to safeguard health and safety of citizens. In performing its functions, the Ministry is guided by legal instruments such as the Public Health Act Cap 242, Food, Drugs and Chemical Substances Act Cap 254. Further the

Executive Order No. 1 of June, 2018 has placed the mandate of food safety under the Ministry of Health.

The Port Health officers conduct inspection of vessels, cargo as well as the crew before granting clearance for the same to dock.

Importation of Sugar (point of Entry)

He informed the Committee that the sugar imports can either be in the form of a container or bulk cargo provided the standards specified are adhered to and a certificate of conformity issued. He noted that when sugar is imported in bulk form, the sugar should be offloaded into bags and stored in a warehouse based on specific handling and storage procedures to avoid contamination. If this is not done then the public health concern is raised.

However, in poor condition of storage and handling, sugar can get contaminated after clearance to enter into the country. This is the major entry point to this country, upon inspection, raised safety issues on handling storage of bulk sugar. He further informed the Committee that surveillance of foods placed in the market is further conducted by the county governments.

The National Sugar Standards

He informed that in Kenya there are three national standards for different types of sugar namely:

a) Brown sugar- specifications (KS EAS 749: 2010
b) Refined White Sugar - Specifications (KS EAS 5: 2009)
c) Plantation (mill) white sugar – specification (KS EAS 16: 2010)

In the three standards, the levels of arsenic, copper and lead are the same and are 1mg/kg, 2mg/kg and 0.5mg/kg respectively. However, the levels of moisture content are different, that is

maximum of 0.2 % m/m and 0.15% m/m moisture content for brown sugar and light brown sugar respectively

Eradication of Counterfeit / Illicit Trade

The Ministry of Health is participating in the ongoing Presidential Rapid Result Initiative (RRI) on eradication of counterfeits and illicit trade. The members include KRA, KEBS, Anti-counterfeit Agency, Ministry of Health, Police, Immigration, and Directorate of Criminal Investigation (DCI) amongst others. The RRI has resulted to seizure of various food commodities meant for human consumption.

Safety Concerns

In the recent past the general public has raised concerns that sugar is contaminated with heavy metals such as copper, lead, arsenic and mercury.

Action by the Ministry of Health

In view of the foregoing, the Ministry issued two circulars for the purpose of safe guarding the general public to the county governments' officers, points of entry, the Kenya Association of Manufacturers and retailers giving guidance on surveillance and responsibility to safety of food stuffs such as sugar and cooking oils/ fats. The Ministry and the county governments conduct routine inspections and sampling of food articles at various parts of the country along the supply chain.

Collection of Samples

Following the circulars some consignments of sugar have been seized and sampled by public health officers in some counties like Nakuru, Kiambu and Nairobi amongst other counties. He informed that the sampling exercise was still ongoing although some results were already out.

Laboratory Analysis Results

He noted that the laboratory analysis results as of 23rd June, 2018 have found that copper, lead and arsenic contamination is within the standard specification. The analysis of mercury contamination was ongoing.

Further the results have shown that 60% of the samples analyzed did not comply with the national standards making it unfit for human consumption. To this effect the respective counties have been advised to keep the contaminated lots under seizure pending destruction

He informed that industrial sugar was also sampled and analyzed and the results of 29th June, 2018 have found that sugar conforms to the standard specification and is fit for use in preparation of food meant for human consumption.

He noted that the results are based on each sample taken for analysis and including the safety conditions of the sampled lot. Additionally, analysis of these samples is ongoing at the government Chemist in Nairobi.

Magnitude of the Problem

The broad objective of the Ministry of Health is to safeguard the public health of the consumers, population from consuming contaminated sugar. The ministry is aware that sugar is widely used in industrial and domestic hence it is of major public health interest. He promised to continue with enhanced surveillance to ensure that the risk is reduced.

MIN.NO. DCS/ JCAL& TIC 2018/039: ADJOURMENT

The Chairperson adjourned the meeting at 6.45pm.

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 8TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 3RD JULY, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 9.30AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice - Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Dr. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Joseph Nduati Ngugi, MP
21. Hon. Robert Gichimu Githinji, MP
22. Hon. Alois Musa Lentoimaga, MP
23. Hon. Kipruto Moi, MP
24. Hon. Joyce Kamene, MP.
25. Hon. Fred Ouda, M.P.
26. Hon. James Mukwe, MP

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Generali Nixon Kiprotich Korir, MP
3. Hon. Yegon Brighton Leonard,MP
4. Hon. Adan Haji Yussuf, M.P.
5. Hon. Janet Jepkemboi Sitienei, M.P.
6. Hon. John Paul Mwirigi, M.P.
7. Hon. Francis Munyua Waititu, M.P.
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Nicholas Emejen	-	Deputy Director Committees
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Chief Whip
2. Hon. Mark Nyamuta, MP		

KENYABUREAU OF STANDARDS TEAM

1. Dr Moses M.Ikiara	-	Ag MD
2. Dr. Geoffrey Muriira		
3. Benard Nguyo		
4. Dr. Henry Kibet Rotich		
5. Raymond Michuki		

KENYA REVENUE AUTHORITY

1. J K Njiraini	Commissioner General Njiraini
2. J N Musyoka	KRA Customs
3. R Mureithi Benarfd Oyucho	I&TC
4. Legei Joseph KRA	Customs
5. Grace Wanderu	

MIN.NO. DCS/ JCAL& TIC 2018/032: PRELIMINARIES

The Chairperson called the meeting to order at 10.00am followed by a prayer from the Hon. Adan Haji Ali, MP. He welcomed all present and requested the KEBS officers to table their submissions and take the Committee through the same.

MIN.NO. DCS/ JCAL& TIC 2018/033: RESPONSE BY KENYA BUREAU OF STANDARDS

The Ministry of Trade, Industry and Cooperatives through the Kenya Bureau of Standards (KEBS) responded to the letter dated 29th June 2018 of the Joint Committee that sought for the following updates: Importation; Inspection; Testing and Sale of sugar as follows;
KEBS mandate with regard to quality is executed through:

i. Import Inspection

ii. Product certification at the factory level
iii. Market surveillance

1. Import inspection- process of obtaining certificate of conformity

The certification for imported sugar is done through the following process:

a) Pre–Export Verification of Conformity to Standards

The process of verification on conformity is undertaken by contracted agents and involves the following steps:

i. Vessel/Container Inspection

The vessel is inspected before loading of the sugar. The inspection is carried out in line with Codex standard CAC/RCP 47-2001 – Code of Hygienic practice for the transport of food in bulk and semi packed food. This involves confirming the vessel or container is suitable for carrying by checking the following items among others:

1. Types of goods carried in the vessels including containers for the last three voyages.
2. Type of material on the surface of the walls of the hatches including paints.
3. Presence of locks and seals.

The output of the inspection is Vessel's health certificate for the vessel. Copies of health certificates have been provided with respect to the MVS IVS Tembe which was used for importation of raw sugar going to West Kenya Sugar Company.

ii. Consignment Inspection and Certification

- **Sugar Testing** – is a requirement for sugar to be tested by an accredited laboratory based on the relevant standard.
- **Loading Inspection** – undertaken to confirm quantities and quality.

iii. Local Inspection

The basis or criteria for release of sugar at the port of entry is the Certificate of Conformity (CoC). Consignments with CoCs are released normally. Sugar accompanied by CoC is optionally sampled and tested. Testing is based on the relevant standards. Consignment imported by West Kenya and Sukari Sugar were sampled at the Port of entry and test results were provided.
The sugar was also cleared by the Port Health Authority. Copy of the Port Health Certificate is provided.

iv. The case of the raw sugar cleared by KEBS for Refining / Milling

Four companies (Sukari Industries Ltd; West Kenya Sugar Company Limited; Amnav Limited and Menengai Oil Refineries Limited) applied to KEBS and were granted authority to import bulk sugar for milling in their factories. They informed the committee that due diligence was observed in clearing the companies that were allowed to import raw sugar as demonstrated by the tabled documents that included; AFA licenses, Vessel inspection and Certificates of Conformity
All sugars imported by these companies were certified in the country of origin and issued with CoCs.

Copies of CoC for the raw sugars imported by West Kenya and affiliated companies were provided.

2. Product certification at the factory level

KEBS implements product certification schemes guided by ISO 17065: 2012 - Conformity Assessment — Requirements for bodies certifying products, processes and services. These product certification schemes are provided for under the Standards Act. Currently, KEBS runs two certification schemes namely, Standardization Mark (SM) and the Diamond Mark (DM).
KEBS undertakes the following activities which form the key requirements for product certification:

a) Initial Inspection of the production system for conformity to statutory requirements as well as relevant manufacturing codes of practice.
b) Sampling and Product Testing for compliance with relevant Kenya standards or approved specifications.
c) Develop and sign with the manufacturer scheme of quality supervision and control for production process intended to ensure consistency in product quality throughout the certification cycle. This document provides a framework for quality monitoring over the certification validity period.
d) KEBS undertakes surveillance inspection of factories and sampling for testing after certification to ensure the factory adheres to the scheme of quality supervision and control during the validity period of the permit.

Complying products are issued with a Standardization Mark (SM) and Diamond Mark of quality (DM).

3. Market surveillance

KEBS implements market surveillance plans which are developed at the beginning of the year. KEBS is present in seven regions, namely Nairobi, Coast Region (Mombasa), Mt. Kenya (Nyeri & Meru), North Eastern (Garissa), South Rift (Nakuru), North Rift (Eldoret), Lake region (Kisumu) and is also present in 14 entry points. The Market surveillance activities cover all counties coordinated through the nearest office.
Market surveillance covers all products and is done through risk assessment. Non-compliant goods are seized and destroyed.

4. Issues of storage of food products in warehouse

KEBS responsibility is to clear goods that comply with the standards at the entry points. It is the responsibility of every business entity to ensure that food is stored in a warehouse that is suitable. The regulations for warehouses for food storage are provided for under Public Health Act, Chapter 242 Laws of Kenya. Page 56 and 57 of the Act that covers this provision is attached as Annex 4.

5. Test results

The exercise of testing was ongoing, and the finalization and release of results has been affected by arrest of the signatories.

During the plenary discussion, KEBS informed the Committee that CFS are considered to be in the port and that they their responsibility starts after the products are released from the port,
That certificate of conformity of the sugar had been issued at the country of orign of the imported sugars
The vessels that carried bulk sugar had been inspected and considered to be fit to handle the sugar
KEBS stated that it would be illegal for an importer to sell sugar designated for furthe processing directly to consumers.
Committee Resolution
The joint Committee resolved that KEBS should table a report on the test results of the samples taken from various region of the country by 4th July 2018.

MIN.NO. DCS/JCAL&TIC 2018/034: SUBMISSION BY KENYA REVENUE AUTHOURITY (KRA)

The Commissioner General Mr. John Njiraini appeared before the Joint Committee and responded to the additional issues sought by Members as follow:-

Administration process during the Duty Free Importation Window

Pursuant to the Declaration of the National Disaster by the Government of Kenya, the Cabinet Secretary, National Treasury, in accordance with the provisions of Section 114 (2) of the EAC Customs Management Act, 2004, approved the importation of sugar on duty free basis with effect from 12th May, 2017 to 31st August, 2017 vide the Kenya Gazette Notice No. 4536 dated 11th May, 2017
Subsequently, Gazette Notice No. 9802 dated 29th September, 2017 amended Gazette Notice No. 4536 of 11th May, 2017 by deleting the word "imported" and substituting therefore the words "loaded into a vessel destined to a port in Kenya". The amendment meant that duty was not to be charged on sugar loaded into a vessel destined to a port in Kenya between 12th May, 2017 and 31st August, 2017.

Gazette Notices relating to Sugar Millers

Gazette Notice No. 9801 dated 29th September, 2017 granted duty waiver on sugar loaded into a vessel destined to a port in Kenya between 1st September, 2017 and 31st December, 2017 and consigned to a local sugar miller.
Subsequently, Gazette Notice No. 10149 dated 13th October, 2017 amended Gazette Notice No. 9801 of 29thSeptember, 2017 by deleting the expression "31st December, 2017" and substituting therefore the expression "13th October, 2017". This amendment means that duty shall not be

charged on sugar loaded into a vessel destined to a port in Kenya between 1st September 2017 and 13th October 2017 consigned to a local sugar miller.

Internal Communication

The Kenya Revenue Authority, in consultation with the National Treasury developed administrative guidelines to facilitate the implementation of the aforementioned Gazette Notices. The administrative process guiding the implementation of the sugar exemption was outlined in the Table below;

Administrative process that guided the implementation of the sugar exemption.

Appendix	Date	Document	Remarks/Instruction
1.	12.05.2017	Gazette Notice No. 4536 dated 11th May, 2017.	The Gazette Notice approved the importation of duty free sugar subject to the conditions specified in the Notice as outlined above.
2.	16.05.2017	Internal Memo ref. CSD/PP/CSD/1 dated 16.05.2017	The internal memo clarified the requirements of Gazette Notice No. **4536** as follows:- I. The duty free sugar shall be of the Tariff Nos. 1701.13.90, 1701.14.90, 1701.99.10 and 1701.99.90, which are the categories for raw cane sugar. I. The duty free importation shall be valid from 12th May, 2017 to 31st August, 2017. I. The sugar shall be liable to Import Declaration Fee (IDF), Road Development Levy (RDL), Merchant Shipping Superintendent (MSS) fees and any other levies applicable to imports '. Where the Sugar originates from an EAC Member State, IDF and RDL shall not be applicable.
3.	17.05.2017	Internal Memo ref. CSD/PP/CSD/1 dated 17.05.2017	The internal memo clarified that the duty free sugar was liable to **VAT.**
4.	06.06.2017	Internal Memo ref.	The internal memo guided officers further as follows:-

Appendix	Date	Document	Remarks/Instruction
		CSD/PP/CSD/1 dated 06.06.2017	I. Industrial Sugar of Tariff 1701.99.10 **shall** not be accorded duty free status. II. Accordingly, the import duty rate for Industrial Sugar in the Simba System was reversed to reflect the CET rate of 100%. III. Gazetted importers to continue importing Industrial sugar at 10% under Duty remission scheme. IV. Officers to continue demanding sugar permits issued by Agricultural Authority Sugar Directorate from importers.
5.	04.10.2017	Gazette Notice No. 9801 and 9802 both dated 29th September, 2017.	

5.	04.10.2017	Gazette Notice No. 9801 and 9802 both dated 29th September, 2017.	o Gazette Notice No. **9801** granted duty waiver on sugar loaded into a vessel destined to a port in Kenya between 1st September, 2017 and 31st December, 2017 and consigned to a Local Sugar Miller o Gazette Notice No. **9802** amended Gazette Notice No. **4536** of 11th May, 2017 by deleting the word "imported" and substituting therefore the words **"loaded into a vessel destined to a port in Kenya".** This amendment means that duty shall not be charged on sugar loaded into a vessel destined to a port in Kenya between 12th May, 2017 and 31st August, 2017
6.	05.10.2017	Information Circular No. 3 dated 05.10.2017	The internal guidelines clarified the requirements for Gazette Notice No. 9801 and 9802 both dated 29.09.2017 as outlined above.
7.	13.10.2017	Gazette Notice No. 10149 dated 13th October, 2017.	Gazette Notice No. **10149** dated 13th October, 2017 amended Gazette Notice No. **9801** of 29th September, 2017 by deleting the expression "31st December, 2017" and substituting therefore the expression "13th October, 2017"
8.	17.10.2017	Information Circular No. 4 dated 17.10.2017	The internal guidelines clarified the requirements for Gazette Notice No. 10149 of 13th October, 2017 Accordingly, officers were guided that the duty waiver on sugar imported by sugar millers shall

			apply only to sugar that shall have been loaded into a vessel between 1st September, 2017 and 13th October, 2017 destined to a port in Kenya and consigned to a Local Sugar Miller.

1.1.1 Due Diligence

Upon expiry of the initial exemption deadline of 31st August 2017, KRA received requests to facilitate duty free entry of sugar whose arrival was said to have been delayed by various logistical challenges. Upon processing the request, KRA advised the National Treasury of its inability to admit the sugar on duty free basis given the strict timelines stated in Gazette Notice 4536.

Additionally, while conducting due diligence to ensure that only sugar that met the requirements specified in the Gazette Notices 4536 was allowed into the country on duty free basis, KRA intercepted an importation of 40,000 MT of brown sugar purported to have originated from Brazil and declared to have been loaded within the gazette period.

Upon verification of the import documents, several inconsistencies were detected in regard to certificate of origin; date and place of loading; place and date of the inspection and change of ownership; among others. Consequently, KRA declined to allow the importation on duty free basis and demanded **Kshs 2.5 billion** in taxes.

The importer objected to the demand and filed a case in Court. The matter is currently before the Supreme Court.

Raw versus Table Sugar

(i) Raw sugar is obtained by processing sugar cane (or beet) juice into crystalline solid sugar. A number of processes are involved in production of raw sugar and includes processes such as milling the canes, crushing, juice clarification, evaporation, crystallisation and centrifugation

(ii) Raw sugar can then be categorised into various grades depending on the colour of the sugar in solution and sucrose content. Traditionally some of the grades of raw sugar generally encountered include brown sugar and mill white sugar classified on the basis of colour.

(iii) The colour of raw sugar in solution is a property that is greatly dependent on the efficiency of sugar production process and other factors such as the condition of the raw material, seasons of the harvest of cane and prevailing environmental conditions during processing.

(iv) Raw sugar (brown or mill white) having satisfied quality criteria set out for fitness for human consumption by a qualified body is often referred to as 'table sugar' or 'common table sugar'.

(v) On further processing or purification of raw sugar under specific conditions, industrial sugar is obtained. Industrial sugar has reduced colour and very high sucrose content.

(vi) The terms 'common table sugar', 'mill white sugar', 'brown sugar', 'white sugar' and so on refer to the various grades of raw sugar based on the quality parameters such as colour, sucrose content and fitness for consumption.

Customs Classification of Raw Sugar

(i) The classification of raw cane sugar for the purposes of international trade is guided by the World Customs Organisation (WCO) Harmonised Systems Convention of Commodity Coding (HS) of which Kenya is a Party.

(ii) Chapter 17 of the Harmonised System covers the classification of Sugar and Sugar Confectionary.

(iii) Raw cane sugar in solid form is classified under the tariff heading 17.01.

(iv) Under the tariff heading 17.01 "raw sugar" means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5°.

(v) The sugar imported under the exemption regime falls under the tariff codes:-

a) 1701.13.90 .....raw cane sugar obtained without centrifugation and having sucrose content on dry basis corresponding to a polarimeter reading of 69° or more but less than 93°

b) 1701.14.90.....other raw cane sugar

(vi) The distinction between the two tariff codes is based on the sucrose content as given by the polarimeter readings and not based on suitability for consumption.

(vii) Polarimeter reading is an expression of sucrose content of sugar in solution. A polarimeter is a scientific instrument used to measure the angle of rotation caused by passing polarized light through an optically active substance.

(viii) Sugar contains optically active sucrose which rotates polarized light to an extent that is directly proportional to the quantities present in sugar sample.

(ix) In order to establish fitness for consumption, the raw cane sugar imported under the exemption regime were accompanied by Certificates of Conformity (CoC) from the Kenya Bureau of Standards.

Types of Packaging of Raw Cane Sugar Encountered During Importation

(i) The raw cane sugar imported under the exemption regime was presented to customs in 50 kilogram bags and in un-bagged bulk carriers.

(ii) Whether sugar is imported bagged or un-bagged, release by customs is conditional upon confirmation by relevant regulatory agencies of the fitness of the product for entry into the country. In all cases where un-bagged sugar was imported, all regulatory agencies including Kenya Bureau of Standards (KEBS), Port Health, and Radiation Board certified the consignments as fit for importation.

List of the Sugar Importers

Brown Sugar Importers Who Benefitted From the Exemption

A total 169 Companies benefitted from the exemption for both industrial and brown sugar imports(Paid zero duty) .The Table below indicates that total of 113 brown sugar importers imported within the confines of the exemption and hence benefited from the exemption.

O.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051651675J	AMNAV LIMITED	74,400	3,258	-	521	65	49	635
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	2,989	-	478	60	45	583
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	50,500	2,456	-	393	49	37	479
4	P000634500H	MENENGAI OIL REFINERIES LTD	46,200	2,424	-	388	48	36	473
5	P051625523E	CONVEX COMMODITY MERCHANTS L	39,832	1,584	-	253	32	24	309
6	P051308483N	SUKARI INDUSTRIES LIMITED	34,500	1,336	-	214	27	20	261
7	P000627038X	WEST KENYA SUGAR COMPANY LTD	34,100	1,394	-	223	28	21	272
8	P051601324Z	ONE COMMODITIES COMPANY LTD	31,850	1,740	-	278	35	26	339
9	P051243445V	LANDMARK FREIGHT SERVICES LTD	25,866	1,194	-	191	24	18	233
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,410	1,256	-	201	25	19	245
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	1,221	-	195	24	18	238
12	P051456947P	GRAINERGY K LIMITED	19,526	1,181	-	189	24	18	230
13	P000619085J	HYDERY (P) LIMITED	19,000	1,118	-	179	22	17	218
14	P051144533P	THE COMMODITY HOUSE LIMITED	16,674	1,007	-	161	20	15	196
15	P051629683B	HALEEL COMMODITIES LIMITED	16,216	820	-	131	16	12	160
16	P051151246J	STUNTWAVE LIMITED	13,375	827	-	132	17	12	161
17	P051474511S	ONE TRADERS LIMITED	12,500	645	-	103	13	10	126
18	P051202197A	HUSSABA TRADING COMPANY LTD	12,438	864	-	138	17	13	168
19	P051359826N	YH WHOLESALERS	11,492	697	-	111	14	10	136
20	P051581191F	KIFARU FEEDS LIMITED	10,396	574	-	92	11	9	112
21	P051128926C	REMINGTON AGENCY LIMITED	9,625	626	-	100	13	9	122
22	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	665	-	106	13	10	129
23	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	500	-	80	10	7	97
24	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	616	-	99	12	9	120
25	P051398900G	COAST TERMINAL EAST AFRICA LTD	7,489	353	-	56	7	5	68
26	P051138751E	REGIONAL BARGAINS LIMITED	7,000	447	-	71	9	7	87
27	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	518	-	83	10	8	101
28	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	375	-	60	7	6	73
29	P051216621U	RAA RMO LIMITED	6,916	355	-	57	7	5	69
30	P051301868Z	THE OPTION TWO LIMITED	6,903	371	-	59	7	6	72
31	P051632605W	MANONO ENERGY LIMITED	6,790	340	-	54	7	5	66
32	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	399	-	64	8	6	78

	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
33	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	352	-	56	7	5	69
34	P051380103I	KORBASH TRADERS LIMITED	6,103	321	-	51	6	5	62
35	P051423241R	IFOX COMMODITY LIMITED	5,980	323	-	52	6	5	63
36	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	408	-	65	8	6	80
37	P051122598C	COSMOCARE INDUSTRIES (NAIROBI)	5,750	357	-	57	7	5	70
38	P051447092O	ARASAN TRADERS LIMITED	5,683	283	-	45	6	4	55
39	P051148624Z	PHOENIX COMMODITIES KENYA LTD	5,250	307	-	49	6	5	60
40	P051140572Q	PALEAH STORES LIMITED	4,770	239	-	38	5	4	47
41	P051358005Y	DUBAI MATRESS LIMITED	4,565	249	-	40	5	4	48
2	P051605076M	LEGO STORES LIMITED	4,492	215	-	34	4	3	42
43	P000596838I	EXPORT TRADING CO LTD	4,400	296	-	47	6	4	58
44	P051647626Z	BETA COMMODITIES LIMITED	3,970	207	-	33	4	3	40
45	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	193	-	31	4	3	38
46	P051509457T	SOMO COMMODITIES LIMITED	3,508	195	-	31	4	3	38
47	P051565427J	FLORA BAKERS LIMITED	3,490	175	-	28	4	3	34
48	P051357595V	PILLAR MATT LIMITED	3,489	194	-	31	4	3	38
49	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	216	-	35	4	3	42
50	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	242	-	37	4	3	45
51	P051121478S	MULTILIFT LIMITED	3,161	168	-	27	3	3	33
52	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	213	-	34	4	3	41
53	P051326831B	TARZAN LIMITED	3,000	219	-	35	4	3	43
54	P051621965H	SWABRI LIMITED	2,941	178	-	29	4	3	35
55	P051613426Z	MAPPING TRADING COMPANY LTD	2,938	164	-	26	3	2	32
56	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	175	-	28	4	3	34
57	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	134	-	21	3	2	26
58	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	145	-	23	3	2	28
59	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	138	-	22	3	2	27
60	P051595247Z	BEYON INVESTMENT LIMITED	2,292	102	-	16	2	2	20
61	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	148	-	24	3	2	29
62	P051311944R	GREENBELT WHOLESALERS LTD	2,080	111	-	18	2	2	22
63	P051195373G	MIDLAND HAULIERS LIMITED	2,040	116	-	19	2	2	23
64	P051381684F	FOCUS LOGISTICS LIMITED	2,002	105	-	17	2	2	21
65	P051464283J	AUS KENYA LIMITED	2,002	96	-	15	2	1	19
66	P051424211K	SINAI SUPPLIERS AND CONTRACTORS CO LIMITED	2,000	114	-	18	2	2	22
67	P051628771W	ATLANTA COMMERCIAL MALL LTD	2,000	127	-	20	3	2	25
68	P051581060X	MARATHON VENTURES LIMITED	1,840	109	-	17	2	2	21

D.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
69	P051166945F	EXPRESS COMPANY LIMITED	1,539	80	-	13	2	1	16
70	P051387175Q	SKY AGENCIES LIMITED	1,500	74	-	12	1	1	15
71	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	81	-	13	2	1	16
72	P051238815B	BLUE LIME LIMITED	1,305	71	-	11	1	1	14
73	P051198851L	WHITE HALL HOLDINGS LIMITED	1,300	72	-	12	1	1	14
74	P051393840B	EQUITY LOGISTICS LIMITED	1,300	65	-	10	1	1	13
75	P051563989Y	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	66	-	11	1	1	13
76	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	60	-	10	1	1	12
77	P000592871B	EMCO STEEL WORKS LTD	1,147	119	-	16	-	-	16
78	P051176972L	METCOM LTD	1,097	79	-	13	1.6	1.2	15
79	P051592286P	FUTURES COMMODITIES LIMITED	1,080	62	-	10	1.2	0.9	12
80	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	49	-	8	1.0	0.7	10
81	P051631078E	FREON TRADERS LIMITED	1,030	50	-	8	1.0	0.8	10
82	P051119385K	NANKU COMPANY (KENYA) LIMITED	1,000	68	-	11	1.4	1.0	13
83	P051213796I	MERCURIE LIMITED	1,000	57	-	9	1.1	0.9	11
84	P051567202C	CAPO GENERAL TRADING LIMITED	988	57	-	9	1.1	0.9	11
85	P051399721L	RIETY COMPANY LIMITED	933	60	-	10	1.2	0.9	12
86	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	48	-	8	1.0	0.7	9
87	A002491695Y	MARYWANGUIMWANGI	800	56	-	9	1.1	0.8	11
88	P051542905Y	TAKABA INVESTMENT LIMITED	780	40	-	6	0.8	0.6	8
89	P051564123Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	37	-	6	0.7	0.5	7
90	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	43	-	7	0.9	0.6	8
91	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	51	-	8	0.9	0.7	10
92	P051533721X	SERENI FRIES LIMITED	600	49	-	8	1.0	0.7	9
93	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	31	-	5	0.6	0.5	6
94	P051222964B	JAMAA SUPERMARKET LIMITED	520	20	-	3	0.4	0.3	4
95	P051528188X	FAHD COMMODITIES GROUP LIMITED	520	29	-	5	0.6	0.4	7
96	P051420387C	KENAFRIC COMMODITIES LIMITED	500	27	-	4	0.5	0.4	5
97	P051638583Z	SANJOSE AGENCIES LIMITED	500	35	-	6	0.7	0.5	7
98	P051223448W	TESIA SUPERMARKETS LIMITED	450	25	-	4	0.5	0.4	5
99	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	24	-	3	0.4	0.3	4
100	P051587757A	HABS ENGINEERING LIMITED	301	19	-	3	0.4	0.3	4
101	P000602358S	OAKDALE COMMODITIES LTD	251	145	-	23	2.9	2.2	28
102	P051180738S	MUMIAS DISTRIBUTORS LTD	250	20	-	3	0.4	0.3	4
103	P051501498H	ZACK PETROLEUM LIMITED	234	11	-	2	0.2	0.2	2
104	P051563367M	MIKROS	224	17	-	1	-	-	1
105	P051101494Q	UNITED NATIONS WORLD FOOD PROGRAMME	200	14	-	-	-	-	-

	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
106	P051216674J	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	11	-	2	0.2	0.2	2
107	P051536310V	MOKANN LOGISTICS LIMITED	195	15	-	2	0.3	0.2	3
108	P051321102A	LESPHINE INVESTMENTS LIMITED	168	13	-	2	0.3	0.2	3
109	P051380901O	ELON COMMODITIES K LIMITED	168	11	-	2	0.2	0.2	2
110	P051588583C	PEAKMUS BAKERS LIMITED	168	14	-	2	0.3	0.2	3
111	P051609069V	ESSBEE SUPPLIERS LIMITED	165	8	-	1	0.2	0.1	2
112	P051469311B	SAMPEN JOS LIMITED	122	9	-	1	0.2	0.1	2
113	P051516894X	STEVFLO STORES ENTERPRISES LTD	112	8	-	1	0.2	0.1	2
Grand Total			**818,151**	**43,487**	**-**	**6,947**	**865**	**649**	**8,463**

Importers who imported small quantities of Brown Sugar & benefitted from the Exemption

The table below gives 13 importers who imported small quantities of sugar (less than 100MT) and benefitted from the exemption.

NO	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS . M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051632843E	SERMCO COMPANY LIMITED	84	6	-	1	0.1	0.1	1
2	P051314028R	RABI YASIR TRADERS LIMITED	56	4	-	0.32	-	-	0.3
3	P051543121S	ROSAM LIMITED	27	2	-	0.35	-	-	0.4
4	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	0	-	0.07	-	-	0.1
5	P000609533Z	KENYA AIRWAYS LTD	4	2	-	-	-	0.1	0.1
6	P051643385Z	ALONAIB GENRAL TRADING LIMITED	1.60	0.09	-	0.01	-	-	0.01
7	P051102372Z	AMERICAN EMBASSY	0.78	0.26	-	-	-	0.13	-
8	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.14	0.05	-	-	-	-	-
9	P000593895L	NAS AIRPORT SERVICES LTD	0.13	0.03	-	-	-	0.00	0.00
10	P000591674X	TOTAL (K) LTD	0.06	0.04	-	0.01	0.05	0.04	0.01
11	P051442785K	SONGHYUN FOODSTUFFS LIMITED	0.05	0.020	-	0.003	-	-	0.003
12	P051133092U	HEALTHY U TWO THOUSAND LTD	0.04	0.012	-	0.002	-	-	0.002
13	P051646284U	LING YUE INTERNATIONAL CO LTD	0.03	0.004	-	0.001	-	-	0.001
Grand Total			**185**	**15**	**-**	**2**	**0.2**	**0.3**	**2**

Brown Sugar importers (Duty Paid)

The Table below gives a summary of 21 brown sugar importers who imported sugar from outside the Common Market for Eastern and Southern Africa (COMESA) region between September 2017 and 31st December 2017 and fully paid the requisite Duty.

Brown Sugar importers (Duty Paid)

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000592983G	PATCO INDUSTRIES LTD	306	15,032	1,503	2,646	10	225	4,384
2	P051216534Y	MSHALE COMMODITIES LIMITED	300	15,550	1,555	2,737	311	233	4,836
3	A008378124X	KAMLESH JITENDRA DATTANI	11	925	324	200	-	-	524
4	P051303371W	KAJAL OVERSEAS LIMITED	7	381	311	111	-	-	422
5	P051380221L	SUNGOLD KENYA LIMITED	4	105	64	27	-	-	90
6	A006483000D	NAVIN KUMAR DEVJI JESANI	3.2	139	49	30	-	-	79
7	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	1.6	67	23	14	-	-	38
8	P051500456Y	SPARE ZONE ENTERPRISES	1.2	77	53	21	-	-	7
9	P051636965X	GURU IMPEX LIMITED	1	44	16	10	-	-	25
10	P051427440C	SIANI SPICES K LIMITED	0.8	29	10	6	-	-	17
11	P051133092U	HEALTHY U TWO THOUSAND LTD	0.5	81	52	21	-	49	74
12	P051456140A	DATTA KRUPA TRADERS	0.4	2	20	3	-	-	23
13	A000186734N	PARENRAMJISHAH	0.3	26	14	6	-	-	20
14	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.3	48	48	15	-	-	63
15	A001128032D	PANKAJJAYANTILALSHAH	0.1	15	15	5	-	-	20
16	A007694508A	SANJAY GOPAL SHIYANI	0.1	10	5	2	-	-	7
17	P051112922J	SOMA IMPEX LIMITED	0.1	11	11	4	-	28	15
18	P051631183C	INEXCESS LIMITED	0.1	10	10	3	-	-	13
19	P000593906T	SAFARI PARK (HOLDINGS)	0.05	6	6	2	-	-	7
20	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	2	2	1	-	-	2
21	P051470953D	PLURINE TRADING LIMITED	0.03	1	1	0.3	-	-	1
Grand Total			**638**	**32,562**	**4,091**	**5,865**	**321**	**535**	**10,736**

Industrial Sugar Importers who benefitted from the Exemption

The Table below gives a summary of 44 industrial sugar importers who benefited from the exemption but KRA wants them to bay duty.

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000593584F	KENYA BREWERIES LIMITED	12,241	696	-	111	8	10	129
2	P000611756Q	NAIROBI BOTTLERS LTD	11,064	688	-	110	0.16	10.32	121
3	P000599737M	KENAFRIC INDUSTRIESS LIMITED	8,190	497	-	79	7	7	94
4	P051124295A	MZURI SWEET LIMITED	5,040	321	-	51	3	5	5
5	P000591222F	KENYA SWEETS LIMITED	4,100	256	-	41	2	4	4

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS M)
6	P000595604U	THE WRIGLEY CO (E A) LTD	2,486	151	-	24	1	2	2
7	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	118	-	19	0.05	1.78	2
8	P000627963J	KISII BOTTLERS LTD	1,656	93	-	15	0.04	1.39	1
9	P051103572S	JETLAK FOODS LIMITED	1,650	93	-	15	1	1	1
10	P051100924G	KEVIAN KENYA LIMITED	1,525	92	-	15	1	1	1
11	P000624917Q	MOUNT KENYA BOTTLERS LTD	1,416	87	-	14	0.03	1.30	1
12	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,350	78	-	13	1	1	1
13	P051147260Z	GLOBAL ALLIED INDUSTRIES LTD	1,250	80	-	13	2	1	1
14	P000624346S	MJENGO LTD	1,200	72	-	12	1	1	1
15	P000623053O	DEL MONTE KENYA LIMITED	999	55	-	9	0.01	0.83	1
16	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	47	-	7	1	1	
17	P051386713B	SUNVEAT FOODS LTD	775	47	-	8	1	1	
18	P000600017X	PREMIER FOOD INDUSTRIES LTD	700	33	-	5	0.03	0.50	
19	P000592983G	PATCO INDUSTRIES LTD	600	26	-	4	0.02	0.39	
20	P000596923C	EXCEL CHEMICALS LTD	500	22	-	4	0.01	0.33	
21	P000626429Y	EQUATOR BOTTLERS LTD	400	22	-	4	0.01	0.33	
22	P051222425N	SBC KENYA LIMITED	400	23	-	4	0.01	0.34	
23	P000607685K	GLAXOSMITHKLINE LIMITED	375	19	-	3	0.38	0.29	
24	P051152243L	CANDY KENYA LIMITED	375	19	-	3	0.37	0.28	
25	P000625880F	TRICLOVER INDUSTRIES LTD	325	17	-	3	0.11	0.26	
26	P051098613Z	EQUATORIAL NUT PROCESSORS LTD	300	20	-	3	0.39	0.29	
27	P051374667M	SWEETS R US LIMITED	300	19	-	3	0.38	0.28	
28	P051474155F	BRAVA FOOD INDUSTRIES LTD	300	20	-	3	0.40	0.30	
29	P000611792U	GLACIER PRODUCTS LTD	275	16	-	3	0.32	0.24	
30	P051432737Z	SUPER SWEETS LIMITED	225	12	-	2	0.09	0.19	
31	P051610787L	BIDCORO AFRICA LIMITED	207	14	-	2	0.29	0.21	
32	P051228018V	AGRI PRO PAK LIMITED	175	12	-	2	0.23	0.17	
33	P000614512G	REGAL PHARMACEUTICALS LTD	125	6	-	1	0.05	0.10	
34	P000631517E	NJORO CANNING FACTORY KENYA LIMITED	100	7	-	1	0.14	0.10	
35	P051115797K	GONAS BEST LIMITED	100	6	-	1	0.12	0.09	
36	P051161788B	VICTORIA JUICE POWDER LTD	100	5	-	1	0.10	0.08	
37	P051173454W	SUNNY PROCESSORS LTD	100	5	-	1	0.06	0.08	
38	P000595050W	NESTLE FOODS (K) LIMITED	50	3	-	0.42	0.05	0.04	
39	P051131217Z	KENYA WINE AGENCIES LIMITED	50	3	-	0.43	0.05	0.04	
40	P051161877Z	DAWA LIMITED	50	3	-	1	0.01	0.05	

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
41	P000609007S	MAC S PHARMACEUTICALS LTD	25	2	-	0.28	0.04	0.03	0.34
42	P000609319W	COSMOS LIMITED	25	1	-	-	0.03	0.02	0.05
43	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	1	0.23	-	-	-	-	-
44	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	0.03	-	-	-	-	-
Grand Total			**64,088**	**3,807**	**-**	**609**	**32.00**	**57.10**	**698**

Industrial Sugar Importers (Duty Paid)

The table below gives a summary of 22 industrial sugar importers who paid duty from May 2017 to December 2017

Industrial Sugar Importers Duty Paid – 22 companies

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000611756Q	NAIROBI BOTTLERS LTD	5,448	338	34	59	0.04	5	98
2	P000626429Y	EQUATOR BOTTLERS LTD	3,600	201	20	35	0.08	3	58
3	P000596923C	EXCEL CHEMICALS LTD	3,579	186	19	33	0.07	3	54
4	P051124295A	MZURI SWEET LIMITED	3,565	204	20	36	0.08	3	60
5	P000593584F	KENYA BREWERIES LIMITED	3,301	192	19	34	0.11	3	56
6	P051152243L	CANDY KENYA LIMITED	3,029	177	18	31	0.11	3	52
7	P000618560D	COASTAL BOTTLERS LTD	2,780	127	13	22	0.08	2	37
8	P000624917Q	MOUNT KENYA BOTTLERS LTD	2,712	155	15	27	0.03	2	45
9	P000592983G	PATCO INDUSTRIES LTD	1,818	97	10	17	0.06	1	28
10	P000595253B	TRUFOODS LTD	1,780	85	9	15	0.06	1	25
11	P000599737M	KENAFRIC INDUSTRIESS LIMITED	1,250	75	8	13	0.03	1	22
12	P000627963J	KISII BOTTLERS LTD	1,080	65	7	12	0.02	1	19
13	P000600017X	PREMIER FOOD INDUSTRIES LTD	944	52	5	9	0.04	1	15
14	P051222425N	SBC KENYA LIMITED	800	45	5	8	0.02	1	13
15	P000595604U	THE WRIGLEY CO (E A) LTD	744	33	3	6	0.03	0.49	10
16	P000624607O	HIGHLANDS MINERAL WATER CO LTD	505	28	3	5	0.02	0.42	8
17	P051100924G	KEVIAN KENYA LIMITED	500	30	3	5	0.01	0.45	9
18	P000594925Y	ELYS CHEMICAL INDUSTRIES LTD	50	2.6	0.26	0.46	0.01	0.04	0.77
19	P000614512G	REGAL PHARMACEUTICALS LTD	25	1.13	0.11	0.20	0.01	0.02	0.34
20	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	0.01	0.01	0.003	-	-	0.01
21	P051533355F	BOULANGERIE AND COMPANY LIMITED	0.05	0.03	0.03	0.01	-	-	0.03
22	P051097180I	CHEMOQUIP LIMITED	0.01	0.01	0.01	0.002	-	-	0.01
Grand Total			**37,510**	**2,095**	**210**	**369**	**0.9**	**31**	**611**

Reconciliation of the list

The table below is the reconciliation list to confirm that the actual number of companies that imported sugar between 12th May 2017 to 31st December 2017 were actually 193 by removing duplicates on companies that imported both brown and industrial sugar and companies that paid duty on some sugar quantities and did not pay duty on some quantities.

Reconciliation of the list

NO.	Remarks	No. of Companies	QTY (MT)
1	Large Importers (Zero Duty brown sugar)	113	818,151
2	Small Importers (Zero Duty brown sugar)	13	185
3	Duty Paid brown sugar	21	638
4	Zero Duty Industrial Sugar	44	64,088
5	Duty Paid Industrial Sugar	22	37,510
	subtotal	**213**	**920,571**
Less Duplicates			-
1	companies that imported both brown and industrial sugar	-2	-
2	Companies appearing twice on duty paid & duty unpaid lists	-18	-
Grand Total		**193**	**920,571**

Taxes forgone

The table below gives a summary of taxes forgone due to the exemptions on sugar between May 2017 and December 2017. Total forgone taxes is Kshs. 36.5Billion of which 31.5 Billion is Import Duty while 5 Billion is VAT.

Taxes foregone summary

No.	Item	DUTY (KSHS. M)	VAT (KSHS. M)	Total Taxes forgone (KSHS. M)
1	Brown mill white Sugar	31,423	5,030	36,454
2	Industrial Sugar	31	5	36
	Total	**31,454**	**5,035**	**36,489**

Mode of packaging of imported sugar

Table 9 indicates companies by mode of packaging of sugar. Some companies' imported bulk while others imported sugar packaged in bags

Bulk vs. Bagged sugar table

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
1	P051651675J	AMNAV LIMITED	-	74,400	74,400

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	-	55,000
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	-	50,500	50,500
4	P000634500H	MENENGAI OIL REFINERIES LTD	21,000	25,200	46,200
5	P051625523E	CONVEX COMMODITY MERCHANTS LTD	39,832	-	39,832
6	P051308483N	SUKARI INDUSTRIES LIMITED	-	34,500	34,500
7	P000627038X	WEST KENYA SUGAR COMPANY LIMITED	-	34,100	34,100
8	P051601324Z	ONE COMMODITIES COMPANY LIMITED	9,350	22,500	31,850
9	P051243445V	LANDMARK FREIGHT SERVICES LIMITED	25,866	-	25,866
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,710	-	21,710
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	-	21,315
12	P051456947P	GRAINERGY K LIMITED	12,026	7,500	19,526
13	P000619085J	HYDERY (P) LIMITED	6,500	12,500	19,000
14	P051144533P	THE COMMODITY HOUSE LIMITED	9,174	7,500	16,674
15	P000611756Q	NAIROBI BOTTLERS LTD	16,512	-	16,512
16	P051629683B	HALEEL COMMODITIES LIMITED	16,216	-	16,216
17	P000593584F	KENYA BREWERIES LIMITED	15,542	-	15,542
18	P051151246J	STUNTWAVE LIMITED	5,875	7,500	13,375
19	P051474511S	ONE TRADERS LIMITED	-	12,500	12,500
20	P051202197A	HUSSABA TRADING COMPANY LIMITED	12,438	-	12,438
21	P051359826N	YH WHOLESALERS	11,492	-	11,492
22	P051581191F	KIFARU FEEDS LIMITED	10,396	-	10,396
23	P051128926C	REMINGTON AGENCY LIMITED	9,625	-	9,625
24	P000599737M	KENAFRIC INDUSTRIESS LIMITED	9,440	-	9,440
25	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	-	9,075
26	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	-	8,955
27	P051124295A	MZURI SWEET LIMITED	8,605	-	8,605
28	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	-	8,000
29	P051398900G	COAST TERMINAL EAST AFRICA LIMITED	7,489	-	7,489
30	P051138751E	REGIONAL BARGAINS LIMITED	7,000	-	7,000
31	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	-	7,000
32	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	-	6,980
33	P051216621U	RAA RMO LIMITED	6,916	-	6,916
34	P051301868Z	THE OPTION TWO LIMITED	6,903	-	6,903
35	P051632605W	MANONO ENERGY LIMITED	6,790	-	6,790
36	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	-	6,760
37	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	-	6,716
38	P051380103I	KORBASH TRADERS LIMITED	6,103	-	6,103
39	P051423241R	IFOX COMMODITY LIMITED	5,980	-	5,980
40	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	-	5,808
41	P051122598C	COSMOCARE INDUSTRIES (NAIROBI) LTD	5,750	-	5,750
42	P051447092O	ARASAN TRADERS LIMITED	5,683	-	5,683
43	P051148624Z	PHOENIX COMMODITIES KENYA LIMITED	5,250	-	5,250

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
44	P051140572Q	PALEAH STORES LIMITED	4,770	-	4,770
45	P051358005Y	DUBAI MATRESS LIMITED	4,565	-	4,565
46	P051605076M	LEGO STORES LIMITED	4,492	-	4,492
47	P000596838I	EXPORT TRADING CO LTD	4,400	-	4,400
48	P000624917Q	MOUNT KENYA BOTTLERS LTD	4,128	-	4,128
49	P000591222F	KENYA SWEETS LIMITED	4,100	-	4,100
50	P000596923C	EXCEL CHEMICALS LTD	4,079	-	4,079
51	P000626429Y	EQUATOR BOTTLERS LTD	4,000	-	4,000
52	P051647626Z	BETA COMMODITIES LIMITED	3,970	-	3,970
53	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	-	3,649
54	P051509457T	SOMO COMMODITIES LIMITED	3,508	-	3,508
55	P051565427J	FLORA BAKERS LIMITED	3,490	-	3,490
56	P051357595V	PILLAR MATT LIMITED	3,489	-	3,489
57	P051152243L	CANDY KENYA LIMITED	3,404	-	3,404
58	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	-	3,350
59	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	-	3,261
60	P000595604U	THE WRIGLEY CO (E A) LTD	3,230	-	3,230
61	P051121478S	MULTILIFT LIMITED	3,161	-	3,161
62	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	-	3,094
63	P051326831B	TARZAN LIMITED	3,000	-	3,000
64	P051621965H	SWABRI LIMITED	2,941	-	2,941
65	P051613426Z	MAPPING TRADING COMPANY LIMITED	2,938	-	2,938
66	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	-	2,921
67	P000618560D	COASTAL BOTTLERS LTD	2,780	-	2,780
68	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	-	2,756
69	P000627963J	KISII BOTTLERS LTD	2,736	-	2,736
70	P000592983G	PATCO INDUSTRIES LTD	2,724	-	2,724
71	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	-	2,500
72	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	-	2,421
73	P051595247Z	BEYON INVESTMENT LIMITED	2,292	-	2,292
74	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	-	2,225
75	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	-	2,088
76	P051311944R	GREENBELT WHOLESALERS LTD	2,080	-	2,080
77	P051195373G	MIDLAND HAULIERS LIMITED	2,040	-	2,040
78	P051100924G	KEVIAN KENYA LIMITED	2,025	-	2,025
79	P051381684F	AUS KENYA LIMITED	2,002	-	2,002
80	P051464283J	FOCUS LOGISTICS LIMITED	2,002	-	2,002
81	P051424211K	ATLANTA COMMERCIAL MALL LIMITED	2,000	-	2,000
82	P051628771W	SINAI SUPPLIERS AND CONTRACTORS CO	2,000	-	2,000
83	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,855	-	1,855
84	P051581060X	MARATHON VENTURES LIMITED	1,840	-	1,840
85	P000595253B	TRUFOODS LTD	1,780	-	1,780
86	P051103572S	JETLAK FOODS LIMITED	1,650	-	1,650

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
87	P000600017X	PREMIER FOOD INDUSTRIES LTD	1,644	-	1,644
88	P051166945F	EXPRESS COMPANY LIMITED	1,539	-	1,539
89	P051387175Q	SKY AGENCIES LIMITED	1,500	-	1,500
90	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	-	1,400
91	P051238815B	BLUE LIME LIMITED	1,305	-	1,305
92	P051198851L	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	-	1,300
93	P051393840B	EQUITY LOGISTICS LIMITED	1,300	-	1,300
94	P051563989Y	WHITE HALL HOLDINGS LIMITED	1,300	-	1,300
95	P051147260Z	GLOBAL ALLIED INDUSTRIES LIMITED	1,250	-	1,250
96	P000624346S	MJENGO LTD	1,200	-	1,200
97	P051222425N	SBC KENYA LIMITED	1,200	-	1,200
98	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	-	1,182
99	P000592871B	EMCO STEEL WORKS LTD	1,147	-	1,147
100	P051176972L	METCOM LTD	1,097	-	1,097
101	P051592286P	FUTURES COMMODITIES LIMITED	1,080	-	1,080
102	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	-	1,040
103	P051631078E	FREON TRADERS LIMITED	1,030	-	1,030
104	P051119385K	MERCURIE LIMITED	1,000	-	1,000
105	P051213796I	NANKU COMPANY (KENYA) LIMITED	1,000	-	1,000
106	P000623053O	DEL MONTE KENYA LIMITED	999	-	999
107	P051567202C	CAPO GENERAL TRADING LIMITED	988	-	988
108	P051399721L	RIETY COMPANY LIMITED	933	-	933
109	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	-	910
110	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	-	875
111	A002491695Y	MARYWANGUIMWANGI	800	-	800
112	P051542905Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	-	780
113	P051564123Y	TAKABA INVESTMENT LIMITED	780	-	780
114	P051386713B	SUNVEAT FOODS LTD	775	-	775
115	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	-	730
116	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	-	670
117	P051533721X	SERENI FRIES LIMITED	600	-	600
118	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	-	522
119	P051222964B	FAHD COMMODITIES GROUP LIMITED	520	-	520
120	P051528188X	JAMAA SUPERMARKET LIMITED	520	-	520
121	P051420387C	KENAFRIC COMMODITIES LIMITED	500	-	500
122	P051638583Z	SANJOSE AGENCIES LIMITED	500	-	500
123	P051223448W	TESIA SUPERMARKETS LIMITED	450	-	450
124	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	-	444
125	P000607685K	GLAXOSMITHKLINE LIMITED	375	-	375
126	P000625880F	TRICLOVER INDUSTRIES LTD	325	-	325
127	P051587757A	HABS ENGINEERING LIMITED	301	-	301
128	P051098613Z	BRAVA FOOD INDUSTRIES LIMITED	300	-	300

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
129	P051374667M	EQUATORIAL NUT PROCESSORS LIMITED	300	-	300
130	P051474155F	SWEETS R US LIMITED	300	-	300
131	P000611792U	GLACIER PRODUCTS LTD	275	-	275
132	P000602358S	OAKDALE COMMODITIES LTD	251	-	251
133	P051180738S	MUMIAS DISTRIBUTORS LTD	250	-	250
134	P051501498H	ZACK PETROLEUM LIMITED	234	-	234
135	P051432737Z	SUPER SWEETS LIMITED	225	-	225
136	P051563367M	MIKROS	224	-	224
137	P051610787L	BIDCORO AFRICA LIMITED	207	-	207
138	P051101494Q	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	-	200
139	P051216674J	UNITED NATIONS WORLD FOOD PROGRAMME	200	-	200
140	P051536310V	MOKANN LOGISTICS LIMITED	195	-	195
141	P051228018V	AGRI PRO PAK LIMITED	175	-	175
142	P051321102A	ELON COMMODITIES K LIMITED	168	-	168
143	P051380901O	LESPHINE INVESTMENTS LIMITED	168	-	168
144	P051588583C	PEAKMUS BAKERS LIMITED	168	-	168
145	P051609069V	ESSBEE SUPPLIERS LIMITED	165	-	165
146	P000614512G	REGAL PHARMACEUTICALS LTD	150	-	150
147	P051469311B	SAMPEN JOS LIMITED	122	-	122
148	P051516894X	STEVFLO STORES ENTERPRISES LIMITED	112	-	112
149	P000631517E	GONAS BEST LIMITED	100	-	100
150	P051115797K	NJORO CANNING FACTORY KENYA LTD	100	-	100
151	P051161788B	SUNNY PROCESSORS LTD	100	-	100
152	P051173454W	VICTORIA JUICE POWDER LIMITED	100	-	100
153	P051632843E	SERMCO COMPANY LIMITED	84	-	84
154	P051314028R	RABI YASIR TRADERS LIMITED	56	-	56
155	P000594925Y	DAWA LIMITED	50	-	50
156	P000595050W	ELYS CHEMICAL INDUSTRIES LTD	50	-	50
157	P051131217Z	KENYA WINE AGENCIES LIMITED	50	-	50
158	P051161877Z	NESTLE FOODS (K) LIMITED	50	-	50
159	P051543121S	ROSAM LIMITED	27	-	27
160	P000609007S	COSMOS LIMITED	25	-	25
161	P000609319W	MAC S PHARMACEUTICALS LTD	25	-	25
162	A008378124X	KAMLESH JITENDRA DATTANI	11	-	11
163	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	-	11
164	P051303371W	KAJAL OVERSEAS LIMITED	7	-	7
165	P000609533Z	KENYA AIRWAYS LTD	4	-	4

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
166	P051380221L	SUNGOLD KENYA LIMITED	4	-	4
167	A006483000D	NAVIN KUMAR DEVJI JESANI	3	-	3
168	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	2	-	2
169	P051643385Z	ALONAIB GENRAL TRADING LIMITED	2	-	2
170	P051500456Y	SPARE ZONE ENTERPRISES	1	-	1
171	P051636965X	GURU IMPEX LIMITED	1	-	1
172	P051427440C	SIANI SPICES K LIMITED	0.80	-	0.80
173	P051102372Z	AMERICAN EMBASSY	0.78	-	0.78
174	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.71	-	0.71
175	P051133092U	HEALTHY U TWO THOUSAND LIMITED	0.50	-	0.50
176	P051456140A	DATTA KRUPA TRADERS	0.43	-	0.43
177	A000186734N	PARENRAMJISHAH	0.30	-	0.30
178	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.27	-	0.27
179	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	-	0.15
180	A001128032D	PANKAJJAYANTILALSHAH	0.15	-	0.15
181	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	-	0.13
182	P000593895L	NAS AIRPORT SERVICES LTD	0.13	-	0.13
183	A007694508A	SANJAY GOPAL SHIYANI	0.11	-	0.11
184	P051112922J	SOMA IMPEX LIMITED	0.11	-	0.11
185	P051631183C	INEXCESS LIMITED	0.10	-	0.10
186	P000591674X	TOTAL (K) LTD	0.06	-	0.06
187	P051442785K	BOULANGERIE AND COMPANY LIMITED	0.05	-	0.05
188	P051533355F	SONGHYUN FOODSTUFFS LIMITED	0.05	-	0.05
189	P000593906T	SAFARI PARK (HOLDINGS)	0.05	-	0.05
190	P051646284U	LING YUE INTERNATIONAL CO LIMITED	0.03	-	0.03
191	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	-	0.03
192	P051470953D	PLURINE TRADING LIMITED	0.03	-	0.03
193	P051097180I	CHEMOQUIP LIMITED	0.01	-	0.01
Grand Total			**631,871**	**288,700**	**920,571**

The above table shows that eleven (11) companies imported sugar in bulk in un-bagged state.

SUGAR IMPORTS: PLACE OF DISCHARGE SUMMARY

	DISCHARGE PLACE	QTY (MT)	CIF Value (KSHS. M)	Total Tax (KSHS. M)	%Prop.
1	Container Terminal	364,531	17,518	3,414	40%
2	Boss Freight CFS	114,188	6,923	1,351	**12%**
3	Mitchell Cotts	67,790	3,803	746	**7%**
4	Mombasa Container Terminal 1	60,045	3,633	750	**7%**
5	Interpel CFS	57,297	3,648	718	**6%**
6	Mombasa Inland Container Depot	42,542	1,821	361	**5%**
7	Port Side Shed	28,000	1,413	275	**3%**
8	Autoport CFS	27,274	1,317	257	**3%**
9	Mitchell Cotts CFS	24,995	1,394	289	**3%**
10	Consolbase CFS	19,787	1,111	274	**2%**
11	Great Lakes CFS	17,765	1,055	221	**2%**
12	Regional Logistics Container CFS	17,004	943	186	**2%**
13	Awanad CFS	16,638	935	187	**2%**
14	Makupa Transit Shed	11,300	648	128	**1%**
15	Portside CFS	11,170	548	109	**1%**
16	Focus CFS	9,855	843	164	**1%**
17	Mombasa Island Container Terminal	6,858	356	71	**1%**
18	Namamga	6,065	411	80	**1%**
19	Regional Logistics Container CFS	5,000	254	49	**1%**
20	Moyale	4,400	296	58	**0.5%**
21	Compact Container Freight CFS	2,806	175	34	**0.3%**
22	Busia	2,746	251	35	**0.3%**
23	Signon CFS	1,163	54	12	**0.1%**
24	Old Port	755	46	9	**0.1%**
25	Inland Container Depot Nairobi	286	12	2	**0.03%**
26	Malaba	178	18	2	**0.02%**
27	Kisumu	130	8	2	**0.01%**
28	Africa Cargo Handling (JKIA)	4	2	0	**0.00%**
29	CSC	0	0	-	**0.00%**
Grand Total		**920,571**	**49,436**	**9,784**	**100%**

Over 90% of the sugar imported in 2017 was cleared in Mombasa.

INFORMATION ON SPECIFIC COMPANIES AS REQUESTED BY THE COMMITTEE

MSHALE COMMODITIES LIMITED

There is evidence confirming existence of **Mshale Commodities Uganda Limited and Mshale Commodities Limited Mombasa. Mshale Commodities Limited Mombasa** is a registered entity in Kenya vide **PIN P051216534Y.**

In July 2016 one of the 4X20FT container number MEDU3333950 on manifest number 2016MSA130073, bill of lading number MSCUZS683812 on transit to Uganda imported by Mshale Commodities Uganda Limited. Verification was conducted by Government agencies led by **Anti-Narcotics Police Unit** and found with four unsealed polypropylene bags Concealed within the bags of sugar **with a substance packaged in block shape suspected to be narcotic drugs. The four bags yielded 90 blocks of the item. Marks on the blocks of the substance read "Lacoste".**

The 90 blocks suspected to be narcotics were marked as exhibits and packed in evidence bags and detained by the Anti-Narcotics Police Unit.

All four containers were secured under F89 number 203728 dated 29/07/2016 issued to OCS Port Police

Currently the matter is being handled by the relevant Government Agency (Anti-Narcotics Police Unit).

Record available show that Mshale Commodities Limited Mombasa imported 300MT Swaziland VHF brown sugar supplied by **ED&F MAN SUGAR LIMITED** after being granted authority by KEBS and ASD and Customs had no reasons to deny importation.

TAKABA INVESTMENT LIMITED

Takaba Investments Limited has two directors namely; Hanan Adan Abdullahi of KRA Pin No **A008110244X** and Josephine Wanjiku Njoroge of KRA PiN No **A008145285X**. During the exemption period the company imported 780 MT of sugar.

ED & F MAN SUGAR LIMITED

The available records indicate that the company supplied sugar to **Mshale Commodities Limited Mombasa and Sukari Industries Limited** after being granted authority by KEBS and Agricultural Authority Sugar Directorate . Details on the sources of sugar imported by Sukari Industries Limited and Mshale Commodities Limited Mombasa are provided in tables 11 and 12 below respectively.

SOURCE OF SUGAR IMPORTS BY SUKARI INDUSTRIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6590443	SUKARI INDUSTRIES LIMITED	VALE DO TIJUCO ACUCAR c/o ED- F MAN SUGAR LIMITED BRAZIL	4,339,000
2.	2017 MSA 6590514	SUKARI INDUSTRIES LIMITED	BIOSEV S.A c/o ED AND F MAN SUGAR LIMITED BRAZIL	7,000,000
3.	2017 MSA 6590365	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	BIOSEV BIOENERGIA c/o ED AND F MAN SUGAR LIMITED BRAZIL	13,161,000
4.	2017 MSA6590321	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	COFCO BRASIL c/o ED AND F MAN SUGAR LIMITED BRAZIL	10,000,000

TABLE 12: SOURCE OF SUGAR IMPORTS BY MSHALE COMMODITIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6485485	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	717,530
2.	2017 MSA 6500990	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	539,000
3.	2017 MSA 6518764	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	911,120
4.	2017 MSA 6524156	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	1,253,500
5.	2017 MSA 6523735	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,232
6.	2017 MSA 6524012	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA O/B ED AND F MAN SUGAR LTD FAZENDA MONTE ALEGRE BRAZIL	652,101
7.	2017 MSA 6575280	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
8.	2017 MSA 6571365	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA	1,003,200
9.	2017 MSA 6575986	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
10.	2017 MSA 6499563	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	521,664
11.	2017 MSA 6538286	MSHALE COMMODITIES LIMITED	ASOCIACION DE AZUCAREROS DE GUATEMALA	250,250
12.	2017 MSA 6540893	MSHALE COMMODITIES LIMITED	ILLOVO SUGAR (SOUTH AFRICA) PTY LTD DURBAN 4000 SOUTH AFRICA	2008000
13.	2017 MSA 6541971	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA- MOZAMBIQUE	1,003,200
14.	2017 MSA 6580201	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD - THAILAND	626,750
15.	2017 MSA 6588535	MSHALE COMMODITIES LIMITED	ADECOAGRO VALE DO INVIHEMA S/A BRAZIL	1,043,361

16.	2017 MSA 6588828	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
17.	2017 MSA 6580844	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
18.	2017 MSA 6588051	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA CNPJ 22.287.687/000146 BRAZIL	652,232
19.	2017 MSA 6580074	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	626,750
20.	2017 MSA 6588746	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,101
21.	2017 MSA 6603021	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	651,820
22.	2017 MSA 6600795	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	1,880,250
23.	2017 MSA 6605148	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	601,680
24.	2017 MSA 6577112	MSHALE COMMODITIES LIMITED	ZIMBABWE SUGAR SALES PVT LIMITED ZIMBAMWE	1,003,200
25.	2017 MSA 6606258	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD FOR THAILAND	1,880,250
26.	2017 MSA 6761710	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASOCIATION SWAZILAND	300,960

MIN.NO. DCS/ JCAL& TIC 2018/035: ADJOURNMENT

The Chairperson closed the meeting at 1.45pm

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 7TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 2ND JULY 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP
6. Hon. Florence Mutua, MP
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, MP
11. Hon. Simba Arati, MP
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, MP
15. Hon. Dr. Daniel Kamuren Tuitoek, MP
16. Hon. Justus Makokha Murunga, MP
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, MP
20. Hon. Joseph Nduati Ngugi, MP
21. Hon. Robert Gichimu Githinji, MP
22. Hon. Alois Musa Lentoimaga, MP
23. Hon. Kipruto Moi, MP
24. Hon. Joyce Kamene, MP
25. Hon. Fred Ouda, MP
26. Hon. James Mukwe, MP

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Generali Nixon Kiprotich Korir, MP
3. Hon. Yegon Brighton Leonard,MP
4. Hon. Adan Haji Yussuf, MP
5. Hon. Janet Jepkemboi Sitienei, MP
6. Hon. John Paul Mwirigi, MP
7. Hon. Francis Munyua Waititu, MP
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Nicholas Emejen	-	Deputy Director Committees
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Majority Party Whip
2. Hon. Mark Nyamuta, MP		

HYDERY (P) LIMITED

1. Mr. Naushad A. Merali	-	Director
2. Mr. Mohamed Kalyan	-	General Manager
3. Mr. Daniel N. Kiliko	-	Legal Officer

SONY SUGAR COMPANY LTD

1. Mr. Otieno Bernard	-	Ag. Managing Director
2. Mr. James Wanhohi	-	Alt. Director
3. Mr. Otieno Benard	-	Head of Finance
4. Mr. Kello Harsama	-	SA

MIN.NO. DCS/ JCAL& TIC 2018/027: PRELIMINARIES

The Chairperson called the meeting to order at 10.00am followed by a prayer from the co-Chairperson Hon. Adan Haji Ali, MP. He welcomed all present and requested everyone to make self-introduction. The Chairperson further requested secretariat to administer Oath to the wittiness's.

MIN.NO. DCS/ JCAL& TIC 2018/028: RESPONSE BY HYDERY (P) LIMITED TO ISSUES RAISED BY THE COMMITTEE ON THE ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

a) Background information

The Director, Mr. Naushad A. Merali appeared before the Committee and informed that: -

He joined the Company in 1980 and became the Managing Director in 1998. The Company exports Maize Bran, Wheat Bran, and Green Grams among other foodstuff items. The Company

has imported sugar for the last 18 years. In 2017 the Company had planned to import sugar from COMESA ranging from 60,000- 70,000 MT.

The director further responded to the questioned by Members and stated that: -

b) Quantities of Sugar Imported

The Company imported 35,000 MT of Bulk Brown Sugar that was ready for consumption. This sugar was imported outside COMESA region under close supervision by KEBS, SOURCED from Brazil and Thailand.

c) When was the Sugar Imported

He informed the Committee that the sugar arrived in August 2017. The Gazette notice giving duty free window did not apply for this company's imported sugar. The brown Sugar imported was ready for consumption and not for further for processing.

d) Transportation/ handling of sugar at the port.

He responded by informing the Committee that the sugar was bagged into 50kgs bags and transported to the warehouses. The sugar samples were taken on 21st August 2017 and tested against the EAC Standards and it complied. The Committee directed the witness to provide documentation of the transportation of sugar from port to the warehouse.

e) Licensing/ Certification

He confirmed that his company is licensed to import sugar in the country and it operates under the Agricultural Food Authority (AFA) guidelines. The Company had received all necessary and relevant certification from KEBs at every importation process. Though issues were raised regarding the blacklisting of the company in the 11th parliament from importing sugar in the country, the witness indicated that he was not aware of such recommendations.

f) Names of the Directors

He informed the Committee that there is was no relationship between the Company and Holbud Limited. The latter was an international company. The Director had been confused on several occasions with Mr. Naushad Merali, of Sameer Group of Companies.

MIN.NO. DCS/ JCAL& TIC 2018/029: MEETING WITH SONY SUGAR COMPANY RESPONSE TO ISSUES RAISED BY THE COMMITTEE ON THE ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

This meeting was deferred to Tuesday 3rd July 2018 at 2.30pm after the Ag. Managing Director, Mr. Bernard Otieno requested more time to prepare a comprehensive brief to the Committee on the issues raised. The Committee directed that the Chairperson of the Sony Sugar Company to attend the said meeting.

MIN.NO. DCS/ JCAL& TIC 2018/030: ANY OTHER BUSINESS

1. The Committee further resolved to meet the Cabinet Secretary, Ministry of Health on Tuesday 3rd July 2018 to clarify issues raised by the Committee before reporting back to the House on Thursday 5th July 2018
2. The secretariat was requested to follow up with the other witnesses scheduled to appear in the afternoon and the following day and confirm their attendance and advice the Committee.

MIN.NO. DCS/ JCAL& TIC 2018/021: ADJOURNMENT

The Chairperson adjourned the meeting at 1. 05pm.

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 6TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURDSAY 28TH JUNE, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Silas Kipkoech Tiren, M.P.
12. Hon. Simba Arati, MP.
13. Hon. Kathuri Murungi, MP
14. Hon. Andrew Mwadime, MP
15. Hon. Dr. John Kanyuithia Mutunga, M.P.
16. Hon. Daniel Kamuren Tuitoek, M.P.
17. Hon. Justus Makokha Murunga, MP.
18. Hon. Rahab Mukami Wachira, MP
19. Hon. Dr. Wilberforce Oundo, MP
20. Hon. Generali Nixon Kiprotich Korir, MP
21. Hon. Gabriel Kago Mukuha, M.P.
22. Hon. Joseph Nduati Ngugi, MP
23. Hon. Robert Gichimu Githinji, MP
24. Hon. Alois Musa Lentoimaga, MP
25. Hon. Kipruto Moi, MP
26. Hon. Yegon Brighton Leonard,MP
27. Hon. Joyce Kamene, MP.
28. Hon. Adan Haji Yussuf, M.P.
29. Hon. Fred Ouda, M.P.

APOLOGIES

1. Hon. James Mukwe, MP
2. Hon. Janet Jepkemboi Sitienei, M.P.
3. Hon. John Paul Mwirigi, M.P.
4. Hon. Francis Munyua Waititu, M.P.
5. Hon. Alexander Kimutai Kigen Kosgey, MP
6. Hon. Anab Mohamed Gure, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Nicholas Emejen	-	Deputy Director Committees
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Mr. Alex Mutuku	-	Sergeant At- arms
10. Ms. Faith Makena	-	Sergeant At- arms
11. Ms. Roseline Njuki	-	Sergeant At- arms
12. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Majority Part Whip
2. Hon. Dr. James Nyikal		
3. Hon. Maore Maoka		

HYDER (P) LIMITED

1. Mr. Mohammed Yawer Kalyan	-	Operations Manager

DIAMOND WHOLESALERS LIMITED

1. Mr. Ahmed Sheikh Mohammed	-	Diamond Wholesalers
2. Mr. Ngaea D. G.	-	Advocate

WEST KENYA SUGAR COMPANY

1. Mr. Jaswat S. Rai	-	Chairman
2. Mr. Tejveer S. Rai		
3. Mr. Gerald P. Okoth		
4. Mr. Kibe Mungai		
5. Mr. Raymond Olendo		
6. Mr. Rajab Magut		
7. Mr. Denis Chelatwai		

MIN.NO. DCS/ JCAL& TIC 2018/021: PRELIMINARIES

The Chairperson called the meeting to order at 2.30 pm. The Meeting started with prayers

MIN.NO. DCS/ JCAL& TIC 2018/022: WITNESS TESTIMONY OF HYDER (P) LIMITED

The Operations Manager was stepped down and was informed to have the Directors appear before the Committee at a later sitting.

MIN.NO. DCS/ JCAL& TIC 2018/23: WITNESS TESTIMONY OF DIAMOND WHOLESALERS LIMITED

The Witness informed the Committee that other shareholders were engaged and were unable to attend the Meeting. The Committee however noted that the Witness was competent to respond on behalf of the Entire Management having a shareholding of 4,000 shares.

In the deliberations the Committee was informed as follows;

- The Company was registered in August 2004.
- The main activities was the wholesale of various foodstuff items.
- They had 1,600 bags of sugar confiscated from their premises in Eastleigh, Nairobi.
- There was a matter active in court challenging the seized sugar filed by the company.
- The Company sells their good within Nairobi.
- They had purchased West Kenya Sugar in packets of one kilogrammes each.

MIN.NO. DCS/ JCAL& TIC 2018/24: PRESENTATION BY CHAIRPERSON, WEST KENYA SUGAR COMPANY

The witness appeared before the Committee and informed Members that;

- West Kenya Sugar was part of the Rai Group of Companies which comprises Amnav, West Kenya Sugar, Menegai Oil, Sukari Industries.
- Through Gazette Notice 4536, the Company imported Brown Bulk Sugar from Brazil, Swaziland and the Comesa region (Mozambique and Zimbabwe)
- Refined sugar was very white and was further processed mostly for industrial use.
- The importation window was necessitated to meet the deficiencies caused by the long drought period so as to supplement the shortfall.
- the imported sugar was destined for further and not direct consumption.
- The sugar was stored at various locations such as JB Maina Warehouse, Multiple Internal Container Depot and Motrex Warehouse.
- Approval from Kenya Bureau of Standards required testing and conformity including bagging at the port of entry and was given.
- The company used Siginon Clearing agent to clear the shipment.

- The Bulk Brown Sugar above was to be bagged into 50 kilograms bags having been shipped in bulk.
- Bagging was done quay side whereas some quantities were transported on tippers/lorries (open trucks) to the CFS where bagging was also done.
- Cranes grabbed sugar from the ship and offloaded into a hopper which funnelled the sugar into the lorries.
- Members noted the letter by Port Health Department of the Ministry of Health that recommended that no sugar leaves the port without bagging.
- The bulk sugar imported was to be processed before release into the market and that all sugar released into the market was indeed processed.
- The Chairperson was a Member of Kenya Sugar Board representing sugar millers and had employed 5,000 employees in Busia, Kakamega and Bungoma.

Members observed that they had visited the MICD facility in Mombasa where they had information that bulk sugar was stored in a large open warehouse whose floor was heavily soiled with cement and clinker. Members were concerned that the bulk sugar was transported in open trucks and tippers and not bagged quay side.

In his presentation the Chairperson dispelled the notion that the brown bags found in Eastleigh, Nairobi labelled "Not Fit for Human Consumption" were from his company. The bagging and labelling of West Kenya Sugar Company were white bags written "not for sale". Finally, the Committee heard that all records, locations, documentation of all goods were intact, and the witness can account for every single bag, stating that not a single 50 kgs. bag were sold to Diamond Wholesalers.

MIN.NO. DCS/ JCAL& TIC 2018/25: PRESENTATION OF SGS KENYA

The representative of the Organisation informed Committee that;

- There were four companies in the inspection industry including SGS
- Relating to sugar, the company held a market share of 21%.
- The Kenya Bureau of Standards contracted SGS to do inspection.
- Upon successful testing, a CoC certificate of conformity was issued by SGS.
- The Certificates of Conformity were issued online.

- Each consignment was physically inspected and tested as per the standards set both internationally and the Kenya Bureau of standards.
- Samples were collected by SGS and submitted to laboratories for testing.

Finally Members heard that the standards dictated that heavy metal test were not a necessary requirement and that SGS were not obliged to supervise loading or offloading of cargo.

MIN.NO. DCS/ JCAL& TIC 2018/026: ADJOURNMENT

The Chairperson adjourned the meeting at forty-seven minutes past six o'clock.

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 5TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURDSAY 28TH JUNE, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 8.30AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice – Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP
6. Hon. Florence Mutua, MP
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Silas Kipkoech Tiren, MP
12. Hon. Simba Arati, MP
13. Hon. Kathuri Murungi, MP
14. Hon. Andrew Mwadime, MP
15. Hon. Dr. John Kanyuithia Mutunga, MP
16. Hon.Dr. Daniel Kamuren Tuitoek, MP
17. Hon. Justus Makokha Murunga, MP
18. Hon. Rahab Mukami Wachira, MP
19. Hon. Dr. Wilberforce Oundo, MP
20. Hon. Generali Nixon Kiprotich Korir, MP
21. Hon. Gabriel Kago Mukuha, MP
22. Hon. Joseph Nduati Ngugi, MP
23. Hon. Robert Gichimu Githinji, MP
24. Hon. Alois Musa Lentoimaga, MP
25. Hon. Kipruto Moi, MP
26. Hon. Yegon Brighton Leonard, MP
27. Hon. Joyce Kamene, MP
28. Hon. Adan Haji Yussuf, MP
29. Hon. Fred Ouda, MP

APOLOGIES

1. Hon. James Mukwe, MP
2. Hon. Janet Jepkemboi Sitienei, MP
3. Hon. John Paul Mwirigi, MP
4. Hon. Francis Munyua Waititu, MP
5. Hon. Alexander Kimutai Kigen Kosgey, MP
6. Hon. Anab Mohamed Gure, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Nicholas Emejen	-	Deputy Director Committees
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Ms. Deborah Mupusi	-	Media Relations Officer
10. Mr. Alex Mutuku	-	Sergeant At- arms
11. Ms. Faith Makena	-	Sergeant At- arms
12. Ms. Roseline Njuki	-	Sergeant At- arms
13. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Chief Whip
2. Hon. Dr. James Nyikal		
3. Hon. Maore Maoka		

MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

1. Dr. Fred Matiangi, EGH	-	Cabinet Secretary
2. Hon. Patrick Ole Ntutu	-	Chief Administrative Secretary
3. Dr. Gordon Kith	-	Ps
4. Mr. Alfred Cheruhot	-	Ps Correctional Services
5. Maj. Gen(Rtd) Dr. Kihalangwa	-	PS Immigration
6. Mr. Joseph K. Binnet	-	IG
7. Mr. Wanyama Musiambo	-	D/HOPS
8. Mr. Authur Osiya, EBS	-	SNA
9. Mr. Noor Y. Gabon	-	DIG Aps
10. Mr. Njoroge Mbugua	-	DIG KPs
11. Ms. Wanjiku A Mkiyu	-	CSC
12. Mr. Mwenda Njoka	-	Interior
13. Mr. Thomas Sakah	-	DS/ Interior
14. Mr. Simon Karanja	-	PA TO CS
15. Mr. Jeremiah Nyakundi	-	Interior
16. Mr. James Munga	-	Interior
17. Mr. Samuel mutisya	-	Interior
18. Mr. Marvin Sissy	-	Interior
19. Mr. George Muruli	-	Interior

MIN.NO. DCS/ JCAL& TIC 2018/018: PRELIMINARIES

The Chairperson called the meeting to order at 9.00am and prayed. He then welcomed all present and requested everyone to make a self-introduction. He further reminded the Cabinet Secretary

of the several invitations letters by the Committee that were never honoured. Thereafter the Chairperson took the Cabinet Secretary and the Committee through the content of the invite letter and the statement by Hon Naisula Lesuuda, MP.

MIN.NO. DCS/ JCAL& TIC 2018/019: RESPONSE TO ISSUES RAISED BY THE COMMITTEE ON THE ALLEGATION ILLEGAL/ UNFIT SUGAR IN THE COUNTRY BY THE CABINET SECRETARY FOR INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

Dr. Fred Matiangi, the Cabinet Secretary Ministry of Interior and Coordination of National Government appeared before the Committee to respond to the issues raised by the Committee on contraband sugar in the Country and Pursuant to Standing Orders the he was requested to declare if he has conflict of interest in regard to Sugar business. He responded by stating that he had no conflict of interest in regard to sugar business and none of his immediate family members is in sugar business. The Cabinet Secretary then responded to the issues raised as follows: -

The intelligence reports from the Directorate of Criminal Investigation had sufficient evidence and reason to believe that there were contraband and contaminated sugar in circulation in the country;

That it is on this intelligence that a multi-agency team mounted an aggressive campaign to protect public interest by impounding ALL suspect goods from circulation.
He submitted that their first priority in dealing with the vice was to clean up the ecosystem to remove contaminated sugar and other products, from circulation;

He noted that the exercise by the Multi-Agency team was successful as more goods were seized from various locations around the country; that his public pronouncement on the contraband good and counterfeits was intended to act as a deterrent/cautionary measure to unscrupulous businessmen who may have put profit ahead of public health;

The Cabinet Secretary undertook to assure the country that adequate measures have been put in place to ensure that going forward; no more contraband and/or contaminated goods find their way into the Kenyan market.

Regarding the Gazette Notice No. 4536 of 11th May 2017; the Cabinet Secretary informed the committee that he was aware of the Notice and accepts cabinet collective responsibility in the issuance of the Notice pursuant to the Executive Order No. 1 of 2017 by the Head of State on the declaration of Drought and famine as national disaster.

He informed the Committee that illicit trade from the port of Kismayu in Somalia was a big threat with many other ramifications including terrorism and movement of small arms.

He also noted that Kenya has approximately 700 km of porous borders and the government is investing heavily to secure it through heightened border control. He further informed the Committee that plans were underway to build infrastructure across the borders and move disciplined forces to secure the country and control illicit trade.

The Cabinet Secretary submitted that there was need to restructure the Kenya Revenue Authority (KRA) by separating the customs management and other revenue administration in an effort to stamp out illicit trade and contrabands in the local market through enhanced surveillance and customs management.

He noted that the excess sugar in the country was curtailing the growth of the local sugar industry by reducing the competitive advantage in production and thereby depressing revenue from sales.

That the Ministry of Interior was undertaking investigations into the illicit trade, contrabands and counterfeits in the country with the assistance of international police (Interpol), this is mainly to establish the origin and movement of these goods into the country hence develop mechanisms to eradicate the existence of such dealing.

Committee Observations

The Committee made the following observations from the submission of Cabinet Secretary Ministry of Interior and Co-ordination of National Government:

i. Remarks by the CS on Sugar having mercury, although cautionary and intended to inform the general public on contamination of some of the imported products had caused panic across the country. The CS did not validate his statement of sugar having been contaminated with mercury, he did to provide the Committee with tested analysis evidencing presence of mercury.

ii. The Committee noted that the CS has been seizing contraband sugar from suppliers and wholesalers whereas the Committee was concerned with the sugar already in the market that might be unfit for human consumption.

iii. The Committee observed that recommendations in the report of the eleventh Parliament by Departmental Committee on Agriculture, Livestock and Co-operatives on the crisis facing the sugar industry in Kenya had not been implemented.

MIN.NO. DCS/ JCAL& TIC 2018/020: ADJOURNMENT

The Chairperson adjourned the meeting at 1. 10pm.

Signed.....

Chairperson

Date...8/8/2018.....

MINUTES OF THE 4TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 26TH JUNE 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 11.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP
6. Hon. Florence Mutua, MP
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, MP
11. Hon. Simba Arati, MP
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, MP
15. Hon. Janet Jepkemboi Sitienei, MP
16. Hon. Daniel Kamuren Tuitoek, MP
17. Hon. Justus Makokha Murunga, MP
18. Hon. Rahab Mukami Wachira, MP
19. Hon. Dr. Wilberforce Oundo, MP
20. Hon. Generali Nixon Kiprotich Korir, MP
21. Hon. Gabriel Kago Mukuha, MP
22. Hon. Joseph Nduati Ngugi, MP
23. Hon. Robert Gichimu Githinji, MP
24. Hon. Alois Musa Lentoimaga, MP
25. Hon. Kipruto Moi, MP
26. Hon. Yegon Brighton Leonard, MP
27. Hon. James Mukwe, MP
28. Hon. Joyce Kamene, MP
29. Hon. Adan Haji Yussuf, MP

APOLOGIES

1. Hon. John Paul Mwirigi, MP
2. Hon. Fred Ouda, MP
3. Hon. Francis Munyua Waititu, MP
4. Hon. Alexander Kimutai Kigen Kosgey, MP
5. Hon. Anab Mohamed Gure, MP
6. Hon. Jones Mlolwa, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant I (HOD)
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Third Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Ms. Colletah Siglai	-	Legal Counsel
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Eric Karuiki	-	Research Officer
8.	Mr. Chelanga Maiyo	-	Research Officer
9.	Mr. Alex Mutuku	-	Sergeant At- arms
10.	Ms. Faith Makena	-	Sergeant At- arms
11.	Ms. Roseline Njuki	-	Sergeant At- arms
12.	Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1.	Hon. Benjamin Washiali, MP	-	Majority Whip
2.	Hon. Dr. James Nyikal		

MIN.NO. DCS/ JCAL& TIC 2018/014: PRELIMINARIES

The Chairperson called the meeting to order at 11.00am and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/015: MEETING THE CABINET SECRETARY FOR INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT ON THE ALLEGATION ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

The Chairperson informed the Committee that the Principal Secretary, Dr. Eng. Karanja Kibicho, CBS had written to the Committee through a letter dated 26th June 2018 indicating that the Cabinet Secretary will not be able to attend the Committee meeting on the account of the ongoing East African Community (EAC) Heads of State Summit that was running from 25th – 27th June 2018. In his letter he requested the Committee to consider rescheduling the said meeting to a later date.

The Committee deliberated on the letter and the request by the Cabinet Secretary and rescheduled the meeting to Thursday 28th June 2018 at 8.30am. The Chairperson requested the secretariat to communicate the same to the Ministry and further urged members to observe time in the next meeting.

MIN.NO. DCS/ JCAL& TIC 2018/016: ANY OTHER BUSINESS

Under this agenda item the following issues were raised: -

1. The secretariat was requested to write to the register of Companies to provide the directors of all the Companies that imported sugar during the period under review.
2. The Committee was reminded of the inspection visit in Nairobi at DIC Headquarters and industrial area. The Chairperson further urged Members to attend the scheduled inspection visits at 2.30pm.

MIN.NO. DCS/ JCAL& TIC 2018/017: ADJOURNMENT

The Chairperson adjourned the meeting at 1. 10pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 3RD SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 25TH JUNE 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Florence Mutua, MP
6. Hon. Daniel Maanzo, MP
7. Hon. Silas Kipkoech Tiren, MP
8. Hon. Simba Arati, MP
9. Hon. Kathuri Murungi, MP
10. Hon. Dr. John Kanyuithia Mutunga, MP
11. Hon. Janet Jepkemboi Sitienei, MP
12. Hon. Dr. Daniel Kamuren Tuitoek, MP
13. Hon. Justus Makokha Murunga, MP
14. Hon. Rahab Mukami Wachira, MP
15. Hon. Dr. Wilberforce Oundo, MP
16. Hon. Generali Nixon Kiprotich Korir, MP
17. Hon. Gabriel Kago Mukuha, MP
18. Hon. Joseph Nduati Ngugi, MP
19. Hon. Robert Gichimu Githinji, MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Yegon Brighton Leonard, MP
23. Hon. James Mukwe, MP
24. Hon. Joyce Kamene, MP
25. Hon. Adan Haji Yussuf, M.P

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Ferdinard Wanyonyi, MP
3. Hon. Bunyasi John Sakwa, MP
4. Hon. Andrew Mwadime, MP
5. Hon. John Paul Mwirigi, MP
6. Hon. Fred Ouda, M.P.
7. Hon. Francis Munyua Waititu, MP
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant I (HOD)
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Sigilai	-	Legal Counsel
6. Mr. Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Mr. Alex Mutuku	-	Sergeant At- arms
10. Ms. Faith Makena	-	Sergeant At- arms
11. Ms. Roseline Njuki	-	Sergeant At- arms
12. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Chief Whip
2. Hon. Julius K. Melly, MP		
3. Hon. Harry Kosgei, MP		
4. Hon. Charles Kilonzo, MP		

MINISTRY OF INDUSTRY.TRADE AND COPERATIVES

1. Hon. Adan Mohammed	-	Cabinet Secretary
2. PS Betty Maina	-	Principal Secretary Industry
3. Mr. Raymond Michuki	-	Ag. Director General (MS)
4. Dr Geoffrey Muiira	-	HOD KEBS
5. Dr.Henry Rotich	-	Director KEBS
6. Mr. Benard Nguyo	-	Head of quality Assurance

MIN.NO. DCS/ JCAL& TIC 2018/010: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed. He then took the Committee and the Cabinet Secretary though the Statement requested by the Hon. Naisula Lesuuda, MP on 19th June 2018 in the House and the subsequent invitation letter by the Committee inviting the Cabinet Secretary to brief on the subject matter.

MIN.NO. DCS/ JCAL& TIC 2018/011: BRIEF BY THE CABINET SECRETARY MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

The Cabinet Secretary Dr. Fred Matiangi did attend the meeting to brief the committee as requested.

The Committee resolved to invite him to appear before the Committee the following day the 26th day of June,2018

MIN.NO. DCS/ JCAL& TIC 2018/012: BRIEF BY THE CABINET SECRETARY CABINET SECRETARY FOR INDUSTRY, TRADE AND COOPERATIVES

Mr. Adan Mohamed accompanied with the Principal Secretary for Industry, Ms. Betty Maina, Kenya and Bureau of Standards management and Technical team appeared before the joint Sitting of the Departmental Committee on Agriculture and Livestock and that on Trade, Industry and Cooperatives on the 25th Day of June 2018 and informed the Committees as follows;
That;

1.The circumstances leading to the gazettement of the duty free importation window and the quantities of sugar imported

The responsibility of determining the need, the quantities and the resultant gazettement of duty free importation window does not fall under the mandate of the Ministry of Industry, Trade and cooperatives thus would not respond to it but affirmed to the Committee, that it is the role of the said Ministry the Kenya Bureau of Standards to inspect and test the sugar to ensure that all imported sugar meets the required Standards.

1. The quantities of sugar and its products impounded and the companies involved:

As at the 22nd of June 2018, the total number 587,668bags had been impounded from 20 companies as summarized below:

Date	Owners	Location	Quantity 50Kg Bags
05-06-18	Diamond wholesalers	Eastleigh	1,400
11-06-18	Paleah Stores Limited	Ruiru, Kamakis Area	462
07.06.2018	Landmark freight services	Mitchell Cotts logistic , Mombasa road	91,000
14.06.2018	Green Belt wholesalers	Majengo Soko estate mombasa	230
14.06.2018	One Commodities ltd	Makenzie Gowdon Shimanzi	741
14.06.2018	1) Clave global Commodities Ltd, 2) Equator bottlers ltd, 3) Reeswood Enterprises ltd, 4) Multilift ltd, Remington agencies, 5) Swabri Ltd	Allied Wharfage Godown Changamwe	105,551
16.06.2018	Mt Kenya Wholesalers Ltd	Matuu	1,463
19.06.2018	Mugo supermarket	Nyahururu	251
19.06.2018	Kamiri packers Ltd	Industrial area	390

19.06.2018	Menengai oil refineries	Menengai Oil refineries industrial Nairobi	212,521
21.06.2018	Sybes Commodities	Focus Godown	332
21.06.2018	Hydery (P) Ltd	Denco Godown	116,525
21.06.2018	Reeswood enterprises Ltd, Remington Ltd, Future Commodities	Ligna Warehouse Shimanzi	17,664
22.06.2018	Equity logistics Ltd	NCPB Godown Shimanzi	41,000
			587,668 bags

The above data was provided by the Multi Agency RRI operation that was ongoing and that these sugars were seized for the purpose of establishing compliance with relevant standards.

2. The lapses exploited by the importers to circumvent the regulatory frameworks in place

Four major lapses discussed below are to blame;

2.1 Border points:

There are two key areas through which goods and particularly sugar can come to this country:

1) Port of Mombasa
2) Land borders

95% percent of the sugar came through the port of Mombasa and for that, each importer is expected to provide certificate for conformity for each shipment of sugar, proving tests and conformity to Kenyan standards.

In the case of land borders, there are some border points where control mechanisms are much more developed than in others and thus goods coming through these borders must come with necessary certificates of conformity as well.

Some border points where the border control infrastructure is not well developed make it is possible to have sugar bypassing some police checks.

2.2 Porous Borders

That Kenya border, most of which is porous, posed a great potential of smuggling of sugar and other products across the borders.

There are around 44 designated land border entry points with some not being manned by all the requisite agencies hence posing a viable platform for goods being smuggled into the country without undergoing inspection.

2.3 Poor or complete lack of intelligence sharing:

The agencies concerned with regulation of sugar do not get intelligence briefs on issues relating to illicit trade thus there is need for a framework of information sharing between security

agencies and bodies involved in regulation of sugar, which can be used to make the necessary proactive intervention.

2.4 Mis-declaration:

Misrepresentation on the side of unscrupulous importers who have tended to deliberately make false and wrong import declarations in the knowledge that not all containers will be opened.
16 containers of sugar were once declared as grinding machine only to be realized during inspection, that it was sugar.
That is such a case the sugar would have come in duty free thus the Cabinet secretary ensured that the sugar was destroyed .

3. Report on the quality of the alleged imported contraband sugar

That through participation in the multi-agency fight against illicit trade, KEBS had samples and tested the seized suspected contraband sugar from 20 companies in various locations throughout the country as by 22/6/2018.

Testing of sugar seized from two locations (*Diamond Wholesalers - Eastleigh* and *Paleah Stores – Ruiru*) were complete as given in the summary in Annex 1 (A) and 1 (B) as were shared by KEBS in the submitted documents.

Some of the seized suspected contraband sugar did not comply with the relevant standards. He further pointed out that in this particular case, the company found repackaging sugar in *KABRAS* and AGT *Afrikan* branded packages and the sugar did not have documentation traceable to KEBS system which meant they had not been certified by KEBS which constitutes counterfeiting.

Further testing of samples drawn from other locations such as Matuu, Kitui, Mwingi, Shauri moyo Kisii, Ol Kalao Isinya and Kajiado was ongoing.
The *Eastleigh* and *Ruiru* sugar may have been contaminated due to poor handling during local transportation and storage.The sugar had significant exposure to humidity due to recent weather conditions.

4. The measures the government is taking to curb the importation of counterfeit goods into the country

Ten points on addressing this issue were highlighted:

4.1 Engagement with industry sectors organized under the auspices of Kenya Association of Manufacturers

The Government through Kenya Bureau of Standards is collaborating with organized industry sectors to promote quality of products in the country. The collaborations entail the industry

committing to comply with good manufacturing practices and providing the KEBS, KRA with intelligence with regard to violations of the law, especially firms dumping substandard and contraband products into the market

These collaborations have helped to create a measure of self-regulation by industry and is achieving a lot especially in the steel sub sector and Plastic Pipes sub sector.

4.2 Installation of systems for verification of quality marks by consumers

The Government through Kenya Bureau of Standards is empowering consumers to differentiate product with valid permits on the shelf.To achieve this for locally manufactured goods, all manufacturers are now required to indicate the Quality Mark permit number on their product labels below the Quality Mark issued by KEBS. KEBS has also invested in a Standardization Marks verification system capable of giving real time responses on the validity of quality marks through a Short Message Service.

The validity of the Standardization Marks for locally manufactured products can be verified by sending an SMS message containing the indicated permit number in this format: "*SM*#xxxxxxx" to 20023. The verification of Import Standardization Mark for imported products on how it can be verified by either sending a SMS message containing the ISM serial number in the format: "ISM#xxxxxxxx" to 20023 or scanning the ISM using the free KEBS ISM app downloaded from Apps store or Google play.

The Government through KEBS is investing more to increase consumer awareness through traditional and utilization of social media platforms to educate the public on the use of the SMS system for verifying Quality Marks.

4.3 Enhancement of controls within the PVoC program

The Government has strengthened the Pre-Export Verification of Conformity (PVoC) program by building controls that are intended to make contracted PVoC agents more accountable in their certification decisions. Examples of such controls which include requirements to put security seals on containers identified as high risk after inspection which are verified at the port of entry. Current contracts have also been strengthened by providing for increased monitoring of the certification activities of the PVoC agents with enhanced penalties against the PVoC agents for violations of the contracts.

4.4 Collaborations with other Government agencies

The Government has increased collaboration between Kenya Revenue Authority (KRA), Anti Counterfeit Agency (ACA), Pharmacy and Poisons Board (PPB) and other regulatory agents in efforts of combating substandard and counterfeit goods more effectively.

4.4.1 Collaboration with Kenya Revenue Authority (KRA)

KEBS has partnered with KRA in ensuring that only custom entries for goods with a Certificate of Conformity of issued by KEBS through the PVoC agents are passed by KRA. Further goods without a CoC require a joint verification before the entry is passed, and that this has reduced the number of shipments that entered the country by passing KEBS clearance at the ports of entry.

4.4.2 COllaboration With Pharmacy And Poisons Board (PPB) – Ministry Of Health

KEBS has entered into an agreement with PPB which ensures that medical devices and supplies (except pharmaceuticals) are subjected to PVoC program before they are issued with an import permit. This is helping to combat the importation of counterfeit and substandard medical devices and supplies (except pharmaceuticals).

4.4.3 Collaboration with Anti Counterfeit Agency

To optimize the utilization of the limited human resources in combating counterfeits, the government has designated all KEBS inspectors as inspectors for the purpose of the Anti-Counterfeit Act. This enables KEBS inspectors to deal with counterfeit products in liaison with ACA more effectively.

4.5 Increased KEBS presence in various locations in Kenya

In order to ensure that the mandate of ensuring that only locally manufactured and imported products meet requirements, KEBS is in 14 locations distributed all over the country.
KEBS has also invested heavily expanding its testing laboratories in Nairobi, Mombasa, Kisumu and Eldoret to move testing nearer to the main ports of entry.

4.6 Market Surveillance

KEBS has established market surveillance as a full-fledged directorate. This is intended to give it more emphasis to its critical role to undertake market surveillance which supports product certification and well as import inspection activities.

4.7 The Role & Involvement of the Intelligence Agencies

The crackdown depends on the Intelligence that is providing much needed back-up in terms of analysis of intelligence and coordination of enforcement operations.

4.8 Robust Inter-Agency Cooperation/Multi-agency collaboration

The Mult-agency cooperation that is coordinated from the Presidency that has played a critical part in the fight against illicit trade. All law enforcement agencies are working in a coordinated and coherent manner. In addition, the participation of all agencies has led to increased geographical coverage.

4.9 Enhanced verification at ports and border points

It is now a requirement that all consolidated containers be subjected to 100% verification. This has increased the likelihood of more counterfeit goods being seized.It is also a requirement that all law enforcement agencies at the entry points participate in joint verification of goods and also sign off.

4.10 Mounted Mobile Road Blocks

The fight against illicit trade has adopted new strategies. Setting up mobile road blocks at strategic places all over the country has led to some effectiveness in the fight against illicit trade especially along the major smuggling routes.

4.11 Amendment of Laws

The government has identified legislative measures to be put in place to deal more firmly with counterfeit products. To this end the Government has proposed to The National Assembly immediate legislative amendments that are contained in the Statute Law (Miscellaneous Amendment) Bill 2018.

5. The measures the government is taking to mitigate against the health effects of the alleged contaminated sugar

Measures that the government has put in place to ensure protection of consumers from health effects of contaminated sugar include:

5.1 Destruction of contaminated sugar

The Government through the multi-agency operation is detaining suspected illicit sugars throughout the country for quality inspection and testing among other checks. Any substandard sugar shall be destroyed. A multi – agency committee has been set up to undertake the destruction of all seized illicit sugars and reports of its destruction will be made public.

5.2 Market surveillance in retails outlets

KEBS has enhanced market surveillance in supermarkets and other retail outlets throughout the country in which samples are taken and tested. Recall and destruction of any sugar found not compliant with the standards shall be undertaken once the analysis is completed.

6. Any other relevant information that could be important to the committee

It is very important for Kenya to establish and maintain mutual recognition of its tests and measurements body (KEBS) globally. This has been achieved through the following:

- Full membership to the International Bureau of Weights and Measures (BIPM) and recognition through International Committee of Weights and Measures mutual recognition arrangements (CIPM – MRA).

- The labs are recognized through International Laboratory Accreditation Cooperation (ILAC), with some of the best trained personnel in the continent. The technical staff are exceptionally competent (With Doctorates, MScs, and basic degrees in scientific disciplines and extensive international experiences),

- KEBS testing laboratory are accredited to ISO/IEC 17025:2005 by SANAS participates in Proficiency testing and key comparisons with other national metrology Institutes.

- The status of the total Quality Infrastructure in Kenya is globally recognized and accepted through accreditation by KENAS and other accreditation bodies for laboratories.

Implications for Regional Trade and Impact on business, private Sector and consumers would well be addressed by relevant ministry

7. Recommended way forward

i. That the sugar that has been raided is locked and poses no public safety issue. For the goods that have been determined to be contaminated, the destruction has not been carried out yet because owners have been taken to court and the seized goods shall be used as court exhibits. Market surveillance going on goods are being subjected to tests.

ii. That there be an enhanced multi-agency surveillance across the country.

iii. That there be a planned meeting with private sector to provide an update on the ongoing program.

Plenary issues
During the plenary the following issues were explained as follows;

Competence of KEBS

The competence of KEBS to discharge its mandate was on the spotlight but its competence was demonstrated through the following:

i. That KEBS is a full member to the International Bureau of Weights and Measures (BIPM) and recognized through International Committee of Weights and Measures mutual recognition arrangements (CIPM – MRA).
ii. They have labs that are recognized through International Laboratory Accreditation Cooperation (ILAC), with some of the best trained personnel in the continent. The technical staff are exceptionally competent (With Doctorates, MScs, and basic degrees in scientific disciplines and extensive international experiences),
iii. KEBS testing laboratory are accredited to ISO/IEC 17025:2005 by SANAS participates in Proficiency testing and key comparisons with other national metrology Institutes

Classification of sugars

The Joint sitting of the Committees was informed that ;
There are four types of sugars each with its own Standard specification as outlined below:

1. Refined White sugar – KS EAS 5

   White sugar is purified and granulated sugar, manufactured from any raw sugar, such as plantation (mill) sugar, by the process of purification consisting broadly of affinition, melting, chemical treatment, filtration, depolarization and recrystallization.

2. Plantation mill white sugar – KS EAS 16
   Plantation sugar (commonly manufactured by the vacuum-pan-process from sugar cane) shall be crystalline, odorless and free from dirt or other extraneous matter.

3. Brown sugar – KS EAS 749

   Shall be the sugar derived from sugar cane or sugar beet by partial purification of raw sugar or spraying of refined sugar with sugar syrup or molasses, followed by subsequent drying and intended or direct human consumption.

4. Raw Sugar – KS EAS 8
   Unwashed centrifugal sugar, whose crystals is surrounded by the original film of molasses and is derived from sugar cane. It requires further processing to make it

fit for direct human consumption. Raw sugar shall be in the form of uniform, fine crystals. It shall be free from dirt, foreign and extraneous matter, and from fermented, musty or undesirable odors.

Procedure for certification

The following quality measures are implemented in the country of origin before certification of sugar:

1 Confirmation of the vessels cleanliness and suitability for loading of food Reference standard Reference *standards (CAC/RCP 47-2001 - CODE OF HYGIENIC PRACTICE FOR THE TRANSPORT OF FOOD IN BULK AND SEMI-PACKED FOOD.*

2 The key things that the standard requires to be confirmed are:

i. Previous commodities shipped in the vessel/container
ii. Risks for contamination of the commodities being shipped from the vessels' materials, paints etc.
iii. Presence of locks and seals for containers to prevent environmental contamination.
iv. Document required by PVoC - Certificate of cleanliness/health certificate/cleanliness inspection report.

2) Sugar inspection and testing against the relevant Kenya Standard as outlined in 2. above.
3) Loading inspection.
4) Issuance of issuance of Certificate of conformity.

Points at which KEBS issue the certificate of conformity

The certificate of conformity (CoC) is issued at the country of origin before the goods are exported. In the event the goods do not comply with the requirements, the PVoC agents are required to issue a Non Conformity Report (NCR).

The agents then transmit to KEBS details of the COC to KEBS for verification purposes once the goods arrive. In the case of an NCR they goods are not supposed to be shipped.

Distribution of KEBS Labs

The Kenya Bureau of Standards has offices in seven regions as indicated here below:

1. Nairobi which is the headquarters.
2. South rift regions headquartered in Nakuru.
3. North rift region headquartered in Eldoret.
4. Lake region headquartered in Kisumu and with a satellite office in Kisii.
5. Coast region headquartered in Mombasa.
6. Mount Kenya region headquartered in Nyeri with a satellite office in Meru.
7. North Eastern region headquartered in Garissa with satellite offices in Mandera, Moyale and Wajir.

Nairobi region is the headquarter is where all the activities of KEBS are carried out as per the mandate of the institution. Some regional offices have laboratories which do limited testing of products.

However, all regions carry out activities such as quality assurance (*Product Certification*), Import Inspection and Market Surveillance to ensure health and safety of consumers is protected as well as in ensuring fair trade practices are promoted.

Tests carried out

Due to concerns recently raised on quality of sugar in the market, KEBS has together with other government agencies and on its own, drawn and tested many sugar samples drawn from across the country. Test results for some of the seized sugars have indicated non-compliance with Standards while some have complied. No sugar has been found to contain mercury but some sugar tested for Lead and Copper particularly the one seized in Eastleigh.

The non-complying seized sugars shall not be released but shall instead be destroyed after the ongoing curt cases are finalized. The compliant seized sugars shall be released to the owners through the multi-agency.

KEBS market surveillance officers across the country have also drawn samples from several counties for and testing is ongoing. Results of the tests shall be shared as soon as they are out.

Committee Resolution

The committee sought to have following reports as soon as practicable ;

- Market surveillance activities carried out in the country as from May 2018.
- Alleged contaminated sugar seized at west Kenya Sugar co. ltd
- Quantities of various types of imported sugar in the month of May 2017 to October, 2018.
- Copies of certificate of conformity of some of the importers contained in the submitted document.

MIN.NO. DCS/ JCAL& TIC 2018/013: ADJOURNMENT

The Chairperson adjourned the meeting at 8. 30pm

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 2ND SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 25TH JUNE, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Florence Mutua, MP
6. Hon. Daniel Maanzo, MP
7. Hon. Silas Kipkoech Tiren, MP
8. Hon. Simba Arati, MP.
9. Hon. Kathuri Murungi, MP
10. Hon. Dr. John Kanyuithia Mutunga, MP
11. Hon. Janet Jepkemboi Sitienei, MP
12. Hon. Dr. Daniel Kamuren Tuitoek, MP
13. Hon. Justus Makokha Murunga, MP
14. Hon. Rahab Mukami Wachira, MP
15. Hon. Dr. Wilberforce Oundo, MP
16. Hon. Generali Nixon Kiprotich Korir, MP
17. Hon. Gabriel Kago Mukuha, MP
18. Hon. Joseph Nduati Ngugi, MP
19. Hon. Robert Gichimu Githinji, MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Yegon Brighton Leonard,MP
23. Hon. James Mukwe, MP
24. Hon. Joyce Kamene, MP
25. Hon. Adan Haji Yussuf, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Ferdinard Wanyonyi, MP
3. Hon. Bunyasi John Sakwa, MP
4. Hon. Andrew Mwadime, MP
5. Hon. John Paul Mwirigi, MP
6. Hon. Fred Ouda, MP
7. Hon. Francis Munyua Waititu, MP
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant I (HOD)
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Sigilai	-	Legal Counsel
6. Mr. Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Mr. Alex Mutuku	-	Sergeant At- arms
10. Ms. Faith Makena	-	Sergeant At- arms
11. Ms. Roseline Njuki	-	Sergeant At- arms
12. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Majority Whip
2. Hon. Julius K. Melly, MP		
3. Hon. Harry Kosgei, MP		
4. Hon. Charles Kilonzo, MP		

MINISTRY OF AGRICUTURE, LIVESTOCK, FISHERIES AND IRRIGATION

1. Hon. Mwangi Kuinjuri	-	Cabinet Secretary
2. Dr. Richard Lesiyampe	-	Principal Secretary
3. Mr. Joseph Ngetich	-	Ag. Director General (AFA)
4. Mr. Solomon Odera	-	AFA
5. Ms. Grace Agili	-	DDA- MAL & F
6. Ms. Ann Onyango	-	AS/ MOAL& F
7. Mr. James Wanhohi	-	PA/ PS Crops
8. Ms. Wambui Kimathi	-	T/A CS's Office

MINISTRY OF TREASURY AND NATIONAL PLANNING

1. Mr. Hentry Rotich	-	Cabinet Secretary
2. Mr. John Njiraini	-	Commissioner General (KRA)
3. Mr. Julius Musyoki	-	Commissioner (KRA)
4. Ms. Beatrice Mundia	-	Commissioner (KRA)
5. Ms. Grace Wandera	-	Deputy Commissioner (KRA)
6. Mr. Donarld Murgor	-	CS, Personal Assistant
7. CPA Isabella Kosgei	-	Parliamentary Liaison Officer

MIN.NO. DCS/ JCAL& TIC 2018/006: PRELIMINARIES

The Chairperson called the meeting to order at 10.20am and prayed. He then welcomed all present and requested everyone to make self- introduction. The Chairperson further took the Cabinet Secretary and the Committee though the Statement requested by the Hon. Naisula

Lesuuda, MP on 19th June 2018 in the House and the subsequent invitation letter by the Committee inviting the Cabinet Secretary to brief on the subject matter.

MIN.NO. DCS/ JCAL& TIC 2018/007: BRIEF BY THE CABINET SECRETARY MINISTRY OF AGRICULTURE AND IRRIGATION ON THE ALLEGATION ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

The Cabinet Secretary Ministry of Agriculture and Irrigation Hon. Mwangi Kiunjuri appeared before the Committee and briefed on the alleged illegal/ unfit sugar in the country as follows: -

1. **The circumstances leading to the gazettement of the duty free importation window**

The Committee was informed that Kenya and East Africa region experienced severe drought in late 2016 and 2017 which led to reduced production of essential agricultural food stuff like maize, sugar and milk and as one of the initiatives to mitigate this, on **10th February 2017** the President through **Executive Order No. 1 of 2017** declared drought a national disaster, and directed the concerned Ministries to take immediate action to ensure that there were enough supplies of the essential food commodities in the country.

As a result of the drought and consequent low cane supply, monthly local sugar production was on a downward trend from 53,071 MT in January 2017 to 10,872 MT in August 2017. This was against a monthly demand of 60,000 MT. On the other hand by May 2017, the average sugar prices increased from Kshs. 130 per Kilo in January to Kshs. 179 in cities and Ksh 250 in rural areas.

He further informed the Committee that Kenya produces on average 60% of her domestic sugar requirement, while the deficit is imported from COMESA and EAC countries. **During this period the imports from COMESA and EAC were also on a downward trend from 25,113 MT in January 2017 to 15,740 MT in April 2017.**

On **12th May 2017**, in view of the fact that drought had been declared a national disaster, the acute sugar shortage, increased sugar prices and increased cost of living, the Cabinet Secretary – National Treasury (CS-NT) through Gazette Notice **No. 4536** allowed the importation of sugar duty free from the world market. This gazette notice was to remain in force up to **31st August 2017.**

Further on **4th October 2017** the Cabinet Secretary for Treasury and National Planning through a Gazette Notice **No. 9801** allowed duty free entry of sugar consigned to local millers up to Dec 2017.

On **13th October 2017** the Cabinet Secretary for Treasury and National Planning through a Gazette Notice **No. 10149** brought forward duty free importation of sugar under Gazette Notice No. 9801 from 31st December 2017 to 13th October 2017, following assessment quantities that had already been imported.

2. Quantities of imported sugar in 2017

The Cabinet Secretary informed that a total of 829,871 MT of brown sugar was imported in the year 2017 and in addition, South Nyanza Sugar Company imported 40,000 MT of brown sugar. This is not included in the 2017 imports as the same was subject to a court case, which was finalized in January 2018.

3. The lapses exploited by importers to circumvent the regulatory framework in place

He noted that the allowing everybody to import sugar in the country as it was indicated in the Kenya Gazette Notice was misused by the importers.

4. The report on the quality of the alleged imported contraband sugar

The Committee was informed that when issuing licences, AFA specifies the type and quantity to be imported and the Kenya Bureau of Standards (KeBS) has the mandate, capacity and procedures to determine quality as per the applicable standard.

5. Measures the government is taking to curb the importation of counterfeit goods into the country

He informed that there are Government agencies whose mandate is to ensure that no counterfeit goods are brought into the country includes KEBS and Anti-counterfeit Agency.

6. The measures the government is taking to mitigate against the health effects of the alleged contaminated sugar

He further informed that the role of the Ministry is to advise on types of sugar (Mill Brown and Refined White) or any other products to be imported. Application and enforcement of Standards is carried out by the KeBS. The Ministry collaborates with other Government agencies on matters of Food Safety.

7. Relevant information that could be important to the committee

On this agenda item he informed the Committee that Kenya is currently enjoying COMESA safeguards and one of the conditions of the safeguards is that Kenya has an obligation to import 210,000 MT from COMESA member states in 2018. Kenya has not been self-sufficient in sugar production hence the need for importation.

The sugar industry was facing several challenges namely:-

- Litigations on the proposed Regulations
- Ageing equipment and obsolete technologies in public mills
- High debt burden
- Cane poaching
- Non-payment of farmers
- Low uptake of high yielding varieties
- Low diversification initiatives within the value chain
- Overemployment in public mills

In the end he noted that through the industry was facing many challenges and that the government was addressing them.

Committee Observations

The Committee made the following observations from the submission of Cabinet Secretary Ministry of Agriculture, Livestock, Fisheries and Irrigation:

i. The country imported 829,871MT of Brown Sugar while the total local production was 376,111MT totaling to 1,205,982 MT.

ii. The Committee also noted that monthly demand of sugar was 60,000 MT which translates to an annual demand of 720,000MT.

iii. The Ministry through Agricultural Food Authority (AFA) allowed over importation of sugar by over 485,982MT.

iv. Gazette notice No 4536 on importation of sugar and milk powder duty free dated 11th May, 2017 was not specific on quantities and type of sugar to be imported and allowed sugar importation by any person with effect from the date of the Notice to the 31st August 2017. However, the same Gazette Notice limited importation of milk powder to 9000 MT to be imported by milk processors with the Authority of Kenya Dairy Board to 31st July 2017.

v. Agricultural Food Authority (AFA) has 370 licensed companies for importation of Sugar

vi. The Committee further noted that after the expiry of Gazette notice No 4536 on 31st August 2017, the Cabinet Secretary for National Treasury issued another gazette notice No 9801 on 29thSeptember 2017 indicating that duty shall not be payable on the

sugar which would be loaded into a vessel between 1st September 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar Miller.

vii. The Gazette Notice No 10149 dated 13th October, 2017 amended Gazette notice No 9801 of 2017 which was extending the period of duty free imports to 31st December, 2017 by shortening the duty-free period to 13th October, 2017.

viii. The Report by the Departmental Committee on Agriculture, Livestock and Co-operatives in the 11th Parliament on the crisis facing the sugar industry in Kenya had recommended a total ban of several companies from import and export business were allowed to import Sugar during the duty-free period.

ix. The Gazette Notice No. 4536 allowed importation of any type of sugar which could either have been fully processed hence for direct consumption or semi processed thereby requiring further processing before selling to consumers.

Committee Resolutions

In the end the Committee directed (stood down) the Cabinet Secretary to allow him to provide all the relevant correspondences and Minutes between the Ministry and the Ministry of Treasury and National Planning on the consultations before the gazettement of Gazette Notice No. 4536.

MIN.NO. DCS/ JCAL& TIC 2018/008: PRESENTATION BY THE CABINET SECRETARY MINISTRY OF TREASURY AND NATIONAL PLANNING

The Cabinet Secretary Ministry of Treasury and National planning, Hentry Rotich appeared before the Committee and briefed on the alleged Illegal/ unfit sugar in the Country. He informed that:-

1. The importation of sugar into the country was occasioned by the declaration of drought as a national disaster by the President and the Commander in Chief of the Kenya Defense Forces through the Executive order No. 1 of 2017 of 10th February, 2017. That the drought experienced in extensive parts of the country resulted in depressed yields and production on Agriculture and in effect caused the skyrocketing of food prices including sugar, milk and maize. Having declared drought a national disaster the President tasked the National Treasury to explore ways of mitigating as well as stabilizing the prices of household goods through the supply chain.

2. To mitigate on price escalation the National Treasury with the advisory of the Ministry of Agriculture, Livestock and Fisheries identified three commodities to be imported duty free. This duty free window was to allow importation of sugar into the country duty free to sustain the demand of the commodity due to scarcity.
3. Further the East Africa Community Customs Management Act, 2004 under section 114 (2) allows for the importation of goods duty free by a member state upon a phenomenon being declared national disaster; the President of the Republic of Kenya and Commander –in- Chief of the Kenya Defense Forces through Executive order No. 1 of 2017 declared drought and famine in parts of Kenya a national disaster.
4. The Cabinet Secretary informed the committee that the gazette Notice No. 4536 designated the importation of sugar and nine thousand tonnes milk powder imported by milk processors, with the authority of the Kenya Dairy Board to take effect from 12th May, 2017 to the 31st August, 2017; he therefore reiterated that the importation of sugar and Powdered milk was time bound.

5. Additionally the Cabinet Secretary informed the committee that the gazette notice No. 4536 waived duty on sugar importation whereas other requirements were to be dully observed including health safety, quality specifications and standardization by Kenya Bureau of Standards in accordance with the standards Act, Cap. 496.

6. Due to delayed arrival of consignment already shipped to Kenya, the Ministry of Agriculture sought extension of the duty waiver period as provided in the Gazette Notice No. 4536 from the stipulated deadline of 31st August, 2017 to 31st December, 2017.

7. The Cabinet Secretary National Treasury through Gazette Notice No. 9801 extended the duty waiver to cover the period 1st September, 2017 to 31st December, 2017 with the sugar consigned to local sugar millers.

8. The committee was informed that on the 10th October, 2017, the Ministry of Agriculture, Livestock and Fisheries advised that following further analysis on the sugar situation, the Gazette Notice No. 9801 of 4th October, 2017 on importation of sugar duty free by sugar millers be revoked.

9. To provide for fair business practices the National Treasury cognizant of the fact that some millers may have ordered sugar based on the Gazette Notice No. 9801; it was important to bring forward the deadline for importation of duty free sugar by millers. The National Treasury issued another Gazette Notice No. 10149 of 13th October, 2017 to amend Gazette Notice No. 9801 and set the deadline for importation to 13th October, 2017.

10. On the issue of clearance of goods on the port of Mombasa the Cabinet Secretary, informed the committee that the Kenya Revenue Authority uses automated scanners as well as pre arrival declaration forms for bulk clearance hence reducing mis-declaration of imports.

11. The Cabinet Secretary noted that it was upon the recommendation from the Ministry of Agriculture, Livestock and Fisheries that the support to local sugar industries be extended by allowing them to import duty free sugar up to 31st December, 2017; the rationale therefore, was that the local sugar companies were under- utilized since there was low production of cane occasioned by drought hence depressed revenue for the millers.

12. The Cabinet Secretary reiterated that to address the challenge of illicit trade on all commodities and support the Kenya Revenue Authority address revenue leakage through tax evasion the president has launched a multi-sectoral agency with clear terms of reference on eliminating counterfeits and contraband goods in the country.

13. He further noted that the country suffers extensive influx of contraband goods entering through the porous borders particularly the inland borders, to address this CS, informed the committee that there is need to operationalize the Border management committee. The Kenya revenue authority is a member of this committee, hence coordinated entry of goods and border surveillance.

14. Cognizant of the sensitivity of the issues on illicit trade and contraband goods, the Cabinet Secretary reinstated that there is need to step up engagement with stakeholders and enhanced confidentiality of information; this remains a priority in the fight against

counterfeits and illicit trade as it helps protect the informants and guarantee security of the country.

Committee Resolutions

In the end the Committee directed the Cabinet Secretary to provide all the relevant correspondences and Minutes between the Ministry and the Ministry of Agriculture and Irrigation on the consultations before the gazettement of Gazette Notice No. 4536.

MIN.NO. DCS/ JCAL& TIC 2018/009: ADJOURNMENT

The Chairperson adjourned the meeting at 3. 25pm

Signed.....

Chairperson

Date.....

MINUTES OF THE 1ST SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON FRIDAY 22ND JUNE 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDINGS AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice - Chairperson)**
3. Hon. Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Florence Mutua, MP
6. Hon. Daniel Maanzo, MP
7. Hon. Dr. John Kanyuithia Mutunga, MP
8. Hon. Janet Jepkemboi Sitienei, MP
9. Hon. Dr. Daniel Kamuren Tuitoek, MP
10. Hon. Justus Makokha Murunga, MP
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Dr. Wilberforce Oundo, MP
13. Hon. Generali Nixon Kiprotich Korir, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Simba Arati, MP
3. Hon. Ferdinard Wanyonyi, MP
4. Hon. Alois Musa Lentoimaga, MP
5. Hon. Bunyasi John Sakwa, MP
6. Hon. Andrew Mwadime, MP
7. Hon. Kipruto Moi, MP
8. Hon. Kathuri Murungi, MP
9. Hon. Yegon Brighton Leonard,MP
10. Hon. Gabriel Kago Mukuha, MP
11. Hon. John Paul Mwirigi, MP
12. Hon. Adan Haji Yussuf, MP
13. Hon. Fred Ouda, MP
14. Hon. Joyce Kamene, MP
15. Hon. Francis Munyua Waititu, MP
16. Hon. Silas Kipkoech Tiren, MP
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. James Mukwe, MP
19. Hon. Anab Mohamed Gure, MP
20. Hon. Jones Mlolwa, MP
21. Hon. Joseph Nduati Ngugi, MP
22. Hon. Patrick Kimani Wainaina Jungle, MP
23. Hon. Robert Gichimu Githinji, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Peter Chemweno	-	Deputy Director, Committee Services (NA)
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Mr. Eric Karuiki	-	Research Officer
6. Mr. Chelanga Maiyo	-	Research Officer
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Deborah Mupusi	-	Media Relations Officer

MIN.NO. DCS/ JCAL& TIC 2018/001: PRELIMINARIES

Pursuant to the Provisions of Standing Orders 202 of the National Assembly the Chairperson called the Joint Sitting to order at 10.30am and prayed. He then welcomed all present and requested them to make self – introduction. He further reminded Members that Pursuant to the Provisions of the Standing Order (44) (1) (c) of the National Assembly Standing Orders, a statement was sought in the House during its sitting of 19th June 2018 seeking investigations and appropriate response on recent allegations of importation and sale of contaminated sugar in the country.

Following the debate during that Sitting and the following day, the Matter was referred to the Departmental Committee on Agriculture and Livestock and that on Trade, Industry and Cooperatives to jointly ***'to investigate, inquire into, and report within 10 days on the alleged importation of contraband sugar into the country'.***

The Committee further adopted the agenda of the day as follows: -

i. Consideration of Terms of Reference
ii. Consideration of Committee Schedule of Sittings
iii. Identification of key witnesses to appear before the Committees
iv. Any other Matter that could be relevant to the Committee to undertake the task

MIN.NO. DCS/ JCAL& TIC 2018/002: TERMS OF REFERENCE

Having gone through the statement requested by the Hon. Naisula Lesuuda, MP the Committee deliberated on it and resolved on following terms of reference: -

(i) the circumstances leading to the gazettement of the duty-free importation window, and the quantities of sugar imported;

(ii) the quantities of sugar and its products impounded, and the companies involved;

(iii) the lapses exploited by the importers to circumvent the regulatory frameworks in place;

(iv) report, if any, on the quality of the alleged imported contraband sugar;

(v) the measures the Government is taking to curb the importation of counterfeit goods into the country;

(vi) the measures the Government is taking to mitigate against the health effects of the alleged contaminated sugar; and,

(vii) Any other relevant information that could be important to the Committee.

MIN.NO. DCS/ JCAL& TIC 2018/003: SCHEDULE OF COMMITTEE SITTINGS

The Committee considered and adopted the programme for Monday 25th June 2018 meetings as follows: -

NO.			TIME
1.	Hon. Naisula Lesuuada, MP	**Member for Samburu Constituency**	**9.00am**
	MINISTRY	**CABINET SECRETARY**	
1.	Ministry of Agriculture and Irrigation	**Hon. Mwangi Kiunjuri, EGH**	**10.00am**
2.	The National Treasury and Planning	**Mr. Henry Rotich, E.G.H**	**12.00pm**
3.	Ministry of Interior and Coordination of National Government	**Dr. Fred Matiangi, EGH**	**2.00pm**
4.	Ministry of Industry, Trade and Cooperatives	**Dr. Adan Abdulla Mohamed E.G.H**	**4.00pm**

MIN.NO. DCS/ JCAL& TIC 2018/004: OTHER KEY WITNESSES

The Committee deliberated on other key wittiness to give evidence on the matter and resolved to invite the following: -

1. Specific Companies that are adversely mentioned
2. The Unions of Farmers
3. Kenya Ports Authority
4. Kenya Revenue Authority
5. Agricultural Food Authority (AFA)
6. Hon. Adan Duale, MP- Leader of the Majority Party on the papers laid before the House on the matter
7. The Committee further resolved to undertake an inspection visit on 26th 27th June 2018 in Nairobi, Mombasa, Nakuru, Eldoret, Webuye and Kakamega.

MIN.NO. DCS/ JCAL& TIC 2018/005: ADJOURNMENT

The Chairperson adjourned the meeting at 12. 25pm.

Signed.....

Chairperson

Date...1/8/2018.....

ADOPTION LIST

REPUBLIC OF KENYA

KENYA NATIONAL ASSEMBLY

Clerk's Chambers
National Assembly
Parliament Buildings
NAIROBI, Kenya

MEMBERS ATTENDANCE REGISTER

JOINT SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES

DATE: 01/03/2018

AGENDA: ADOPTION LIST FOR THE REPORT OF THE INQUIRY INTO THE ALLEGED IMPORTATION OF THE ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

	NAME	TITLE	SIGNATURE
1	Hon. Kanini Kega, MP	**Chairperson**	
2	Hon. Adan Haji Ali, M.P	**Vice- Chairperson**	
3	Hon Emmanuel Wangwe	**Member**	
4	Hon. Cornelly Serem	**Member**	
5	Hon. Maison Leshoomo	**Member**	
6	Hon. Florence Mutua	**Member**	
7	Hon. Ferdinard Wanyonyi	**Member**	
8	Hon. Bunyasi John Sakwa	**Member**	
9	Hon. Daniel Maanzo	**Member**	
10	Hon. Silas Kipkoech Tiren	**Member**	
11	Hon. Simba Arati	**Member**	
12	Hon. Kathuri Murungi	**Member**	
13	Hon. Andrew Mwadime	**Member**	
14	Hon. Dr. John Kanyuithia Mutunga	**Member**	

15	Hon. Dr. Daniel Kamuren Tuitoek	**Member**	
16	Hon. Justus Makokha Murunga	**Member**	
17	Hon. Rahab Mukami Wachira	**Member**	
18	Hon. Dr. Wilberforce Oundo	**Member**	
19	Hon. Gabriel Kago Mukuha	**Member**	
20	Hon. Joseph Nduati Ngugi	**Member**	
21	Hon. Robert Gichimu Githinji	**Member**	
22	Hon. Alois Musa Lentoimaga	**Member**	
23	Hon. Kipruto Moi	**Member**	
24	Hon. Joyce Kamene	**Member**	
25	Hon. Fred Ouda	**Member**	
26	Hon. Jones Mlolwa	**Member**	
27	Hon. James Mukwe	**Member**	
28	Hon Nduati Ngugi	**Member**	
29	Hon. Generali Nixon Kiprotich Korir	**Member**	
30	Hon. John Paul Mwirigi	**Member**	
31	Hon. Jones Mlolwa	**Member**	
32	Hon. Yegon Brighton Leonard	**Member**	
33	Hon. Adan Haji Yussuf	**Member**	
34	Hon. Janet Jepkemboi Sitienei	**Member**	
35	Hon. Francis Munyua Waititu	**Member**	
36	Hon. Alexander Kimutai Kigen Kosgey	**Member**	

37. Hon. Waiwaina Junkle Member

STATEMENT BY HON. NAISULLA LESUUDA, M.P.

ANNEX 3

REPUBLIC OF KENYA

Approved. BM SNA 19/6/18

VERY URGENT

TWELFTH PARLIAMENT

THE NATIONAL ASSEMBLY – SECOND SESSION

STATEMENT ON THE CONTRABAND SUGAR

Honourable Speaker, Pursuant to Standing Order 44(2) (c), I wish to request for a Statement from the Chairpersons, Departmental Committees on ~~Agriculture~~ Trade, Industrialization, Cooperatives and ~~Livestock, Health and Administration and National Security~~ regarding contraband sugar recently seized in most parts of the country.

Honourable Speaker, It is alleged that the sugar is unfit for human consumption as it contains mercury and copper that are believed to have adverse effects on the human health, it is not a wonder that even the rising cases of cancer could be attributed to this. Mr. Speaker The killer trade is not only dangerous to the health of many Kenyans who are already victims but also impacting negatively on our economy through loss of millions of shillings through evasion of the Kenya Revenue Authority (KRA) taxes by the owners of the illicit trade.

Honourable Speaker, It is against this background that I seek statement from the Chairs of the said committees on:- where the contraband sugar is coming from; how has it been cleared at the points of entry; who is the importer and whether the sugar was inspected prior to consumption; how the package of the contraband sugar acquired Kenya Bureau of Standards stickers; given that most shopkeepers still have this contraband sugar in their possession, what are disposal plans if any and measures in place to ensure the disposal mechanism is not hazardous to the environment and human health; what measures are there in place to ensure that the foodstuff in the market is safe for human consumption and whether there is any arrest that had so for been made to those behind this illicit trade.

I thank you, Hon. Speaker.

HON. NAISULA LESUUADA, MP

MEMBER FOR SAMBURU WEST CONSTITUENCY

Date.....

ANNEX 3

EXECUTIVE ORDER

ANNEX A

Executive Order No. 1/2017

REPUBLIC OF KENYA

Declaration of Drought and Famine Facing Parts of the Republic of Kenya a National Disaster

February, 2017

ISSUED BY THE OFFICE OF THE PRESIDENT, NAIROBI

PRINTED BY THE OFFICE OF THE PRESIDENT, NAIROBI

ANNEX 4

DECLARATION OF DROUGHT AND FAMINE FACING PARTS OF THE REPUBLIC OF KENYA A NATIONAL DISASTER

4

DECLARATION OF DROUGHT AND FAMINE FACING PARTS OF THE REPUBLIC OF KENYA A NATIONAL DISASTER

In light of the ravages of Drought and Famine facing at least twenty-three (23) Counties within the Republic of Kenya, as a result of adverse weather and climate phenomenon,

I, **UHURU KENYATTA,** by the Authority vested in me by the Constitution and all other enabling Laws, do hereby Declare the ongoing Drought and Famine a **National Disaster.**

Consequently, I hereby Order and Direct the National Treasury and the Ministry of Devolution and Planning to mobilize resources towards alleviating this Disaster. I am also appealing to our Development Partners and Donors to assist the Government and supplement our efforts in addressing this Disaster.

I do also **ORDER** as follows:-

(i) **THAT** Drought and Famine Response by all Government Ministries, Departments, Agencies and Institutions shall take priority over all ordinary matters, until the Disaster situation is brought under control and I lift the Declaration of the National Disaster; and

(ii) **THAT** both levels of Government implement direct interventions with regard to Drought and Famine, which shall be brought together and co-ordinated by the Ministry of Devolution and Planning.

ISSUED under the **HAND AND SEAL** of the President of the Republic of Kenya at State House, Nairobi this 10th day of February, 2017.



H. E. Hon. Uhuru Kenyatta, C.G.H.
President of the Republic of Kenya
and Commander-in-Chief of the Kenya Defence Forces

GAZETTE NOTICES

ANNEX 5

SPECIAL ISSUE



THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CXIX—No. 62 **NAIROBI, 12th May, 2017** **Price Sh. 60**

GAZETTE NOTICE NO. 4536

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR AND MILK POWDER DUTY FREE

IT IS notified for the general information of the public that in accordance with section 114 (2) of the East African Community Customs Management Act, 2004, and as a consequence of the declaration by the President and Commander in Chief of the Kenya Defence Forces through Executive Order No. 1 of 2017 that the drought and famine in parts of Kenya is a national disaster, duty shall not be payable for the following items—

(a) sugar imported by any person, with effect from the date of this Notice to the 31st August, 2017; and

(b) nine thousand tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board, with effect from the date of this Notice to the 31st July, 2017.

Dated the 11th May, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

ANNEX 5

ANNEX 6

6

SPECIAL ISSUE

THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CXIX—No. 146 NAIROBI, 4th October, 2017 Price Sh. 60

GAZETTE NOTICE NO. 9801

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR DUTY FREE

IT IS notified for the general information of the public that in accordance with section 114 (2) of the East African Community Customs Management Act, 2004, and as a consequence of the declaration by the President of the Republic of Kenya and Commander-in-Chief of the Kenya Defence Forces, through Executive Order No. 1 of 2017 that the drought and famine in parts of Kenya is a national disaster, duty shall not be payable on the sugar which will have been loaded into a vessel between 1st September, 2017 and 31st December, 2017, destined to a port in Kenya and consigned to a local sugar miller.

Dated the 29th September, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

GAZETTE NOTICE NO. 9802

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR AND MILK POWDER DUTY FREE

Amendment

IT IS notified for the general information of the public that the Gazette Notice No. 4536 of 2017, is amended by—

(i) in item (a), by deleting the word "imported" and substituting therefor the words "loaded into a vessel destined to a port in Kenya";

(ii) deleting item (b) and substituting therefor a new item (b) as follows—

(b) nine thousands metric tonnes of milk powder which will have been loaded into a vessel between 12th May, 2017 and 30th November, 2017, destined to a port in Kenya and consigned to a milk processor with prior authority from Kenya Dairy Board for the importation.

Dated the 29th September, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

ANNEX 6 ABBREVIATIONS

ANNEX 8

SPECIAL ISSUE

THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CXIX—No. 152 NAIROBI, 13th October, 2017 Price Sh. 60

GAZETTE NOTICE NO. 10149

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR DUTY FREE

Amendment

IT IS notified for the general information of the public that the Gazette Notice No. 9801 of 2017, is amended by deleting the expression "31st December, 2017" and substituting therefor the expression "13th October, 2017.

Dated the 13th October, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

GAZETTE NOTICE NO. 10150

THE UNIVERSITIES ACT

(*No.* 42 *of* 2012)

THE BOMET UNIVERSITY COLLEGE COUNCIL

APPOINTMENT

IN EXERCISE of the powers conferred by section 36 (1) (*a*) of the Universities Act, 2012, the Cabinet Secretary for Education appoints—

ESTHER W. MUCHIRA-TIRIMA (PROF.)

to be the chairperson of the Council for the Bomet University College, for a period of three (3) years, with effect from the 29th September, 2017.

Dated the 29th September, 2017.

FRED MATIANG'I,
Cabinet Secretary for Education.

GAZETTE NOTICE NO. 10151

THE UNIVERSITIES ACT

(*No.* 42 *of* 2012)

THE BOMET UNIVERSITY COLLEGE COUNCIL

APPOINTMENT

IN EXERCISE of the powers conferred by section 36 (1) (*d*) of the Universities Act, 2012, the Cabinet Secretary for Education appoints—

Rev. Robert Kipkemoi Lang'at (Dr.),
Peter Ithondeka (Dr.),
Jane Ngarari (Dr.),
Alex Majani,
Peter Amenya Nyakundi (Dr.),

to be members of the Council for the Bomet University College, for a period of three (3) years, with effect from the 29th September, 2017.

Dated the 29th September, 2017.

FRED MATIANG'I,
Cabinet Secretary for Education.

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

ANNEX 8

AFA
LIST OF
IMPORTERS

ANNEX VI

LIST AND QUANTITIES OF SUGAR IMPORTED

	IMPORTER	TOTAL
1.	TESIA SUPERMARKETS LIMITED (UGANDA)	990
2.	GRAINERGY K LIMITED(EGYPT)	22803
3.	THE COMMODITY HOUSE LIMITED (EGYPT)	19174
4.	HYDERY (P) LIMITED (EGYPT)	22583
5.	STUNTWAVE LIMITED (EGYPT)	15859
6.	METCOM LTD (UGANDA)	2809
7.	SUKARI INVESTMENTS LIMITED (MAURITIUS, EGYPT)	33320
8.	LESPHINE INVESTMENTS LIMITED (UGANDA)	422
9.	KASSAMKO LIMITED (UGANDA)	449
10.	COSMOCARE LIMITED (MAURITIUS)	8246
11.	MOKANN LOGISTICS LIMITED (UGANDA)	514
12.	COAST TERMINAL EAST AFRICA LIMITED (MAURITIUS,UGANDA, MADASCAR)	9405
13.	SAMPEN JOS LTD (UGANDA)	544
14.	TERRA FIRMA LOGISTICS LIMITED (UGANDA)	50
15.	SUNOVA INTERNATIONAL LIMITED (ZIMBABWE, MALAWI)	10427
16.	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED (UGANDA)	1256
17.	RABI YASIR TRADERS LIMITED (UGANDA)	896
18.	SIROCCO INVESTMENTS K LIMITED (UGANDA, SWAZILAND)	6244
19.	AVALANGE TRADING LIMITED (UGANDA)	169
20.	MIKROS LTD (UGANDA)	1085
21.	MARASA LIMITED (UGANDA)	1780
22.	MARATHON VENTURES LIMITED (MAURITIUS, EGYPT)	3244
23.	CONVEX COMMODITY MERCHANTS LIMITED (MAURITIUS)	40595
24.	EMCO HOLDINGS LIMITED (UGANDA)	2828
25.	BLUE SKY ENERGY LIMITED (UGANDA)	56
26.	WATONY KENYA LIMITED (UGANDA)	526

ANNEX 9

27.	KIFARU FEEDS LIMITED (UGANDA, SWAZILAND)	12897
28.	KORBASH TRADERS LIMITED (UGANDA)	9395
29.	LEADWAY ENTERPRISES LIMITED (MAURITIUS, UGANDA)	1780
30.	LESPHINE INVESTMENTS LIMITED (UGANDA)	420
31.	MIDLAND EMPORIUM LIMITED (UGANDA)	692
32.	MERAKO INVESTMENTS K LIMITED (UGANDA)	1930
33.	MIROCKMAN COMPANY LIMITED (UGANDA)	1591
34.	MOKANN LOGISTICS LIMITED (UGANDA)	372
35.	NANASAI LOGISTICS LIMITED (UGANDA)	84
36.	ROSAM LIMITED (UGANDA)	1014
37.	OCEANIA INVESTMENT LIMITED (UGANDA)	7105
38.	PALEAH STORES LIMITED (MAURITIUS)	4717
39.	SEA-TECH LIMITED (MAURITIUS)	8434
40.	SYBES COMMODITIES COMPANY LIMITED (MAURITIUS)	5494
41.	TARZAN LIMITED (MAURITIUS)	4784
42.	TAYBA WHOLESALERS LIMITED (UGANDA)	4207
43.	AFRICAN RETAIL TRADERS 2005 LTD (ZIMBABWE)	6350
44.	DUBAI MATRESS LIMITED (MAURITIUS)	4636
45.	EAST AFRICAN CARGO HANDLERS LIMITED (MAURITIUS)	832
46.	FUTURES COMMODITIES LIMITED (SWAZILAND)	1180
47.	IFOX COMMODITY LIMITED (MAURITIUS)	3346
48.	MARANGU ENTERPRISES (UGANDA)	1500

ANNEX 2.

49.	NANKU COMPANY (KENYA) LIMITED (ZIMBABWE)	2000
50.	NORTH CORT LIMITED (UGANDA)	280
51.	REESWOOD ENTERPRISES LIMITED (ZIMBABWE, MAURITIUS)	7308
52.	REMINGTON AGENCY LIMITED (MAURITIUS, ZIMBABWE)	10875
53.	RIVER SIDE BUSINESS VENTURES K LIMITED (UGANDA)	1000
54.	TOTIYAS ENTERPRISES LIMITED (UGANDA)	876
55.	YH WHOLESALERS LTD (SWAZILAND)	12509
56.	BARKAT DEVELOPERS LIMITED (ZAMBIA)	1516
57.	GHANEEMA ENTERPRISE LIMITED (UGANDA)	168
58.	ONE COMMODITIES COMPANY LIMITED (SWAZILAND)	32852
59.	SALIM MERCHANDISE COMPANY LIMITED (UGANDA)	1006
60.	UCHALE LOGISTICS LIMITED (UGANDA)	200
61.	AHMED SHEIKH DAHIR ENTERPRISES LIMITED (ZIMBABWE)	1000
62.	ARASAN TRADERS LIMITED (MADAGASCAR)	7183
63.	CAPO GENERAL TRADING LIMITED (MAURITIUS)	1488
64.	ELDOGATE ENTERPRISES LIMITED (UGANDA)	3594
65.	HOLWATHAG ENTERPRISE LIMITED (UGANDA)	4158
66.	HUSSABA TRADING COMPANY LIMITED (ZIMBABWE)	15338

67.	IMPERIAL COMMODITIES LIMITED (ZIMBABWE)	3225
68.	KILOS KENYA LIMITED (MAURITIUS)	504
69.	MONSOON TRADEWINDS LIMITED (UGANDA)	103
70.	PICCADILLY HOLDINGS LTD (ZIMBABWE)	8795
71.	REGIONAL BARGAINS LIMITED (ZIMBABWE)	9000
72.	RURAL ROAD AND BRIDGES COMPANY LIMITED (UGANDA)	112
73.	APPROVED LOGISTICS LIMITED (MADAGASCAR)	1000
74.	AUS KENYA LIMITED (MADAGASCAR)	2502
75.	EVANSON THUO WAWERU	1000
76.	INLAND AFRICA LOGISTICS LIMITED	10500
77.	LABAQ ENTERPRISES	54
78.	FREON TRADERS LIMITED	1030
79.	MSHALE COMMODITIES LIMITED	22585
80.	OLARE GLOBAL TRADERS LIMITED	7525
81.	PILLAR MATT LIMITED	3489
82.	SKY AGENCIES LIMITED	1582
83.	HEROTS ENTERPRISES LIMITED	6055
84.	RIETY COMPANY LIMITED	590
85.	PEAKMUS BAKERS LIMITED	168
86.	MUMIAS DISTRIBUTORS LTD	250
87.	ATLANTA COMMERCIAL LTD	2000
88.	LANDMARK FREIGHT LTD	25866
89.	HALEEL ENTERPRISES LTD	16216
90.	STEVFLO STORES	112
91.	SOMO COMMODITIES LTD	3508

92.	SANJOSE AGENCIES LTD	500
93.	SERENI FRIES LTD	600
94.	GOLDEN CARA LTD	1182
95.	LINKSFIED ENTERPRISES LTD	1400
96.	ESSBEE SUPPLIERS LTD	165
97.	HABS ENGINEERING LTD	301
98.	PHOENIX GLOBAL LTD	3750
99.	LEGO STORES LTD	4492
100.	BLUE LIME LTD	1305
101.	SERMCO COMPANY LTD	84
102.	SWABRI LTD	2691
103.	MENENGAI OIL REFINERIES LTD	43200
104.	MANONO ENERGY LTD	6790
105.	FLORA BAKERS LTD	3490
106.	MULTILIFT LTD	3161
107.	ELON COMMODITY LTD	847
108.	GREEN BELT WHOLESALERS LTD	2080
109.	MIDLAND HAULIERS LTD	1040
110.	OAKDALE LTD	251
111.	THE OPTION TWO LTD	6622
112.	WEST KENYA SUGAR INDUSTRIES LTD	34,100
113.	ZACK PETROLEUM LTD	234
114.	FOCUS LOGISTICS LTD	2002
115.	SALOLE ENTERPRISES LTD	7216
116.	FARRIS ENTERPRISES LTD	3756
117.	ONE TRADERS LTD	12,500
118.	WHITE HALL HOLDINGS LTD	1800
119.	BEYON INVESTMENTS LTD	2292
120.	NEMUWA CEREALS LTD	910

121.	AMNAV LTD	74400
122.	EXPRESS CO LTD	810
123.	AMANO TRADING LTD	2421
124.	MERCURIE LTD	2000
125.	BETA COMMODITY LTD	3970
126.	TAKABA INVESTMENTS LTD	780
127.	AWWAL OIL LTD	44,600
128.	AFRICAN TANA LTD	1300
129.	EQUITY LOGISTICS LTD	1300
130.	SUKARI INDUSTRIES LTD	23,161
131.	MICAAN LOGISTICS LTD	522
132.	EXPORT TRADING CO LTD	4400
133.	FAHD COMMODITIES LTD	520
134.	JAMAA SUPERMARKET LTD	520
135.	GLOBAL ALLIED LTD	250
	TOTAL	**829871**

EAST AFRICAN CUSTOMS MANAGEMENT ACT

ANNEX 10

(2) Where it is proposed to dispose of any goods to which subsection (1) applies, then the person responsible for the disposal of such goods shall, furnish the Commissioner with the particulars of such proposed disposal and shall cause the duty thereon to be paid.

(3) A person who knowingly disposes of or knowingly acquires any goods to which subsection (1) applies without the import duty thereon having been paid in accordance with the provisions of this section commits an offence.

(4) Where any goods to which subsection (1) applies are disposed of without the payment of the import duty to which they are liable, then the goods shall be liable to forfeiture.

Computation of Duty

Time of entry determines rate of duty.

120. (1) Subject to subsection (3) and section 94, import duty shall be paid at the rate in force at the time when the goods liable to such duty are entered for home consumption:

Provided that in the case of goods imported overland, the time of entry of such goods for home consumption shall be deemed to be the time when the import duty on the goods is paid.

(2) Subject to the provisions of the Customs laws and of section 94, export duty shall be paid at the rate in force at the time when the goods liable to such duty are entered for export:

Provided that where any export duty is imposed, or the rate of any existing export duty is varied, between the time goods are entered for exportation and the time of exportation of such goods, export duty shall be paid at the rate in force at the time of exportation of the goods.

(3) Where goods are entered in accordance with section 34 before the arrival at the port of discharge of the aircraft or vessel in which such goods are imported, the import duty upon the goods shall be paid at the rate in force at the time of arrival of such aircraft or vessel at such port of discharge.

Duties, etc. to apply proportionately.

121. Where any drawback is allowed under the Customs laws according to any specified weight, measure, strength, or value the drawback shall be deemed to apply in the same proportion to any greater or less weight, measure, strength, or value, as the case may be, unless specific provision is made to the contrary in any Customs laws.

Determination of value of imported goods liable to *ad valorem* import duty.

122. (1) Where imported goods are liable to import duty *ad valorem*, then the value of such goods shall be determined in accordance with the Fourth Schedule and import duty shall be paid on that value.

(2) Upon written request, the importer shall be entitled to an explanation in writing from the proper officer as to how the Customs value of the importer's goods was determined.

(3) Where, in the course of determining the customs value of imported goods, it becomes necessary for the Customs to delay the final determination of such customs value, the delivery of the goods shall, at the request of the importer be made:

Provided that before granting such permission the proper officer may require the importer to provide sufficient guarantee in the form of a surety, a deposit or some other appropriate security as the proper officer may determine, to secure the ultimate payment of customs duties for which the goods may be liable.

(4) Nothing in the Fourth Schedule shall be construed as restricting or calling into question the rights of the proper officer to satisfy himself or herself as to the truth or accuracy of any statement, document or declaration presented for customs valuation purposes.

(5) The Council shall publish in the Gazette judicial decisions and administrative rulings of general application giving effect to the Fourth Schedule.

(6) In applying or interpreting this section and the provisions of the Fourth Schedule due regard shall be taken of the decisions, rulings, opinions, guidelines, and interpretations given by the Directorate, the World Trade Organisation or the Customs Cooperation Council.

(7) The rate of exchange to be used for determining the equivalent of a Partner State currency of any foreign currency shall be the selling rate last notified by the Central Bank of the respective Partner State when an entry is presented to and accepted by the proper officer.

CORRESPONDENCE OF DUTY EXEMPTION

ANNEX II APPENDIX 81

REPUBLIC OF KENYA

MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES
OFFICE OF THE CABINET SECRETARY

Telephone: 2718870
Website:www.kilimo.go.ke
Email:cabinetsecretary@kilimo.go.ke

KILIMO HOUSE
CATHEDRAL ROAD
P.O. BOX 30028
NAIROBI

Ref: MOALF/ CS/ADM/35

12th September, 2017

Mr. Henry Rotich, EGH
Cabinet Secretary
The National Treasury
Treasury Building
NAIROBI

Dear Henry,

GAZETTE NOTICE NO. 4536 OF 2017

Reference is made to the above mentioned gazette Notice dated 12th May 2017 on exemption of duty for sugar imports from the date of notice to the 31st August 2017.

The Ministry has received appeal letters from the following registered sugar importers who experienced delays in shipping their approved consignments within the period at which the gazette notice for the duty free sugar was in force:

1. Flora Bakers Limited
2. Piccadilly Holding Limited
3. Landmark Freight Services
4. Darasa Investments Limited
5. Pillarmatt Limited.
6. The Option Two Limited.
7. Ifox Commodity Limited.
8. Paleah Stores limited.
9. Mapping Trading Company.
10. Sukari Investments Limited
11. Elon Commodities (K) Limited.
12. Coast Terminal East Africa Limited.
13. Zack Petroleum limited.
14. Export Trading Company Limited.

ANNEX II

ANNEX II

II

The delay in the arrival of duty free sugar to the port of Mombasa was caused by various reasons such as logistic difficulties, low tides delaying loading of cargoes, turbulent and unfavourable weathers in the high seas and delays at the transhipments ports.

In view of the aforementioned, the Ministry recommends that based on the circumstances that caused the delay in shipping of the imports, the lapsed duty free window should not lock the affected companies out and therefore their sugar imports should be cleared duty free.

Yours Sincerely,

Willy Bett, EGH
CABINET SECRETARY

Copy:

Mr. John Njiraini, MBS
Commissioner General
Kenya Revenue Authority
P.O Box 40160
NAIROBI

ANNEX 12

REPUBLIC OF KENYA
THE NATIONAL TREASURY

Telegraphic Address: 22921
Finance – Nairobi
FAX NO. 310833
Telephone: 2252299
When Replying Please Quote

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

Ref. No. CONF. 1/06

September 21, 2017

The Commissioner of Customs & Border Control
Kenya Revenue Authority
NAIROBI

RE: CLEARANCE OF DUTY FREE SUGAR IMPORTED BEFORE 31ST AUGUST, 2017

Attached, please find copies of letters Ref. No. MOALF/CS/ADM/35 dated 12th September, 2017, Ref. No. MOALF/CS/ADM/35 dated 19th September, 2017 and Ref. No. MOALF/CS/ADM/35 dated 20th September, 2017 from the Ministry of Agriculture, Livestock and Fisheries on the above mentioned subject matter.

The Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries has given details of the consignments of sugar imported under Gazette Notice No. 4536 of 2017 but experienced delay in arrival due to, among other reasons, logistical difficulties, low tides delaying loading and unfavourable weather.

After taking into account the circumstances of the delay, the Cabinet Secretary for Agriculture, Livestock and Fisheries appealed to the Cabinet Secretary, National Treasury to allow duty free clearance of the affected consignments. A total of fourteen (14) importers were affected. The details are as follows:

No.	Importer	B/L No.	Quantity
1	Flora Bakers Limited	DXB0373587C	520
2	Pccadilly Holding	960750595	5400
3	Landmark Freight Services	769855882	780
4	Darasa Investments Ltd	BRSS802017	40010
5	Pillarmatt Limited	DXB0374640C	2990
6	The Option Two Limited	DXB03746	2990
7	Ifox Commodity Limited	DXB0373587E	2990
8	Paleah Stores Limited	MSCCUZC238582	3000
9	Mapping Trading Company	MSCUZC239119	3000
10	Sukari Investments Limited	769859553	1300
11	Elon Commodities (K) Ltd	DXB0368738A	1040
12	Coast Terminal East Africa Limited	EID0193398	2080
13	Zack Petroleum Limited	DXB0373587B	540
14	Export Trading company Limited	2017MOY20602	4400

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ANNEX 12.

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After due consideration, the Cabinet Secretary, National Treasury, approved that Kenya Revenue Authority be advised to release the affected consignment as duty free sugar. **The Cabinet Secretary, National Treasury, emphasized that only those consignments shipped before the expiry date should be considered.** In order to enhance accountability, Kenya Revenue Authority is required to provide a final report to the Cabinet Secretary, National Treasury, in respect of the duty free sugar cleared under this approval.

The purpose of this letter is to advise the Kenya Revenue Authority to proceed accordingly.

By a copy of this letter, the State Department of Agriculture, Ministry of Agriculture Livestock and Fisheries is requested to advise the above listed importers to follow-up the matter with the Kenya Revenue Authority and to provide any necessary documents that may be required for the customs clearance of the approved consignments and quantities.

WANYAMBURA K. MWAMBIA, OGW
FOR: PRINCIPAL SECRETARY/NATIONAL TRASURY

Copy to: The Commissioner of General, KRA

Deputy Commissioner, Central Region
NAIROBI

Deputy Commissioner, Southern Region
MOMBASA

The Principal Secretary
State Department of Agriculture
Ministry of Agriculture, Livestock & Fisheries
NAIROBI

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CUS/HQ/1

27th September, 2017

The Principal Secretary
National Treasury
P.O. Box 30007
NAIROBI

Dear Sir

CLEARANCE OF DUTY FREE SUGAR IMPORTED BEFORE 31ST AUGUST, 2017

Please refer to your letter ref: CONF. 1/06 dated 21st September, 2017 in regard to the above matter.

Your letter advised Kenya Revenue Authority to release on duty free basis, sugar consignments imported under Gazette Notice No. 4536 of 12th May, 2017 that experienced delay in arrival and have been recommended by the Ministry of Agriculture, Livestock and Fisheries for consideration of duty exemption.

We are experiencing difficulties implementing the Treasury letter with respect to the listed sugar consignments for the following reasons:-

The Gazette Notice No. 4536 of 12th May, 2017 allowed duty free importation of sugar from 12th May, 2017 to 31st August, 2017 after which the import duty reverted to the EAC CET rate.

Section 120 (1) of the EACCMA requires that import duty shall be paid at the rate in force at the time when the goods are entered for home consumption.

Section 2 (2) (b) provides that goods are deemed to be entered for home consumption when they have been declared for use in a Partner State and the import entry is lodged and any duty due has been paid in compliance with the Act.

Section 120 (3) provides that where goods are entered before the arrival of the vessel in which such goods are imported, the import duty upon the goods shall be paid at the rate in force at the time of arrival of the vessel at the port of discharge.

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We have observed that the listed sugar consignments were shipped before the expiry of the duty free period. However, the consignments arrived after the expiry period hence the application of the above mentioned provisions of the EACCMA on such shipments.

In this regard, we wish to clarify that we shall allow duty free clearance of sugar consignments that arrived and were entered before the expiry of the Gazette Notice deadline.

Nevertheless, in order to facilitate the affected sugar importers and remain consistent with the provisions of the EACCMA, we propose that the National Treasury considers issuing a Gazette Notice to extend the duty free sugar importation period from 31st August, 2017 to 20th September, 2017, the date the CS, National Treasury endorsed the recommendation by the CS, Ministry of Agriculture, Livestock and Fisheries.

Yours faithfully

Julius N. Musyoki
COMMISSIONER CUSTOMS & BORDER CONTROL

C. C. The Cabinet Secretary
National Treasury
NAIROBI

Commissioner General
KENYA REVENUE AUTHORITY

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KEBS RESULTS FROM SEIZED SUGAR

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CONTRABAND GOODS KEBS vs KRA list

The operations to net counterfeit goods which has been ongoing for a while has led to the recovery of **1,319,668** 50 kg bags of sugar, **1484** bags of rice, **87,805** bags of fertilizer and **90** cartons of Liquor from different Counties as shown in the table below:-

COUNTY	DATE	PLACE FOUND	RECOVERY	BAGS OF SUGAR	SUSPECTS ARRESTED	TAKEN TO COURT	SUSPECTS AT LARGE	POSITION	KEBS BS Sample Number.	Test Status	Officer	Product Details	Quantities
Nairobi	6/13/2018	KBK 676X Mitsubishi Fighter	250 bags of 50kgs Brazilian sugar	250	2	0	0	Held at industrial area police station awaiting verification, suspects to be arraigned in court					
	6/15/2018	Janka Investments-Shauri moyo	138 Brazilian brown sugar packed by Lumira exporter,736kgs of Kabras sugar incribed not for sale for industrial use only,	15				Divcrime Buruburu investigating	BS201820371	Fail in TVC.	Owiti	LUMIRA	140
	6/15/2018		139 Brazilian brown sugar packed by Lumira exporter,736kgs of Kabras sugar incribed not for sale for industrial use only,					Divcrime Buruburu investigating	BS201820746	Fail in Water Insoluble Matter and TVC.	Owiti	KABRAS (Janka) WKS A F18	200
	6/15/2018		140 Brazilian brown sugar packed by Lumira exporter,736kgs of Kabras sugar incribed not for sale for industrial use only,		18	0	0	Divcrime Buruburu investigating	BS201820749	Fail in Water Insoluble Matter and TVC	Owiti	KABRAS (Janka) WKS 23	219
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar	212521	0	0	0	Goods under the guard of Officers awaiting verification	BS201820523	Complies	Gilbert Rono	Golden Granulated 220217025	212521
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820526	Complies	Gilbert Rono	Golden Granulated 2704174.1	
	6/19/2018	Menengai oil Refineries ltd	A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820527	Fail in Colour.	Gilbert Rono	Thailand Golden granulated	
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820528	Fail in Colour.	Gilbert Rono	Thailand Golden granulated	
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820520	Fail in Colour.	Gilbert Rono	Hullets Batch 0012	
									BS201820857	Fail in Colour	Gilbert Rono	Thailand Golden Granulated Lot o. 091	
	6/13/2018	KBK 676X Mitsubishi Fighter	250 bags of 50kgs Brazilian sugar.	250	2	0	0	Held at Industrial area police station awaiting verification, suspects to be arraigned in court					
Garissa	6/13/2018	KCP 837S Scania	320 bags of sugar	320	0	0	0	Goods under the guard of Officers awaiting verification					
Bungoma	6/14/2018	khamulati stores	65 bags *50kg-brazil,40kgs packed in 1kgs.	66	1	0	0	Detained by police pending verification by KRA,KBS,etc					
		Uchumi stores	2 empty bags branded Brazil,4kgs packed in 1kgs,2kgs packed in 1/2kgs	0	1	0	0						
		Sammart Supermarket	6 Empty bags branded Brazil,23kgs in 1kgs	0	0	0	1						
	6/13/2018	Pan African Paper Mills	59000 bags of 50kgs each belonging to West Kenya labled 'brown sugar not for sale'	59000	0	0	0	Goods under the guard of Officers awaiting verification	BS201820023	Fail water insoluble matter and TVC	Kosgei	(Imported) West Kenya Sugar	59000
	6/13/2018	Pan African Paper Mills							BS201820024	Complies	Kosgei	Sukari Industries Ltd - 101960	
Narok	6/14/2018	KCM 087Y Isuzu NPR LORRY driven by joseph karanja	33 bags of 50kgs Zambian sugar,	33	0	0	0	Goods and motorvehicles detained awaiting verification	BS201820335	Complies	A. Kemboi	USINA ALTO ALEGRE	33
		KCE 525Y driven by John Kinuthia	15 bags of 50kgs Brazilian brown sugar	15	0	0	0		BS201820333	Fail in MC	A. Kemboi	WHITE SPOON	15
		KBX 588E Isuzu NPR driven by Peter Wahome	7 bags of 50kgs Brazilian brown sugar	7	0	0	0		BS201820336	failure yeast and mould	A. Kemboi	LUMIRA BRAND	7
Kitui		Mt Kenya Wholesalers	220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820039	Fail in Yeast and Moulds.	Bilha	Mauritius Sugar - Mt. Kenya Wholesalers Matuu	220
Kitui			220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820040	Fail colour, polarization.	Bilha	Egypty Sugar	
Kitui			220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820041	Fail in Water Insoluble matter.	Bilha	Ndiwa	
Kitui			220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820042	Fail in Yeast and Moulds.	Bilha	Kakira	

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Kitui	6/15/2018		220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar	220	0	0	0	Goods under the guard of Officers awaiting verification	BS201820043	Fail in Water Insoluble Matter	Bilha	Brazil		
Mombasa	6/16/2018	Denco Investment ltd	116,525 bags of brown sugar 50kgs each	116525	0	0	0	Process of sampling in progress	BS201820903	Complies	Makan Peter	THAILAND GOLDEN GROMULATED SUGAR	26719	
	6/16/2018	Denco Investment ltd							BS201820942	Complies	Makan Peter	EGYPTIAN SUGAR	89806	
	6/23/2018	Kipevu	104,537 bags of sugar	104537	0	0	0		BS201822430	Fail in TVC and Yeast and Moulds	Makan Peter	WEST KENYA SUGAR	104537	
	6/19/2018	Changamwe-Ballow logistics	50000 bags of 50kgs	50000	0	0	0	DCIO investigating						
	6/20/2018		122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer	122839	0	0	0		BS201820756	Pending Micro, fail in moisture	Makan Peter	BIEN HOA DAILY	2517	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820758	Complies	Makan Peter	ILLOVO SUGAR-LINGNA	4266	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820759	Fail in Moisture and Yeast and moulds	Makan Peter	INEGENIO PANUCO	430	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820760	Micro pending approval, fail in moisture	Makan Peter	MSS-LIGNA	9984	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820761	Micro pending approval, fail in moisture	Makan Peter	VIRGO LINODE OLIVEIRA - VO	131	
	6/18/2018	Changamwe	105551 bags of sugar	105551	0	0	0	Goods under the guard of Officers awaiting verification	BS201820339	Fail in TVC. Insoluble Matter.	Makan Peter	WHITE EGYPTIAN SUGAR-MC8	13170	
									BS201820394	Complies	Makan Peter	BROWN SUGAR VO MC8 LOT 011	2862	
									BS201820389	Fail in Water	Makan Peter	BROWN SUGAR VO MC8 LOT 010	8050	
									BS201820400	Fail in moisture content.	Makan Peter	Mill white sugar	25264	
									BS201820374	Fail in	Makan Peter	BROWN	16064	
									BS201820361	Complies	Makan Peter	BROWN SUGAR HULLETS MC9	29989	
Nyandarua	6/17/2018	Jama Supermarket	2000 bags of 50kgs each brown sugar from Dubai	2000	2	2	0	Goods under the guard of Officers awaiting verification	BS201820212	Complies	Kingori John	Jamaa Sugar	2000	
		Jama Supermarket							BS201820208	Fail in Yeast and Moulds.	Kingori John	SAKUMA EXPORTS LTD		
	6/13/2018	KCP 837S Scania	320 bags of sugar	320	0	0	0							
	6/19/2018	KBE 232P	40 BAGS OF 50kgs brown sugar from Brazil, 37 bags fertilizer	40	0	0	0	Goods under the guard of Officers awaiting verification						
	6/18/2018	Nyahururu town - Mugo Supermarket	171 bags of sugar and 25 bags of rice	171	0	0	0	Held at Nyahururu police station awaiting verification	BS201822240	Fail in TVC	Kingori John	Sukari (MS1) (1 x 25kg bag)	171	
									BS201822241	Complies	Kingori John	Butali (MS2) (1 x 25kg bag)		
									BS201822242	fail in TVC, yeast and moulds	Kingori John	Sony Sugar (MS3) (1 x 25kg bag)		
									BS201822243	Fail in TVC.	Kingori John	Hoima (MS4) (1 x 25kg bag)		
									BS201822244	Fail in TVC.	Kingori John	Egyptian (MS5) (1 x 50kg bag)		
Kisumu	6/15/2018	KAU 591G Mitsubishi	8 bags of 50kgs from Uganda,5 from Brazil and 2 from India	15	0	0	0	Goods under the guard of Officers awaiting verification						

	6/23/2018	Mamboleo area	76 cartons of Shakers (Liquor)	76	0	0	0	Detained at Nyamira police station awaiting verification						
Kwale	6/1?/2018	KCQ 744G Mitsubishi FH	18 Bags of 50kgs brown sugar from Brazil	18	0	0	0	DCIO Kinango investigating						
		Deepsouth Unik services and Siku Njema wholesalers	40 bags of brown sugar	40	0	0	0	Goods under the guard of Officers awaiting verification	BS201824455	Pending entries in both micro and chemical	Makan Peter		40	
		Deepsouth Unik services and Siku Njema wholesalers							BS201824456	Pending entries in both micro and chemical	Makan Peter			
Uasin Gishu	6/17/2018	Eldoret town	252 bags of Sugar	252	0	0	0	Held at Eldoret police stn awaiting verification	BS201820201	Complies	Angela Ruto	Lumira	252	
Uasin Gishu	6/18/2018	Eldoret town						Held at Eldoret police stn awaiting verification	BS201820198	Complies	Angela Ruto	MSS		
Nyamira	6/18/2018	Benya Traders wholesalers	65 bags of 50kgs,60 bags of 25kgs	95	0	0	0	Goods under the guard of Officers awaiting verification	BS201821604	Fail yeast and moulds	Mwalugha	Diamond Sugar	95	
									BS201821890	Fail in TVC, Yeast and Moulds.	Wambua Peter	Muhoroni-50kgs		
	6/24/2018	Gikonge market	135 bags brown sugar	135	0	0	0	Detained at Nyamira police station awaiting verification	BS201821880	Fail in TVC, yeast and moulds.	Wambua Peter	Transmara Sugar-50kgs	135	
Kisii	6/18/2018	Kisii discount stores ltd	15 tonnes of brown sugar	300	0	0	0	detained at Kisii police stn pending verification	BS201821116	Fail in Yeast and Moulds.	Wb Ondari	MARA SUGAR (BROWN) EXIBIT 314 (B-1)	300	
		Kisii discount stores ltd							BS201821118	Pending chemical	Wb Ondari	DIAMOND BROWN SUGAR		
		Kisii discount stores ltd							BS201821119	Fail in Yeast and Moulds.	Wb Ondari	GOLDEN BROWN SUGAR		
	6/19/2018	KBN 901V Hyundai lorry	105 bags of 50kgs,85bags of 25kgs,400 pcts of 20kgs	311	0	0	0	Investigation in progress awaiting kebs analysis	BS201821113	Fail in Yeast and Moulds.	Wb Ondari	DIAMOND BROWN 50KG RBI E-1	105	
		Kisii Police Station							BS201821114	Fail in TVC, Yeast and Moulds.	Wb Ondari	DIAMOND BROWN 25KG ALC2 D-1		
		Kisii Police Station							BS201821115	Fail in Yeast and Moulds	Wb Ondari	MARA SUGAR (BROWN) EXIBIT F-1		
Migori	6/20/2018	Rongo	4720 bags of 50kgs brown sugar						BS201821117	Fail in TVC, Yeast and Moulds	Wb Ondari	WEST KENYA	4720	
Kilifi	6/18/2018	KBY 456N Mitsubishi FH lorry	20 bags of 50kgs, 140 bags of rice	20	1	0	0	Goods detained at the police stn	BS201821503	Fail in Water Insoluble matter	Gasper Maato	VO VIRGOLIN O DE OLIVIERA	20	
Nakuru	6/16/2018	Bondeni - Nakuru Blankets	400000 bags of 50kg branded West Kenya sugar	514000	0	0	0	Goods under the guard of Officers awaiting verification	BS201820416	Pending Micro entries, fail in Moisture Content.	Akolo	WEST KENYA SUGAR CO. LTD	514000	
	6/19/2018	Kanini Haraka wholesalers	1350 bags of 50kgs packed in Brazilian brown sugar bags	1350	0	0	0	seizure notice issued pending verification	BS201820385	Complies	Akolo	Lumira		
	6/19/2018	Menengai oil Refineries ltd	132,000 bags of 50kgs branded Thailand golden granules and Hullets sunsweet brown sugar	132000	0	0	0	seizure notice issued pending verification	BS201820388	Fail in Colour & TVC	Akolo	TRR GROUP		
									BS201820391	Fail in TVC.	Akolo	HULETICS		
	6/19/2018	United Millers	MSS Brand 28670 Tons Dry and 153 bags wet		0	0	0	Goods under the guard of officers awaiting verification	BS201822348	Failure yeast and moulds.	Evans Makori	DRY SUGAR		
		United Millers							BS201822350	Failure yeast and moulds & TVC.	Evans Makori	WET SUGAR		
	6/20/2018	Several stores within Salgaa	175 bags of Brown sugar in 50kgs bags	175	0	0	0	Goods under the guard of officers awaiting verification						
Nyeri	6/19/2018	Emmanuel supermarket and Down town shop	106bags and 2bags from Brazil and Mauritius	108	0	0	0	Goods detained at the police stn						
	6/20/2018	Wama General Merchants	500 bags of 50kgs from Brazil,Malaysia and Mauritius	500	0	0	0	Follow up exercise ongoing						
	6/21/2018	Praiz supermarket	119 bags of brown sugar from mauritius	119	0	0	0	Detained pending analysis						

Kirinyaga		Palea stores-embu,Eastmart supermarket	5 bags of sugar	5	0	0	0	Investigation in progress awaiting kebs analysis							
	6/20/2018	Maruli Express Ltd	12 bags of Brazilian brown sugar	12	1	0	0	Goods under the guard of Officers awaiting verification							
Kakamega	6/19/2018	Mwamba and Sinendeti market	149 kgs of suspected contraband sugar	3	2	0	0								
	6/19/2018	Lugari	5 bags of sugar	5	2	0	0	Held at Lumakanda police stn awaiting verification							
Turkana		Lokichar town ship	69 bags of sugar from Uganda,Mauritius and Brazil	69	0	0	0	Investigation in progress awaiting kebs analysis							
	6/19/2018	Lodwar town business stores	75kgs Brazil sugar,300kgs assorted Butali and Brazil sugar	75	3	0	0	Investigation in progress awaiting kebs analysis							
	6/20/2018	Soweto village	160bags of Brazil brown sugar, 120 bags of 25kg pakistan Rice	160	0	0	0	Goods under the guard of Officers awaiting verification							
		Lokichar town ship	60 bags of imported sugar	60	2	0	0	To be arraigned in court							
	6/19/2018	Lokichar town ship	11 bags of sugar and 13bags of rice	11	3	0	0	Held at Lodwar police stn awaiting verification, suspects to be arraigned in court							
	6/20/2018	Lokichar town ship	69 bags of sugar from Uganda,Mauritius and Brazil	69	0	0	0	Held at public health officer custody awaiting verification							
	6/21/2018	Lokichar town ship	20 creles of Uganda senator beer and 7 bags of Sugar	7	2	0	0	Held at Lokichar police station awaiting verification, suspects to be arraigned in court							
Kwale	6/19/2018	Kinango township	19 bags of 50kgs	19	0	0	0	Ferried to Kinango police stn pending verification.	BS201821499	Complies	Gasper Maato	REIZEN ENERGIAS A SAO PAULO-BRAZIL	18		
Lamu	6/19/2018	Mpeketoni	44 bags of Brazil brown sugar	44	3	0	0	Investigation in progress awaiting kebs analysis							
	6/20/2018	various shops at Kiunga Centre	13 bags recovered from different shops	13	8	0	0	Arrested to be arraigned in court							
	6/20/2018	Witu and Pangani centre	2 bags of brown sugar from different shops	2	5	0	0	Suspects in lawful custody							
	6/22/2018	Kizingitini market	13 bags ofbrown Brazil sugar	13	4	0	0	Goods under the guard of Officers awaiting verification							
Muranga		Powerstar supermarket	60 bags of light brown sugar 50kgs each,5kgs of brown sugar from mauritius 50kgs each, 80 Bags Rice	65	0	0	0	DCIO Kigumo investigating							
	6/21/2018	Within Mathioya	Egyptian brown sugar 18 bags,Mauritius sugar 25bags,Lumra sugar 13bags,Golden granulated 6bags,Hullen sun sweet sugar 27bags	84	0	0	0	Goods under the guard of Officers awaiting verification							
Migori	6/20/2018	8 Different lorries	4720 bags of 50kgs brown sugar	4720	0	0	0	Goods under the guard of Officers awaiting verification	BS201821117	Fail in TVC, Yeast and Moulds	Wb Ondari	WEST KENYA	4720		
Bomet		Bomet town shops and stores	30 bags of brazil brown sugar, 635 bags of Rice	30	3	0	0	Suspects in lawful custody	BS201821550	pending chem, fail in yeast and moulds	Mwalugha	ACUCAR SUD (BRAZIL) F;E;July 2017:July 2020,B/NO ;050/2017	30		
Meru	6/18/2018	Meru town	2908 bags of sugar	2908	2	0	0	Held at Meru police station awaiting verification. Case PBC	BS201821236	Complies	James G Mwar	CANEX EXPORTA CO	2908		
Meru	6/18/2018	Meru town	2908 bags of sugar						BS201821233	Complies	James G Mwar	Lumira Brand-NL0042			
Meru	6/18/2018	Meru town	2908 bags of sugar						BS201821234	Fail in TVC	James G Mwar	Lumira Brand-014			
Transnzoia	6/21/2018	Kibomet area	97 bags of brown sugar						BS201822134	Pending entries in both micro and chemical	Angela Ruto	Butali Sugar			
Transnzoia	6/21/2018	Kibomet area	97 bags of brown sugar						BS201822140	Complies	Angela Ruto	KWALE SUGAR - BURNT FOREST			
Transnzoia	6/21/2018	Kibomet area	97 bags of brown sugar	97	1	0	0	To be arraigned in court	BS201822137	Complies	Angela Ruto	Mumias Sugar - Kitale	97		
Kirinyaga	6/20/2018	kerugoya township	12 bags of Brazilian brown sugar	12	0	0	0	Held for verification							
	6/22/2018	kerugoya township	32 bags of brown Brazil sugar,54 bags of Diamond brown sugar from Nthiwa kenya	86	1	0	0	Detained pending analysis							
	6/23/2018	kiewakara trading centre	7 bags of brown Thailand sugar,64 bags Uganda Sugarand 469 bags Mauritius sugar	540	0	0	0	DIVCRIME Kirinyaga central investigation Samples taken for annalysis							
	6/19/2018	Mwea town	5 bags of sugar and 1 bag of rice	5	0	0	0	Held awaiting verification							
Homabay	6/22/2018	Oyugis town	450 bags of Rice	0	0	0	0								
Nandi	6/23/2018	Chemelil- Kapsabet road	360 Bags of Sugar	360	0	0	0	Held at Nandi Hills Police station awaiting certificattion from KEBS	BS201821677	Fail in Colour	Angela Ruto	Star Sugar			
TOTAL				1319668	72	2	1						1135755.00		
				1,266,351	95.96			Samples Collected	69	Undertest	7	Test Compl	62	89.855	

KEBS RESULTS ON MARKET SURVEILLANCE

ANNEX 15

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The summary of the results is presented in table 1 below:

Table 1: Status of Testing of Samples drawn from KEBS Market Surveillance

SN	County	Location	Outlet	Product / brand	SAMPLE REF	STATUS
1.	Embu	Embu	Mini-budget supermarket	Mini Budget Brown sugar	BS201809759	Complied
2.	Embu	Embu	Cylet supermarket	Cylet Brown sugar	BS201809763	Complied
3.	Embu	Embu	Jatomy supermarket	Jatomy Brown sugar	BS201809885	Complied
4.	Embu	Embu	Kasturi	Brown Sugar	BS201809892	Failure in Yeast and Moulds
5.	Kajiado	Kitengela	NEY	Kabras	BS201823993	Complied
6.	Kakamega	Kakamega	SM/81	Imported Menengai	BS201821694	Complied
7.	Kakamega	Kakamega	West Kenya	West Kenya Sugar	BS201820023	Complied
8.	Kakamega	Kakamega	Sukari Industries Limited	Brown sugar	BS201820024	Complied
9.	Kakamega	Kakamega	SM/81	Kabras	BS201821692	Complied
10.	Kiambu	Ruiru	Rexomat	Brown sugar	BS201730402	Failed In Polarization (Measure Of Purity)
11.	Kiambu	Thika	Mat	Mat Sugar	BS201730399	Failed in Polarization
12.	Kiambu	Thika	Kilimo	Kilimo Sugar	BS201730397	Complied
13.	Kilifi	Malindi Town	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823924	Complied
14.	Kilifi	Malindi	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823925	Complied
15.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Julimatt 5 Star	BS201820995	Complied
16.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Tuskys Choice	BS201820997	Complied
17.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Mara Sugar	BS201820994	Failed in Colour, Polarization and Yeast and Moulds
18.	Kilifi	Tudor	Tuskys Mtwapa Supermarket	Brown Sugar - Kabras Sugar	BS201820979	Failed in Colour and Yeast and Moulds
19.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Kabras Sugar	BS201820991	Failed in TVC
20.	Kirinyaga	Kagumo	County Supermarket	Kabras – Brown Sugar	BS201823856	Complied
21.	Kisumu	Kisumu	Sukari Industries	Ndhiwa Sukari	BS201820539	Complied

ANNEX 15

22.	Kitui	Kitui	Magunas supermarket	Sony Sugar	BS201824119	Complied
23.	Kitui	Mwingi	Target supermarket	Brown sugar	BS201824114	Complied
24.	Kitui	Kitui	Mulleys supermarket	Brown sugar	BS201824115	Complied
25.	Kwale	Diani	MM Diani	Brown Sugar - MM Diani Clover Classic	BS201823684	Failed in Moisture
26.	Kwale	Kwale	Dysek Superstore Kwale	Brown Sugar - Dysek - Ndiwa	BS201823687	Complied
27.	Kwale	Kwale	NEY	Brown Sugar	BS201821856	Failed in Total Viable Count (TVC)
28.	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Nutrameal Naivas Ukunda	BS201823688	Complied
29.	Kwale	Ukunda	Naivas Ukunda	White Sugar Kabras - Naivas	BS201823692	Complied
30.	Lamu	Mpeketoni	Tumaini Shop - Mpeketoni	Brown Sugar	BS201823927	Complied
31.	Lamu	Witu	Al-hussein - Witu	Brown Sugar	BS201823923	Complied
32.	Machakos	Athi River	Your choice	Your choice	BS201823990	Complied
33.	Machakos	Machakos	Massmart	Daily brands	BS201823988	Complied
34.	Makueni	Emali	Mulleys	Brown Sugar	BS201823978	Complied
35.	Makueni	Emali	Emali Supermarket	Brown Sugar	BS201823983	Complied
36.	Makueni	Emali	Buymall Supermarket	Brown Sugar	BS201823987	Complied
37.	Meru	Maua	Bei sawa supermarket	Bei Sawa Brown sugar	BS201813755	Fail water insoluble matter
38.	Meru	Meru	Magunas Supermarket	Magunas – Brown Sugar	BS201823873	Failed in TVC, yeast and moulds
39.	Meru	Meru	Quick budget	Quick budget brown sugar	BS201820763	Complied
40.	Meru	Meru	Budget Supermarket	Brown Sugar - Budget	BS201823869	Failed in TVC
41.	Meru	Meru	Mathai Supermarket	Mara White Sugar	BS201823867	Failed in moisture content, TVC, yeast and moulds
42.	Meru	Meru	Mathai Supermarket	Mara brown sugar	BS201823866	Failed in TVC
43.	Meru	Meru	Magunas Supermarket	Sony – Brown Sugar	BS201823874	Failed in TVC, yeast and moulds
44.	Meru	Meru	Society stores	Nutrameal	BS201823870	Failed in yeast and moulds
45.	Meru	Meru	Sayen Hyperstore	Kabras – Brown Sugar	BS201823876	Failed in yeast and moulds

46.	Mombasa	CBD	Tuskys Bandari Supermarket	Brown Sugar - Mara Sugar	BS201820973	Complied
47.	Mombasa	CBD	Tuskys Bandari Supermarket	Brown Sugar - Kabras Sugar	BS201820976	Complied
48.	Mombasa	Mombasa Town	Tuskys Bandari Supermarket	Brown Sugar - Julimatt 5 Star	BS201820977	Complied
49.	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Sun Sugar	BS201821063	Failed in Moisture and colour
50.	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Kabras Sugar	BS201821070	Failed in TVC , yeast and moulds
51.	Mombasa	CBD	Society Stores Mombasa	Brown Sugar - Society Basic	BS201821073	Failed Yeast and moulds
52.	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Budget	BS201821072	Failed in Colour, yeast and moulds
53.	Mombasa	Mombasa Town	Society Stores Mombasa	Brown Sugar - Kabras Sugar	BS201821074	Failed Yeast and moulds
54.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Kabras Sugar	BS201820967	Complied
55.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Raha Sugar	BS201820959	Failed in TVC
56.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Naivas	BS201820965	Failed in Yeast and Moulds
57.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Nutrameal	BS201820969	Failed in Yeast and Moulds
58.	Murang'a	Murang'a	Magunas Supermarket	Magunas Brown sugar	BS201800707	Complied
59.	Nairobi	Githurai	Kassmatt	Brown Sugar	BS201730764	Complied
60.	Nairobi	Nairobi	West Kenya Sugar Co	Kabras	BS201824031	Failed in TVC
61.	Nairobi	MSA Road	Kilimo Sugar	Kilimo Sugar	BS201727026	Complied
62.	Nairobi	Mwiki	NEY	White Sugar	BS201730654	Failed in Moisture, Invert Sugar
63.	Nairobi	South B	G- Mart	Brown Sugar	BS201729863	Complied
64.	Nairobi	Umoja	Raha	Brown Sugar	BS201729147	Complied
65.	Nandi	Nandi	Tiryo	Brown Sugar	BS201809699	Complied
66.	Nyeri	Karatina	Mathais S/Mkt	Brown Sugar-Mara	BS201823863	Failed in yeast and moulds
67.	Embu	Embu	Kasturi	Brown Sugar	BS201809892	Failure in Yeast and Moulds
68.	Nyeri	Nyeri	Naivas S/Mkt	Brown Sugar-Naivas	BS201823841	Failed in yeast and moulds
69.	Nyeri	Nyeri	Samrah	Brown Sugar	BS201808395	Failure in Yeast and Moulds

70.	Taita Taveta	Maungu	Joy Cereals Center	Brown Sugar - Joy Cereals	BS201823749	Complied
71.	Taita Taveta	Voi	Bafagih	Brown Sugar - Bafagih	BS201823735	Complied
72.	Taita Taveta	Wundanyi	Rajam	Brown Sugar	BS201823752	Complied
73.	Taita Taveta	Voi	Jai Hari Supermarket -	Brown Sugar - Jai Hari	BS201823709	Complied
74.	Tharaka Nithi	Chuka	Jatomy supermarket	Jatomy Brown sugar	BS201821555	Failed in colour
75.	Uasin Gishu	Eldoret	Ukwala Supermarket	Brown Sugar	BS201809719	Complied
76.	Bomet	Bomet	Radiant supermarket	Radiant	BS201824092	Failed in Yeast and Moulds
77.	Kisii	Kisii	Shivling supermarket	Sony	BS201823837	Complied
78.	Marsabit	Moyale	Ramata Star Shop	Lumira	BS201823561	Complied
79.	Nakuru	Mai-Mahiu	Sweet World Supermarket	Kabras	BS201824206	Complied
80.	Baringo	Marigat	Amani General shop	No Brand Name	BS201824262	Complied
81.	Laikipia	Nyahururu	Mugo Supermarket & Wholesellers	Mugo	BS201824267	Complied
82.	Nyandarua	Oljoroorok	Oljoroorok Traders	No Brand Name	BS201824277	Complied
83.	Bungoma	Bungoma	New Nyanza	New Nyanza	BS201824567	Complied
84.	Busia	Busia	Tesia supermarket	Tesia	BS201824151	Complied
85.	Busia	Busia	Frankmat supermarket	Frankmat	BS201824180	Complied
86.	Elgeyo Marakwet	Kapsawor	Kongasis Wholesalers	Ndhiwa Sugar	BS201823554	Failed in Polarization
87.	Elgeyo Marakwet	Kapsawor	Kongasis Wholesalers	Nutrameal Sugar	BS201823557	Complied
88.	Elgeyo Marakwet	Kapsawor	Kongasis Wholesalers	Kabras Sugar	BS201823558	Complied
89.	Homabay	Homabay	Sairam Supermarket	Ndhiwa	BS201824140	Complied
90.	Homabay	Homabay	Homabay supermarket	Homabay	BS201824143	Failed in TVC
91.	Homabay	Homabay	Sukari Industries	Homabay	BS201824144	Failed in TVC
92.	Isiolo	Isiolo Town	Musa Murengine	Brown Sugar	BS201825094	Complied

			Shop			
93.	Isiolo	Isiolo Town	Lattu Whole salers	Brown sugar	BS201825096	Complied
94.	Isiolo	Isiolo Town	Munawar Shop	Brown sugar	BS201825097	Complied
95.	Kericho	Chepseon	Green Rose Supermarket	Transmara	BS201824201	Complied
96.	Migori	Rongo	Maganda supermarket	Sony	BS201824139	Complied
97.	Migori	Migori	Sairam supermarket	Sony	BS201824169	Complied
98.	Migori	Migori	Bansi supermarket	Bansi	BS201823953	Complied
99.	Narok	Narok Town	Sinende Supermarket	Mara	BS201824183	Complied
100.	Nyamira	Nyamira	Cambay Supermarket	Cambay	BS201823940	Complied
101.	Nyamira	Nyamira	Mumias	Mumias	BS201823947	Complied
102.	Nyamira	Nyamira	Discount Superstore	Discount	BS201824040	Complied
103.	Samburu	Kisima	Kisima	No Brand Name	BS201824266	Complied
104.	Siaya	Siaya	Siaya self service	Kakira(Uganda)	BS201823957	Complied
105.	Siaya	Siaya	Siaya Self service	Siaya self service	BS201823963	Complied
106.	Turkana	Lodwar	Naipa supermarket	Nzoia Sugar	BS201824534	Complied
107.	Vihiga	Mbale	Sairam Supermarket	Star	BS201823958	Complied
108.	Vihiga	Mbale	Takaba Supermarket	Raha	BS201823962	Complied
109.	West Pokot	Kapenguria	Suntec supermarket	Suntec supermarket	BS201824568	Complied

Copies of the 27 test results for the additional samples are also provided.

The number of samples drawn from counties and still under test is presented in ANNEX 1.

4.0 CONCLUSION

The level of failure among the market surveillance samples is about 31.19%.
The main parameters in which the sugar failed are:

1) Moisture content
2) Yeast and moulds
3) Color
4) Total viable count
5) Polarization

These failures are indicative of poor handling in storage.

SIGNED.....DATE 30/07/2018

Dr. MOSES IKIARA – ACTING MANAGING DIRECTOR
KENYA BUREAU OF STANDARDS

CC: Cabinet Secretary, Ministry of Industry, Trade and Cooperatives
Principal Secretary, State Department for Investment and Industry

ANNEX 1: County Market Surveillance Samples whose testing is not complete.

SN	Region	County	Location/Town	Name of Outlet	Product Brand	BSNO
1.	COR	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Budget	BS201821072
2.	COR	Kwale	Diani	MM Diani	Brown Sugar - MM Diani Clover Classic	BS201823684
3.	COR	Kwale	Kwale Town	Dysek Superstore Kwale	Brown Sugar - Dysek - Ndiwa	BS201823687
4.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Nutrameal Naivas Ukunda	BS201823688
5.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Sugaken - ART LTD (Naivas UKunda)	BS201823690
6.	COR	Kwale	Ukunda	Naivas Ukunda	White Sugar Kabras - Naivas	BS201823692
7.	COR	Kwale	Kwale Town	Dysek Superstore Kwale	White Sugar Kabras - Dysek Superstore Kwale	BS201823696
8.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Kakira	BS201823699
9.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Mara	BS201823700
10.	COR	Kwale	Ukunda	Samrat Ukunda	Brown Sugar - Ndiwa	BS201823702
11.	COR	Kwale	Ukunda	Samrat Ukunda	Brown Sugar - Sun Sugar	BS201823703
12.	COR	Taita Taveta	Voi Town	Jai Hari Supermarket - Voi	Brown Sugar - Jai Hari	BS201823709
13.	COR	Taita Taveta	Voi Town	Bafagih Supernarket - Voi	Brown Sugar - Bafagih	BS201823735
14.	COR	Taita Taveta	Voi Town	Anand Supermarket - Voi	Brown Sugar - Anand (Sunsugar)	BS201823740
15.	COR	Taita Taveta	Voi Town	Al-Amin Wholesalers - Voi	Brown Sugar - Al-Amin	BS201823741
16.	COR	Taita Taveta	Voi Town	Al-Manar Shop - Voi	Brown Sugar - Almanar	BS201823742
17.	COR	Taita Taveta	Mwatate	Favour Point Center - Mwatate	Brown Sugar - Favour Point	BS201823746
18.	COR	Taita Taveta	Mwatate	Blessing General Center - Mwatate	Brown Sugar	BS201823747
19.	COR	Taita Taveta	Maungu	Joy Cereals Center Maungu	Brown Sugar - Joy Cereals	BS201823749
20.	COR	Taita Taveta	Maungu	Cheap and Best Center Maungu	Brown Sugar - Cheap and Best	BS201823750
21.	COR	Taita Taveta	Wundanyi Town	Rajam Traders - Wundanyi	Brown Sugar - Rajam	BS201823752
22.	COR	Taita Taveta	Wundanyi Town	Rightgate Mzinyi Stores - Wundanyi	Brown Sugar	BS201823755

23.	COR	Kilifi	Malindi	Seven to seven Supermarket- Malindi	Brown Sugar -Kabras	BS201823914
24.	COR	Kilifi	Malindi	Seven to seven Supermarket- Malindi	Brown Sugar - Mara	BS201823917
25.	COR	Kilifi	Malindi	Seven to seven Supermarket- Malindi	Brown Sugar - Ndhiwa	BS201823918
26.	COR	Kilifi	Malindi	Al-hashimiyah Supermarket - Malindi	Brown Sugar - Kabras	BS201823920
27.	COR	Kilifi	Malindi Town	Al-hashimiyah Supermarket - Malindi	Brown Sugar - Ndhiwa	BS201823921
28.	COR	Kilifi	Malindi Town	Al-hashimiyah Supermarket - Malindi	Brown Sugar - Sun Sugar	BS201823922
29.	COR	Lamu	Witu	Al-hussein - Witu	Brown Sugar	BS201823923
30.	COR	Kilifi	Malindi Town	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823924
31.	COR	Kilifi	Malindi	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823925
32.	COR	Lamu		Tumaini Shop - Mpeketoni	Brown Sugar	BS201823927
33.	LAR	Kisii		Shivling supermarket	Shivling	BS201823832
34.	LAR	Kisii	Kisii	Choppies Supermarket	Choppies White	BS201823840
35.	LAR	Kakamega		Yako Supermarket	Kabras	BS201823938
36.	LAR	Kisumu	Kisumu	Midland Emporium	Kinyara(Uganda)	BS201823945
37.	LAR	Kakamega	Kakamega	Khetia wholesale	KDL	BS201823948
38.	LAR	Kisumu	Kisumu	Saisem Traders	Star	BS201823950
39.	LAR	Siaya	Siaya	Josflo Supermarket	Josflo	BS201823956
40.	LAR	Siaya	Siaya	Samco supermarket	Samco	BS201823956
41.	LAR	Vihiga	Mbale	Takaba supermarket	Takaba	BS201823960
42.	LAR	Nyamira	Nyamira	Shivling supermarket	Shivling	BS201823964
43.	LAR	Kisumu	Kisumu	Kibos Sugar and Allied Industries	Star Sugar	BS201824030
44.	LAR	Kisumu	Kisumu	West Kenya	Kabras	BS201824031
45.	LAR	Kisumu	Kisumu	Choppies export trading co	Choppies	BS201824032
46.	LAR	Kisumu	Kisumu	Julimatt Enter	Julimat	BS201824033
47.	LAR	Kisumu	Kisumu	Kamili Packers	Nutrameal	BS201824034
48.	LAR	Kisumu	Kisumu	African retail trading	Sugarken	BS201824035
49.	LAR	Kisii	Kisii	Choppies supermarket	Nutrimeal brown	BS201824086

50.	LAR	Kisii	Kisii	Jakharia General store	Sony	BS201824096
51.	LAR	Homabay	Homabay	Shivling supermarket	Shivling	BS201824141
52.	LAR	Kisumu	Kisumu	Ima distributors	Ndhiwa	BS201824160
53.	MKR	Meru	Meru	Mathai Supermarket	Mara brown sugar	BS201823866
54.	MKR	Meru	Meru	Mathai Supermarket	Mara White Sugar	BS201823867
55.	MKR	Meru	Meru	Budget Supermarket	Brown Sugar - Budget	BS201823869
56.	MKR	Meru	Meru	Society stores	Nutrameal	BS201823870
57.	MKR	Meru	Meru	Society stores	Society Basic – Brown Sugar	BS201823871
58.	MKR	Meru	Meru	Society stores	Kabras – Brown Sugar	BS201823872
59.	MKR	Meru	Meru	Sayen Hyperstore	Rasmi – Brown Sugar	BS201823875
60.	MKR	Meru	Meru	Quick budget	Quick budget brown sugar	BS201820763
61.	MKR	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-NAIVAS	BS201823841
62.	MKR	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR- NAIVAS	BS201823843
63.	MKR	Nyeri	Nyeri	MATHAIS S/MKT	BROWN SUGAR(MARA)	BS201823845
64.	MKR	Nyeri	Nyeri	K-MATT S/MKT	BRWN SUGAR - K-MATT	BS201823850
65.	MKR	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-SUGAKEN	BS201823851
66.	MKR	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-KAKIRA	BS201823852
67.	MKR	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-KABRAS	BS201823853
68.	MKR	Nyeri	Nyeri	CHIENI S/MKT	BROWN SUGAR-CHIENI	BS201823854
69.	MKR	Kirinyaga	Kagumo	COUNTY S/MKT	BROWN SUGAR- KABRAS	BS201823855
70.	MKR	Kirinyaga	Kagumo	COUNTY S/MKT	BROWN SUGAR- KABRAS	BS201823856
71.	MKR	Kirinyaga	Sagana	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201823857
72.	MKR	Kirinyaga	Sagana	MAGUNAS S/MKT	BROWN SUGAR -MARA	BS201823861
73.	MKR	Nyeri	Karatina	MATHAIS S/MKT	BROWN SUGAR-MARA	BS201823863
74.	MKR	Kirinyaga	Kerugoya	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201823864
75.	MKR	Kirinyaga	Kerugoya	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201823865

76.	**MKR**	Meru	Meru	Magunas Supermarket	Magunas – Brown Sugar	BS201823873
77.	**MKR**	Meru	Meru	Magunas Supermarket	Sony – Brown Sugar	BS201823874
78.	**MKR**	Meru	Meru	Sayen Hyperstore	Kabras – Brown Sugar	BS201823876
79.	**MKR**	Kirinyaga	Kerugoya	DCIO -KERUGOYA	BROWN SUGAR-KABRAS	BS201823908
80.	**MKR**	Embu	Embu	NAIVAS S/MKT	BROWN SUGAR-SUGAKEN	BS201824124
81.	**MKR**	Embu	Embu	NAIVAS S/MKT	BROWN SUGAR-KAKIRA	BS201824125
82.	**MKR**	Embu	Runyenjes	MINI BUDGET S/MKT	BROWN SUGAR-RAHA	BS201824126
83.	**MKR**	Embu	Embu	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201824127
84.	**MKR**	Embu	Embu	CYLET S/MKT	BROWN SUGAR-CYLET	BS201824128
85.	**MKR**	Embu	Embu	JATOMY S/MKT	BROWN SUGAR-JATOMY	BS201824129
86.	**MKR**	Embu	Embu	KASTURI S/MKT	BROWN SUGAR - KASTURI	BS201824130
87.	**MKR**	Kirinyaga	Mwea	EASTMATT S/MKT	BROWN SUGAR-NDHIWA	BS201824131
88.	**MKR**	Murang'a	Murang'a	MAGUNAS S/MKT	BROWN SUGAR-SONY	BS201824241
89.	**MKR**	Murang'a	Murang'a	MATHAIS S/MKT	BROWN SUGAR-MATHAIS	BS201824255
90.	**MKR**	Murang'a	Murang'a	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201824261
91.	**MKR**	Murang'a	Murang'a	COUNTY (KENOL) S/MKT	BROWN SUGAR-COUNTY	BS201824264
92.	**MKR**	Laikipia	Nanyuki	BUDGET S/MKT	BROWN SUGAR-BUDGET	BS201824399
93.	**MKR**	Laikipia	Nanyuki	SPEAR S/MKT	BROWN SUGAR-NDHIWA	BS201824400
94.	**MKR**	Tharaka Nithi	Chuka	Magunas Supermarket	Sony – Brown Sugar	BS201824431
95.	**MKR**	Tharaka Nithi	Chuka	Magunas Supermarket	Mara Sugar – Brown Sugar	BS201824432
96.	**MKR**	Tharaka Nithi	Chuka	Magunas Supermarket	Magunas – Brown Sugar	BS201824433
97.	**MKR**	Tharaka Nithi	Chuka	Jatomy Supermarket	Brown Sugar	BS201824434
98.	**MKR**	Tharaka Nithi	Chuka	Jasho Prime	Brown Sugar	BS201824435
99.	**MKR**	Tharaka Nithi	Chuka	Isiolo Nyika	Brown Sugar	BS201824436
100.	**NAR**	Makueni	Emali	Mulleys	Mulleys	BS201823978
101.	**NAR**	Makueni	Emali	Emali Supermarket	Emali Supermarket	BS201823983
102.	**NAR**	Makueni	Sultan Hamud	Buymall Supermarket	Buymall Supermarket	BS201823987

103.	NAR	Machakos	Machakos	Massmart	Daily brands	BS201823988
104.	NAR	Machakos	Athi river	Your choice	Your choice	BS201823990
105.	NAR	Machakos	Athi river	Sulami	Sulami	BS201823991
106.	NAR	Kajaido	Kitengela	Homemart	Mara	BS201823992
107.	NAR	Kajaido	Kitengela	Homemart	Kabras	BS201823993
108.	NAR	Kiambu	Ruaka	Cleanshelf supermarket	Ndhiwa	BS201824006
109.	NAR	Kiambu	Ruiru	Powerstar supermarket	Powerstar	BS201824009
110.	NAR	Kiambu	Ruaka	Quickmart supermarket	Quickchoice	BS201824010
111.	NAR	Kiambu	Ruiru	Leestar supermarket	No Brand Name	BS201824011
112.	NAR	Nairobi	Nairobi	Naivas Higher and Packers	Naivas	BS201824036
113.	NER	Marsabit	Sololo	Ramata Star Shop	Lumira	BS201823568
114.	NER	Machakos	Matuu	Brilliant supermarket	Kabras 2kg	BS201824110
115.	NER	Machakos	Matuu	Bidii supermarket	KISCOL	BS201824112
116.	NER	Machakos	Matuu	Brilliant supermarket	KISCOL Sugar	BS201824113
117.	NER	Machakos	Matuu	Matumatt Highway Supermarket	KISCOL	BS201824116
118.	NER	Machakos	Matuu	Bidii supermarket	KISCOL	BS201824117
119.	NER	Garissa	Garissa town	Awkey Wholesalers	Mumias	SSF 161926
120.	NER	Wajir	Wajir town	Basabra supermarket	Mara	SSF 161927
121.	NRR	Uasin Gishu	Eldoret	Tuska Mattresses Ltd - Eldoret Branch	Mara Sugar	BS201823562
122.	NRR	Uasin Gishu	Eldoret	Tuska Mattresses Ltd - Eldoret Branch	Tuskys Sugar	BS201823563
123.	NRR	Uasin Gishu	Eldoret	Tuska Mattresses Ltd - Eldoret Branch	5 star sugar	BS201823565
124.	NRR	Uasin Gishu	Eldoret	Eldomatt Supermarket	Eldomatt	BS201823569
125.	NRR	Uasin Gishu	Eldoret	Khetia Supermarket - Eldoret	Sony Sugar	BS20182357
126.	NRR	Uasin Gishu	Eldoret	Eldomatt Supermarket	Kibos	BS201823571
127.	NRR	Uasin Gishu	Eldoret	Eldomatt Supermarket	Chemelil Sugar	BS201823572
128.	NRR	Uasin Gishu	Eldoret	Khetia Supermarket - Eldoret	Khetia Sugar	BS201823574
129.	NRR	Uasin Gishu	Eldoret	Khetia Supermarket - Eldoret	Ndiwa Sugar	BS201823575
130.	NRR	Trans Nzoia	Kitale	Khetia Supermarket - Plus Kitale	Khetia Sugar	BS201823579
131.	NRR	Trans Nzoia	Kitale	Khetia Supermarket - Plus Kitale	Ndhiwa Sugar	BS201823581
132.	NRR	Trans Nzoia	Kitale	Tuska Mattresses Ltd - Kitale Branch	Tuskys Sugar	BS201823582
133.	NRR	Trans	Kitale	Tuska Mattresses Ltd -	Julimat 5	BS201823583

		Nzoia		Kitale Branch		
134.	**NRR**	Turkana	Lodwar	Naipa supermarket	Naipa supermarket	BS201824533
135.	**SRR**	Bomet	Kaplong	Joymatt Supermarket	Lumira	BS201824188
136.	**SRR**	Bomet	Bomet Town	Beulah Supermarket	Transmara	BS201824190
137.	**SRR**	Kericho	Litein	Elburs Supermarket	Kibos	BS201824192
138.	**SRR**	Narok	Ololunga	Olkikoro Supermarket	Kibos	BS201824193
139.	**SRR**	Bomet	Mulot	Wastabei Supermarket	Diamond	BS201824195
140.	**SRR**	Kericho	Kapsuser	Gift Mart Supermarket	Giftmart	BS201824198
141.	**SRR**	Narok	Ntulele	Tumaini Supermarket	Transmara	BS201824202
142.	**SRR**	Nakuru	Naivasha	Jamaa Supermarket	Jamaa	BS201824204
143.	**SRR**	Nakuru	Kikopey	Brooke Mini	Ndhiwa	BS201824205
144.	**SRR**	Baringo	Eldama Ravine	Olbat supermarket	Olbat	BS201824256
145.	**SRR**	Baringo	Kabarnet	Soi General Merchants	Soi General Merchants	BS201824259
146.	**SRR**	Samburu	Maralal	Riverside Shop	No Brand Name	BS201824263
147.	**SRR**	Laikipia	Kinamba	Estam Traders	Estam	BS201824268
148.	**SRR**	Samburu	Suguta Marmar	Wachira Stores Enterprises	No Brand Name	BS201824270
149.	**SRR**	Nyandarua	Olkalou	Olkalou Traders	No Brand Name	BS201824274
150.	**SRR**	Laikipia	Rumuruti	Munene Service Stores	No Brand Name	BS201824275
151.	**SRR**	Nyandarua	Wanjohi	Bei Rahisi Wholesale/Retail	No Brand Name	BS201824276

MINISTRY OF HEALTH

5(91)

ANNEX 16 16

MINISTRY OF HEALTH

PRELIMINARY REPORT

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gc@gchemistkenya.org

GOVERNMENT CHEMIST'S DIVISION
P.O. Box 20753-00202, KNH
NAIROBI

When replying please quote

.....23rd June.....,20.....18

Ref. No.....P/Misc/Vol.III/.17-18.(25).....
and date

CERTIFICATE OF ANALYSIS

Lab. Sample No: -

Sender's Reference: -

Description of Sample: See report below

Analysis Required: Moisture content, copper, lead, arsenic and mercury

Methodology: AAS technique, Method of chemical analysis of sugar

Sender:
PHO
From various counties

Date Received:
14th - 21st June 2018

Analytical report
As attached

23 JUN 2018

Lab ref & Senders ref	County	Sample Description	Moisture content % m/m max 0.10%	Lead content max 0.5ppm	Arsenil content max 1.0 ppm	Copper content max 2.0ppm	Remarks
F/Misc/254/17-18	PHO Nakuru	Brown sugar	0.2	0.0016	Not detected	0.0165	Compliant
F/Misc/257/17-18	PHO Nakuru	Light brown sugar	0.3	0.042	Not detected	Not detected	Not Compliant
F/Misc/261/17-18	PHO Nakuru	Light brown sugar	0.2	Not detected	Not detected	0.076	Not Compliant
F/Misc/262/17-18	PHO KDF Nairobi	Brown sugar	0.7	Not detected	Not detected	Not detected	Not Compliant
F/Misc/263/17-18	PHO KDF Nairobi	Light brown sugar	0.4	Not detected	0.014	Not detected	Not Compliant
F/Misc/264/17-18	Moi Air base Nairobi	Light brown sugar	0.1	0.175	Not detected	0.097	Not Compliant
F/Misc/265/17-18	Moi Air base Nairobi	Light brown sugar	0.2	0.0811	Not detected	0.132	Compliant
F/Misc/266/17-18	Moi Air base Nairobi	White sugar	0.1	*	*	*	Analysis on going
F/Misc/267/17-18	Moi Air base Nairobi	Light brown sugar	0.3	*	*	*	Analysis on going
F/Misc/268/17-18	Moi Air base Nairobi	Brown sugar	-	*	*	*	Analysis on going
F/Misc/269/17-18	PHO, Bungoma	Brown sugar	0.2	*	*	*	Analysis on going
F/Misc/270/17-18	PHO, Bungoma	Brown sugar	0.1	*	*	*	Analysis on going
F/Misc/271/17-18	PHO, Bungoma	Brown sugar	0.2	*	*	*	Analysis on going
F/Misc/272/17-18	PHO, Bungoma	Kabra sugar light brown	0.1	*	*	*	Analysis on going
F/Misc/273/17-18	PHO, Bungoma	Light brown sugar	0.0	*	*	*	Analysis on going
F/Misc/274/17-18	PHO, KNH Nairobi	Light brown sugar	0.2	*	*	*	Analysis on going

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F/Misc/276/17-18	PHO, Kiambu	Light brown sugar	0.25	0.023	Not detected	0.06	Analysis on going
F/Misc/277/17-18	PHO, Kiambu	Unprocessed sugar	0.1	*	*	Not detected	Analysis on going
F/Misc/278/17-18	KRA Nairobi	Light brown sugar	*	*	*	*	Analysis on going
F/Misc/279/17-18	KRA Nairobi	Light brown sugar	*	*	*	*	Analysis on going
F/Misc/280/17-18	KRA Nairobi	Light brown sugar	*	*	*	*	Analysis on going
F/Misc/281/17-18	KRA Nairobi	Kabras light brown sugar	*	*	*	*	Analysis on going
F/Misc/283/17-18	PHO, Nakuru	Jamaa light brown sugar	0.1	*	*	*	Analysis on going
F/Misc/284/17-18	PHO, Nakuru	Jamaa light brown sugar	0.2	*	*	*	Analysis on going
F/Misc/285/17-18	PHO, Nakuru	Jamaa light brown sugar	0.1	*	*	*	Analysis on going
F/Misc/286/17-18	PHO, Nakuru	Jamaa light brown sugar	0.3	*	*	*	Analysis on going
F/Misc/287/17-18	PHO, Nakuru	Jamaa light brown sugar	0.2	*	*	*	Analysis on going

Note

* Indicates that the analysis is still on going

1. Sixty per cent of the samples analysed for the moisture content do not comply with KS EAS 749:2010 specification of 0.2% m/m moisture content maximum for brown sugar and 0.15% maximum for light brown sugar. Therefore, the sampled sugar is not suitable for human consumption.
2. In the analysis of Copper, Lead and Arsenic carried out, the result found are within the standard specifications.
3. The analysis of mercury is ongoing.
4. This test report is based solely on the particular sample(s) supplied by the clients

Date: 23rd June, 2018

23 JUN 2018

S. G. NJOROGE

SGN/fkr

FOR: GOVERNMENT CHEMIST

ANNEX 16(1) 16(1) 5a

MINISTRY OF HEALTH

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GOVERNMENT CHEMIST'S DIVISION
P.O. Box 20753-00202, KNH
NAIROBI

PRELIMINARY REPORT

when replying please quote

2nd July ,20 18

Ref. No. P/Misc/Vol.III/ 17-18 (25)
and date

CERTIFICATE OF ANALYSIS

Lab. Sample No: -

Sender's Reference: -

Description of Sample: See report below

Sender:

PHO
From various counties

Date Received:
14th - 21st June 2018

Analysis Required: Moisture content, copper, lead, arsenic and mercury

Methodology: AAS technique, (For copper lead, Arsenic and mercury), Oven drying for moisture.

Analytical report
As attached

FOODS AND DRUGS
02 JUL 2018

Sample of BC 1/5 Burgess

Barlow

WHEX 1P(1)

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ANNEX 16(d) (61)

Lab ref & Senders ref	County	Sample Description	Moisture content % m/m max 0.2% brown	Moisture content % m/m max 0.1% white	Moisture content % m/m max 0.15% light brown	Lead content max 0.5ppm	Arsenic content max 1.0 ppm	Copper content max 2.0ppm	Mercury content ppm	Remarks
F/Misc/254/17-18	PHO Nakuru	Brown sugar	0.2	N/A	N/A	0.0016	Not detected	0.0165	Not detected	Compliant
F/Misc/257/17-18	PHO Nakuru	Light brown sugar	-	N/A	0.3	0.042	Not detected	Not detected	Not detected	Not Compliant
F/Misc/261/17-18	PHO Nakuru	Light brown sugar	-	N/A	0.2	Not detected	Not detected	0.076	Not detected	Not Compliant
F/Misc/262/17-18	PHO KDF Nairobi	Brown sugar	0.7	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Not Compliant
F/Misc/263/17-18	PHO KDF Nairobi	Light brown sugar	-	N/A	0.4	Not detected	0.014	Not detected	Not detected	Not Compliant
F/Misc/264/17-18	Moi Air base 1 Nairobi	Light brown sugar	-	N/A	0.1	0.175	Not detected	0.097	Not detected	Compliant
F/Misc/265/17-18	Moi Air base 2 Nairobi	Light brown sugar	-	N/A	0.2	0.0811	Not detected	0.132	Not detected	Not Compliant
F/Misc/266/17-18	Moi Air base 3 Nairobi	White sugar	-	N/A	0.1	0.1735	*	0.2061	Not detected	-
F/Misc/267/17-18	Moi Air base 4 Nairobi	Light brown sugar	-	N/A	0.3	0.1084	*	1108	0.1141	Not fit
F/Misc/268/17-18	Moi Air base 5 Nairobi	Brown sugar	-	N/A	N/A	0.0189	*	0.1151	Not detected	-
F/Misc/269/17-18	PHO, Bungoma 1	Brown sugar	0.2	N/A	N/A	0.0650	*	0.1633	Not detected	
F/Misc/270/17-18	PHO, Bungoma 1	Brown sugar	0.1	N/A	N/A	0.1957	*	0.1344	0.5910	Not fit
F/Misc/271/17-18	PHO, Bungoma 2	Brown sugar	0.2	N/A	N/A	0.0993	*	0.1710	Not detected	-

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ANNEX 1600

F/Misc/272/17-18	PHO, Bungoma	Kabra sugar light brown	N/A	N/A	0.1	0.0174	*	0.1710	Not detected	-
F/Misc/273/17-18	PHO, Bungoma	Light brown sugar	N/A	N/A	0.0	0.0191	*	Not detected	Not detected	-
F/Misc/274/17-18	PHO, KNH Nairobi	Light brown sugar	N/A	N/A	0.2	0.0145	*	0.1507	Not detected	-
F/Misc/276/17-18	PHO, Kiambu	Light brown sugar	N/A	N/A	0.25	0.023	Not detected	0.06	Not detected	-
F/Misc/277/17-18	PHO, Kiambu	Unprocessed sugar	N/A	N/A	0.1	0.1646	*	0.4240	Not detected	-
F/Misc/278/17-18	KRA Nairobi	Light brown sugar	N/A	N/A	*	0.0277	*	0.1246	Not detected	-
F/Misc/279/17-18	KRA Nairobi	Light brown sugar	N/A	N/A	*	*	*	*	Not detected	-
F/Misc/280/17-18	KRA Nairobi	Light brown sugar	N/A	N/A	*	*	*	*	Not detected	-
F/Misc/281/17-18	KRA Nairobi	Kabras light brown sugar	N/A	N/A	*	*	*	*	Not detected	-
F/Misc/283/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.1	*	*	*	Not detected	-
F/Misc/284/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.2	*	*	*	Not detected	-
F/Misc/285/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.1	*	*	*	Not detected	-
F/Misc/286/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.3	*	*	*	Not detected	-
F/Misc/287/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.2	*	*	*	Not detected	-
F/Misc/305/17-18	PHO Kakamega	White refined sugar	N/A	N/A	0.1	*	*	*	Not detected	-
F/Misc/306/17-18	PHO Kakamega	Brown	0.1	N/A	N/A	*	*	*	Not detected	-
F/Misc/307/17-18	PHO Kakamega	brown	0.1	N/A	N/A	*	*	*	Not detected	-
F/Misc/308/17-18	PHO Kakamega	Light brown	N/A	N/A	0.0	*	*	*	Not detected	-

ANNEX 16(1)

F/Misc/369/17-18	Nairobi	White	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/370/17-18	Nairobi	White	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/373/17-18	Nairobi	White	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/374/17-18	Nairobi	white	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/310/17-18	Nairobi	Brown	0.1	N/A	N/A	*	*	*		-
F/Misc/311/17-18	Nairobi	Brown	0.1	N/A	N/A	*	*	*		-
F/Misc/312/17-18	Kajiado	Brown	0.3	N/A	N/A	*	*	*		-
F/Misc/313/17-18	Kajiado	Brown	0.6	N/A	N/A	*	*	*		-
F/Misc/314/17-18	Kajiado	Brown	0.4	N/A	N/A	*	*	*		-
F/Misc/315/17-18	Samburu	Brown	0.4	N/A	N/A	*	*	*	Not detected	-

Note

1. * Analysis still on going.
2. Sixty per cent of the samples analysed for the moisture content do not comply with KS EAS 749:2010 specification of 0.2% m/m moisture content maximum for brown sugar and 0.15% maximum for light brown sugar. Therefore, the sampled sugar is not suitable for human consumption.
3. This test report is based solely on the particular sample(s) supplied by the clients
4. Some sugar samples from Nariobi and Bungoma tested positive for mercury as indicated above, hence unfit for human consumption.
5. This test report is based solely on the particular sample(s) supplied by the clients.

Date: 2nd July 2018

S. G. NJOROGE

FOR: GOVERNMENT CHEMIST

02 JUL 2018

SGN/fkr

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KRA LIST OF IMPORTERS

ANNEX 17

17

KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

KENYA REVENUE AUTHORITY
Confirmed
P. O. Box 48240 - 00100, NAIROBI
Date: 03/07/2018
Sign:

Annex 2: List of all Importers who benefited from the Exemption

NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS . M)	VAT (KSHS . M)	IDF (KSHS . M)	RDL (KSHS . M)	Total Tax (KSHS . M)
1	P051651675J	AMNAV LIMITED	74,400	3,258	-	521	65	49	635
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	2,989	-	478	60	45	583
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	50,500	2,456	-	393	49	37	479
4	P000634500H	MENENGAI OIL REFINERIES LTD	46,200	2,424	-	388	48	36	473
5	P051625523E	CONVEX COMMODITY MERCHANTS LIMITED	39,832	1,584	-	253	32	24	309
6	P051308483N	SUKARI INDUSTRIES LIMITED	34,500	1,336	-	214	27	20	261
7	P000627038X	WEST KENYA SUGAR COMPANY LIMITED	34,100	1,394	-	223	28	21	272
8	P051601324Z	ONE COMMODITIES COMPANY LIMITED	31,850	1,740	-	278	35	26	339
9	P051243445V	LANDMARK FREIGHT SERVICES LIMITED	25,866	1,194	-	191	24	18	233
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,410	1,256	-	201	25	19	245
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	1,221	-	195	24	18	238
12	P051456947P	GRAINERGY K LIMITED	19,526	1,181	-	189	24	18	230
13	P000619085J	HYDERY (P) LIMITED	19,000	1,118	-	179	22	17	218
14	P051144533P	THE COMMODITY HOUSE LIMITED	16,674	1,007	-	161	20	15	196
15	P051629683B	HALEEL COMMODITIES LIMITED	16,216	820	-	131	16	12	160
16	P051151246J	STUNTWAVE LIMITED	13,375	827	-	132	17	12	161
17	P051474511S	ONE TRADERS LIMITED	12,500	645	-	103	13	10	126
18	P051202197A	HUSSABA TRADING COMPANY LIMITED	12,438	864	-	138	17	13	168
19	P000593584F	KENYA BREWERIES LIMITED	12,241	696	-	111	8	10	129
20	P051359826N	YH WHOLESALERS	11,492	697	-	111	14	10	136
21	P000611756Q	NAIROBI BOTTLERS LTD	11,064	688	-	110	0	10	121
22	P051581191F	KIFARU FEEDS LIMITED	10,396	574	-	92	11	9	112
23	P051128926C	REMINGTON AGENCY LIMITED	9,625	626	-	100	13	9	122
24	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	665	-	106	13	10	129
25	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	500	-	80	10	7	97
26	P000599737M	KENAFRIC INDUSTRIESS LIMITED	8,190	497	-	79	7	7	94
27	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	616	-	99	12	9	120
28	P051398900G	COAST TERMINAL EAST AFRICA LIMITED	7,489	353	-	56	7	5	68
29	P051138751E	REGIONAL BARGAINS LIMITED	7,000	447	-	71	9	7	87
30	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	518	-	83	10	8	101
31	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	375	-	60	7	6	73
32	P051216621U	RAA RMO LIMITED	6,916	355	-	57	7	5	69
33	P051301868Z	THE OPTION TWO LIMITED	6,903	371	-	59	7	6	72
34	P051632605W	MANONO ENERGY LIMITED	6,790	340	-	54	7	5	66
35	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	399	-	64	8	6	78
36	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	352	-	56	7	5	69
37	P051380103I	KORBASH TRADERS LIMITED	6,103	321	-	51	6	5	62

NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
38	P051423241R	IFOX COMMODITY LIMITED	5,980	323	-	52	6	5	63
39	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	408	-	65	8	6	80
40	P051122598C	COSMOCARE INDUSTRIES (NAIROBI) LIMITED	5,750	357	-	57	7	5	70
41	P051447092O	ARASAN TRADERS LIMITED	5,683	283	-	45	6	4	55
42	P051148624Z	PHOENIX COMMODITIES KENYA LIMITED	5,250	307	-	49	6	5	60
43	P051124295A	MZURI SWEET LIMITED	5,040	321	-	51	3	5	59
44	P051140572Q	PALEAH STORES LIMITED	4,770	239	-	38	5	4	47
45	P051358005Y	DUBAI MATRESS LIMITED	4,565	249	-	40	5	4	48
46	P051605076M	LEGO STORES LIMITED	4,492	215	-	34	4	3	42
47	P000596838I	EXPORT TRADING CO LTD	4,400	296	-	47	6	4	58
48	P000591222F	KENYA SWEETS LIMITED	4,100	256	-	41	2	4	47
49	P051647626Z	BETA COMMODITIES LIMITED	3,970	207	-	33	4	3	40
50	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	193	-	31	4	3	38
51	P051509457T	SOMO COMMODITIES LIMITED	3,508	195	-	31	4	3	38
52	P051565427J	FLORA BAKERS LIMITED	3,490	175	-	28	4	3	34
53	P051357595V	PILLAR MATT LIMITED	3,489	194	-	31	4	3	38
54	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	216	-	35	4	3	42
55	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	242	-	37	4	3	45
56	P051121478S	MULTILIFT LIMITED	3,161	168	-	27	3	3	33
57	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	213	-	34	4	3	41
58	P051326831B	TARZAN LIMITED	3,000	219	-	35	4	3	43
59	P051621965H	SWABRI LIMITED	2,941	178	-	29	4	3	35
60	P051613426Z	MAPPING TRADING COMPANY LIMITED	2,938	164	-	26	3	2	32
61	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	175	-	28	4	3	34
62	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	134	-	21	3	2	26
63	P051149705Z	SYBES COMMODITIES COMPANY LIMITED	2,500	145	-	23	3	2	28
64	P000595604U	THE WRIGLEY CO (E A) LTD	2,486	151	-	24	1	2	27
65	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	138	-	22	3	2	27
66	P051595247Z	BEYON INVESTMENT LIMITED	2,292	102	-	16	2	2	20
67	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	148	-	24	3	2	29
68	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	118	-	19	0.1	2	21
69	P051311944R	GREENBELT WHOLESALERS LTD	2,080	111	-	18	2	2	22
70	P051195373G	MIDLAND HAULIERS LIMITED	2,040	116	-	19	2	2	23
71	P051381684F	FOCUS LOGISTICS LIMITED	2,002	105	-	17	2	2	21
72	P051464283J	AUS KENYA LIMITED	2,002	96	-	15	2	1	19
73	P051424211K	SINAI SUPPLIERS AND CONTRACTORS CO LIMITED	2,000	114	-	18	2	2	22
74	P051628771W	ATLANTA COMMERCIAL MALL LIMITED	2,000	127	-	20	3	2	25
75	P051581060X	MARATHON VENTURES LIMITED	1,840	109	-	17	2	2	21
76	P000627963J	KISII BOTTLERS LTD	1,656	93	-	15	0.04	1	16

ANNEX 17

KENYA REVENUE AUTHORITY

KENYA REVENUE AUTHORITY
Confirmed
P. O. Box 48240 - 00100, NAIROBI
Date: 03/07/2018
Sign:

17

ISO 9001:2015 CERTIFIED

NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS . M)	VAT (KSHS . M)	IDF (KSHS . M)	RDL (KSHS . M)	Total Tax (KSHS . M)
77	P051103572S	JETLAK FOODS LIMITED	1,650	93	-	15	1	1	17
78	P051166945F	EXPRESS COMPANY LIMITED	1,539	80	-	13	2	1	16
79	P051100924G	KEVIAN KENYA LIMITED	1,525	92	-	15	1	1	17
80	P051387175Q	SKY AGENCIES LIMITED	1,500	74	-	12	1	1	15
81	P000624917Q	MOUNT KENYA BOTTLERS LTD	1,416	87	-	14	0.03	1	15
82	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	81	-	13	2	1	16
83	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,350	78	-	13	1	1	15
84	P051238815B	BLUE LIME LIMITED	1,305	71	-	11	1	1	14
85	P051198851L	WHITE HALL HOLDINGS LIMITED	1,300	72	-	12	1	1	14
86	P051393840B	EQUITY LOGISTICS LIMITED	1,300	65	-	10	1	1	13
87	P051563989Y	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	66	-	11	1	1	13
88	P051147260Z	GLOBAL ALLIED INDUSTRIES LIMITED	1,250	80	-	13	2	1	16
89	P000624346S	MJENGO LTD	1,200	72	-	12	1	1	14
90	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	60	-	10	1	1	12
91	P000592871B	EMCO STEEL WORKS LTD	1,147	119	-	16	-	-	16
92	P051176972L	METCOM LTD	1,097	79	-	13	2	1	15
93	P051592286P	FUTURES COMMODITIES LIMITED	1,080	62	-	10	1	1	12
94	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	49	-	8	1	1	10
95	P051631078E	FREON TRADERS LIMITED	1,030	50	-	8	1	1	10
96	P051119385K	NANKU COMPANY (KENYA) LIMITED	1,000	68	-	11	1	1	13
97	P051213796I	MERCURIE LIMITED	1,000	57	-	9	1	1	11
98	P000623053O	DEL MONTE KENYA LIMITED	999	55	-	9	0.01	1	10
99	P051567202C	CAPO GENERAL TRADING LIMITED	988	57	-	9	1	1	11
100	P051399721L	RIETY COMPANY LIMITED	933	60	-	10	1	1	12
101	P051611568F	NEMUWA CEREAL GENERAL STORES LIMITED	910	48	-	8	1	1	9
102	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	47	-	7	1	1	9
103	A002491695Y	MARYWANGUIMWANGI	800	56	-	9	1	1	11
104	P051542905Y	TAKABA INVESTMENT LIMITED	780	40	-	6	1	1	8
105	P051564123Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	37	-	6	1	1	7
106	P051386713B	SUNVEAT FOODS LTD	775	47	-	8	1	1	9
107	P051617346M	SALIM MERCHANDISE COMPANY LIMITED	730	43	-	7	1	1	8
108	P000600017X	PREMIER FOOD INDUSTRIES LTD	700	33	-	5	0.03	1	6
109	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	51	-	8	1	1	10
110	P000592983G	PATCO INDUSTRIES LTD	600	26	-	4	0.0	0	5
111	P051533721X	SERENI FRIES LIMITED	600	49	-	8	1	1	9
112	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	31	-	5	1	0.5	6
113	P051222964B	JAMAA SUPERMARKET LIMITED	520	20	-	3	0.4	0	4
114	P051528188X	FAHD COMMODITIES GROUP LIMITED	520	29	-	4.7	0.6	0.4	7
115	P000596923C	EXCEL CHEMICALS LTD	500	22	-	3.5	0.0	0.3	4
116	P051420387C	KENAFRIC COMMODITIES LIMITED	500	27	-	4.3	0.5	0.4	5
117	P051638583Z	SANJOSE AGENCIES LIMITED	500	35	-	5.7	0.7	0.5	7

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NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
118	P051223448W	TESIA SUPERMARKETS LIMITED	450	25	-	4.0	0.5	0.4	5
119	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	24	-	3.5	0.4	0.3	4
120	P000626429Y	EQUATOR BOTTLERS LTD	400	22	-	3.5	0.0	0.3	4
121	P051222425N	SBC KENYA LIMITED	400	23	-	3.6	0.0	0.3	4
122	P000607685K	GLAXOSMITHKLINE LIMITED	375	19	-	3.1	0.4	0.3	4
123	P051152243L	CANDY KENYA LIMITED	375	19	-	3.0	0.4	0.3	4
124	P000625880F	TRICLOVER INDUSTRIES LTD	325	17	-	2.8	0.1	0.3	3
125	P051587757A	HABS ENGINEERING LIMITED	301	19	-	3.0	0.4	0.3	4
126	P051098613Z	EQUATORIAL NUT PROCESSORS LIMITED	300	20	-	3.1	0.4	0.3	4
127	P051374667M	SWEETS R US LIMITED	300	19	-	3.0	0.4	0.3	4
128	P051474155F	BRAVA FOOD INDUSTRIES LIMITED	300	20	-	3.2	0.4	0.3	4
129	P000611792U	GLACIER PRODUCTS LTD	275	16	-	2.6	0.3	0.2	3
130	P000602358S	OAKDALE COMMODITIES LTD	251	145	-	23.2	2.9	2.2	28
131	P051180738S	MUMIAS DISTRIBUTORS LTD	250	20	-	3.2	0.4	0.3	4
132	P051501498H	ZACK PETROLEUM LIMITED	234	11	-	1.8	0.2	0.2	2
133	P051432737Z	SUPER SWEETS LIMITED	225	12	-	2.0	0.1	0.2	2
134	P051563367M	MIKROS	224	17	-	1.4	-	-	1
135	P051610787L	BIDCORO AFRICA LIMITED	207	14	-	2.3	0.3	0.2	3
136	P051101494Q	UNITED NATIONS WORLD FOOD PROGRAMME	200	14	-	-	-	-	-
137	P051216674J	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	11	-	1.8	0.2	0.2	2
138	P051536310V	MOKANN LOGISTICS LIMITED	195	15	-	2.3	0.3	0.2	3
139	P051228018V	AGRI PRO PAK LIMITED	175	12	-	1.8	0.2	0.2	2
140	P051321102A	LESPHINE INVESTMENTS LIMITED	168	13	-	2.1	0.3	0.2	3
141	P051380901O	ELON COMMODITIES K LIMITED	168	11	-	1.8	0.2	0.2	2
142	P051588583C	PEAKMUS BAKERS LIMITED	168	14	-	2.2	0.3	0.2	3
143	P051609069V	ESSBEE SUPPLIERS LIMITED	165	8	-	1.3	0.2	0.1	2
144	P000614512G	REGAL PHARMACEUTICALS LTD	125	6	-	1.0	0.1	0.1	1
145	P051469311B	SAMPEN JOS LIMITED	122	9	-	1.4	0.2	0.1	2
146	P051516894X	STEVFLO STORES ENTERPRISES LIMITED	112	8	-	1.4	0.2	0.1	2
147	P000631517E	NJORO CANNING FACTORY KENYA LIMITED	100	7	-	1.1	0.1	0.1	1
148	P051115797K	GONAS BEST LIMITED	100	6	-	0.9	0.1	0.1	1
149	P051161788B	VICTORIA JUICE POWDER LIMITED	100	5	-	0.8	0.1	0.1	1
150	P051173454W	SUNNY PROCESSORS LTD	100	5	-	0.9	0.1	0.1	1
151	P051632843E	SERMCO COMPANY LIMITED	84	6	-	1.0	0.1	0.1	1
152	P051314028R	RABI YASIR TRADERS LIMITED	56	4	-	0.3	-	-	0.3
153	P000595050W	NESTLE FOODS (K) LIMITED	50	3	-	0.4	0.1	0.0	1
154	P051131217Z	KENYA WINE AGENCIES LIMITED	50	3	-	0.4	0.1	0.0	1
155	P051161877Z	DAWA LIMITED	50	3	-	0.5	0.01	0.05	1

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2.3 List of the Sugar Importers

2.3.1 Table 2: Brown Sugar Importers Who Benefitted From the Exemption

NOTE: A total 169 Companies benefitted from the exemption for both industrial and brown sugar imports (Annex 2)

Table 2 below indicates that total of 113 brown sugar importers imported within the confines of the exemption and hence benefited from the exemption.

Table 2. Brown Sugar Importers Who Benefitted From the Exemption (Paid Zero Duty) - 113 Companies

NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051651675J	AMNAV LIMITED	74,400	3,258	-	521	65	49	635
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	2,989	-	478	60	45	583
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	50,500	2,456	-	393	49	37	479
4	P000634500H	MENENGAI OIL REFINERIES LTD	46,200	2,424	-	388	48	36	473
5	P051625523E	CONVEX COMMODITY MERCHANTS L	39,832	1,584	-	253	32	24	309
6	P051308483N	SUKARI INDUSTRIES LIMITED	34,500	1,336	-	214	27	20	261
7	P000627038X	WEST KENYA SUGAR COMPANY LTD	34,100	1,394	-	223	28	21	272
8	P051601324Z	ONE COMMODITIES COMPANY LTD	31,850	1,740	-	278	35	26	339
9	P051243445V	LANDMARK FREIGHT SERVICES LTD	25,866	1,194	-	191	24	18	233
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,410	1,256	-	201	25	19	245
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	1,221	-	195	24	18	238
12	P051456947P	GRAINERGY K LIMITED	19,526	1,181	-	189	24	18	230
13	P000619085J	HYDERY (P) LIMITED	19,000	1,118	-	179	22	17	218
14	P051144533P	THE COMMODITY HOUSE LIMITED	16,674	1,007	-	161	20	15	196
15	P051629683B	HALEEL COMMODITIES LIMITED	16,216	820	-	131	16	12	160
16	P051151246J	STUNTWAVE LIMITED	13,375	827	-	132	17	12	161
17	P051474511S	ONE TRADERS LIMITED	12,500	645	-	103	13	10	126
18	P051202197A	HUSSABA TRADING COMPANY LTD	12,438	864	-	138	17	13	168
19	P051359826N	YH WHOLESALERS	11,492	697	-	111	14	10	136
20	P051581191F	KIFARU FEEDS LIMITED	10,396	574	-	92	11	9	112
21	P051128926C	REMINGTON AGENCY LIMITED	9,625	626	-	100	13	9	122
22	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	665	-	106	13	10	129
23	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	500	-	80	10	7	97
24	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	616	-	99	12	9	120
25	P051398900G	COAST TERMINAL EAST AFRICA LTD	7,489	353	-	56	7	5	68
26	P051138751E	REGIONAL BARGAINS LIMITED	7,000	447	-	71	9	7	87
27	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	518	-	83	10	8	101
28	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	375	-	60	7	6	73
29	P051216621U	RAA RMO LIMITED	6,916	355	-	57	7	5	69
30	P051301868Z	THE OPTION TWO LIMITED	6,903	371	-	59	7	6	72
31	P051632605W	MANONO ENERGY LIMITED	6,790	340	-	54	7	5	66
32	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	399	-	64	8	6	78
33	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	352	-	56	7	5	69
34	P051380103I	KORBASH TRADERS LIMITED	6,103	321	-	51	6	5	62
35	P051423241R	IFOX COMMODITY LIMITED	5,980	323	-	52	6	5	63
36	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	408	-	65	8	6	80
37	P051122598C	COSMOCARE INDUSTRIES (NAIROBI)	5,750	357	-	57	7	5	70
38	P051447092O	ARASAN TRADERS LIMITED	5,683	283	-	45	6	4	55
39	P051148624Z	PHOENIX COMMODITIES KENYA LTD	5,250	307	-	49	6	5	60
40	P051140572Q	PALEAH STORES LIMITED	4,770	239	-	38	5	4	47
41	P051358005Y	DUBAI MATRESS LIMITED	4,565	249	-	40	5	4	48
42	P051605076M	LEGO STORES LIMITED	4,492	215	-	34	4	3	42
43	P000596838I	EXPORT TRADING CO LTD	4,400	296	-	47	6	4	58

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NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
44	P051647626Z	BETA COMMODITIES LIMITED	3,970	207	-	33	4	3	40
45	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	193	-	31	4	3	38
46	P051509457T	SOMO COMMODITIES LIMITED	3,508	195	-	31	4	3	38
47	P051565427J	FLORA BAKERS LIMITED	3,490	175	-	28	4	3	34
48	P051357595V	PILLAR MATT LIMITED	3,489	194	-	31	4	3	38
49	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	216	-	35	4	3	42
50	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	242	-	37	4	3	45
51	P051121478S	MULTILIFT LIMITED	3,161	168	-	27	3	3	33
52	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	213	-	34	4	3	41
53	P051326831B	TARZAN LIMITED	3,000	219	-	35	4	3	43
54	P051621965H	SWABRI LIMITED	2,941	178	-	29	4	3	35
55	P051613426Z	MAPPING TRADING COMPANY LTD	2,938	164	-	26	3	2	32
56	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	175	-	28	4	3	34
57	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	134	-	21	3	2	26
58	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	145	-	23	3	2	28
59	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	138	-	22	3	2	27
60	P051595247Z	BEYON INVESTMENT LIMITED	2,292	102	-	16	2	2	20
61	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	148	-	24	3	2	29
62	P051311944R	GREENBELT WHOLESALERS LTD	2,080	111	-	18	2	2	22
63	P051195373G	MIDLAND HAULIERS LIMITED	2,040	116	-	19	2	2	23
64	P051381684F	FOCUS LOGISTICS LIMITED	2,002	105	-	17	2	2	21
65	P051464283J	AUS KENYA LIMITED	2,002	96	-	15	2	1	19
66	P051424211K	SINAI SUPPLIERS AND CONTRACTORS CO LIMITED	2,000	114	-	18	2	2	22
67	P051628771W	ATLANTA COMMERCIAL MALL LTD	2,000	127	-	20	3	2	25
68	P051581060X	MARATHON VENTURES LIMITED	1,840	109	-	17	2	2	21
69	P051166945F	EXPRESS COMPANY LIMITED	1,539	80	-	13	2	1	16
70	P051387175Q	SKY AGENCIES LIMITED	1,500	74	-	12	1	1	15
71	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	81	-	13	2	1	16
72	P051238815B	BLUE LIME LIMITED	1,305	71	-	11	1	1	14
73	P051198851L	WHITE HALL HOLDINGS LIMITED	1,300	72	-	12	1	1	14
74	P051393840B	EQUITY LOGISTICS LIMITED	1,300	65	-	10	1	1	13
75	P051563989Y	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	66	-	11	1	1	13
76	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	60	-	10	1	1	12
77	P000592871B	EMCO STEEL WORKS LTD	1,147	119	-	16	-	-	16
78	P051176972L	METCOM LTD	1,097	79	-	13	1.6	1.2	15
79	P051592286P	FUTURES COMMODITIES LIMITED	1,080	62	-	10	1.2	0.9	12
80	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	49	-	8	1.0	0.7	10
81	P051631078E	FREON TRADERS LIMITED	1,030	50	-	8	1.0	0.8	10
82	P051119385K	NANKU COMPANY (KENYA) LIMITED	1,000	68	-	11	1.4	1.0	13
83	P051213796I	MERCURIE LIMITED	1,000	57	-	9	1.1	0.9	11
84	P051567202C	CAPO GENERAL TRADING LIMITED	988	57	-	9	1.1	0.9	11
85	P051399721L	RIETY COMPANY LIMITED	933	60	-	10	1.2	0.9	12
86	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	48	-	8	1.0	0.7	9
87	A002491695Y	MARYWANGUIMWANGI	800	56	-	9	1.1	0.8	11
88	P051542905Y	TAKABA INVESTMENT LIMITED	780	40	-	6	0.8	0.6	8
89	P051564123Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	37	-	6	0.7	0.5	7
90	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	43	-	7	0.9	0.6	8
91	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	51	-	8	0.9	0.7	10
92	P051533721X	SERENI FRIES LIMITED	600	49	-	8	1.0	0.7	9
93	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	31	-	5	0.6	0.5	6
94	P051222964B	JAMAA SUPERMARKET LIMITED	520	20	-	3	0.4	0.3	4
95	P051528188X	FAHD COMMODITIES GROUP LIMITED	520	29	-	5	0.6	0.4	7
96	P051420387C	KENAFRIC COMMODITIES LIMITED	500	27	-	4	0.5	0.4	5
97	P051638583Z	SANJOSE AGENCIES LIMITED	500	35	-	6	0.7	0.5	7
98	P051223448W	TESIA SUPERMARKETS LIMITED	450	25	-	4	0.5	0.4	5
99	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	24	-	3	0.4	0.3	4
100	P051587757A	HABS ENGINEERING LIMITED	301	19	-	3	0.4	0.3	4
101	P000602358S	OAKDALE COMMODITIES LTD	251	145	-	23	2.9	2.2	28
102	P051180738S	MUMIAS DISTRIBUTORS LTD	250	20	-	3	0.4	0.3	4

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NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
103	P051501498H	ZACK PETROLEUM LIMITED	234	11	-	2	0.2	0.2	2
104	P051563367M	MIKROS	224	17	-	1	-	-	1
105	P051101494Q	UNITED NATIONS WORLD FOOD PROGRAMME	200	14	-	-	-	-	-
106	P051216674J	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	11	-	2	0.2	0.2	2
107	P051536310V	MOKANN LOGISTICS LIMITED	195	15	-	2	0.3	0.2	3
108	P051321102A	LESPHINE INVESTMENTS LIMITED	168	13	-	2	0.3	0.2	3
109	P051380901O	ELON COMMODITIES K LIMITED	168	11	-	2	0.2	0.2	2
110	P051588583C	PEAKMUS BAKERS LIMITED	168	14	-	2	0.3	0.2	3
111	P051609069V	ESSBEE SUPPLIERS LIMITED	165	8	-	1	0.2	0.1	2
112	P051469311B	SAMPEN JOS LIMITED	122	9	-	1	0.2	0.1	2
113	P051516894X	STEVFLO STORES ENTERPRISES LTD	112	8	-	1	0.2	0.1	2
Grand Total			818,151	43,487	-	6,947	865	649	8,463

2.3.2: Importers who imported small quantities of Brown Sugar & benefitted from the Exemption

The table below gives a snapshot of 13 importers who imported small quantities of sugar (less than 100MT) and benefitted from the exemption.

Table 3: Importers who imported small quantities of Brown Sugar & benefitted from the Exemption - 13 Companies

NO	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051632843E	SERMCO COMPANY LIMITED	84	6	-	1	0.1	0.1	1
2	P051314028R	RABI YASIR TRADERS LIMITED	56	4	-	0.32	-	-	0.3
3	P051543121S	ROSAM LIMITED	27	2	-	0.35	-	-	0.4
4	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	0	-	0.07	-	-	0.1
5	P000609533Z	KENYA AIRWAYS LTD	4	2	-	-	-	0.1	0.1
6	P051643385Z	ALONAIB GENRAL TRADING LIMITED	1.60	0.09	-	0.01	-	-	0.01
7	P051102372Z	AMERICAN EMBASSY	0.78	0.26	-	-	-	0.13	-
8	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.14	0.05	-	-	-	-	-
9	P000593895L	NAS AIRPORT SERVICES LTD	0.13	0.03	-	-	-	0.00	0.00
10	P000591674X	TOTAL (K) LTD	0.06	0.04	-	0.01	0.05	0.04	0.01
11	P051442785K	SONGHYUN FOODSTUFFS LIMITED	0.05	0.020	-	0.003	-	-	0.003
12	P051133092U	HEALTHY U TWO THOUSAND LTD	0.04	0.012	-	0.002	-	-	0.002
13	P051646284U	LING YUE INTERNATIONAL CO LTD	0.03	0.004	-	0.001	-	-	0.001
Grand Total			185	15	-	2	0.2	0.3	2

2.3.3: Brown Sugar importers (Duty Paid)

Table 4 below gives a summary of 21 brown sugar importers who imported sugar from outside the Common Market for Eastern and Southern Africa (COMESA) region between September 2017 and 31st December 2017 and fully paid the requisite Duty.

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Table 4: Brown Sugar importers (Duty Paid)

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000592983G	PATCO INDUSTRIES LTD	306	15,032	1,503	2,646	10	225	4,384
2	P051216534Y	MSHALE COMMODITIES LIMITED	300	15,550	1,555	2,737	311	233	4,836
3	A008378124X	KAMLESH JITENDRA DATTANI	11	925	324	200	-	-	524
4	P051303371W	KAJAL OVERSEAS LIMITED	7	381	311	111	-	-	422
5	P051380221L	SUNGOLD KENYA LIMITED	4	105	64	27	-	-	90
6	A006483000D	NAVIN KUMAR DEVJI JESANI	3.2	139	49	30	-	-	79
7	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	1.6	67	23	14	-	-	38
8	P051500456Y	SPARE ZONE ENTERPRISES	1.2	77	53	21	-	-	74
9	P051636965X	GURU IMPEX LIMITED	1	44	16	10	-	-	25
10	P051427440C	SIANI SPICES K LIMITED	0.8	29	10	6	-	-	17
11	P051133092U	HEALTHY U TWO THOUSAND LTD	0.5	81	52	21	-	49	74
12	P051456140A	DATTA KRUPA TRADERS	0.4	2	20	3	-	-	23
13	A000186734N	PARENRAMJISHAH	0.3	26	14	6	-	-	20
14	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.3	48	48	15	-	-	63
15	A001128032D	PANKAJJAYANTILALSHAH	0.1	15	15	5	-	-	20
16	A007694508A	SANJAY GOPAL SHIYANI	0.1	10	5	2	-	-	7
17	P051112922J	SOMA IMPEX LIMITED	0.1	11	11	4	-	28	15
18	P051631183C	INEXCESS LIMITED	0.1	10	10	3	-	-	13
19	P000593906T	SAFARI PARK (HOLDINGS)	0.05	6	6	2	-	-	7
20	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	2	2	1	-	-	2
21	P051470953D	PLURINE TRADING LIMITED	0.03	1	1	0.3	-	-	1
Grand Total			**638**	**32,562**	**4,091**	**5,865**	**321**	**535**	**10,736**

2.3.4: Industrial Sugar Importers who benefitted from the Exemption

Table 5 below gives a summary of 44 industrial sugar importers who benefited from the exemption.

Table 5: Industrial Sugar Importers Who Benefitted From The Exemption (Paid Zero Duty) - 44 Companies

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000593584F	KENYA BREWERIES LIMITED	12,241	696	-	111	8	10	129
2	P000611756Q	NAIROBI BOTTLERS LTD	11,064	688	-	110	0.16	10.32	121
3	P000599737M	KENAFRIC INDUSTRIESS LIMITED	8,190	497	-	79	7	7	94
4	P051124295A	MZURI SWEET LIMITED	5,040	321	-	51	3	5	59

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NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
5	P000591222F	KENYA SWEETS LIMITED	4,100	256	-	41	2	4	47
6	P000595604U	THE WRIGLEY CO (E A) LTD	2,486	151	-	24	1	2	27
7	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	118	-	19	0.05	1.78	21
8	P000627963J	KISII BOTTLERS LTD	1,656	93	-	15	0.04	1.39	16
9	P051103572S	JETLAK FOODS LIMITED	1,650	93	-	15	1	1	17
10	P051100924G	KEVIAN KENYA LIMITED	1,525	92	-	15	1	1	17
11	P000624917Q	MOUNT KENYA BOTTLERS LTD	1,416	87	-	14	0.03	1.30	15
12	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,350	78	-	13	1	1	15
13	P051147260Z	GLOBAL ALLIED INDUSTRIES LTD	1,250	80	-	13	2	1	16
14	P000624346S	MJENGO LTD	1,200	72	-	12	1	1	14
15	P000623053O	DEL MONTE KENYA LIMITED	999	55	-	9	0.01	0.83	10
16	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	47	-	7	1	1	9
17	P051386713B	SUNVEAT FOODS LTD	775	47	-	8	1	1	9
18	P000600017X	PREMIER FOOD INDUSTRIES LTD	700	33	-	5	0.03	0.50	6
19	P000592983G	PATCO INDUSTRIES LTD	600	26	-	4	0.02	0.39	5
20	P000596923C	EXCEL CHEMICALS LTD	500	22	-	4	0.01	0.33	4
21	P000626429Y	EQUATOR BOTTLERS LTD	400	22	-	4	0.01	0.33	4
22	P051222425N	SBC KENYA LIMITED	400	23	-	4	0.01	0.34	4
23	P000607685K	GLAXOSMITHKLINE LIMITED	375	19	-	3	0.38	0.29	4
24	P051152243L	CANDY KENYA LIMITED	375	19	-	3	0.37	0.28	4
25	P000625880F	TRICLOVER INDUSTRIES LTD	325	17	-	3	0.11	0.26	3
26	P051098613Z	EQUATORIAL NUT PROCESSORS LTD	300	20	-	3	0.39	0.29	4
27	P051374667M	SWEETS R US LIMITED	300	19	-	3	0.38	0.28	4
28	P051474155F	BRAVA FOOD INDUSTRIES LTD	300	20	-	3	0.40	0.30	4
29	P000611792U	GLACIER PRODUCTS LTD	275	16	-	3	0.32	0.24	3
30	P051432737Z	SUPER SWEETS LIMITED	225	12	-	2	0.09	0.19	2
31	P051610787L	BIDCORO AFRICA LIMITED	207	14	-	2	0.29	0.21	3
32	P051228018V	AGRI PRO PAK LIMITED	175	12	-	2	0.23	0.17	2
33	P000614512G	REGAL PHARMACEUTICALS LTD	125	6	-	1	0.05	0.10	1
34	P000631517E	NJORO CANNING FACTORY KENYA LIMITED	100	7	-	1	0.14	0.10	1
35	P051115797K	GONAS BEST LIMITED	100	6	-	1	0.12	0.09	1
36	P051161788B	VICTORIA JUICE POWDER LTD	100	5	-	1	0.10	0.08	1
37	P051173454W	SUNNY PROCESSORS LTD	100	5	-	1	0.06	0.08	1
38	P000595050W	NESTLE FOODS (K) LIMITED	50	3	-	0.42	0.05	0.04	1
39	P051131217Z	KENYA WINE AGENCIES LIMITED	50	3	-	0.43	0.05	0.04	1
40	P051161877Z	DAWA LIMITED	50	3	-	1	0.01	0.05	1
41	P000609007S	MAC S PHARMACEUTICALS LTD	25	2	-	0.28	0.04	0.03	0.34
42	P000609319W	COSMOS LIMITED	25	1	-	-	0.03	0.02	0.05

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NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
43	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	1	0.23	-	-	-	-	-
44	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	0.03	-	-	-	-	-
Grand Total			**64,088**	**3,807**	**-**	**609**	**32.00**	**57.10**	**698**

Note: KRA has raised duty demands on the above

2.3.6: Industrial Sugar Importers (Duty Paid)

Table 6 below gives a summary of 22 industrial sugar importers who paid duty from May 2017 to December 2017

Table 6: Industrial Sugar Importers Duty Paid – 22 companies

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000611756Q	NAIROBI BOTTLERS LTD	5,448	338	34	59	0.04	5	98
2	P000626429Y	EQUATOR BOTTLERS LTD	3,600	201	20	35	0.08	3	58
3	P000596923C	EXCEL CHEMICALS LTD	3,579	186	19	33	0.07	3	54
4	P051124295A	MZURI SWEET LIMITED	3,565	204	20	36	0.08	3	60
5	P000593584F	KENYA BREWERIES LIMITED	3,301	192	19	34	0.11	3	56
6	P051152243L	CANDY KENYA LIMITED	3,029	177	18	31	0.11	3	52
7	P000618560D	COASTAL BOTTLERS LTD	2,780	127	13	22	0.08	2	37
8	P000624917Q	MOUNT KENYA BOTTLERS LTD	2,712	155	15	27	0.03	2	45
9	P000592983G	PATCO INDUSTRIES LTD	1,818	97	10	17	0.06	1	28
10	P000595253B	TRUFOODS LTD	1,780	85	9	15	0.06	1	25
11	P000599737M	KENAFRIC INDUSTRIESS LIMITED	1,250	75	8	13	0.03	1	22
12	P000627963J	KISII BOTTLERS LTD	1,080	65	7	12	0.02	1	19
13	P000600017X	PREMIER FOOD INDUSTRIES LTD	944	52	5	9	0.04	1	15
14	P051222425N	SBC KENYA LIMITED	800	45	5	8	0.02	1	13
15	P000595604U	THE WRIGLEY CO (E A) LTD	744	33	3	6	0.03	0.49	10
16	P000624607O	HIGHLANDS MINERAL WATER CO LTD	505	28	3	5	0.02	0.42	8
17	P051100924G	KEVIAN KENYA LIMITED	500	30	3	5	0.01	0.45	9
18	P000594925Y	ELYS CHEMICAL INDUSTRIES LTD	50	2.6	0.26	0.46	0.01	0.04	0.77
19	P000614512G	REGAL PHARMACEUTICALS LTD	25	1.13	0.11	0.20	0.01	0.02	0.34
20	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	0.01	0.01	0.003	-	-	0.01
21	P051533355F	BOULANGERIE AND COMPANY LIMITED	0.05	0.03	0.03	0.01	-	-	0.03
22	P051097180I	CHEMOQUIP LIMITED	0.01	0.01	0.01	0.002	-	-	0.01
Grand Total			**37,510**	**2,095**	**210**	**369**	**0.9**	**31**	**611**

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2.3.7: Reconciliation of the list

Table 7 is the reconciliation list to confirm that the actual number of companies that imported sugar between 12th May 2017 to 31st December 2017 were actually 193 by removing duplicates on companies that imported both brown and industrial sugar and companies that paid duty on some sugar quantities and did not pay duty on some quantities.

Table 7: Reconciliation of the list

NO.	Remarks	No. of Companies	QTY (MT)
1	Large Importers (Zero Duty brown sugar)	113	818,151
2	Small Importers (Zero Duty brown sugar)	13	185
3	Duty Paid brown sugar	21	638
4	Zero Duty Industrial Sugar	44	64,088
5	Duty Paid Industrial Sugar	22	37,510
	subtotal	**213**	**920,571**
Less Duplicates			-
1	companies that imported both brown and industrial sugar	-2	-
2	Companies appearing twice on duty paid & duty unpaid lists	-18	-
Grand Total		**193**	**920,571**

2.3.8: Taxes forgone

Table 8 below gives a summary of taxes forgone due to the exemptions on sugar between May 2017 and December 2017. Total forgone taxes is Kshs. 36.5Billion of which 31.5 Billion is Import Duty while 5 Billion is VAT.

Table 8: Taxes foregone summary

No.	Item	DUTY (KSHS. M)	VAT (KSHS. M)	Total Taxes forgone (KSHS. M)
1	Brown mill white Sugar	31,423	5,030	36,454
2	Industrial Sugar	31	5	36
	Total	**31,454**	**5,035**	**36,489**

2.3.9: Mode of packaging of imported sugar

Table 9 indicates companies by mode of packaging of sugar. Some companies' imported bulk while others imported sugar packaged in bags

Table 9: Bulk vs. Bagged sugar

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
1	P051651675J	AMNAV LIMITED	-	74,400	74,400
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	-	55,000
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	-	50,500	50,500
4	P000634500H	MENENGAI OIL REFINERIES LTD	21,000	25,200	46,200

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No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
5	P051625523E	CONVEX COMMODITY MERCHANTS LTD	39,832	-	39,832
6	P051308483N	SUKARI INDUSTRIES LIMITED	-	34,500	34,500
7	P000627038X	WEST KENYA SUGAR COMPANY LIMITED	-	34,100	34,100
8	P051601324Z	ONE COMMODITIES COMPANY LIMITED	9,350	22,500	31,850
9	P051243445V	LANDMARK FREIGHT SERVICES LIMITED	25,866	-	25,866
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,710	-	21,710
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	-	21,315
12	P051456947P	GRAINERGY K LIMITED	12,026	7,500	19,526
13	P000619085J	HYDERY (P) LIMITED	6,500	12,500	19,000
14	P051144533P	THE COMMODITY HOUSE LIMITED	9,174	7,500	16,674
15	P000611756Q	NAIROBI BOTTLERS LTD	16,512	-	16,512
16	P051629683B	HALEEL COMMODITIES LIMITED	16,216	-	16,216
17	P000593584F	KENYA BREWERIES LIMITED	15,542	-	15,542
18	P051151246J	STUNTWAVE LIMITED	5,875	7,500	13,375
19	P051474511S	ONE TRADERS LIMITED	-	12,500	12,500
20	P051202197A	HUSSABA TRADING COMPANY LIMITED	12,438	-	12,438
21	P051359826N	YH WHOLESALERS	11,492	-	11,492
22	P051581191F	KIFARU FEEDS LIMITED	10,396	-	10,396
23	P051128926C	REMINGTON AGENCY LIMITED	9,625	-	9,625
24	P000599737M	KENAFRIC INDUSTRIESS LIMITED	9,440	-	9,440
25	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	-	9,075
26	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	-	8,955
27	P051124295A	MZURI SWEET LIMITED	8,605	-	8,605
28	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	-	8,000
29	P051398900G	COAST TERMINAL EAST AFRICA LIMITED	7,489	-	7,489
30	P051138751E	REGIONAL BARGAINS LIMITED	7,000	-	7,000
31	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	-	7,000
32	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	-	6,980
33	P051216621U	RAA RMO LIMITED	6,916	-	6,916
34	P051301868Z	THE OPTION TWO LIMITED	6,903	-	6,903
35	P051632605W	MANONO ENERGY LIMITED	6,790	-	6,790
36	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	-	6,760
37	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	-	6,716
38	P051380103I	KORBASH TRADERS LIMITED	6,103	-	6,103
39	P051423241R	IFOX COMMODITY LIMITED	5,980	-	5,980
40	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	-	5,808
41	P051122598C	COSMOCARE INDUSTRIES (NAIROBI) LTD	5,750	-	5,750
42	P051447092O	ARASAN TRADERS LIMITED	5,683	-	5,683
43	P051148624Z	PHOENIX COMMODITIES KENYA LIMITED	5,250	-	5,250
44	P051140572Q	PALEAH STORES LIMITED	4,770	-	4,770
45	P051358005Y	DUBAI MATRESS LIMITED	4,565	-	4,565
46	P051605076M	LEGO STORES LIMITED	4,492	-	4,492
47	P000596838I	EXPORT TRADING CO LTD	4,400	-	4,400
48	P000624917Q	MOUNT KENYA BOTTLERS LTD	4,128	-	4,128
49	P000591222F	KENYA SWEETS LIMITED	4,100	-	4,100
50	P000596923C	EXCEL CHEMICALS LTD	4,079	-	4,079
51	P000626429Y	EQUATOR BOTTLERS LTD	4,000	-	4,000
52	P051647626Z	BETA COMMODITIES LIMITED	3,970	-	3,970
53	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	-	3,649
54	P051509457T	SOMO COMMODITIES LIMITED	3,508	-	3,508
55	P051565427J	FLORA BAKERS LIMITED	3,490	-	3,490

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			BAG (MT)	BULK (MT)	
56	P051357595V	PILLAR MATT LIMITED	3,489	-	3,489
57	P051152243L	CANDY KENYA LIMITED	3,404	-	3,404
58	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	-	3,350
59	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	-	3,261
60	P000595604U	THE WRIGLEY CO (E A) LTD	3,230	-	3,230
61	P051121478S	MULTILIFT LIMITED	3,161	-	3,161
62	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	-	3,094
63	P051326831B	TARZAN LIMITED	3,000	-	3,000
64	P051621965H	SWABRI LIMITED	2,941	-	2,941
65	P051613426Z	MAPPING TRADING COMPANY LIMITED	2,938	-	2,938
66	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	-	2,921
67	P000618560D	COASTAL BOTTLERS LTD	2,780	-	2,780
68	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	-	2,756
69	P000627963J	KISII BOTTLERS LTD	2,736	-	2,736
70	P000592983G	PATCO INDUSTRIES LTD	2,724	-	2,724
71	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	-	2,500
72	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	-	2,421
73	P051595247Z	BEYON INVESTMENT LIMITED	2,292	-	2,292
74	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	-	2,225
75	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	-	2,088
76	P051311944R	GREENBELT WHOLESALERS LTD	2,080	-	2,080
77	P051195373G	MIDLAND HAULIERS LIMITED	2,040	-	2,040
78	P051100924G	KEVIAN KENYA LIMITED	2,025	-	2,025
79	P051381684F	AUS KENYA LIMITED	2,002	-	2,002
80	P051464283J	FOCUS LOGISTICS LIMITED	2,002	-	2,002
81	P051424211K	ATLANTA COMMERCIAL MALL LIMITED	2,000	-	2,000
82	P051628771W	SINAI SUPPLIERS AND CONTRACTORS CO	2,000	-	2,000
83	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,855	-	1,855
84	P051581060X	MARATHON VENTURES LIMITED	1,840	-	1,840
85	P000595253B	TRUFOODS LTD	1,780	-	1,780
86	P051103572S	JETLAK FOODS LIMITED	1,650	-	1,650
87	P000600017X	PREMIER FOOD INDUSTRIES LTD	1,644	-	1,644
88	P051166945F	EXPRESS COMPANY LIMITED	1,539	-	1,539
89	P051387175Q	SKY AGENCIES LIMITED	1,500	-	1,500
90	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	-	1,400
91	P051238815B	BLUE LIME LIMITED	1,305	-	1,305
92	P051198851L	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	-	1,300
93	P051393840B	EQUITY LOGISTICS LIMITED	1,300	-	1,300
94	P051563989Y	WHITE HALL HOLDINGS LIMITED	1,300	-	1,300
95	P051147260Z	GLOBAL ALLIED INDUSTRIES LIMITED	1,250	-	1,250
96	P000624346S	MJENGO LTD	1,200	-	1,200
97	P051222425N	SBC KENYA LIMITED	1,200	-	1,200
98	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	-	1,182
99	P000592871B	EMCO STEEL WORKS LTD	1,147	-	1,147
100	P051176972L	METCOM LTD	1,097	-	1,097
101	P051592286P	FUTURES COMMODITIES LIMITED	1,080	-	1,080
102	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	-	1,040
103	P051631078E	FREON TRADERS LIMITED	1,030	-	1,030
104	P051119385K	MERCURIE LIMITED	1,000	-	1,000
105	P051213796I	NANKU COMPANY (KENYA) LIMITED	1,000	-	1,000

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			BAG (MT)	BULK (MT)	
106	P000623053O	DEL MONTE KENYA LIMITED	999	-	999
107	P051567202C	CAPO GENERAL TRADING LIMITED	988	-	988
108	P051399721L	RIETY COMPANY LIMITED	933	-	933
109	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	-	910
110	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	-	875
111	A002491695Y	MARYWANGUIMWANGI	800	-	800
112	P051542905Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	-	780
113	P051564123Y	TAKABA INVESTMENT LIMITED	780	-	780
114	P051386713B	SUNVEAT FOODS LTD	775	-	775
115	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	-	730
116	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	-	670
117	P051533721X	SERENI FRIES LIMITED	600	-	600
118	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	-	522
119	P051222964B	FAHD COMMODITIES GROUP LIMITED	520	-	520
120	P051528188X	JAMAA SUPERMARKET LIMITED	520	-	520
121	P051420387C	KENAFRIC COMMODITIES LIMITED	500	-	500
122	P051638583Z	SANJOSE AGENCIES LIMITED	500	-	500
123	P051223448W	TESIA SUPERMARKETS LIMITED	450	-	450
124	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	-	444
125	P000607685K	GLAXOSMITHKLINE LIMITED	375	-	375
126	P000625880F	TRICLOVER INDUSTRIES LTD	325	-	325
127	P051587757A	HABS ENGINEERING LIMITED	301	-	301
128	P051098613Z	BRAVA FOOD INDUSTRIES LIMITED	300	-	300
129	P051374667M	EQUATORIAL NUT PROCESSORS LIMITED	300	-	300
130	P051474155F	SWEETS R US LIMITED	300	-	300
131	P000611792U	GLACIER PRODUCTS LTD	275	-	275
132	P000602358S	OAKDALE COMMODITIES LTD	251	-	251
133	P051180738S	MUMIAS DISTRIBUTORS LTD	250	-	250
134	P051501498H	ZACK PETROLEUM LIMITED	234	-	234
135	P051432737Z	SUPER SWEETS LIMITED	225	-	225
136	P051563367M	MIKROS	224	-	224
137	P051610787L	BIDCORO AFRICA LIMITED	207	-	207
138	P051101494Q	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	-	200
139	P051216674J	UNITED NATIONS WORLD FOOD PROGRAMME	200	-	200
140	P051536310V	MOKANN LOGISTICS LIMITED	195	-	195
141	P051228018V	AGRI PRO PAK LIMITED	175	-	175
142	P051321102A	ELON COMMODITIES K LIMITED	168	-	168
143	P051380901O	LESPHINE INVESTMENTS LIMITED	168	-	168
144	P051588583C	PEAKMUS BAKERS LIMITED	168	-	168
145	P051609069V	ESSBEE SUPPLIERS LIMITED	165	-	165
146	P000614512G	REGAL PHARMACEUTICALS LTD	150	-	150
147	P051469311B	SAMPEN JOS LIMITED	122	-	122
148	P051516894X	STEVFLO STORES ENTERPRISES LIMITED	112	-	112
149	P000631517E	GONAS BEST LIMITED	100	-	100
150	P051115797K	NJORO CANNING FACTORY KENYA LTD	100	-	100
151	P051161788B	SUNNY PROCESSORS LTD	100	-	100
152	P051173454W	VICTORIA JUICE POWDER LIMITED	100	-	100
153	P051632843E	SERMCO COMPANY LIMITED	84	-	84
154	P051314028R	RABI YASIR TRADERS LIMITED	56	-	56

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No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
155	P000594925Y	DAWA LIMITED	50	-	50
156	P000595050W	ELYS CHEMICAL INDUSTRIES LTD	50	-	50
157	P051131217Z	KENYA WINE AGENCIES LIMITED	50	-	50
158	P051161877Z	NESTLE FOODS (K) LIMITED	50	-	50
159	P051543121S	ROSAM LIMITED	27	-	27
160	P000609007S	COSMOS LIMITED	25	-	25
161	P000609319W	MAC S PHARMACEUTICALS LTD	25	-	25
162	A008378124X	KAMLESH JITENDRA DATTANI	11	-	11
163	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	-	11
164	P051303371W	KAJAL OVERSEAS LIMITED	7	-	7
165	P000609533Z	KENYA AIRWAYS LTD	4	-	4
166	P051380221L	SUNGOLD KENYA LIMITED	4	-	4
167	A006483000D	NAVIN KUMAR DEVJI JESANI	3	-	3
168	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	2	-	2
169	P051643385Z	ALONAIB GENRAL TRADING LIMITED	2	-	2
170	P051500456Y	SPARE ZONE ENTERPRISES	1	-	1
171	P051636965X	GURU IMPEX LIMITED	1	-	1
172	P051427440C	SIANI SPICES K LIMITED	0.80	-	0.80
173	P051102372Z	AMERICAN EMBASSY	0.78	-	0.78
174	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.71	-	0.71
175	P051133092U	HEALTHY U TWO THOUSAND LIMITED	0.50	-	0.50
176	P051456140A	DATTA KRUPA TRADERS	0.43	-	0.43
177	A000186734N	PARENRAMJISHAH	0.30	-	0.30
178	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.27	-	0.27
179	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	-	0.15
180	A001128032D	PANKAJJAYANTILALSHAH	0.15	-	0.15
181	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	-	0.13
182	P000593895L	NAS AIRPORT SERVICES LTD	0.13	-	0.13
183	A007694508A	SANJAY GOPAL SHIYANI	0.11	-	0.11
184	P051112922J	SOMA IMPEX LIMITED	0.11	-	0.11
185	P051631183C	INEXCESS LIMITED	0.10	-	0.10
186	P000591674X	TOTAL (K) LTD	0.06	-	0.06
187	P051442785K	BOULANGERIE AND COMPANY LIMITED	0.05	-	0.05
188	P051533355F	SONGHYUN FOODSTUFFS LIMITED	0.05	-	0.05
189	P000593906T	SAFARI PARK (HOLDINGS)	0.05	-	0.05
190	P051646284U	LING YUE INTERNATIONAL CO LIMITED	0.03	-	0.03
191	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	-	0.03
192	P051470953D	PLURINE TRADING LIMITED	0.03	-	0.03
193	P051097180I	CHEMOQUIP LIMITED	0.01	-	0.01
Grand Total			631,871	288,700	920,571

The above table shows that eleven (11) companies imported sugar in bulk in un-bagged state.

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TABLE 10: SUGAR IMPORTS: PLACE OF DISCHARGE SUMMARY

No.	DISCHARGE PLACE	QTY (MT)	CIF Value (KSHS. M)	Total Tax (KSHS. M)	%Prop.
1	Container Terminal	364,531	17,518	3,414	40%
2	Boss Freight CFS	114,188	6,923	1,351	12%
3	Mitchell Cotts	67,790	3,803	746	7%
4	Mombasa Container Terminal 1	60,045	3,633	750	7%
5	Interpel CFS	57,297	3,648	718	6%
6	Mombasa Inland Container Depot	42,542	1,821	361	5%
7	Port Side Shed	28,000	1,413	275	3%
8	Autoport CFS	27,274	1,317	257	3%
9	Mitchell Cotts CFS	24,995	1,394	289	3%
10	Consolbase CFS	19,787	1,111	274	2%
11	Great Lakes CFS	17,765	1,055	221	2%
12	Regional Logistics Container CFS	17,004	943	186	2%
13	Awanad CFS	16,638	935	187	2%
14	Makupa Transit Shed	11,300	648	128	1%
15	Portside CFS	11,170	548	109	1%
16	Focus CFS	9,855	843	164	1%
17	Mombasa Island Container Terminal	6,858	356	71	1%
18	Namamga	6,065	411	80	1%
19	Regional Logistics Container CFS	5,000	254	49	1%
20	Moyale	4,400	296	58	0.5%
21	Compact Container Freight CFS	2,806	175	34	0.3%
22	Busia	2,746	251	35	0.3%
23	Signon CFS	1,163	54	12	0.1%
24	Old Port	755	46	9	0.1%
25	Inland Container Depot Nairobi	286	12	2	0.03%
26	Malaba	178	18	2	0.02%
27	Kisumu	130	8	2	0.01%
28	Africa Cargo Handling (JKIA)	4	2	0	0.00%
29	CSC	0	0	-	0.00%
	Grand Total	920,571	49,436	9,784	100%

Over 90% of the sugar imported in 2017 was cleared in Mombasa.

2.4 Information on specific companies as requested by the Committee

2.4.1 MSHALE COMMODITIES LIMITED

There is evidence confirming existence of **Mshale Commodities Uganda Limited and Mshale Commodities Limited Mombasa. Mshale Commodities Limited Mombasa** is a registered entity in Kenya vide **PIN P051216534Y.**

In July 2016 one of the 4X20FT container number MEDU3333950 on manifest number 2016MSA130073, bill of lading number MSCUZS683812 on transit to Uganda imported by Mshale Commodities Uganda Limited**(Appendix 12).** Verification was conducted by Government agencies led by **Anti-Narcotics Police Unit** and found with four unsealed polypropylene bags Concealed within the bags of sugar **with a substance packaged in block shape suspected to be narcotic drugs. The four bags yielded 90 blocks of the item. Marks on the blocks of the substance read "Lacoste".**

- The 90 blocks suspected to be narcotics were marked as exhibits and packed in evidence bags and detained by the Anti-Narcotics Police Unit.

- All four containers were secured under F89 number 203728 dated 29/07/2016 issued to OCS Port Police

Currently the matter is being handled by the relevant Government Agency (Anti-Narcotics Police Unit).

Record available show that Mshale Commodities Limited Mombasa imported 300MT Swaziland VHF brown sugar supplied by **ED&F MAN SUGAR LIMITED** after being granted authority by KEBS and ASD and Customs had no reasons to deny importation **(Appendix 13).**

2.4.2 TAKABA INVESTMENT LIMITED

Takaba Investments Limited has two directors namely; Hanan Adan Abdullahi of KRA Pin No **A008110244X** and Josephine Wanjiku Njoroge of KRA PiN No **A008145285X.** During the exemption period the company imported 780 MT of sugar. **(Appendix 14)**

2.4.3 ED & F MAN SUGAR LIMITED

The available records indicate that the company supplied sugar to **Mshale Commodities Limited Mombasa and Sukari Industries Limited** after being granted authority by KEBS and Agricultural Authority Sugar Directorate **(Appendix 15).** Details on the sources of sugar imported by Sukari Industries Limited and Mshale Commodities Limited Mombasa are provided in tables 11 and 12 below respectively.

TABLE 11: SOURCE OF SUGAR IMPORTS BY SUKARI INDUSTRIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6590443	SUKARI INDUSTRIES LIMITED	VALE DO TIJUCO ACUCAR c/o ED- F MAN SUGAR LIMITED BRAZIL	4,339,000
2.	2017 MSA 6590514	SUKARI INDUSTRIES LIMITED	BIOSEV S.A c/o ED AND F MAN SUGAR LIMITED BRAZIL	7,000,000
3.	2017 MSA 6590365	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	BIOSEV BIOENERGIA c/o ED AND F MAN SUGAR LIMITED BRAZIL	13,161,000
4.	2017 MSA6590321	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	COFCO BRASIL c/o ED AND F MAN SUGAR LIMITED BRAZIL	10,000,000

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TABLE 12: SOURCE OF SUGAR IMPORTS BY MSHALE COMMODITIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6485485	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	717,530
2.	2017 MSA 6500990	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	539,000
3.	2017 MSA 6518764	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	911,120
4.	2017 MSA 6524156	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	1,253,500
5.	2017 MSA 6523735	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,232
6.	2017 MSA 6524012	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA O/B ED AND F MAN SUGAR LTD FAZENDA MONTE ALEGRE BRAZIL	652,101
7.	2017 MSA 6575280	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
8.	2017 MSA 6571365	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA	1,003,200
9.	2017 MSA 6575986	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
10.	2017 MSA 6499563	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	521,664
11.	2017 MSA 6538286	MSHALE COMMODITIES LIMITED	ASOCIACION DE AZUCAREROS DE GUATEMALA	250,250
12.	2017 MSA 6540893	MSHALE COMMODITIES LIMITED	ILLOVO SUGAR (SOUTH AFRICA) PTY LTD DURBAN 4000 SOUTH AFRICA	2008000
13.	2017 MSA 6541971	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA- MOZAMBIQUE	1,003,200
14.	2017 MSA 6580201	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD - THAILAND	626,750
15.	2017 MSA 6588535	MSHALE COMMODITIES LIMITED	ADECOAGRO VALE DO INVIHEMA S/A BRAZIL	1,043,361
16.	2017 MSA 6588828	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
17.	2017 MSA 6580844	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
18.	2017 MSA 6588051	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA CNPJ 22.287.687/000146 BRAZIL	652,232
19.	2017 MSA 6580074	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	626,750
20.	2017 MSA 6588746	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,101
21.	2017 MSA 6603021	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	651,820
22.	2017 MSA 6600795	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	1,880,250
23.	2017 MSA 6605148	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	601,680
24.	2017 MSA 6577112	MSHALE COMMODITIES LIMITED	ZIMBABWE SUGAR SALES PVT LIMITED ZIMBAMWE	1,003,200
25.	2017 MSA 6606258	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD FOR THAILAND	1,880,250
26.	2017 MSA 6761710	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASOCIATION SWAZILAND	300,960

TYPES & STANDARDS OF SUGAR

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2) 100% inspection of products arriving without a COC.
3) 100% inspection of used clothes and shoes,
4) 100% inspection of imports through Eldoret Airport.

5.0 Certification of Imported products

All imported products are required to have Import Standardization Mark (ISM) before they are put on the shelf for sale. ISM is a secure mark with a track and trace solution which enables verification of authentic marks through special bar code readers and mobile application. This is to enable consumers as well as KEBS market surveillance to identify certified products in the market.

6.0 KEBS Role in Regulating Sugar importation

Kenya regulates imports sugar both industrial and for direct consumption to complement local production. KEBS is involved in certification of these imports to ensure compliance to Kenya Standards.

KEBS' responsibility is to inspect and test imports for quality.

The quantities of sugar imports are determined and approved by the Sugar Directorate, Ministry of Agriculture. The sugar imported is pre-inspected by KEBS appointed agents and issued with Certificates of Conformity (CoC) at the country of supply. A CoC is only issued for complying products which means the tested parameters are within limits allowed by the Kenya standards. The KEBS inspection agents are SGS, BV, Intertek, Cotecna and CCIC.

Some of these imports which come with a CoC are sampled and tested at the port of entry for surveillance purposes.

The certification of sugar is done against the following standards:

1) KS EAS 749: 2010 *Brown Sugar – Specification*
2) KS EAS 16:2010 *Plantation (Mill) White Sugar – Specification*
3) KS EAS 5:2009 *Refined White sugar — Specification*

Below are the definitions for the descriptions of the various types of sugar.

1. Refined White sugar – KS EAS 5

White sugar is purified and granulated sugar, manufactured from any raw sugar, such as plantation (mill) sugar, by the process of

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purification consisting broadly of affinition, melting, chemical treatment, filtration, depolarization and recrystallization.

2. **Plantation mill white sugar – KS EAS 16**

   Plantation sugar (commonly manufactured by the vacuum-pan-process from sugar cane) shall be crystalline, odorless and free from dirt or other extraneous matter.

3. **Brown sugar – KS EAS 749**

   Shall be the sugar derived from sugar cane or sugar beet by partial purification of raw sugar or spraying of refined sugar with sugar syrup or molasses followed by subsequent drying and intended or direct human consumption.

4. **Raw Sugar – KS EAS 8**

   Unwashed centrifugal sugar whose crystals is surrounded by the original film of molasses and is derived from sugar cane. It requires further processing to make it fit for direct human consumption. Raw sugar shall be in the form of uniform, fine crystals. It shall be free from dirt, foreign and extraneous matter, and from fermented, musty or undesirable odours.

For sugar to be cleared at the ports of entry, the following agencies must approve release based on their individual requirements:

1) Kenya Revenue Authority (Customs).
2) Kenya Bureau of Standards (Quality).
3) Port Health (Food safety).
4) Sugar Directorate (Licensing).
5) Radiation Protection Board (Safety)
6) Kenya Ports Authority (Logistics).

A summary report of sugar imported from May 2017 to date is attached as Annex 1. Copies of the certificates of conformity (CoC) have been included as Annex 2.

SIGNED.....DATED.27/06/2018

AUGUSTINE WACHIRA

MANAGER, QUALITY ASSURANCE – COAST REGION

KEBS RESULTS (DIAMOND WHOLESALERS & PALEAH STORES)

ANNEX 19

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ANNEX 1(A) – LOCATION 1 (Diamond Wholesalers in Eastleigh, Nairobi)

The Multiagency team conducted a raid on the premises on 5/6/2018. The goods seized during the raid were delivered to the DCI headquarters where quality inspection and sampling were undertaken by KEBS on 6/6/2018.

Summary of test results

Samples of these sugars were tested and failed in the following parameters:

Product description	BS number	Status
Brown Sugar (blue bags)	BS201818548	The product fails to meet the standard specification in: 1) **Moisture Content** 2) **Polarization** 3) **Total viable count** 4) **Yeast and moulds**
White Sugar Brand name given as *Kabras Premium White Sugar in 1 kg packages*	BS201818549	The product fails to meet the standard specification in: 1) **Colour** 2) **Copper as cu** 3) **Polarization** 4) **Total viable count** 5) **Yeast and moulds**
White Sugar labeled as UGT African Sugar in 1 kg packages	BS201818550	The product fails to meet the standard specification in: 1) **Colour** 2) **Conductivity Ash Content** 3) **Copper as Cu** 4) **Invert Sugar Content** 5) **Marking** 6) **polarization**
Raw Sugar labeled as Brazilian Raw Sugar (*marked not safe for Human consumption*)	BS201818552	The product fails to meet the standard specification in: 1) **Colour** 2) **Total viable count**
Raw sugar (Brazilian Raw Sugar) (*marked not safe for Human consumption*)	BS201818553	The product fails to meet the standard specification in: 1) **Colour** 2) **Water insoluble matter** 3) **Total viable count**
Sugar No marking on the bags	BS201818554	The product fails to meet the standard specification in: 1) **Total viable count**

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Notes 1:

The copper contaminant was detected in the repackaged sugar and was not found in the sugar in the poly propylene bags. Contamination may have been due to handling and repackaging materials.

Other failures noted are attributable to the sugar characteristics (e.g. immature cane, low sucrose), handling and storage.

Actions taken on Diamond Wholesalers Directors

KEBS through the Directorate of Criminal Investigations (DCI) has preferred charges against the Directors of the Diamond Wholesalers directors for repackaging of substandard sugar and misuse of standardization mark.

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ANNEX 1(B) – LOCATION 2 (Paleah Stores limited in Kamakis Area, Ruiru)

The sugar had been seized and delivered to the DCI headquarters where quality inspection and sampling were undertaken jointly by KEBS and KRA on 12/6/2018.

Summary of test results

Product description	Sample Reference No	Remarks (Failing parameters)
Brown Sugar	BS201819530	The product fails to meet the standard in: i. Invert Sugar ii. Lead iii. Total Viable Count
Brown Sugar	BS201819531	The product fails to meet the standard in: i. Invert Sugar ii. Polarization iii. Total Viable Count iv. Yeast and Moulds
Brown Sugar	BS201819532	The product fails to meet the standard in: i. Total Viable Count ii. Failed in Labelling
Brown Sugar	BS201819526	The product fails to meet the standard in: i. Failed in labelling (Expiry date and Batch no missing) ii. Colour iii. Invert sugar iv. Polarization v. Water Insoluble matter
Brown Sugar	BS201819527	The product fails to meet the standard in: i. failed in labelling (Expiry date and Batch no missing)
Brown Sugar	BS201819528	The product fails to meet the standard in: i. Total Viable Count The firm is also illegally affixing standardization mark no. 14284 which
Brown Sugar	BS201819529	The product fails to meet the standard in: i. Failed in labelling ii. Lead iii. Water insoluble matter iv. Total Viable Count v. Yeast and Moulds

Notes 2.

The lead contaminant was detected in two samples.

Other failures noted are attributable to the sugar characteristics (e.g. immature cane, low sucrose), handling and storage.

ANNEX 14

FOURTEEN COMPANIES EXEMPTED FROM PAYMENT OF DUTY

ANNEX 20

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REPUBLIC OF KENYA
THE NATIONAL TREASURY

Telegraphic Address: 22921
Finance – Nairobi
FAX NO. 310833
Telephone: 2252299
When Replying Please Quote

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

Ref. No. CONF. 1/06

September 21, 2017

The Commissioner of Customs & Border Control
Kenya Revenue Authority
NAIROBI

RE: CLEARANCE OF DUTY FREE SUGAR IMPORTED BEFORE 31ST AUGUST, 2017

Attached, please find copies of letters Ref. No. MOALF/CS/ADM/35 dated 12th September, 2017, Ref. No. MOALF/CS/ADM/35 dated 19th September, 2017 and Ref. No. MOALF/CS/ADM/35 dated 20th September, 2017 from the Ministry of Agriculture, Livestock and Fisheries on the above mentioned subject matter.

The Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries has given details of the consignments of sugar imported under Gazette Notice No. 4536 of 2017 but experienced delay in arrival due to, among other reasons, logistical difficulties, low tides delaying loading and unfavourable weather.

After taking into account the circumstances of the delay, the Cabinet Secretary for Agriculture, Livestock and Fisheries appealed to the Cabinet Secretary, National Treasury to allow duty free clearance of the affected consignments. A total of fourteen (14) importers were affected. The details are as follows:

No.	Importer	B/L No.	Quantity
1	Flora Bakers Limited	DXB0373587C	520
2	Pccadilly Holding	960750595	5400
3	Landmark Freight Services	769855882	780
4	Darasa Investments Ltd	BRSS802017	40010
5	Pillarmatt Limited	DXB0374640C	2990
6	The Option Two Limited	DXB03746	2990
7	Ifox Commodity Limited	DXB0373587E	2990
8	Paleah Stores Limited	MSCCUZC238582	3000
9	Mapping Trading Company	MSCUZC239119	3000
10	Sukari Investments Limited	769859553	1300
11	Elon Commodities (K) Ltd	DXB0368738A	1040
12	Coast Terminal East Africa Limited	EID0193398	2080
13	Zack Petroleum Limited	DXB0373587B	540
14	Export Trading company Limited	2017MOY20602	4400

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ANNEX 2D

EXCERPTS OF MINUTES OF HARAMBEE HOUSE MEETINGS

ANNEX 21

- If the issues raised are merited, the applicant and the objector is advised accordingly. If the objection has no merit, the Directorate proceeds to issue a milling license to the applicant.

iv). Issuance of a Milling License

- Upon grant of the milling license, the applicant is then required to pay **Ksh. 1,000,000/= (One million)** to the AFA-Sugar Directorate. The license is renewed on annual basis upon successful application and compliance audit conducted by the Sugar Directorate. Successful applicants are also required to pay **Ksh. 1,000,000 /=** for renewal of miller operating license. **(Form A5-Annex VII)**

2). CONSULTATIONS WITH COUNTERPART MINISTRIES ON SUGAR IMPORTATIONS INCLUDING THE REQUEST TO ALLOW DUTY FREE SUGAR, NATURE OF SUGAR TO BE IMPORTED AND THE QUANTITIES.

Consultations on sugar importation were done during food security meetings held on Friday, 5th May 2017 and Wednesday 21st June 2017 at Harambee House to discuss the prevailing maize shortages and high prices of commodities. The meetings were chaired by the Head of Public Service. The excerpts from both meetings are attached.

Excerpt: Minute No. 5 of 5th May 2017: Milk and Sugar Supply in the Country

"*The meeting reviewed the supply of sugar and milk in the market and noted that their prices had escalated beyond reach of many Kenyans. To ensure steady supply of the products at affordable prices, the meeting requested the* ***National Treasury*** *to gazette duty free imports of sugar*

ANNEX 21

and milk for purposes of lowering their prices". **Action: National Treasury**

Excerpt: Minute No 3 of 21st June, 2017 Part 2 on Sugar

"The meeting noted that adequate sugar had been imported but traders were overcharging beyond the recommended price. It was thus agreed that the Ministry of Interior and Coordination of National Government and the Ministry of Trade should mobilize their officers to enforce the government price. It was also agreed to invite the Director General – National Intelligence Service and the Principal Secretary for Interior to attend the next meeting to discuss the modalities of monitoring and enforcing the price" **Action: Interior, Trade, National Intelligence Service**

3). OTHER DETAILS

Agriculture and Food Authority keeps a master record of current, previous and prospective sugar importers as shown in the **Annex VIII.** It shows a categorization of the Master record that was also submitted to the committee on **25th, June 2018.**

THANK YOU

SUMMARY OF CONTRACT BETWEEN SONY SUGAR CO. & HOLBUD & 0THER DOCUMENTS

Paper laid by SNY CEO, 18/7/18

ANNEX 22

22

AGRICULTURE AND FOOD AUTHORITY

SUGAR DIRECTORATE
Sukari Plaza, Off Waiyaki Way
P.O. Box 51500-00200, Nairobi

REF: AFA/SD/REC/477/3

19th October, 2017

Managing Director
South Nyanza Sugar Co. Ltd
P.O. Box 107-40405
SARE AWENDO

Dear Sir/Madam

RE: ANNUAL REGISTRATION AS A BROWN SUGAR IMPORTER

Reference is made to your letter seeking annual registration as a sugar importer.

This is to confirm that the Authority has approved your registration as a brown sugar importer from 1st July, 2017 to 30th June, 2018 pursuant to section 4(1) of the Sugar imports, exports and by-products (amendment) Regulations, 2010.

Note however that facilitation of importation of COMESA sugar shall be on first come first served basis based on our domestic demand. You will therefore be required to provide the following to facilitate pre-shipment authorization of quantities you intend to bring in the next 3 months.

1. Quantity and type of sugar.
2. Country of Origin.
3. Proforma Invoice.
4. Intended time of importation.
5. Supplier.

Please note that you are required to submit your returns quarterly without fail.

Yours faithfully

S. ODERA
INTERIM HEAD - SUGAR DIRECTORATE

ANNEX 22

CODE NAME "CONGENBILL" EDITION 1994

BILL OF LADING

TO BE USED WITH CHARTER PARTIES

No. 02

Shipper

HOLBUD LIMITED
66 LEMAN STREET
LONDON E1 8EU,
UNITED KINGDOM

Consignee

TO ORDER

CARRIER
MARIBAN HOLDING INC

Notify address

SOUTH NYANZA SUGAR COMPANY LIMITED
KISII-MIGORI HIGHWAY
P.O. BOX 107-40405 SARE-AWENDO
MIGORI COUNTY, KENYA

Vessel: M.V. "THE HOLY"

Port of loading: SANTOS PORT, BRAZIL

Port of discharge: MOMBASA PORT , KENYA

Shipper's description of goods

BRAZILIAN BROWN SUGAR IN BULK

CLEAN ON BOARD: 09/10/17

"FREIGHT PREPAID"

(In weight)

25,500 METRIC TONS
(TWENTY FIVE
THOUSAND FIVE
HUNDRED METRIC
TONS)

ORIGINAL

(In apparent
Leading responsible for loss or damage howsoever arising

NIL on deck at Shipper's risk, the Carrier not

Freight payable as per
CHARTER-PARTY dated

FREIGHT ADVANCE
Received on account of freight

Time used for loading ..... days ..... hours.

SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.

Weight, measure, quality, quantity, condition, contents and value unknown.

IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void.

FOR CONDITIONS OF CARRIAGE SEE OVERLEAF

Freight payable at: FREIGHT PREPAID

Number of original Bs/L: 3 (THREE)

Place and date of issue: LONDON, 09-10-2017

Signature:
MARIBAN HOLDING INC
FOR AND ON BEHALF OF THE
MASTER OF MV "THE HOLY".

MARIBAN HOLDING INC
PANAMA

C.15 Printed and sold by Waterlow Limited

CODE NAME: "CONGENBILL". EDITION 1994

BILL OF LADING

TO BE USED WITH CHARTER-PARTIES

B/L No. 01

Reference No.

Shipper

HOLBUD LIMITED
66 LEMAN STREET
LONDON E1 8EU,
UNITED KINGDOM

Consignee

TO ORDER

CARRIER:
MARIBAN HOLDING INC.

Notify address

SOUTH NYANZA SUGAR COMPANY LIMITED
KISII-MIGORI HIGHWAY
P.O. BOX 107-40405 SARE-AWENDO
MIGORI COUNTY, KENYA

Vessel	Port of loading
M.V. "THE HOLY"	SANTOS PORT, BRAZIL

Port of discharge

MOMBASA PORT , KENYA

Shipper's description of goods	Gross weight
BRAZILIAN BROWN SUGAR IN BULK	25,000 METRIC TONS (TWENTY FIVE THOUSAND METRIC TONS)
CLEAN ON BOARD: 09/10/17	
"FREIGHT PREPAID"	

ORIGINAL

(of which NIL on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising)

Freight payable as per
CHARTER-PARTY dated .....

FREIGHT ADVANCE.
Received on account of freight:

.....

Time used for loading ..... days ..... hours.

SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.

Weight, measure, quality, quantity, condition, contents and value unknown.

IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be vold.

FOR CONDITIONS OF CARRIAGE SEE OVERLEAF

Freight payable at	Place and date of issue
FREIGHT PREPAID	LONDON, 09-10-2017
Number of original Bs/L: 3 (THREE)	Signature: MARIBAN HOLDING INC FOR AND ON BEHALF OF THE MASTER OF MV "THE HOLY": MARIBAN HOLDING INC PANAMA

C.15 Printed and sold by Witherbys Limited
11 The High Cross Centre, Fountayne Road, London N15 4QN
Tel +44 (0)20 8275 4280 Fax +44(0) 8275 4281
by authority of The Baltic and International Maritime Council (BIMCO), Copenhagen

AGRICULTURE AND FOOD AUTHORITY

SUGAR DIRECTORATE
Sukari Plaza, Off Waiyaki Way
P.O Box 51500-00200, Nairobi

REF: AFA/SD/REC/477/3

19th October, 2017

Managing Director
South Nyanza Sugar Co. Ltd
P.O. Box 107-40405
SARE AWENDO

Dear Sir/Madam

RE: ANNUAL REGISTRATION AS A BROWN SUGAR IMPORTER

Reference is made to your letter seeking annual registration as a sugar importer.

This is to confirm that the Authority has approved your registration as a brown sugar importer from 1st July, 2017 to 30th June, 2018 pursuant to section 4(1) of the Sugar imports, exports and by-products (amendment) Regulations, 2010.

Note however that facilitation of importation of COMESA sugar shall be on first come first served basis based on our domestic demand. You will therefore be required to provide the following to facilitate pre-shipment authorization of quantities you intend to bring in the next 3 months.

1. Quantity and type of sugar.
2. Country of Origin.
3. Proforma Invoice.
4. Intended time of importation.
5. Supplier.

Please note that you are required to submit your returns quarterly without fail.

Yours faithfully

S. ODERA
INTERIM HEAD - SUGAR DIRECTORATE

AGRICULTURE AND FOOD AUTHORITY

SUGAR DIRECTORATE
Sukari Plaza, Off Waiyaki Way
P.O. Box 51500-00200, Nairobi

REF: AFA/SD/REC/477/3

19th October, 2017

Managing Director
South Nyanza Sugar Co. Ltd
P.O. Box 107-40405
SARE AWENDO

Dear Sir/Madam

RE: ANNUAL REGISTRATION AS A BROWN SUGAR IMPORTER

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2. Country of Origin.
3. Proforma Invoice.
4. Intended time of importation.
5. Supplier.

Please note that you are required to submit your returns quarterly without fail.

Yours faithfully

S. ODERA
INTERIM HEAD - SUGAR DIRECTORATE

Ref: AFA/DG/MOA/SD/VOL.V/(35)

Dr. Richard L. [illegible], PhD, CBS
Principal Secretary,
State Department of Agriculture,
Ministry of Agriculture, Livestock and Fisheries,
P. O. Box 30[illegible]-00100,
NAIROBI.

30th November 2017

Dear [illegible]

RE: REQUEST BY SONYSUGAR FOR NO OBJECTION AND APPROVAL LETTER

Reference is made to the request to your office by South Nyanza Sugar Company Limited (SonySugar) for a No objection and approval letter for duty free sugar imports vide their letter Ref: SNSC/MD/AGRIC./MOA VOL VIII/1186/17 dated November 10, 2017.

Following the declaration by His Excellency the President (Executive order No 1 of 2017) that the drought and famine in parts of Kenya was a national disaster, the Cabinet Secretary for the National Treasury allowed the importation of duty free sugar with effect from 12th May 2017 to 31st August 2017 through Gazette Notice No 4536. (Copy attached)

Subsequently, through another Gazette Notice No. 9801 the Cabinet Secretary allowed importation of duty free sugar for sugar loaded into a vessel between 1st September 2017 and 31st December 2017 destined to a port in Kenya and consigned to a local sugar miller. However, this notice was later amended through Legal Notice No. 10149 deleting the earlier period of 31st December 2017 to 13th October 2017. (Copy attached). The import of these is that for any sugar to qualify for duty exemption it ought to have been loaded on a ship destined to a miller in Kenya by the said date of 13th October 2017.

Telephone: [illegible] Mobile: [illegible]
Telefax: [illegible] Cell Number: [illegible]

The application by SonySugar for registration as a sugar importer was received by the Agriculture and Food Authority on October 17, 2017. The company was subsequently registered as a sugar importer vide our letter Ref. AFA/SD/REC/477/3 dated October 19, 2017. At the time of registration of SonySugar as a sugar importer there was no provision for duty free importation by millers other than from COMESA and EAC.

We further observe that, the contract documents between SonySugar and Holvad Ltd provided by SonySugar have not been properly executed by all parties to form a binding contract between the parties.

We note that it was reported in the Local dailies that the High Court had issued conservatory orders on 19th October 2017 suspending the gazette notice that had extended the importation of duty free sugar. The case was scheduled to be heard substantively on 14th November 2017. It is not clear at this point whether the court has heard the matter and given final orders.

We therefore, propose consultations with the National Treasury for further guidance in view of the temporary injunction on importation of duty free sugar.

We note further that, since SonySugar is a registered sugar importer, they are at liberty to import sugar from any source. If they import sugar from EAC or COMESA Free Trade area such sugar will be allowed into Kenya Duty Free in line with existing protocols. However, if they choose to import sugar from other destinations such sugar will attract 100% duty.

Yours Sincerely

ALFRED BUSOLO TABU
INTERIM DIRECTOR/GENERAL

Encl.

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 : CD2017000ASDIMP0010000876318	Version No : 1
Master Approval No	MD2017000ASDASD0010000876571
Master Approval Version No	1
UCR Number	UCR201700985675

Application Status

Approval Status :SU - Submitted	Used Status :	Application Date :20171211183152
Expiry Date :	Amended Date .	Used Date .
Issuance Date :20171211		

Applicant Details

Name :SASI INTERNATIONAL FREIGHT LOGISTICS LTD

PIN :P051344871H	Application Code :SAS
Address :BOX	Country :KENYA
Contact Person :DANIELMASESE	Email : masese@sasilogistics.com

Consignee Details

Name :SOUTH NYANZA SUGAR CO LTD

PIN :P000609298P	OGA Ref No :
Physical Address :51493NAIROBI	Physical Country :KENYA
Postal Address :51493NAIROBI	Postal Country :KENYA
Telephone :059-43620	Fax :059-43245
Email :simon.korir@gmail.com	Sector of Activity :
Warehouse Code :	Warehouse Location :

Importer Details

Name :SOUTH NYANZA SUGAR CO LTD

PIN :P000609298P	OGA Ref No :
Physical Address :51493NAIROBI	Physical Country :KENYA
Postal Address :51493NAIROBI	Postal Country :KENYA
Telephone :059-43620	Fax :059-43245
Email :simon.korir@gmail.com	Sector of Activity :
Warehouse Code :	Warehouse Location :

Exporter Details

Name :HOLBUD LIMITED

PIN :P000000000N

OGA Ref No :

Physical Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Physical Country :UNITED KINGDOM

Postal Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Postal Country :UNITED KINGDOM

Telephone :020 7488 4901

Fax :020 7265 0654

Email :holbud@holbud.co.uk

Sector of Activity :Manufacturing

Warehouse Code :ZEPHYR HOUSE (DF) LTD

Warehouse Location :JKA

Consignor Details

Name :HOLBUD LIMITED

PIN :P000000000N

OGA Ref No :

Physical Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Physical Country :UNITED KINGDOM

Postal Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Postal Country :UNITED KINGDOM

Telephone :020 7488 4901

Fax :020 7265 0654

Email :holbud@holbud.co.uk

Sector of Activity :Manufacturing

Warehouse Code :ZEPHYR HOUSE (DF) LTD

Warehouse Location :JKA

Values - Header Level

Foreign Currency Code :USD	Forex Rate :103.06	FOB FCY :10,391,250.00
Freight FCY :765,000.00	Insurance FCY :0.00	Other Charges FCY :0.00
CIF FCY :11,156,250.00	FOB NCY :1,070,904,559.88	Freight NCY :78,839,599.50
Insurance NCY :0.00	Other Charges NCY :0.00	CIF NCY :1,149,744,159.38

Remarks

Conditions Of Approval

Purpose Of Import/Export

Trading

Terms and Conditions

Item Details

Item No :1

Item Description :BRAZILIAN BROWN SUGAR

Item HS Code :1701149000	HS Description :Other		
Quantity :25500000	Unit Of Quantity :Net Kilogram	Supplementary - Quantity :0	Package Type :Bulk, solid, fine particles (powders)
Package Quantity :25500000	Foreign Currency Code :USD	Unit Price FCY :0.41	Total Price FCY :10,391,250.00
Unit Price NCY :42.00	Total Price NCY :1,070,904,630.00	Country Of Origin :BRAZIL	Item Net Weight :25500000 Net Kilogram
Item Gross Weight :25500000 Net Kilogram	Applicant Remarks :IDF NO.E1712733112 UCRUCR201700985675		

Transport Details

Mode Of Transport :S	Mode Of Transport Desc :Sea
Port Of Arrival :Mombasa	Customs Office :KLD
Freight Station :CONTAINER TERMINAL	Cargo Type Indicator :Bulk

ANNEX 23

Annex 23

66 LEMAN STREET
LONDON E1 8EU

Telephone: 0207 488 4901
Telex: 892002 Holbud G
Telefax: 0207 265 0654
Cables: HOLBUD London E1
E-Mail: holbud@holbud.co.uk

HOLBUD LIMITED

SOUTH NYANZA SUGAR COMPANY LIMITED
P.O.BOX 107.405
SARE-AWENDO
MIGORI
KENYA

12TH OCTOBER 2017

WE CONFIRM OUR SALE AS PER OUR CONTRACT NO. 786-110-12195.

SELLERS	:	HOLBUD LIMITED
BUYERS	:	SOUTH NYANZA SUGAR COMPANY LIMITED
QUANTITY	:	50,000 METRIC TONS 10PCT MORE OR LESS IN SELLER OPTION
COMMODITY	:	BRAZILIAN BROWN SUGAR
SPECIFICATIONS	:	POLARIZATION 99.0 °Z MIN ICUMSA METHOD GS 1/2/3/9-1 MOISTURE 0.2 MAX ICUMSA METHOD GS 2/1/3/9-15 CONDUCTIVITY ASHES 0.3 PCT M/M MAX. ICUMSA METHID GS 1/3/4/7/8-15 COLOUR 1300 ICUMSA MAX ICUMSA METHOD GS 9/1/2/3-8 AS PER KEBS
SHIPMENT	:	OCTOBER/NOVEMBER 2017.
QUALITY/ CONDITION	:	FINAL AT LOADING AS PER INDEPENDENT SURVEYORS CERTIFICATE AT SELLER'S OPTION, FROM SGS, ITS OR BUREAU VERITAS.
WEIGHT	:	FINAL AS PER SHORE SCALE WEIGHTS AT LOADPORT CERTIFIED BY INDEPENDENT SURVEYOR AT SELLER'S OPTION
PACKING	:	BULK
PRICE	:	SIGHT KSH3295 PER 50KG BAGS AT HOLBUD'S NOMINATED WAREHOUSES IN MOMBASA. CUSTOMS CLEARED
PAYMENT	:	HOLBUD' WILL RECEIVE THE PAYMENT OF GOODS FROM THE BUY BACK BUYERS. PLEASE SEE BUY BACK AGREEMENT
DISCHARGE	:	HOLBUD'S NOMINATED AGENTS WLL ARRANGE DISCHARGE FROM BULK INTO BAGS INTO HOLBUD'S NOMINATED WAREHOUSES TITLE REMAINS WITH HOLBUD LIMITED
GOVERNING LAW	:	THIS CONTRACT SHALL BE GOVERNED BY ENGLISH LAW
FORCE MAJEURE	:	AS PER THE RULES OF THE SUGAR ASSOCIATION OF LONDON
ARBITRATION	:	FAILING AN AMICABLE SOLUTION TO SOLVE ANY DISPUTE OR CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT, ANY DISPUTE OR CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT SHALL BE REFERRED TO ARBITRATION BEFORE THE SUGAR ASSOCIATION OF LONDON FOR SETTLEMENT IN ACCORDANCE WITH THE RULES RELATING TO ARBITRATION. SUCH ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH ENGLISH LAW.

SOUTH NYANZA SUGAR CO. LTD.
P.O. BOX 10975 - 00100
NAIROBI, KENYA.
Tel: 0020. 89289336 / 36
Email: administration.@sonysugar.co.ke.
SONY SUGAR

ANNEX 23

HOLBUD LIMITED

OTHER TERMS : 1 SOUTH NYANZA SUGAR WILL:-

(A) APPLY FOR IDF AGAINST SELLERS PROFORMA INVOICE
(B) OBTAIN SUGAR BOARD'S IMPORT PERMIT

2. HOLBUD WILL PROVIDE PROFORMA INVOICE TO SOUTH NYANZA SUGAR OF USD437.50 CNFFO MOMBASA FOR IDF AND COC WILL BE APPLIED AS PER PROFORMA INVOICE.

GOODS WILL BE CUSTOM CLEARED UNDER SOUTH NYANZA SUGAR'S NAME AT USD437.50 CNFFO.

THE 6 BUY BACK BUYERS WILL PRE-FINANCE THESE COSTS TO THE CLEARING AGENT FOR CUSTOM CLEARANCE FROM CNFFO TO DELIVERED EX WAREHOUSES MOMBASA

3. HOLBUD WILL NOMINATE ITS CLEARING AGENT WHICH SOUTH NYANZA SUGAR WILL AGREE AND APPOINT

THIS NOMINATED CLEARING AGENT WILL CUSTOM CLEAR THE SUGAR UNDER SOUTH NYANZA SUGAR'S NAME. HOLBUD'S NOMINATED COMPANY WILL ARRANGE DISCHARGE OF SUGAR AND MOVEMENT TO EX WAREHOUSES MOMBASA.

4. BUYERS TO BE ENTIRELY RESPONSIBLE FOR IMPORT LICENCE, FAILURE TO OBTAIN SUCH LICENCE SHALL NOT BE SUFFICIENT GROUNDS FOR FORCE MAJEURE.

TITLE OF GOODS WILL REMAIN WITH HOLBUD UNTIL HOLBUD RECEIVES FULL PAYMENT FROM THE 6 BUY BACK BUYERS AS PER PROFORMA INVOICE GIVEN TO SOUTH NYANZA SUGAR AT USD437.50 CNFFO MOMBASA

DESPITE CUSTOM ENTRY AND CLEARANCE IN THE NAME OF SOUTH NYANZA SUGAR THE TITLE OF GOODS REMAIN WITH HOLBUD LIMITED (WHO HAVE A LIEN ON 100% OF GOODS) AND GOODS WILL BE PUT INTO HOLBUD'S NOMINATED WAREHOUSES UNDER HOLBUD'S CONTROL AND CUSTODY IN MOMBASA.

5. ALL DISCHARGE COSTS, INCLUDING STORAGE, BAGGING, WAREHOUSING ETC AT MOMBASA PORT ARE FOR BUYERS ACCOUNT WHICH WILL BE PRE-FINANCED BY THE 6 BUY BACK BUYERS

6. COC CHARGES FOR SELLERS ACCOUNT.

7. BUYERS TO SUPPLY IDF AND UCR AS SOON AS POSSIBLE.

8. SELLERS GUARANTEE VESSEL TO ARRIVE WITH MAXIMUM 10.5 METRES DRAFT AT MOMBASA.

9. OTHER TERMS AND CONDITIONS NOT STIPULATED IN THIS CONTRACT SHALL BE AS PER THE RULES OF THE SUGAR ASSOCIATION OF LONDON. SHOULD ANY CLAUSE OF THIS CONTRACT BE IN CONFLICT WITH THE RULES OF THE SUGAR ASSOCIATION OF LONDON THE CLAUSE OF THIS CONTRACT SHALL PREVAIL.

10. SELLERS TO NOMINATE AGENTS AT DISCHARGE PORT.

11. BUYERS TO ARRANGE INSURANCE IN ACCORDANCE WITH THE RULES OF THE SUGAR ASSOCIATION OF LONDON.

SOUTH NYANZA SUGAR CO. LTD.
P.O. Box 48979 - 00100
NAIROBI, KENYA.
Tel: 1020, 8020 336 / 38
Email: administration.@sonysugar.co.ke
SONY SUGAR

12. IT IS MUTUALLY AGREED BUYERS/SELLERS WILL JOINTLY WORK TO OBTAIN THE COC FOR THE CARGO AND FULL QUANTITY OF VESSEL

13. GEARLESS VESSELS ACCEPTED.

SELLERS

HOLBUD LTD

HOLBUD LIMITED

BUYERS

for AS MD

SOUTH NYANZA SUGAR CO. LTD.
P.O. Box 48979 - 00100
NAIROBI, KENYA.
Tel: (020) 30289336 / 36
Email: administration.@sonysugar.co.ke
SONY SUGAR

ADVERTISEMENT OF MEMORANDUM

ANNEX 24

24

REPUBLIC OF KENYA

NATIONAL ASSEMBLY
TWELFTH PARLIAMENT - SECOND SESSION

In the matter for consideration by the National Assembly on the alleged importation and sale of contraband sugar which is unfit for human consumption

SUBMISSION OF MEMORANDA

The National Assembly, during its Sitting on Tuesday 19th June, 2018 adjourned on a matter of National concern, in accordance with the provisions of Standing Order 33 to discuss the circulation of sugar that is allegedly unfit for human consumption in the country.

Upon deliberation, the matter was committed to a joint sitting of the Departmental Committees on Agriculture & Livestock, and that on Trade, Industry & Cooperatives to ***'Investigate, inquire into, and report its findings to the House within ten (10) days.***

The Joint Committee of the National Assembly hereby invites members of the public who may have an interest in the matter to submit their written representations. This is in compliance with the provisions of Article 118(1)(b) of the Constitution which requires parliament to facilitate the participation and involvement of the public in its legislative and other business including those of its committees.

The Joint Committee has scheduled an inquiry that is open to the public from Monday, 25 June 2018 to Friday, 29 June 2018.

The Inquiry will be held at **Mini Chamber, County Hall, Parliament Buildings.** A detailed schedule is available at **www.parliament.go.ke**

The representations may be forwarded to the **Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi;** hand-delivered to the **Office of the Clerk, Main Parliament Buildings, Nairobi;** or emailed to **clerk@parliament.go.ke;** to be received **on or before Friday 29th June, 2018 at 5.00 pm.**

MICHAEL SIALAI, EBS
CLERK OF THE NATIONAL ASSEMBLY

ANNEX 24

REPUBLIC OF KENYA

TWELFTH PARLIAMENT- (SECOND SESSION)
THE NATIONAL ASSEMBLY

COMMUNICATION FROM THE CHAIR

(No. 36)

GUIDING THE DEBATE ON THE REPORT OF THE INQUIRY INTO ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Honourable Members,

Before we proceed with this order relating to consideration of the Report of the Joint Departmental Committees on Agriculture & Livestock and Trade, Industry & Cooperatives on the inquiry into alleged importation of *Illegal and Contaminated Sugar in the Country,* I wish to make this Communication, which is aimed at facilitating the business of the House in view of certain matters that have been raised relating to part of the contents of the Report.

Honourable Members, you will recall that on Wednesday 1st August 2018, I interrupted the business of the House to allow the Chairpersons of the Joint Committees on Agriculture & Livestock and Trade, Industry & Cooperatives to table the aforementioned Report, long after the Order on "Papers" under which the laying of reports would ordinarily take place after it had been dispensed with. My decision was informed by the importance of the task undertaken by the two Committees, the sensitivity of the matters that were under investigation and the public interest in the questions sought to be addressed.

Honourable Members, even though the House Business Committee had neither sat nor scheduled the matter as part of the business for consideration that afternoon as is the practice, I did instruct that the highly anticipated Report be laid on the Table of the House and the matter nevertheless be considered the following day so as to cushion against speculations associated with any inordinate delay on such a sensitive matter. My decision was also informed by the fact that this House has the responsibility of deliberating and resolving issues of concern to the people, a function conferred upon each one of you by Article 95(2) of the Constitution. Suffice it to say, the issue of the alleged presence of contraband and probably contaminated sugar in the Country is one that has been and is still a huge concern to the people of Kenya and they are looking up to this House through the two Committees to get to the bottom of it.

Honourable Members, moving on, upon the Report being laid I received representations from a host of Members including some of the Members of the Joint Committee regarding some of the recommendations contained in the report. Indeed, the following day after the report had been tabled, I received more representations from Members, including those of the House Business Committee, to defer discussions in order to afford all Members an opportunity to read the Report. Requests were also made to me to defer the Report so as to allow sufficient time for those wishing to propose amendments to the Report to observe the timelines set out under Standing Order 55 relating to issuance of notices of amendments. Honourable Members, as you may be aware, that Standing Order requires the proposer of an amendment to a Motion to hand the proposed

amendments in writing to the Clerk of the House **at least two hours before the Order is read**.

Honourable Members, you will recall that I forthwith ordered for the reorganization of the Business that afternoon and deferred the particular order relating to the Report to the next soonest date agreed to by the House Business Committee.

Permit me to also bring to the attention of this House the fact that I have in the past few days received further representations from Members of the Joint Committee who have expressed concern that some of the recommendations as worded may not fully represent the spirit of the resolutions of the Committee. Conscious of the gravity of the matter, I have certainly also engaged in discourse with the two Chairpersons of the Committees with a view to establishing the actual position.

Honourable Members, before I proceed, I wish to state that I am dismayed that the questions relating to the accuracy or otherwise of certain parts, including findings, of the report were canvassed more in the media than before this House. Without belabouring the point Honourable Members, you will also recall that I recently guided the House on the investigatory mandate of Committees, and I urged that Committees, and indeed its Members, do refrain from anticipating debate on a Motion of which notice has been given contrary to provisions of Standing Order 85. Of concern is the equally disappointing manner in which Members have conducted themselves in canvassing the issues in the media. No sooner had the Chairperson of the Departmental Committee on Trade and Industry tabled the report than the media reports became awash with information that some Members of the Joint Committee had disowned the contents of the report. While Honourable Members may not have had the

intention to besmirch the Committee, the accusatory tone of some comments in the media reports has yielded premature and undesired reactions from the public even before the Report is debated. This was indeed conduct unbecoming of the concerned Honourable Members, as it is expected that any concerns relating to contents of a Report should be addressed through appropriate parliamentary channels more so, bearing in mind the provisions of Standing Order 85, which prohibit Members from anticipating debate.

Ventilating on a matter before the House outside the domain of the debating Chamber goes against the long-held view that Parliament is an August House.

Indeed, on 9th July, 1971, the then Hon. Speaker Mati, ruled that it was improper to carry on a debate in the Newspapers on a matter that is active in the House.

I quote, "**Hon. Members, my attention has been drawn to a report in one newspaper, the *Daily Nation*, where it is reported that one Hon. Member made a statement on the Trade Disputes (Amendment) Bill to the Press. I would like to remind hon. Members that this is completely out of order. It is not done once a matter is before this House, it is debated here and we do not carry on the debate in newspapers of Bills or Motions, which are presented to this House. I hope the Hon. Member did not intend to offend these rules. It is improper for any Hon. Member to carry on a debate in the Papers on something that is going on here in the House**."

Again on 15th July, 1971, he ruled that, **"It is all right to make general statements perhaps, when an organization does not agree with something; but when you go as far as giving the details on the things which you either said here or could have said here, then, that is going too far and it makes the work of the House almost useless."**

Honourable Members, it is paramount to remind ourselves of our constitutional duties and obligations as Members of Parliament as conferred by the Constitution and more importantly on the duty we owe to our people: That is to provide clarity where there is confusion; to provide direction where there is none; to provide reassurance where there is anxiety; to provide peace where there is dispute; and to give hope where there is despair. This, Honourable Members, should be our marking scheme, our guiding principle and the light that guides how we execute our duties even in our respective Committees.

Honourable Members, having said that, allow me now to interrogate the following two questions that have arisen concerning the Report before this House-

(1)First, what is the authenticity of the Report before this House?

(2)Secondly, did the Committees miss any procedural steps in compiling the final Report?

Honourable Members, in order to address the first question on the authenticity of the Report before this House, allow me to state that I am guided by the provisions of Standing Order 199 which provides as follows

Reports of Select Committees.

199 *(1) The report of a Select Committee shall be prepared and kept in the same form as the Votes and Proceedings of a Committee of the whole House and in such other form as may be prescribed in the Committee manual.*

(2) The report of a Select Committee having been adopted by a majority of the members, shall be signed by the Chairperson on behalf of the Committee.

(3)A Select Committee shall adopt its report in a meeting attended by a majority of its members.

Honourable Members, in light of the foregoing, as your Speaker, I am now compelled to answer the following questions, which sets out the procedural parameters of authenticating a Committee Report-

(i) *Is the Report properly before this House?* ***The answer is yes, having been properly laid by the Joint Chairperson, last week;***

(ii) *Are there votes and proceedings of the Report in form of minutes appended?* ***The answer is yes;***

(iii) *Has the Report been adopted by a majority of the Members?* ***The minutes attest that the answer is yes;***

(iv) *Has the Report been signed by the Chairperson of the Committee?* ***Page No. 62 of the Report indicates that the answer is also yes;***

(v) *Was the Report adopted in a meeting attended by a majority of its members?* ***The minutes of the 24th Sitting of the Joint Committee held on 1st August 2018 and in which 28 Members were present attest that the answer is also in the affirmative.***

In this regard, **Honourable Members** and in accordance with the provisions of Standing Order 199, the Report before this House is therefore authentic as it complies with the requirements of the Standing Orders.

Honourable Members, moving on to the last question on whether the Joint Committee overlooked or missed any steps in arriving at the final Report, I am further guided by the provisions of Standing Order 199(5) and (6) which provide that-

(4) A report having been adopted by a majority of members, a minority or dissenting report may be appended to the report by the members of the Committee.

(5) A report of a select committee including any minority report together with the minutes of the proceedings of the committee shall be laid by the Chairperson of the Committee within fourteen days of conclusion of its proceedings.

Honourable Members pursuant to the provisions of Standing Order 199(5) and (6) and considering the representations I have received from various members of the Joint Committee, I am persuaded that the Joint Committee may have missed an important step while considering and preparing a final report on this matter: That is, the opportunity to also have a divergent view(s) or a minority report recorded as contemplated under Standing Order 199(5) and (6), if the conduct of some of the Members following the tabling of the Report is anything to go by.

Permit me, **Honourable Members** to remind this House of the Communication I issued on 30th July 2014 (*On the Place of Minority Reports and Admissibility of Committee Report on the Removal of IEBC Commissioners*). Due to the importance of the matter at hand, I will quote a number of the findings in that Communication. The House was guided thus-

"There is a universally accepted principle of democracy that "the majority shall have their way, but the minority shall also have their say". This principle does not decree that the majority ought to emasculate the voices of the minority, nor does it give the minority a blanket cheque to say anything under the sun. To the contrary, this principle encourages the majority in any group to recognise and take into account the views of the minority in that group..... In parliamentary parlance, the application of this principle is not new.....The Chairperson rules on relevance. The indication of a minority report is a mechanism to allow the House to be acquainted

with the completeness of the issues about which there has been disagreement, before the House can make a resolution...

Hon. Members, the reading of these rules (Standing Order 199(5 and (6)) indicate that, as an advance of our previous practice, those with minority views have been accorded the higher privilege as they are allowed to have their views recorded substantially, and not just a mere mention and, in a rare occasion, have a dissenting report appended to the main report. This is in keeping with the spirit of our new Constitution to protect the rights of both the majority and the minority. However, should a committee not reach consensus, this does not imply that there should be two reports of a committee or a separate report compiled by the minority. The rule of thumb is that there can only be one report of a committee. That is the report that has been supported by the majority of the membership of the committee, which may contain, as part of it, a minority report."

Honourable Members, It is my considered view that the Members of the Joint Committee who had a contrary view to that held by the majority, lost an opportunity to prepare a minority report that would have, in my view, also enriched debate in the House by informing the House on the substance of the divergent views that may have been held by them.

It lowers the dignity of the House when we fail to observe our own rules on anticipation of debate and taking it outside the House, and more importantly by not utilizing avenues available to express our divergent views.

Honourable Members, having disposed of the questions of **authenticity** of the Report and the probability of the **missed steps**, allow me now to inform the House that, pursuant to the provisions of Standing Order 55, the Office of the Clerk did receive proposed amendments to the Report from three Hon. Members. These are the Majority Party Whip, Hon. Benjamin Washiali; the Member for Homabay County, Hon. Gladys Wanga, and nominated Member, Hon. Geoffrey Osotsi. As you may have

noticed by now, those amendments are published in the Order Paper for this sitting, save for those proposed by the Majority Party Whip, which failed to meet the standard test of **admissible amendments.** For the information of the House, the Majority Party Whip was proposing to introduce **new** annexetures and recommendations, whose basis was **new evidence** that he was proposing to introduce in the Report, by amending the *Observations* part of the Report. You will all agree with me that, allowing such would have been procedurally untenable. Should the Member have intended to have that evidence considered, he should have tabled it either in the House when the matter was canvassed, or in the Joint Committee during the evidence taking. Introducing new evidence at this penultimate stage will definitely present legal and procedural absurdity to the ordinary process of evidence taking as we know it!

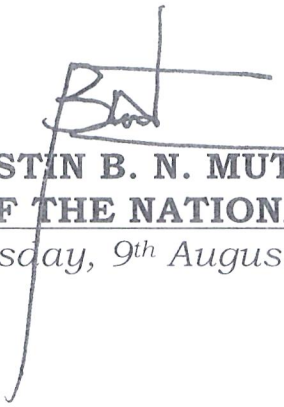
Honourable Members, I indeed found myself in a very awkward position that requires me to adjudicate on the content of a Report whose conceptualization, evidence taking sessions and drafting I did not participate in. In summary therefore, I rule as follows–

(i) **THAT, pursuant to the provisions Standing Order 199 the Report before this House is authentic and it meets the requirements of the Standing Orders; and,**

(ii) **THAT, pursuant to the provisions Standing Order 199, the Members of the Joint Committee who may have had dissenting opinion from the majority of Members who adopted the Report ought to have considered recording, as part of the Report, their dissenting views, but in absence of such record in the Report, the House should proceed to consider the Report as tabled in the House.**

The House is guided accordingly.

I Thank you!



THE HON. JUSTIN B. N. MUTURI, E.G.H, MP
SPEAKER OF THE NATIONAL ASSEMBLY
Thursday, 9th August, 2018

MINUTES

MINUTES OF THE 24TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 1ST AUGUST 2018 IN THE COMMITTEE ROOM 12, MAIN PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Maison Leshoomo, MP
5. Hon. Ferdinard Wanyonyi, MP
6. Hon. Jones Mlolwa, MP
7. Hon. Bunyasi John Sakwa, MP
8. Hon. Daniel Maanzo, MP
9. Hon. Silas Kipkoech Tiren, MP
10. Hon. Simba Arati, MP
11. Hon. Kathuri Murungi, MP
12. Hon. Andrew Mwadime, MP
13. Hon. Dr. Daniel Kamuren Tuitoek, MP
14. Hon. Justus Makokha Murunga, MP
15. Hon. Rahab Mukami Wachira, MP
16. Hon. Dr. Wilberforce Oundo, MP
17. Hon. Gabriel Kago Mukuha, MP
18. Hon. Joseph Nduati Ngugi, MP
19. Hon. Robert Gichimu Githinji, MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Joyce Kamene, MP
23. Hon. Fred Ouda, MP
24. Hon. James Mukwe, MP
25. Hon. Generali Nixon Kiprotich Korir, MP
26. Hon. Yegon Brighton Leonard,MP
27. Hon. Adan Haji Yussuf, MP
28. Hon. Janet Jepkemboi Sitienei, MP

APOLOGIES

1. Hon. Florence Mutua, MP
2. Hon. John Paul Mwirigi, MP
3. Hon. Cornelly Serem, MP
4. Hon. Francis Munyua Waititu, MP
5. Hon. Dr. John Kanyuithia Mutunga, MP
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1 (HoD)
2.	Mr. Ahmad Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Ms. Nuri Kitel Nataan	-	Third Clerk Assistant
5.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
6.	Ms. Lynette Otieno	-	Legal Counsel
7.	Mr. Peter Mwaura	-	Legal Counsel
8.	Ms. Roseline Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer
10.	Ms. Deborah Mupusi	-	Media Relations Officer

MIN.NO. DCS/ JCAL& TIC 2018/085: PRELIMINARIES
The Chairperson called the meeting to order at 10.00am. Members were welcomed to the sitting, proceedings began with a word of prayer.

MIN.NO. DCS/ JCAL& TIC 2018/086: ADOPTION OF THE REPORT ON THE INQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAINATED SUGAR
The Committee adopted the report as per the following observations and recommendations.

Test Results of Sugar Samples by the Kenya Bureau of Standards

4.1 The Mandate of KEBS includes among others testing of locally manufactured and imported commodities with a view to determining whether such commodities comply with provisions of the Standards Act and any other relevant laws which provide for the Standards of Quality or description of commodities.

4.2 The certification of sugar is guided by the following standards: **(Annex 18)**

(a) KS EAS 749: 2010 *Brown Sugar – Specification*
(b) KS EAS 16:2010 *Plantation (Mill) white Sugar – Specification*
(c) KS EAS 5:2009 Refined *white sugar — Specification*

4.3 **No traces of Mercury were detected in the samples collected from seized sugar and from market surveillance by KEBS.** KEBS tested two categories of sugar samples; the first category of samples was drawn from consignments seized by the Multi-Agency Taskforce, **(Annex 14)** while the second category was collected by the KEBS market surveillance team from various outlets across the Country **(Annex 15)**. These market surveillance samples were collected from outlets most frequented by members of the public.

4.4 From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags. This translated to 96% of 1,319,668 50kg bags.

4.5 Out of the sample of 1, 266, 351 50kg bags, 837, 244 50kg bags equivalent to 66% of the sample failed the KEBS test. Only 157,392 of the sampled 1, 266,351 bags equivalent to 34% of the sample passed the KEBS test. It was noted that 705, 125 bags amongst the ones that did not meet the standards were meant for further processing. **(Annex14)**

4.6 To date KEBS has drawn a total of 261 samples from fourty five (45) counties with the exception of Tana River and Mandera, through market surveillance routine checks to establish the quality of the sugar in the market. KEBS has tested 109 samples representing 42 Counties of which, 75 samples complied with the standard representing 68.81% of the total samples tested. Thirty-four (34) samples failed to meet the set standards representing 32% of the samples tested for moisture content, yeast and moulds, colour, total viable count and polarisation. **(Annex 15).**

4.7 The samples collected by the KEBS **market surveillance** team were tested for the following heavy metals; Mercury, Arsenic, Lead and Copper. KEBS **did not detect any non-conformity** from the samples tested and analysed since Lead and Copper were within the recommended threshold.

4.8 The samples collected from sugar seized at Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm from samples of sugar seized at Diamond Wholesalers against a maximum acceptable limit of 2.0 ppm and the levels of Lead was at 0.35 ppm in samples collected from Paleah stores against the recommended limit of 0.05 ppm. **(Annex)**

Laboratory Sample Test Results from the Ministry of Health

4.9 The Mandate of the Ministry of Health includes amongst others, monitoring public health and safety and inspection of storage facilities. The Department of Public Health under the Ministry is singly responsible for the inspection and certification of storage facilities. Port health officers are required to conduct inspection of vessels, cargo as well as crew before a vessel is authorized to dock at the port.

4.10 The initial report from the Government Chemist as submitted to the Committee by the Ministry of Health on 23rd June, 2018 indicated that from 174 samples collected from 19 Counties, 60% of the samples tested and analysed for moisture content did not comply with KS:EAS 749:2010. The standard requirement is 0.2% m/m and 0.15% m/m maximum moisture content for brown sugar and light brown sugar respectively.

4.11 The sugar is therefore not fit for human consumption. In respect to heavy metals; laboratory analysis results **revealed that Copper, Lead and Arsenic contamination were within the standard specification for brown and light brown sugar.** Industrial sugar was also tested and analysed for conformity with the standard specifications. The tests showed that the **industrial sugar was fit for use in preparation of foods meant for human consumption**.

4.12 A subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for Mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample tested positive for Mercury at 0.5910 ppm hence not fit for human consumption. **(Annex16).** Correspondence

through letter reference **Ref. F/MISC/270/17-18** between the Director of Public Health and the Public Health Officer, Bungoma County indicates that the sample was obtained from Webuye West. The Committee efforts to establish the ownership details of the consignment were unsuccessful. The contaminated sugar is under seizure by the Multi–Agency Taskforce (MAT) pending further action.

Cabinet Secretary for Interior and Coordination of National Government

4.13 The Cabinet Secretary for Interior and Coordination of National Government submitted that his allegation on presence of sugar contaminated with mercury in the country was cautionary and intended to call the attention of the general-public to the existence of contaminated products in the market.

4.14 The Government Chemist was moved from the Ministry of Health to the Ministry of Interior and Coordination of National Government through Executive Order No.1 of 2018 dated 5th June 2018. The CS did not corroborate his statement on presence of mercury in sugar despite the Government Chemist being housed in his docket by the time he appeared before the Committee.

Cabinet Secretary National Treasury

4.15The Executive order No. 1 of 2017 dated 10th February 2017 declaring drought and famine as a national disaster directed government Ministries, Agencies and Departments to institute measures aimed at alleviating the ramifications of the drought experienced in the country.

4.16 Inter-Ministerial meeting held at Harambee House on 5th May 2017 resolved to import sugar duty free into the country. The meeting reviewed the supply of sugar and milk in the market and noted that the shortages had led to an escalation of prices of these products. The objective of the Inter-Ministerial consultations was to explore measures to mitigate the escalation of prices of sugar and milk.

4.17 The Gazette Notice No. 4536 (annexed) issued by the Cabinet Secretary National Treasury Mr. Henry Rotich published on 12th May 2017 allowed importation of;

(a) Sugar by any person, with effect from the date of the notice to 31st August 2017
(b) 9,000 metric tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board, with effect from the date of the notice to 31st July 2017.

4.18 The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be observed as per the law including health and safety, quality specifications and standardization by the Kenya Bureau of Standards and other relevant agencies in accordance with the law. The importation of sugar was time bound and not quantity based.

4.19 During this period 829,871 MT of sugar were imported against a deficit of 343,889MT based on the local production of 376,111 MT hence resulting to over importation by 453,760 MT. A total of 194 Companies imported sugar during the duty-free window. **(Annex).**

4.20 The Gazette Notice No. 4536 failed to give guidelines on quantity and type of sugar that was to be imported, whereas importation of milk powder was specified in paragraph (b) of the same Gazette Notice. The CS National Treasury opened up the otherwise well-regulated sugar importation process to abuse by any person. This allowed for importation of 829, 871 MT of sugar when the deficit based on the local production was 343, 889 MT, hence an over importation by 453,760 MT.

The Role of CS Agriculture, Livestock, Fisheries & Irrigation

4.21 According to Executive Order No.1 of 2013, the then Ministry of Agriculture, Livestock and Fisheries was responsible for food safety, security and inspections. In this regard, the National Treasury published Gazette Notice No.4536 based on the Executive Order No. 1 of 2017 declaring drought and famine as a national disaster. A consultative inter-ministerial meeting chaired by Head of Public Service held on 5th May, 2017 at Harambee House directed the National Treasury to gazette the importation of sugar duty free.

4.22 Registration of sugar importers is conducted pursuant to Legal Notice No. 114, Sugar Imports, Exports and By-Products (Amendment) Regulations, 2001 importers are required to file a pre-shipment request with AFA by submitting documentary evidence of;

(a) Quantity and type of sugar to be imported;
(b) Country of origin;
(c) Pro-forma invoice showing all charges (FOB, Freight, Insurance Premium);
(d) Intended time of importation; and
(e) The supplier of the sugar.

4.23 After the expiry of Gazette Notice No. 4536 on 31st August 2017, the CS for National Treasury following the advice of the CS Agriculture, Livestock and Fisheries published a subsequent Gazette Notice No. 9801 on 4th October, 2017 extending the duty free window for the importation of sugar. The Gazette Notice provided that duty would not be payable on sugar loaded into a vessel between 1st September, 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar miller. Gazette Notice No. 9801 as amended by Gazette Notice No. 10149 published on 13th October, 2017 created an avenue for tax evasion by sugar millers who imported sugar between 1st September, 2017 and 3rd October, 2017.

4.24 Gazette Notice No. 9802 Amended Gazette Notice No. 4536 to specify that only sugar loaded on a vessel between 12th May 2017 and 31st August, 2017 would quality for importation on a duty free basis. The failure to specify whether the waiver of duty was applicable to "sugar loaded on a vessel within the duty-free window" or "sugar imported within the duty-free window" was abused by unscrupulous dealers. Gazette Notice No.9802 was specifically designed to benefit fourteen (14) companies (Annex). There were no justifiable reasons why the fourteen companies were given preferential treatment during the clearance of imported sugar.

4.26 The Gazette Notice No. 9801 was published on 4th October 2017. Therefore, sugar imported between 1st September and 3rd October 2017 was not within the duty-free

window. As such, millers who imported sugar outside the duty free window are obligated to pay import duty. The Gazette Notice contravened the basic principle on retrospective application of the law.

4.27 The Parliamentary report on the investigation into *"The crisis facing the sugar industry in Kenya"* by the Departmental Committee on Agriculture, Livestock and Co-operatives in the 11th Parliament established that certain companies were involved in illegal importation and repackaging of contraband sugar. The Committee had recommended that their import licences be withdrawn. The licensing body AFA did not withdraws the licences. Therefore some of the companies participated in and benefited from the duty free importation of sugar in 2017. The companies were; Czarnikow E. A. Ltd, Kenafric Industries, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.

The Role of South Nyanza Sugar Company Limited (SONY)

4.28 The South Nyanza Sugar Company applied for a licence to import 90,000 MT under Gazette Notice No. 9801. The Company was however allowed to import 50,500 MT on 19th October 2017, six (6) days after the expiry of Gazette Notice No. 9801 on 13th October, 2017. In addition, the Company did not have the financial capacity to pay for the imports as it was technically insolvent.

4.29 The Management of Sony Sugar Company informed the Committee that they were not involved in the handling of the imported sugar and could therefore not guarantee the quantity and quality of sugar imported. The licence issued to them was not transferable to a third party; they were paper consignees.

4.30 South Nyanza Sugar Company entered into a contractual agreement with Ms Holbud Ltd, an international supplier of commodities to secure the consignment. The Contract involved a *buy back* arrangement under which, Ms. Holbud would sell the imported sugar to Sony Sugar Company and the agents of Ms. Holbud would take responsibility for the importation, clearing and handling of the sugar. The six *buy back* companies along with Sony Sugar Company were required to meet all necessary legal and regulatory mechanisms as per the requirements of KS: EAS 749:2010.

4.31 The company made a commission of Kshs. 82 Million in a transaction worth approximately Kshs. 2.5 Billion. The contract lacked a clear formula for sharing the profit earned. If duty was paid on the imported sugar the country would have earned approximately Kshs. 2.5 Billion.

Handling, Storage and Disposal

4.32 The handling, offloading, bagging, storage and transportation of some of the sugar was done in contravention of the standards set out in KES:EAS 749:2010. From field visits conducted by the Committee in Mombasa (Multiple Inland Container Depots), it was evident that the sugar had been stored in unhygienic conditions contrary to Section 127 of the Public Health Act. Specific violations included transporting sugar in open tippers

which were also used to ferry other non-food products such as fertilizer. The sugar was stored in open warehouses on dusty contaminated with foreign elements such as klinker and cement.

4.33 According to the Cabinet Secretary Interior and Co-ordination of National Government 95% of sugar imported into the country gained entry through the port of Mombasa whereas 5% contraband sugar found its way into the country through porous borders. The quality and safety conditions of the contraband sugar could not be ascertained.

4.34 It is not possible to differentiate raw sugar (for further processing) and brown sugar (for direct consumption) in absence of laboratory analysis.

4.35 Some supermarkets, wholesalers and retail outlets served as avenues in the distribution and sale of the sugar, by virtue of the fact that most supermarkets, wholesalers and retail outlets purchase unpackaged sugar from millers in 25 kg bags or 50kg bags and consequently package it into smaller quantities under uncontrolled conditions.

4.36 From the samples collected from forty-five (45) Counties by KEBS and laboratory analysis by the Government Chemist, contamination of sugar was majorly in moisture, yeast, moulds, total viable count and polarisation. Sugar contaminated with Mercury was detected in two samples; from Moi Airbase in Eastleigh, Nairobi and Webuye West in Bungoma County. The consignments of contaminated sugar are under the custody of the Multi-Agency Team pending further action.

4.37 Efforts by the Joint Committee to validate the findings of the Government Chemist on the presence of Mercury in the seized consignment of sugar by independent agencies namely the University of Nairobi and the Kenya Plant and Health Inspectorate Service (KEPHIS) were unsuccessful after they were denied entry to the two sites by the Multi-Agency Team.

COMMITTEE RECOMMENDATIONS

From submissions received and observations made, the Joint Committee made the following recommendations: -

5.1 All sugar that does not comply with the set standards and hence unfit for human consumption should be destroyed by the Multi-Agency Taskforce or any other appropriate government agencies within twenty-one (21) days of adoption of the report of the Joint Committee Departmental Committee on Agriculture and Livestock and Trade, Industry and Co-operatives by the House.

5.2 The importers, wholesalers and millers dealing in contaminated sugar should be investigated by the relevant government agencies with a view to prosecution for violating the provisions of Section 3 of the Food, Drugs and Chemical Substances Act (Cap. 254), Section 131 of the Public Health Act (Cap. 242) and any other relevant law.

5.3 The Kenya Revenue Authority should recover duty payable on all sugar imported between 1st September and 3rd October 2017. The importers benefited as a result of the retrospective application of the law vide Gazette Notice No. 9801.

5.4 The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should investigate the alleged irregular transaction between South Nyanza Sugar Company Ltd and all other companies for the alleged tax evasion of approximately Kshs. 2.5 billion. (Annex)

5.5 The relevant investigative agencies should investigate the Cabinet Secretary for National Treasury to ascertain the circumstances under which Gazette Notice No. 4536, Gazette Notice No. 9801, Gazette Notice No. 9802 and Gazette Notice No. 10149 were issued, leading to importation of excess sugar into the country and evasion of taxes.

5.6 The relevant investigative agencies should investigate the then Cabinet Secretary for Agriculture, Livestock and Fisheries to establish the circumstances under which the CS recommended waiver of duty for the fourteen (14) companies which imported sugar under Gazette Notice No.9802.

5.7 The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should conduct further in-depth investigations of all irregularities relating to the importation of sugar into the country.

5.8 The Government should ban importation of un-bagged bulk sugar and institute measures to guarantee the safety of sugar and other food commodities imported into the country.

5.9 The Government should ban the importation of raw sugar meant for further processing as table sugar to avoid diversion of this sugar into the local market and safeguard the local sugar cane farmers.

5.10 KEBS should undertake a thorough review of its existing standards for sugar importation to provide that all sugar imported into the country is tested for presence of heavy metals prior to issuance of Certificates of Conformity.

5.11 The relevant investigative agencies should investigate the then Cabinet Secretary, Ministry of Trade, Industry and Co-operatives under whose docket KEBS falls to establish the circumstances under which KEBS failed to undertake adequate market surveillance to guarantee the safety and quality of sugar in the country.

5.12 The Government, through the Multi-Agency Team should speed up investigations into the unfit and contraband sugar and publish its findings within twenty-one (21) days of adoption of the report of the Joint Committee Departmental Committee on Agriculture and Livestock and Trade, Industry and Co-operatives by the House.

5.13 The relevant agencies should ensure that all raw sugar imported into the country during the duty-free window is reprocessed as required.

5.14 The Multi-Agency Taskforce should ensure that seized Sugar which has complied with the relevant tests and the set standards is released back to the owners immediately. **(Annex)**

5.15 In view of the findings by the Government Chemist that two samples tested positive for Mercury (Moi Air Base and Webuye West) and Copper at 20.7 ppm against a maximum acceptable limit of 2 ppm and Lead at 0.35 ppm against the recommended standard of 0.05 ppm (Diamond Wholesalers, Eastleigh, Nairobi and Paleah Stores, Ruiru, Kiambu County) and the obstruction of the Committee to validate the same through independent testing agencies, the relevant Government agencies should conduct further investigations on:-

(a) Why the Committee was denied access to the consignment on two occasions; and
(b) The circumstances leading to the contamination of sugar with Mercury, Copper and Lead.

MIN.NO. DCS/ JCAL& TIC 2018/087: ADJOURNMENT

The Chairperson thanked the Members for their attendance and adjourned the meeting at five minutes past one o'clock.

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 23RD SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 31ST JULY, 2018 IN PANARI HOTEL, NAIROBI AT 2.30 PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Simba Arati, MP.
6. Hon. Ferdinard Wanyonyi, MP
7. Hon. Maison Leshoomo, MP.
8. Hon. Kathuri Murungi, MP
9. Hon. Silas Kipkoech Tiren, M.P.
10. Hon. Andrew Mwadime, MP
11. Hon. Bunyasi John Sakwa, MP
12. Hon. Daniel Maanzo, MP
13. Hon. Daniel Kamuren Tuitoek, M.P.
14. Hon. Rahab Mukami Wachira, MP
15. Hon. Joyce Kamene, MP.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon Nduati Ngugi,MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Gabriel Kago Mukuha, M.P
23. Hon. Anab Mohamed Gure, MP
24. Hon. Yegon Brighton Leonard,MP
25. Hon. Adan Haji Yussuf, M.P.
26. Hon. James Mukwe, MP

APOLOGIES

1. Hon. Generali Nixon Kiprotich Korir, MP
2. Hon. John Paul Mwirigi, M.P.
3. Hon. Justus Makokha Murunga, MP.
4. Hon. Robert Gichimu Githinji, MP
5. Hon. Fred Ouda, M.P.
6. Hon. Patrick Kimani Wainaina Jungle, MP

7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Florence Mutua, MP.
9. Hon. Francis Munyua Waititu, M.P.
10. Hon. Alexander Kimutai Kigen Kosgey, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Kariuki	-	Researcher
7.	Mr. Chelanga Maiyo	-	Researcher
8.	Ms. Rose Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/082: PRELIMINARIES

The Chairperson called the meeting to order at 3.00pm and thereafter the meeting continued with consideration of the Committee recommendations to the report of the inquiry into alleged importation of illegal and contaminated sugar in the country.

MIN.NO. DCS/ JCAL& TIC 2018/083: CONSIDERATION OF THE RECOMMENDATIONS TO THE REPORT OF THE INQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Having received written and oral submissions from the key witnesses the Committee the considered its recommendations as follows:-

1. All sugar that does not comply with the set standards and hence unfit for human consumption should be destroyed by the Multi-Agency Taskforce or any other appropriate government agencies within twenty one (21) days.

2. The importers, wholesalers and millers dealing in contaminated sugar should be investigated by the relevant government agencies with a view to prosecution for violating the provisions of Section 3 of the Food, Drugs and Chemical Substances Act, Cap. 254, Section 131 of the Public Health Act, Cap. 242 and any other written law.

3. The Kenya Revenue Authority should recover duty payable on all sugar imported between 1st September and 3rd October, 2017. The importers benefited as a result of the retrospective application of the law vide Gazette Notice No. 9801.

4. The Director of Criminal Investigations and the Ethics and Anti-Corruption Commission should investigate the suspect deal between South Nyanza Sugar Company Ltd and all other companies for the alleged tax evasion of approximately Kshs. 2.5 billion. (Annex)

5. The Cabinet Secretary for National Treasury should be held responsible for the excess importation of sugar into the country and consequent tax evasion based on the Gazette Notice No. 4536, Gazette Notice No. 9801, Gazette Notice No. 9802 and Gazette Notice No. 10149.

6. The then Cabinet Secretary for Agriculture, Livestock and Fisheries should be held responsible for recommending waiver of duty for 14 companies which imported sugar under Gazette Notice No.9802.

7. The Directorate of Criminal Investigations and the Ethics and Anti-Corruption Commission should conduct further in-depth investigations of all irregularities relating to the importation of sugar into the country.

8. The Government should ban importation of un-bagged bulk sugar and institute measures to guarantee the safety of sugar and other food commodities imported into the country.

9. The Government should ban the importation of raw sugar meant for further processing as table sugar to avoid diversion of this sugar into the local market and safeguard the local sugar cane farmers.

10. KEBS should undertake a thorough review of its existing standards for sugar importation to provide that all sugar imported into the country is tested for presence of heavy metals prior to issuance of Certificates of Conformity.

11. The then Cabinet Secretary, Ministry of Trade, Industry and Co-operatives under whose docket KEBS falls should be held responsible for failure to undertake adequate market surveillance to guarantee the safety and quality of sugar in the country.

12. The Government, through the Multi-Agency Team should speed up investigations into the unfit and contraband sugar and publish its findings within twenty one (21) days.

13. The relevant agencies should ensure that all raw sugar imported into the country during the duty free window is reprocessed as required.

14. The Multi-Agency Taskforce should ensure that seized Sugar which has complied with the relevant tests and the set standards is released back to the owners immediately. (Annex)

15. In view of the findings by the Government Chemist that two samples tested positive for Mercury (Moi Air Base and Webuye West) and Copper at 20.7 ppm against a maximum acceptable limit of 2 ppm and Lead at 0.35 ppm against the recommended standard of 0.05 ppm (Diamond Wholesalers, Eastleigh, Nairobi and Paleah Stores, Ruiru, Kiambu County) and the obstruction of the Committee to validate the same through independent testing agencies, the relevant Government agencies should conduct further investigations on:-
    (a) Why the Committee was denied access to the consignment on two occasions; and
    (b) The circumstances leading to the contamination of sugar with Mercury, Copper and Lead.

MIN.NO. DCS/ JCAL& TIC 2018/084: ADJOURNMENT

The Chairperson adjourned the meeting at 8.15pm

Signed.....

Chairperson

Date.....11/8/2018.....

MINUTES OF THE 22ND SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 30TH JULY, 2018 IN PANARI HOTEL, NAIROBI AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Simba Arati, MP.
6. Hon. Maison Leshoomo, MP.
7. Hon. Kathuri Murungi, MP
8. Hon. Andrew Mwadime, MP
9. Hon. Bunyasi John Sakwa, MP
10. Hon. Daniel Maanzo, MP
11. Hon. Daniel Kamuren Tuitoek, M.P.
12. Hon. Rahab Mukami Wachira, MP
13. Hon. Robert Gichimu Githinji, MP
14. Hon. Joyce Kamene, MP.
15. Hon. Jones Mlolwa, MP
16. Hon. Janet Jepkemboi Sitienei, M.P
17. Hon. Dr. Wilberforce Oundo, MP
18. Hon Nduati Ngugi,MP
19. Hon. Alois Musa Lentoimaga, MP
20. Hon. Kipruto Moi, MP
21. Hon. Gabriel Kago Mukuha, M.P
22. Hon. Anab Mohamed Gure, MP
23. Hon. Yegon Brighton Leonard,MP
24. Hon. Adan Haji Yussuf, M.P.
25. Hon. Generali Nixon Kiprotich Korir, MP

APOLOGIES

1. Hon. Silas Kipkoech Tiren, M.P.
2. Hon. John Paul Mwirigi, M.P.
3. Hon. Justus Makokha Murunga, MP.
4. Hon. Ferdinard Wanyonyi, MP
5. Hon. Fred Ouda, M.P.
6. Hon. James Mukwe, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP
8. Hon. Dr. John Kanyuithia Mutunga, M.P.
9. Hon. Florence Mutua, MP.
10. Hon. Francis Munyua Waititu, M.P.
11. Hon. Alexander Kimutai Kigen Kosgey, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Kariuki	-	Researcher
7.	Mr. Chelanga Maiyo	-	Researcher
8.	Ms. Rose Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/079: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and thereafter the Committee continued with consideration of its observations to be incorporated in the report.

MIN.NO. DCS/ JCAL& TIC 2018/080: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Having received written and oral submissions from the key witnesses the Committee considered and agreed on the following observations:-

Test Results of Sugar Samples by the Kenya Bureau of Standards

1. The Mandate of KEBS includes among others testing of locally manufactured and imported commodities with a view to determining whether such commodities comply with provisions of the Standards Act and any other relevant laws which provide for the Standards of Quality or description of commodities.

2. The certification of sugar is guided by the following standards:

   (a) KS EAS 749: 2010 *Brown Sugar – Specification*
   (b) KS EAS 16:2010 *Plantation (Mill) white Sugar – Specification*
   (c) KS EAS 5:2009 Refined *white sugar — Specification*

3. No traces of Mercury were detected in the samples collected from seized sugar and from market surveillance by KEBS. KEBS tested two categories of sugar samples; the first category of samples was drawn from consignments seized by the Multi-Agency

Taskforce, while the second category was collected by the KEBS market surveillance team from various outlets across the Country. These market surveillance samples were collected from outlets most frequented by members of the public.

4. From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags. This translated to 96% of 1,319,668 50kg bags.

5. Out of the sample of 1,266, 351 50kg bags, 837, 244 50kg bags equivalent to 66% of the sample failed the KEBS test. Only 157,392 of the sampled 1,266,351 bags equivalent to 34% of the sample passed the KEBS test.

6. To date KEBS has drawn a total of 261 samples from fourty five (45) counties with the exception of Tana River and Mandera, through market surveillance routine checks to establish the quality of the sugar in the market. KEBS has tested 109 samples representing 42 Counties of which, 75 samples complied with the standard representing 68.81% of the total samples tested. Thirty four (34) samples failed to meet the set standards representing 32% of the samples tested for moisture content, yeast and moulds, colour, total viable count and polarisation. **(Annex).**

7. The samples collected by the KEBS market surveillance team were tested for the following heavy metals; Mercury, Arsenic, Lead and Copper. KEBS did not detect any non-conformity from the samples tested and analysed since Lead and Copper were within the recommended threshold.

8. The samples collected from sugar seized at Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm from samples of sugar seized at Diamond Wholesalers against a maximum acceptable limit of 2.0 ppm and the levels of Lead was at 0.35 ppm in samples collected from Paleah stores against the recommended limit of 0.05 ppm.

Laboratory Sample Test Results from the Ministry of Health

9. The Mandate of the Ministry of Health includes amongst others, monitoring public health and safety and inspection of storage facilities. The Department of Public Health under the Ministry is singly responsible for the inspection and certification of storage facilities. Port health officers are required to conduct inspection of vessels, cargo as well as crew before a vessel is authorized to dock at the port.

10. The initial report from the Government Chemist as submitted to the Committee by the Ministry of Health on 23rd June, 2018 indicated that from 174 samples collected from 19 Counties, 60% of the samples tested and analysed for moisture content did not comply with KS:EAS 749:2010. The standard requirement is 0.2% m/m and 0.15% m/m maximum moisture content for brown sugar and light brown sugar respectively.

11. The sugar is therefore not fit for human consumption. In respect to heavy metals; laboratory analysis results revealed that Copper, Lead and Arsenic contamination were within the standard specification for brown and light brown sugar. Industrial sugar was also tested and analysed for conformity with the standard specifications. The tests showed that the industrial sugar was fit for use in preparation of foods meant for human consumption.

12. A subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for Mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample from Webuye West **Ref. F/MISC/270/17-18** tested positive for Mercury at 0.5910 ppm hence not fit for human consumption. **(Annex).** The Committee efforts to establish the ownership details of the consignment were unsuccessful. The contaminated sugar is under seizure by the Multi–Agency Taskforce (MAT) pending destruction.

The Role of the Cabinet Secretary for Interior and Coordination of National Government

13. The Cabinet Secretary for Interior and Coordination of National Government submitted that his allegation on presence of sugar contaminated with mercury in the country was cautionary and intended to call the attention of the general-public to the existence of contaminated products in the market.

14. The Government Chemist was relocated from the Ministry of Health to the Ministry of Interior and Coordination of National Government through Executive Order No.1 of 2018 dated 5th June 2018. The CS did not corroborate his statement on presence of mercury in sugar despite the Government Chemist being housed in his docket by the time he appeared before the Commit

The role of the Cabinet Secretary National Treasury

15. The Executive order No. 1 of 2017 dated 10th February, 2017 declaring drought and famine as a national disaster directed government Ministries, agencies and Departments to institute measures aimed at alleviating the ramifications of the drought experienced in the country.

16. Inter-Ministerial meeting held at Harambee House on 5th May 2017 resolved to import sugar duty free into the country. The meeting reviewed the supply of sugar and milk in the market and noted that the shortages had led to an escalation of prices of these products. The objective of the Inter-Ministerial consultations was to explore measures to mitigate the escalation of prices of sugar and milk.

17. The Gazette Notice No. 4536 (annexed) issued by the Cabinet Secretary National Treasury Mr. Henry Rotich published on 12th May, 2017 allowed importation of;
    (a) Sugar by any person, with effect from the date of the notice to 31st August, 2017
    (b) 9,000 metric tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board , with effect from the date of the notice to 31st July, 2017.

18. The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be observed as per the law including health and safety, quality specifications and standardization by the Kenya Bureau of Standards and other relevant agencies in accordance with the law. The importation of sugar was time bound and not quantity based.

19. During this period 829,871 MT of sugar were imported against a deficit of 343,889MT based on the local production of 376,111 MT hence resulting to over importation by 453,760 MT. A total of 194 Companies imported sugar during the duty free window.

20. The Gazette Notice No. 4536 failed to give guidelines on quantity and type of sugar that was to be imported, whereas importation of milk powder was specified in paragraph (b) of the same Gazette Notice. The CS National Treasury opened up the otherwise well regulated sugar importation process to abuse by any person. This allowed for importation of 829, 871 MT of sugar when the deficit based on the local production was 343, 889 MT, hence an over importation by 453,760 MT.

The Role of CS Agriculture, Livestock, Fisheries & Irrigation

21. According to Executive Order No.1 of 2013, the then Ministry of Agriculture, Livestock and Fisheries was responsible for food safety, security and inspections. In this regard, the National Treasury published Gazette Notice No.4536 based on the Executive Order No. 1 of 2017 declaring drought and famine as a national disaster. A consultative inter-ministerial meeting chaired by Head of Public Service held on 5thMay, 2017 at Harambee House directed the National Treasury to gazette the importation of sugar duty free.

22. Registration of sugar importers is conducted pursuant to Legal Notice No. 114, Sugar Imports, Exports and By-Products (Amendment) Regulations, 2001 importers are required to file a pre shipment request with AFA by submitting documentary evidence of;
    (a) Quantity and type of sugar to be imported;
    (b) Country of origin;

(c) Pro-forma invoice showing all charges (FOB, Freight, Insurance Premium);

(d) Intended time of importation; and

(e) The supplier of the sugar.

23. After the expiry of Gazette Notice No. 4536 on 31st August 2017, the CS for National Treasury following the advice of the CS Agriculture, Livestock and Fisheries published a subsequent Gazette Notice No. 9801 on 4th October, 2017 extending the duty free window for the importation of sugar. The Gazette Notice provided that duty would not be payable on sugar loaded into a vessel between 1st September, 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar miller. Gazette Notice No. 9801 as amended by Gazette Notice No. 10149 published on 13thOctober, 2017 created an avenue for tax evasion by sugar millers who imported sugar between 1st September, 2017 and 3rd October, 2017.

24. Gazette Notice No. 9802 amended Gazette Notice No. 4536 to specify that only sugar loaded on a vessel between 12th May, 2017 and 31st August, 2017 would quality for importation on a duty free basis. The failure to specify whether the waiver of duty was applicable to "sugar loaded on a vessel within the duty free window" or "sugar imported within the duty free window" was abused by unscrupulous dealers. Gazette Notice No.9802 was specifically designed to benefit fourteen (14) companies (Annex). There were no justifiable reasons why the fourteen companies were given preferential treatment during the clearance of imported sugar.

25. The Gazette Notice No. 9801 was published on 4th October 2017. Therefore, sugar imported between 1st September and 3rd October 2017 was not within the duty free window. As such, millers who imported sugar outside the duty free window are obligated to pay import duty. The Gazette Notice contravened the basic principle on retrospective application of the law.

26. The Parliamentary report on the investigation into *"The crisis facing the sugar industry in Kenya"* by the Departmental Committee on Agriculture, Livestock and Co-operatives

in the 11th Parliament established that certain companies were involved in illegal importation and repackaging of contraband sugar. The Committee had recommended that their import licences be withdrawn. The licensing body AFA did not withdraw the licences. Therefore some of the companies participated in and benefited from the duty free importation of sugar in 2017. The companies were; Czarnikow E. A. Ltd, Kenafric Industries, Stuntwave Ltd, Mshale Commodities and Rising Star Commodities Ltd.

The Role of South Nyanza Sugar Company Limited (SONY)

27. The South Nyanza Sugar Company applied for a licence to import 90,000 MT under Gazette Notice No. 9801. The Company was however allowed to import 50,500 MT on 19th October, 2017, six (6) days after the expiry of Gazette Notice No. 9801 on 13th October, 2017. In addition, the Company did not have the financial capacity to pay for the imports as it was technically insolvent.

28. The Management of Sony Sugar Company informed the Committee that they were not involved in handling of the imported sugar and could therefore not guarantee the quantity and quality of sugar imported. The licence issued to them was not transferable to a third party; they were paper consignees who did not handle the sugar.

29. South Nyanza Sugar Company entered into a contract agreement with Ms Holbud Ltd, an international supplier of commodities to secure the consignment. The Contract involved a *buy back* arrangement under which, Ms. Holbud would sell the imported sugar to Sony Sugar Company and the agents of Ms. Holbud would take responsibility for the importation, clearing and handling of the sugar. The six *buy back* companies along with Sony Sugar Company were required to meet all necessary legal and regulatory mechanisms as per the requirements of KS: EAS 749:2010.

30. The company made a commission of Kshs. 82 Million in a transaction worth approximately Kshs. 2.5 Billion. The contract lacked a clear formula for sharing the profit earned. The country lost duty of approximately Kshs. 2.5 Billion.

Handling, Storage and Disposal

31. The handling, offloading, bagging, storage and transportation of some of the sugar violated the standards set out in KES:EAS 749:2010. From field visits conducted by Members in Mombasa (Multiple Inland Container Depots), it was evident that the sugar had been stored in unhygienic conditions contrary to Section 127 of the Public Health Act. Specific violations included transporting sugar in open tippers which were also used to ferry other non-food products such as fertilizer. The sugar was stored in open warehouses on dusty contaminated with foreign elements such as klinker and cement.

32. According to the Cabinet Secretary Interior and Co-ordination of National Government 95% of sugar imported into the country gained entry through the port of Mombasa whereas 5% contraband sugar found its way into the country through porous borders. The quality and safety conditions of the contraband sugar could not be ascertained.

33. It is not possible to differentiate raw sugar (for further processing) and brown sugar meant for direct consumption in absence of laboratory analysis. In addition, the Committee observed that there exist no mechanisms to ensure that raw sugar is reprocessed before consumption.

34. Some supermarkets, wholesalers and retail outlets served as avenues in the distribution and sale of the sugar, by virtue of the fact that most supermarkets, wholesalers and retail outlets purchase unpackaged sugar from millers in 25 kg bags or 50kg bags and consequently package it into smaller quantities under uncontrolled conditions.

35. From the samples collected from forty five (45) Counties by KEBS and laboratory analysis by the Government Chemist, contamination of sugar was majorly in moisture, yeast, moulds, total viable count and polarisation. Sugar contaminated with Mercury was detected in two samples; from Moi Airbase in Eastleigh, Nairobi and Webuye West in Bungoma County. The consignments of contaminated sugar are under the custody of the Multi-Agency Team pending destruction.

36. Efforts by the Joint Committee to reconfirm the presence of Mercury in sugar in the market as reported by the Government Chemist with independent agencies namely the University of Nairobi and the Kenya Plant and Health Inspectorate Service (KEPHIS) were unsuccessful after the agencies were denied entry to the two sites by the Multi-Agency Team.

MIN.NO. DCS/ JCAL& TIC 2018/081: Adjournment

The Chairperson adjourned the meeting at 7.45 pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 21ST SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 30TH JULY, 2018 IN PANARI HOTEL, NAIROBI AT 9. 00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Simba Arati, MP.
6. Hon. Maison Leshoomo, MP.
7. Hon. Kathuri Murungi, MP
8. Hon. Andrew Mwadime, MP
9. Hon. Bunyasi John Sakwa, MP
10. Hon. Daniel Maanzo, MP
11. Hon. Daniel Kamuren Tuitoek, M.P.
12. Hon. Rahab Mukami Wachira, MP
13. Hon. Robert Gichimu Githinji, MP
14. Hon. Joyce Kamene, MP.
15. Hon. Jones Mlolwa, MP
16. Hon. Janet Jepkemboi Sitienei, M.P
17. Hon. Dr. Wilberforce Oundo, MP
18. Hon Nduati Ngugi,MP
19. Hon. Alois Musa Lentoimaga, MP
20. Hon. Kipruto Moi, MP
21. Hon. Gabriel Kago Mukuha, M.P
22. Hon. Anab Mohamed Gure, MP
23. Hon. Yegon Brighton Leonard,MP
24. Hon. Adan Haji Yussuf, M.P.
25. Hon. Generali Nixon Kiprotich Korir, MP
26.

APOLOGIES

1. Hon. Silas Kipkoech Tiren, M.P.
2. Hon. John Paul Mwirigi, M.P.
3. Hon. Justus Makokha Murunga, MP.
4. Hon. Ferdinard Wanyonyi, MP
5. Hon. Fred Ouda, M.P.
6. Hon. James Mukwe, MP

7. Hon. Patrick Kimani Wainaina Jungle, MP
8. Hon. Dr. John Kanyuithia Mutunga, M.P
9. Hon. Florence Mutua, MP.
10. Hon. Francis Munyua Waititu, M.P.
11. Hon. Alexander Kimutai Kigen Kosgey, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Kariuki	-	Researcher
7.	Mr. Chelanga Maiyo	-	Researcher
8.	Ms. Rose Njuki	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/076: PRELIMINARIES

The Chairperson called the meeting to order at 9.30am and prayed. He welcomed and thanked the Members present for finding time to participate in the retreat. He further reminded the Committee that the objective of the retreat was to consider and adopt the report on the enquiry into the alleged importation of illegal and contaminated sugar in the country which was scheduled for tabling before the House on Wednesday 1st August, 2018.

MIN.NO. DCS/ JCAL& TIC 2018/077: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Having received written and oral submissions from the key witnesses the Committee considered and agreed on the following observations:-

Test Results of Sugar Samples

1. The Mandate of KEBS among others includes testing of locally manufactured and imported commodities with a view to determine whether such commodities comply with provisions of the Standards Act and any other laws dealing with Standards of Quality or descriptions.

2. The test samples from seized sugar and market surveillance by KEBS revealed that there were no traces of mercury detected. KEBS had tested two categories of sugar samples, the first category of sugar samples was drawn from consignments seized by Multi-Agency constituted to fight against illicit trade and counterfeit goods, while the second category of sugar samples was taken by the market surveillance team at KEBS from various outlets across the Country. These samples were collected from the most frequented outlets.

3. From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags which translated to 96% of the total. The results indicated that 157,392 bags complied with standards. The number of bags not complying with standards were 837, 244 of which 705,000 bags were meant for reprocessing, which makes them compliant. which complied with the national standards. The samples that failed to meet the following parameters:- moisture content, yeast and moulds, colour, total viable count and polarization.

4. KEBS drew a total of 219 samples from 45 Counties through market surveillance routine checks to establish on quality of the sugar in the market. KEBS has tested 72 samples representing 21 Counties of which 42 samples complied with the standard representing 58.33% of the total tested. Thirty (30) samples failed to meet standards representing 41.7% of the samples tested in respect of moisture content, yeast and moulds, colour, total viable count and polarization

5. The samples collected from the seized sugar from Diamond Wholesalers godown in Eastleigh and Paleah Stores in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm for Diamond Wholesalers against a maximum acceptable limit of 2 ppm and lead was at 0.35 ppm for Paleah stores against 0.05 ppm in sugar.

Ministry of Health (Laboratory Sample test results)

6. The Mandate of the Ministry of Health amongst others is to monitor public health and safety as well as inspection of storage facilities by the Department of Public Health. Port health officers conduct inspection of vessels, cargo as well as crew before getting clearance for the same to stock.

7. The Ministry of Health submitted an initial report dated 23rd June, 2018 from the Government Chemist that from a sample size of 174 collected from 19 Counties in the country, 60% of the sampled sugar tested and analyzed for moisture content did not

comply with KS:EAS 749:2010 specification of 0.2% m/m and 0.15% m/m moisture content maximum for brown sugar and light brown sugar respectively, therefore the sugar is not fit for human consumption. In respect to heavy metals; laboratory analysis results found that copper, lead and arsenic contamination were within the standard specification for brown and light brown sugar. Industrial sugar was also tested and analysed for conformity with standard specification and found fit for use in preparation of foods meant for human consumption.

8. A subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for mercury at 0.1141 ppm. Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample from Webuye West Ref. F/MISC/270/17-18 tested positive for mercury at 0.5910 ppm hence not fit for human consumption.

On both instances, the Committee was never provided with information about the ownership of the consignments or lots despite several appeals.

The contaminated sugar is under seizure by the Multi – Agency Taskforce (MAT) pending destruction.

MIN.NO. DCS/ JCAL& TIC 2018/078: Adjournment

The Chairperson adjourned the meeting at 1.45pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 20TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY 26TH JULY, 2018 IN THE MINI CHAMBER, MAIN PARLIARMENT BUILDING AT 3.00 PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Silas Kipkoech Tiren, MP
6. Hon. Simba Arati, MP
7. Hon. Kathuri Murungi, MP
8. Hon. Andrew Mwadime, MP
9. Hon. Jones Mlolwa, MP
10. Hon. Daniel Maanzo, MP
11. Hon. Francis Munyua Waititu, MP
12. Hon. John Paul Mwirigi, MP
13. Hon. Ferdinard Wanyonyi, MP
14. Hon. Janet Jepkemboi Sitienei, MP
15. Hon. Daniel Kamuren Tuitoek, MP
16. Hon. Justus Makokha Murunga, MP
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Generali Nixon Kiprotich Korir, MP
20. Hon. Gabriel Kago Mukuha, MP
21. Hon. Joseph Nduati Ngugi, MP
22. Hon. Robert Gichimu Githinji, MP
23. Hon. Alois Musa Lentoimaga, MP
24. Hon. Kipruto Moi, MP
25. Hon. Yegon Brighton Leonard, MP
26. Hon. Joyce Kamene, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP.
2. Hon. Florence Mutua, MP
3. Hon. Bunyasi John Sakwa, MP
4. Hon. Patrick Kimani Wainaina Jungle, MP
5. Hon. Dr. John Kanyuithia Mutunga, MP

6. Hon. Adan Haji Yussuf, MP
7. Hon. James Mukwe, MP
8. Hon. Fred Ouda, MP
9. Hon. Alexander Kimutai Kigen Kosgey, MP
10. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant I
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Second Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Ms. Nuri Kitel Nataan	-	Third Clerk Assistant
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Chelanga Maiyo	-	Research Officer
8.	Mr. Alex Mutuku	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/072: PRELIMINARIES

The Chairperson called the meeting to order at 11.00 am and Hon. Simba Arati, MP said a prayer.

MIN.NO. DCS/ JCAL& TIC 2018/073: CHAIRS COMMUNICATION

The Chair read a letter from the Head of the Public Service, Dr. Kinyua and regarding the appearance of the Multi-Agency Team and the Government Chemist before the Committee.

The Multi-Agency Team was requesting for the rescheduling of the meeting with the Committee from Thursday 26th July, 2018 at 2.30pm to Friday 27th July, 2018 at 9.00am. The Team requested for more time so as to prepare sufficient responses to issues that the Committee had raised in its letter Ref: NA/DCS/A7L/55 dated 25th July, 2018.

The Committee deliberated on the matter and resolved to reschedule the meeting as requested.

MIN.NO. DCS/ JCAL& TIC 2018/074: WAY FORWARD

The Members ventilated on the how to proceed with the sugar inquiry and resolved that;-

1. Members should carry themselves with decorum during Committee Sittings since the media covers the proceedings live and it would not
2. The independent testing to be done by the Committee through the University of Nairobi and KEPHIS should be on the same samples from Moi Airbase and Bungoma which showed presence of mercury so as to confirm the results.
3. The report tabled by the Ministry of Health through Mr. Ombacho is credible for the Committee to rely on irrespective of the department of the Government Chemist being moved to the Ministry of Interior and National Security through an Executive Order.
4. All the submissions presented to the Committee should be analyzed critically by the secretariat so that important information is not over looked.
5. The submissions before the Committee are adequate enough to come up with a report on the inquiry as the Committee awaits the result from the independent consultant on Monday 30th July, 2018.
6. The Committee should undertake a report writing retreat from Monday 30th July, 2018 preferably within Nairobi.

MIN.NO. DCS/ JCAL& TIC 2018/075: ADJOURNMENT

The Chairperson adjourned the meeting at 4.35 pm. The next meeting will be called on notice.

Signed..... **Date**...1/8/2018.....

Hon. Kanini Kega, MP
Chairperson
Joint Committee on Trade, Industry & Cooperatives and Agriculture & Livestock

MINUTES OF THE 19TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 25TH JULY, 2018 IN COMMITTEE ROOM 12, PARLIRMENT BUILDINGS AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Ferdinard Wanyonyi, MP
6. Hon. Francis Munyua Waititu, MP
7. Hon. Simba Arati, MP
8. Hon. Generali Nixon Kiprotich Korir, MP
9. Hon. Jones Mlolwa, MP
10. Hon. Kathuri Murungi, MP
11. Hon. Alois Musa Lentoimaga, MP
12. Hon. Yegon Brighton Leonard, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Daniel Kamuren Tuitoek, MP
15. Hon. Justus Makokha Murunga, MP
16. Hon. Rahab Mukami Wachira, MP
17. Hon. Dr. Wilberforce Oundo, MP
18. Hon. Robert Gichimu Githinji, MP
19. Hon. Kipruto Moi, MP
20. Hon. John Paul Mwirigi, MP
21. Hon. Bunyasi John Sakwa, MP
22. Hon. Joyce Kamene, MP
23. Hon. Adan Haji Yussuf, MP
24. Hon Nduati Ngugi, MP
25. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Florence Mutua, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Gabriel Kago Mukuha, MP
5. Hon. Janet Jepkemboi Sitienei, MP
6. Hon. Dr. John Kanyuithia Mutunga, MP

7. Hon. Silas Kipkoech Tiren, MP
8. Hon. Fred Ouda, MP
9. Hon. James Mukwe, MP
10. Hon. Alexander Kimutai Kigen Kosgey, MP
11. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Ahmed Kadhi	-	First Clerk Assistant
2.	Mr. Eric Nyambati	-	Third Clerk Assistant
3.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
4.	Ms. Nuri Kitel Nataan	-	Third Clerk Assistant
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Alex Mutuku	-	Sergeant At- arms
7.	Ms. Rose Njuki	-	Sergeant At- arms
8.	Ms. Rose Ometere	-	Audio Officer
9.	Ms. Deborah Mupusi	-	Public Relations Officer

MIN.NO. DCS/ JCAL& TIC 2018/068: PRELIMINARIES

The Chairperson called the meeting to order at 11.00am followed by a prayer from the Hon. Cornelly Serem, MP. He then reminded the Committee that during its Sitting on Wednesday 23rd July, 2018 it was resolved that the Government Chemist be invited to respond to the following concerns:-

1. Reports on the latest test results
2. The test results of non-compliant samples from Bungoma and Moi air base Nairobi
3. The sampling collection and analysis methods
4. Possible sources of contamination
5. The effects of consumption of contaminated sugar to the humans and the environment
6. Actions taken to mitigate, contain and dispose of the contaminated sugar

MIN.NO. DCS/ JCAL& TIC 2018/069: MEETING WITH THE GOVERNMENT CHEMIST TO CONSIDER THE TEST RESULTS ON THE SUGAR SAMPLES

The Committee deliberated on this agenda and resolved to defer the matter to Thursday 26th July, 2018 at 3.00pm. It was further resolved that the Cabinet Secretary, Ministry of Interior and Coordination of National Government Dr. Fred Matiang'i, the Government Chemist and the Multi-Agency Team should appear together. The secretariat was requested to communicate the same to the relevant authorities.

MIN.NO. DCS/ JCAL& TIC 2018/070: ANY OTHER BUSINESS

1. The Chairperson informed the Committee that the Speaker of the National Assembly had approved engagement of experts, pursuant to Standing Order 203, to assist it in determining whether or not there is presence of heavy metals, specifically mercury, in the sugar under seizure by the security agencies. This had been occasioned by the contradictory results from the Ministry of Health and the Kenya Bureau of Standards.
2. He further reminded the Committee that the Report will be tabled on Wednesday 1st August, 2018. The secretariat was requested to clean up the report awaiting the meeting with the Cabinet Secretary, Ministry of Interior and Coordination of National Government Dr. Fred Matiang'i, the Government Chemist and the Multi-Agency Team.

MIN.NO. DCS/ JCAL& TIC 2018/071: Adjournment

The Chairperson adjourned the meeting at 11.55am

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 18TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SUNDAY 22ND JULY, 2018 AT ENGLISH POINT, MARINA AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.

14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo	-	Director Committees
2. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3. Mr. Ahmed Kadhi	-	First Clerk Assistant
4. Mr. Eric Nyambati	-	Third Clerk Assistant
5. Mr. Nicodemus Maluki	-	Third Clerk Assistant
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Mr. Richard Sang	-	Sergeant At- arms
9. Ms. Deborah Mupusi	-	Media Relations Officer
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Beatrice Auma	-	Secretary
12. Mr. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/065: PRELIMINARIES
The Chairperson called the meeting to order at 3.30pm and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/066: COMMITTEE SCHEDULE OF MEETING

The Committee resolved to undertake the following activities as indicated below.

DATE	TIME	ACTIVITY	RESPONSIBILITY
TUESDAY 24th JULY, 2018	10: 00 AM	Government Chemist Plus Signatory of the certificate of test results	• To shade light on the test results particularly results from AFCO and Webuye West in Bungoma County. • Describe the methods of sampling, sample representative and issues of validity • Action taken after the results • Possible sources of contamination • What are the medical effects to human life especially for those who may have consumed the

			contaminated sugar • Remedial measures for those already affected by the contaminated sugar
WEDNESDAY 25th JULY, 2018	10:00 PM	Engage **KEPHIS** and University of Nairobi on sampling	• Seek expression of interest • Whether they have the capacity to conduct the tests • ToR to include parameters
	3: 00 PM	Multi – Agency Task Force	• Quantities of Seized Sugar • Owners of the Sugar • Destruction Schedules and Action taken
THURSDAY 26th JULY, 2018	10: 00 AM	Consideration of the Test Results from KEPHIS and University of Nairobi	• ToR of the Consultancy to test heavy metals in samples from selected stores in accordance to KS:EAS749:2010
FRIDAY 27th JULY, 2018	10.00AM	Consideration of Observations and Recommendations	
MONDAY 30th JULY , 2018		The Committee to Review and Adopt the Report for Tabling	

MIN.NO. DCS/ JCAL& TIC 2018/067: Adjournment

The Chairperson adjourned the meeting at 5. 15am

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 17TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SATURDAY 21ST JULY, 2018 AT ENGLISH POINT, MARINA AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.

14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo	-	Director Committees
2. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3. Mr. Ahmed Kadhi	-	First Clerk Assistant
4. Mr. Eric Nyambati	-	Third Clerk Assistant
5. Mr. Nicodemus Maluki	-	Third Clerk Assistant
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Mr. Richard Sang	-	Sergeant At- arms
9. Ms. Deborah Mupusi	-	Media Relations Officer
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Beatrice Auma	-	Secretary
12. Ms. Stephen Omunzi	-	Office Assistant

MINISTRY OF HEALTH

1. Dr. Kepha Ombacho	-	Director Public Health

MIN.NO. DCS/ JCAL& TIC 2018/061: PRELIMINARIES
The Chairperson called the meeting to order at 3.30pm and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/062: CONSIDERATION OF THE COMMITTEE OBSERVATIONS
The Committee further considered other observations as follows:-

The Role of CS Agriculture and AFA

1. Pursuant to the provisions of the Executive Order No.1 of 2013, the then Ministry of Agriculture, Livestock and Fisheries was responsible for food safety, security and inspections. In this regards the Ministry failed to advice on regulations to address the deficit based on supply and demand analysis to determine the quantity of sugar to be imported.

2. The Agriculture and Food Authority (AFA) is responsible for the administration of the Crops Act and the Agriculture and Food Authority Act No. 13 of 2012. The evidence tabled before the Committee did not indicate that the Authority offered advice to the CS National Treasury on the type and quantity of sugar to be imported.

3. Gazette Notice No. 9801 was a well calculated scheme to facilitate tax evasion by entities that imported sugar between 1st September, 2017 and 13th October, 2017. After the expiry of Gazette Notice No. 4536 on 31st August 2017, the CS for National Treasury following the advice of the CS Agriculture, Livestock and Fisheries issued a subsequent Gazette Notice No. 9801 on 29th September, 2017 extending the duty free window for the importation of sugar shall not be payable on the sugar which would be loaded into a vessel between 1st September, 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar miller.

4. Gazette Notice No. 9802 amended Gazette Notice No. 4536 to specify that only sugar loaded on a vessel between 12th May, 2017 and 31st August, 2017 would quality for importation on a duty free basis. The failure to specify whether the waiver of duty was applicable to "sugar loaded on a vessel within the duty free window" or "sugar imported within the duty free window" may have been abused by unscrupulous dealers to import sugar loaded on a vessel prior to publication of Gazette Notice No. 4536 on a duty free basis.

5. The Gazette Notice No. 9801 was published on 4th October 2017 and being the effective date, miller who imported sugar between 1st September 2017 and 4th October 2017 was not within the duty exemption period and hence obligated to pay import duty accordingly.

6. According to the National Treasury the following companies imported sugar within the stated period and evaded taxes;

No.	IMPORTER	B/LNo.	MT
1	Flora Bakers Limited	DXB0373587C	520
2	Piccadilly Holding	960750595	5400
3	Landmark Freight Services	769855882	780
4	Darasa Investments Ltd	BRSS802017	40010

5	Pillarmatt Limited	DXB0374640C	2990
6	The Option Two limited	DXB03746	2990
7	Ifox Commodity Limited	DXB0373587E	2990
8	Paleah Stores Limited	MSCCUZC238582	3000
9	Mapping Trading Company	MSCUZC239119	3000
10	Sukari Investment Limited	769859553	1300
11	Elon Commodities (K) Ltd	DXB0368738A	1040
12	Coast Terminal East Africa Limited	ElD0193398	2080
13	Zack Petroleum Limited	DXB0373587B	540
14	Export Trading Company Limited	2017MOY20602	4400

Sugar Importers and quantities imported by vessels that docked in September 2017 carrying sugar

No	Ship Name	Date of Arrival	Quantity (KG)	Name of importer extracted from the KPA manifest and Quantities in kg	
1.	Ken Moonys	01/09/17	33,000,000	Korbash Traders Ltd	2,008,000
				YH wholesalers	5,020,000
				Kifaru feeds Ltd	3,012,000
				Holwathag Enterprise Ltd	2,008,000
				Landmark Freight Services Ltd	4,016,000
				Haleel Commodities Ltd	6,726,800
				Sky Agencies Ltd	1,506,000
				Manono Energy Ltd	3,815,200
				Salole Enterprises ltd	5,020,000
				Total	**33,132,000**

2	Iliana	05/09/17	40,000,000	Grainergy	7,500,000
				One Traders Ltd	7,500,000
				One Commodities Co Ltd	12,500,000
				Hydery P Ltd	12,500,000
				Total	**40,000,000**
3	Global Harmony	08/09/17	22,000,000	**Manifest not provided**	
4	Skelt	11/09/17	33,000,000	Awwal oil Co Ltd	33,160,140
5	Georgios P	15/09/17	39,000,000	Amnav Ltd	39,600,000
6	Western Baltic	21/09/17	34,500,000	Sukari Industries Ltd	34,500,000
7	IVS Orchard	04/10/17	25,000,000	Menengai Oil Refineries Ltd	25,200,000

Information extracted from KPA schedule on vessels that docked at the port of Mombasa carrying sugar and Ships Manifest

From the above tables, it is clear that the information given by the National Treasury and that of KPA is conflicting on quantity, name of importing companies and even one manifest is missing.

Role of South Nyanza Sugar Company Limited

7. Under Gazette Notice No. 9801 South Nyanza Sugar Company Ltd (Sony Sugar Company) applied for a license to import 90,000 MT. of brown sugar on 12th October 2017 a day before the expiry of the duty free waiver period (13th October 2017) but was issued with an import license to import 50, 500 MT. of brown sugar on 19th October 2017, seven days after the expiry of the duty free window.

8. The Sony Sugar Management despite being aware that the company was technically insolvent, decided to apply for the license and transferred their importation rights to Ms. Holbud Limited due to lack of financial capacity contrary to section 7 (3) of the sugar imports, exports and by-products regulations.

9. Although Sony sugar Company entered into a buy-back agreement with Ms. Holbud Limited being the Supplier for the importation of 50,500 MT, Sony Management did not take any measures to guarantee quantity and type of sugar imported by Ms. Holbud Limited as per the requirements of the licence issued to them. Further, Sony Sugar Company failed to familiarize itself with the handling procedures employed by Ms. Holbud Limited in offloading, transportation and storage of the sugar.

10. The Management of Sony Sugar Company rendered the company which is a public entity to abuse by an international entity. The company was used as a conduit to import sugar into the country under suspect circumstances in a deal worth approximately Ksh.2.2 Billion but out of which the company recouped a meagre sum of Ksh. 82 Million hence Kenyans did not get value for money from the deal between Sony Sugar Company and Ms. Holbud Limited.

11. Thereafter Gazette Notice No. 10149 dated 13th October, 2017 amended Gazette Notice No. 9801 of 2017 which was extending the period of duty free imports to 31st December, 2017 by shortening the duty free period to 13th October, 2017. In effect, any importation between 1st September and 4th October should have attracted import duties.

Handling, Storage and Disposal

12. The failure by the CS National Treasury to specify the quantity and type of sugar to be imported under Gazette Notice No. 4536 occasioned importation of sugar in large volumes. Subsequently, some importers who were not adequately equipped to handle large volumes of sugar and bag at the designated area within the port as required before transportation, instead they offloaded and transported sugar in tippers and open trucks to warehouses in a manner that violated the KS:EAS 8:2010 standards. Due to poor handling and storage conditions, sugar is likely to be contaminated.

13. Presentation from the Ministry of Health indicated that from a sample size of 174 collected, 60% did not meet the national standard on moisture content due to hygroscopic nature of sugar hence not fit for human consumption. The Ministry of Health assured the Committee that the contaminated lots are under seizure pending destruction.

14. Supermarkets, wholesale and retail outlets served as conduits in the distribution and sale of the sugar, by virtue of the fact that most supermarkets, wholesale and retail outlets purchase unpackaged sugar from millers in bulk then consequently package it on location under uncontrolled conditions.

MIN.NO. DCS/ JCAL& TIC 2018/063: MEETING WITH THE MINISTRY OF HEALTH TO CONSIDER TEST RESULTS OF THE SUGAR SAMPLES

The Director Public Health, Dr. Kepha Ombacho appeared before the Committee to clarify of the test samples that indicated traces of mercury. He confirmed that:-

The initial report from the Government Chemist submitted to the Committee by the Ministry of Health on 23rd June, 2018 indicated that from a sample size of 174 collected from 19 Counties,

60% of the samples tested and analyzed for moisture content did not comply with KS:EAS 749:2010.

The standard requirement is 0.2% m/m and 0.15% m/m maximum moisture content for brown sugar and light brown sugar respectively. The sugar was therefore not fit for human consumption. In respect to heavy metals; laboratory analysis results found that copper, lead and arsenic contamination were within the standard specification for brown and light brown sugar. Industrial sugar was also tested and analyzed for conformity with standards specification and found fit for use in preparation of foods meant for human consumption.

In the subsequent report submitted by the Ministry of Health indicated that one (1) sample out of five (5) samples collected from **Moi Airbase Eastleigh, Nairobi County Ref. F/MISC/267/17-18** tested positive for mercury at 0.1141 ppm**.** Out of five (5) samples collected from Bungoma County, it was reported that one (1) sample from Webuye West Ref. F/MISC/270/17-18 tested positive for mercury at 0.5910 ppm hence not fit for human consumption.

The Committee efforts to establish the ownership details of the consignment or lots were unsuccessful. The Committee was informed that the contaminated sugar is under seizure by the Multi–Agency Taskforce (MAT) pending destruction.

MIN.NO. DCS/ JCAL& TIC 2018/064: Adjournment

The Chairperson adjourned the meeting at 5. 45pm

Signed.....

Chairperson

Date....11/8/2018.....

MINUTES OF THE 16TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SATURDAY 21ST JULY, 2018 AT ENGLISH POINT, MARINA AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.
14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Ms. Florence Abonyo	-	Director Committees
2. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3. Mr. Ahmed Kadhi	-	First Clerk Assistant
4. Mr. Eric Nyambati	-	Third Clerk Assistant
5. Mr. Nicodemus Maluki	-	Third Clerk Assistant
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Mr. Richard Sang	-	Sergeant At- arms
9. Ms. Deborah Mupusi	-	Media Relations Officer
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Beatrice Auma	-	Secretary
12. Ms. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/058: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/059: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

Test Results of Sugar Samples

1. The Mandate of the Ministry of Health amongst others is to monitor public health and safety as well as inspection of storage facilities by the Department of Public Health. Port health officers conduct inspection of vessels, cargo as well as crew before getting clearance for the same to stock.

2. The Ministry of Health submitted that from a sample size of 174 collected in the country, 60% of the sugar sampled and analysed for moisture content from 19 Counties did not comply with KS:EAS 749:2010 specification of 0.2% m/m and 0.15% m/m moisture content maximum for brown sugar and light brown sugar respectively. In addition, samples collected from Moi Airbase Eastleigh, Nairobi and Webuye West, Bungoma tested positive for mercury at 0.1141 ppm and 0.5910 ppm respectively hence not fit for human consumption. (See Annex)

The contaminated sugar is under seizure by the Multi – Agency Team pending destruction.

3. The Mandate of KEBS among others includes testing of locally manufactured and imported commodities with a view to determine whether such commodities comply with provisions of the Standards Act and any other laws dealing with Standards of Quality or descriptions.

4. The test samples from seized sugar and market surveillance by KEBS revealed that there were no traces of mercury detected. KEBS had tested two categories of sugar samples, the first category of sugar samples was drawn from consignments seized by Multi-Agency constituted to fight against illicit trade and counterfeit goods, while the second category of sugar samples was taken by the market surveillance team at KEBS from various outlets across the Country. These samples were collected from the most frequented outlets.

5. From a total of 1,319,668 50-kg bags seized in various locations across the country by the Multi -Agency team, KEBS drew and tested 66 samples representing 1,266,351 50-kg bags which translated to 96% of the total. The results indicated that 157,392 bags complied with standards. The number of bags not complying with standards were 837, 244 with 132,244 bags completely failing to meet the standards while 705,000 bags which complied with the national standards KS: EAS 749:2010 were from lots of sugar meant for reprocessing and failed to meet the standards in respect of the following parameters:- moisture content, yeast and moulds, colour, total viable count and polarisation. **(See Annex).**

6. KEBS drew a total of 219 samples from 45 Counties through market surveillance routine checks to establish on quality of the sugar in the market. KEBS has tested 72 samples representing 21 Counties of which 42 samples complied with the standard representing 58.33% of the total tested. Nevertheless 30 samples failed to meet standards representing 41.7% of the samples tested in respect of moisture content, yeast and moulds, colour, total viable count and polarisation **(See Annex).**

7. The allegations by the Cabinet Secretary for Interior and Coordination of National Government on Sugar contaminated with mercury, although he alleged that the sugar had mercury a statement he termed cautionary and intended to inform the general public on contamination of some products in the market, caused panic across the country. The CS did not corroborate his statement of sugar having been contaminated with mercury as he failed to provide the Committee with tested analysis evidencing presence of mercury.

8. The samples collected from the seized sugar from Diamond Wholesalers godown in Eastleigh and Paleah in Ruiru were tested for the following heavy metals: Mercury, Arsenic, Lead and Copper. KEBS detected heavy presence of copper at 20.7 ppm for Diamond Wholesalers against a maximum acceptable limit of 2 ppm and lead was at 0.35 ppm for Paleah stores against 0.05 ppm in sugar.

The role of the Cabinet Secretary National Treasury

9. The Gazette Notice No. 4536 (annexed) issued by the Cabinet Secretary National Treasury Mr. Henry Rotich published on 12th May, 2017 allowed importation of;

   (a) Sugar by any person, with effect from the date of the notice to 31st August, 2017
   (b) 9000 metric tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board , with effect from the date of the notice to 31st July, 2017.

10. The Gazette Notice No. 4536 waived duty on sugar importation whereas other requirements were to be observed as by law required, including health safety, quality specifications and standardization by the Kenya Bureau of Standards and other relevant agencies in accordance with the Public Health Act, Cap. 242, Food, Drugs and Chemical Substances Act, Cap. 254, Standards Act, Cap. 496 and the Crops Act, No. 16 of 2013. The importation was time bound and not quantity based. Registration of sugar importers is conducted pursuant to Legal Notice No. 114 (sugar imports, exports and by products amendments regulations 2001). Prior to importation of sugar in to the country, importers are required to file a pre shipment request with AFA by submitting the following documents –

(a) Quantity and type of sugar to be imported ;

(b) Country of origin;

(c) Pro-forma invoice showing all charges (FOB, Freight, Insurance Premium);

(d) Intended time of importation; and

(e) Supplier

Despite the CS submitting that the importation of sugar was time bound to provide equal opportunity to importers during the duty waiver window 829,871 MT was imported when the deficit based on the local production was 343,889 MT hence resulting to over importation by 485,982 MT.

Further, by failing to give guidelines on the quantity and type of sugar to be imported as specified for milk in paragraph (b) of the Gazette Notice, the CS National Treasury opened up the otherwise well regulated sugar importation process to abuse by any person. This allowed for importation of 829, 871 MT. of sugar when the deficit based on the local production was 343, 889 MT. hence the over importation by 485,982 MT.

MIN.NO. DCS/ JCAL& TIC 2018/060: Adjournment

The Chairperson adjourned the meeting at1.45pm

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 15TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON FRIDAY 20th JULY 2018 AT ENGLISH POINT, MARINA AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.
14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Ms. Florence Abonyo	-	Director Committees
2.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3.	Mr. Ahmed Kadhi	-	First Clerk Assistant
4.	Mr. Eric Nyambati	-	Third Clerk Assistant
5.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Alex Mutuku	-	Sergeant At- arms
8.	Mr. Richard Sang	-	Sergeant At- arms
9.	Ms. Deborah Mupusi	-	Media Relations Officer
10.	Ms. Rose Ometere	-	Audio Officer
11.	Ms. Beatrice Auma	-	Secretary
12.	Ms. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/055: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed. He then reminded the Committee that its mandate was to:-

i. To establish whether the sugar imported during the 2017 duty-free window was fit for human consumption.

ii. To establish measures in place to ensure that the sugar in the market is safe for human consumption.

iii. To inquire whether there is contraband sugar in the market and measures taken regarding the same.

iv. To establish if the required procedures were followed in the importation of sugar under the 2017 duty-free window (Annex 3)

v. The disposal mechanism for the unfit sugar and contraband goods

MIN.NO. DCS/ JCAL& TIC 2018/056: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

The Committee considered the draft report by reading through the preliminary pages and the submissions from the key witnesses.

It was noted that and pointed out several sections of the report needed improvement. The secretariat was tasked to improving the following areas:-

i. Executive Summary

ii. The Terms of Reference

iii. Introduction

iv. Status of the Sugar industry in the Country

v. Submissions from the key witnesses

Members deliberated on the draft report and made the following observations that;

- The Fact-finding visits should indicate the specific place visited
- The Video recording of Cabinet Secretary, Interior and Coordination of National Government video was played to the Members, which started with the proclamation that, "the Sugar in the Country was laced with Mercury and other poisonous heavy metals"
- Rai had given testimony to the committee that sugar meant for further processing would be introduced midway through the production line.
- The Cabinet Secretary for the National Treasury had requested the Kenya Revenue Authority to exempt collection of taxes from some fourteen companies.

MIN.NO. DCS/ JCAL& TIC 2018/057: Adjournment

The Chairperson adjourned the meeting at 6.00 pm

Signed.....

Chairperson

Date.....11/8/2018.....

MINUTES OF THE 14TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON FRIDAY 20TH JULY, 2018 AT ENGLISH POINT, MARINA AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.re
6. Hon. Silas Kipkoech Tiren, M.P.
7. Hon. Simba Arati, MP.
8. Hon. Andrew Mwadime, MP
9. Hon. Daniel Kamuren Tuitoek, M.P.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Robert Gichimu Githinji, MP
13. Hon. Joyce Kamene, MP.
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. John Paul Mwirigi, M.P.
16. Hon. Jones Mlolwa, MP
17. Hon. Janet Jepkemboi Sitienei, M.P
18. Hon. Patrick Kimani Wainaina Jungle, MP

APOLOGIES

1. Hon. Ferdinard Wanyonyi, MP
2. Hon. Bunyasi John Sakwa, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Fred Ouda, M.P.
5. Hon. James Mukwe, MP
6. Hon. Kathuri Murungi, MP
7. Hon. Dr. John Kanyuithia Mutunga, M.P.
8. Hon. Dr. Wilberforce Oundo, MP
9. Hon Nduati Ngugi,MP
10. Hon. Alois Musa Lentoimaga, MP
11. Hon. Kipruto Moi, MP
12. Hon. Gabriel Kago Mukuha, M.P.
13. Florence Mutua, MP.
14. Hon. Yegon Brighton Leonard,MP
15. Hon. Adan Haji Yussuf, M.P.
16. Hon. Francis Munyua Waititu, M.P.
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. Anab Mohamed Gure, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Ms. Florence Abonyo	-	Director Committees
2.	Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
3.	Mr. Ahmed Kadhi	-	First Clerk Assistant
4.	Mr. Eric Nyambati	-	Third Clerk Assistant
5.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Alex Mutuku	-	Sergeant At- arms
8.	Mr. Richard Sang	-	Sergeant At- arms
9.	Ms. Deborah Mupusi	-	Media Relations Officer
10.	Ms. Rose Ometere	-	Audio Officer
11.	Ms. Beatrice Auma	-	Secretary
12.	Ms. Stephen Omunzi	-	Office Assistant

MIN.NO. DCS/ JCAL& TIC 2018/052: PRELIMINARIES

The Chairperson called the meeting to order at 10.00am and prayed. He welcomed and thanked the Members present for finding time to participate in the retreat. He further reminded the Committee that the objective of the retreat was to consider and adopt the report on the inquiry into the alleged importation of illegal and contaminated sugar in the country which was scheduled for tabling before the House on Tuesday 24th July, 2018.

MIN.NO. DCS/ JCAL& TIC 2018/053: CONSIDERATION OF THE DRAFT REPORT ON THE ENQUIRY INTO THE ALLEGED IMPORTATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

The Committee deliberated on the agenda item and resolved to defer the agenda to Friday 20th July, 2018 at 2.30pm to allow the secretariat to finalize compiling the evidence and submissions received from the key witnesses. The secretariat was requested to expedite the exercise.

MIN.NO. DCS/ JCAL& TIC 2018/054: Adjournment

The Chairperson adjourned the meeting at 11. 15am

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 13TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 16TH JULY, 2018 IN THE MANI CHAMBER, PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Florence Mutua, MP.
5. Hon. Silas Kipkoech Tiren, M.P.
6. Hon. Simba Arati, MP.
7. Hon. Andrew Mwadime, MP
8. Hon. Dr. John Kanyuithia Mutunga, M.P.
9. Hon. Maison Leshoomo, MP.
10. Hon. Justus Makokha Murunga, MP.
11. Hon. Dr. Wilberforce Oundo, MP
12. Hon. Joseph Nduati Ngugi, MP
13. Hon. Kipruto Moi, MP
14. Hon. Adan Haji Yussuf, M.P.

APOLOGIES

1. Hon. Cornelly Serem, MP
2. Hon. Daniel Maanzo, MP
3. Hon. Ferdinard Wanyonyi, MP
4. Hon. Bunyasi John Sakwa, MP
5. Hon. Kathuri Murungi, MP
6. Hon. Janet Jepkemboi Sitienei, M.P.
7. Hon. Dr. Daniel Kamuren Tuitoek, M.P.
8. Hon. Robert Gichimu Githinji, MP
9. Hon. Yegon Brighton Leonard,MP
10. Hon. James Mukwe, MP
11. Hon. Joyce Kamene, MP.
12. Hon. Alois Musa Lentoimaga, MP
13. Hon. Rahab Mukami Wachira, MP
14. Hon. Generali Nixon Kiprotich Korir, MP
15. Hon. Gabriel Kago Mukuha, M.P.
16. Hon. John Paul Mwirigi, M.P.
17. Hon. Fred Ouda, M.P.

18. Hon. Francis Munyua Waititu, M.P.
19. Hon. Alexander Kimutai Kigen Kosgey, MP
20. Hon. Anab Mohamed Gure, MP
21. Hon. Jones Mlolwa, MP
22. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1.	Mr. Ahmed Kadhi	-	First Clerk Assistant
2.	Mr. Eric Nyambati	-	Third Clerk Assistant
3.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
4.	Ms. Colletah Sigilai	-	Legal Counsel
5.	Mr. Peter Mwaura	-	Legal Counsel
6.	Mr. Eric Karuiki	-	Research Officer
7.	Mr. Chelanga Maiyo	-	Research Officer
8.	Mr. Richard Sang	-	Sergeant At- arms
9.	Ms. Rose Ometere	-	Audio Officer

MIN.NO. DCS/ JCAL& TIC 2018/049: PRELIMINARIES

The Chairperson called the meeting to order at 3.00 pm and prayed. The Chairperson urged the Members to stick to issues raised by the Statement requested by the Hon. Naisula Lesuuda, MP on 19th June, 2018 in the House so as to be able to handle the inquiry wholly without creating room for any qualms from the House when tabling the Committee report on the same.

MIN.NO. DCS/ JCAL& TIC 2018/050: WAYFORWARD REGARDING THE INQURY INTO THE ALLEGED IMPORTATION OF ILLEGAL/UNFIF SUGAR INTO THE COUNTRY

The Members deliberated on the way forward regarding the inquiry into alleged importation of illegal/unfit sugar for human consumption and resolved that:-

1. Kenya Bureau of Standards and Sony Sugar Company be invited to appear before the Committee on Tuesday 17th July, 2018 and Wednesday 18th July, 2018 respectively.
2. Dr. Fred Matiang'i the Cabinet Secretary for the Ministry of Interior and National Security need to be invited once more before the Committee to substantiate his remark regarding the presence of mercury in sugar.
3. The report of the Committee on the inquiry should:-

a) A chapter in the report that scrutinize the Gazette Notice allowing the importation of sugar and the repercussions of the same. In addition the list of companies that sought for extension of the duty-free window and those that imported the raw bulk sugar that need processing and if processing was done therafter.
b) Have a whole Chapter in the report which looks into the Companies that imported sugar before, during and after the duty-free window, the quantities they imported and the type of sugar imported.

4. Two Members from both the Committee on Trade, Industry & Cooperatives and that of Agriculture & Livestock should be picked to help the secretariat in coming up with the draft report before its submitted to the whole Committee.
5. Clear measures have to be put in place in destroying the unfit sugar seized and some that was still in the market as earlier submissions by the Ministry of Health indicated that as much as there was no mercury in the sugar the moisture content however was above the recommended level therefore the sugar was unfit for consumption
6. The government agencies charged with the responsibility of testing the sugar that is the Kenya Bureau of Standards and the Ministry of Health should provide a detailed summary of all the tests for the 47 Counties as requested by the Committee in the previous meetings.
7. In situations where the Committee finds an individual complicit in the importation of illegal/unfit sugar for human consumption, that individual should be held responsible and face the justice system.
8. The Committee to retreat in Mombasa from Thursday 19th July, 2018 to Monday 23rd July, 2018 for the report writing exercise.

MIN.NO. DCS/ JCAL& TIC 2018/051: ADJOURNMENT

There being no other business the Chairperson adjourned the meeting at 2. 05 pm. The next meeting will be called to order on notice.

Signed..... **Date**..1/8/2018.....

Hon. Kanini Kega, MP
Chairperson
Joint Committee on Trade, Industry & Cooperatives and Agriculture & Livestock

MINUTES OF THE 12TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY 5TH JULY, 2018 AT WINDSOR GOLF CLUB, KIAMBU AT 9.30AM.

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Robert Gichimu Githinji, MP
21. Hon. Alois Musa Lentoimaga, MP
22. Hon. Kipruto Moi, MP
23. Hon. Joyce Kamene, MP.
24. Hon. Fred Ouda, M.P.
25. Hon. James Mukwe, MP
26. Hon Nduati Ngugi,MP
27. Hon. Generali Nixon Kiprotich Korir, MP
28. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Deborah Mupusi	-	Media Relation Officer

MIN.NO. DCS/ JCAL& TIC 2018/046: PRELIMINARIES

The Chairperson called the meeting to order at 9.30am and prayed. He then informed Members that, the Ministry of Health and KEBS had requested to be given more time to finalize on the text results. In respect to this the Chairperson consulted with the Speaker of the National Asembly for guidance on how to move forward with the enquiry. The Speaker directed that the Committee to table a progress report awaiting the other results.

MIN.NO. DCS/ JCAL& TIC 2018/047: CONSIDERATION OF THE PROGRESS REPORT ON THE ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY.

The Committee considered the progress report based on the evidence and submissions received from the witnesses with a view to responding to the issues raised in the request for a Statement tabled by the Hon. Neisula Lesuuda, M. P., Samburu West. The key issues contained in the report were as follows:-

i. Sources of Contraband Sugar
ii. The Process of clearing Sugar at the Port
iii. Who were the importers
iv. Whether the sugar was inspected prior to consumption
v. How did the contraband sugar acquire KEBS stickers
vi. What are the disposal plans if any
vii. Measures to ensure that food stuffs in the market is safe for human consumption
viii. Whether any culprits have been arrested for culpability in the sugar importation

Preliminary Conclusions

The Committee further agreed to the following pleliminary conclusions

1. The preliminary laboratory test and the ongoing analysis test no traces of mercury have been found. However, investigations on the same were ongoing.
2. Kenya Bureau of Standards should coordinate with other relevant government agencies to ensure that raw sugar that was imported during the duty exemption window be reprocessed by the importers.
3. All sugar imported bagged or bulk should undergo fresh tests and if found unsuitable for human consumption be destroyed by the Multi-Agency team.
4. Kenya Revenue Authority should recover duty lost from importers who imported sugar outside the duty free window.
5. Kenya Revenue Authority should recover the applicable duty from any entity that imported industrial sugar during the duty free window.
6. The government should ban importation of raw and bulk sugar.
7. Millers be investigated for any misconduct in the importation of sugar during the duty exempt period as provided in the Gazette Notice No.4536. Considering that Sony sugar was adversely mentioned.

MIN.NO. DCS/ JCAL& TIC 2018/048: Adjournment

The Chairperson adjourned the meeting at 1.45pm

Signed.....

Chairperson

Date....1/8/2018.....

MINUTES OF THE 11TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 4TH JULY, 2018 AT WINDSOR GOLF CLUB, KIAMBU AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Robert Gichimu Githinji, MP
21. Hon. Alois Musa Lentoimaga, MP
22. Hon. Kipruto Moi, MP
23. Hon. Joyce Kamene, MP.
24. Hon. Fred Ouda, M.P.
25. Hon. James Mukwe, MP
26. Hon Nduati Ngugi,MP
27. Hon. Generali Nixon Kiprotich Korir, MP
28. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Deborah Mupusi	-	Media Relation Officer

KENYA BUREAU STANDARDS

Mr. Bernard Nguyo	-	Ag. Head of Quality Assurance

MIN.NO. DCS/ JCAL& TIC 2018/043: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed. He then informed Members that the Ministry of Health and KEBS were expected to bring their response on the test results as directed in the earlier meetings.

MIN.NO. DCS/ JCAL& TIC 2018/044: CONSIDERATION OF THE DRAFT REPORT ON THE ALLEGED IMPORTATATION OF ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

The Committee deferred consideration of the draft report to receive submissions from KEBS regarding test results and other relevant information. The Secretariat was request to make the relevant changes as proposed by the Members.

MIN.NO. DCS/ JCAL& TIC 2018/045: MEETING WITH KEBS TO CONSIDER THE TEST RESULTS ON THE SUGAR SAMPLES.

Mr. Bernard Nguyo from KEBS appeared before the Committee and made the following presentation:-

Clarification on Mandate of KEBS

The Kenya Bureau of Standards (KEBS) is a statutory organization of the Government of Kenya established by the Standards Act, Cap 496, Laws of Kenya in July 1974.
The functions of KEBS as per the Standards Act Cap 496 Section 4 are as follows:

a) to promote standardization in industry and commerce;

b) to make arrangements or provide facilities for the testing and calibration of precision instruments, gauges and scientific apparatus, for the determination of their degree of accuracy by comparison with standards approved by the Minister on the recommendation of the Council, and for the issue of certificates in regard thereto;

c) to make arrangements or provide facilities for the examination and testing of commodities and any material or substance from or with which and the manner in which they may be manufactured, produced, processed or treated;

d) to control, in accordance with the provisions of this Act, the use of standardization marks and distinctive marks;

e) to prepare, frame, modify or amend specifications and codes of practice;

f) to encourage or undertake educational work in connexion with standardization;

g) to assist the Government or any local authority or other public body or any other person in the preparation and framing of any specifications or codes of practice;

h. to provide for co-operation with the Government or the representatives of any industry or with any local authority or other public body or any other person, with a view to securing the adoption and practical application of standards;

i) to provide the testing at the request of the Minister, and on behalf of the Government, of locally manufactured and imported commodities with a view to determining whether such commodities comply with the provisions of this Act or any other law dealing with standards of quality or description.

Allegation of Discrimination

There is no prohibition for importation of brown sugar in bulk form, provided that the transportation complies with the ***(CAC/RCP 47-2001 - Code of Hygienic Practice for The Transport of Food in Bulk and Semi-Packed Food.***

The key things that the standard requires to be confirmed are:

i. Previous commodities shipped in the vessel/container
ii. Risks for contamination of the commodities being shipped from the vessels' materials, paints etc.
iii. Presence of locks and seals for containers to prevent environmental contamination.

Companies that imported bulk sugar for processing

West Kenya, Sukari Industries, Menengai oil and Amnav requested to be allowed to import sugar for processing at their factories into table sugar.

KEBS permitted the importation and gave the following conditions for its transportation to the factories:

1) The sugar should be inspected at the country of origin.
2) The sugar should be bagged in 50kg bags at the port.
3) The bags should be labelled "NOT FOR SALE"
4) Sugar to be inspected, sampled and tested for compliance with KS EAS 749.

The firms complied with the conditions given by KEBS with regards to transportation. Audit at the factories to confirm processing of the quantities imported is an ongoing process.

Companies that imported bulk brown sugar for bagging

Several companies including One Commodities Co limited, One-Traders limited Hydery P and Grainergy (k) Limited requested for authority to import brown sugar for bagging at the port of entry.

KEBS gave the following conditions for the bagging.

1) The sugar should be inspected at the country of origin.
2) The sugar should be bagged in 50kg bags at the port.
3) The bags should be labelled in conformity with KS EAS 749:2010
4) Sugar to be inspected, sampled and tested for compliance with KS EAS 749.

Results of Analysis for the various types of sugars

Kenya Bureau of Standards has tested the 2 categories of sugar samples as follows:

1. Samples of Sugar drawn from consignments seized by the Multi Agency RRI on fight against illicit trade.
2. Samples taken by KEBS Market Surveillance team from various outlets across the country.

The samples have been tested against the following standards:

EAS 749: 2010 EAST AFRICAN STANDARD Brown sugars - Specification

This specifies for tests on polarization, color, insoluble matter, lead, conductivity ash, moisture content, *E. coli, Salmonella*, Total viable count, yeast and moulds. On top of these parameters, mercury, arsenic, cadmium, and copper were also tested.

EAS 16: 2010 EAST AFRICAN STANDARD Plantation (mill) white sugar - specifications.

This specifies for tests on polarization, heavy metals such as arsenic, copper and lead, moisture content, sulphur dioxide, color, conductivity ash, Staphylococcus aureus, yeast and moulds. On top of these parameters, mercury, cadmium, manganese and nickel among others were also tested.

EAS 5: 2009 EAST AFRICAN STANDARD Refined white sugar - Specification.
Parameters tested in this case includes; invert sugar, polarization, arsenic, copper, lead, water insoluble matter, Coliforms, *Staphylococcus*, yeast and moulds, among others.

The progress of testing and recommendation for each category is as below:
Samples of Sugar drawn from consignments seized by the Multi Agency RRI on fight against illicit trade.
From the total of **661,252 bags** seized. We have tested **596,830** bags and the summary is as shown in the table below.

Table 1: Summary of test result status and Recommendations for sugars seized during the RRI

Date of seizure	Owners	Location	Quantity 50Kg Bags	KEBS Sample reference number	TEST Status	Results
05-06-18	WAREHOUSE 1	Eastleigh	1,400	BS201818544	Tested	Non-Compliant
				BS201818547	Tested	
				BS201818548	Tested	
				BS201818549	Tested	
				BS201818550	Tested	
				BS201818552	Tested	
				BS201818553	Tested	
11-06-18	WAREHOUSE 2	Ruiru, Kamakis Area	462	BS201819526	Tested	Non-Compliant
				BS201819527	Tested	
				BS201819528	Tested	
				BS201819529	Tested	
				BS201819530	Tested	
				BS201819531	Tested	
				BS201819532	Tested	
07.06.2018	WAREHOUSE 3	Mitchell Cotts logistic , Mombasa road	91,000	BS201819800	Tested	Partial compliance
				BS201819802	Tested	Partial compliance
				BS201819803	Tested	Compliant
14.06.2018	WAREHOUSE 4	Majengo Soko estate mombasa	230	No Sample	Not Tested	Destroyed by health officials
14.06.2018	WAREHOUSE 5	Makenzie Gowdon Shimanzi	741	BS201821062	Tested	Compliant

14.06.2018	WAREHOUSE 6	Allied Wharfage Godown Changamwe	105,551	BS201820356	Tested	Compliant
	WAREHOUSE 7			BS201820339	Tested	Compliant
	WAREHOUSE 8			BS201820389	Tested	Compliant
	WAREHOUSE 9			BS201820394	Tested	Compliant
	WAREHOUSE 10			BS201820400	Tested	Partial compliance
				BS201820374	Tested	Partial compliance
				BS201820361	Tested	Partial compliance
12.06.2018	WAREHOUSE 11	Kilindini	10,000	BS201819398	Tested	Compliant
12.06.2018	WAREHOUSE 12	Kilindini	10,000	BS201819407	Tested	Compliant
12.06.2018	WAREHOUSE 13	Kilindini	10,000	BS201819411	Tested	Compliant
12.06.2018	WAREHOUSE 14	Kilindini	10,000	BS201819416	Tested	Compliant
16.06.2018	WAREHOUSE 15	Matuu & Kitui	1,463	BS201820039	Tested	Partial compliance
				BS201820040	Tested	Partial compliance
				BS201820041	Tested	Partial compliance
				BS201820042	Tested	Partial compliance
				BS201820043	Tested	Partial compliance
19.06.2018	WAREHOUSE 16	Nyandarua	2,693	BS201820511	Tested	Partial compliance
				BS201820510	Tested	Partial compliance
				BS201820509	Tested	Partial compliance
				BS201820513	Tested	Partial compliance

19.06.2018	WAREHOUSE 17	Thika	2,970	BS201820512	Tested	Partial compliance
				BS201820513	Tested	Partial compliance
19.06.2018	WAREHOUSE 18	Industrial area	390	BS201820514	Tested	Compliant
				BS201820515	Tested	Compliant
				BS201820516	Tested	Compliant
				BS201820517	Tested	Compliant
19.06.2018	WAREHOSUE 19	Menengai Oil refineries industrial Nairobi	212,521	BS201820385	Tested	Compliant
				BS201820388	Tested	Partial compliance
				BS201820391	Tested	Partial compliance
				BS201820523	Tested	Compliant
				BS201820526	Tested	Compliant
				BS201820527	Tested	Compliant
				BS201820528	Tested	Compliant
				BS201820520	Tested	Compliant
19.06.2018	WAREHOUSE 20	Meru Town	2,900	BS201820382	Tested	Compliant
				BS201820379	Tested	Partial compliance
				BS201820378	Tested	Partial compliance
				BS201820377	Tested	Compliant
				BS201820375		
				BS201820369		
				BS201820367		
				BS201820366		
				BS201820365	Tested	Partial compliance
				BS201820363	Tested	Partial compliance
21.06.2018	WAREHOUSE 21	Garissa	320	BS201820865	Tested	Compliant

				BS201820857	Tested	Partial compliance
21.06.2018	WAREHOUSE 22	Embakasi	-	BS201820033	Tested	Partial compliance
				BS201820035		Partial compliance
21.06.2018	WAREHOUSE 23	Embakasi	-	BS201820034	Tested	Compliant
				BS201820036		Partial compliance
				BS201820037		Compliant
16.06.2018	WAREHOUSE 24	Webuye		BS201820025	Tested	Partial compliance
16.06.2018	WAREHOUSE 25	Webuye		BS201820023	Tested	Partial compliance
16.06.2018	WAREHOUSE 26	Webuye		BS201820025	Tested	Partial compliance
12.06.18	WAREHOUSE 27	Malaba		BS201819457	Tested	Compliant
21.06.2018	WAREHOUSE 28	Maua	3,000	BS201821236	**Testing incomplete**	
				BS201821233	**Testing incomplete**	
				BS201821234	**Testing incomplete**	
20.06.2018	WAREHOUSE 29	Maua	3,000	BS201821236	Tested	Compliant
				BS201821233	**Testing incomplete**	
				BS201821234	**Testing incomplete**	
30.06.2018	WAREHOUSE 30	Nyahururu	12,550	BS201822240	**Testing incomplete**	
				BS201822241		
				BS201822242		
				BS201822243		
				BS201822244		
21.06.2018	WAREHOUSE 31	Focus Godown	332	BS201820948	**Testing incomplete**	
21.06.2018	WAREHOUSE 32	Denco Godown	116,525	BS201820903	**Tested**	Compliant

				BS201820942		
21.06.2018	WAREHOUSE 33	Ligna Warehouse Shimanzi	17,664	BS201820756	**Tested**	Compliant
				BS201820758	**Tested**	Compliant
				BS201820759	**Tested**	Compliant
				BS201820760	**Testing incomplete**	Compliant
				BS201820761	**Tested**	Compliant
22.06.2018	WAREHOUSE 34	NCPB Godown Shimanzi	41,000	BS201821048	**Testing incomplete**	
18.06.2018	WAREHOUSE 35	Ol Kalau	4,540	BS201820508	**Testing incomplete**	
				BS201820212		
			661,252 **bags**			

MARKET SURVEILLANCE RESULTS

Market Surveillance Department undertakes regular market surveillance to ascertain the quality of products in the market.

Since 4th June, 2018, samples have been collected across major outlets in the country and Table 2 summarizes the outcome of testing.

Table 2: Status of Testing of Samples drawn from KEBS Market Surveillance

NO.	Region	Number of samples collected	Number of Samples Tested	Number of Test Pending	Remarks
1	Coast	49	17	32	14 Samples complied, 3 Partial compliance
2	North Rift	8	0	8	Results ready by 10th July, 2018
3	Nairobi	6	0	6	
4	Lake	4	0	4	
5	South Rift	8	8	3	
6	North Eastern	2	2	0	The samples complied in all the test parameters.
7	Mt. Kenya	21	15	6	15 samples complied in parameters tested.

MIN.NO. DCS/ JCAL& TIC 2018/046: Adjournment

The Chairperson adjourned the meeting at 7. 10pm

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 10TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY 4TH JULY, 2018 AT WINDSOR GOLF CLUB, KIAMBU AT 10.00PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Robert Gichimu Githinji, MP
21. Hon. Alois Musa Lentoimaga, MP
22. Hon. Kipruto Moi, MP
23. Hon. Joyce Kamene, MP.
24. Hon. Fred Ouda, M.P.
25. Hon. James Mukwe, MP
26. Hon Nduati Ngugi,MP
27. Hon. Generali Nixon Kiprotich Korir, MP
28. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Debra Ghati	-	Media Relation Officer

MIN.NO. DCS/ JCAL& TIC 2018/040: PRELIMINARIES

The Chairperson called the meeting to order at 10.30am and prayed. He welcomed all the Members present and thanked everyone for finding time to attend to the retreat. He further reminded Members that the Committee was scheduled to table its report on Thursday 5th July, 2018 at 2.30pm.

MIN.NO. DCS/ JCAL& TIC 2018/041: CONSIDERATION OF THE DRAFT REPORT OF THE INQUIRY INTO ALLEGED IMPORTATION OF ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY.

The meeting was adjourned to the afternoon of Wednesday 4th July, 2018 at 2.30pm to allow the secretariat to finalize compiling the draft report. The secretariat was requested to ensure that all the relevant information submitted by the key witnesses was incorporated in the final draft report.

MIN.NO. DCS/ JCAL& TIC 2018/042: Adjournment

The Chairperson adjourned the meeting at 10.45am

Signed.....

Chairperson

Date....11/8/2018.....

MINUTES OF THE 9TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 3RD JULY, 2018 IN MINI CHAMBER COUNTY HALL, AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Joseph Nduati Ngugi, MP
21. Hon. Robert Gichimu Githinji, MP
22. Hon. Alois Musa Lentoimaga, MP
23. Hon. Kipruto Moi, MP
24. Hon. Joyce Kamene, MP.
25. Hon. Fred Ouda, M.P.
26. Hon. James Mukwe, MP
27. Hon Nduati Ngugi,MP
28. Hon. Generali Nixon Kiprotich Korir, MP
29. Hon. John Paul Mwirigi, M.P.

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Yegon Brighton Leonard,MP
3. Hon. Adan Haji Yussuf, M.P.
4. Hon. Janet Jepkemboi Sitienei, M.P.
5. Hon. Francis Munyua Waititu, M.P.
6. Hon. Alexander Kimutai Kigen Kosgey, MP
7. Hon. Anab Mohamed Gure, MP

8. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant 1
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Chief Whip
2. Hon. Jared Okello, MP		
3. Hon. Paul Abuor, MP		

COUNCIL OF GOVERNORS

1. H.E Hon. Okoth Obado	-	Governor Migori(Chair Agricuture Committee Council of Governors)

MINISTRY OF HEALTH

1. Mr. Peter Tum	-	Principal Secretary
2. Dr. Kepha Ombacho	-	Director Public Health

MIN.NO. DCS/ JCAL& TIC 2018/036: PRELIMINARIES

The Chairperson called the meeting to order at 3.00pm and prayed. He welcomed all present and requested everyone to make self-introduction

MIN.NO. DCS/ JCAL& TIC 2018/037: SUBMISSION BY COUNCIL OF GOVERNORS

H.E Hon. Okoth Obado the Governor for Migori County on behalf of the Council of Governors as the Chairperson for Agriculture Committee appeared before the Committee and submitted that:-

The Constitution has devolved agriculture including but not limed to Crop husbandry, Trade development and regulation as a county function. Further, the National Government has been assigned agriculture policy and international trade.

The Kenya Gazette Supplement No. 116 of 9th August, 2013, LEGAL NOTICE NO. 137 transferred enforcement of regulations and standards on quality control of inputs, produce and products from the agricultural sector to county government.

It is therefore the duty of County Governments to ensure that all agricultural produce and products that are sold in our markets meet the national standards and thus fit for human consumption.

The County Governments have ensured that there is adequate human capacities infrastructure, and enough tools to undertake continuous testing and inspections for agricultural products. However, this process requires huge some of financing.

He further noted that Contraband sugar unfit for human consumption has been lately flooding our markets. Unfortunately, this has largely been occasioned by weak regulatory institutions mandated to safeguard local farmers. AFA which is the regulatory body mandated to do this function should be held responsible.

The National Governments should put adequate measure to ensure Kenyans consumers are protected. In the same spirit we expect the National Governments to consult county governments in making international trade policy decision and this should be inclusive of Importation and Exportation of Sugar that meet the domestic and international requirements.

The Commodities that have been frequently dumped to this Country includes; sugar, fish and maize. It's unfortunate that even with the National Government`s initiative to promote manufacturing as a key pillar to industrialization, we continue not only have excess imports but also contaminated product entering the country.

Consequently, this will not only have health implications but also add to the misery to our farmers who have borne the brunt of unregulated Sugar Importation.

He noted that even with the myriads of challenges, Kenya has a great potential and there is great political will to revitalize the sugar sector. The County Governments are key in seeing this sector grow to not only meet the country's sugar demand but also have surplus for exports.

He concluded by requesting the Committee to intervene in the following areas that are of key focus to Counties;

i. Disbandment of AFA whose functions are a clear encroachment on County Governments.
ii. Fast- tracking of gazettement of the Sugar General Regulations
iii. Inclusion of County Governments in matters importation and exportation of sugar to ensure any import request is justified by prevailing deficits/surplus market conditions
iv. Imposition of tougher penalty charges for those found culpable of Cane poaching and importation of contraband Sugar
v. Write-off of all debts and claims owned by the Government to Public owned Sugar mills
vi. Injection of Capital to ailing factories to resuscitate their revival
vii. Those involved in importation of contra band sugar should be brought to book and charged as per the law.

MIN.NO. DCS/ JCAL& TIC 2018/038: SUBMISSION BY THE MINISTRY OF HEALTH ON THE ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

Mr. Peter K. Tum the Principal Secretary, Ministry of Health, appeared before the Committee and informed that;

Part of the mandate for the Ministry of Health includes monitoring of Public Health hazards and inspection of storage facilities, amongst other functions in order to safeguard health and safety of citizens. In performing its functions, the Ministry is guided by legal instruments such as the Public Health Act Cap 242, Food, Drugs and Chemical Substances Act Cap 254. Further the

Executive Order No. 1 of June, 2018 has placed the mandate of food safety under the Ministry of Health.

The Port Health officers conduct inspection of vessels, cargo as well as the crew before granting clearance for the same to dock.

Importation of Sugar (point of Entry)

He informed the Committee that the sugar imports can either be in the form of a container or bulk cargo provided the standards specified are adhered to and a certificate of conformity issued. He noted that when sugar is imported in bulk form, the sugar should be offloaded into bags and stored in a warehouse based on specific handling and storage procedures to avoid contamination. If this is not done then the public health concern is raised.

However, in poor condition of storage and handling, sugar can get contaminated after clearance to enter into the country. This is the major entry point to this country, upon inspection, raised safety issues on handling storage of bulk sugar. He further informed the Committee that surveillance of foods placed in the market is further conducted by the county governments.

The National Sugar Standards

He informed that in Kenya there are three national standards for different types of sugar namely:

a) Brown sugar- specifications (KS EAS 749: 2010
b) Refined White Sugar - Specifications (KS EAS 5: 2009)
c) Plantation (mill) white sugar – specification (KS EAS 16: 2010)

In the three standards, the levels of arsenic, copper and lead are the same and are 1mg/kg, 2mg/kg and 0.5mg/kg respectively. However, the levels of moisture content are different, that is

maximum of 0.2 % m/m and 0.15% m/m moisture content for brown sugar and light brown sugar respectively

Eradication of Counterfeit / Illicit Trade

The Ministry of Health is participating in the ongoing Presidential Rapid Result Initiative (RRI) on eradication of counterfeits and illicit trade. The members include KRA, KEBS, Anti-counterfeit Agency, Ministry of Health, Police, Immigration, and Directorate of Criminal Investigation (DCI) amongst others. The RRI has resulted to seizure of various food commodities meant for human consumption.

Safety Concerns

In the recent past the general public has raised concerns that sugar is contaminated with heavy metals such as copper, lead, arsenic and mercury.

Action by the Ministry of Health

In view of the foregoing, the Ministry issued two circulars for the purpose of safe guarding the general public to the county governments' officers, points of entry, the Kenya Association of Manufacturers and retailers giving guidance on surveillance and responsibility to safety of food stuffs such as sugar and cooking oils/ fats. The Ministry and the county governments conduct routine inspections and sampling of food articles at various parts of the country along the supply chain.

Collection of Samples

Following the circulars some consignments of sugar have been seized and sampled by public health officers in some counties like Nakuru, Kiambu and Nairobi amongst other counties. He informed that the sampling exercise was still ongoing although some results were already out.

Laboratory Analysis Results

He noted that the laboratory analysis results as of 23rd June, 2018 have found that copper, lead and arsenic contamination is within the standard specification. The analysis of mercury contamination was ongoing.

Further the results have shown that 60% of the samples analyzed did not comply with the national standards making it unfit for human consumption. To this effect the respective counties have been advised to keep the contaminated lots under seizure pending destruction

He informed that industrial sugar was also sampled and analyzed and the results of 29th June, 2018 have found that sugar conforms to the standard specification and is fit for use in preparation of food meant for human consumption.

He noted that the results are based on each sample taken for analysis and including the safety conditions of the sampled lot. Additionally, analysis of these samples is ongoing at the government Chemist in Nairobi.

Magnitude of the Problem

The broad objective of the Ministry of Health is to safeguard the public health of the consumers, population from consuming contaminated sugar. The ministry is aware that sugar is widely used in industrial and domestic hence it is of major public health interest. He promised to continue with enhanced surveillance to ensure that the risk is reduced.

MIN.NO. DCS/ JCAL& TIC 2018/039: ADJOURMENT

The Chairperson adjourned the meeting at 6.45pm.

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 8TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 3RD JULY, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 9.30AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice - Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, M.P.
11. Hon. Simba Arati, MP.
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, M.P.
15. Hon. Dr. Daniel Kamuren Tuitoek, M.P.
16. Hon. Justus Makokha Murunga, MP.
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, M.P.
20. Hon. Joseph Nduati Ngugi, MP
21. Hon. Robert Gichimu Githinji, MP
22. Hon. Alois Musa Lentoimaga, MP
23. Hon. Kipruto Moi, MP
24. Hon. Joyce Kamene, MP.
25. Hon. Fred Ouda, M.P.
26. Hon. James Mukwe, MP

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Generali Nixon Kiprotich Korir, MP
3. Hon. Yegon Brighton Leonard,MP
4. Hon. Adan Haji Yussuf, M.P.
5. Hon. Janet Jepkemboi Sitienei, M.P.
6. Hon. John Paul Mwirigi, M.P.
7. Hon. Francis Munyua Waititu, M.P.
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1.	Mr. Nicholas Emejen	-	Deputy Director Committees
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Third Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Ms. Colletah Siglai	-	Legal Counsel
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Alex Mutuku	-	Sergeant At- arms
8.	Ms. Faith Makena	-	Sergeant At- arms
9.	Ms. Roseline Njuki	-	Sergeant At- arms
10.	Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1.	Hon. Benjamin Washiali, MP	-	Chief Whip
2.	Hon. Mark Nyamuta, MP		

KENYABUREAU OF STANDARDS TEAM

1.	Dr Moses M.Ikiara	-	Ag MD
2.	Dr. Geoffrey Muriira		
3.	Benard Nguyo		
4.	Dr. Henry Kibet Rotich		
5.	Raymond Michuki		

KENYA REVENUE AUTHORITY

1.	J K Njiraini	Commissioner General Njiraini
2.	J N Musyoka	KRA Customs
3.	R Mureithi Benarfd Oyucho	I&TC
4.	Legei Joseph KRA	Customs
5.	Grace Wanderu	

MIN.NO. DCS/ JCAL& TIC 2018/032: PRELIMINARIES

The Chairperson called the meeting to order at 10.00am followed by a prayer from the Hon. Adan Haji Ali, MP. He welcomed all present and requested the KEBS officers to table their submissions and take the Committee through the same.

MIN.NO. DCS/ JCAL& TIC 2018/033: RESPONSE BY KENYA BUREAU OF STANDARDS

The Ministry of Trade, Industry and Cooperatives through the Kenya Bureau of Standards (KEBS) responded to the letter dated 29th June 2018 of the Joint Committee that sought for the following updates: Importation; Inspection; Testing and Sale of sugar as follows;
KEBS mandate with regard to quality is executed through:

i. Import Inspection

ii. Product certification at the factory level
iii. Market surveillance

1. Import inspection- process of obtaining certificate of conformity

The certification for imported sugar is done through the following process:

a) Pre–Export Verification of Conformity to Standards

The process of verification on conformity is undertaken by contracted agents and involves the following steps:

i. Vessel/Container Inspection

The vessel is inspected before loading of the sugar. The inspection is carried out in line with Codex standard CAC/RCP 47-2001 – Code of Hygienic practice for the transport of food in bulk and semi packed food. This involves confirming the vessel or container is suitable for carrying by checking the following items among others:

1. Types of goods carried in the vessels including containers for the last three voyages.
2. Type of material on the surface of the walls of the hatches including paints.
3. Presence of locks and seals.

The output of the inspection is Vessel's health certificate for the vessel. Copies of health certificates have been provided with respect to the MVS IVS Tembe which was used for importation of raw sugar going to West Kenya Sugar Company.

ii. Consignment Inspection and Certification

- **Sugar Testing** – is a requirement for sugar to be tested by an accredited laboratory based on the relevant standard.
- **Loading Inspection** – undertaken to confirm quantities and quality.

iii. Local Inspection

The basis or criteria for release of sugar at the port of entry is the Certificate of Conformity (CoC). Consignments with CoCs are released normally. Sugar accompanied by CoC is optionally sampled and tested. Testing is based on the relevant standards. Consignment imported by West Kenya and Sukari Sugar were sampled at the Port of entry and test results were provided.
The sugar was also cleared by the Port Health Authority. Copy of the Port Health Certificate is provided.

iv. The case of the raw sugar cleared by KEBS for Refining / Milling

Four companies (Sukari Industries Ltd; West Kenya Sugar Company Limited; Amnav Limited and Menengai Oil Refineries Limited) applied to KEBS and were granted authority to import bulk sugar for milling in their factories. They informed the committee that due diligence was observed in clearing the companies that were allowed to import raw sugar as demonstrated by the tabled documents that included; AFA licenses, Vessel inspection and Certificates of Conformity
All sugars imported by these companies were certified in the country of origin and issued with CoCs.

Copies of CoC for the raw sugars imported by West Kenya and affiliated companies were provided.

2. Product certification at the factory level

KEBS implements product certification schemes guided by ISO 17065: 2012 - Conformity Assessment — Requirements for bodies certifying products, processes and services. These product certification schemes are provided for under the Standards Act. Currently, KEBS runs two certification schemes namely, Standardization Mark (SM) and the Diamond Mark (DM).
KEBS undertakes the following activities which form the key requirements for product certification:

a) Initial Inspection of the production system for conformity to statutory requirements as well as relevant manufacturing codes of practice.
b) Sampling and Product Testing for compliance with relevant Kenya standards or approved specifications.
c) Develop and sign with the manufacturer scheme of quality supervision and control for production process intended to ensure consistency in product quality throughout the certification cycle. This document provides a framework for quality monitoring over the certification validity period.
d) KEBS undertakes surveillance inspection of factories and sampling for testing after certification to ensure the factory adheres to the scheme of quality supervision and control during the validity period of the permit.

Complying products are issued with a Standardization Mark (SM) and Diamond Mark of quality (DM).

3. Market surveillance

KEBS implements market surveillance plans which are developed at the beginning of the year. KEBS is present in seven regions, namely Nairobi, Coast Region (Mombasa), Mt. Kenya (Nyeri & Meru), North Eastern (Garissa), South Rift (Nakuru), North Rift (Eldoret), Lake region (Kisumu) and is also present in 14 entry points. The Market surveillance activities cover all counties coordinated through the nearest office.
Market surveillance covers all products and is done through risk assessment. Non-compliant goods are seized and destroyed.

4. Issues of storage of food products in warehouse

KEBS responsibility is to clear goods that comply with the standards at the entry points. It is the responsibility of every business entity to ensure that food is stored in a warehouse that is suitable. The regulations for warehouses for food storage are provided for under Public Health Act, Chapter 242 Laws of Kenya. Page 56 and 57 of the Act that covers this provision is attached as Annex 4.

5. Test results

The exercise of testing was ongoing, and the finalization and release of results has been affected by arrest of the signatories.

During the plenary discussion, KEBS informed the Committee that CFS are considered to be in the port and that they their responsibility starts after the products are released from the port,
That certificate of conformity of the sugar had been issued at the country of orign of the imported sugars
The vessels that carried bulk sugar had been inspected and considered to be fit to handle the sugar
KEBS stated that it would be illegal for an importer to sell sugar designated for furthe processing directly to consumers.
Committee Resolution
The joint Committee resolved that KEBS should table a report on the test results of the samples taken from various region of the country by 4th July 2018.

MIN.NO. DCS/JCAL&TIC 2018/034: SUBMISSION BY KENYA REVENUE AUTHOURITY (KRA)

The Commissioner General Mr. John Njiraini appeared before the Joint Committee and responded to the additional issues sought by Members as follow:-

Administration process during the Duty Free Importation Window

Pursuant to the Declaration of the National Disaster by the Government of Kenya, the Cabinet Secretary, National Treasury, in accordance with the provisions of Section 114 (2) of the EAC Customs Management Act, 2004, approved the importation of sugar on duty free basis with effect from 12th May, 2017 to 31st August, 2017 vide the Kenya Gazette Notice No. 4536 dated 11th May, 2017
Subsequently, Gazette Notice No. 9802 dated 29th September, 2017 amended Gazette Notice No. 4536 of 11th May, 2017 by deleting the word "imported" and substituting therefore the words "loaded into a vessel destined to a port in Kenya". The amendment meant that duty was not to be charged on sugar loaded into a vessel destined to a port in Kenya between 12th May, 2017 and 31st August, 2017.

Gazette Notices relating to Sugar Millers
Gazette Notice No. 9801 dated 29th September, 2017 granted duty waiver on sugar loaded into a vessel destined to a port in Kenya between 1st September, 2017 and 31st December, 2017 and consigned to a local sugar miller.
Subsequently, Gazette Notice No. 10149 dated 13th October, 2017 amended Gazette Notice No. 9801 of 29thSeptember, 2017 by deleting the expression "31st December, 2017" and substituting therefore the expression "13th October, 2017". This amendment means that duty shall not be

charged on sugar loaded into a vessel destined to a port in Kenya between 1st September 2017 and 13th October 2017 consigned to a local sugar miller.

Internal Communication

The Kenya Revenue Authority, in consultation with the National Treasury developed administrative guidelines to facilitate the implementation of the aforementioned Gazette Notices. The administrative process guiding the implementation of the sugar exemption was outlined in the Table below;

Administrative process that guided the implementation of the sugar exemption.

Appendix	Date	Document	Remarks/Instruction
1.	12.05.2017	Gazette Notice No. 4536 dated 11th May, 2017.	The Gazette Notice approved the importation of duty free sugar subject to the conditions specified in the Notice as outlined above.
2.	16.05.2017	Internal Memo ref. CSD/PP/CSD/1 dated 16.05.2017	The internal memo clarified the requirements of Gazette Notice No. **4536** as follows:- I. The duty free sugar shall be of the Tariff Nos. 1701.13.90, 1701.14.90, 1701.99.10 and 1701.99.90, which are the categories for raw cane sugar. I. The duty free importation shall be valid from 12th May, 2017 to 31st August, 2017. I. The sugar shall be liable to Import Declaration Fee (IDF), Road Development Levy (RDL), Merchant Shipping Superintendent (MSS) fees and any other levies applicable to imports 7. Where the Sugar originates from an EAC Member State, IDF and RDL shall not be applicable.
3.	17.05.2017	Internal Memo ref. CSD/PP/CSD/1 dated 17.05.2017	The internal memo clarified that the duty free sugar was liable to **VAT.**
4.	06.06.2017	Internal Memo ref.	The internal memo guided officers further as follows:-

Appendix	Date	Document	Remarks/Instruction
		CSD/PP/CSD/1 dated 06.06.2017	I. Industrial Sugar of Tariff 1701.99.10 **shall** not be accorded duty free status. II. Accordingly, the import duty rate for Industrial Sugar in the Simba System was reversed to reflect the CET rate of 100%. III. Gazetted importers to continue importing Industrial sugar at 10% under Duty remission scheme. IV. Officers to continue demanding sugar permits issued by Agricultural Authority Sugar Directorate from importers.
5.	04.10.2017	Gazette Notice No. 9801 and 9802 both dated 29th September, 2017.	

5.	04.10.2017	Gazette Notice No. 9801 and 9802 both dated 29th September, 2017.	o Gazette Notice No. **9801** granted duty waiver on sugar loaded into a vessel destined to a port in Kenya between 1st September, 2017 and 31st December, 2017 and consigned to a Local Sugar Miller o Gazette Notice No. **9802** amended Gazette Notice No. **4536** of 11th May, 2017 by deleting the word "imported" and substituting therefore the words **"loaded into a vessel destined to a port in Kenya".** This amendment means that duty shall not be charged on sugar loaded into a vessel destined to a port in Kenya between 12th May, 2017 and 31st August, 2017
6.	05.10.2017	Information Circular No. 3 dated 05.10.2017	The internal guidelines clarified the requirements for Gazette Notice No. 9801 and 9802 both dated 29.09.2017 as outlined above.
7.	13.10.2017	Gazette Notice No. 10149 dated 13th October, 2017.	Gazette Notice No. **10149** dated 13th October, 2017 amended Gazette Notice No. **9801** of 29th September, 2017 by deleting the expression "31st December, 2017" and substituting therefore the expression "13th October, 2017"
8.	17.10.2017	Information Circular No. 4 dated 17.10.2017	The internal guidelines clarified the requirements for Gazette Notice No. 10149 of 13th October, 2017 Accordingly, officers were guided that the duty waiver on sugar imported by sugar millers shall

			apply only to sugar that shall have been loaded into a vessel between 1st September, 2017 and 13th October, 2017 destined to a port in Kenya and consigned to a Local Sugar Miller.

1.1.1 Due Diligence

Upon expiry of the initial exemption deadline of 31st August 2017, KRA received requests to facilitate duty free entry of sugar whose arrival was said to have been delayed by various logistical challenges. Upon processing the request, KRA advised the National Treasury of its inability to admit the sugar on duty free basis given the strict timelines stated in Gazette Notice 4536.

Additionally, while conducting due diligence to ensure that only sugar that met the requirements specified in the Gazette Notices 4536 was allowed into the country on duty free basis, KRA intercepted an importation of 40,000 MT of brown sugar purported to have originated from Brazil and declared to have been loaded within the gazette period.

Upon verification of the import documents, several inconsistencies were detected in regard to certificate of origin; date and place of loading; place and date of the inspection and change of ownership; among others. Consequently, KRA declined to allow the importation on duty free basis and demanded **Kshs 2.5 billion** in taxes.

The importer objected to the demand and filed a case in Court. The matter is currently before the Supreme Court.

Raw versus Table Sugar

(i) Raw sugar is obtained by processing sugar cane (or beet) juice into crystalline solid sugar. A number of processes are involved in production of raw sugar and includes processes such as milling the canes, crushing, juice clarification, evaporation, crystallisation and centrifugation

(ii) Raw sugar can then be categorised into various grades depending on the colour of the sugar in solution and sucrose content. Traditionally some of the grades of raw sugar generally encountered include brown sugar and mill white sugar classified on the basis of colour.

(iii) The colour of raw sugar in solution is a property that is greatly dependent on the efficiency of sugar production process and other factors such as the condition of the raw material, seasons of the harvest of cane and prevailing environmental conditions during processing.

(iv) Raw sugar (brown or mill white) having satisfied quality criteria set out for fitness for human consumption by a qualified body is often referred to as 'table sugar' or 'common table sugar'.

(v) On further processing or purification of raw sugar under specific conditions, industrial sugar is obtained. Industrial sugar has reduced colour and very high sucrose content.

(vi) The terms 'common table sugar', 'mill white sugar', 'brown sugar', 'white sugar' and so on refer to the various grades of raw sugar based on the quality parameters such as colour, sucrose content and fitness for consumption.

Customs Classification of Raw Sugar

(i) The classification of raw cane sugar for the purposes of international trade is guided by the World Customs Organisation (WCO) Harmonised Systems Convention of Commodity Coding (HS) of which Kenya is a Party.

(ii) Chapter 17 of the Harmonised System covers the classification of Sugar and Sugar Confectionary.

(iii) Raw cane sugar in solid form is classified under the tariff heading 17.01.

(iv) Under the tariff heading 17.01 "raw sugar" means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5°.

(v) The sugar imported under the exemption regime falls under the tariff codes:-

a) 1701.13.90 .....raw cane sugar obtained without centrifugation and having sucrose content on dry basis corresponding to a polarimeter reading of 69° or more but less than 93°

b) 1701.14.90.....other raw cane sugar

(vi) The distinction between the two tariff codes is based on the sucrose content as given by the polarimeter readings and not based on suitability for consumption.

(vii) Polarimeter reading is an expression of sucrose content of sugar in solution. A polarimeter is a scientific instrument used to measure the angle of rotation caused by passing polarized light through an optically active substance.

(viii) Sugar contains optically active sucrose which rotates polarized light to an extent that is directly proportional to the quantities present in sugar sample.

(ix) In order to establish fitness for consumption, the raw cane sugar imported under the exemption regime were accompanied by Certificates of Conformity (CoC) from the Kenya Bureau of Standards.

Types of Packaging of Raw Cane Sugar Encountered During Importation

(i) The raw cane sugar imported under the exemption regime was presented to customs in 50 kilogram bags and in un-bagged bulk carriers.

(ii) Whether sugar is imported bagged or un-bagged, release by customs is conditional upon confirmation by relevant regulatory agencies of the fitness of the product for entry into the country. In all cases where un-bagged sugar was imported, all regulatory agencies including Kenya Bureau of Standards (KEBS), Port Health, and Radiation Board certified the consignments as fit for importation.

List of the Sugar Importers

Brown Sugar Importers Who Benefitted From the Exemption

A total 169 Companies benefitted from the exemption for both industrial and brown sugar imports(Paid zero duty) .The Table below indicates that total of 113 brown sugar importers imported within the confines of the exemption and hence benefited from the exemption.

O.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051651675J	AMNAV LIMITED	74,400	3,258	-	521	65	49	635
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	2,989	-	478	60	45	583
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	50,500	2,456	-	393	49	37	479
4	P000634500H	MENENGAI OIL REFINERIES LTD	46,200	2,424	-	388	48	36	47[illegible]
5	P051625523E	CONVEX COMMODITY MERCHANTS L	39,832	1,584	-	253	32	24	309
6	P051308483N	SUKARI INDUSTRIES LIMITED	34,500	1,336	-	214	27	20	261
7	P000627038X	WEST KENYA SUGAR COMPANY LTD	34,100	1,394	-	223	28	21	272
8	P051601324Z	ONE COMMODITIES COMPANY LTD	31,850	1,740	-	278	35	26	339
9	P051243445V	LANDMARK FREIGHT SERVICES LTD	25,866	1,194	-	191	24	18	233
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,410	1,256	-	201	25	19	245
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	1,221	-	195	24	18	238
12	P051456947P	GRAINERGY K LIMITED	19,526	1,181	-	189	24	18	230
13	P000619085J	HYDERY (P) LIMITED	19,000	1,118	-	179	22	17	218
14	P051144533P	THE COMMODITY HOUSE LIMITED	16,674	1,007	-	161	20	15	196
15	P051629683B	HALEEL COMMODITIES LIMITED	16,216	820	-	131	16	12	160
16	P051151246J	STUNTWAVE LIMITED	13,375	827	-	132	17	12	161
17	P051474511S	ONE TRADERS LIMITED	12,500	645	-	103	13	10	126
18	P051202197A	HUSSABA TRADING COMPANY LTD	12,438	864	-	138	17	13	168
19	P051359826N	YH WHOLESALERS	11,492	697	-	111	14	10	136
20	P051581191F	KIFARU FEEDS LIMITED	10,396	574	-	92	11	9	112
21	P051128926C	REMINGTON AGENCY LIMITED	9,625	626	-	100	13	9	122
22	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	665	-	106	13	10	129
23	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	500	-	80	10	7	97
24	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	616	-	99	12	9	120
25	P051398900G	COAST TERMINAL EAST AFRICA LTD	7,489	353	-	56	7	5	68
26	P051138751E	REGIONAL BARGAINS LIMITED	7,000	447	-	71	9	7	87
27	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	518	-	83	10	8	101
28	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	375	-	60	7	6	73
29	P051216621U	RAA RMO LIMITED	6,916	355	-	57	7	5	69
30	P051301868Z	THE OPTION TWO LIMITED	6,903	371	-	59	7	6	72
31	P051632605W	MANONO ENERGY LIMITED	6,790	340	-	54	7	5	66
32	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	399	-	64	8	6	78

IC.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
33	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	352	-	56	7	5	69
34	P051380103I	KORBASH TRADERS LIMITED	6,103	321	-	51	6	5	62
35	P051423241R	IFOX COMMODITY LIMITED	5,980	323	-	52	6	5	63
36	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	408	-	65	8	6	80
37	P051122598C	COSMOCARE INDUSTRIES (NAIROBI)	5,750	357	-	57	7	5	70
38	P051447092O	ARASAN TRADERS LIMITED	5,683	283	-	45	6	4	55
39	P051148624Z	PHOENIX COMMODITIES KENYA LTD	5,250	307	-	49	6	5	60
40	P051140572Q	PALEAH STORES LIMITED	4,770	239	-	38	5	4	47
41	P051358005Y	DUBAI MATRESS LIMITED	4,565	249	-	40	5	4	48
42	P051605076M	LEGO STORES LIMITED	4,492	215	-	34	4	3	42
[illegible]	P000596838I	EXPORT TRADING CO LTD	4,400	296	-	47	6	4	58
44	P051647626Z	BETA COMMODITIES LIMITED	3,970	207	-	33	4	3	40
45	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	193	-	31	4	3	38
46	P051509457T	SOMO COMMODITIES LIMITED	3,508	195	-	31	4	3	38
47	P051565427J	FLORA BAKERS LIMITED	3,490	175	-	28	4	3	34
48	P051357595V	PILLAR MATT LIMITED	3,489	194	-	31	4	3	38
49	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	216	-	35	4	3	42
50	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	242	-	37	4	3	45
51	P051121478S	MULTILIFT LIMITED	3,161	168	-	27	3	3	33
52	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	213	-	34	4	3	41
53	P051326831B	TARZAN LIMITED	3,000	219	-	35	4	3	43
54	P051621965H	SWABRI LIMITED	2,941	178	-	29	4	3	35
55	P051613426Z	MAPPING TRADING COMPANY LTD	2,938	164	-	26	3	2	32
56	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	175	-	28	4	3	34
57	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	134	-	21	3	2	26
58	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	145	-	23	3	2	28
59	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	138	-	22	3	2	27
60	P051595247Z	BEYON INVESTMENT LIMITED	2,292	102	-	16	2	2	20
61	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	148	-	24	3	2	29
62	P051311944R	GREENBELT WHOLESALERS LTD	2,080	111	-	18	2	2	22
63	P051195373G	MIDLAND HAULIERS LIMITED	2,040	116	-	19	2	2	23
64	P051381684F	FOCUS LOGISTICS LIMITED	2,002	105	-	17	2	2	21
65	P051464283J	AUS KENYA LIMITED	2,002	96	-	15	2	1	19
66	P051424211K	SINAI SUPPLIERS AND CONTRACTORS CO LIMITED	2,000	114	-	18	2	2	22
67	P051628771W	ATLANTA COMMERCIAL MALL LTD	2,000	127	-	20	3	2	25
68	P051581060X	MARATHON VENTURES LIMITED	1,840	109	-	17	2	2	21

).	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
69	P051166945F	EXPRESS COMPANY LIMITED	1,539	80	-	13	2	1	16
70	P051387175Q	SKY AGENCIES LIMITED	1,500	74	-	12	1	1	15
71	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	81	-	13	2	1	16
72	P051238815B	BLUE LIME LIMITED	1,305	71	-	11	1	1	14
73	P051198851L	WHITE HALL HOLDINGS LIMITED	1,300	72	-	12	1	1	14
74	P051393840B	EQUITY LOGISTICS LIMITED	1,300	65	-	10	1	1	13
75	P051563989Y	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	66	-	11	1	1	13
76	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	60	-	10	1	1	12
77	P000592871B	EMCO STEEL WORKS LTD	1,147	119	-	16	-	-	16
78	P051176972L	METCOM LTD	1,097	79	-	13	1.6	1.2	15
79	P051592286P	FUTURES COMMODITIES LIMITED	1,080	62	-	10	1.2	0.9	12
80	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	49	-	8	1.0	0.7	10
81	P051631078E	FREON TRADERS LIMITED	1,030	50	-	8	1.0	0.8	10
82	P051119385K	NANKU COMPANY (KENYA) LIMITED	1,000	68	-	11	1.4	1.0	13
83	P051213796I	MERCURIE LIMITED	1,000	57	-	9	1.1	0.9	11
84	P051567202C	CAPO GENERAL TRADING LIMITED	988	57	-	9	1.1	0.9	11
85	P051399721L	RIETY COMPANY LIMITED	933	60	-	10	1.2	0.9	12
86	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	48	-	8	1.0	0.7	9
87	A002491695Y	MARYWANGUIMWANGI	800	56	-	9	1.1	0.8	11
88	P051542905Y	TAKABA INVESTMENT LIMITED	780	40	-	6	0.8	0.6	8
89	P051564123Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	37	-	6	0.7	0.5	7
90	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	43	-	7	0.9	0.6	8
91	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	51	-	8	0.9	0.7	10
92	P051533721X	SERENI FRIES LIMITED	600	49	-	8	1.0	0.7	9
93	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	31	-	5	0.6	0.5	6
94	P051222964B	JAMAA SUPERMARKET LIMITED	520	20	-	3	0.4	0.3	4
95	P051528188X	FAHD COMMODITIES GROUP LIMITED	520	29	-	5	0.6	0.4	7
96	P051420387C	KENAFRIC COMMODITIES LIMITED	500	27	-	4	0.5	0.4	5
97	P051638583Z	SANJOSE AGENCIES LIMITED	500	35	-	6	0.7	0.5	7
98	P051223448W	TESIA SUPERMARKETS LIMITED	450	25	-	4	0.5	0.4	5
99	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	24	-	3	0.4	0.3	4
100	P051587757A	HABS ENGINEERING LIMITED	301	19	-	3	0.4	0.3	4
101	P000602358S	OAKDALE COMMODITIES LTD	251	145	-	23	2.9	2.2	28
102	P051180738S	MUMIAS DISTRIBUTORS LTD	250	20	-	3	0.4	0.3	4
103	P051501498H	ZACK PETROLEUM LIMITED	234	11	-	2	0.2	0.2	2
104	P051563367M	MIKROS	224	17	-	1	-	-	1
105	P051101494Q	UNITED NATIONS WORLD FOOD PROGRAMME	200	14	-	-	-	-	-

	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
106	P051216674J	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	11	-	2	0.2	0.2	2
107	P051536310V	MOKANN LOGISTICS LIMITED	195	15	-	2	0.3	0.2	3
108	P051321102A	LESPHINE INVESTMENTS LIMITED	168	13	-	2	0.3	0.2	3
109	P051380901O	ELON COMMODITIES K LIMITED	168	11	-	2	0.2	0.2	2
110	P051588583C	PEAKMUS BAKERS LIMITED	168	14	-	2	0.3	0.2	3
111	P051609069V	ESSBEE SUPPLIERS LIMITED	165	8	-	1	0.2	0.1	2
112	P051469311B	SAMPEN JOS LIMITED	122	9	-	1	0.2	0.1	2
113	P051516894X	STEVFLO STORES ENTERPRISES LTD	112	8	-	1	0.2	0.1	2
Grand Total			818,151	43,487	-	6,947	865	649	8,463

Importers who imported small quantities of Brown Sugar & benefitted from the Exemption

The table below gives 13 importers who imported small quantities of sugar (less than 100MT) and benefitted from the exemption.

NO	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051632843E	SERMCO COMPANY LIMITED	84	6	-	1	0.1	0.1	1
2	P051314028R	RABI YASIR TRADERS LIMITED	56	4	-	0.32	-	-	0.3
3	P051543121S	ROSAM LIMITED	27	2	-	0.35	-	-	0.4
4	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	0	-	0.07	-	-	0.1
5	P000609533Z	KENYA AIRWAYS LTD	4	2	-	-	-	0.1	0.1
6	P051643385Z	ALONAIB GENRAL TRADING LIMITED	1.60	0.09	-	0.01	-	-	0.01
7	P051102372Z	AMERICAN EMBASSY	0.78	0.26	-	-	-	0.13	-
8	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.14	0.05	-	-	-	-	-
9	P000593895L	NAS AIRPORT SERVICES LTD	0.13	0.03	-	-	-	0.00	0.00
10	P000591674X	TOTAL (K) LTD	0.06	0.04	-	0.01	0.05	0.04	0.01
11	P051442785K	SONGHYUN FOODSTUFFS LIMITED	0.05	0.020	-	0.003	-	-	0.003
12	P051133092U	HEALTHY U TWO THOUSAND LTD	0.04	0.012	-	0.002	-	-	0.002
13	P051646284U	LING YUE INTERNATIONAL CO LTD	0.03	0.004	-	0.001	-	-	0.001
Grand Total			185	15	-	2	0.2	0.3	2

Brown Sugar importers (Duty Paid)

The Table below gives a summary of 21 brown sugar importers who imported sugar from outside the Common Market for Eastern and Southern Africa (COMESA) region between September 2017 and 31st December 2017 and fully paid the requisite Duty.

Brown Sugar importers (Duty Paid)

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000592983G	PATCO INDUSTRIES LTD	306	15,032	1,503	2,646	10	225	4,384
2	P051216534Y	MSHALE COMMODITIES LIMITED	300	15,550	1,555	2,737	311	233	4,836
3	A008378124X	KAMLESH JITENDRA DATTANI	11	925	324	200	-	-	524
4	P051303371W	KAJAL OVERSEAS LIMITED	7	381	311	111	-	-	422
5	P051380221L	SUNGOLD KENYA LIMITED	4	105	64	27	-	-	90
6	A006483000D	NAVIN KUMAR DEVJI JESANI	3.2	139	49	30	-	-	79
7	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	1.6	67	23	14	-	-	38
8	P051500456Y	SPARE ZONE ENTERPRISES	1.2	77	53	21	-	-	74
9	P051636965X	GURU IMPEX LIMITED	1	44	16	10	-	-	2.
10	P051427440C	SIANI SPICES K LIMITED	0.8	29	10	6	-	-	17
11	P051133092U	HEALTHY U TWO THOUSAND LTD	0.5	81	52	21	-	49	74
12	P051456140A	DATTA KRUPA TRADERS	0.4	2	20	3	-	-	23
13	A000186734N	PARENRAMJISHAH	0.3	26	14	6	-	-	20
14	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.3	48	48	15	-	-	63
15	A001128032D	PANKAJJAYANTILALSHAH	0.1	15	15	5	-	-	20
16	A007694508A	SANJAY GOPAL SHIYANI	0.1	10	5	2	-	-	7
17	P051112922J	SOMA IMPEX LIMITED	0.1	11	11	4	-	28	15
18	P051631183C	INEXCESS LIMITED	0.1	10	10	3	-	-	13
19	P000593906T	SAFARI PARK (HOLDINGS)	0.05	6	6	2	-	-	7
20	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	2	2	1	-	-	2
21	P051470953D	PLURINE TRADING LIMITED	0.03	1	1	0.3	-	-	1
Grand Total			**638**	**32,562**	**4,091**	**5,865**	**321**	**535**	**10,736**

Industrial Sugar Importers who benefitted from the Exemption

The Table below gives a summary of 44 industrial sugar importers who benefited from the exemption but KRA wants them to bay duty.

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000593584F	KENYA BREWERIES LIMITED	12,241	696	-	111	8	10	129
2	P000611756Q	NAIROBI BOTTLERS LTD	11,064	688	-	110	0.16	10.32	121
3	P000599737M	KENAFRIC INDUSTRIESS LIMITED	8,190	497	-	79	7	7	94
4	P051124295A	MZURI SWEET LIMITED	5,040	321	-	51	3	5	5
5	P000591222F	KENYA SWEETS LIMITED	4,100	256	-	41	2	4	4

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
6	P000595604U	THE WRIGLEY CO (E A) LTD	2,486	151	-	24	1	2	27
7	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	118	-	19	0.05	1.78	21
8	P000627963J	KISII BOTTLERS LTD	1,656	93	-	15	0.04	1.39	16
9	P051103572S	JETLAK FOODS LIMITED	1,650	93	-	15	1	1	17
10	P051100924G	KEVIAN KENYA LIMITED	1,525	92	-	15	1	1	17
11	P000624917Q	MOUNT KENYA BOTTLERS LTD	1,416	87	-	14	0.03	1.30	15
12	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,350	78	-	13	1	1	15
13	P051147260Z	GLOBAL ALLIED INDUSTRIES LTD	1,250	80	-	13	2	1	16
14	P000624346S	MJENGO LTD	1,200	72	-	12	1	1	14
15	P000623053O	DEL MONTE KENYA LIMITED	999	55	-	9	0.01	0.83	10
16	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	47	-	7	1	1	9
17	P051386713B	SUNVEAT FOODS LTD	775	47	-	8	1	1	9
18	P000600017X	PREMIER FOOD INDUSTRIES LTD	700	33	-	5	0.03	0.50	6
19	P000592983G	PATCO INDUSTRIES LTD	600	26	-	4	0.02	0.39	5
20	P000596923C	EXCEL CHEMICALS LTD	500	22	-	4	0.01	0.33	4
21	P000626429Y	EQUATOR BOTTLERS LTD	400	22	-	4	0.01	0.33	4
22	P051222425N	SBC KENYA LIMITED	400	23	-	4	0.01	0.34	4
23	P000607685K	GLAXOSMITHKLINE LIMITED	375	19	-	3	0.38	0.29	4
24	P051152243L	CANDY KENYA LIMITED	375	19	-	3	0.37	0.28	4
25	P000625880F	TRICLOVER INDUSTRIES LTD	325	17	-	3	0.11	0.26	3
26	P051098613Z	EQUATORIAL NUT PROCESSORS LTD	300	20	-	3	0.39	0.29	4
27	P051374667M	SWEETS R US LIMITED	300	19	-	3	0.38	0.28	4
28	P051474155F	BRAVA FOOD INDUSTRIES LTD	300	20	-	3	0.40	0.30	4
29	P000611792U	GLACIER PRODUCTS LTD	275	16	-	3	0.32	0.24	3
30	P051432737Z	SUPER SWEETS LIMITED	225	12	-	2	0.09	0.19	2
31	P051610787L	BIDCORO AFRICA LIMITED	207	14	-	2	0.29	0.21	3
32	P051228018V	AGRI PRO PAK LIMITED	175	12	-	2	0.23	0.17	2
33	P000614512G	REGAL PHARMACEUTICALS LTD	125	6	-	1	0.05	0.10	1
34	P000631517E	NJORO CANNING FACTORY KENYA LIMITED	100	7	-	1	0.14	0.10	1
35	P051115797K	GONAS BEST LIMITED	100	6	-	1	0.12	0.09	1
36	P051161788B	VICTORIA JUICE POWDER LTD	100	5	-	1	0.10	0.08	1
37	P051173454W	SUNNY PROCESSORS LTD	100	5	-	1	0.06	0.08	1
38	P000595050W	NESTLE FOODS (K) LIMITED	50	3	-	0.42	0.05	0.04	1
39	P051131217Z	KENYA WINE AGENCIES LIMITED	50	3	-	0.43	0.05	0.04	1
40	P051161877Z	DAWA LIMITED	50	3	-	1	0.01	0.05	1

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
41	P000609007S	MAC S PHARMACEUTICALS LTD	25	2	-	0.28	0.04	0.03	0.34
42	P000609319W	COSMOS LIMITED	25	1	-	-	0.03	0.02	0.05
43	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	1	0.23	-	-	-	-	-
44	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	0.03	-	-	-	-	-
Grand Total			**64,088**	**3,807**	**-**	**609**	**32.00**	**57.10**	**698**

Industrial Sugar Importers (Duty Paid)

The table below gives a summary of 22 industrial sugar importers who paid duty from May 2017 to December 2017

Industrial Sugar Importers Duty Paid – 22 companies

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000611756Q	NAIROBI BOTTLERS LTD	5,448	338	34	59	0.04	5	98
2	P000626429Y	EQUATOR BOTTLERS LTD	3,600	201	20	35	0.08	3	58
3	P000596923C	EXCEL CHEMICALS LTD	3,579	186	19	33	0.07	3	54
4	P051124295A	MZURI SWEET LIMITED	3,565	204	20	36	0.08	3	60
5	P000593584F	KENYA BREWERIES LIMITED	3,301	192	19	34	0.11	3	56
6	P051152243L	CANDY KENYA LIMITED	3,029	177	18	31	0.11	3	52
7	P000618560D	COASTAL BOTTLERS LTD	2,780	127	13	22	0.08	2	37
8	P000624917Q	MOUNT KENYA BOTTLERS LTD	2,712	155	15	27	0.03	2	45
9	P000592983G	PATCO INDUSTRIES LTD	1,818	97	10	17	0.06	1	2[illegible]
10	P000595253B	TRUFOODS LTD	1,780	85	9	15	0.06	1	25
11	P000599737M	KENAFRIC INDUSTRIESS LIMITED	1,250	75	8	13	0.03	1	22
12	P000627963J	KISII BOTTLERS LTD	1,080	65	7	12	0.02	1	19
13	P000600017X	PREMIER FOOD INDUSTRIES LTD	944	52	5	9	0.04	1	15
14	P051222425N	SBC KENYA LIMITED	800	45	5	8	0.02	1	13
15	P000595604U	THE WRIGLEY CO (E A) LTD	744	33	3	6	0.03	0.49	10
16	P000624607O	HIGHLANDS MINERAL WATER CO LTD	505	28	3	5	0.02	0.42	8
17	P051100924G	KEVIAN KENYA LIMITED	500	30	3	5	0.01	0.45	9
18	P000594925Y	ELYS CHEMICAL INDUSTRIES LTD	50	2.6	0.26	0.46	0.01	0.04	0.77
19	P000614512G	REGAL PHARMACEUTICALS LTD	25	1.13	0.11	0.20	0.01	0.02	0.34
20	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	0.01	0.01	0.003	-	-	0.01
21	P051533355F	BOULANGERIE AND COMPANY LIMITED	0.05	0.03	0.03	0.01	-	-	0.03
22	P051097180I	CHEMOQUIP LIMITED	0.01	0.01	0.01	0.002	-	-	0.01
Grand Total			**37,510**	**2,095**	**210**	**369**	**0.9**	**31**	**611**

Reconciliation of the list

The table below is the reconciliation list to confirm that the actual number of companies that imported sugar between 12th May 2017 to 31st December 2017 were actually 193 by removing duplicates on companies that imported both brown and industrial sugar and companies that paid duty on some sugar quantities and did not pay duty on some quantities.

Reconciliation of the list

NO.	Remarks	No. of Companies	QTY (MT)
1	Large Importers (Zero Duty brown sugar)	113	818,151
2	Small Importers (Zero Duty brown sugar)	13	185
3	Duty Paid brown sugar	21	638
4	Zero Duty Industrial Sugar	44	64,088
5	Duty Paid Industrial Sugar	22	37,510
	subtotal	**213**	**920,571**
Less Duplicates			-
1	companies that imported both brown and industrial sugar	-2	-
2	Companies appearing twice on duty paid & duty unpaid lists	-18	-
Grand Total		**193**	**920,571**

Taxes forgone

The table below gives a summary of taxes forgone due to the exemptions on sugar between May 2017 and December 2017. Total forgone taxes is Kshs. 36.5Billion of which 31.5 Billion is Import Duty while 5 Billion is VAT.

Taxes foregone summary

No.	Item	DUTY (KSHS. M)	VAT (KSHS. M)	Total Taxes forgone (KSHS. M)
1	Brown mill white Sugar	31,423	5,030	36,454
2	Industrial Sugar	31	5	36
	Total	**31,454**	**5,035**	**36,489**

Mode of packaging of imported sugar

Table 9 indicates companies by mode of packaging of sugar. Some companies' imported bulk while others imported sugar packaged in bags

Bulk vs. Bagged sugar table

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
1	P051651675J	AMNAV LIMITED	-	74,400	74,400

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	-	55,000
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	-	50,500	50,500
4	P000634500H	MENENGAI OIL REFINERIES LTD	21,000	25,200	46,200
5	P051625523E	CONVEX COMMODITY MERCHANTS LTD	39,832	-	39,832
6	P051308483N	SUKARI INDUSTRIES LIMITED	-	34,500	34,500
7	P000627038X	WEST KENYA SUGAR COMPANY LIMITED	-	34,100	34,100
8	P051601324Z	ONE COMMODITIES COMPANY LIMITED	9,350	22,500	31,850
9	P051243445V	LANDMARK FREIGHT SERVICES LIMITED	25,866	-	25,866
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,710	-	21,710
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	-	21,315
12	P051456947P	GRAINERGY K LIMITED	12,026	7,500	19,526
13	P000619085J	HYDERY (P) LIMITED	6,500	12,500	19,000
14	P051144533P	THE COMMODITY HOUSE LIMITED	9,174	7,500	16,674
15	P000611756Q	NAIROBI BOTTLERS LTD	16,512	-	16,512
16	P051629683B	HALEEL COMMODITIES LIMITED	16,216	-	16,216
17	P000593584F	KENYA BREWERIES LIMITED	15,542	-	15,542
18	P051151246J	STUNTWAVE LIMITED	5,875	7,500	13,375
19	P051474511S	ONE TRADERS LIMITED	-	12,500	12,500
20	P051202197A	HUSSABA TRADING COMPANY LIMITED	12,438	-	12,438
21	P051359826N	YH WHOLESALERS	11,492	-	11,492
22	P051581191F	KIFARU FEEDS LIMITED	10,396	-	10,396
23	P051128926C	REMINGTON AGENCY LIMITED	9,625	-	9,625
24	P000599737M	KENAFRIC INDUSTRIESS LIMITED	9,440	-	9,440
25	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	-	9,075
26	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	-	8,955
27	P051124295A	MZURI SWEET LIMITED	8,605	-	8,605
28	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	-	8,000
29	P051398900G	COAST TERMINAL EAST AFRICA LIMITED	7,489	-	7,489
30	P051138751E	REGIONAL BARGAINS LIMITED	7,000	-	7,000
31	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	-	7,000
32	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	-	6,980
33	P051216621U	RAA RMO LIMITED	6,916	-	6,916
34	P051301868Z	THE OPTION TWO LIMITED	6,903	-	6,903
35	P051632605W	MANONO ENERGY LIMITED	6,790	-	6,790
36	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	-	6,760
37	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	-	6,716
38	P051380103I	KORBASH TRADERS LIMITED	6,103	-	6,103
39	P051423241R	IFOX COMMODITY LIMITED	5,980	-	5,980
40	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	-	5,808
41	P051122598C	COSMOCARE INDUSTRIES (NAIROBI) LTD	5,750	-	5,750
42	P051447092O	ARASAN TRADERS LIMITED	5,683	-	5,683
43	P051148624Z	PHOENIX COMMODITIES KENYA LIMITED	5,250	-	5,250

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
44	P051140572Q	PALEAH STORES LIMITED	4,770	-	4,770
45	P051358005Y	DUBAI MATRESS LIMITED	4,565	-	4,565
46	P051605076M	LEGO STORES LIMITED	4,492	-	4,492
47	P000596838I	EXPORT TRADING CO LTD	4,400	-	4,400
48	P000624917Q	MOUNT KENYA BOTTLERS LTD	4,128	-	4,128
49	P000591222F	KENYA SWEETS LIMITED	4,100	-	4,100
50	P000596923C	EXCEL CHEMICALS LTD	4,079	-	4,079
51	P000626429Y	EQUATOR BOTTLERS LTD	4,000	-	4,000
52	P051647626Z	BETA COMMODITIES LIMITED	3,970	-	3,970
53	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	-	3,649
54	P051509457T	SOMO COMMODITIES LIMITED	3,508	-	3,508
55	P051565427J	FLORA BAKERS LIMITED	3,490	-	3,490
56	P051357595V	PILLAR MATT LIMITED	3,489	-	3,489
57	P051152243L	CANDY KENYA LIMITED	3,404	-	3,404
58	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	-	3,350
59	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	-	3,261
60	P000595604U	THE WRIGLEY CO (E A) LTD	3,230	-	3,230
61	P051121478S	MULTILIFT LIMITED	3,161	-	3,161
62	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	-	3,094
63	P051326831B	TARZAN LIMITED	3,000	-	3,000
64	P051621965H	SWABRI LIMITED	2,941	-	2,941
65	P051613426Z	MAPPING TRADING COMPANY LIMITED	2,938	-	2,938
66	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	-	2,921
67	P000618560D	COASTAL BOTTLERS LTD	2,780	-	2,780
68	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	-	2,756
69	P000627963J	KISII BOTTLERS LTD	2,736	-	2,736
70	P000592983G	PATCO INDUSTRIES LTD	2,724	-	2,724
71	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	-	2,500
72	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	-	2,421
73	P051595247Z	BEYON INVESTMENT LIMITED	2,292	-	2,292
74	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	-	2,225
75	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	-	2,088
76	P051311944R	GREENBELT WHOLESALERS LTD	2,080	-	2,080
77	P051195373G	MIDLAND HAULIERS LIMITED	2,040	-	2,040
78	P051100924G	KEVIAN KENYA LIMITED	2,025	-	2,025
79	P051381684F	AUS KENYA LIMITED	2,002	-	2,002
80	P051464283J	FOCUS LOGISTICS LIMITED	2,002	-	2,002
81	P051424211K	ATLANTA COMMERCIAL MALL LIMITED	2,000	-	2,000
82	P051628771W	SINAI SUPPLIERS AND CONTRACTORS CO	2,000	-	2,000
83	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,855	-	1,855
84	P051581060X	MARATHON VENTURES LIMITED	1,840	-	1,840
85	P000595253B	TRUFOODS LTD	1,780	-	1,780
86	P051103572S	JETLAK FOODS LIMITED	1,650	-	1,650

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
87	P000600017X	PREMIER FOOD INDUSTRIES LTD	1,644	-	1,644
88	P051166945F	EXPRESS COMPANY LIMITED	1,539	-	1,539
89	P051387175Q	SKY AGENCIES LIMITED	1,500	-	1,500
90	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	-	1,400
91	P051238815B	BLUE LIME LIMITED	1,305	-	1,305
92	P051198851L	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	-	1,300
93	P051393840B	EQUITY LOGISTICS LIMITED	1,300	-	1,300
94	P051563989Y	WHITE HALL HOLDINGS LIMITED	1,300	-	1,300
95	P051147260Z	GLOBAL ALLIED INDUSTRIES LIMITED	1,250	-	1,250
96	P000624346S	MJENGO LTD	1,200	-	1,200
97	P051222425N	SBC KENYA LIMITED	1,200	-	1,200
98	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	-	1,182
99	P000592871B	EMCO STEEL WORKS LTD	1,147	-	1,147
100	P051176972L	METCOM LTD	1,097	-	1,097
101	P051592286P	FUTURES COMMODITIES LIMITED	1,080	-	1,080
102	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	-	1,040
103	P051631078E	FREON TRADERS LIMITED	1,030	-	1,030
104	P051119385K	MERCURIE LIMITED	1,000	-	1,000
105	P051213796I	NANKU COMPANY (KENYA) LIMITED	1,000	-	1,000
106	P000623053O	DEL MONTE KENYA LIMITED	999	-	999
107	P051567202C	CAPO GENERAL TRADING LIMITED	988	-	988
108	P051399721L	RIETY COMPANY LIMITED	933	-	933
109	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	-	910
110	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	-	875
111	A002491695Y	MARYWANGUIMWANGI	800	-	800
112	P051542905Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	-	780
113	P051564123Y	TAKABA INVESTMENT LIMITED	780	-	780
114	P051386713B	SUNVEAT FOODS LTD	775	-	775
115	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	-	730
116	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	-	670
117	P051533721X	SERENI FRIES LIMITED	600	-	600
118	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	-	522
119	P051222964B	FAHD COMMODITIES GROUP LIMITED	520	-	520
120	P051528188X	JAMAA SUPERMARKET LIMITED	520	-	520
121	P051420387C	KENAFRIC COMMODITIES LIMITED	500	-	500
122	P051638583Z	SANJOSE AGENCIES LIMITED	500	-	500
123	P051223448W	TESIA SUPERMARKETS LIMITED	450	-	450
124	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	-	444
125	P000607685K	GLAXOSMITHKLINE LIMITED	375	-	375
126	P000625880F	TRICLOVER INDUSTRIES LTD	325	-	325
127	P051587757A	HABS ENGINEERING LIMITED	301	-	301
128	P051098613Z	BRAVA FOOD INDUSTRIES LIMITED	300	-	300

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
129	P051374667M	EQUATORIAL NUT PROCESSORS LIMITED	300	-	300
130	P051474155F	SWEETS R US LIMITED	300	-	300
131	P000611792U	GLACIER PRODUCTS LTD	275	-	275
132	P000602358S	OAKDALE COMMODITIES LTD	251	-	251
133	P051180738S	MUMIAS DISTRIBUTORS LTD	250	-	250
134	P051501498H	ZACK PETROLEUM LIMITED	234	-	234
135	P051432737Z	SUPER SWEETS LIMITED	225	-	225
136	P051563367M	MIKROS	224	-	224
137	P051610787L	BIDCORO AFRICA LIMITED	207	-	207
138	P051101494Q	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	-	200
139	P051216674J	UNITED NATIONS WORLD FOOD PROGRAMME	200	-	200
140	P051536310V	MOKANN LOGISTICS LIMITED	195	-	195
141	P051228018V	AGRI PRO PAK LIMITED	175	-	175
142	P051321102A	ELON COMMODITIES K LIMITED	168	-	168
143	P051380901O	LESPHINE INVESTMENTS LIMITED	168	-	168
144	P051588583C	PEAKMUS BAKERS LIMITED	168	-	168
145	P051609069V	ESSBEE SUPPLIERS LIMITED	165	-	165
146	P000614512G	REGAL PHARMACEUTICALS LTD	150	-	150
147	P051469311B	SAMPEN JOS LIMITED	122	-	122
148	P051516894X	STEVFLO STORES ENTERPRISES LIMITED	112	-	112
149	P000631517E	GONAS BEST LIMITED	100	-	100
150	P051115797K	NJORO CANNING FACTORY KENYA LTD	100	-	100
151	P051161788B	SUNNY PROCESSORS LTD	100	-	100
152	P051173454W	VICTORIA JUICE POWDER LIMITED	100	-	100
153	P051632843E	SERMCO COMPANY LIMITED	84	-	84
154	P051314028R	RABI YASIR TRADERS LIMITED	56	-	56
155	P000594925Y	DAWA LIMITED	50	-	50
156	P000595050W	ELYS CHEMICAL INDUSTRIES LTD	50	-	50
157	P051131217Z	KENYA WINE AGENCIES LIMITED	50	-	50
158	P051161877Z	NESTLE FOODS (K) LIMITED	50	-	50
159	P051543121S	ROSAM LIMITED	27	-	27
160	P000609007S	COSMOS LIMITED	25	-	25
161	P000609319W	MAC S PHARMACEUTICALS LTD	25	-	25
162	A008378124X	KAMLESH JITENDRA DATTANI	11	-	11
163	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	-	11
164	P051303371W	KAJAL OVERSEAS LIMITED	7	-	7
165	P000609533Z	KENYA AIRWAYS LTD	4	-	4

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
166	P051380221L	SUNGOLD KENYA LIMITED	4	-	4
167	A006483000D	NAVIN KUMAR DEVJI JESANI	3	-	3
168	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	2	-	2
169	P051643385Z	ALONAIB GENRAL TRADING LIMITED	2	-	2
170	P051500456Y	SPARE ZONE ENTERPRISES	1	-	1
171	P051636965X	GURU IMPEX LIMITED	1	-	1
172	P051427440C	SIANI SPICES K LIMITED	0.80	-	0.80
173	P051102372Z	AMERICAN EMBASSY	0.78	-	0.78
174	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.71	-	0.71
175	P051133092U	HEALTHY U TWO THOUSAND LIMITED	0.50	-	0.50
176	P051456140A	DATTA KRUPA TRADERS	0.43	-	0.43
177	A000186734N	PARENRAMJISHAH	0.30	-	0.30
178	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.27	-	0.27
179	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	-	0.15
180	A001128032D	PANKAJJAYANTILALSHAH	0.15	-	0.15
181	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	-	0.13
182	P000593895L	NAS AIRPORT SERVICES LTD	0.13	-	0.13
183	A007694508A	SANJAY GOPAL SHIYANI	0.11	-	0.11
184	P051112922J	SOMA IMPEX LIMITED	0.11	-	0.11
185	P051631183C	INEXCESS LIMITED	0.10	-	0.10
186	P000591674X	TOTAL (K) LTD	0.06	-	0.06
187	P051442785K	BOULANGERIE AND COMPANY LIMITED	0.05	-	0.05
188	P051533355F	SONGHYUN FOODSTUFFS LIMITED	0.05	-	0.05
189	P000593906T	SAFARI PARK (HOLDINGS)	0.05	-	0.05
190	P051646284U	LING YUE INTERNATIONAL CO LIMITED	0.03	-	0.03
191	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	-	0.03
192	P051470953D	PLURINE TRADING LIMITED	0.03	-	0.03
193	P051097180I	CHEMOQUIP LIMITED	0.01	-	0.01
Grand Total			**631,871**	**288,700**	**920,571**

The above table shows that eleven (11) companies imported sugar in bulk in un-bagged state.

SUGAR IMPORTS: PLACE OF DISCHARGE SUMMARY

No.	DISCHARGE PLACE	QTY (MT)	CIF Value (KSHS. M)	Total Tax (KSHS. M)	%Prop.
1	Container Terminal	364,531	17,518	3,414	40%
2	Boss Freight CFS	114,188	6,923	1,351	**12%**
3	Mitchell Cotts	67,790	3,803	746	**7%**
4	Mombasa Container Terminal 1	60,045	3,633	750	**7%**
5	Interpel CFS	57,297	3,648	718	**6%**
6	Mombasa Inland Container Depot	42,542	1,821	361	**5%**
7	Port Side Shed	28,000	1,413	275	**3%**
8	Autoport CFS	27,274	1,317	257	**3%**
9	Mitchell Cotts CFS	24,995	1,394	289	**3%**
10	Consolbase CFS	19,787	1,111	274	**2%**
11	Great Lakes CFS	17,765	1,055	221	**2%**
12	Regional Logistics Container CFS	17,004	943	186	**2%**
13	Awanad CFS	16,638	935	187	**2%**
14	Makupa Transit Shed	11,300	648	128	**1%**
15	Portside CFS	11,170	548	109	**1%**
16	Focus CFS	9,855	843	164	**1%**
17	Mombasa Island Container Terminal	6,858	356	71	**1%**
18	Namamga	6,065	411	80	**1%**
19	Regional Logistics Container CFS	5,000	254	49	**1%**
20	Moyale	4,400	296	58	**0.5%**
21	Compact Container Freight CFS	2,806	175	34	**0.3%**
22	Busia	2,746	251	35	**0.3%**
23	Signon CFS	1,163	54	12	**0.1%**
24	Old Port	755	46	9	**0.1%**
25	Inland Container Depot Nairobi	286	12	2	**0.03%**
26	Malaba	178	18	2	**0.02%**
27	Kisumu	130	8	2	**0.01%**
28	Africa Cargo Handling (JKIA)	4	2	0	**0.00%**
29	CSC	0	0	-	**0.00%**
Grand Total		**920,571**	**49,436**	**9,784**	**100%**

Over 90% of the sugar imported in 2017 was cleared in Mombasa.

INFORMATION ON SPECIFIC COMPANIES AS REQUESTED BY THE COMMITTEE

MSHALE COMMODITIES LIMITED

There is evidence confirming existence of **Mshale Commodities Uganda Limited and Mshale Commodities Limited Mombasa. Mshale Commodities Limited Mombasa** is a registered entity in Kenya vide **PIN P051216534Y.**

In July 2016 one of the 4X20FT container number MEDU3333950 on manifest number 2016MSA130073, bill of lading number MSCUZS683812 on transit to Uganda imported by Mshale Commodities Uganda Limited. Verification was conducted by Government agencies led by **Anti-Narcotics Police Unit** and found with four unsealed polypropylene bags Concealed within the bags of sugar **with a substance packaged in block shape suspected to be narcotic drugs. The four bags yielded 90 blocks of the item. Marks on the blocks of the substance read "Lacoste".**

The 90 blocks suspected to be narcotics were marked as exhibits and packed in evidence bags and detained by the Anti-Narcotics Police Unit.

All four containers were secured under F89 number 203728 dated 29/07/2016 issued to OCS Port Police

Currently the matter is being handled by the relevant Government Agency (Anti-Narcotics Police Unit).

Record available show that Mshale Commodities Limited Mombasa imported 300MT Swaziland VHF brown sugar supplied by **ED&F MAN SUGAR LIMITED** after being granted authority by KEBS and ASD and Customs had no reasons to deny importation.

TAKABA INVESTMENT LIMITED

Takaba Investments Limited has two directors namely; Hanan Adan Abdullahi of KRA Pin No **A008110244X** and Josephine Wanjiku Njoroge of KRA PiN No **A008145285X**. During the exemption period the company imported 780 MT of sugar.

ED & F MAN SUGAR LIMITED

The available records indicate that the company supplied sugar to **Mshale Commodities Limited Mombasa and Sukari Industries Limited** after being granted authority by KEBS and Agricultural Authority Sugar Directorate . Details on the sources of sugar imported by Sukari Industries Limited and Mshale Commodities Limited Mombasa are provided in tables 11 and 12 below respectively.

SOURCE OF SUGAR IMPORTS BY SUKARI INDUSTRIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6590443	SUKARI INDUSTRIES LIMITED	VALE DO TIJUCO ACUCAR c/o ED- F MAN SUGAR LIMITED BRAZIL	4,339,000
2.	2017 MSA 6590514	SUKARI INDUSTRIES LIMITED	BIOSEV S.A c/o ED AND F MAN SUGAR LIMITED BRAZIL	7,000,000
3.	2017 MSA 6590365	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	BIOSEV BIOENERGIA c/o ED AND F MAN SUGAR LIMITED BRAZIL	13,161,000
4.	2017 MSA6590321	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	COFCO BRASIL c/o ED AND F MAN SUGAR LIMITED BRAZIL	10,000,000

TABLE 12: SOURCE OF SUGAR IMPORTS BY MSHALE COMMODITIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6485485	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	717,530
2.	2017 MSA 6500990	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	539,000
3.	2017 MSA 6518764	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	911,120
4.	2017 MSA 6524156	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	1,253,500
5.	2017 MSA 6523735	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,232
6.	2017 MSA 6524012	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA O/B ED AND F MAN SUGAR LTD FAZENDA MONTE ALEGRE BRAZIL	652,101
7.	2017 MSA 6575280	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
8.	2017 MSA 6571365	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA	1,003,200
9.	2017 MSA 6575986	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
10.	2017 MSA 6499563	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	521,664
11.	2017 MSA 6538286	MSHALE COMMODITIES LIMITED	ASOCIACION DE AZUCAREROS DE GUATEMALA	250,250
12.	2017 MSA 6540893	MSHALE COMMODITIES LIMITED	ILLOVO SUGAR (SOUTH AFRICA) PTY LTD DURBAN 4000 SOUTH AFRICA	2008000
13.	2017 MSA 6541971	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA- MOZAMBIQUE	1,003,200
14.	2017 MSA 6580201	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD - THAILAND	626,750
15.	2017 MSA 6588535	MSHALE COMMODITIES LIMITED	ADECOAGRO VALE DO INVIHEMA S/A BRAZIL	1,043,361

16.	2017 MSA 6588828	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
17.	2017 MSA 6580844	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
18.	2017 MSA 6588051	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA CNPJ 22.287.687/000146 BRAZIL	652,232
19.	2017 MSA 6580074	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	626,750
20.	2017 MSA 6588746	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,101
21.	2017 MSA 6603021	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	651,820
22.	2017 MSA 6600795	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	1,880,250
23.	2017 MSA 6605148	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	601,680
24.	2017 MSA 6577112	MSHALE COMMODITIES LIMITED	ZIMBABWE SUGAR SALES PVT LIMITED ZIMBAMWE	1,003,200
25.	2017 MSA 6606258	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD FOR THAILAND	1,880,250
26.	2017 MSA 6761710	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASOCIATION SWAZILAND	300,960

MIN.NO. DCS/ JCAL& TIC 2018/035: ADJOURNMENT

The Chairperson closed the meeting at 1.45pm

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 7TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 2ND JULY 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP
6. Hon. Florence Mutua, MP
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, MP
11. Hon. Simba Arati, MP
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, MP
15. Hon. Dr. Daniel Kamuren Tuitoek, MP
16. Hon. Justus Makokha Murunga, MP
17. Hon. Rahab Mukami Wachira, MP
18. Hon. Dr. Wilberforce Oundo, MP
19. Hon. Gabriel Kago Mukuha, MP
20. Hon. Joseph Nduati Ngugi, MP
21. Hon. Robert Gichimu Githinji, MP
22. Hon. Alois Musa Lentoimaga, MP
23. Hon. Kipruto Moi, MP
24. Hon. Joyce Kamene, MP
25. Hon. Fred Ouda, MP
26. Hon. James Mukwe, MP

APOLOGIES

1. Hon. Jones Mlolwa, MP
2. Hon. Generali Nixon Kiprotich Korir, MP
3. Hon. Yegon Brighton Leonard,MP
4. Hon. Adan Haji Yussuf, MP
5. Hon. Janet Jepkemboi Sitienei, MP
6. Hon. John Paul Mwirigi, MP
7. Hon. Francis Munyua Waititu, MP
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Nicholas Emejen	-	Deputy Director Committees
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Majority Party Whip
2. Hon. Mark Nyamuta, MP		

HYDERY (P) LIMITED

1. Mr. Naushad A. Merali	-	Director
2. Mr. Mohamed Kalyan	-	General Manager
3. Mr. Daniel N. Kiliko	-	Legal Officer

SONY SUGAR COMPANY LTD

1. Mr. Otieno Bernard	-	Ag. Managing Director
2. Mr. James Wanhohi	-	Alt. Director
3. Mr. Otieno Benard	-	Head of Finance
4. Mr. Kello Harsama	-	SA

MIN.NO. DCS/ JCAL& TIC 2018/027: PRELIMINARIES

The Chairperson called the meeting to order at 10.00am followed by a prayer from the co-Chairperson Hon. Adan Haji Ali, MP. He welcomed all present and requested everyone to make self-introduction. The Chairperson further requested secretariat to administer Oath to the wittiness's.

MIN.NO. DCS/ JCAL& TIC 2018/028: RESPONSE BY HYDERY (P) LIMITED TO ISSUES RAISED BY THE COMMITTEE ON THE ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

a) Background information

The Director, Mr. Naushad A. Merali appeared before the Committee and informed that: -

He joined the Company in 1980 and became the Managing Director in 1998. The Company exports Maize Bran, Wheat Bran, and Green Grams among other foodstuff items. The Company

has imported sugar for the last 18 years. In 2017 the Company had planned to import sugar from COMESA ranging from 60,000- 70,000 MT.

The director further responded to the questioned by Members and stated that: -

b) Quantities of Sugar Imported

The Company imported 35,000 MT of Bulk Brown Sugar that was ready for consumption. This sugar was imported outside COMESA region under close supervision by KEBS, SOURCED from Brazil and Thailand.

c) When was the Sugar Imported

He informed the Committee that the sugar arrived in August 2017. The Gazette notice giving duty free window did not apply for this company's imported sugar. The brown Sugar imported was ready for consumption and not for further for processing.

d) Transportation/ handling of sugar at the port.

He responded by informing the Committee that the sugar was bagged into 50kgs bags and transported to the warehouses. The sugar samples were taken on 21st August 2017 and tested against the EAC Standards and it complied. The Committee directed the witness to provide documentation of the transportation of sugar from port to the warehouse.

e) Licensing/ Certification

He confirmed that his company is licensed to import sugar in the country and it operates under the Agricultural Food Authority (AFA) guidelines. The Company had received all necessary and relevant certification from KEBs at every importation process. Though issues were raised regarding the blacklisting of the company in the 11th parliament from importing sugar in the country, the witness indicated that he was not aware of such recommendations.

f) Names of the Directors

He informed the Committee that there is was no relationship between the Company and Holbud Limited. The latter was an international company. The Director had been confused on several occasions with Mr. Naushad Merali, of Sameer Group of Companies.

MIN.NO. DCS/ JCAL& TIC 2018/029: MEETING WITH SONY SUGAR COMPANY RESPONSE TO ISSUES RAISED BY THE COMMITTEE ON THE ALLEGED ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

This meeting was deferred to Tuesday 3rd July 2018 at 2.30pm after the Ag. Managing Director, Mr. Bernard Otieno requested more time to prepare a comprehensive brief to the Committee on the issues raised. The Committee directed that the Chairperson of the Sony Sugar Company to attend the said meeting.

MIN.NO. DCS/ JCAL& TIC 2018/030: ANY OTHER BUSINESS

1. The Committee further resolved to meet the Cabinet Secretary, Ministry of Health on Tuesday 3rd July 2018 to clarify issues raised by the Committee before reporting back to the House on Thursday 5th July 2018
2. The secretariat was requested to follow up with the other witnesses scheduled to appear in the afternoon and the following day and confirm their attendance and advice the Committee.

MIN.NO. DCS/ JCAL& TIC 2018/021: ADJOURNMENT

The Chairperson adjourned the meeting at 1. 05pm.

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 6TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURDSAY 28TH JUNE, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP.
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP.
6. Hon. Florence Mutua, MP.
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Silas Kipkoech Tiren, M.P.
12. Hon. Simba Arati, MP.
13. Hon. Kathuri Murungi, MP
14. Hon. Andrew Mwadime, MP
15. Hon. Dr. John Kanyuithia Mutunga, M.P.
16. Hon. Daniel Kamuren Tuitoek, M.P.
17. Hon. Justus Makokha Murunga, MP.
18. Hon. Rahab Mukami Wachira, MP
19. Hon. Dr. Wilberforce Oundo, MP
20. Hon. Generali Nixon Kiprotich Korir, MP
21. Hon. Gabriel Kago Mukuha, M.P.
22. Hon. Joseph Nduati Ngugi, MP
23. Hon. Robert Gichimu Githinji, MP
24. Hon. Alois Musa Lentoimaga, MP
25. Hon. Kipruto Moi, MP
26. Hon. Yegon Brighton Leonard,MP
27. Hon. Joyce Kamene, MP.
28. Hon. Adan Haji Yussuf, M.P.
29. Hon. Fred Ouda, M.P.

APOLOGIES

1. Hon. James Mukwe, MP
2. Hon. Janet Jepkemboi Sitienei, M.P.
3. Hon. John Paul Mwirigi, M.P.
4. Hon. Francis Munyua Waititu, M.P.
5. Hon. Alexander Kimutai Kigen Kosgey, MP
6. Hon. Anab Mohamed Gure, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Nicholas Emejen	-	Deputy Director Committees
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Mr. Alex Mutuku	-	Sergeant At- arms
10. Ms. Faith Makena	-	Sergeant At- arms
11. Ms. Roseline Njuki	-	Sergeant At- arms
12. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Majority Part Whip
2. Hon. Dr. James Nyikal		
3. Hon. Maore Maoka		

HYDER (P) LIMITED

1. Mr. Mohammed Yawer Kalyan	-	Operations Manager

DIAMOND WHOLESALERS LIMITED

1. Mr. Ahmed Sheikh Mohammed	-	Diamond Wholesalers
2. Mr. Ngaea D. G.	-	Advocate

WEST KENYA SUGAR COMPANY

1. Mr. Jaswat S. Rai	-	Chairman
2. Mr. Tejveer S. Rai		
3. Mr. Gerald P. Okoth		
4. Mr. Kibe Mungai		
5. Mr. Raymond Olendo		
6. Mr. Rajab Magut		
7. Mr. Denis Chelatwai		

MIN.NO. DCS/ JCAL& TIC 2018/021: PRELIMINARIES

The Chairperson called the meeting to order at 2.30 pm. The Meeting started with prayers

MIN.NO. DCS/ JCAL& TIC 2018/022: WITNESS TESTIMONY OF HYDER (P) LIMITED

The Operations Manager was stepped down and was informed to have the Directors appear before the Committee at a later sitting.

MIN.NO. DCS/ JCAL& TIC 2018/23: WITNESS TESTIMONY OF DIAMOND WHOLESALERS LIMITED

The Witness informed the Committee that other shareholders were engaged and were unable to attend the Meeting. The Committee however noted that the Witness was competent to respond on behalf of the Entire Management having a shareholding of 4,000 shares.

In the deliberations the Committee was informed as follows;

- The Company was registered in August 2004.
- The main activities was the wholesale of various foodstuff items.
- They had 1,600 bags of sugar confiscated from their premises in Eastleigh, Nairobi.
- There was a matter active in court challenging the seized sugar filed by the company.
- The Company sells their good within Nairobi.
- They had purchased West Kenya Sugar in packets of one kilogrammes each.

MIN.NO. DCS/ JCAL& TIC 2018/24: PRESENTATION BY CHAIRPERSON, WEST KENYA SUGAR COMPANY

The witness appeared before the Committee and informed Members that;

- West Kenya Sugar was part of the Rai Group of Companies which comprises Amnav, West Kenya Sugar, Menegai Oil, Sukari Industries.
- Through Gazette Notice 4536, the Company imported Brown Bulk Sugar from Brazil, Swaziland and the Comesa region (Mozambique and Zimbabwe)
- Refined sugar was very white and was further processed mostly for industrial use.
- The importation window was necessitated to meet the deficiencies caused by the long drought period so as to supplement the shortfall.
- the imported sugar was destined for further and not direct consumption.
- The sugar was stored at various locations such as JB Maina Warehouse, Multiple Internal Container Depot and Motrex Warehouse.
- Approval from Kenya Bureau of Standards required testing and conformity including bagging at the port of entry and was given.
- The company used Siginon Clearing agent to clear the shipment.

- The Bulk Brown Sugar above was to be bagged into 50 kilograms bags having been shipped in bulk.
- Bagging was done quay side whereas some quantities were transported on tippers/lorries (open trucks) to the CFS where bagging was also done.
- Cranes grabbed sugar from the ship and offloaded into a hopper which funnelled the sugar into the lorries.
- Members noted the letter by Port Health Department of the Ministry of Health that recommended that no sugar leaves the port without bagging.
- The bulk sugar imported was to be processed before release into the market and that all sugar released into the market was indeed processed.
- The Chairperson was a Member of Kenya Sugar Board representing sugar millers and had employed 5,000 employees in Busia, Kakamega and Bungoma.

Members observed that they had visited the MICD facility in Mombasa where they had information that bulk sugar was stored in a large open warehouse whose floor was heavily soiled with cement and clinker. Members were concerned that the bulk sugar was transported in open trucks and tippers and not bagged quay side.

In his presentation the Chairperson dispelled the notion that the brown bags found in Eastleigh, Nairobi labelled "Not Fit for Human Consumption" were from his company. The bagging and labelling of West Kenya Sugar Company were white bags written "not for sale". Finally, the Committee heard that all records, locations, documentation of all goods were intact, and the witness can account for every single bag, stating that not a single 50 kgs. bag were sold to Diamond Wholesalers.

MIN.NO. DCS/ JCAL& TIC 2018/25: PRESENTATION OF SGS KENYA

The representative of the Organisation informed Committee that;

- There were four companies in the inspection industry including SGS
- Relating to sugar, the company held a market share of 21%.
- The Kenya Bureau of Standards contracted SGS to do inspection.
- Upon successful testing, a CoC certificate of conformity was issued by SGS.
- The Certificates of Conformity were issued online.

- Each consignment was physically inspected and tested as per the standards set both internationally and the Kenya Bureau of standards.
- Samples were collected by SGS and submitted to laboratories for testing.

Finally Members heard that the standards dictated that heavy metal test were not a necessary requirement and that SGS were not obliged to supervise loading or offloading of cargo.

MIN.NO. DCS/ JCAL& TIC 2018/026: ADJOURNMENT

The Chairperson adjourned the meeting at forty-seven minutes past six o'clock.

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 5TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON THURDSAY 28TH JUNE, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 8.30AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice – Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP
6. Hon. Florence Mutua, MP
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Silas Kipkoech Tiren, MP
12. Hon. Simba Arati, MP
13. Hon. Kathuri Murungi, MP
14. Hon. Andrew Mwadime, MP
15. Hon. Dr. John Kanyuithia Mutunga, MP
16. Hon.Dr. Daniel Kamuren Tuitoek, MP
17. Hon. Justus Makokha Murunga, MP
18. Hon. Rahab Mukami Wachira, MP
19. Hon. Dr. Wilberforce Oundo, MP
20. Hon. Generali Nixon Kiprotich Korir, MP
21. Hon. Gabriel Kago Mukuha, MP
22. Hon. Joseph Nduati Ngugi, MP
23. Hon. Robert Gichimu Githinji, MP
24. Hon. Alois Musa Lentoimaga, MP
25. Hon. Kipruto Moi, MP
26. Hon. Yegon Brighton Leonard, MP
27. Hon. Joyce Kamene, MP
28. Hon. Adan Haji Yussuf, MP
29. Hon. Fred Ouda, MP

APOLOGIES

1. Hon. James Mukwe, MP
2. Hon. Janet Jepkemboi Sitienei, MP
3. Hon. John Paul Mwirigi, MP
4. Hon. Francis Munyua Waititu, MP
5. Hon. Alexander Kimutai Kigen Kosgey, MP
6. Hon. Anab Mohamed Gure, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Nicholas Emejen	-	Deputy Director Committees
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Siglai	-	Legal Counsel
6. Mr. Peter Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Ms. Deborah Mupusi	-	Media Relations Officer
10. Mr. Alex Mutuku	-	Sergeant At- arms
11. Ms. Faith Makena	-	Sergeant At- arms
12. Ms. Roseline Njuki	-	Sergeant At- arms
13. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Chief Whip
2. Hon. Dr. James Nyikal		
3. Hon. Maore Maoka		

MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

1. Dr. Fred Matiangi, EGH	-	Cabinet Secretary
2. Hon. Patrick Ole Ntutu	-	Chief Administrative Secretary
3. Dr. Gordon Kith	-	Ps
4. Mr. Alfred Cheruhot	-	Ps Correctional Services
5. Maj. Gen(Rtd) Dr. Kihalangwa	-	PS Immigration
6. Mr. Joseph K. Binnet	-	IG
7. Mr. Wanyama Musiambo	-	D/HOPS
8. Mr. Authur Osiya, EBS	-	SNA
9. Mr. Noor Y. Gabon	-	DIG Aps
10. Mr. Njoroge Mbugua	-	DIG KPs
11. Ms. Wanjiku A Mkiyu	-	CSC
12. Mr. Mwenda Njoka	-	Interior
13. Mr. Thomas Sakah	-	DS/ Interior
14. Mr. Simon Karanja	-	PA TO CS
15. Mr. Jeremiah Nyakundi	-	Interior
16. Mr. James Munga	-	Interior
17. Mr. Samuel mutisya	-	Interior
18. Mr. Marvin Sissy	-	Interior
19. Mr. George Muruli	-	Interior

MIN.NO. DCS/ JCAL& TIC 2018/018: PRELIMINARIES

The Chairperson called the meeting to order at 9.00am and prayed. He then welcomed all present and requested everyone to make a self-introduction. He further reminded the Cabinet Secretary

of the several invitations letters by the Committee that were never honoured. Thereafter the Chairperson took the Cabinet Secretary and the Committee through the content of the invite letter and the statement by Hon Naisula Lesuuda, MP.

MIN.NO. DCS/ JCAL& TIC 2018/019: RESPONSE TO ISSUES RAISED BY THE COMMITTEE ON THE ALLEGATION ILLEGAL/ UNFIT SUGAR IN THE COUNTRY BY THE CABINET SECRETARY FOR INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

Dr. Fred Matiangi, the Cabinet Secretary Ministry of Interior and Coordination of National Government appeared before the Committee to respond to the issues raised by the Committee on contraband sugar in the Country and Pursuant to Standing Orders the he was requested to declare if he has conflict of interest in regard to Sugar business. He responded by stating that he had no conflict of interest in regard to sugar business and none of his immediate family members is in sugar business. The Cabinet Secretary then responded to the issues raised as follows: -

The intelligence reports from the Directorate of Criminal Investigation had sufficient evidence and reason to believe that there were contraband and contaminated sugar in circulation in the country;

That it is on this intelligence that a multi-agency team mounted an aggressive campaign to protect public interest by impounding ALL suspect goods from circulation.
He submitted that their first priority in dealing with the vice was to clean up the ecosystem to remove contaminated sugar and other products, from circulation;

He noted that the exercise by the Multi-Agency team was successful as more goods were seized from various locations around the country; that his public pronouncement on the contraband good and counterfeits was intended to act as a deterrent/cautionary measure to unscrupulous businessmen who may have put profit ahead of public health;

The Cabinet Secretary undertook to assure the country that adequate measures have been put in place to ensure that going forward; no more contraband and/or contaminated goods find their way into the Kenyan market.

Regarding the Gazette Notice No. 4536 of 11th May 2017; the Cabinet Secretary informed the committee that he was aware of the Notice and accepts cabinet collective responsibility in the issuance of the Notice pursuant to the Executive Order No. 1 of 2017 by the Head of State on the declaration of Drought and famine as national disaster.

He informed the Committee that illicit trade from the port of Kismayu in Somalia was a big threat with many other ramifications including terrorism and movement of small arms.

He also noted that Kenya has approximately 700 km of porous borders and the government is investing heavily to secure it through heightened border control. He further informed the Committee that plans were underway to build infrastructure across the borders and move disciplined forces to secure the country and control illicit trade.

The Cabinet Secretary submitted that there was need to restructure the Kenya Revenue Authority (KRA) by separating the customs management and other revenue administration in an effort to stamp out illicit trade and contrabands in the local market through enhanced surveillance and customs management.

He noted that the excess sugar in the country was curtailing the growth of the local sugar industry by reducing the competitive advantage in production and thereby depressing revenue from sales.

That the Ministry of Interior was undertaking investigations into the illicit trade, contrabands and counterfeits in the country with the assistance of international police (Interpol), this is mainly to establish the origin and movement of these goods into the country hence develop mechanisms to eradicate the existence of such dealing.

Committee Observations

The Committee made the following observations from the submission of Cabinet Secretary Ministry of Interior and Co-ordination of National Government:

i. Remarks by the CS on Sugar having mercury, although cautionary and intended to inform the general public on contamination of some of the imported products had caused panic across the country. The CS did not validate his statement of sugar having been contaminated with mercury, he did to provide the Committee with tested analysis evidencing presence of mercury.

ii. The Committee noted that the CS has been seizing contraband sugar from suppliers and wholesalers whereas the Committee was concerned with the sugar already in the market that might be unfit for human consumption.

iii. The Committee observed that recommendations in the report of the eleventh Parliament by Departmental Committee on Agriculture, Livestock and Co-operatives on the crisis facing the sugar industry in Kenya had not been implemented.

MIN.NO. DCS/ JCAL& TIC 2018/020: ADJOURNMENT

The Chairperson adjourned the meeting at 1. 10pm.

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 4TH SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY 26TH JUNE 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 11.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Maison Leshoomo, MP
6. Hon. Florence Mutua, MP
7. Hon. Ferdinard Wanyonyi, MP
8. Hon. Bunyasi John Sakwa, MP
9. Hon. Daniel Maanzo, MP
10. Hon. Silas Kipkoech Tiren, MP
11. Hon. Simba Arati, MP
12. Hon. Kathuri Murungi, MP
13. Hon. Andrew Mwadime, MP
14. Hon. Dr. John Kanyuithia Mutunga, MP
15. Hon. Janet Jepkemboi Sitienei, MP
16. Hon. Daniel Kamuren Tuitoek, MP
17. Hon. Justus Makokha Murunga, MP
18. Hon. Rahab Mukami Wachira, MP
19. Hon. Dr. Wilberforce Oundo, MP
20. Hon. Generali Nixon Kiprotich Korir, MP
21. Hon. Gabriel Kago Mukuha, MP
22. Hon. Joseph Nduati Ngugi, MP
23. Hon. Robert Gichimu Githinji, MP
24. Hon. Alois Musa Lentoimaga, MP
25. Hon. Kipruto Moi, MP
26. Hon. Yegon Brighton Leonard, MP
27. Hon. James Mukwe, MP
28. Hon. Joyce Kamene, MP
29. Hon. Adan Haji Yussuf, MP

APOLOGIES

1. Hon. John Paul Mwirigi, MP
2. Hon. Fred Ouda, MP
3. Hon. Francis Munyua Waititu, MP
4. Hon. Alexander Kimutai Kigen Kosgey, MP
5. Hon. Anab Mohamed Gure, MP
6. Hon. Jones Mlolwa, MP
7. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1.	Mr. Daniel Mutunga	-	Principal Clerk Assistant I (HOD)
2.	Mr. Ahmed Kadhi	-	First Clerk Assistant
3.	Mr. Eric Nyambati	-	Third Clerk Assistant
4.	Mr. Nicodemus Maluki	-	Third Clerk Assistant
5.	Ms. Colletah Siglai	-	Legal Counsel
6.	Mr. Peter Mwaura	-	Legal Counsel
7.	Mr. Eric Karuiki	-	Research Officer
8.	Mr. Chelanga Maiyo	-	Research Officer
9.	Mr. Alex Mutuku	-	Sergeant At- arms
10.	Ms. Faith Makena	-	Sergeant At- arms
11.	Ms. Roseline Njuki	-	Sergeant At- arms
12.	Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1.	Hon. Benjamin Washiali, MP	-	Majority Whip
2.	Hon. Dr. James Nyikal		

MIN.NO. DCS/ JCAL& TIC 2018/014: PRELIMINARIES

The Chairperson called the meeting to order at 11.00am and prayed.

MIN.NO. DCS/ JCAL& TIC 2018/015: MEETING THE CABINET SECRETARY FOR INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT ON THE ALLEGATION ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

The Chairperson informed the Committee that the Principal Secretary, Dr. Eng. Karanja Kibicho, CBS had written to the Committee through a letter dated 26th June 2018 indicating that the Cabinet Secretary will not be able to attend the Committee meeting on the account of the ongoing East African Community (EAC) Heads of State Summit that was running from 25th – 27th June 2018. In his letter he requested the Committee to consider rescheduling the said meeting to a later date.

The Committee deliberated on the letter and the request by the Cabinet Secretary and rescheduled the meeting to Thursday 28th June 2018 at 8.30am. The Chairperson requested the secretariat to communicate the same to the Ministry and further urged members to observe time in the next meeting.

MIN.NO. DCS/ JCAL& TIC 2018/016: ANY OTHER BUSINESS

Under this agenda item the following issues were raised: -

1. The secretariat was requested to write to the register of Companies to provide the directors of all the Companies that imported sugar during the period under review.
2. The Committee was reminded of the inspection visit in Nairobi at DIC Headquarters and industrial area. The Chairperson further urged Members to attend the scheduled inspection visits at 2.30pm.

MIN.NO. DCS/ JCAL& TIC 2018/017: ADJOURNMENT

The Chairperson adjourned the meeting at 1. 10pm

Signed.....

Chairperson

Date.....1/8/2018.....

MINUTES OF THE 3RD SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 25TH JUNE 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 2.30PM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Florence Mutua, MP
6. Hon. Daniel Maanzo, MP
7. Hon. Silas Kipkoech Tiren, MP
8. Hon. Simba Arati, MP
9. Hon. Kathuri Murungi, MP
10. Hon. Dr. John Kanyuithia Mutunga, MP
11. Hon. Janet Jepkemboi Sitienei, MP
12. Hon. Dr. Daniel Kamuren Tuitoek, MP
13. Hon. Justus Makokha Murunga, MP
14. Hon. Rahab Mukami Wachira, MP
15. Hon. Dr. Wilberforce Oundo, MP
16. Hon. Generali Nixon Kiprotich Korir, MP
17. Hon. Gabriel Kago Mukuha, MP
18. Hon. Joseph Nduati Ngugi, MP
19. Hon. Robert Gichimu Githinji, MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Yegon Brighton Leonard, MP
23. Hon. James Mukwe, MP
24. Hon. Joyce Kamene, MP
25. Hon. Adan Haji Yussuf, M.P

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Ferdinard Wanyonyi, MP
3. Hon. Bunyasi John Sakwa, MP
4. Hon. Andrew Mwadime, MP
5. Hon. John Paul Mwirigi, MP
6. Hon. Fred Ouda, M.P.
7. Hon. Francis Munyua Waititu, MP
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant I (HOD)
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Sigilai	-	Legal Counsel
6. Mr. Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Mr. Alex Mutuku	-	Sergeant At- arms
10. Ms. Faith Makena	-	Sergeant At- arms
11. Ms. Roseline Njuki	-	Sergeant At- arms
12. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Chief Whip
2. Hon. Julius K. Melly, MP		
3. Hon. Harry Kosgei, MP		
4. Hon. Charles Kilonzo, MP		

MINISTRY OF INDUSTRY.TRADE AND COPERATIVES

1. Hon. Adan Mohammed	-	Cabinet Secretary
2. PS Betty Maina	-	Principal Secretary Industry
3. Mr. Raymond Michuki	-	Ag. Director General (MS)
4. Dr Geoffrey Muiira	-	HOD KEBS
5. Dr.Henry Rotich	-	Director KEBS
6. Mr. Benard Nguyo	-	Head of quality Assurance

MIN.NO. DCS/ JCAL& TIC 2018/010: PRELIMINARIES

The Chairperson called the meeting to order at 2.30pm and prayed. He then took the Committee and the Cabinet Secretary though the Statement requested by the Hon. Naisula Lesuuda, MP on 19th June 2018 in the House and the subsequent invitation letter by the Committee inviting the Cabinet Secretary to brief on the subject matter.

MIN.NO. DCS/ JCAL& TIC 2018/011: BRIEF BY THE CABINET SECRETARY MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

The Cabinet Secretary Dr. Fred Matiangi did attend the meeting to brief the committee as requested.

The Committee resolved to invite him to appear before the Committee the following day the 26th day of June,2018

MIN.NO. DCS/ JCAL& TIC 2018/012: BRIEF BY THE CABINET SECRETARY CABINET SECRETARY FOR INDUSTRY, TRADE AND COOPERATIVES

Mr. Adan Mohamed accompanied with the Principal Secretary for Industry, Ms. Betty Maina, Kenya and Bureau of Standards management and Technical team appeared before the joint Sitting of the Departmental Committee on Agriculture and Livestock and that on Trade, Industry and Cooperatives on the 25th Day of June 2018 and informed the Committees as follows;
That;

1.The circumstances leading to the gazettement of the duty free importation window and the quantities of sugar imported

The responsibility of determining the need, the quantities and the resultant gazettement of duty free importation window does not fall under the mandate of the Ministry of Industry, Trade and cooperatives thus would not respond to it but affirmed to the Committee, that it is the role of the said Ministry the Kenya Bureau of Standards to inspect and test the sugar to ensure that all imported sugar meets the required Standards.

1. The quantities of sugar and its products impounded and the companies involved:

As at the 22nd of June 2018, the total number 587,668bags had been impounded from 20 companies as summarized below:

Date	Owners	Location	Quantity 50Kg Bags
05-06-18	Diamond wholesalers	Eastleigh	1,400
11-06-18	Paleah Stores Limited	Ruiru, Kamakis Area	462
07.06.2018	Landmark freight services	Mitchell Cotts logistic , Mombasa road	91,000
14.06.2018	Green Belt wholesalers	Majengo Soko estate mombasa	230
14.06.2018	One Commodities ltd	Makenzie Gowdon Shimanzi	741
14.06.2018	1) Clave global Commodities Ltd, 2) Equator bottlers ltd, 3) Reeswood Enterprises ltd, 4) Multilift ltd, Remington agencies, 5) Swabri Ltd	Allied Wharfage Godown Changamwe	105,551
16.06.2018	Mt Kenya Wholesalers Ltd	Matuu	1,463
19.06.2018	Mugo supermarket	Nyahururu	251
19.06.2018	Kamiri packers Ltd	Industrial area	390

19.06.2018	Menengai oil refineries	Menengai Oil refineries industrial Nairobi	212,521
21.06.2018	Sybes Commodities	Focus Godown	332
21.06.2018	Hydery (P) Ltd	Denco Godown	116,525
21.06.2018	Reeswood enterprises Ltd, Remington Ltd, Future Commodities	Ligna Warehouse Shimanzi	17,664
22.06.2018	Equity logistics Ltd	NCPB Godown Shimanzi	41,000
			587,668 bags

The above data was provided by the Multi Agency RRI operation that was ongoing and that these sugars were seized for the purpose of establishing compliance with relevant standards.

2. The lapses exploited by the importers to circumvent the regulatory frameworks in place

Four major lapses discussed below are to blame;

2.1 Border points:

There are two key areas through which goods and particularly sugar can come to this country:

1) Port of Mombasa
2) Land borders

95% percent of the sugar came through the port of Mombasa and for that, each importer is expected to provide certificate for conformity for each shipment of sugar, proving tests and conformity to Kenyan standards.
In the case of land borders, there are some border points where control mechanisms are much more developed than in others and thus goods coming through these borders must come with necessary certificates of conformity as well.
Some border points where the border control infrastructure is not well developed make it is possible to have sugar bypassing some police checks.

2.2 Porous Borders

That Kenya border, most of which is porous, posed a great potential of smuggling of sugar and other products across the borders.
There are around 44 designated land border entry points with some not being manned by all the requisite agencies hence posing a viable platform for goods being smuggled into the country without undergoing inspection.

2.3 Poor or complete lack of intelligence sharing:

The agencies concerned with regulation of sugar do not get intelligence briefs on issues relating to illicit trade thus there is need for a framework of information sharing between security

agencies and bodies involved in regulation of sugar, which can be used to make the necessary proactive intervention.

2.4 Mis-declaration:

Misrepresentation on the side of unscrupulous importers who have tended to deliberately make false and wrong import declarations in the knowledge that not all containers will be opened.
16 containers of sugar were once declared as grinding machine only to be realized during inspection, that it was sugar.
That is such a case the sugar would have come in duty free thus the Cabinet secretary ensured that the sugar was destroyed .

3. Report on the quality of the alleged imported contraband sugar

That through participation in the multi-agency fight against illicit trade, KEBS had samples and tested the seized suspected contraband sugar from 20 companies in various locations throughout the country as by 22/6/2018.

Testing of sugar seized from two locations (*Diamond Wholesalers - Eastleigh* and *Paleah Stores – Ruiru*) were complete as given in the summary in Annex 1 (A) and 1 (B) as were shared by KEBS in the submitted documents.

Some of the seized suspected contraband sugar did not comply with the relevant standards. He further pointed out that in this particular case, the company found repackaging sugar in *KABRAS* and AGT *Afrikan* branded packages and the sugar did not have documentation traceable to KEBS system which meant they had not been certified by KEBS which constitutes counterfeiting.

Further testing of samples drawn from other locations such as Matuu, Kitui, Mwingi, Shauri moyo Kisii, Ol Kalao Isinya and Kajiado was ongoing.
The *Eastleigh* and *Ruiru* sugar may have been contaminated due to poor handling during local transportation and storage.The sugar had significant exposure to humidity due to recent weather conditions.

4. The measures the government is taking to curb the importation of counterfeit goods into the country

Ten points on addressing this issue were highlighted:

4.1 Engagement with industry sectors organized under the auspices of Kenya Association of Manufacturers

The Government through Kenya Bureau of Standards is collaborating with organized industry sectors to promote quality of products in the country. The collaborations entail the industry

committing to comply with good manufacturing practices and providing the KEBS, KRA with intelligence with regard to violations of the law, especially firms dumping substandard and contraband products into the market

These collaborations have helped to create a measure of self-regulation by industry and is achieving a lot especially in the steel sub sector and Plastic Pipes sub sector.

4.2 Installation of systems for verification of quality marks by consumers

The Government through Kenya Bureau of Standards is empowering consumers to differentiate product with valid permits on the shelf.To achieve this for locally manufactured goods, all manufacturers are now required to indicate the Quality Mark permit number on their product labels below the Quality Mark issued by KEBS. KEBS has also invested in a Standardization Marks verification system capable of giving real time responses on the validity of quality marks through a Short Message Service.

The validity of the Standardization Marks for locally manufactured products can be verified by sending an SMS message containing the indicated permit number in this format: "*SM*#xxxxxxx" to 20023. The verification of Import Standardization Mark for imported products on how it can be verified by either sending a SMS message containing the ISM serial number in the format: "ISM#xxxxxxxx" to 20023 or scanning the ISM using the free KEBS ISM app downloaded from Apps store or Google play.

The Government through KEBS is investing more to increase consumer awareness through traditional and utilization of social media platforms to educate the public on the use of the SMS system for verifying Quality Marks.

4.3 Enhancement of controls within the PVoC program

The Government has strengthened the Pre-Export Verification of Conformity (PVoC) program by building controls that are intended to make contracted PVoC agents more accountable in their certification decisions. Examples of such controls which include requirements to put security seals on containers identified as high risk after inspection which are verified at the port of entry. Current contracts have also been strengthened by providing for increased monitoring of the certification activities of the PVoC agents with enhanced penalties against the PVoC agents for violations of the contracts.

4.4 Collaborations with other Government agencies

The Government has increased collaboration between Kenya Revenue Authority (KRA), Anti Counterfeit Agency (ACA), Pharmacy and Poisons Board (PPB) and other regulatory agents in efforts of combating substandard and counterfeit goods more effectively.

4.4.1 Collaboration with Kenya Revenue Authority (KRA)

KEBS has partnered with KRA in ensuring that only custom entries for goods with a Certificate of Conformity of issued by KEBS through the PVoC agents are passed by KRA. Further goods without a CoC require a joint verification before the entry is passed, and that this has reduced the number of shipments that entered the country by passing KEBS clearance at the ports of entry.

4.4.2 COllaboration With Pharmacy And Poisons Board (PPB) – Ministry Of Health

KEBS has entered into an agreement with PPB which ensures that medical devices and supplies (except pharmaceuticals) are subjected to PVoC program before they are issued with an import permit. This is helping to combat the importation of counterfeit and substandard medical devices and supplies (except pharmaceuticals).

4.4.3 Collaboration with Anti Counterfeit Agency

To optimize the utilization of the limited human resources in combating counterfeits, the government has designated all KEBS inspectors as inspectors for the purpose of the Anti-Counterfeit Act. This enables KEBS inspectors to deal with counterfeit products in liaison with ACA more effectively.

4.5 Increased KEBS presence in various locations in Kenya

In order to ensure that the mandate of ensuring that only locally manufactured and imported products meet requirements, KEBS is in 14 locations distributed all over the country.
KEBS has also invested heavily expanding its testing laboratories in Nairobi, Mombasa, Kisumu and Eldoret to move testing nearer to the main ports of entry.

4.6 Market Surveillance

KEBS has established market surveillance as a full-fledged directorate. This is intended to give it more emphasis to its critical role to undertake market surveillance which supports product certification and well as import inspection activities.

4.7 The Role & Involvement of the Intelligence Agencies

The crackdown depends on the Intelligence that is providing much needed back-up in terms of analysis of intelligence and coordination of enforcement operations.

4.8 Robust Inter-Agency Cooperation/Multi-agency collaboration

The Mult-agency cooperation that is coordinated from the Presidency that has played a critical part in the fight against illicit trade. All law enforcement agencies are working in a coordinated and coherent manner. In addition, the participation of all agencies has led to increased geographical coverage.

4.9 Enhanced verification at ports and border points

It is now a requirement that all consolidated containers be subjected to 100% verification. This has increased the likelihood of more counterfeit goods being seized.It is also a requirement that all law enforcement agencies at the entry points participate in joint verification of goods and also sign off.

4.10 Mounted Mobile Road Blocks

The fight against illicit trade has adopted new strategies. Setting up mobile road blocks at strategic places all over the country has led to some effectiveness in the fight against illicit trade especially along the major smuggling routes.

4.11 Amendment of Laws

The government has identified legislative measures to be put in place to deal more firmly with counterfeit products. To this end the Government has proposed to The National Assembly immediate legislative amendments that are contained in the Statute Law (Miscellaneous Amendment) Bill 2018.

5. The measures the government is taking to mitigate against the health effects of the alleged contaminated sugar

Measures that the government has put in place to ensure protection of consumers from health effects of contaminated sugar include:

5.1 Destruction of contaminated sugar

The Government through the multi-agency operation is detaining suspected illicit sugars throughout the country for quality inspection and testing among other checks. Any substandard sugar shall be destroyed. A multi – agency committee has been set up to undertake the destruction of all seized illicit sugars and reports of its destruction will be made public.

5.2 Market surveillance in retails outlets

KEBS has enhanced market surveillance in supermarkets and other retail outlets throughout the country in which samples are taken and tested. Recall and destruction of any sugar found not compliant with the standards shall be undertaken once the analysis is completed.

6. Any other relevant information that could be important to the committee

It is very important for Kenya to establish and maintain mutual recognition of its tests and measurements body (KEBS) globally. This has been achieved through the following:

- Full membership to the International Bureau of Weights and Measures (BIPM) and recognition through International Committee of Weights and Measures mutual recognition arrangements (CIPM – MRA).

- The labs are recognized through International Laboratory Accreditation Cooperation (ILAC), with some of the best trained personnel in the continent. The technical staff are exceptionally competent (With Doctorates, MScs, and basic degrees in scientific disciplines and extensive international experiences),

- KEBS testing laboratory are accredited to ISO/IEC 17025:2005 by SANAS participates in Proficiency testing and key comparisons with other national metrology Institutes.

- The status of the total Quality Infrastructure in Kenya is globally recognized and accepted through accreditation by KENAS and other accreditation bodies for laboratories.

Implications for Regional Trade and Impact on business, private Sector and consumers would well be addressed by relevant ministry

7. Recommended way forward

i. That the sugar that has been raided is locked and poses no public safety issue. For the goods that have been determined to be contaminated, the destruction has not been carried out yet because owners have been taken to court and the seized goods shall be used as court exhibits. Market surveillance going on goods are being subjected to tests.

ii. That there be an enhanced multi-agency surveillance across the country.

iii. That there be a planned meeting with private sector to provide an update on the ongoing program.

Plenary issues
During the plenary the following issues were explained as follows;

Competence of KEBS

The competence of KEBS to discharge its mandate was on the spotlight but its competence was demonstrated through the following:

i. That KEBS is a full member to the International Bureau of Weights and Measures (BIPM) and recognized through International Committee of Weights and Measures mutual recognition arrangements (CIPM – MRA).
ii. They have labs that are recognized through International Laboratory Accreditation Cooperation (ILAC), with some of the best trained personnel in the continent. The technical staff are exceptionally competent (With Doctorates, MScs, and basic degrees in scientific disciplines and extensive international experiences),
iii. KEBS testing laboratory are accredited to ISO/IEC 17025:2005 by SANAS participates in Proficiency testing and key comparisons with other national metrology Institutes

Classification of sugars

The Joint sitting of the Committees was informed that ;
There are four types of sugars each with its own Standard specification as outlined below:

1. Refined White sugar – KS EAS 5

   White sugar is purified and granulated sugar, manufactured from any raw sugar, such as plantation (mill) sugar, by the process of purification consisting broadly of affinition, melting, chemical treatment, filtration, depolarization and recrystallization.

2. Plantation mill white sugar – KS EAS 16
   Plantation sugar (commonly manufactured by the vacuum-pan-process from sugar cane) shall be crystalline, odorless and free from dirt or other extraneous matter.

3. Brown sugar – KS EAS 749

   Shall be the sugar derived from sugar cane or sugar beet by partial purification of raw sugar or spraying of refined sugar with sugar syrup or molasses, followed by subsequent drying and intended or direct human consumption.

4. Raw Sugar – KS EAS 8
   Unwashed centrifugal sugar, whose crystals is surrounded by the original film of molasses and is derived from sugar cane. It requires further processing to make it

fit for direct human consumption. Raw sugar shall be in the form of uniform, fine crystals. It shall be free from dirt, foreign and extraneous matter, and from fermented, musty or undesirable odors.

Procedure for certification

The following quality measures are implemented in the country of origin before certification of sugar:

1 Confirmation of the vessels cleanliness and suitability for loading of food Reference standard Reference *standards (CAC/RCP 47-2001 - CODE OF HYGIENIC PRACTICE FOR THE TRANSPORT OF FOOD IN BULK AND SEMI-PACKED FOOD.*

2 The key things that the standard requires to be confirmed are:

i. Previous commodities shipped in the vessel/container
ii. Risks for contamination of the commodities being shipped from the vessels' materials, paints etc.
iii. Presence of locks and seals for containers to prevent environmental contamination.
iv. Document required by PVoC - Certificate of cleanliness/health certificate/cleanliness inspection report.

2) Sugar inspection and testing against the relevant Kenya Standard as outlined in 2. above.
3) Loading inspection.
4) Issuance of issuance of Certificate of conformity.

Points at which KEBS issue the certificate of conformity

The certificate of conformity (CoC) is issued at the country of origin before the goods are exported. In the event the goods do not comply with the requirements, the PVoC agents are required to issue a Non Conformity Report (NCR).

The agents then transmit to KEBS details of the COC to KEBS for verification purposes once the goods arrive. In the case of an NCR they goods are not supposed to be shipped.

Distribution of KEBS Labs

The Kenya Bureau of Standards has offices in seven regions as indicated here below:

1. Nairobi which is the headquarters.
2. South rift regions headquartered in Nakuru.
3. North rift region headquartered in Eldoret.
4. Lake region headquartered in Kisumu and with a satellite office in Kisii.
5. Coast region headquartered in Mombasa.
6. Mount Kenya region headquartered in Nyeri with a satellite office in Meru.
7. North Eastern region headquartered in Garissa with satellite offices in Mandera, Moyale and Wajir.

Nairobi region is the headquarter is where all the activities of KEBS are carried out as per the mandate of the institution. Some regional offices have laboratories which do limited testing of products.

However, all regions carry out activities such as quality assurance (*Product Certification*), Import Inspection and Market Surveillance to ensure health and safety of consumers is protected as well as in ensuring fair trade practices are promoted.

Tests carried out

Due to concerns recently raised on quality of sugar in the market, KEBS has together with other government agencies and on its own, drawn and tested many sugar samples drawn from across the country. Test results for some of the seized sugars have indicated non-compliance with Standards while some have complied. No sugar has been found to contain mercury but some sugar tested for Lead and Copper particularly the one seized in Eastleigh.

The non-complying seized sugars shall not be released but shall instead be destroyed after the ongoing curt cases are finalized. The compliant seized sugars shall be released to the owners through the multi-agency.

KEBS market surveillance officers across the country have also drawn samples from several counties for and testing is ongoing. Results of the tests shall be shared as soon as they are out.

Committee Resolution

The committee sought to have following reports as soon as practicable ;

- Market surveillance activities carried out in the country as from May 2018.
- Alleged contaminated sugar seized at west Kenya Sugar co. ltd
- Quantities of various types of imported sugar in the month of May 2017 to October, 2018.
- Copies of certificate of conformity of some of the importers contained in the submitted document.

MIN.NO. DCS/ JCAL& TIC 2018/013: ADJOURNMENT

The Chairperson adjourned the meeting at 8. 30pm

Signed.....

Chairperson

Date...1/8/2018.....

MINUTES OF THE 2ND SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON MONDAY 25TH JUNE, 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDING AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, M.P **(Vice- Chairperson)**
3. Hon Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Florence Mutua, MP
6. Hon. Daniel Maanzo, MP
7. Hon. Silas Kipkoech Tiren, MP
8. Hon. Simba Arati, MP.
9. Hon. Kathuri Murungi, MP
10. Hon. Dr. John Kanyuithia Mutunga, MP
11. Hon. Janet Jepkemboi Sitienei, MP
12. Hon. Dr. Daniel Kamuren Tuitoek, MP
13. Hon. Justus Makokha Murunga, MP
14. Hon. Rahab Mukami Wachira, MP
15. Hon. Dr. Wilberforce Oundo, MP
16. Hon. Generali Nixon Kiprotich Korir, MP
17. Hon. Gabriel Kago Mukuha, MP
18. Hon. Joseph Nduati Ngugi, MP
19. Hon. Robert Gichimu Githinji, MP
20. Hon. Alois Musa Lentoimaga, MP
21. Hon. Kipruto Moi, MP
22. Hon. Yegon Brighton Leonard,MP
23. Hon. James Mukwe, MP
24. Hon. Joyce Kamene, MP
25. Hon. Adan Haji Yussuf, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Ferdinard Wanyonyi, MP
3. Hon. Bunyasi John Sakwa, MP
4. Hon. Andrew Mwadime, MP
5. Hon. John Paul Mwirigi, MP
6. Hon. Fred Ouda, MP
7. Hon. Francis Munyua Waititu, MP
8. Hon. Alexander Kimutai Kigen Kosgey, MP
9. Hon. Anab Mohamed Gure, MP
10. Hon. Jones Mlolwa, MP
11. Hon. Patrick Kimani Wainaina Jungle, MP

IN- ATTENDANCE

COMMITTEE SECRETARIAT

1. Mr. Daniel Mutunga	-	Principal Clerk Assistant I (HOD)
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Ms. Colletah Sigilai	-	Legal Counsel
6. Mr. Mwaura	-	Legal Counsel
7. Mr. Eric Karuiki	-	Research Officer
8. Mr. Chelanga Maiyo	-	Research Officer
9. Mr. Alex Mutuku	-	Sergeant At- arms
10. Ms. Faith Makena	-	Sergeant At- arms
11. Ms. Roseline Njuki	-	Sergeant At- arms
12. Ms. Rose Ometere	-	Audio Officer

FRIENDS OF THE COMMITTEE

1. Hon. Benjamin Washiali, MP	-	Majority Whip
2. Hon. Julius K. Melly, MP		
3. Hon. Harry Kosgei, MP		
4. Hon. Charles Kilonzo, MP		

MINISTRY OF AGRICUTURE, LIVESTOCK, FISHERIES AND IRRIGATION

1. Hon. Mwangi Kuinjuri	-	Cabinet Secretary
2. Dr. Richard Lesiyampe	-	Principal Secretary
3. Mr. Joseph Ngetich	-	Ag. Director General (AFA)
4. Mr. Solomon Odera	-	AFA
5. Ms. Grace Agili	-	DDA- MAL & F
6. Ms. Ann Onyango		AS/ MOAL& F
7. Mr. James Wanhohi	-	PA/ PS Crops
8. Ms. Wambui Kimathi	-	T/A CS's Office

MINISTRY OF TREASURY AND NATIONAL PLANNING

1. Mr. Hentry Rotich	-	Cabinet Secretary
2. Mr. John Njiraini	-	Commissioner General (KRA)
3. Mr. Julius Musyoki	-	Commissioner (KRA)
4. Ms. Beatrice Mundia	-	Commissioner (KRA)
5. Ms. Grace Wandera	-	Deputy Commissioner (KRA)
6. Mr. Donarld Murgor	-	CS, Personal Assistant
7. CPA Isabella Kosgei	-	Parliamentary Liaison Officer

MIN.NO. DCS/ JCAL& TIC 2018/006: PRELIMINARIES

The Chairperson called the meeting to order at 10.20am and prayed. He then welcomed all present and requested everyone to make self- introduction. The Chairperson further took the Cabinet Secretary and the Committee though the Statement requested by the Hon. Naisula

Lesuuda, MP on 19th June 2018 in the House and the subsequent invitation letter by the Committee inviting the Cabinet Secretary to brief on the subject matter.

MIN.NO. DCS/ JCAL& TIC 2018/007: BRIEF BY THE CABINET SECRETARY MINISTRY OF AGRICULTURE AND IRRIGATION ON THE ALLEGATION ILLEGAL/ UNFIT SUGAR IN THE COUNTRY

The Cabinet Secretary Ministry of Agriculture and Irrigation Hon. Mwangi Kiunjuri appeared before the Committee and briefed on the alleged illegal/ unfit sugar in the country as follows: -

1. **The circumstances leading to the gazettement of the duty free importation window**

The Committee was informed that Kenya and East Africa region experienced severe drought in late 2016 and 2017 which led to reduced production of essential agricultural food stuff like maize, sugar and milk and as one of the initiatives to mitigate this, on **10th February 2017** the President through **Executive Order No. 1 of 2017** declared drought a national disaster, and directed the concerned Ministries to take immediate action to ensure that there were enough supplies of the essential food commodities in the country.

As a result of the drought and consequent low cane supply, monthly local sugar production was on a downward trend from 53,071 MT in January 2017 to 10,872 MT in August 2017. This was against a monthly demand of 60,000 MT. On the other hand by May 2017, the average sugar prices increased from Kshs. 130 per Kilo in January to Kshs. 179 in cities and Ksh 250 in rural areas.

He further informed the Committee that Kenya produces on average 60% of her domestic sugar requirement, while the deficit is imported from COMESA and EAC countries. **During this period the imports from COMESA and EAC were also on a downward trend from 25,113 MT in January 2017 to 15,740 MT in April 2017.**

On **12th May 2017**, in view of the fact that drought had been declared a national disaster, the acute sugar shortage, increased sugar prices and increased cost of living, the Cabinet Secretary – National Treasury (CS-NT) through Gazette Notice **No. 4536** allowed the importation of sugar duty free from the world market. This gazette notice was to remain in force up to **31st August 2017**.

Further on **4th October 2017** the Cabinet Secretary for Treasury and National Planning through a Gazette Notice **No. 9801** allowed duty free entry of sugar consigned to local millers up to Dec 2017.

On **13th October 2017** the Cabinet Secretary for Treasury and National Planning through a Gazette Notice **No. 10149** brought forward duty free importation of sugar under Gazette Notice No. 9801 from 31st December 2017 to 13th October 2017, following assessment quantities that had already been imported.

2. Quantities of imported sugar in 2017

The Cabinet Secretary informed that a total of 829,871 MT of brown sugar was imported in the year 2017 and in addition, South Nyanza Sugar Company imported 40,000 MT of brown sugar. This is not included in the 2017 imports as the same was subject to a court case, which was finalized in January 2018.

3. The lapses exploited by importers to circumvent the regulatory framework in place

He noted that the allowing everybody to import sugar in the country as it was indicated in the Kenya Gazette Notice was misused by the importers.

4. The report on the quality of the alleged imported contraband sugar

The Committee was informed that when issuing licences, AFA specifies the type and quantity to be imported and the Kenya Bureau of Standards (KeBS) has the mandate, capacity and procedures to determine quality as per the applicable standard.

5. Measures the government is taking to curb the importation of counterfeit goods into the country

He informed that there are Government agencies whose mandate is to ensure that no counterfeit goods are brought into the country includes KEBS and Anti-counterfeit Agency.

6. The measures the government is taking to mitigate against the health effects of the alleged contaminated sugar

He further informed that the role of the Ministry is to advise on types of sugar (Mill Brown and Refined White) or any other products to be imported. Application and enforcement of Standards is carried out by the KeBS. The Ministry collaborates with other Government agencies on matters of Food Safety.

7. Relevant information that could be important to the committee

On this agenda item he informed the Committee that Kenya is currently enjoying COMESA safeguards and one of the conditions of the safeguards is that Kenya has an obligation to import 210,000 MT from COMESA member states in 2018. Kenya has not been self-sufficient in sugar production hence the need for importation.

The sugar industry was facing several challenges namely:-

- Litigations on the proposed Regulations
- Ageing equipment and obsolete technologies in public mills
- High debt burden
- Cane poaching
- Non-payment of farmers
- Low uptake of high yielding varieties
- Low diversification initiatives within the value chain
- Overemployment in public mills

In the end he noted that through the industry was facing many challenges and that the government was addressing them.

Committee Observations

The Committee made the following observations from the submission of Cabinet Secretary Ministry of Agriculture, Livestock, Fisheries and Irrigation:

i. The country imported 829,871MT of Brown Sugar while the total local production was 376,111MT totaling to 1,205,982 MT.

ii. The Committee also noted that monthly demand of sugar was 60,000 MT which translates to an annual demand of 720,000MT.

iii. The Ministry through Agricultural Food Authority (AFA) allowed over importation of sugar by over 485,982MT.

iv. Gazette notice No 4536 on importation of sugar and milk powder duty free dated 11th May, 2017 was not specific on quantities and type of sugar to be imported and allowed sugar importation by any person with effect from the date of the Notice to the 31st August 2017. However, the same Gazette Notice limited importation of milk powder to 9000 MT to be imported by milk processors with the Authority of Kenya Dairy Board to 31st July 2017.

v. Agricultural Food Authority (AFA) has 370 licensed companies for importation of Sugar

vi. The Committee further noted that after the expiry of Gazette notice No 4536 on 31st August 2017, the Cabinet Secretary for National Treasury issued another gazette notice No 9801 on 29thSeptember 2017 indicating that duty shall not be payable on the

sugar which would be loaded into a vessel between 1st September 2017 and 31st December, 2017 destined to a port in Kenya and consigned to a local sugar Miller.

vii. The Gazette Notice No 10149 dated 13th October, 2017 amended Gazette notice No 9801 of 2017 which was extending the period of duty free imports to 31st December, 2017 by shortening the duty-free period to 13th October, 2017.

viii. The Report by the Departmental Committee on Agriculture, Livestock and Co-operatives in the 11th Parliament on the crisis facing the sugar industry in Kenya had recommended a total ban of several companies from import and export business were allowed to import Sugar during the duty-free period.

ix. The Gazette Notice No. 4536 allowed importation of any type of sugar which could either have been fully processed hence for direct consumption or semi processed thereby requiring further processing before selling to consumers.

Committee Resolutions

In the end the Committee directed (stood down) the Cabinet Secretary to allow him to provide all the relevant correspondences and Minutes between the Ministry and the Ministry of Treasury and National Planning on the consultations before the gazettement of Gazette Notice No. 4536.

MIN.NO. DCS/ JCAL& TIC 2018/008: PRESENTATION BY THE CABINET SECRETARY MINISTRY OF TREASURY AND NATIONAL PLANNING

The Cabinet Secretary Ministry of Treasury and National planning, Hentry Rotich appeared before the Committee and briefed on the alleged Illegal/ unfit sugar in the Country. He informed that:-

1. The importation of sugar into the country was occasioned by the declaration of drought as a national disaster by the President and the Commander in Chief of the Kenya Defense Forces through the Executive order No. 1 of 2017 of 10th February, 2017. That the drought experienced in extensive parts of the country resulted in depressed yields and production on Agriculture and in effect caused the skyrocketing of food prices including sugar, milk and maize. Having declared drought a national disaster the President tasked the National Treasury to explore ways of mitigating as well as stabilizing the prices of household goods through the supply chain.

2. To mitigate on price escalation the National Treasury with the advisory of the Ministry of Agriculture, Livestock and Fisheries identified three commodities to be imported duty free. This duty free window was to allow importation of sugar into the country duty free to sustain the demand of the commodity due to scarcity.
3. Further the East Africa Community Customs Management Act, 2004 under section 114 (2) allows for the importation of goods duty free by a member state upon a phenomenon being declared national disaster; the President of the Republic of Kenya and Commander –in- Chief of the Kenya Defense Forces through Executive order No. 1 of 2017 declared drought and famine in parts of Kenya a national disaster.
4. The Cabinet Secretary informed the committee that the gazette Notice No. 4536 designated the importation of sugar and nine thousand tonnes milk powder imported by milk processors, with the authority of the Kenya Dairy Board to take effect from 12th May, 2017 to the 31st August, 2017; he therefore reiterated that the importation of sugar and Powdered milk was time bound.

5. Additionally the Cabinet Secretary informed the committee that the gazette notice No. 4536 waived duty on sugar importation whereas other requirements were to be dully observed including health safety, quality specifications and standardization by Kenya Bureau of Standards in accordance with the standards Act, Cap. 496.

6. Due to delayed arrival of consignment already shipped to Kenya, the Ministry of Agriculture sought extension of the duty waiver period as provided in the Gazette Notice No. 4536 from the stipulated deadline of 31st August, 2017 to 31st December, 2017.

7. The Cabinet Secretary National Treasury through Gazette Notice No. 9801 extended the duty waiver to cover the period 1st September, 2017 to 31st December, 2017 with the sugar consigned to local sugar millers.

8. The committee was informed that on the 10th October, 2017, the Ministry of Agriculture, Livestock and Fisheries advised that following further analysis on the sugar situation, the Gazette Notice No. 9801 of 4th October, 2017 on importation of sugar duty free by sugar millers be revoked.

9. To provide for fair business practices the National Treasury cognizant of the fact that some millers may have ordered sugar based on the Gazette Notice No. 9801; it was important to bring forward the deadline for importation of duty free sugar by millers. The National Treasury issued another Gazette Notice No. 10149 of 13th October, 2017 to amend Gazette Notice No. 9801 and set the deadline for importation to 13th October, 2017.

10. On the issue of clearance of goods on the port of Mombasa the Cabinet Secretary, informed the committee that the Kenya Revenue Authority uses automated scanners as well as pre arrival declaration forms for bulk clearance hence reducing mis-declaration of imports.

11. The Cabinet Secretary noted that it was upon the recommendation from the Ministry of Agriculture, Livestock and Fisheries that the support to local sugar industries be extended by allowing them to import duty free sugar up to 31st December, 2017; the rationale therefore, was that the local sugar companies were under- utilized since there was low production of cane occasioned by drought hence depressed revenue for the millers.

12. The Cabinet Secretary reiterated that to address the challenge of illicit trade on all commodities and support the Kenya Revenue Authority address revenue leakage through tax evasion the president has launched a multi-sectoral agency with clear terms of reference on eliminating counterfeits and contraband goods in the country.

13. He further noted that the country suffers extensive influx of contraband goods entering through the porous borders particularly the inland borders, to address this CS, informed the committee that there is need to operationalize the Border management committee. The Kenya revenue authority is a member of this committee, hence coordinated entry of goods and border surveillance.

14. Cognizant of the sensitivity of the issues on illicit trade and contraband goods, the Cabinet Secretary reinstated that there is need to step up engagement with stakeholders and enhanced confidentiality of information; this remains a priority in the fight against

counterfeits and illicit trade as it helps protect the informants and guarantee security of the country.

Committee Resolutions

In the end the Committee directed the Cabinet Secretary to provide all the relevant correspondences and Minutes between the Ministry and the Ministry of Agriculture and Irrigation on the consultations before the gazettement of Gazette Notice No. 4536.

MIN.NO. DCS/ JCAL& TIC 2018/009: ADJOURNMENT

The Chairperson adjourned the meeting at 3. 25pm

Signed.....

Chairperson

Date.....

MINUTES OF THE 1ST SITTING OF THE JOINT MEETING OF THE DEPARTMENTAL COMMITTEES ON AGRICULTURE & LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES HELD ON FRIDAY 22ND JUNE 2018 IN THE MINI CHAMBER, COUNTY HALL PARLIARMENT BUILDINGS AT 10.00AM

PRESENT

1. Hon. Kanini Kega, MP **(Chairperson)**
2. Hon. Adan Haji Ali, MP **(Vice - Chairperson)**
3. Hon. Emmanuel Wangwe, MP
4. Hon. Cornelly Serem, MP
5. Hon. Florence Mutua, MP
6. Hon. Daniel Maanzo, MP
7. Hon. Dr. John Kanyuithia Mutunga, MP
8. Hon. Janet Jepkemboi Sitienei, MP
9. Hon. Dr. Daniel Kamuren Tuitoek, MP
10. Hon. Justus Makokha Murunga, MP
11. Hon. Rahab Mukami Wachira, MP
12. Hon. Dr. Wilberforce Oundo, MP
13. Hon. Generali Nixon Kiprotich Korir, MP

APOLOGIES

1. Hon. Maison Leshoomo, MP
2. Hon. Simba Arati, MP
3. Hon. Ferdinard Wanyonyi, MP
4. Hon. Alois Musa Lentoimaga, MP
5. Hon. Bunyasi John Sakwa, MP
6. Hon. Andrew Mwadime, MP
7. Hon. Kipruto Moi, MP
8. Hon. Kathuri Murungi, MP
9. Hon. Yegon Brighton Leonard,MP
10. Hon. Gabriel Kago Mukuha, MP
11. Hon. John Paul Mwirigi, MP
12. Hon. Adan Haji Yussuf, MP
13. Hon. Fred Ouda, MP
14. Hon. Joyce Kamene, MP
15. Hon. Francis Munyua Waititu, MP
16. Hon. Silas Kipkoech Tiren, MP
17. Hon. Alexander Kimutai Kigen Kosgey, MP
18. Hon. James Mukwe, MP
19. Hon. Anab Mohamed Gure, MP
20. Hon. Jones Mlolwa, MP
21. Hon. Joseph Nduati Ngugi, MP
22. Hon. Patrick Kimani Wainaina Jungle, MP
23. Hon. Robert Gichimu Githinji, MP

IN- ATTENDANCE
COMMITTEE SECRETARIAT

1. Mr. Peter Chemweno	-	Deputy Director, Committee Services (NA)
2. Mr. Ahmed Kadhi	-	First Clerk Assistant
3. Mr. Eric Nyambati	-	Third Clerk Assistant
4. Mr. Nicodemus Maluki	-	Third Clerk Assistant
5. Mr. Eric Karuiki	-	Research Officer
6. Mr. Chelanga Maiyo	-	Research Officer
7. Mr. Alex Mutuku	-	Sergeant At- arms
8. Ms. Faith Makena	-	Sergeant At- arms
9. Ms. Roseline Njuki	-	Sergeant At- arms
10. Ms. Rose Ometere	-	Audio Officer
11. Ms. Deborah Mupusi	-	Media Relations Officer

MIN.NO. DCS/ JCAL& TIC 2018/001: PRELIMINARIES

Pursuant to the Provisions of Standing Orders 202 of the National Assembly the Chairperson called the Joint Sitting to order at 10.30am and prayed. He then welcomed all present and requested them to make self – introduction. He further reminded Members that Pursuant to the Provisions of the Standing Order (44) (1) (c) of the National Assembly Standing Orders, a statement was sought in the House during its sitting of 19th June 2018 seeking investigations and appropriate response on recent allegations of importation and sale of contaminated sugar in the country.

Following the debate during that Sitting and the following day, the Matter was referred to the Departmental Committee on Agriculture and Livestock and that on Trade, Industry and Cooperatives to jointly ***'to investigate, inquire into, and report within 10 days on the alleged importation of contraband sugar into the country'.***

The Committee further adopted the agenda of the day as follows: -

i. Consideration of Terms of Reference
ii. Consideration of Committee Schedule of Sittings
iii. Identification of key witnesses to appear before the Committees
iv. Any other Matter that could be relevant to the Committee to undertake the task

MIN.NO. DCS/ JCAL& TIC 2018/002: TERMS OF REFERENCE

Having gone through the statement requested by the Hon. Naisula Lesuuda, MP the Committee deliberated on it and resolved on following terms of reference: -

(i) the circumstances leading to the gazettement of the duty-free importation window, and the quantities of sugar imported;

(ii) the quantities of sugar and its products impounded, and the companies involved;

(iii) the lapses exploited by the importers to circumvent the regulatory frameworks in place;

(iv) report, if any, on the quality of the alleged imported contraband sugar;

(v) the measures the Government is taking to curb the importation of counterfeit goods into the country;

(vi) the measures the Government is taking to mitigate against the health effects of the alleged contaminated sugar; and,

(vii) Any other relevant information that could be important to the Committee.

MIN.NO. DCS/ JCAL& TIC 2018/003: SCHEDULE OF COMMITTEE SITTINGS

The Committee considered and adopted the programme for Monday 25th June 2018 meetings as follows: -

NO.			TIME
1.	Hon. Naisula Lesuuada, MP	**Member for Samburu Constituency**	**9.00am**
	MINISTRY	**CABINET SECRETARY**	
1.	Ministry of Agriculture and Irrigation	**Hon. Mwangi Kiunjuri, EGH**	**10.00am**
2.	The National Treasury and Planning	**Mr. Henry Rotich, E.G.H**	**12.00pm**
3.	Ministry of Interior and Coordination of National Government	**Dr. Fred Matiangi, EGH**	**2.00pm**
4.	Ministry of Industry, Trade and Cooperatives	**Dr. Adan Abdulla Mohamed E.G.H**	**4.00pm**

MIN.NO. DCS/ JCAL& TIC 2018/004: OTHER KEY WITNESSES

The Committee deliberated on other key wittiness to give evidence on the matter and resolved to invite the following: -

1. Specific Companies that are adversely mentioned
2. The Unions of Farmers
3. Kenya Ports Authority
4. Kenya Revenue Authority
5. Agricultural Food Authority (AFA)
6. Hon. Adan Duale, MP- Leader of the Majority Party on the papers laid before the House on the matter
7. The Committee further resolved to undertake an inspection visit on 26th 27th June 2018 in Nairobi, Mombasa, Nakuru, Eldoret, Webuye and Kakamega.

MIN.NO. DCS/ JCAL& TIC 2018/005: ADJOURNMENT

The Chairperson adjourned the meeting at 12. 25pm.

Signed.....

Chairperson

Date 1/8/2018.....

ADOPTION LIST

REPUBLIC OF KENYA

Clerk's Chambers
National Assembly
Parliament Buildings
NAIROBI, Kenya

KENYA NATIONAL ASSEMBLY

MEMBERS ATTENDANCE REGISTER

JOINT SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK AND THAT ON TRADE, INDUSTRY AND COOPERATIVES

DATE: 31/07/2018

AGENDA: ADOPTION LIST FOR THE REPORT OF THE INQUIRY INTO THE ALLEGED IMPORTATION OF THE ILLEGAL AND CONTAMINATED SUGAR IN THE COUNTRY

	NAME	TITLE	SIGNATURE
1	Hon. Kanini Kega, MP	**Chairperson**	
2	Hon. Adan Haji Ali, M.P	**Vice- Chairperson**	
3	Hon Emmanuel Wangwe	**Member**	
4	Hon. Cornelly Serem	**Member**	
5	Hon. Maison Leshoomo	**Member**	
6	Hon. Florence Mutua	**Member**	
7	Hon. Ferdinard Wanyonyi	**Member**	
8	Hon. Bunyasi John Sakwa	**Member**	
9	Hon. Daniel Maanzo	**Member**	
10	Hon. Silas Kipkoech Tiren	**Member**	
11	Hon. Simba Arati	**Member**	
12	Hon. Kathuri Murungi	**Member**	
13	Hon. Andrew Mwadime	**Member**	
14	Hon. Dr. John Kanyuithia Mutunga	**Member**	

15	Hon. Dr. Daniel Kamuren Tuitoek	**Member**	
16	Hon. Justus Makokha Murunga	**Member**	
17	Hon. Rahab Mukami Wachira	**Member**	
18	Hon. Dr. Wilberforce Oundo	**Member**	
19	Hon. Gabriel Kago Mukuha	**Member**	
20	Hon. Joseph Nduati Ngugi	**Member**	
21	Hon. Robert Gichimu Githinji	**Member**	
22	Hon. Alois Musa Lentoimaga	**Member**	
23	Hon. Kipruto Moi	**Member**	
24	Hon. Joyce Kamene	**Member**	
25	Hon. Fred Ouda	**Member**	
26	Hon. Jones Mlolwa	**Member**	
27	Hon. James Mukwe	**Member**	
28	Hon Nduati Ngugi	**Member**	
29	Hon. Generali Nixon Kiprotich Korir	**Member**	
30	Hon. John Paul Mwirigi	**Member**	
31	Hon. Jones Mlolwa	**Member**	
32	Hon. Yegon Brighton Leonard	**Member**	
33	Hon. Adan Haji Yussuf	**Member**	
34	Hon. Janet Jepkemboi Sitienei	**Member**	
35	Hon. Francis Munyua Waititu	**Member**	
36	Hon. Alexander Kimutai Kigen Kosgey	**Member**	

37. Hon. Waiwaina Junlle Member

STATEMENT BY HON. NAISULLA LESUUDA, M.P.

ANNEX 3

REPUBLIC OF KENYA

Approved. BM SNA 19/6/18

VERY URGENT

TWELFTH PARLIAMENT

THE NATIONAL ASSEMBLY – SECOND SESSION

STATEMENT ON THE CONTRABAND SUGAR

Honourable Speaker, Pursuant to Standing Order 44(2) (c), I wish to request for a Statement from the Chairpersons, Departmental Committees on ~~Agriculture~~ Trade, Industry and ~~Livestock, Health and Administration and National Security~~ Cooperatives regarding contraband sugar recently seized in most parts of the country.

Honourable Speaker, It is alleged that the sugar is unfit for human consumption as it contains mercury and copper that are believed to have adverse effects on the human health, it is not a wonder that even the rising cases of cancer could be attributed to this. Mr. Speaker The killer trade is not only dangerous to the health of many Kenyans who are already victims but also impacting negatively on our economy through loss of millions of shillings through evasion of the Kenya Revenue Authority (KRA) taxes by the owners of the illicit trade.

Honourable Speaker, It is against this background that I seek statement from the Chairs of the said committees on:- where the contraband sugar is coming from; how has it been cleared at the points of entry; who is the importer and whether the sugar was inspected prior to consumption; how the package of the contraband sugar acquired Kenya Bureau of Standards stickers; given that most shopkeepers still have this contraband sugar in their possession, what are disposal plans if any and measures in place to ensure the disposal mechanism is not hazardous to the environment and human health; what measures are there in place to ensure that the foodstuff in the market is safe for human consumption and whether there is any arrest that had so for been made to those behind this illicit trade.

I thank you, Hon. Speaker.

HON. NAISULA LESUUADA, MP

MEMBER FOR SAMBURU WEST CONSTITUENCY

Date.....

ANNEX 3

EXECUTIVE ORDER

ANNEX A

Executive Order No. 1/2017

REPUBLIC OF KENYA

Declaration of Drought and Famine Facing Parts of the Republic of Kenya a National Disaster

February, 2017

ISSUED BY THE OFFICE OF THE PRESIDENT, NAIROBI

PRINTED BY THE OFFICE OF THE PRESIDENT, NAIROBI

DECLARATION OF DROUGHT AND FAMINE FACING PARTS OF THE REPUBLIC OF KENYA A NATIONAL DISASTER

4

DECLARATION OF DROUGHT AND FAMINE FACING PARTS OF THE REPUBLIC OF KENYA A NATIONAL DISASTER

In light of the ravages of Drought and Famine facing at least twenty-three (23) Counties within the Republic of Kenya, as a result of adverse weather and climate phenomenon,

I, **UHURU KENYATTA,** by the Authority vested in me by the Constitution and all other enabling Laws, do hereby Declare the ongoing Drought and Famine a **National Disaster.**

Consequently, I hereby Order and Direct the National Treasury and the Ministry of Devolution and Planning to mobilize resources towards alleviating this Disaster. I am also appealing to our Development Partners and Donors to assist the Government and supplement our efforts in addressing this Disaster.

I do also **ORDER** as follows:-

(i) **THAT** Drought and Famine Response by all Government Ministries, Departments, Agencies and Institutions shall take priority over all ordinary matters, until the Disaster situation is brought under control and I lift the Declaration of the National Disaster; and

(ii) **THAT** both levels of Government implement direct interventions with regard to Drought and Famine, which shall be brought together and co-ordinated by the Ministry of Devolution and Planning.

ISSUED under the **HAND AND SEAL** of the President of the Republic of Kenya at State House, Nairobi this 10th day of February, 2017.

H. E. Hon. Uhuru Kenyatta, C.G.H.
President of the Republic of Kenya
and Commander-in-Chief of the Kenya Defence Forces

GAZETTE NOTICES

ANNEX 5

SPECIAL ISSUE



THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CXIX—No. 62 **NAIROBI, 12th May, 2017** **Price Sh. 60**

GAZETTE NOTICE NO. 4536

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR AND MILK POWDER DUTY FREE

IT IS notified for the general information of the public that in accordance with section 114 (2) of the East African Community Customs Management Act, 2004, and as a consequence of the declaration by the President and Commander in Chief of the Kenya Defence Forces through Executive Order No. 1 of 2017 that the drought and famine in parts of Kenya is a national disaster, duty shall not be payable for the following items—

(a) sugar imported by any person, with effect from the date of this Notice to the 31st August, 2017; and

(b) nine thousand tonnes of milk powder imported by milk processors, with the authority of the Kenya Dairy Board, with effect from the date of this Notice to the 31st July, 2017.

Dated the 11th May, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

ANNEX 2.

ANNEX 6 ~~Annexure 5~~ 6

(5)

SPECIAL ISSUE

THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CXIX—No. 146 NAIROBI, 4th October, 2017 Price Sh. 60

GAZETTE NOTICE No. 9801

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR DUTY FREE

IT IS notified for the general information of the public that in accordance with section 114 (2) of the East African Community Customs Management Act, 2004, and as a consequence of the declaration by the President of the Republic of Kenya and Commander-in-Chief of the Kenya Defence Forces, through Executive Order No. 1 of 2017 that the drought and famine in parts of Kenya is a national disaster, duty shall not be payable on the sugar which will have been loaded into a vessel between 1st September, 2017 and 31st December, 2017, destined to a port in Kenya and consigned to a local sugar miller.

Dated the 29th September, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

GAZETTE NOTICE No. 9802

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR AND MILK POWDER DUTY FREE

Amendment

IT IS notified for the general information of the public that the Gazette Notice No. 4536 of 2017, is amended by—

(i) in item (a), by deleting the word "imported" and substituting therefor the words "loaded into a vessel destined to a port in Kenya".

(ii) deleting item (b) and substituting therefor a new item (b) as follows—

(b) nine thousands metric tonnes of milk powder which will have been loaded into a vessel between 12th May, 2017 and 30th November, 2017, destined to a port in Kenya and consigned to a milk processor with prior authority from Kenya Dairy Board for the importation.

Dated the 29th September, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

ANNEX 6 Abbreviations

ANNEX 8

SPECIAL ISSUE

THE KENYA GAZETTE

Published by Authority of the Republic of Kenya

(Registered as a Newspaper at the G.P.O.)

Vol. CXIX—No. 152 NAIROBI, 13th October, 2017 Price Sh. 60

GAZETTE NOTICE NO. 10149

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

IMPORTATION OF SUGAR DUTY FREE

Amendment

IT IS notified for the general information of the public that the Gazette Notice No. 9801 of 2017, is amended by deleting the expression "31st December, 2017" and substituting therefor the expression "13th October, 2017.

Dated the 13th October, 2017.

HENRY ROTICH,
Cabinet Secretary for the National Treasury.

GAZETTE NOTICE NO. 10150

THE UNIVERSITIES ACT

(*No.* 42 *of* 2012)

THE BOMET UNIVERSITY COLLEGE COUNCIL

APPOINTMENT

IN EXERCISE of the powers conferred by section 36 (1) (*a*) of the Universities Act, 2012, the Cabinet Secretary for Education appoints—

ESTHER W. MUCHIRA-TIRIMA (PROF.)

to be the chairperson of the Council for the Bomet University College, for a period of three (3) years, with effect from the 29th September, 2017.

Dated the 29th September, 2017.

FRED MATIANG'I,
Cabinet Secretary for Education.

GAZETTE NOTICE NO. 10151

THE UNIVERSITIES ACT

(*No.* 42 *of* 2012)

THE BOMET UNIVERSITY COLLEGE COUNCIL

APPOINTMENT

IN EXERCISE of the powers conferred by section 36 (1) (*d*) of the Universities Act, 2012, the Cabinet Secretary for Education appoints—

Rev. Robert Kipkemoi Lang'at (Dr.),
Peter Ithondeka (Dr.),
Jane Ngarari (Dr.),
Alex Majani,
Peter Amenya Nyakundi (Dr.),

to be members of the Council for the Bomet University College, for a period of three (3) years, with effect from the 29th September, 2017.

Dated the 29th September, 2017.

FRED MATIANG'I,
Cabinet Secretary for Education.

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

ANNEX 8

AFA
LIST OF
IMPORTERS

ANNEX VI

LIST AND QUANTITIES OF SUGAR IMPORTED

	IMPORTER	TOTAL
1.	TESIA SUPERMARKETS LIMITED (UGANDA)	990
2.	GRAINERGY K LIMITED(EGYPT)	22803
3.	THE COMMODITY HOUSE LIMITED (EGYPT)	19174
4.	HYDERY (P) LIMITED (EGYPT)	22583
5.	STUNTWAVE LIMITED (EGYPT)	15859
6.	METCOM LTD (UGANDA)	2809
7.	SUKARI INVESTMENTS LIMITED (MAURITIUS, EGYPT)	33320
8.	LESPHINE INVESTMENTS LIMITED (UGANDA)	422
9.	KASSAMKO LIMITED (UGANDA)	449
10.	COSMOCARE LIMITED (MAURITIUS)	8246
11.	MOKANN LOGISTICS LIMITED (UGANDA)	514
12.	COAST TERMINAL EAST AFRICA LIMITED (MAURITIUS,UGANDA, MADASCAR)	9405
13.	SAMPEN JOS LTD (UGANDA)	544
14.	TERRA FIRMA LOGISTICS LIMITED (UGANDA)	50
15.	SUNOVA INTERNATIONAL LIMITED (ZIMBABWE, MALAWI)	10427
16.	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED (UGANDA)	1256
17.	RABI YASIR TRADERS LIMITED (UGANDA)	896
18.	SIROCCO INVESTMENTS K LIMITED (UGANDA, SWAZILAND)	6244
19.	AVALANGE TRADING LIMITED (UGANDA)	169
20.	MIKROS LTD (UGANDA)	1085
21.	MARASA LIMITED (UGANDA)	1780
22.	MARATHON VENTURES LIMITED (MAURITIUS, EGYPT)	3244
23.	CONVEX COMMODITY MERCHANTS LIMITED (MAURITIUS)	40595
24.	EMCO HOLDINGS LIMITED (UGANDA)	2828
25.	BLUE SKY ENERGY LIMITED (UGANDA)	56
26.	WATONY KENYA LIMITED (UGANDA)	526

ANNEX 9

27.	KIFARU FEEDS LIMITED (UGANDA, SWAZILAND)	12897
28.	KORBASH TRADERS LIMITED (UGANDA)	9395
29.	LEADWAY ENTERPRISES LIMITED (MAURITIUS, UGANDA)	1780
30.	LESPHINE INVESTMENTS LIMITED (UGANDA)	420
31.	MIDLAND EMPORIUM LIMITED (UGANDA)	692
32.	MERAKO INVESTMENTS K LIMITED (UGANDA)	1930
33.	MIROCKMAN COMPANY LIMITED (UGANDA)	1591
34.	MOKANN LOGISTICS LIMITED (UGANDA)	372
35.	NANASAI LOGISTICS LIMITED (UGANDA)	84
36.	ROSAM LIMITED (UGANDA)	1014
37.	OCEANIA INVESTMENT LIMITED (UGANDA)	7105
38.	PALEAH STORES LIMITED (MAURITIUS)	4717
39.	SEA-TECH LIMITED (MAURITIUS)	8434
40.	SYBES COMMODITIES COMPANY LIMITED (MAURITIUS)	5494
41.	TARZAN LIMITED (MAURITIUS)	4784
42.	TAYBA WHOLESALERS LIMITED (UGANDA)	4207
43.	AFRICAN RETAIL TRADERS 2005 LTD (ZIMBABWE)	6350
44.	DUBAI MATRESS LIMITED (MAURITIUS)	4636
45.	EAST AFRICAN CARGO HANDLERS LIMITED (MAURITIUS)	832
46.	FUTURES COMMODITIES LIMITED (SWAZILAND)	1180
47.	IFOX COMMODITY LIMITED (MAURITIUS)	3346
48.	MARANGU ENTERPRISES (UGANDA)	1500

ANNEX 2

49.	NANKU COMPANY (KENYA) LIMITED (ZIMBABWE)	2000
50.	NORTH CORT LIMITED (UGANDA)	280
51.	REESWOOD ENTERPRISES LIMITED (ZIMBABWE, MAURITIUS)	7308
52.	REMINGTON AGENCY LIMITED (MAURITIUS, ZIMBABWE)	10875
53.	RIVER SIDE BUSINESS VENTURES K LIMITED (UGANDA)	1000
54.	TOTIYAS ENTERPRISES LIMITED (UGANDA)	876
55.	YH WHOLESALERS LTD (SWAZILAND)	12509
56.	BARKAT DEVELOPERS LIMITED (ZAMBIA)	1516
57.	GHANEEMA ENTERPRISE LIMITED (UGANDA)	168
58.	ONE COMMODITIES COMPANY LIMITED (SWAZILAND)	32852
59.	SALIM MERCHANDISE COMPANY LIMITED (UGANDA)	1006
60.	UCHALE LOGISTICS LIMITED (UGANDA)	200
61.	AHMED SHEIKH DAHIR ENTERPRISES LIMITED (ZIMBABWE)	1000
62.	ARASAN TRADERS LIMITED (MADAGASCAR)	7183
63.	CAPO GENERAL TRADING LIMITED (MAURITIUS)	1488
64.	ELDOGATE ENTERPRISES LIMITED (UGANDA)	3594
65.	HOLWATHAG ENTERPRISE LIMITED (UGANDA)	4158
66.	HUSSABA TRADING COMPANY LIMITED (ZIMBABWE)	15338

67.	IMPERIAL COMMODITIES LIMITED (ZIMBABWE)	3225
68.	KILOS KENYA LIMITED (MAURITIUS)	504
69.	MONSOON TRADEWINDS LIMITED (UGANDA)	103
70.	PICCADILLY HOLDINGS LTD (ZIMBABWE)	8795
71.	REGIONAL BARGAINS LIMITED (ZIMBABWE)	9000
72.	RURAL ROAD AND BRIDGES COMPANY LIMITED (UGANDA)	112
73.	APPROVED LOGISTICS LIMITED (MADAGASCAR)	1000
74.	AUS KENYA LIMITED (MADAGASCAR)	2502
75.	EVANSON THUO WAWERU	1000
76.	INLAND AFRICA LOGISTICS LIMITED	10500
77.	LABAQ ENTERPRISES	54
78.	FREON TRADERS LIMITED	1030
79.	MSHALE COMMODITIES LIMITED	22585
80.	OLARE GLOBAL TRADERS LIMITED	7525
81.	PILLAR MATT LIMITED	3489
82.	SKY AGENCIES LIMITED	1582
83.	HEROTS ENTERPRISES LIMITED	6055
84.	RIETY COMPANY LIMITED	590
85.	PEAKMUS BAKERS LIMITED	168
86.	MUMIAS DISTRIBUTORS LTD	250
87.	ATLANTA COMMERCIAL LTD	2000
88.	LANDMARK FREIGHT LTD	25866
89.	HALEEL ENTERPRISES LTD	16216
90.	STEVFLO STORES	112
91.	SOMO COMMODITIES LTD	3508

92.	SANJOSE AGENCIES LTD	500
93.	SERENI FRIES LTD	600
94.	GOLDEN CARA LTD	1182
95.	LINKSFIED ENTERPRISES LTD	1400
96.	ESSBEE SUPPLIERS LTD	165
97.	HABS ENGINEERING LTD	301
98.	PHOENIX GLOBAL LTD	3750
99.	LEGO STORES LTD	4492
100.	BLUE LIME LTD	1305
101.	SERMCO COMPANY LTD	84
102.	SWABRI LTD	2691
103.	MENENGAI OIL REFINERIES LTD	43200
104.	MANONO ENERGY LTD	6790
105.	FLORA BAKERS LTD	3490
106.	MULTILIFT LTD	3161
107.	ELON COMMODITY LTD	847
108.	GREEN BELT WHOLESALERS LTD	2080
109.	MIDLAND HAULIERS LTD	1040
110.	OAKDALE LTD	251
111.	THE OPTION TWO LTD	6622
112.	WEST KENYA SUGAR INDUSTRIES LTD	34,100
113.	ZACK PETROLEUM LTD	234
114.	FOCUS LOGISTICS LTD	2002
115.	SALOLE ENTERPRISES LTD	7216
116.	FARRIS ENTERPRISES LTD	3756
117.	ONE TRADERS LTD	12,500
118.	WHITE HALL HOLDINGS LTD	1800
119.	BEYON INVESTMENTS LTD	2292
120.	NEMUWA CEREALS LTD	910

121.	AMNAV LTD	74400
122.	EXPRESS CO LTD	810
123.	AMANO TRADING LTD	2421
124.	MERCURIE LTD	2000
125.	BETA COMMODITY LTD	3970
126.	TAKABA INVESTMENTS LTD	780
127.	AWWAL OIL LTD	44,600
128.	AFRICAN TANA LTD	1300
129.	EQUITY LOGISTICS LTD	1300
130.	SUKARI INDUSTRIES LTD	23,161
131.	MICAAN LOGISTICS LTD	522
132.	EXPORT TRADING CO LTD	4400
133.	FAHD COMMODITIES LTD	520
134.	JAMAA SUPERMARKET LTD	520
135.	GLOBAL ALLIED LTD	250
	TOTAL	**829871**

EAST AFRICAN CUSTOMS MANAGEMENT ACT

ANNEX 10

(2) Where it is proposed to dispose of any goods to which subsection (1) applies, then the person responsible for the disposal of such goods shall, furnish the Commissioner with the particulars of such proposed disposal and shall cause the duty thereon to be paid.

(3) A person who knowingly disposes of or knowingly acquires any goods to which subsection (1) applies without the import duty thereon having been paid in accordance with the provisions of this section commits an offence.

(4) Where any goods to which subsection (1) applies are disposed of without the payment of the import duty to which they are liable, then the goods shall be liable to forfeiture.

Computation of Duty

Time of entry determines rate of duty.

120. (1) Subject to subsection (3) and section 94, import duty shall be paid at the rate in force at the time when the goods liable to such duty are entered for home consumption:

Provided that in the case of goods imported overland, the time of entry of such goods for home consumption shall be deemed to be the time when the import duty on the goods is paid.

(2) Subject to the provisions of the Customs laws and of section 94, export duty shall be paid at the rate in force at the time when the goods liable to such duty are entered for export:

Provided that where any export duty is imposed, or the rate of any existing export duty is varied, between the time goods are entered for exportation and the time of exportation of such goods, export duty shall be paid at the rate in force at the time of exportation of the goods.

(3) Where goods are entered in accordance with section 34 before the arrival at the port of discharge of the aircraft or vessel in which such goods are imported, the import duty upon the goods shall be paid at the rate in force at the time of arrival of such aircraft or vessel at such port of discharge.

Duties, etc. to apply proportionately.

121. Where any drawback is allowed under the Customs laws according to any specified weight, measure, strength, or value the drawback shall be deemed to apply in the same proportion to any greater or less weight, measure, strength, or value, as the case may be, unless specific provision is made to the contrary in any Customs laws.

Determination of value of imported goods liable to *ad valorem* import duty.

122. (1) Where imported goods are liable to import duty *ad valorem*, then the value of such goods shall be determined in accordance with the Fourth Schedule and import duty shall be paid on that value.

(2) Upon written request, the importer shall be entitled to an explanation in writing from the proper officer as to how the Customs value of the importer's goods was determined.

(3) Where, in the course of determining the customs value of imported goods, it becomes necessary for the Customs to delay the final determination of such customs value, the delivery of the goods shall, at the request of the importer be made:

Provided that before granting such permission the proper officer may require the importer to provide sufficient guarantee in the form of a surety, a deposit or some other appropriate security as the proper officer may determine, to secure the ultimate payment of customs duties for which the goods may be liable.

(4) Nothing in the Fourth Schedule shall be construed as restricting or calling into question the rights of the proper officer to satisfy himself or herself as to the truth or accuracy of any statement, document or declaration presented for customs valuation purposes.

(5) The Council shall publish in the Gazette judicial decisions and administrative rulings of general application giving effect to the Fourth Schedule.

(6) In applying or interpreting this section and the provisions of the Fourth Schedule due regard shall be taken of the decisions, rulings, opinions, guidelines, and interpretations given by the Directorate, the World Trade Organisation or the Customs Cooperation Council.

(7) The rate of exchange to be used for determining the equivalent of a Partner State currency of any foreign currency shall be the selling rate last notified by the Central Bank of the respective Partner State when an entry is presented to and accepted by the proper officer.

CORRESPONDENCE OF DUTY EXEMPTION

ANNEX II ANNEXURE II

REPUBLIC OF KENYA

MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES
OFFICE OF THE CABINET SECRETARY

Telephone: 2718870
Website:www.kilimo.go.ke
Email:cabinetsecretary@kilimo.go.ke

KILIMO HOUSE
CATHEDRAL ROAD
P.O. BOX 30028
NAIROBI

Ref: MOALF/ CS/ADM/35

12th September, 2017

Mr. Henry Rotich, EGH
Cabinet Secretary
The National Treasury
Treasury Building
NAIROBI

Dear Henry,

GAZETTE NOTICE NO. 4536 OF 2017

Reference is made to the above mentioned gazette Notice dated 12th May 2017 on exemption of duty for sugar imports from the date of notice to the 31st August 2017.

The Ministry has received appeal letters from the following registered sugar importers who experienced delays in shipping their approved consignments within the period at which the gazette notice for the duty free sugar was in force:

1. Flora Bakers Limited
2. Piccadilly Holding Limited
3. Landmark Freight Services
4. Darasa Investments Limited
5. Pillarmatt Limited.
6. The Option Two Limited.
7. Ifox Commodity Limited.
8. Paleah Stores limited.
9. Mapping Trading Company.
10. Sukari Investments Limited
11. Elon Commodities (K) Limited.
12. Coast Terminal East Africa Limited.
13. Zack Petroleum limited.
14. Export Trading Company Limited.

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The delay in the arrival of duty free sugar to the port of Mombasa was caused by various reasons such as logistic difficulties, low tides delaying loading of cargoes, turbulent and unfavourable weathers in the high seas and delays at the transhipments ports.

In view of the aforementioned, the Ministry recommends that based on the circumstances that caused the delay in shipping of the imports, the lapsed duty free window should not lock the affected companies out and therefore their sugar imports should be cleared duty free.

Yours Sincerely,

Willy Bett, EGH
CABINET SECRETARY

Copy:

Mr. John Njiraini, MBS
Commissioner General
Kenya Revenue Authority
P.O Box 40160
NAIROBI

ANNEX 12

REPUBLIC OF KENYA
THE NATIONAL TREASURY

Telegraphic Address: 22921
Finance – Nairobi
FAX NO. 310833
Telephone: 2252299
When Replying Please Quote

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

Ref. No. CONF. 1/06

September 21, 2017

The Commissioner of Customs & Border Control
Kenya Revenue Authority
NAIROBI

RE: CLEARANCE OF DUTY FREE SUGAR IMPORTED BEFORE 31ST AUGUST, 2017

Attached, please find copies of letters Ref. No. MOALF/CS/ADM/35 dated 12th September, 2017, Ref. No. MOALF/CS/ADM/35 dated 19th September, 2017 and Ref. No. MOALF/CS/ADM/35 dated 20th September, 2017 from the Ministry of Agriculture, Livestock and Fisheries on the above mentioned subject matter.

The Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries has given details of the consignments of sugar imported under Gazette Notice No. 4536 of 2017 but experienced delay in arrival due to, among other reasons, logistical difficulties, low tides delaying loading and unfavourable weather.

After taking into account the circumstances of the delay, the Cabinet Secretary for Agriculture, Livestock and Fisheries appealed to the Cabinet Secretary, National Treasury to allow duty free clearance of the affected consignments. A total of fourteen (14) importers were affected. The details are as follows:

No.	Importer	B/L No.	Quantity
1	Flora Bakers Limited	DXB0373587C	520
2	Pccadilly Holding	960750595	5400
3	Landmark Freight Services	769855882	780
4	Darasa Investments Ltd	BRSS802017	40010
5	Pillarmatt Limited	DXB0374640C	2990
6	The Option Two Limited	DXB03746	2990
7	Ifox Commodity Limited	DXB0373587E	2990
8	Paleah Stores Limited	MSCCUZC238582	3000
9	Mapping Trading Company	MSCUZC239119	3000
10	Sukari Investments Limited	769859553	1300
11	Elon Commodities (K) Ltd	DXB0368738A	1040
12	Coast Terminal East Africa Limited	EID0193398	2080
13	Zack Petroleum Limited	DXB0373587B	540
14	Export Trading company Limited	2017MOY20602	4400

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ANNEX 12

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After due consideration, the Cabinet Secretary, National Treasury, approved that Kenya Revenue Authority be advised to release the affected consignment as duty free sugar. **The Cabinet Secretary, National Treasury, emphasized that only those consignments shipped before the expiry date should be considered.** In order to enhance accountability, Kenya Revenue Authority is required to provide a final report to the Cabinet Secretary, National Treasury, in respect of the duty free sugar cleared under this approval.

The purpose of this letter is to advise the Kenya Revenue Authority to proceed accordingly.

By a copy of this letter, the State Department of Agriculture, Ministry of Agriculture Livestock and Fisheries is requested to advise the above listed importers to follow-up the matter with the Kenya Revenue Authority and to provide any necessary documents that may be required for the customs clearance of the approved consignments and quantities.

WANYAMBURA K. MWAMBIA, OGW
FOR: PRINCIPAL SECRETARY/NATIONAL TRASURY

Copy to: The Commissioner of General, **KRA**

Deputy Commissioner, Central Region
NAIROBI

Deputy Commissioner, Southern Region
MOMBASA

The Principal Secretary
State Department of Agriculture
Ministry of Agriculture, Livestock & Fisheries
NAIROBI

WKM/io

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CUS/HQ/1

27th September, 2017

The Principal Secretary
National Treasury
P.O. Box 30007
NAIROBI

Dear Sir

CLEARANCE OF DUTY FREE SUGAR IMPORTED BEFORE 31ST AUGUST, 2017

Please refer to your letter ref: CONF. 1/06 dated 21st September, 2017 in regard to the above matter.

Your letter advised Kenya Revenue Authority to release on duty free basis, sugar consignments imported under Gazette Notice No. 4536 of 12th May, 2017 that experienced delay in arrival and have been recommended by the Ministry of Agriculture, Livestock and Fisheries for consideration of duty exemption.

We are experiencing difficulties implementing the Treasury letter with respect to the listed sugar consignments for the following reasons:-

The Gazette Notice No. 4536 of 12th May, 2017 allowed duty free importation of sugar from 12th May, 2017 to 31st August, 2017 after which the import duty reverted to the EAC CET rate.

Section 120 (1) of the EACCMA requires that import duty shall be paid at the rate in force at the time when the goods are entered for home consumption.

Section 2 (2) (b) provides that goods are deemed to be entered for home consumption when they have been declared for use in a Partner State and the import entry is lodged and any duty due has been paid in compliance with the Act.

Section 120 (3) provides that where goods are entered before the arrival of the vessel in which such goods are imported, the import duty upon the goods shall be paid at the rate in force at the time of arrival of the vessel at the port of discharge.

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We have observed that the listed sugar consignments were shipped before the expiry of the duty free period. However, the consignments arrived after the expiry period hence the application of the above mentioned provisions of the EACCMA on such shipments.

In this regard, we wish to clarify that we shall allow duty free clearance of sugar consignments that arrived and were entered before the expiry of the Gazette Notice deadline.

Nevertheless, in order to facilitate the affected sugar importers and remain consistent with the provisions of the EACCMA, we propose that the National Treasury considers issuing a Gazette Notice to extend the duty free sugar importation period from 31st August, 2017 to 20th September, 2017, the date the CS, National Treasury endorsed the recommendation by the CS, Ministry of Agriculture, Livestock and Fisheries.

Yours faithfully

Julius N. Musyoki
COMMISSIONER CUSTOMS & BORDER CONTROL

C. C. The Cabinet Secretary
National Treasury
NAIROBI

Commissioner General
KENYA REVENUE AUTHORITY

KEBS RESULTS FROM SEIZED SUGAR

CONTRABAND GOODS KEBS vs KRA list

The operations to net counterfeit goods which has been ongoing for a while has led to the recovery of **1,319,668** 50 kg bags of sugar, **1484** bags of rice, **87,805** bags of fertilizer and **90** cartons of Liquor from different Counties as shown in the table below:-

COUNTY	DATE	PLACE FOUND	RECOVERY	BAGS OF SUGAR	SUSPECTS ARRESTED	TAKEN TO COURT	SUSPECTS AT LARGE	POSITION	KEBS BS Sample Number.	Test Status	Officer	Product Details	Quantities
Nairobi	6/13/2018	KBK 676X Mitsubishi Fighter	250 bags of 50kgs Brazilian sugar	250	2	0	0	Held at industrial area police station awaiting verification, suspects to be arraigned in court					
	6/15/2018	Janka Investments-Shauri moyo	138 Brazilian brown sugar packed by Lumira exporter,736kgs of Kabras sugar incribed not for sale for industrial use only,	15				Divcrime Buruburu investigating	BS201820371	Fail in TVC.	Owiti	LUMIRA	140
	6/15/2018		139 Brazilian brown sugar packed by Lumira exporter,736kgs of Kabras sugar incribed not for sale for industrial use only,					Divcrime Buruburu investigating	BS201820746	Fail in Water Insoluble Matter and TVC.	Owiti	KABRAS (Janka) WKS A F18	200
	6/15/2018		140 Brazilian brown sugar packed by Lumira exporter,736kgs of Kabras sugar incribed not for sale for industrial use only,		18	0	0	Divcrime Buruburu investigating	BS201820749	Fail in Water Insoluble Matter and TVC	Owiti	KABRAS (Janka) WKS 23	219
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar	212521	0	0	0	Goods under the guard of Officers awaiting verification	BS201820523	Complies	Gilbert Rono	Golden Granulated 220217025	212521
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820526	Complies	Gilbert Rono	Golden Granulated 2704174.1	
	6/19/2018	Menengai oil Refineries ltd	A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820527	Fail in Colour.	Gilbert Rono	Thailand Golden granulated	
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820528	Fail in Colour.	Gilbert Rono	Thailand Golden granulated	
	6/19/2018		A consignment of 212,521 bags of 50kgs Thailand brown sugar					Goods under the guard of Officers awaiting verification	BS201820520	Fail in Colour.	Gilbert Rono	Hullets Batch 0012	
									BS201820857	Fail in Colour	Gilbert Rono	Thailand Golden Granulated Lot o. 091	
	6/13/2018	KBK 676X Mitsubishi Fighter	250 bags of 50kgs Brazilian sugar.	250	2	0	0	Held at Industrial area police station awaiting verification, suspects to be arraigned in court					
Garissa	6/13/2018	KCP 837S Scania	320 bags of sugar	320	0	0	0	Goods under the guard of Officers awaiting verification					
Bungoma	6/14/2018	khamulati stores	65 bags *50kg-brazil,40kgs packed in 1kgs.	66		0	0	Detained by police pending verification by KRA,KBS,etc					
		Uchumi stores	2 empty bags branded Brazil,4kgs packed in 1kgs,2kgs packed in 1/2kgs	0		0	0						
		Sammart Supermarket	6 Empty bags branded Brazil,23kgs in 1kgs	0	0	0	1						
	6/13/2018	Pan African Paper Mills	59000 bags of 50kgs each belonging to West Kenya labled 'brown sugar not for sale'	59000	0	0	0	Goods under the guard of Officers awaiting verification	BS201820023	Fail water insoluble matter and TVC	Kosgei	(Imported) West Kenya Sugar	59000
	6/13/2018	Pan African Paper Mills							BS201820024	Complies	Kosgei	Sukari Industries Ltd - 101960	
Narok	6/14/2018	KCM 087Y Isuzu NPR LORRY driven by joseph karanja	33 bags of 50kgs Zambian sugar,	33	0	0	0	Goods and motorvehicles detained awaiting verification	BS201820335	Complies	A. Kemboi	USINA ALTO ALEGRE	33
		KCE 525Y driven by John Kinuthia	15 bags of 50kgs Brazilian brown sugar	15	0	0	0		BS201820333	Fail in MC	A. Kemboi	WHITE SPOON	15
		KBX 588E Isuzu NPR driven by Peter Wahome	7 bags of 50kgs Brazilian brown sugar	7	0	0	0		BS201820336	failure yeast and mould	A. Kemboi	LUMIRA BRAND	7
Kitui		Mt Kenya Wholesalers	220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820039	Fail in Yeast and Moulds.	Bilha	Mauritius Sugar - Mt. Kenya Wholesalers Matuu	220
Kitui			220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820040	Fail colour, polarization.	Bilha	Egypty Sugar	
Kitui			220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820041	Fail in Water Insoluble matter.	Bilha	Ndiwa	
Kitui			220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar					Goods under the guard of Officers awaiting verification	BS201820042	Fail in Yeast and Moulds.	Bilha	Kakira	

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Kitui	6/15/2018		220 bags of 50kgs from Brazil,Mauritius,Egypt,Uganda-Kagira and Diamond sugar	220	0	0	0	Goods under the guard of Officers awaiting verification	BS201820043	Fail in Water Insoluble Matter	Bilha	Brazil		
Mombasa	6/16/2018	Denco Investment ltd	116,525 bags of brown sugar 50kgs each	116525	0	0	0	Process of sampling in progress	BS201820903	Complies	Makan Peter	THAILAND GOLDEN GROMULATED SUGAR	26719	
	6/16/2018	Denco Investment ltd							BS201820942	Complies	Makan Peter	EGYPTIAN SUGAR	89806	
	6/23/2018	Kipevu	104,537 bags of sugar	104537	0	0	0		BS201822430	Fail in TVC and Yeast and Moulds	Makan Peter	WEST KENYA SUGAR	104537	
	6/19/2018	Changamwe-Ballow logistics	50000 bags of 50kgs	50000	0	0	0	DCIO investigating						
	6/20/2018		122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer	122839	0	0	0		BS201820756	Pending Micro, fail in moisture	Makan Peter	BIEN HOA DAILY	2517	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820758	Complies	Makan Peter	ILLOVO SUGAR-LINGNA	4266	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820759	Fail in Moisture and Yeast and moulds	Makan Peter	INEGENIO PANUCO	430	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820760	Micro pending approval, fail in moisture	Makan Peter	MSS-LIGNA	9984	
			122,839 bags of sugar, 87,768 bags of 50kgs of fertilizer						BS201820761	Micro pending approval, fail in moisture	Makan Peter	VIRGO LINODE OLIVEIRA - VO	131	
	6/18/2018	Changamwe	105551 bags of sugar	105551	0	0	0	Goods under the guard of Officers awaiting verification	BS201820339	Fail in TVC. Insoluble Matter.	Makan Peter	WHITE EGYPTIAN SUGAR-MC8	13170	
									BS201820394	Complies	Makan Peter	BROWN SUGAR VO MC8 LOT 011	2862	
									BS201820389	Fail in Water	Makan Peter	BROWN SUGAR VO MC8 LOT 010	8050	
									BS201820400	Fail in moisture content.	Makan Peter	Mill white sugar	25264	
									BS201820374	Fail in	Makan Peter	BROWN	16064	
									BS201820361	Complies	Makan Peter	BROWN SUGAR HULLETS MC9	29989	
Nyandarua	6/17/2018	Jama Supermarket	2000 bags of 50kgs each brown sugar from Dubai	2000	2	2	0	Goods under the guard of Officers awaiting verification	BS201820212	Complies	Kingori John	Jamaa Sugar	2000	
		Jama Supermarket							BS201820208	Fail in Yeast and Moulds.	Kingori John	SAKUMA EXPORTS LTD		
	6/13/2018	KCP 837S Scania	320 bags of sugar	320	0	0	0							
	6/19/2018	KBE 232P	40 BAGS OF 50kgs brown sugar from Brazil, 37 bags fertiiizer	40	0	0	0	Goods under the guard of Officers awaiting verification						
	6/18/2018	Nyahururu town - Mugo Supermarket	171 bags of sugar and 25 bags of rice	171	1	0	0	Held at Nyahururu police station awaiting verification	BS201822240	Fail in TVC	Kingori John	Sukari (MS1) (1 x 25kg bag)	171	
									BS201822241	Complies	Kingori John	Butali (MS2) (1 x 25kg bag)		
									BS201822242	fail in TVC, yeast and moulds	Kingori John	Sony Sugar (MS3) (1 x 25kg bag)		
									BS201822243	Fail in TVC.	Kingori John	Hoima (MS4) (1 x 25kg bag)		
									BS201822244	Fail in TVC.	Kingori John	Egyptian (MS5) (1 x 50kg bag)		
Kisumu	6/15/2018	KAU 591G Mitsubishi	8 bags of 50kgs from Uganda,5 from Brazil and 2 from India	15	0	0	0	Goods under the guard of Officers awaiting verification						

	6/23/2018	Mamboleo area	76 cartons of Shakers (Liquor)	76	0	0	0	Detained at Nyamira police station awaiting verification							
Kwale	6/18/2018	KCQ 744G Mitsubishi FH	18 Bags of 50kgs brown sugar from Brazil	18	0	0	0	DCIO Kinango investigating							
		Deepsouth Unik services and Siku Njema wholesalers	40 bags of brown sugar	40	0	0	0	Goods under the guard of Officers awaiting verification	BS201824455	Pending entries in both micro and chemical	Makan Peter		40		
		Deepsouth Unik services and Siku Njema wholesalers							BS201824456	Pending entries in both micro and chemical	Makan Peter				
Uasin Gishu	6/17/2018	Eldoret town	252 bags of Sugar	252	0	0	0	Held at Eldoret police stn awaiting verification	BS201820201	Complies	Angela Ruto	Lumira	252		
Uasin Gishu	6/18/2018	Eldoret town						Held at Eldoret police stn awaiting verification	BS201820198	Complies	Angela Ruto	MSS			
Nyamira	6/18/2018	Benya Traders wholesalers	65 bags of 50kgs,60 bags of 25kgs	95	0	0	0	Goods under the guard of Officers awaiting verification	BS201821604	Fail yeast and moulds	Mwalugha	Diamond Sugar	95		
									BS201821890	Fail in TVC, Yeast and Moulds.	Wambua Peter	Muhoroni-50kgs			
	6/24/2018	Gikonge market	135 bags brown sugar	135	0	0	0	Detained at Nyamira police station awaiting verification	BS201821880	Fail in TVC, yeast and moulds.	Wambua Peter	Transmara Sugar-50kgs	135		
Kisii	6/18/2018	Kisii discount stores ltd	15 tonnes of brown sugar	300	0	0	0	detained at Kisii police stn pending verification	BS201821116	Fail in Yeast and Moulds.	Wb Ondari	MARA SUGAR (BROWN) EXIBIT 314 (B-1)	300		
		Kisii discount stores ltd							BS201821118	Pending chemical	Wb Ondari	DIAMOND BROWN SUGAR			
		Kisii discount stores ltd							BS201821119	Fail in Yeast and Moulds.	Wb Ondari	GOLDEN BROWN SUGAR			
	6/19/2018	KBN 901V Hyundai lorry	105 bags of 50kgs,85bags of 25kgs,400 pcls of 20kgs	311	0	0	0	Investigation in progress awaiting kebs analysis	BS201821113	Fail in Yeast and Moulds.	Wb Ondari	DIAMOND BROWN 50KG RBI E-1	105		
		Kisii Police Station							BS201821114	Fail in TVC, Yeast and Moulds.	Wb Ondari	DIAMOND BROWN 25KG ALC2 D-1			
		Kisii Police Station							BS201821115	Fail in Yeast and Moulds	Wb Ondari	MARA SUGAR (BROWN) EXIBIT F-1			
Migori	6/20/2018	Rongo	4720 bags of 50kgs brown sugar						BS201821117	Fail in TVC, Yeast and Moulds	Wb Ondari	WEST KENYA	4720		
Kilifi	6/18/2018	KBY 456N Mitsubishi FH lorry	20 bags of 50kgs, 140 bags of rice	20	0	0	0	Goods detained at the police stn	BS201821503	Fail in Water Insoluble matter	Gasper Maato	VO VIRGOLINO DE OLIVIERA	20		
Nakuru	6/16/2018	Bondeni - Nakuru Blankets	400000 bags of 50kg branded West Kenya sugar	514000	0	0	0	Goods under the guard of Officers awaiting verification	BS201820416	Pending Micro entries, fail in Moisture Content.	Akolo	WEST KENYA SUGAR CO. LTD	514000		
	6/19/2018	Kanini Haraka wholesalers	1350 bags of 50kgs packed in Brazilian brown sugar bags	1350	0	0	0	seizure notice issued pending verification	BS201820385	Complies	Akolo	Lumira			
	6/19/2018	Menengai oil Refineries ltd	132,000 bags of 50kgs branded Thailand golden granules and Hullets sunsweet brown sugar	132000	0	0	0	seizure notice issued pending verification	BS201820388	Fail in Colour & TVC	Akolo	TRR GROUP			
									BS201820391	Fail in TVC.	Akolo	HULETICS			
	6/19/2018	United Millers	MSS Brand 28670 Tons Dry and 153 bags wet		0	0	0	Goods under the guard of officers awaiting verification	BS201822348	Failure yeast and moulds.	Evans Makori	DRY SUGAR			
		United Millers							BS201822350	Failure yeast and moulds & TVC.	Evans Makori	WET SUGAR			
	6/20/2018	Several stores within Salgaa	175 bags of Brown sugar in 50kgs bags	175	0	0	0	Goods under the guard of officers awaiting verification							
Nyeri	6/19/2018	Emmanuel supermarket and Down town shop	106bags and 2bags from Brazil and Mauritius	108	0	0	0	Goods detained at the police stn							
	6/20/2018	Wama General Merchants	500 bags of 50kgs from Brazil,Malaysia and Mauritius	500	0	0	0	Follow up exercise ongoing							
	6/21/2018	Praiz supermarket	119 bags of brown sugar from mauritius	119	0	0	0	Detained pending analysis							

Kirinyaga		Palea stores-embu,Eastmart supermarket	5 bags of sugar	5	0	0	0	Investigation in progress awaiting kebs analysis							
	6/20/2018	Maruti Express Ltd	12 bags of Brazilian brown sugar	12	1	0	0	Goods under the guard of Officers awaiting verification							
Kakamega	6/19/2018	Mwamba and Sinendeli market	149 kgs of suspected contraband sugar	3	2	0	0								
	6/19/2018	Lugari	5 bags of sugar	5	2	0	0	Held at Lumakanda police stn awaiting verification							
Turkana		Lokichar town ship	69 bags of sugar from Uganda,Mauritius and Brazil	69	0	0	0	Investigation in progress awaiting kebs analysis							
	6/19/2018	Lodwar town business stores	75kgs Brazil sugar,300kgs assorted Butali and Brazil sugar	75	3	0	0	Investigation in progress awaiting kebs analysis							
	6/20/2018	Sowelo village	160bags of Brazil brown sugar, 120 bags of 25kg pakistan Rice	160	0	0	0	Goods under the guard of Officers awaiting verification							
		Lokichar town ship	60 bags of imported sugar	60	2	0	0	To be arraigned in court							
	6/19/2018	Lokichar town ship	11 bags of sugar and 13bags of rice	11	3	0	0	Held at Lodwar police stn awaiting verification, suspects to be arraigned in court							
	6/20/2018	Lokichar town ship	69 bags of sugar from Uganda,Mauritius and Brazil	69	0	0	0	Held at public health officer custody awaiting verification							
	6/21/2018	Lokichar town ship	20 crates of Uganda senator beer and 7 bags of Sugar	7	2	0	0	Held at Lokichar police station awaiting verification, suspects to be arraigned in court							
Kwale	6/19/2018	Kinango township	19 bags of 50kgs	19	0	0	0	Ferried to Kinango police stn pending verification.	BS201821499	Complies	Gasper Maato	REIZEN ENERGIAS A SAO PAULO-BRAZIL	18		
Lamu	6/19/2018	Mpeketoni	44 bags of Brazil brown sugar	44	3	0	0	Investigation in progress awaiting kebs analysis							
	6/20/2018	various shops at Kiunga Centre	13 bags recovered from different shops	13	8	0	0	Arrested to be arraigned in court							
	6/20/2018	Wilu and Pangani centre	2 bags of brown sugar from different shops	2	5	0	0	Suspects in lawful custody							
	6/22/2018	Kizingilini market	13 bags ofbrown Brazil sugar	13	4	0	0	Goods under the guard of Officers awaiting verification							
Muranga		Powerstar supermarket	60 bags of light brown sugar 50kgs each,5kgs of brown sugar from mauritius 50kgs each, 80 Bags Rice	65	0	0	0	DCIO Kigumo investigating							
	6/21/2018	Within Mathioya	Egyptian brown sugar 18 bags,Mauritius sugar 25bags,Lumra sugar 13bags,Golden granulated 6bags,Hullen sun sweet sugar 27bags	84	0	0	0	Goods under the guard of Officers awaiting verification							
Migori	6/20/2018	8 Different lorries	4720 bags of 50kgs brown sugar	4720	0	0	0	Goods under the guard of Officers awaiting verification	BS201821117	Fail in TVC, Yeast and Moulds	Wb Ondari	WEST KENYA	4720		
Bomet		Bomet town shops and stores	30 bags of brazil brown sugar, 635 bags of Rice	30	3	0	0	Suspects in lawful custody	BS201821550	pending chem, fail in yeast and moulds	Mwalugha	ACUCAR SUD (BRAZIL) F;E;July 2017:July 2020,B/NO ;050/2017	30		
Meru	6/18/2018	Meru town	2908 bags of sugar	2908	2	0	0	Held at Meru police station awaiting verification. Case PBC	BS201821236	Complies	James G Mwar	CANEX EXPORTA CO	2908		
Meru	6/18/2018	Meru town	2908 bags of sugar						BS201821233	Complies	James G Mwar	Lumira Brand-NL0042			
Meru	6/18/2018	Meru town	2908 bags of sugar						BS201821234	Fail in TVC	James G Mwar	Lumira Brand-014			
Transnzoia	6/21/2018	Kibomet area	97 bags of brown sugar						BS201822134	Pending entries in both micro and chemical	Angela Ruto	Butali Sugar			
Transnzoia	6/21/2018	Kibomet area	97 bags of brown sugar						BS201822140	Complies	Angela Ruto	KWALE SUGAR - BURNT FOREST			
Transnzoia	6/21/2018	Kibomet area	97 bags of brown sugar	97	1	0	0	To be arraigned in court	BS201822137	Complies	Angela Ruto	Mumias Sugar - Kitale	97		
Kirinyaga	6/20/2018	kerugoya township	12 bags of Brazilian brown sugar	12	0	0	0	Held for verification							
	6/22/2018	kerugoya township	32 bags of brown Brazil sugar,54 bags of Diamond brown sugar from Nthiwa kenya	86	1	0	0	Detained pending analysis							
	6/23/2018	kiawakara trading centre	7 bags of brown Thailand sugar,64 bags Uganda Sugarand 469 bags Mauritius sugar	540	0	0	0	DIVCRIME Kirinyaga central investigation Samples taken for annalysis							
	6/19/2018	Mwea town	5 bags of sugar and 1 bag of rice	5	0	0	0	Held awaiting verification							
Homabay	6/22/2018	Oyugis town	450 bags of Rice	0	0	0	0								
Nandi	6/23/2018	Chemelil- Kapsabet road	360 Bags of Sugar	360	0	0	0	Held at Nandi Hills Police station awaiting certificattion from KEBS	BS201821677	Fail in Colour	Angela Ruto	Star Sugar			
		TOTAL		1319668	72	2	1						1135755.00		
				1,266,351	95.96			Samples Collected	69	Undertest	7	Test Compl	62	89.855	

KEBS RESULTS ON MARKET SURVEILLANCE

ANNEX 15

15

The summary of the results is presented in table 1 below:

Table 1: Status of Testing of Samples drawn from KEBS Market Surveillance

SN	County	Location	Outlet	Product / brand	SAMPLE REF	STATUS
1.	Embu	Embu	Mini-budget supermarket	Mini Budget Brown sugar	BS201809759	Complied
2.	Embu	Embu	Cylet supermarket	Cylet Brown sugar	BS201809763	Complied
3.	Embu	Embu	Jatomy supermarket	Jatomy Brown sugar	BS201809885	Complied
4.	Embu	Embu	Kasturi	Brown Sugar	BS201809892	Failure in Yeast and Moulds
5.	Kajiado	Kitengela	NEY	Kabras	BS201823993	Complied
6.	Kakamega	Kakamega	SM/81	Imported Menengai	BS201821694	Complied
7.	Kakamega	Kakamega	West Kenya	West Kenya Sugar	BS201820023	Complied
8.	Kakamega	Kakamega	Sukari Industries Limited	Brown sugar	BS201820024	Complied
9.	Kakamega	Kakamega	SM/81	Kabras	BS201821692	Complied
10.	Kiambu	Ruiru	Rexomat	Brown sugar	BS201730402	Failed In Polarization (Measure Of Purity)
11.	Kiambu	Thika	Mat	Mat Sugar	BS201730399	Failed in Polarization
12.	Kiambu	Thika	Kilimo	Kilimo Sugar	BS201730397	Complied
13.	Kilifi	Malindi Town	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823924	Complied
14.	Kilifi	Malindi	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823925	Complied
15.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Julimatt 5 Star	BS201820995	Complied
16.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Tuskys Choice	BS201820997	Complied
17.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Mara Sugar	BS201820994	Failed in Colour, Polarization and Yeast and Moulds
18.	Kilifi	Tudor	Tuskys Mtwapa Supermarket	Brown Sugar - Kabras Sugar	BS201820979	Failed in Colour and Yeast and Moulds
19.	Kilifi	Mtwapa	Tuskys Mtwapa Supermarket	Brown Sugar - Kabras Sugar	BS201820991	Failed in TVC
20.	Kirinyaga	Kagumo	County Supermarket	Kabras – Brown Sugar	BS201823856	Complied
21.	Kisumu	Kisumu	Sukari Industries	Ndhiwa Sukari	BS201820539	Complied

ANNEX 15

22.	Kitui	Kitui	Magunas supermarket	Sony Sugar	BS201824119	Complied
23.	Kitui	Mwingi	Target supermarket	Brown sugar	BS201824114	Complied
24.	Kitui	Kitui	Mulleys supermarket	Brown sugar	BS201824115	Complied
25.	Kwale	Diani	MM Diani	Brown Sugar - MM Diani Clover Classic	BS201823684	Failed in Moisture
26.	Kwale	Kwale	Dysek Superstore Kwale	Brown Sugar - Dysek - Ndiwa	BS201823687	Complied
27.	Kwale	Kwale	NEY	Brown Sugar	BS201821856	Failed in Total Viable Count (TVC)
28.	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Nutrameal Naivas Ukunda	BS201823688	Complied
29.	Kwale	Ukunda	Naivas Ukunda	White Sugar Kabras - Naivas	BS201823692	Complied
30.	Lamu	Mpeketoni	Tumaini Shop - Mpeketoni	Brown Sugar	BS201823927	Complied
31.	Lamu	Witu	Al-hussein - Witu	Brown Sugar	BS201823923	Complied
32.	Machakos	Athi River	Your choice	Your choice	BS201823990	Complied
33.	Machakos	Machakos	Massmart	Daily brands	BS201823988	Complied
34.	Makueni	Emali	Mulleys	Brown Sugar	BS201823978	Complied
35.	Makueni	Emali	Emali Supermarket	Brown Sugar	BS201823983	Complied
36.	Makueni	Emali	Buymall Supermarket	Brown Sugar	BS201823987	Complied
37.	Meru	Maua	Bei sawa supermarket	Bei Sawa Brown sugar	BS201813755	Fail water insoluble matter
38.	Meru	Meru	Magunas Supermarket	Magunas – Brown Sugar	BS201823873	Failed in TVC, yeast and moulds
39.	Meru	Meru	Quick budget	Quick budget brown sugar	BS201820763	Complied
40.	Meru	Meru	Budget Supermarket	Brown Sugar - Budget	BS201823869	Failed in TVC
41.	Meru	Meru	Mathai Supermarket	Mara White Sugar	BS201823867	Failed in moisture content, TVC, yeast and moulds
42.	Meru	Meru	Mathai Supermarket	Mara brown sugar	BS201823866	Failed in TVC
43.	Meru	Meru	Magunas Supermarket	Sony – Brown Sugar	BS201823874	Failed in TVC, yeast and moulds
44.	Meru	Meru	Society stores	Nutrameal	BS201823870	Failed in yeast and moulds
45.	Meru	Meru	Sayen Hyperstore	Kabras – Brown Sugar	BS201823876	Failed in yeast and moulds

46.	Mombasa	CBD	Tuskys Bandari Supermarket	Brown Sugar - Mara Sugar	BS201820973	Complied
47.	Mombasa	CBD	Tuskys Bandari Supermarket	Brown Sugar - Kabras Sugar	BS201820976	Complied
48.	Mombasa	Mombasa Town	Tuskys Bandari Supermarket	Brown Sugar - Julimatt 5 Star	BS201820977	Complied
49.	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Sun Sugar	BS201821063	Failed in Moisture and colour
50.	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Kabras Sugar	BS201821070	Failed in TVC , yeast and moulds
51.	Mombasa	CBD	Society Stores Mombasa	Brown Sugar - Society Basic	BS201821073	Failed Yeast and moulds
52.	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Budget	BS201821072	Failed in Colour, yeast and moulds
53.	Mombasa	Mombasa Town	Society Stores Mombasa	Brown Sugar - Kabras Sugar	BS201821074	Failed Yeast and moulds
54.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Kabras Sugar	BS201820967	Complied
55.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Raha Sugar	BS201820959	Failed in TVC
56.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Naivas	BS201820965	Failed in Yeast and Moulds
57.	Mombasa	Nyali	Naivas Nyali Supermarket	Brown Sugar - Nutrameal	BS201820969	Failed in Yeast and Moulds
58.	Murang'a	Murang'a	Magunas Supermarket	Magunas Brown sugar	BS201800707	Complied
59.	Nairobi	Githurai	Kassmatt	Brown Sugar	BS201730764	Complied
60.	Nairobi	Nairobi	West Kenya Sugar Co	Kabras	BS201824031	Failed in TVC
61.	Nairobi	MSA Road	Kilimo Sugar	Kilimo Sugar	BS201727026	Complied
62.	Nairobi	Mwiki	NEY	White Sugar	BS201730654	Failed in Moisture, Invert Sugar
63.	Nairobi	South B	G- Mart	Brown Sugar	BS201729863	Complied
64.	Nairobi	Umoja	Raha	Brown Sugar	BS201729147	Complied
65.	Nandi	Nandi	Tiryo	Brown Sugar	BS201809699	Complied
66.	Nyeri	Karatina	Mathais S/Mkt	Brown Sugar-Mara	BS201823863	Failed in yeast and moulds
67.	Embu	Embu	Kasturi	Brown Sugar	BS201809892	Failure in Yeast and Moulds
68.	Nyeri	Nyeri	Naivas S/Mkt	Brown Sugar-Naivas	BS201823841	Failed in yeast and moulds
69.	Nyeri	Nyeri	Samrah	Brown Sugar	BS201808395	Failure in Yeast and Moulds

70.	Taita Taveta	Maungu	Joy Cereals Center	Brown Sugar - Joy Cereals	BS201823749	Complied
71.	Taita Taveta	Voi	Bafagih	Brown Sugar - Bafagih	BS201823735	Complied
72.	Taita Taveta	Wundanyi	Rajam	Brown Sugar	BS201823752	Complied
73.	Taita Taveta	Voi	Jai Hari Supermarket -	Brown Sugar - Jai Hari	BS201823709	Complied
74.	Tharaka Nithi	Chuka	Jatomy supermarket	Jatomy Brown sugar	BS201821555	Failed in colour
75.	Uasin Gishu	Eldoret	Ukwala Supermarket	Brown Sugar	BS201809719	Complied
76.	Bomet	Bomet	Radiant supermarket	Radiant	BS201824092	Failed in Yeast and Moulds
77.	Kisii	Kisii	Shivling supermarket	Sony	BS201823837	Complied
78.	Marsabit	Moyale	Ramata Star Shop	Lumira	BS201823561	Complied
79.	Nakuru	Mai-Mahiu	Sweet World Supermarket	Kabras	BS201824206	Complied
80.	Baringo	Marigat	Amani General shop	No Brand Name	BS201824262	Complied
81.	Laikipia	Nyahururu	Mugo Supermarket & Wholesellers	Mugo	BS201824267	Complied
82.	Nyandarua	Oljoroorok	Oljoroorok Traders	No Brand Name	BS201824277	Complied
83.	Bungoma	Bungoma	New Nyanza	New Nyanza	BS201824567	Complied
84.	Busia	Busia	Tesia supermarket	Tesia	BS201824151	Complied
85.	Busia	Busia	Frankmat supermarket	Frankmat	BS201824180	Complied
86.	Elgeyo Marakwet	Kapsawor	Kongasis Wholesalers	Ndhiwa Sugar	BS201823554	Failed in Polarization
87.	Elgeyo Marakwet	Kapsawor	Kongasis Wholesalers	Nutrameal Sugar	BS201823557	Complied
88.	Elgeyo Marakwet	Kapsawor	Kongasis Wholesalers	Kabras Sugar	BS201823558	Complied
89.	Homabay	Homabay	Sairam Supermarket	Ndhiwa	BS201824140	Complied
90.	Homabay	Homabay	Homabay supermarket	Homabay	BS201824143	Failed in TVC
91.	Homabay	Homabay	Sukari Industries	Homabay	BS201824144	Failed in TVC
92.	Isiolo	Isiolo Town	Musa Murengine	Brown Sugar	BS201825094	Complied

			Shop			
93.	Isiolo	Isiolo Town	Lattu Whole salers	Brown sugar	BS201825096	Complied
94.	Isiolo	Isiolo Town	Munawar Shop	Brown sugar	BS201825097	Complied
95.	Kericho	Chepseon	Green Rose Supermarket	Transmara	BS201824201	Complied
96.	Migori	Rongo	Maganda supermarket	Sony	BS201824139	Complied
97.	Migori	Migori	Sairam supermarket	Sony	BS201824169	Complied
98.	Migori	Migori	Bansi supermarket	Bansi	BS201823953	Complied
99.	Narok	Narok Town	Sinende Supermarket	Mara	BS201824183	Complied
100.	Nyamira	Nyamira	Cambay Supermarket	Cambay	BS201823940	Complied
101.	Nyamira	Nyamira	Mumias	Mumias	BS201823947	Complied
102.	Nyamira	Nyamira	Discount Superstore	Discount	BS201824040	Complied
103.	Samburu	Kisima	Kisima	No Brand Name	BS201824266	Complied
104.	Siaya	Siaya	Siaya self service	Kakira(Uganda)	BS201823957	Complied
105.	Siaya	Siaya	Siaya Self service	Siaya self service	BS201823963	Complied
106.	Turkana	Lodwar	Naipa supermarket	Nzoia Sugar	BS201824534	Complied
107.	Vihiga	Mbale	Sairam Supermarket	Star	BS201823958	Complied
108.	Vihiga	Mbale	Takaba Supermarket	Raha	BS201823962	Complied
109.	West Pokot	Kapenguria	Suntec supermarket	Suntec supermarket	BS201824568	Complied

Copies of the 27 test results for the additional samples are also provided.

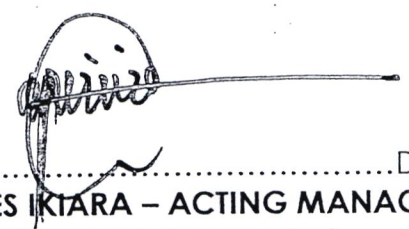
The number of samples drawn from counties and still under test is presented in ANNEX 1.

4.0 CONCLUSION

The level of failure among the market surveillance samples is about 31.19%.
The main parameters in which the sugar failed are:

1) Moisture content
2) Yeast and moulds
3) Color
4) Total viable count
5) Polarization

These failures are indicative of poor handling in storage.



SIGNED.....DATE 30/07/2018

Dr. MOSES IKIARA – ACTING MANAGING DIRECTOR
KENYA BUREAU OF STANDARDS

CC: Cabinet Secretary, Ministry of Industry, Trade and Cooperatives
Principal Secretary, State Department for Investment and Industry

ANNEX 1: County Market Surveillance Samples whose testing is not complete.

SN	Region	County	Location/Town	Name of Outlet	Product Brand	BSNO
1.	COR	Mombasa	Mombasa Town	Budget Supermarket Digo Road	Brown Sugar - Budget	BS201821072
2.	COR	Kwale	Diani	MM Diani	Brown Sugar - MM Diani Clover Classic	BS201823684
3.	COR	Kwale	Kwale Town	Dysek Superstore Kwale	Brown Sugar - Dysek - Ndiwa	BS201823687
4.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Nutrameal Naivas Ukunda	BS201823688
5.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Sugaken - ART LTD (Naivas UKunda)	BS201823690
6.	COR	Kwale	Ukunda	Naivas Ukunda	White Sugar Kabras - Naivas	BS201823692
7.	COR	Kwale	Kwale Town	Dysek Superstore Kwale	White Sugar Kabras - Dysek Superstore Kwale	BS201823696
8.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Kakira	BS201823699
9.	COR	Kwale	Ukunda	Naivas Ukunda	Brown Sugar - Mara	BS201823700
10.	COR	Kwale	Ukunda	Samrat Ukunda	Brown Sugar - Ndiwa	BS201823702
11.	COR	Kwale	Ukunda	Samrat Ukunda	Brown Sugar - Sun Sugar	BS201823703
12.	COR	Taita Taveta	Voi Town	Jai Hari Supermarket - Voi	Brown Sugar - Jai Hari	BS201823709
13.	COR	Taita Taveta	Voi Town	Bafagih Supernarket - Voi	Brown Sugar - Bafagih	BS201823735
14.	COR	Taita Taveta	Voi Town	Anand Supermarket - Voi	Brown Sugar - Anand (Sunsugar)	BS201823740
15.	COR	Taita Taveta	Voi Town	Al-Amin Wholesalers - Voi	Brown Sugar - Al-Amin	BS201823741
16.	COR	Taita Taveta	Voi Town	Al-Manar Shop - Voi	Brown Sugar - Almanar	BS201823742
17.	COR	Taita Taveta	Mwatate	Favour Point Center - Mwatate	Brown Sugar - Favour Point	BS201823746
18.	COR	Taita Taveta	Mwatate	Blessing General Center - Mwatate	Brown Sugar	BS201823747
19.	COR	Taita Taveta	Maungu	Joy Cereals Center Maungu	Brown Sugar - Joy Cereals	BS201823749
20.	COR	Taita Taveta	Maungu	Cheap and Best Center Maungu	Brown Sugar - Cheap and Best	BS201823750
21.	COR	Taita Taveta	Wundanyi Town	Rajam Traders - Wundanyi	Brown Sugar - Rajam	BS201823752
22.	COR	Taita Taveta	Wundanyi Town	Rightgate Mzinyi Stores - Wundanyi	Brown Sugar	BS201823755

23.	COR	Kilifi	Malindi	Seven to seven Supermarket- Malindi	Brown Sugar -Kabras	BS201823914
24.	COR	Kilifi	Malindi	Seven to seven Supermarket- Malindi	Brown Sugar - Mara	BS201823917
25.	COR	Kilifi	Malindi	Seven to seven Supermarket- Malindi	Brown Sugar - Ndhiwa	BS201823918
26.	COR	Kilifi	Malindi	Al-hashimiyah Supermarket - Malindi	Brown Sugar - Kabras	BS201823920
27.	COR	Kilifi	Malindi Town	Al-hashimiyah Supermarket - Malindi	Brown Sugar - Ndhiwa	BS201823921
28.	COR	Kilifi	Malindi Town	Al-hashimiyah Supermarket - Malindi	Brown Sugar - Sun Sugar	BS201823922
29.	COR	Lamu	Witu	Al-hussein - Witu	Brown Sugar	BS201823923
30.	COR	Kilifi	Malindi Town	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823924
31.	COR	Kilifi	Malindi	Seven to seven Supermarket - Malindi	Brown Sugar	BS201823925
32.	COR	Lamu		Tumaini Shop - Mpeketoni	Brown Sugar	BS201823927
33.	LAR	Kisii		Shivling supermarket	Shivling	BS201823832
34.	LAR	Kisii	Kisii	Choppies Supermarket	Choppies White	BS201823840
35.	LAR	Kakamega		Yako Supermarket	Kabras	BS201823938
36.	LAR	Kisumu	Kisumu	Midland Emporium	Kinyara(Uganda)	BS201823945
37.	LAR	Kakamega	Kakamega	Khetia wholesale	KDL	BS201823948
38.	LAR	Kisumu	Kisumu	Saisem Traders	Star	BS201823950
39.	LAR	Siaya	Siaya	Josflo Supermarket	Josflo	BS201823956
40.	LAR	Siaya	Siaya	Samco supermarket	Samco	BS201823956
41.	LAR	Vihiga	Mbale	Takaba supermarket	Takaba	BS201823960
42.	LAR	Nyamira	Nyamira	Shivling supermarket	Shivling	BS201823964
43.	LAR	Kisumu	Kisumu	Kibos Sugar and Allied Industries	Star Sugar	BS201824030
44.	LAR	Kisumu	Kisumu	West Kenya	Kabras	BS201824031
45.	LAR	Kisumu	Kisumu	Choppies export trading co	Choppies	BS201824032
46.	LAR	Kisumu	Kisumu	Julimatt Enter	Julimat	BS201824033
47.	LAR	Kisumu	Kisumu	Kamili Packers	Nutrameal	BS201824034
48.	LAR	Kisumu	Kisumu	African retail trading	Sugarken	BS201824035
49.	LAR	Kisii	Kisii	Choppies supermarket	Nutrimeal brown	BS201824086

50.	**LAR**	Kisii	Kisii	Jakharia General store	Sony	BS201824096
51.	**LAR**	Homabay	Homabay	Shivling supermarket	Shivling	BS201824141
52.	**LAR**	Kisumu	Kisumu	Ima distributors	Ndhiwa	BS201824160
53.	**MKR**	Meru	Meru	Mathai Supermarket	Mara brown sugar	BS201823866
54.	**MKR**	Meru	Meru	Mathai Supermarket	Mara White Sugar	BS201823867
55.	**MKR**	Meru	Meru	Budget Supermarket	Brown Sugar - Budget	BS201823869
56.	**MKR**	Meru	Meru	Society stores	Nutrameal	BS201823870
57.	**MKR**	Meru	Meru	Society stores	Society Basic – Brown Sugar	BS201823871
58.	**MKR**	Meru	Meru	Society stores	Kabras – Brown Sugar	BS201823872
59.	**MKR**	Meru	Meru	Sayen Hyperstore	Rasmi – Brown Sugar	BS201823875
60.	**MKR**	Meru	Meru	Quick budget	Quick budget brown sugar	BS201820763
61.	**MKR**	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-NAIVAS	BS201823841
62.	**MKR**	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR- NAIVAS	BS201823843
63.	**MKR**	Nyeri	Nyeri	MATHAIS S/MKT	BROWN SUGAR(MARA)	BS201823845
64.	**MKR**	Nyeri	Nyeri	K-MATT S/MKT	BRWN SUGAR - K-MATT	BS201823850
65.	**MKR**	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-SUGAKEN	BS201823851
66.	**MKR**	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-KAKIRA	BS201823852
67.	**MKR**	Nyeri	Nyeri	NAIVAS S/MKT	BROWN SUGAR-KABRAS	BS201823853
68.	**MKR**	Nyeri	Nyeri	CHIENI S/MKT	BROWN SUGAR-CHIENI	BS201823854
69.	**MKR**	Kirinyaga	Kagumo	COUNTY S/MKT	BROWN SUGAR- KABRAS	BS201823855
70.	**MKR**	Kirinyaga	Kagumo	COUNTY S/MKT	BROWN SUGAR- KABRAS	BS201823856
71.	**MKR**	Kirinyaga	Sagana	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201823857
72.	**MKR**	Kirinyaga	Sagana	MAGUNAS S/MKT	BROWN SUGAR -MARA	BS201823861
73.	**MKR**	Nyeri	Karatina	MATHAIS S/MKT	BROWN SUGAR-MARA	BS201823863
74.	**MKR**	Kirinyaga	Kerugoya	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201823864
75.	**MKR**	Kirinyaga	Kerugoya	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201823865

76.	**MKR**	Meru	Meru	Magunas Supermarket	Magunas – Brown Sugar	BS201823873
77.	**MKR**	Meru	Meru	Magunas Supermarket	Sony – Brown Sugar	BS201823874
78.	**MKR**	Meru	Meru	Sayen Hyperstore	Kabras – Brown Sugar	BS201823876
79.	**MKR**	Kirinyaga	Kerugoya	DCIO -KERUGOYA	BROWN SUGAR-KABRAS	BS201823908
80.	**MKR**	Embu	Embu	NAIVAS S/MKT	BROWN SUGAR-SUGAKEN	BS201824124
81.	**MKR**	Embu	Embu	NAIVAS S/MKT	BROWN SUGAR-KAKIRA	BS201824125
82.	**MKR**	Embu	Runyenjes	MINI BUDGET S/MKT	BROWN SUGAR-RAHA	BS201824126
83.	**MKR**	Embu	Embu	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201824127
84.	**MKR**	Embu	Embu	CYLET S/MKT	BROWN SUGAR-CYLET	BS201824128
85.	**MKR**	Embu	Embu	JATOMY S/MKT	BROWN SUGAR-JATOMY	BS201824129
86.	**MKR**	Embu	Embu	KASTURI S/MKT	BROWN SUGAR - KASTURI	BS201824130
87.	**MKR**	Kirinyaga	Mwea	EASTMATT S/MKT	BROWN SUGAR-NDHIWA	BS201824131
88.	**MKR**	Murang'a	Murang'a	MAGUNAS S/MKT	BROWN SUGAR-SONY	BS201824241
89.	**MKR**	Murang'a	Murang'a	MATHAIS S/MKT	BROWN SUGAR-MATHAIS	BS201824255
90.	**MKR**	Murang'a	Murang'a	MAGUNAS S/MKT	BROWN SUGAR-MAGUNAS	BS201824261
91.	**MKR**	Murang'a	Murang'a	COUNTY (KENOL) S/MKT	BROWN SUGAR-COUNTY	BS201824264
92.	**MKR**	Laikipia	Nanyuki	BUDGET S/MKT	BROWN SUGAR-BUDGET	BS201824399
93.	**MKR**	Laikipia	Nanyuki	SPEAR S/MKT	BROWN SUGAR-NDHIWA	BS201824400
94.	**MKR**	Tharaka Nithi	Chuka	Magunas Supermarket	Sony – Brown Sugar	BS201824431
95.	**MKR**	Tharaka Nithi	Chuka	Magunas Supermarket	Mara Sugar – Brown Sugar	BS201824432
96.	**MKR**	Tharaka Nithi	Chuka	Magunas Supermarket	Magunas – Brown Sugar	BS201824433
97.	**MKR**	Tharaka Nithi	Chuka	Jatomy Supermarket	Brown Sugar	BS201824434
98.	**MKR**	Tharaka Nithi	Chuka	Jasho Prime	Brown Sugar	BS201824435
99.	**MKR**	Tharaka Nithi	Chuka	Isiolo Nyika	Brown Sugar	BS201824436
100.	**NAR**	Makueni	Emali	Mulleys	Mulleys	BS201823978
101.	**NAR**	Makueni	Emali	Emali Supermarket	Emali Supermarket	BS201823983
102.	**NAR**	Makueni	Sultan Hamud	Buymall Supermarket	Buymall Supermarket	BS201823987

103.	NAR	Machakos	Machakos	Massmart	Daily brands	BS201823988
104.	NAR	Machakos	Athi river	Your choice	Your choice	BS201823990
105.	NAR	Machakos	Athi river	Sulami	Sulami	BS201823991
106.	NAR	Kajaido	Kitengela	Homemart	Mara	BS201823992
107.	NAR	Kajaido	Kitengela	Homemart	Kabras	BS201823993
108.	NAR	Kiambu	Ruaka	Cleanshelf supermarket	Ndhiwa	BS201824006
109.	NAR	Kiambu	Ruiru	Powerstar supermarket	Powerstar	BS201824009
110.	NAR	Kiambu	Ruaka	Quickmart supermarket	Quickchoice	BS201824010
111.	NAR	Kiambu	Ruiru	Leestar supermarket	No Brand Name	BS201824011
112.	NAR	Nairobi	Nairobi	Naivas Higher and Packers	Naivas	BS201824036
113.	NER	Marsabit	Sololo	Ramata Star Shop	Lumira	BS201823568
114.	NER	Machakos	Matuu	Brilliant supermarket	Kabras 2kg	BS201824110
115.	NER	Machakos	Matuu	Bidii supermarket	KISCOL	BS201824112
116.	NER	Machakos	Matuu	Brilliant supermarket	KISCOL Sugar	BS201824113
117.	NER	Machakos	Matuu	Matumatt Highway Supermarket	KISCOL	BS201824116
118.	NER	Machakos	Matuu	Bidii supermarket	KISCOL	BS201824117
119.	NER	Garissa	Garissa town	Awkey Wholesalers	Mumias	SSF 161926
120.	NER	Wajir	Wajir town	Basabra supermarket	Mara	SSF 161927
121.	NRR	Uasin Gishu	Eldoret	Tuska Mattresses Ltd - Eldoret Branch	Mara Sugar	BS201823562
122.	NRR	Uasin Gishu	Eldoret	Tuska Mattresses Ltd - Eldoret Branch	Tuskys Sugar	BS201823563
123.	NRR	Uasin Gishu	Eldoret	Tuska Mattresses Ltd - Eldoret Branch	5 star sugar	BS201823565
124.	NRR	Uasin Gishu	Eldoret	Eldomatt Supermarket	Eldomatt	BS201823569
125.	NRR	Uasin Gishu	Eldoret	Khetia Supermarket - Eldoret	Sony Sugar	BS20182357
126.	NRR	Uasin Gishu	Eldoret	Eldomatt Supermarket	Kibos	BS201823571
127.	NRR	Uasin Gishu	Eldoret	Eldomatt Supermarket	Chemelil Sugar	BS201823572
128.	NRR	Uasin Gishu	Eldoret	Khetia Supermarket - Eldoret	Khetia Sugar	BS201823574
129.	NRR	Uasin Gishu	Eldoret	Khetia Supermarket - Eldoret	Ndiwa Sugar	BS201823575
130.	NRR	Trans Nzoia	Kitale	Khetia Supermarket - Plus Kitale	Khetia Sugar	BS201823579
131.	NRR	Trans Nzoia	Kitale	Khetia Supermarket - Plus Kitale	Ndhiwa Sugar	BS201823581
132.	NRR	Trans Nzoia	Kitale	Tuska Mattresses Ltd - Kitale Branch	Tuskys Sugar	BS201823582
133.	NRR	Trans	Kitale	Tuska Mattresses Ltd -	Julimat 5	BS201823583

		Nzoia		Kitale Branch		
134.	**NRR**	Turkana	Lodwar	Naipa supermarket	Naipa supermarket	BS201824533
135.	**SRR**	Bomet	Kaplong	Joymatt Supermarket	Lumira	BS201824188
136.	**SRR**	Bomet	Bomet Town	Beulah Supermarket	Transmara	BS201824190
137.	**SRR**	Kericho	Litein	Elburs Supermarket	Kibos	BS201824192
138.	**SRR**	Narok	Ololunga	Olkikoro Supermarket	Kibos	BS201824193
139.	**SRR**	Bomet	Mulot	Wastabei Supermarket	Diamond	BS201824195
140.	**SRR**	Kericho	Kapsuser	Gift Mart Supermarket	Giftmart	BS201824198
141.	**SRR**	Narok	Ntulele	Tumaini Supermarket	Transmara	BS201824202
142.	**SRR**	Nakuru	Naivasha	Jamaa Supermarket	Jamaa	BS201824204
143.	**SRR**	Nakuru	Kikopey	Brooke Mini	Ndhiwa	BS201824205
144.	**SRR**	Baringo	Eldama Ravine	Olbat supermarket	Olbat	BS201824256
145.	**SRR**	Baringo	Kabarnet	Soi General Merchants	Soi General Merchants	BS201824259
146.	**SRR**	Samburu	Maralal	Riverside Shop	No Brand Name	BS201824263
147.	**SRR**	Laikipia	Kinamba	Estam Traders	Estam	BS201824268
148.	**SRR**	Samburu	Suguta Marmar	Wachira Stores Enterprises	No Brand Name	BS201824270
149.	**SRR**	Nyandarua	Olkalou	Olkalou Traders	No Brand Name	BS201824274
150.	**SRR**	Laikipia	Rumuruti	Munene Service Stores	No Brand Name	BS201824275
151.	**SRR**	Nyandarua	Wanjohi	Bei Rahisi Wholesale/Retail	No Brand Name	BS201824276

MINISTRY OF HEALTH

501

ANNEX 16 16

MINISTRY OF HEALTH

PRELIMINARY REPORT

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GOVERNMENT CHEMIST'S DIVISION
P.O. Box 20753-00202, KNH
NAIROBI

When replying please quote

.....23rd June.....,20.....18

Ref. No.....P/Misc/Vol.III/.17-18.(25).....
and date

CERTIFICATE OF ANALYSIS

Lab. Sample No: -

Sender's Reference: -

Description of Sample: See report below

Analysis Required: Moisture content, copper, lead, arsenic and mercury

Methodology: AAS technique, Method of chemical analysis of sugar

Sender:
PHO
From various counties

Date Received:
14th - 21st June 2018

Analytical report
As attached

23 JUN 2018

Lab ref & Senders ref	County	Sample Description	Moisture content % m/m max 0.10%	Lead content max 0.5ppm	Arsenil content max 1.0 ppm	Copper content max 2.0ppm	Remarks
F/Misc/254/17-18	PHO Nakuru	Brown sugar	0.2	0.0016	Not detected	0.0165	Compliant
F/Misc/257/17-18	PHO Nakuru	Light brown sugar	0.3	0.042	Not detected	Not detected	Not Compliant
F/Misc/261/17-18	PHO Nakuru	Light brown sugar	0.2	Not detected	Not detected	0.076	Not Compliant
F/Misc/262/17-18	PHO KDF Nairobi	Brown sugar	0.7	Not detected	Not detected	Not detected	Not Compliant
F/Misc/263/17-18	PHO KDF Nairobi	Light brown sugar	0.4	Not detected	0.014	Not detected	Not Compliant
F/Misc/264/17-18	Moi Air base Nairobi	Light brown sugar	0.1	0.175	Not detected	0.097	Not Compliant
F/Misc/265/17-18	Moi Air base Nairobi	Light brown sugar	0.2	0.0811	Not detected	0.132	Compliant
F/Misc/266/17-18	Moi Air base Nairobi	White sugar	0.1	*	*	*	Analysis on going
F/Misc/267/17-18	Moi Air base Nairobi	Light brown sugar	0.3	*	*	*	Analysis on going
F/Misc/268/17-18	Moi Air base Nairobi	Brown sugar	-	*	*	*	Analysis on going
F/Misc/269/17-18	PHO, Bungoma	Brown sugar	0.2	*	*	*	Analysis on going
F/Misc/270/17-18	PHO, Bungoma	Brown sugar	0.1	*	*	*	Analysis on going
F/Misc/271/17-18	PHO, Bungoma	Brown sugar	0.2	*	*	*	Analysis on going
F/Misc/272/17-18	PHO, Bungoma	Kabra sugar light brown	0.1	*	*	*	Analysis on going
F/Misc/273/17-18	PHO, Bungoma	Light brown sugar	0.0	*	*	*	Analysis on going
F/Misc/274/17-18	PHO, KNH Nairobi	Light brown sugar	0.2	*	*	*	Analysis on going

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F/Misc/276/17-18	PHO, Kiambu	Light brown sugar	0.25	0.023	Not detected	0.06	Analysis on going
F/Misc/277/17-18	PHO, Kiambu	Unprocessed sugar	0.1	*	*	Not detected	Analysis on going
F/Misc/278/17-18	KRA Nairobi	Light brown sugar	*	*	*	*	Analysis on going
F/Misc/279/17-18	KRA Nairobi	Light brown sugar	*	*	*	*	Analysis on going
F/Misc/280/17-18	KRA Nairobi	Light brown sugar	*	*	*	*	Analysis on going
F/Misc/281/17-18	KRA Nairobi	Kabras light brown sugar	*	*	*	*	Analysis on going
F/Misc/283/17-18	PHO, Nakuru	Jamaa light brown sugar	0.1	*	*	*	Analysis on going
F/Misc/284/17-18	PHO, Nakuru	Jamaa light brown sugar	0.2	*	*	*	Analysis on going
F/Misc/285/17-18	PHO, Nakuru	Jamaa light brown sugar	0.1	*	*	*	Analysis on going
F/Misc/286/17-18	PHO, Nakuru	Jamaa light brown sugar	0.3	*	*	*	Analysis on going
F/Misc/287/17-18	PHO, Nakuru	Jamaa light brown sugar	0.2	*	*	*	Analysis on going

Note

* Indicates that the analysis is still on going

1. Sixty per cent of the samples analysed for the moisture content do not comply with KS EAS 749:2010 specification of 0.2% m/m moisture content maximum for brown sugar and 0.15% maximum for light brown sugar. Therefore, the sampled sugar is not suitable for human consumption.
2. In the analysis of Copper, Lead and Arsenic carried out, the result found are within the standard specifications.
3. The analysis of mercury is ongoing.
4. This test report is based solely on the particular sample(s) supplied by the clients

Date: 23rd June, 2018

23 JUN 2018

S. G. NJOROGE

SGN/fkr

R: GOVERNMENT

ANNEX 16(1) 16(1) 5a

MINISTRY OF HEALTH

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gc@gchemistkenya.org

GOVERNMENT CHEMIST'S DIVISION
P.O. Box 20753-00202, KNH
NAIROBI

PRELIMINARY REPORT

when replying please quote

2nd July 18
....., 20.....

Ref. No. P/Misc/Vol.III/ 17-18 (25)
and date

CERTIFICATE OF ANALYSIS

Lab. Sample No: -

Sender's Reference: -

Description of Sample: See report below

Sender:

PHO
From various counties

Date Received:
14th - 21st June 2018

Analysis Required: Moisture content, copper, lead, arsenic and mercury

Methodology: AAS technique, (For copper lead, Arsenic and mercury), Oven drying for moisture.

Analytical report
As attached

FOOD AND DRUGS
02 JUL 2018
P.O. Box [illegible] NAIROBI

Sample of BC 1/5 Burgess

Barlet

Annex 1 p(1)

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ANNEX 16(i) (41)

Lab ref & Senders ref	County	Sample Description	Moisture content % m/m max 0.2% brown	Moisture content % m/m max 0.1% white	Moisture content % m/m max 0.15% light brown	Lead content max 0.5ppm	Arsenic content max 1.0 ppm	Copper content max 2.0ppm	Mercury content ppm	Remarks
F/Misc/254/17-18	PHO Nakuru	Brown sugar	0.2	N/A	N/A	0.0016	Not detected	0.0165	Not detected	Compliant
F/Misc/257/17-18	PHO Nakuru	Light brown sugar	-	N/A	0.3	0.042	Not detected	Not detected	Not detected	Not Compliant
F/Misc/261/17-18	PHO Nakuru	Light brown sugar	-	N/A	0.2	Not detected	Not detected	0.076	Not detected	Not Compliant
F/Misc/262/17-18	PHO KDF Nairobi	Brown sugar	0.7	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Not Compliant
F/Misc/263/17-18	PHO KDF Nairobi	Light brown sugar	-	N/A	0.4	Not detected	0.014	Not detected	Not detected	Not Compliant
F/Misc/264/17-18	Moi Air base 1 Nairobi	Light brown sugar	-	N/A	0.1	0.175	Not detected	0.097	Not detected	Compliant
F/Misc/265/17-18	Moi Air base 2 Nairobi	Light brown sugar	-	N/A	0.2	0.0811	Not detected	0.132	Not detected	Not Compliant
F/Misc/266/17-18	Moi Air base 3 Nairobi	White sugar	-	N/A	0.1	0.1735	*	0.2061	Not detected	-
F/Misc/267/17-18	Moi Air base 4 Nairobi	Light brown sugar	-	N/A	0.3	0.1084	*	1108	0.1141	Not fit ✓
F/Misc/268/17-18	Moi Air base 5 Nairobi	Brown sugar	-	N/A	N/A	0.0189	*	0.1151	Not detected	-
F/Misc/269/17-18	PHO, Bungoma 1	Brown sugar	0.2	N/A	N/A	0.0650	*	0.1633	Not detected	
F/Misc/270/17-18	PHO, Bungoma 1	Brown sugar	0.1	N/A	N/A	0.1957	*	0.1344	0.5910	Not fit ✓
F/Misc/271/17-18	PHO, Bungoma 2	Brown sugar	0.2	N/A	N/A	0.0993	*	0.1710	Not detected	-

ANNEX 16 (b)

ANNEX 16(1)

F/Misc/272/17-18	PHO, Bungoma	Kabra sugar light brown	N/A	N/A	0.1	0.0174	*	0.1710	Not detected	-
F/Misc/273/17-18	PHO, Bungoma	Light brown sugar	N/A	N/A	0.0	0.0191	*	Not detected	Not detected	-
F/Misc/274/17-18	PHO, KNH Nairobi	Light brown sugar	N/A	N/A	0.2	0.0145	*	0.1507	Not detected	-
F/Misc/276/17-18	PHO, Kiambu	Light brown sugar	N/A	N/A	0.25	0.023	Not detected	0.06	Not detected	-
F/Misc/277/17-18	PHO, Kiambu	Unprocessed sugar	N/A	N/A	0.1	0.1646	*	0.4240	Not detected	-
F/Misc/278/17-18	KRA Nairobi	Light brown sugar	N/A	N/A	*	0.0277	*	0.1246	Not detected	-
F/Misc/279/17-18	KRA Nairobi	Light brown sugar	N/A	N/A	*	*	*	*	Not detected	-
F/Misc/280/17-18	KRA Nairobi	Light brown sugar	N/A	N/A	*	*	*	*	Not detected	-
F/Misc/281/17-18	KRA Nairobi	Kabras light brown sugar	N/A	N/A	*	*	*	*	Not detected	-
F/Misc/283/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.1	*	*	*	Not detected	-
F/Misc/284/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.2	*	*	*	Not detected	-
F/Misc/285/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.1	*	*	*	Not detected	-
F/Misc/286/17-18	PHO, Nakuru	Jamaa light brown sugar	N/A	N/A	0.3	*	*	*	Not detected	-
F/Misc/287/17-18	*PHO,* Nakuru	*Jamaa light* brown sugar	*N/A*	*N/A*	*0.2*	*	*	*	Not detected	-
F/Misc/305/17-18	PHO Kakamega	White refined sugar	N/A	N/A	0.1	*	*	*	Not detected	-
F/Misc/306/17-18	PHO Kakamega	Brown	0.1	N/A	N/A	*	*	*	Not detected	-
F/Misc/307/17-18	PHO Kakamega	brown	0.1	N/A	N/A	*	*	*	Not detected	-
F/Misc/308/17-18	PHO Kakamega	Light brown	N/A	N/A	0.0	*	*	*	Not detected	-

ANNEX 16(1)

F/Misc/369/17-18	Nairobi	White	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/370/17-18	Nairobi	White	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/373/17-18	Nairobi	White	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/374/17-18	Nairobi	white	0.0	N/A	N/A	Not detected	Not detected	Not detected	Not detected	Compliant
F/Misc/310/17-18	Nairobi	Brown	0.1	N/A	N/A	*	*	*		-
F/Misc/311/17-18	Nairobi	Brown	0.1	N/A	N/A	*	*	*		-
F/Misc/312/17-18	Kajiado	Brown	0.3	N/A	N/A	*	*	*		-
F/Misc/313/17-18	Kajiado	Brown	0.6	N/A	N/A	*	*	*		-
F/Misc/314/17-18	Kajiado	Brown	0.4	N/A	N/A	*	*	*		-
F/Misc/315/17-18	Samburu	Brown	0.4	N/A	N/A	*	*	*	Not detected	-

ANNEX 16(a)

Note

1. * Analysis still on going.
2. Sixty per cent of the samples analysed for the moisture content do not comply with KS EAS 749:2010 specification of 0.2% m/m moisture content maximum for brown sugar and 0.15% maximum for light brown sugar. Therefore, the sampled sugar is not suitable for human consumption.
3. This test report is based solely on the particular sample(s) supplied by the clients
4. Some sugar samples from Nariobi and Bungoma tested positive for mercury as indicated above, hence unfit for human consumption.
5. This test report is based solely on the particular sample(s) supplied by the clients.

Date: 2nd July 2018

S. G. NJOROGE

FOR: GOVERNMENT CHEMIST

FOOD AND DRUG

02 JUL 2018

P.O. Box 20752 NAIROBI

SGN/fkr

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KRA LIST OF IMPORTERS

ANNEX 17

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KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

KENYA REVENUE AUTHORITY
Confirmed
P. O. Box 48240 - 00100, NAIROBI
Date: 03/07/2018
Sign:

Annex 2: List of all Importers who benefited from the Exemption

NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051651675J	AMNAV LIMITED	74,400	3,258	-	521	65	49	635
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	2,989	-	478	60	45	583
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	50,500	2,456	-	393	49	37	479
4	P000634500H	MENENGAI OIL REFINERIES LTD	46,200	2,424	-	388	48	36	473
5	P051625523E	CONVEX COMMODITY MERCHANTS LIMITED	39,832	1,584	-	253	32	24	309
6	P051308483N	SUKARI INDUSTRIES LIMITED	34,500	1,336	-	214	27	20	261
7	P000627038X	WEST KENYA SUGAR COMPANY LIMITED	34,100	1,394	-	223	28	21	272
8	P051601324Z	ONE COMMODITIES COMPANY LIMITED	31,850	1,740	-	278	35	26	339
9	P051243445V	LANDMARK FREIGHT SERVICES LIMITED	25,866	1,194	-	191	24	18	233
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,410	1,256	-	201	25	19	245
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	1,221	-	195	24	18	238
12	P051456947P	GRAINERGY K LIMITED	19,526	1,181	-	189	24	18	230
13	P000619085J	HYDERY (P) LIMITED	19,000	1,118	-	179	22	17	218
14	P051144533P	THE COMMODITY HOUSE LIMITED	16,674	1,007	-	161	20	15	196
15	P051629683B	HALEEL COMMODITIES LIMITED	16,216	820	-	131	16	12	160
16	P051151246J	STUNTWAVE LIMITED	13,375	827	-	132	17	12	161
17	P051474511S	ONE TRADERS LIMITED	12,500	645	-	103	13	10	126
18	P051202197A	HUSSABA TRADING COMPANY LIMITED	12,438	864	-	138	17	13	168
19	P000593584F	KENYA BREWERIES LIMITED	12,241	696	-	111	8	10	129
20	P051359826N	YH WHOLESALERS	11,492	697	-	111	14	10	136
21	P000611756Q	NAIROBI BOTTLERS LTD	11,064	688	-	110	0	10	121
22	P051581191F	KIFARU FEEDS LIMITED	10,396	574	-	92	11	9	112
23	P051128926C	REMINGTON AGENCY LIMITED	9,625	626	-	100	13	9	122
24	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	665	-	106	13	10	129
25	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	500	-	80	10	7	97
26	P000599737M	KENAFRIC INDUSTRIESS LIMITED	8,190	497	-	79	7	7	94
27	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	616	-	99	12	9	120
28	P051398900G	COAST TERMINAL EAST AFRICA LIMITED	7,489	353	-	56	7	5	68
29	P051138751E	REGIONAL BARGAINS LIMITED	7,000	447	-	71	9	7	87
30	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	518	-	83	10	8	101
31	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	375	-	60	7	6	73
32	P051216621U	RAA RMO LIMITED	6,916	355	-	57	7	5	69
33	P051301868Z	THE OPTION TWO LIMITED	6,903	371	-	59	7	6	72
34	P051632605W	MANONO ENERGY LIMITED	6,790	340	-	54	7	5	66
35	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	399	-	64	8	6	78
36	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	352	-	56	7	5	69
37	P051380103I	KORBASH TRADERS LIMITED	6,103	321	-	51	6	5	62

FI X3HWA

KENYA REVENUE AUTHORITY
Confirmed
P.O. Box 48240 - 00100, NAIROBI
Date: 03/07/2018
Sign:

KENYA REVENUE AUTHORITY
ISO 9001:2015 CERTIFIED

NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
38	P051423241R	IFOX COMMODITY LIMITED	5,980	323	-	52	6	5	63
39	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	408	-	65	8	6	80
40	P051122598C	COSMOCARE INDUSTRIES (NAIROBI) LIMITED	5,750	357	-	57	7	5	70
41	P051447092O	ARASAN TRADERS LIMITED	5,683	283	-	45	6	4	55
42	P051148624Z	PHOENIX COMMODITIES KENYA LIMITED	5,250	307	-	49	6	5	60
43	P051124295A	MZURI SWEET LIMITED	5,040	321	-	51	3	5	59
44	P051140572Q	PALEAH STORES LIMITED	4,770	239	-	38	5	4	47
45	P051358005Y	DUBAI MATRESS LIMITED	4,565	249	-	40	5	4	48
46	P051605076M	LEGO STORES LIMITED	4,492	215	-	34	4	3	42
47	P000596838I	EXPORT TRADING CO LTD	4,400	296	-	47	6	4	58
48	P000591222F	KENYA SWEETS LIMITED	4,100	256	-	41	2	4	47
49	P051647626Z	BETA COMMODITIES LIMITED	3,970	207	-	33	4	3	40
50	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	193	-	31	4	3	38
51	P051509457T	SOMO COMMODITIES LIMITED	3,508	195	-	31	4	3	38
52	P051565427J	FLORA BAKERS LIMITED	3,490	175	-	28	4	3	34
53	P051357595V	PILLAR MATT LIMITED	3,489	194	-	31	4	3	38
54	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	216	-	35	4	3	42
55	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	242	-	37	4	3	45
56	P051121478S	MULTILIFT LIMITED	3,161	168	-	27	3	3	33
57	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	213	-	34	4	3	41
58	P051326831B	TARZAN LIMITED	3,000	219	-	35	4	3	43
59	P051621965H	SWABRI LIMITED	2,941	178	-	29	4	3	35
60	P051613426Z	MAPPING TRADING COMPANY LIMITED	2,938	164	-	26	3	2	32
61	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	175	-	28	4	3	34
62	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	134	-	21	3	2	26
63	P051149705Z	SYBES COMMODITIES COMPANY LIMITED	2,500	145	-	23	3	2	28
64	P000595604U	THE WRIGLEY CO (E A) LTD	2,486	151	-	24	1	2	27
65	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	138	-	22	3	2	27
66	P051595247Z	BEYON INVESTMENT LIMITED	2,292	102	-	16	2	2	20
67	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	148	-	24	3	2	29
68	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	118	-	19	0.1	2	21
69	P051311944R	GREENBELT WHOLESALERS LTD	2,080	111	-	18	2	2	22
70	P051195373G	MIDLAND HAULIERS LIMITED	2,040	116	-	19	2	2	23
71	P051381684F	FOCUS LOGISTICS LIMITED	2,002	105	-	17	2	2	21
72	P051464283J	AUS KENYA LIMITED	2,002	96	-	15	2	1	19
73	P051424211K	SINAI SUPPLIERS AND CONTRACTORS CO LIMITED	2,000	114	-	18	2	2	22
74	P051628771W	ATLANTA COMMERCIAL MALL LIMITED	2,000	127	-	20	3	2	25
75	P051581060X	MARATHON VENTURES LIMITED	1,840	109	-	17	2	2	21
76	P000627963J	KISII BOTTLERS LTD	1,656	93	-	15	0.04	1	16

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NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
77	P051103572S	JETLAK FOODS LIMITED	1,650	93	-	15	1	1	17
78	P051166945F	EXPRESS COMPANY LIMITED	1,539	80	-	13	2	1	16
79	P051100924G	KEVIAN KENYA LIMITED	1,525	92	-	15	1	1	17
80	P051387175Q	SKY AGENCIES LIMITED	1,500	74	-	12	1	1	15
81	P000624917Q	MOUNT KENYA BOTTLERS LTD	1,416	87	-	14	0.03	1	15
82	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	81	-	13	2	1	16
83	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,350	78	-	13	1	1	15
84	P051238815B	BLUE LIME LIMITED	1,305	71	-	11	1	1	14
85	P051198851L	WHITE HALL HOLDINGS LIMITED	1,300	72	-	12	1	1	14
86	P051393840B	EQUITY LOGISTICS LIMITED	1,300	65	-	10	1	1	13
87	P051563989Y	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	66	-	11	1	1	13
88	P051147260Z	GLOBAL ALLIED INDUSTRIES LIMITED	1,250	80	-	13	2	1	16
89	P000624346S	MJENGO LTD	1,200	72	-	12	1	1	14
90	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	60	-	10	1	1	12
91	P000592871B	EMCO STEEL WORKS LTD	1,147	119	-	16	-	-	16
92	P051176972L	METCOM LTD	1,097	79	-	13	2	1	15
93	P051592286P	FUTURES COMMODITIES LIMITED	1,080	62	-	10	1	1	12
94	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	49	-	8	1	1	10
95	P051631078E	FREON TRADERS LIMITED	1,030	50	-	8	1	1	10
96	P051119385K	NANKU COMPANY (KENYA) LIMITED	1,000	68	-	11	1	1	13
97	P051213796I	MERCURIE LIMITED	1,000	57	-	9	1	1	11
98	P000623053O	DEL MONTE KENYA LIMITED	999	55	-	9	0.01	1	10
99	P051567202C	CAPO GENERAL TRADING LIMITED	988	57	-	9	1	1	11
100	P051399721L	RIETY COMPANY LIMITED	933	60	-	10	1	1	12
101	P051611568F	NEMUWA CEREAL GENERAL STORES LIMITED	910	48	-	8	1	1	9
102	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	47	-	7	1	1	9
103	A002491695Y	MARYWANGUIMWANGI	800	56	-	9	1	1	11
104	P051542905Y	TAKABA INVESTMENT LIMITED	780	40	-	6	1	1	8
105	P051564123Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	37	-	6	1	1	7
106	P051386713B	SUNVEAT FOODS LTD	775	47	-	8	1	1	9
107	P051617346M	SALIM MERCHANDISE COMPANY LIMITED	730	43	-	7	1	1	8
108	P000600017X	PREMIER FOOD INDUSTRIES LTD	700	33	-	5	0.03	1	6
109	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	51	-	8	1	1	10
110	P000592983G	PATCO INDUSTRIES LTD	600	26	-	4	0.0	0	5
111	P051533721X	SERENI FRIES LIMITED	600	49	-	8	1	1	9
112	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	31	-	5	1	0.5	6
113	P051222964B	JAMAA SUPERMARKET LIMITED	520	20	-	3	0.4	0	4
114	P051528188X	FAHD COMMODITIES GROUP LIMITED	520	29	-	4.7	0.6	0.4	7
115	P000596923C	EXCEL CHEMICALS LTD	500	22	-	3.5	0.0	0.3	4
116	P051420387C	KENAFRIC COMMODITIES LIMITED	500	27	-	4.3	0.5	0.4	5
117	P051638583Z	SANJOSE AGENCIES LIMITED	500	35	-	5.7	0.7	0.5	7

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NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
118	P051223448W	TESIA SUPERMARKETS LIMITED	450	25	-	4.0	0.5	0.4	5
119	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	24	-	3.5	0.4	0.3	4
120	P000626429Y	EQUATOR BOTTLERS LTD	400	22	-	3.5	0.0	0.3	4
121	P051222425N	SBC KENYA LIMITED	400	23	-	3.6	0.0	0.3	4
122	P000607685K	GLAXOSMITHKLINE LIMITED	375	19	-	3.1	0.4	0.3	4
123	P051152243L	CANDY KENYA LIMITED	375	19	-	3.0	0.4	0.3	4
124	P000625880F	TRICLOVER INDUSTRIES LTD	325	17	-	2.8	0.1	0.3	3
125	P051587757A	HABS ENGINEERING LIMITED	301	19	-	3.0	0.4	0.3	4
126	P051098613Z	EQUATORIAL NUT PROCESSORS LIMITED	300	20	-	3.1	0.4	0.3	4
127	P051374667M	SWEETS R US LIMITED	300	19	-	3.0	0.4	0.3	4
128	P051474155F	BRAVA FOOD INDUSTRIES LIMITED	300	20	-	3.2	0.4	0.3	4
129	P000611792U	GLACIER PRODUCTS LTD	275	16	-	2.6	0.3	0.2	3
130	P000602358S	OAKDALE COMMODITIES LTD	251	145	-	23.2	2.9	2.2	28
131	P051180738S	MUMIAS DISTRIBUTORS LTD	250	20	-	3.2	0.4	0.3	4
132	P051501498H	ZACK PETROLEUM LIMITED	234	11	-	1.8	0.2	0.2	2
133	P051432737Z	SUPER SWEETS LIMITED	225	12	-	2.0	0.1	0.2	2
134	P051563367M	MIKROS	224	17	-	1.4	-	-	1
135	P051610787L	BIDCORO AFRICA LIMITED	207	14	-	2.3	0.3	0.2	3
136	P051101494Q	UNITED NATIONS WORLD FOOD PROGRAMME	200	14	-	-	-	-	-
137	P051216674J	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	11	-	1.8	0.2	0.2	2
138	P051536310V	MOKANN LOGISTICS LIMITED	195	15	-	2.3	0.3	0.2	3
139	P051228018V	AGRI PRO PAK LIMITED	175	12	-	1.8	0.2	0.2	2
140	P051321102A	LESPHINE INVESTMENTS LIMITED	168	13	-	2.1	0.3	0.2	3
141	P051380901O	ELON COMMODITIES K LIMITED	168	11	-	1.8	0.2	0.2	2
142	P051588583C	PEAKMUS BAKERS LIMITED	168	14	-	2.2	0.3	0.2	3
143	P051609069V	ESSBEE SUPPLIERS LIMITED	165	8	-	1.3	0.2	0.1	2
144	P000614512G	REGAL PHARMACEUTICALS LTD	125	6	-	1.0	0.1	0.1	1
145	P051469311B	SAMPEN JOS LIMITED	122	9	-	1.4	0.2	0.1	2
146	P051516894X	STEVFLO STORES ENTERPRISES LIMITED	112	8	-	1.4	0.2	0.1	2
147	P000631517E	NJORO CANNING FACTORY KENYA LIMITED	100	7	-	1.1	0.1	0.1	1
148	P051115797K	GONAS BEST LIMITED	100	6	-	0.9	0.1	0.1	1
149	P051161788B	VICTORIA JUICE POWDER LIMITED	100	5	-	0.8	0.1	0.1	1
150	P051173454W	SUNNY PROCESSORS LTD	100	5	-	0.9	0.1	0.1	1
151	P051632843E	SERMCO COMPANY LIMITED	84	6	-	1.0	0.1	0.1	1
152	P051314028R	RABI YASIR TRADERS LIMITED	56	4	-	0.3	-	-	0.3
153	P000595050W	NESTLE FOODS (K) LIMITED	50	3	-	0.4	0.1	0.0	1
154	P051131217Z	KENYA WINE AGENCIES LIMITED	50	3	-	0.4	0.1	0.0	1
155	P051161877Z	DAWA LIMITED	50	3	-	0.5	0.01	0.05	1

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2.3 List of the Sugar Importers

2.3.1 Table 2: Brown Sugar Importers Who Benefitted From the Exemption

NOTE: A total 169 Companies benefitted from the exemption for both industrial and brown sugar imports (Annex 2)

Table 2 below indicates that total of 113 brown sugar importers imported within the confines of the exemption and hence benefited from the exemption.

Table 2. Brown Sugar Importers Who Benefitted From the Exemption (Paid Zero Duty) - 113 Companies

NO.	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051651675J	AMNAV LIMITED	74,400	3,258	-	521	65	49	635
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	2,989	-	478	60	45	583
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	50,500	2,456	-	393	49	37	479
4	P000634500H	MENENGAI OIL REFINERIES LTD	46,200	2,424	-	388	48	36	473
5	P051625523E	CONVEX COMMODITY MERCHANTS L	39,832	1,584	-	253	32	24	309
6	P051308483N	SUKARI INDUSTRIES LIMITED	34,500	1,336	-	214	27	20	261
7	P000627038X	WEST KENYA SUGAR COMPANY LTD	34,100	1,394	-	223	28	21	272
8	P051601324Z	ONE COMMODITIES COMPANY LTD	31,850	1,740	-	278	35	26	339
9	P051243445V	LANDMARK FREIGHT SERVICES LTD	25,866	1,194	-	191	24	18	233
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,410	1,256	-	201	25	19	245
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	1,221	-	195	24	18	238
12	P051456947P	GRAINERGY K LIMITED	19,526	1,181	-	189	24	18	230
13	P000619085J	HYDERY (P) LIMITED	19,000	1,118	-	179	22	17	218
14	P051144533P	THE COMMODITY HOUSE LIMITED	16,674	1,007	-	161	20	15	196
15	P051629683B	HALEEL COMMODITIES LIMITED	16,216	820	-	131	16	12	160
16	P051151246J	STUNTWAVE LIMITED	13,375	827	-	132	17	12	161
17	P051474511S	ONE TRADERS LIMITED	12,500	645	-	103	13	10	126
18	P051202197A	HUSSABA TRADING COMPANY LTD	12,438	864	-	138	17	13	168
19	P051359826N	YH WHOLESALERS	11,492	697	-	111	14	10	136
20	P051581191F	KIFARU FEEDS LIMITED	10,396	574	-	92	11	9	112
21	P051128926C	REMINGTON AGENCY LIMITED	9,625	626	-	100	13	9	122
22	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	665	-	106	13	10	129
23	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	500	-	80	10	7	97
24	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	616	-	99	12	9	120
25	P051398900G	COAST TERMINAL EAST AFRICA LTD	7,489	353	-	56	7	5	68
26	P051138751E	REGIONAL BARGAINS LIMITED	7,000	447	-	71	9	7	87
27	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	518	-	83	10	8	101
28	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	375	-	60	7	6	73
29	P051216621U	RAA RMO LIMITED	6,916	355	-	57	7	5	69
30	P051301868Z	THE OPTION TWO LIMITED	6,903	371	-	59	7	6	72
31	P051632605W	MANONO ENERGY LIMITED	6,790	340	-	54	7	5	66
32	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	399	-	64	8	6	78
33	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	352	-	56	7	5	69
34	P051380103I	KORBASH TRADERS LIMITED	6,103	321	-	51	6	5	62
35	P051423241R	IFOX COMMODITY LIMITED	5,980	323	-	52	6	5	63
36	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	408	-	65	8	6	80
37	P051122598C	COSMOCARE INDUSTRIES (NAIROBI)	5,750	357	-	57	7	5	70
38	P051447092O	ARASAN TRADERS LIMITED	5,683	283	-	45	6	4	55
39	P051148624Z	PHOENIX COMMODITIES KENYA LTD	5,250	307	-	49	6	5	60
40	P051140572Q	PALEAH STORES LIMITED	4,770	239	-	38	5	4	47
41	P051358005Y	DUBAI MATRESS LIMITED	4,565	249	-	40	5	4	48
42	P051605076M	LEGO STORES LIMITED	4,492	215	-	34	4	3	42
43	P000596838I	EXPORT TRADING CO LTD	4,400	296	-	47	6	4	58

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44	P051647626Z	BETA COMMODITIES LIMITED	3,970	207	-	33	4	3	40
45	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	193	-	31	4	3	38
46	P051509457T	SOMO COMMODITIES LIMITED	3,508	195	-	31	4	3	38
47	P051565427J	FLORA BAKERS LIMITED	3,490	175	-	28	4	3	34
48	P051357595V	PILLAR MATT LIMITED	3,489	194	-	31	4	3	38
49	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	216	-	35	4	3	42
50	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	242	-	37	4	3	45
51	P051121478S	MULTILIFT LIMITED	3,161	168	-	27	3	3	33
52	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	213	-	34	4	3	41
53	P051326831B	TARZAN LIMITED	3,000	219	-	35	4	3	43
54	P051621965H	SWABRI LIMITED	2,941	178	-	29	4	3	35
55	P051613426Z	MAPPING TRADING COMPANY LTD	2,938	164	-	26	3	2	32
56	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	175	-	28	4	3	34
57	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	134	-	21	3	2	26
58	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	145	-	23	3	2	28
59	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	138	-	22	3	2	27
60	P051595247Z	BEYON INVESTMENT LIMITED	2,292	102	-	16	2	2	20
61	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	148	-	24	3	2	29
62	P051311944R	GREENBELT WHOLESALERS LTD	2,080	111	-	18	2	2	22
63	P051195373G	MIDLAND HAULIERS LIMITED	2,040	116	-	19	2	2	23
64	P051381684F	FOCUS LOGISTICS LIMITED	2,002	105	-	17	2	2	21
65	P051464283J	AUS KENYA LIMITED	2,002	96	-	15	2	1	19
66	P051424211K	SINAI SUPPLIERS AND CONTRACTORS CO LIMITED	2,000	114	-	18	2	2	22
67	P051628771W	ATLANTA COMMERCIAL MALL LTD	2,000	127	-	20	3	2	25
68	P051581060X	MARATHON VENTURES LIMITED	1,840	109	-	17	2	2	21
69	P051166945F	EXPRESS COMPANY LIMITED	1,539	80	-	13	2	1	16
70	P051387175Q	SKY AGENCIES LIMITED	1,500	74	-	12	1	1	15
71	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	81	-	13	2	1	16
72	P051238815B	BLUE LIME LIMITED	1,305	71	-	11	1	1	14
73	P051198851L	WHITE HALL HOLDINGS LIMITED	1,300	72	-	12	1	1	14
74	P051393840B	EQUITY LOGISTICS LIMITED	1,300	65	-	10	1	1	13
75	P051563989Y	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	66	-	11	1	1	13
76	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	60	-	10	1	1	12
77	P000592871B	EMCO STEEL WORKS LTD	1,147	119	-	16	-	-	16
78	P051176972L	METCOM LTD	1,097	79	-	13	1.6	1.2	15
79	P051592286P	FUTURES COMMODITIES LIMITED	1,080	62	-	10	1.2	0.9	12
80	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	49	-	8	1.0	0.7	10
81	P051631078E	FREON TRADERS LIMITED	1,030	50	-	8	1.0	0.8	10
82	P051119385K	NANKU COMPANY (KENYA) LIMITED	1,000	68	-	11	1.4	1.0	13
83	P051213796I	MERCURIE LIMITED	1,000	57	-	9	1.1	0.9	11
84	P051567202C	CAPO GENERAL TRADING LIMITED	988	57	-	9	1.1	0.9	11
85	P051399721L	RIETY COMPANY LIMITED	933	60	-	10	1.2	0.9	12
86	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	48	-	8	1.0	0.7	9
87	A002491695Y	MARYWANGUIMWANGI	800	56	-	9	1.1	0.8	11
88	P051542905Y	TAKABA INVESTMENT LIMITED	780	40	-	6	0.8	0.6	8
89	P051564123Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	37	-	6	0.7	0.5	7
90	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	43	-	7	0.9	0.6	8
91	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	51	-	8	0.9	0.7	10
92	P051533721X	SERENI FRIES LIMITED	600	49	-	8	1.0	0.7	9
93	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	31	-	5	0.6	0.5	6
94	P051222964B	JAMAA SUPERMARKET LIMITED	520	20	-	3	0.4	0.3	4
95	P051528188X	FAHD COMMODITIES GROUP LIMITED	520	29	-	5	0.6	0.4	7
96	P051420387C	KENAFRIC COMMODITIES LIMITED	500	27	-	4	0.5	0.4	5
97	P051638583Z	SANJOSE AGENCIES LIMITED	500	35	-	6	0.7	0.5	7
98	P051223448W	TESIA SUPERMARKETS LIMITED	450	25	-	4	0.5	0.4	5
99	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	24	-	3	0.4	0.3	4
100	P051587757A	HABS ENGINEERING LIMITED	301	19	-	3	0.4	0.3	4
101	P000602358S	OAKDALE COMMODITIES LTD	251	145	-	23	2.9	2.2	28
102	P051180738S	MUMIAS DISTRIBUTORS LTD	250	20	-	3	0.4	0.3	4

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103	P051501498H	ZACK PETROLEUM LIMITED	234	11	-	2	0.2	0.2	2
104	P051563367M	MIKROS	224	17	-	1	-	-	1
105	P051101494Q	UNITED NATIONS WORLD FOOD PROGRAMME	200	14	-	-	-	-	-
106	P051216674J	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	11	-	2	0.2	0.2	2
107	P051536310V	MOKANN LOGISTICS LIMITED	195	15	-	2	0.3	0.2	3
108	P051321102A	LESPHINE INVESTMENTS LIMITED	168	13	-	2	0.3	0.2	3
109	P051380901O	ELON COMMODITIES K LIMITED	168	11	-	2	0.2	0.2	2
110	P051588583C	PEAKMUS BAKERS LIMITED	168	14	-	2	0.3	0.2	3
111	P051609069V	ESSBEE SUPPLIERS LIMITED	165	8	-	1	0.2	0.1	2
112	P051469311B	SAMPEN JOS LIMITED	122	9	-	1	0.2	0.1	2
113	P051516894X	STEVFLO STORES ENTERPRISES LTD	112	8	-	1	0.2	0.1	2
Grand Total			818,151	43,487	-	6,947	865	649	8,463

2.3.2: Importers who imported small quantities of Brown Sugar & benefitted from the Exemption

The table below gives a snapshot of 13 importers who imported small quantities of sugar (less than 100MT) and benefitted from the exemption.

Table 3: Importers who imported small quantities of Brown Sugar & benefitted from the Exemption - 13 Companies

NO	PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty (KSHS. M)	VAT (KSHS. M)	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P051632843E	SERMCO COMPANY LIMITED	84	6	-	1	0.1	0.1	1
2	P051314028R	RABI YASIR TRADERS LIMITED	56	4	-	0.32	-	-	0.3
3	P051543121S	ROSAM LIMITED	27	2	-	0.35	-	-	0.4
4	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	0	-	0.07	-	-	0.1
5	P000609533Z	KENYA AIRWAYS LTD	4	2	-	-	-	0.1	0.1
6	P051643385Z	ALONAIB GENRAL TRADING LIMITED	1.60	0.09	-	0.01	-	-	0.01
7	P051102372Z	AMERICAN EMBASSY	0.78	0.26	-	-	-	0.13	-
8	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.14	0.05	-	-	-	-	-
9	P000593895L	NAS AIRPORT SERVICES LTD	0.13	0.03	-	-	-	0.00	0.00
10	P000591674X	TOTAL (K) LTD	0.06	0.04	-	0.01	0.05	0.04	0.01
11	P051442785K	SONGHYUN FOODSTUFFS LIMITED	0.05	0.020	-	0.003	-	-	0.003
12	P051133092U	HEALTHY U TWO THOUSAND LTD	0.04	0.012	-	0.002	-	-	0.002
13	P051646284U	LING YUE INTERNATIONAL CO LTD	0.03	0.004	-	0.001	-	-	0.001
Grand Total			185	15	-	2	0.2	0.3	2

2.3.3: Brown Sugar importers (Duty Paid)

Table 4 below gives a summary of 21 brown sugar importers who imported sugar from outside the Common Market for Eastern and Southern Africa (COMESA) region between September 2017 and 31st December 2017 and fully paid the requisite Duty.

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Table 4: Brown Sugar importers (Duty Paid)

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000592983G	PATCO INDUSTRIES LTD	306	15,032	1,503	2,646	10	225	4,384
2	P051216534Y	MSHALE COMMODITIES LIMITED	300	15,550	1,555	2,737	311	233	4,836
3	A008378124X	KAMLESH JITENDRA DATTANI	11	925	324	200	-	-	524
4	P051303371W	KAJAL OVERSEAS LIMITED	7	381	311	111	-	-	422
5	P051380221L	SUNGOLD KENYA LIMITED	4	105	64	27	-	-	90
6	A006483000D	NAVIN KUMAR DEVJI JESANI	3.2	139	49	30	-	-	79
7	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	1.6	67	23	14	-	-	38
8	P051500456Y	SPARE ZONE ENTERPRISES	1.2	77	53	21	-	-	74
9	P051636965X	GURU IMPEX LIMITED	1	44	16	10	-	-	25
10	P051427440C	SIANI SPICES K LIMITED	0.8	29	10	6	-	-	17
11	P051133092U	HEALTHY U TWO THOUSAND LTD	0.5	81	52	21	-	49	74
12	P051456140A	DATTA KRUPA TRADERS	0.4	2	20	3	-	-	23
13	A000186734N	PARENRAMJISHAH	0.3	26	14	6	-	-	20
14	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.3	48	48	15	-	-	63
15	A001128032D	PANKAJJAYANTILALSHAH	0.1	15	15	5	-	-	20
16	A007694508A	SANJAY GOPAL SHIYANI	0.1	10	5	2	-	-	7
17	P051112922J	SOMA IMPEX LIMITED	0.1	11	11	4	-	28	15
18	P051631183C	INEXCESS LIMITED	0.1	10	10	3	-	-	13
19	P000593906T	SAFARI PARK (HOLDINGS)	0.05	6	6	2	-	-	7
20	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	2	2	1	-	-	2
21	P051470953D	PLURINE TRADING LIMITED	0.03	1	1	0.3	-	-	1
Grand Total			**638**	**32,562**	**4,091**	**5,865**	**321**	**535**	**10,736**

2.3.4: Industrial Sugar Importers who benefitted from the Exemption

Table 5 below gives a summary of 44 industrial sugar importers who benefited from the exemption.

Table 5: Industrial Sugar Importers Who Benefitted From The Exemption (Paid Zero Duty) - 44 Companies

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000593584F	KENYA BREWERIES LIMITED	12,241	696	-	111	8	10	129
2	P000611756Q	NAIROBI BOTTLERS LTD	11,064	688	-	110	0.16	10.32	121
3	P000599737M	KENAFRIC INDUSTRIESS LIMITED	8,190	497	-	79	7	7	94
4	P051124295A	MZURI SWEET LIMITED	5,040	321	-	51	3	5	59

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NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
5	P000591222F	KENYA SWEETS LIMITED	4,100	256	-	41	2	4	47
6	P000595604U	THE WRIGLEY CO (E A) LTD	2,486	151	-	24	1	2	27
7	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	118	-	19	0.05	1.78	21
8	P000627963J	KISII BOTTLERS LTD	1,656	93	-	15	0.04	1.39	16
9	P051103572S	JETLAK FOODS LIMITED	1,650	93	-	15	1	1	17
10	P051100924G	KEVIAN KENYA LIMITED	1,525	92	-	15	1	1	17
11	P000624917Q	MOUNT KENYA BOTTLERS LTD	1,416	87	-	14	0.03	1.30	15
12	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,350	78	-	13	1	1	15
13	P051147260Z	GLOBAL ALLIED INDUSTRIES LTD	1,250	80	-	13	2	1	16
14	P000624346S	MJENGO LTD	1,200	72	-	12	1	1	14
15	P000623053O	DEL MONTE KENYA LIMITED	999	55	-	9	0.01	0.83	10
16	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	47	-	7	1	1	9
17	P051386713B	SUNVEAT FOODS LTD	775	47	-	8	1	1	9
18	P000600017X	PREMIER FOOD INDUSTRIES LTD	700	33	-	5	0.03	0.50	6
19	P000592983G	PATCO INDUSTRIES LTD	600	26	-	4	0.02	0.39	5
20	P000596923C	EXCEL CHEMICALS LTD	500	22	-	4	0.01	0.33	4
21	P000626429Y	EQUATOR BOTTLERS LTD	400	22	-	4	0.01	0.33	4
22	P051222425N	SBC KENYA LIMITED	400	23	-	4	0.01	0.34	4
23	P000607685K	GLAXOSMITHKLINE LIMITED	375	19	-	3	0.38	0.29	4
24	P051152243L	CANDY KENYA LIMITED	375	19	-	3	0.37	0.28	4
25	P000625880F	TRICLOVER INDUSTRIES LTD	325	17	-	3	0.11	0.26	3
26	P051098613Z	EQUATORIAL NUT PROCESSORS LTD	300	20	-	3	0.39	0.29	4
27	P051374667M	SWEETS R US LIMITED	300	19	-	3	0.38	0.28	4
28	P051474155F	BRAVA FOOD INDUSTRIES LTD	300	20	-	3	0.40	0.30	4
29	P000611792U	GLACIER PRODUCTS LTD	275	16	-	3	0.32	0.24	3
30	P051432737Z	SUPER SWEETS LIMITED	225	12	-	2	0.09	0.19	2
31	P051610787L	BIDCORO AFRICA LIMITED	207	14	-	2	0.29	0.21	3
32	P051228018V	AGRI PRO PAK LIMITED	175	12	-	2	0.23	0.17	2
33	P000614512G	REGAL PHARMACEUTICALS LTD	125	6	-	1	0.05	0.10	1
34	P000631517E	NJORO CANNING FACTORY KENYA LIMITED	100	7	-	1	0.14	0.10	1
35	P051115797K	GONAS BEST LIMITED	100	6	-	1	0.12	0.09	1
36	P051161788B	VICTORIA JUICE POWDER LTD	100	5	-	1	0.10	0.08	1
37	P051173454W	SUNNY PROCESSORS LTD	100	5	-	1	0.06	0.08	1
38	P000595050W	NESTLE FOODS (K) LIMITED	50	3	-	0.42	0.05	0.04	1
39	P051131217Z	KENYA WINE AGENCIES LIMITED	50	3	-	0.43	0.05	0.04	1
40	P051161877Z	DAWA LIMITED	50	3	-	1	0.01	0.05	1
41	P000609007S	MAC S PHARMACEUTICALS LTD	25	2	-	0.28	0.04	0.03	0.34
42	P000609319W	COSMOS LIMITED	25	1	-	-	0.03	0.02	0.05

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NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
43	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	1	0.23	-	-	-	-	-
44	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	0.03	-	-	-	-	-
Grand Total			64,088	3,807	-	609	32.00	57.10	698

Note: KRA has raised duty demands on the above

2.3.6: Industrial Sugar Importers (Duty Paid)

Table 6 below gives a summary of 22 industrial sugar importers who paid duty from May 2017 to December 2017

Table 6: Industrial Sugar Importers Duty Paid – 22 companies

NO.	CONSIGNEE PIN	IMPORTER NAME	QTY (MT)	CIF Value (KSHS. M)	Duty	VAT	IDF (KSHS. M)	RDL (KSHS. M)	Total Tax (KSHS. M)
1	P000611756Q	NAIROBI BOTTLERS LTD	5,448	338	34	59	0.04	5	98
2	P000626429Y	EQUATOR BOTTLERS LTD	3,600	201	20	35	0.08	3	58
3	P000596923C	EXCEL CHEMICALS LTD	3,579	186	19	33	0.07	3	54
4	P051124295A	MZURI SWEET LIMITED	3,565	204	20	36	0.08	3	60
5	P000593584F	KENYA BREWERIES LIMITED	3,301	192	19	34	0.11	3	56
6	P051152243L	CANDY KENYA LIMITED	3,029	177	18	31	0.11	3	52
7	P000618560D	COASTAL BOTTLERS LTD	2,780	127	13	22	0.08	2	37
8	P000624917Q	MOUNT KENYA BOTTLERS LTD	2,712	155	15	27	0.03	2	45
9	P000592983G	PATCO INDUSTRIES LTD	1,818	97	10	17	0.06	1	28
10	P000595253B	TRUFOODS LTD	1,780	85	9	15	0.06	1	25
11	P000599737M	KENAFRIC INDUSTRIESS LIMITED	1,250	75	8	13	0.03	1	22
12	P000627963J	KISII BOTTLERS LTD	1,080	65	7	12	0.02	1	19
13	P000600017X	PREMIER FOOD INDUSTRIES LTD	944	52	5	9	0.04	1	15
14	P051222425N	SBC KENYA LIMITED	800	45	5	8	0.02	1	13
15	P000595604U	THE WRIGLEY CO (E A) LTD	744	33	3	6	0.03	0.49	10
16	P000624607O	HIGHLANDS MINERAL WATER CO LTD	505	28	3	5	0.02	0.42	8
17	P051100924G	KEVIAN KENYA LIMITED	500	30	3	5	0.01	0.45	9
18	P000594925Y	ELYS CHEMICAL INDUSTRIES LTD	50	2.6	0.26	0.46	0.01	0.04	0.77
19	P000614512G	REGAL PHARMACEUTICALS LTD	25	1.13	0.11	0.20	0.01	0.02	0.34
20	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	0.01	0.01	0.003	-	-	0.01
21	P051533355F	BOULANGERIE AND COMPANY LIMITED	0.05	0.03	0.03	0.01	-	-	0.03
22	P051097180I	CHEMOQUIP LIMITED	0.01	0.01	0.01	0.002	-	-	0.01
Grand Total			37,510	2,095	210	369	0.9	31	611

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2.3.7: Reconciliation of the list

Table 7 is the reconciliation list to confirm that the actual number of companies that imported sugar between 12th May 2017 to 31st December 2017 were actually 193 by removing duplicates on companies that imported both brown and industrial sugar and companies that paid duty on some sugar quantities and did not pay duty on some quantities.

Table 7: Reconciliation of the list

NO.	Remarks	No. of Companies	QTY (MT)
1	Large Importers (Zero Duty brown sugar)	113	818,151
2	Small Importers (Zero Duty brown sugar)	13	185
3	Duty Paid brown sugar	21	638
4	Zero Duty Industrial Sugar	44	64,088
5	Duty Paid Industrial Sugar	22	37,510
	subtotal	**213**	**920,571**
Less Duplicates			-
1	companies that imported both brown and industrial sugar	-2	-
2	Companies appearing twice on duty paid & duty unpaid lists	-18	-
Grand Total		**193**	**920,571**

2.3.8: Taxes forgone

Table 8 below gives a summary of taxes forgone due to the exemptions on sugar between May 2017 and December 2017. Total forgone taxes is Kshs. 36.5Billion of which 31.5 Billion is Import Duty while 5 Billion is VAT.

Table 8: Taxes foregone summary

No.	Item	DUTY (KSHS. M)	VAT (KSHS. M)	Total Taxes forgone (KSHS. M)
1	Brown mill white Sugar	31,423	5,030	36,454
2	Industrial Sugar	31	5	36
	Total	**31,454**	**5,035**	**36,489**

2.3.9: Mode of packaging of imported sugar

Table 9 indicates companies by mode of packaging of sugar. Some companies' imported bulk while others imported sugar packaged in bags

Table 9: Bulk vs. Bagged sugar

No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
1	P051651675J	AMNAV LIMITED	-	74,400	74,400
2	P051597268Z	AWWAL OIL COMPANY LIMITED	55,000	-	55,000
3	P000609298P	SOUTH NYANZA SUGAR CO LTD	-	50,500	50,500
4	P000634500H	MENENGAI OIL REFINERIES LTD	21,000	25,200	46,200

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No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
5	P051625523E	CONVEX COMMODITY MERCHANTS LTD	39,832	-	39,832
6	P051308483N	SUKARI INDUSTRIES LIMITED	-	34,500	34,500
7	P000627038X	WEST KENYA SUGAR COMPANY LIMITED	-	34,100	34,100
8	P051601324Z	ONE COMMODITIES COMPANY LIMITED	9,350	22,500	31,850
9	P051243445V	LANDMARK FREIGHT SERVICES LIMITED	25,866	-	25,866
10	P051216534Y	MSHALE COMMODITIES LIMITED	21,710	-	21,710
11	P051422387G	SUKARI INVESTMENTS LIMITED	21,315	-	21,315
12	P051456947P	GRAINERGY K LIMITED	12,026	7,500	19,526
13	P000619085J	HYDERY (P) LIMITED	6,500	12,500	19,000
14	P051144533P	THE COMMODITY HOUSE LIMITED	9,174	7,500	16,674
15	P000611756Q	NAIROBI BOTTLERS LTD	16,512	-	16,512
16	P051629683B	HALEEL COMMODITIES LIMITED	16,216	-	16,216
17	P000593584F	KENYA BREWERIES LIMITED	15,542	-	15,542
18	P051151246J	STUNTWAVE LIMITED	5,875	7,500	13,375
19	P051474511S	ONE TRADERS LIMITED	-	12,500	12,500
20	P051202197A	HUSSABA TRADING COMPANY LIMITED	12,438	-	12,438
21	P051359826N	YH WHOLESALERS	11,492	-	11,492
22	P051581191F	KIFARU FEEDS LIMITED	10,396	-	10,396
23	P051128926C	REMINGTON AGENCY LIMITED	9,625	-	9,625
24	P000599737M	KENAFRIC INDUSTRIESS LIMITED	9,440	-	9,440
25	P051628908P	OLARE GLOBAL TRADERS LIMITED	9,075	-	9,075
26	P051168012Z	PICCADILLY HOLDINGS LTD	8,955	-	8,955
27	P051124295A	MZURI SWEET LIMITED	8,605	-	8,605
28	P051176602S	INLAND AFRICA LOGISTICS LIMITED	8,000	-	8,000
29	P051398900G	COAST TERMINAL EAST AFRICA LIMITED	7,489	-	7,489
30	P051138751E	REGIONAL BARGAINS LIMITED	7,000	-	7,000
31	P051381305L	SUNOVA INTERNATIONAL LIMITED	7,000	-	7,000
32	P051451090W	OCEANIA INVESTMENT LIMITED	6,980	-	6,980
33	P051216621U	RAA RMO LIMITED	6,916	-	6,916
34	P051301868Z	THE OPTION TWO LIMITED	6,903	-	6,903
35	P051632605W	MANONO ENERGY LIMITED	6,790	-	6,790
36	P051516150E	HEROTS ENTERPRISES LIMITED	6,760	-	6,760
37	P051590913W	SALOLE ENTERPRISE LIMITED	6,716	-	6,716
38	P051380103I	KORBASH TRADERS LIMITED	6,103	-	6,103
39	P051423241R	IFOX COMMODITY LIMITED	5,980	-	5,980
40	P051147596Z	REESWOOD ENTERPRISES LIMITED	5,808	-	5,808
41	P051122598C	COSMOCARE INDUSTRIES (NAIROBI) LTD	5,750	-	5,750
42	P051447092O	ARASAN TRADERS LIMITED	5,683	-	5,683
43	P051148624Z	PHOENIX COMMODITIES KENYA LIMITED	5,250	-	5,250
44	P051140572Q	PALEAH STORES LIMITED	4,770	-	4,770
45	P051358005Y	DUBAI MATRESS LIMITED	4,565	-	4,565
46	P051605076M	LEGO STORES LIMITED	4,492	-	4,492
47	P000596838I	EXPORT TRADING CO LTD	4,400	-	4,400
48	P000624917Q	MOUNT KENYA BOTTLERS LTD	4,128	-	4,128
49	P000591222F	KENYA SWEETS LIMITED	4,100	-	4,100
50	P000596923C	EXCEL CHEMICALS LTD	4,079	-	4,079
51	P000626429Y	EQUATOR BOTTLERS LTD	4,000	-	4,000
52	P051647626Z	BETA COMMODITIES LIMITED	3,970	-	3,970
53	P051534910V	HOLWATHAG ENTERPRISE LIMITED	3,649	-	3,649
54	P051509457T	SOMO COMMODITIES LIMITED	3,508	-	3,508
55	P051565427J	FLORA BAKERS LIMITED	3,490	-	3,490

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No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
56	P051357595V	PILLAR MATT LIMITED	3,489	-	3,489
57	P051152243L	CANDY KENYA LIMITED	3,404	-	3,404
58	P051175868M	AFRICAN RETAIL TRADERS 2005 LTD	3,350	-	3,350
59	P051468314C	SIROCCO INVESTMENTS K LIMITED	3,261	-	3,261
60	P000595604U	THE WRIGLEY CO (E A) LTD	3,230	-	3,230
61	P051121478S	MULTILIFT LIMITED	3,161	-	3,161
62	P051629129Z	ELDOGATE ENTERPRISES LIMITED	3,094	-	3,094
63	P051326831B	TARZAN LIMITED	3,000	-	3,000
64	P051621965H	SWABRI LIMITED	2,941	-	2,941
65	P051613426Z	MAPPING TRADING COMPANY LIMITED	2,938	-	2,938
66	P051408597W	TAYBA WHOLESALERS LIMITED	2,921	-	2,921
67	P000618560D	COASTAL BOTTLERS LTD	2,780	-	2,780
68	P051443195I	FARRIS ENTERPRISES LIMITED	2,756	-	2,756
69	P000627963J	KISII BOTTLERS LTD	2,736	-	2,736
70	P000592983G	PATCO INDUSTRIES LTD	2,724	-	2,724
71	P051149705Z	SYBES COMMODITIES COMPANY LTD	2,500	-	2,500
72	P051535028D	AMANO TRADING COMPANY LIMITED	2,421	-	2,421
73	P051595247Z	BEYON INVESTMENT LIMITED	2,292	-	2,292
74	P051609058S	IMPERIAL COMMODITIES LIMITED	2,225	-	2,225
75	P000628677O	RIFT VALLEY BOTTLERS LTD	2,088	-	2,088
76	P051311944R	GREENBELT WHOLESALERS LTD	2,080	-	2,080
77	P051195373G	MIDLAND HAULIERS LIMITED	2,040	-	2,040
78	P051100924G	KEVIAN KENYA LIMITED	2,025	-	2,025
79	P051381684F	AUS KENYA LIMITED	2,002	-	2,002
80	P051464283J	FOCUS LOGISTICS LIMITED	2,002	-	2,002
81	P051424211K	ATLANTA COMMERCIAL MALL LIMITED	2,000	-	2,000
82	P051628771W	SINAI SUPPLIERS AND CONTRACTORS CO	2,000	-	2,000
83	P000624607O	HIGHLANDS MINERAL WATER CO LTD	1,855	-	1,855
84	P051581060X	MARATHON VENTURES LIMITED	1,840	-	1,840
85	P000595253B	TRUFOODS LTD	1,780	-	1,780
86	P051103572S	JETLAK FOODS LIMITED	1,650	-	1,650
87	P000600017X	PREMIER FOOD INDUSTRIES LTD	1,644	-	1,644
88	P051166945F	EXPRESS COMPANY LIMITED	1,539	-	1,539
89	P051387175Q	SKY AGENCIES LIMITED	1,500	-	1,500
90	P051538581V	LINKSFIELD ENTERPRISES LIMITED	1,400	-	1,400
91	P051238815B	BLUE LIME LIMITED	1,305	-	1,305
92	P051198851L	AFRICAN TANA HORTICULTURE LTD C/O SHAKURA EA GROUP	1,300	-	1,300
93	P051393840B	EQUITY LOGISTICS LIMITED	1,300	-	1,300
94	P051563989Y	WHITE HALL HOLDINGS LIMITED	1,300	-	1,300
95	P051147260Z	GLOBAL ALLIED INDUSTRIES LIMITED	1,250	-	1,250
96	P000624346S	MJENGO LTD	1,200	-	1,200
97	P051222425N	SBC KENYA LIMITED	1,200	-	1,200
98	P051308883R	GOLDEN CARA INVESTMENTS LTD	1,182	-	1,182
99	P000592871B	EMCO STEEL WORKS LTD	1,147	-	1,147
100	P051176972L	METCOM LTD	1,097	-	1,097
101	P051592286P	FUTURES COMMODITIES LIMITED	1,080	-	1,080
102	P051525840G	MIROCKMAN COMPANY LIMITED	1,040	-	1,040
103	P051631078E	FREON TRADERS LIMITED	1,030	-	1,030
104	P051119385K	MERCURIE LIMITED	1,000	-	1,000
105	P051213796I	NANKU COMPANY (KENYA) LIMITED	1,000	-	1,000

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No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
106	P000623053O	DEL MONTE KENYA LIMITED	999	-	999
107	P051567202C	CAPO GENERAL TRADING LIMITED	988	-	988
108	P051399721L	RIETY COMPANY LIMITED	933	-	933
109	P051611568F	NEMUWA CEREAL GENERAL STORES LTD	910	-	910
110	P051103075Q	DIPPLOY PLASTICS INDUSTRIES LTD	875	-	875
111	A002491695Y	MARYWANGUIMWANGI	800	-	800
112	P051542905Y	AL FIRDAUS COMMERCIAL AND CONSTRUCTION LIMITED	780	-	780
113	P051564123Y	TAKABA INVESTMENT LIMITED	780	-	780
114	P051386713B	SUNVEAT FOODS LTD	775	-	775
115	P051617346M	SALIM MERCHANDISE COMPANY LTD	730	-	730
116	P051504975Z	LEADWAY ENTERPRISES LIMITED	670	-	670
117	P051533721X	SERENI FRIES LIMITED	600	-	600
118	P051614422X	MICAAN LOGISTICS CO. LIMITED	522	-	522
119	P051222964B	FAHD COMMODITIES GROUP LIMITED	520	-	520
120	P051528188X	JAMAA SUPERMARKET LIMITED	520	-	520
121	P051420387C	KENAFRIC COMMODITIES LIMITED	500	-	500
122	P051638583Z	SANJOSE AGENCIES LIMITED	500	-	500
123	P051223448W	TESIA SUPERMARKETS LIMITED	450	-	450
124	P051572504W	TOTIYAS ENTERPRISES LIMITED	444	-	444
125	P000607685K	GLAXOSMITHKLINE LIMITED	375	-	375
126	P000625880F	TRICLOVER INDUSTRIES LTD	325	-	325
127	P051587757A	HABS ENGINEERING LIMITED	301	-	301
128	P051098613Z	BRAVA FOOD INDUSTRIES LIMITED	300	-	300
129	P051374667M	EQUATORIAL NUT PROCESSORS LIMITED	300	-	300
130	P051474155F	SWEETS R US LIMITED	300	-	300
131	P000611792U	GLACIER PRODUCTS LTD	275	-	275
132	P000602358S	OAKDALE COMMODITIES LTD	251	-	251
133	P051180738S	MUMIAS DISTRIBUTORS LTD	250	-	250
134	P051501498H	ZACK PETROLEUM LIMITED	234	-	234
135	P051432737Z	SUPER SWEETS LIMITED	225	-	225
136	P051563367M	MIKROS	224	-	224
137	P051610787L	BIDCORO AFRICA LIMITED	207	-	207
138	P051101494Q	SAMEER AGRICULTURE AND LIVESTOCK KENYA LIMITED	200	-	200
139	P051216674J	UNITED NATIONS WORLD FOOD PROGRAMME	200	-	200
140	P051536310V	MOKANN LOGISTICS LIMITED	195	-	195
141	P051228018V	AGRI PRO PAK LIMITED	175	-	175
142	P051321102A	ELON COMMODITIES K LIMITED	168	-	168
143	P051380901O	LESPHINE INVESTMENTS LIMITED	168	-	168
144	P051588583C	PEAKMUS BAKERS LIMITED	168	-	168
145	P051609069V	ESSBEE SUPPLIERS LIMITED	165	-	165
146	P000614512G	REGAL PHARMACEUTICALS LTD	150	-	150
147	P051469311B	SAMPEN JOS LIMITED	122	-	122
148	P051516894X	STEVFLO STORES ENTERPRISES LIMITED	112	-	112
149	P000631517E	GONAS BEST LIMITED	100	-	100
150	P051115797K	NJORO CANNING FACTORY KENYA LTD	100	-	100
151	P051161788B	SUNNY PROCESSORS LTD	100	-	100
152	P051173454W	VICTORIA JUICE POWDER LIMITED	100	-	100
153	P051632843E	SERMCO COMPANY LIMITED	84	-	84
154	P051314028R	RABI YASIR TRADERS LIMITED	56	-	56

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No.	PIN NO.	IMPORTER NAME	MODE OF PACKAGING		Grand Total
			BAG (MT)	BULK (MT)	
155	P000594925Y	DAWA LIMITED	50	-	50
156	P000595050W	ELYS CHEMICAL INDUSTRIES LTD	50	-	50
157	P051131217Z	KENYA WINE AGENCIES LIMITED	50	-	50
158	P051161877Z	NESTLE FOODS (K) LIMITED	50	-	50
159	P051543121S	ROSAM LIMITED	27	-	27
160	P000609007S	COSMOS LIMITED	25	-	25
161	P000609319W	MAC S PHARMACEUTICALS LTD	25	-	25
162	A008378124X	KAMLESH JITENDRA DATTANI	11	-	11
163	P051371018J	HELPING HAND FOR RELIEF AND DEVELOPMENT	11	-	11
164	P051303371W	KAJAL OVERSEAS LIMITED	7	-	7
165	P000609533Z	KENYA AIRWAYS LTD	4	-	4
166	P051380221L	SUNGOLD KENYA LIMITED	4	-	4
167	A006483000D	NAVIN KUMAR DEVJI JESANI	3	-	3
168	A005821156S	SUDAMA AGRO IMPEX C/OCHAITANYA HASMUKH SHAH	2	-	2
169	P051643385Z	ALONAIB GENRAL TRADING LIMITED	2	-	2
170	P051500456Y	SPARE ZONE ENTERPRISES	1	-	1
171	P051636965X	GURU IMPEX LIMITED	1	-	1
172	P051427440C	SIANI SPICES K LIMITED	0.80	-	0.80
173	P051102372Z	AMERICAN EMBASSY	0.78	-	0.78
174	P051114193W	UNITED NATIONS OFFICE NAIROBI (UNON)	0.71	-	0.71
175	P051133092U	HEALTHY U TWO THOUSAND LIMITED	0.50	-	0.50
176	P051456140A	DATTA KRUPA TRADERS	0.43	-	0.43
177	A000186734N	PARENRAMJISHAH	0.30	-	0.30
178	P000592470W	CHINA ROAD & BRIDGE ENGINEERING COMPANY	0.27	-	0.27
179	P051611273Z	ZHEJIANG CHENGJIAN CONSTRUCTION AFRICA LIMITED	0.15	-	0.15
180	A001128032D	PANKAJJAYANTILALSHAH	0.15	-	0.15
181	P000592105I	LUFTHANSA GERMAN AIRLANES	0.13	-	0.13
182	P000593895L	NAS AIRPORT SERVICES LTD	0.13	-	0.13
183	A007694508A	SANJAY GOPAL SHIYANI	0.11	-	0.11
184	P051112922J	SOMA IMPEX LIMITED	0.11	-	0.11
185	P051631183C	INEXCESS LIMITED	0.10	-	0.10
186	P000591674X	TOTAL (K) LTD	0.06	-	0.06
187	P051442785K	BOULANGERIE AND COMPANY LIMITED	0.05	-	0.05
188	P051533355F	SONGHYUN FOODSTUFFS LIMITED	0.05	-	0.05
189	P000593906T	SAFARI PARK (HOLDINGS)	0.05	-	0.05
190	P051646284U	LING YUE INTERNATIONAL CO LIMITED	0.03	-	0.03
191	P051404997Q	CHINA HENAN INTERNATIONAL COOPERATION GROUP CO LTD	0.03	-	0.03
192	P051470953D	PLURINE TRADING LIMITED	0.03	-	0.03
193	P051097180I	CHEMOQUIP LIMITED	0.01	-	0.01
Grand Total			631,871	288,700	920,571

The above table shows that eleven (11) companies imported sugar in bulk in un-bagged state.

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TABLE 10: SUGAR IMPORTS: PLACE OF DISCHARGE SUMMARY

No.	DISCHARGE PLACE	QTY (MT)	CIF Value (KSHS. M)	Total Tax (KSHS. M)	%Prop.
1	Container Terminal	364,531	17,518	3,414	40%
2	Boss Freight CFS	114,188	6,923	1,351	12%
3	Mitchell Cotts	67,790	3,803	746	7%
4	Mombasa Container Terminal 1	60,045	3,633	750	7%
5	Interpel CFS	57,297	3,648	718	6%
6	Mombasa Inland Container Depot	42,542	1,821	361	5%
7	Port Side Shed	28,000	1,413	275	3%
8	Autoport CFS	27,274	1,317	257	3%
9	Mitchell Cotts CFS	24,995	1,394	289	3%
10	Consolbase CFS	19,787	1,111	274	2%
11	Great Lakes CFS	17,765	1,055	221	2%
12	Regional Logistics Container CFS	17,004	943	186	2%
13	Awanad CFS	16,638	935	187	2%
14	Makupa Transit Shed	11,300	648	128	1%
15	Portside CFS	11,170	548	109	1%
16	Focus CFS	9,855	843	164	1%
17	Mombasa Island Container Terminal	6,858	356	71	1%
18	Namamga	6,065	411	80	1%
19	Regional Logistics Container CFS	5,000	254	49	1%
20	Moyale	4,400	296	58	0.5%
21	Compact Container Freight CFS	2,806	175	34	0.3%
22	Busia	2,746	251	35	0.3%
23	Signon CFS	1,163	54	12	0.1%
24	Old Port	755	46	9	0.1%
25	Inland Container Depot Nairobi	286	12	2	0.03%
26	Malaba	178	18	2	0.02%
27	Kisumu	130	8	2	0.01%
28	Africa Cargo Handling (JKIA)	4	2	0	0.00%
29	CSC	0	0	-	0.00%
	Grand Total	920,571	49,436	9,784	100%

Over 90% of the sugar imported in 2017 was cleared in Mombasa.

2.4 Information on specific companies as requested by the Committee

2.4.1 MSHALE COMMODITIES LIMITED

There is evidence confirming existence of **Mshale Commodities Uganda Limited and Mshale Commodities Limited Mombasa. Mshale Commodities Limited Mombasa** is a registered entity in Kenya vide **PIN P051216534Y.**

In July 2016 one of the 4X20FT container number MEDU3333950 on manifest number 2016MSA130073, bill of lading number MSCUZS683812 on transit to Uganda imported by Mshale Commodities Uganda Limited**(Appendix 12).** Verification was conducted by Government agencies led by **Anti-Narcotics Police Unit** and found with four unsealed polypropylene bags Concealed within the bags of sugar **with a substance packaged in block shape suspected to be narcotic drugs. The four bags yielded 90 blocks of the item. Marks on the blocks of the substance read "Lacoste".**

- The 90 blocks suspected to be narcotics were marked as exhibits and packed in evidence bags and detained by the Anti-Narcotics Police Unit.

- All four containers were secured under F89 number 203728 dated 29/07/2016 issued to OCS Port Police

Currently the matter is being handled by the relevant Government Agency (Anti-Narcotics Police Unit).

Record available show that Mshale Commodities Limited Mombasa imported 300MT Swaziland VHF brown sugar supplied by **ED&F MAN SUGAR LIMITED** after being granted authority by KEBS and ASD and Customs had no reasons to deny importation **(Appendix 13).**

2.4.2 TAKABA INVESTMENT LIMITED

Takaba Investments Limited has two directors namely; Hanan Adan Abdullahi of KRA Pin No **A008110244X** and Josephine Wanjiku Njoroge of KRA PiN No **A008145285X**. During the exemption period the company imported 780 MT of sugar. **(Appendix 14)**

2.4.3 ED & F MAN SUGAR LIMITED

The available records indicate that the company supplied sugar to **Mshale Commodities Limited Mombasa and Sukari Industries Limited** after being granted authority by KEBS and Agricultural Authority Sugar Directorate **(Appendix 15).** Details on the sources of sugar imported by Sukari Industries Limited and Mshale Commodities Limited Mombasa are provided in tables 11 and 12 below respectively.

TABLE 11: SOURCE OF SUGAR IMPORTS BY SUKARI INDUSTRIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6590443	SUKARI INDUSTRIES LIMITED	VALE DO TIJUCO ACUCAR c/o ED- F MAN SUGAR LIMITED BRAZIL	4,339,000
2.	2017 MSA 6590514	SUKARI INDUSTRIES LIMITED	BIOSEV S.A c/o ED AND F MAN SUGAR LIMITED BRAZIL	7,000,000
3.	2017 MSA 6590365	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	BIOSEV BIOENERGIA c/o ED AND F MAN SUGAR LIMITED BRAZIL	13,161,000
4.	2017 MSA6590321	SUKARI INDUSTRIES LIMITED 237NDHIWA - KENYA	COFCO BRASIL c/o ED AND F MAN SUGAR LIMITED BRAZIL	10,000,000

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TABLE 12: SOURCE OF SUGAR IMPORTS BY MSHALE COMMODITIES

No.	ENTRY NO	CONSIGNEE	CONSIGNER	QTY (KG)
1.	2017 MSA 6485485	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	717,530
2.	2017 MSA 6500990	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	539,000
3.	2017 MSA 6518764	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASSOCIATION	911,120
4.	2017 MSA 6524156	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	1,253,500
5.	2017 MSA 6523735	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,232
6.	2017 MSA 6524012	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA O/B ED AND F MAN SUGAR LTD FAZENDA MONTE ALEGRE BRAZIL	652,101
7.	2017 MSA 6575280	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
8.	2017 MSA 6571365	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA	1,003,200
9.	2017 MSA 6575986	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
10.	2017 MSA 6499563	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	521,664
11.	2017 MSA 6538286	MSHALE COMMODITIES LIMITED	ASOCIACION DE AZUCAREROS DE GUATEMALA	250,250
12.	2017 MSA 6540893	MSHALE COMMODITIES LIMITED	ILLOVO SUGAR (SOUTH AFRICA) PTY LTD DURBAN 4000 SOUTH AFRICA	2008000
13.	2017 MSA 6541971	MSHALE COMMODITIES LIMITED	TONGAAT HULETT ACUCAR LDA- MOZAMBIQUE	1,003,200
14.	2017 MSA 6580201	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD - THAILAND	626,750
15.	2017 MSA 6588535	MSHALE COMMODITIES LIMITED	ADECOAGRO VALE DO INVIHEMA S/A BRAZIL	1,043,361
16.	2017 MSA 6588828	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
17.	2017 MSA 6580844	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD	627,000
18.	2017 MSA 6588051	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA CNPJ 22.287.687/000146 BRAZIL	652,232
19.	2017 MSA 6580074	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	626,750
20.	2017 MSA 6588746	MSHALE COMMODITIES LIMITED	USINA MONTE ALEGRE LTDA BRAZIL	652,101
21.	2017 MSA 6603021	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	651,820
22.	2017 MSA 6600795	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD THAILAND	1,880,250
23.	2017 MSA 6605148	MSHALE COMMODITIES LIMITED	THE THAI SUGAR TRADING CORPORATION LTD THAILAND	601,680
24.	2017 MSA 6577112	MSHALE COMMODITIES LIMITED	ZIMBABWE SUGAR SALES PVT LIMITED ZIMBAMWE	1,003,200
25.	2017 MSA 6606258	MSHALE COMMODITIES LIMITED	SIAM SUGAR EXPORT CORPORATION LTD FOR THAILAND	1,880,250
26.	2017 MSA 6761710	MSHALE COMMODITIES LIMITED	SWAZILAND SUGAR ASOCIATION SWAZILAND	300,960

TYPES & STANDARDS OF SUGAR

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2) 100% inspection of products arriving without a COC.
3) 100% inspection of used clothes and shoes,
4) 100% inspection of imports through Eldoret Airport.

5.0 Certification of Imported products

All imported products are required to have Import Standardization Mark (ISM) before they are put on the shelf for sale. ISM is a secure mark with a track and trace solution which enables verification of authentic marks through special bar code readers and mobile application. This is to enable consumers as well as KEBS market surveillance to identify certified products in the market.

6.0 KEBS Role in Regulating Sugar importation

Kenya regulates imports sugar both industrial and for direct consumption to complement local production. KEBS is involved in certification of these imports to ensure compliance to Kenya Standards.

KEBS' responsibility is to inspect and test imports for quality.

The quantities of sugar imports are determined and approved by the Sugar Directorate, Ministry of Agriculture. The sugar imported is pre-inspected by KEBS appointed agents and issued with Certificates of Conformity (CoC) at the country of supply. A CoC is only issued for complying products which means the tested parameters are within limits allowed by the Kenya standards. The KEBS inspection agents are SGS, BV, Intertek, Cotecna and CCIC.

Some of these imports which come with a CoC are sampled and tested at the port of entry for surveillance purposes.

The certification of sugar is done against the following standards:

1) KS EAS 749: 2010 *Brown Sugar – Specification*
2) KS EAS 16:2010 *Plantation (Mill) White Sugar – Specification*
3) KS EAS 5:2009 *Refined White sugar — Specification*

Below are the definitions for the descriptions of the various types of sugar.

1. Refined White sugar – KS EAS 5

White sugar is purified and granulated sugar, manufactured from any raw sugar, such as plantation (mill) sugar, by the process of

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purification consisting broadly of affinition, melting, chemical treatment, filtration, depolarization and recrystallization.

2. **Plantation mill white sugar – KS EAS 16**

   Plantation sugar (commonly manufactured by the vacuum-pan-process from sugar cane) shall be crystalline, odorless and free from dirt or other extraneous matter.

3. **Brown sugar – KS EAS 749**

   Shall be the sugar derived from sugar cane or sugar beet by partial purification of raw sugar or spraying of refined sugar with sugar syrup or molasses followed by subsequent drying and intended or direct human consumption.

4. **Raw Sugar – KS EAS 8**

   Unwashed centrifugal sugar whose crystals is surrounded by the original film of molasses and is derived from sugar cane. It requires further processing to make it fit for direct human consumption. Raw sugar shall be in the form of uniform, fine crystals. It shall be free from dirt, foreign and extraneous matter, and from fermented, musty or undesirable odours.

For sugar to be cleared at the ports of entry, the following agencies must approve release based on their individual requirements:

1) Kenya Revenue Authority (Customs).
2) Kenya Bureau of Standards (Quality).
3) Port Health (Food safety).
4) Sugar Directorate (Licensing).
5) Radiation Protection Board (Safety)
6) Kenya Ports Authority (Logistics).

A summary report of sugar imported from May 2017 to date is attached as Annex 1. Copies of the certificates of conformity (CoC) have been included as Annex 2.

SIGNED.....DATED.27/06/2018

AUGUSTINE WACHIRA

MANAGER, QUALITY ASSURANCE – COAST REGION

KEBS RESULTS (DIAMOND WHOLESALERS & PALEAH STORES)

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ANNEX 1(A) – LOCATION 1 (Diamond Wholesalers in Eastleigh, Nairobi)

The Multiagency team conducted a raid on the premises on 5/6/2018. The goods seized during the raid were delivered to the DCI headquarters where quality inspection and sampling were undertaken by KEBS on 6/6/2018.

Summary of test results

Samples of these sugars were tested and failed in the following parameters:

Product description	BS number	Status
Brown Sugar (blue bags)	BS201818548	The product fails to meet the standard specification in: **1) Moisture Content** 2) **Polarization** 3) **Total viable count** 4) **Yeast and moulds**
White Sugar Brand name given as *Kabras Premium White Sugar in 1 kg packages*	BS201818549	The product fails to meet the standard specification in: **1) Colour** **2) Copper as cu** **3) Polarization** **4) Total viable count** 5) **Yeast and moulds**
White Sugar labeled as UGT African Sugar in 1 kg packages	BS201818550	The product fails to meet the standard specification in: **1) Colour** **2) Conductivity Ash Content** **3) Copper as Cu** 4) **Invert Sugar Content** 5) **Marking** 6) **polarization**
Raw Sugar labeled as Brazilian Raw Sugar (*marked not safe for Human consumption*)	BS201818552	The product fails to meet the standard specification in: 1) **Colour** 2) **Total viable count**
Raw sugar (Brazilian Raw Sugar) (*marked not safe for Human consumption*)	BS201818553	The product fails to meet the standard specification in: **1) Colour** **2) Water insoluble matter** 3) **Total viable count**
Sugar No marking on the bags	BS201818554	The product fails to meet the standard specification in: **1) Total viable count**

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Notes 1:

The copper contaminant was detected in the repackaged sugar and was not found in the sugar in the poly propylene bags. Contamination may have been due to handling and repackaging materials.

Other failures noted are attributable to the sugar characteristics (e.g. immature cane, low sucrose), handling and storage.

Actions taken on Diamond Wholesalers Directors

KEBS through the Directorate of Criminal Investigations (DCI) has preferred charges against the Directors of the Diamond Wholesalers directors for repackaging of substandard sugar and misuse of standardization mark.

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ANNEX 1(B) – LOCATION 2 (Paleah Stores limited in Kamakis Area, Ruiru)

The sugar had been seized and delivered to the DCI headquarters where quality inspection and sampling were undertaken jointly by KEBS and KRA on 12/6/2018.

Summary of test results

Product description	Sample Reference No	Remarks (Failing parameters)
Brown Sugar	BS201819530	The product fails to meet the standard in: i. Invert Sugar ii. Lead iii. Total Viable Count
Brown Sugar	BS201819531	The product fails to meet the standard in: i. Invert Sugar ii. Polarization iii. Total Viable Count iv. Yeast and Moulds
Brown Sugar	BS201819532	The product fails to meet the standard in: i. Total Viable Count ii. Failed in Labelling
Brown Sugar	BS201819526	The product fails to meet the standard in: i. Failed in labelling (Expiry date and Batch no missing) ii. Colour iii. Invert sugar iv. Polarization v. Water Insoluble matter
Brown Sugar	BS201819527	The product fails to meet the standard in: i. failed in labelling (Expiry date and Batch no missing)
Brown Sugar	BS201819528	The product fails to meet the standard in: i. Total Viable Count The firm is also illegally affixing standardization mark no. 14284 which
Brown Sugar	BS201819529	The product fails to meet the standard in: i. Failed in labelling ii. Lead iii. Water insoluble matter iv. Total Viable Count v. Yeast and Moulds

Notes 2.

The lead contaminant was detected in two samples.

Other failures noted are attributable to the sugar characteristics (e.g. immature cane, low sucrose), handling and storage.

ANNEX 14

FOURTEEN COMPANIES EXEMPTED FROM PAYMENT OF DUTY

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Telephone: 2252299
When Replying Please Quote

THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI

Ref. No. CONF. 1/06

September 21, 2017

The Commissioner of Customs & Border Control
Kenya Revenue Authority
NAIROBI

RE: CLEARANCE OF DUTY FREE SUGAR IMPORTED BEFORE 31ST AUGUST, 2017

Attached, please find copies of letters Ref. No. MOALF/CS/ADM/35 dated 12th September, 2017, Ref. No. MOALF/CS/ADM/35 dated 19th September, 2017 and Ref. No. MOALF/CS/ADM/35 dated 20th September, 2017 from the Ministry of Agriculture, Livestock and Fisheries on the above mentioned subject matter.

The Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries has given details of the consignments of sugar imported under Gazette Notice No. 4536 of 2017 but experienced delay in arrival due to, among other reasons, logistical difficulties, low tides delaying loading and unfavourable weather.

After taking into account the circumstances of the delay, the Cabinet Secretary for Agriculture, Livestock and Fisheries appealed to the Cabinet Secretary, National Treasury to allow duty free clearance of the affected consignments. A total of fourteen (14) importers were affected. The details are as follows:

No.	Importer	B/L No.	Quantity
1	Flora Bakers Limited	DXB0373587C	520
2	Pccadilly Holding	960750595	5400
3	Landmark Freight Services	769855882	780
4	Darasa Investments Ltd	BRSS802017	40010
5	Pillarmatt Limited	DXB0374640C	2990
6	The Option Two Limited	DXB03746	2990
7	Ifox Commodity Limited	DXB0373587E	2990
8	Paleah Stores Limited	MSCCUZC238582	3000
9	Mapping Trading Company	MSCUZC239119	3000
10	Sukari Investments Limited	769859553	1300
11	Elon Commodities (K) Ltd	DXB0368738A	1040
12	Coast Terminal East Africa Limited	EID0193398	2080
13	Zack Petroleum Limited	DXB0373587B	540
14	Export Trading company Limited	2017MOY20602	4400

ISO 9001:2008
Certified.

ANNEX 2L

EXCERPTS OF MINUTES OF HARAMBEE HOUSE MEETINGS

ANNEX 21

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- If the issues raised are merited, the applicant and the objector is advised accordingly. If the objection has no merit, the Directorate proceeds to issue a milling license to the applicant.

iv). Issuance of a Milling License

- Upon grant of the milling license, the applicant is then required to pay **Ksh. 1,000,000/= (One million)** to the AFA-Sugar Directorate. The license is renewed on annual basis upon successful application and compliance audit conducted by the Sugar Directorate. Successful applicants are also required to pay **Ksh. 1,000,000 /=** for renewal of miller operating license. **(Form A5-Annex VII)**

2). CONSULTATIONS WITH COUNTERPART MINISTRIES ON SUGAR IMPORTATIONS INCLUDING THE REQUEST TO ALLOW DUTY FREE SUGAR, NATURE OF SUGAR TO BE IMPORTED AND THE QUANTITIES.

Consultations on sugar importation were done during food security meetings held on Friday, 5th May 2017 and Wednesday 21st June 2017 at Harambee House to discuss the prevailing maize shortages and high prices of commodities. The meetings were chaired by the Head of Public Service. The excerpts from both meetings are attached.

Excerpt: Minute No. 5 of 5th May 2017: Milk and Sugar Supply in the Country

"The meeting reviewed the supply of sugar and milk in the market and noted that their prices had escalated beyond reach of many Kenyans. To ensure steady supply of the products at affordable prices, the meeting requested the ***National Treasury*** *to gazette duty free imports of sugar*

ANNEX 21

and milk for purposes of lowering their prices". **Action: National Treasury**

Excerpt: Minute No 3 of 21st June, 2017 Part 2 on Sugar

"The meeting noted that adequate sugar had been imported but traders were overcharging beyond the recommended price. It was thus agreed that the Ministry of Interior and Coordination of National Government and the Ministry of Trade should mobilize their officers to enforce the government price. It was also agreed to invite the Director General – National Intelligence Service and the Principal Secretary for Interior to attend the next meeting to discuss the modalities of monitoring and enforcing the price" **Action: Interior, Trade, National Intelligence Service**

3). OTHER DETAILS

Agriculture and Food Authority keeps a master record of current, previous and prospective sugar importers as shown in the **Annex VIII.** It shows a categorization of the Master record that was also submitted to the committee on **25th, June 2018.**

THANK YOU

SUMMARY OF CONTRACT BETWEEN SONY SUGAR CO. & HOLBUD & 0THER DOCUMENTS

Paper laid by SNY CEO, 18/7/18

ANNEX 22

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AGRICULTURE AND FOOD AUTHORITY

SUGAR DIRECTORATE
Sukari Plaza, Off Waiyaki Way
P.O. Box 51500-00200, Nairobi

REF: AFA/SD/REC/477/3

19th October, 2017

Managing Director
South Nyanza Sugar Co. Ltd
P.O. Box 107-40405
SARE AWENDO

Dear Sir/Madam

RE: ANNUAL REGISTRATION AS A BROWN SUGAR IMPORTER

Reference is made to your letter seeking annual registration as a sugar importer.

This is to confirm that the Authority has approved your registration as a brown sugar importer from 1st July, 2017 to 30th June, 2018 pursuant to section 4(1) of the Sugar imports, exports and by-products (amendment) Regulations, 2010.

Note however that facilitation of importation of COMESA sugar shall be on first come first served basis based on our domestic demand. You will therefore be required to provide the following to facilitate pre-shipment authorization of quantities you intend to bring in the next 3 months.

1. Quantity and type of sugar.
2. Country of Origin.
3. Proforma Invoice.
4. Intended time of importation.
5. Supplier.

Please note that you are required to submit your returns quarterly without fail.

Yours faithfully

S. ODERA
INTERIM HEAD - SUGAR DIRECTORATE

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CODE NAME "CONGENBILL" EDITION 1994

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BILL OF LADING

TO BE USED WITH CHARTER-PARTIES

Bill No. 02

Reference No.

Shipper

HOLBUD LIMITED
66 LEMAN STREET
LONDON E1 8EU,
UNITED KINGDOM

Consignee

TO ORDER

CARRIER
MARIBAN HOLDING INC

Notify address

SOUTH NYANZA SUGAR COMPANY LIMITED
KISII-MIGORI HIGHWAY
P.O. BOX 107-40405 SARE-AWENDO
MIGORI COUNTY, KENYA

Vessel: M.V. "THE HOLY"

Port of loading: SANTOS PORT, BRAZIL

Port of discharge: MOMBASA PORT , KENYA

Shipper's description of goods

BRAZILIAN BROWN SUGAR IN BULK

CLEAN ON BOARD: 09/10/17

"FREIGHT PREPAID"

Gross weight

25,500 METRIC TONS
(TWENTY FIVE
THOUSAND FIVE
HUNDRED METRIC
TONS)

ORIGINAL

(of which NIL on deck at Shipper's risk, the Carrier not being responsible for loss or damage howsoever arising)

Freight payable as per CHARTER-PARTY dated

FREIGHT ADVANCE
Received on account of freight

Time used for loading ..... days ..... hours.

SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.

Weight, measure, quality, quantity, condition, contents and value unknown.

IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void.

FOR CONDITIONS OF CARRIAGE SEE OVERLEAF

Freight payable at: FREIGHT PREPAID

Place and date of issue: LONDON, 09-10-2017

Number of original Bs/L: 3 (THREE)

Signature: MARIBAN HOLDING INC
FOR AND ON BEHALF OF THE
MASTER OF MV "THE HOLY":

MARIBAN HOLDING INC
PANAMA

C.15 Printed and sold by Witherbys Limited
17 The High Cross Centre, Fountayne Road, London N15 4QN
Tel +44 (0)20 8275 4000 Fax +44(0) 8275 4001
by authority of The Baltic and International Maritime Council (BIMCO), Copenhagen

CODE NAME: "CONGENBILL". EDITION 1994

BILL OF LADING

TO BE USED WITH CHARTER-PARTIES

B/L No. 01

Reference No.

Shipper

HOLBUD LIMITED
66 LEMAN STREET
LONDON E1 8EU,
UNITED KINGDOM

Consignee

TO ORDER

CARRIER:
MARIBAN HOLDING INC.

Notify address

SOUTH NYANZA SUGAR COMPANY LIMITED
KISII-MIGORI HIGHWAY
P.O. BOX 107-40405 SARE-AWENDO
MIGORI COUNTY, KENYA

Vessel	Port of loading
M.V. "THE HOLY"	SANTOS PORT, BRAZIL

Port of discharge

MOMBASA PORT , KENYA

Shipper's description of goods	Gross weight
BRAZILIAN BROWN SUGAR IN BULK	25,000 METRIC TONS (TWENTY FIVE THOUSAND METRIC TONS)
CLEAN ON BOARD: 09/10/17	
"FREIGHT PREPAID"	

ORIGINAL

(of which NIL on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising)

Freight payable as per CHARTER-PARTY dated .....

FREIGHT ADVANCE.
Received on account of freight:

.....

Time used for loading ..... days ..... hours.

SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.

Weight, measure, quality, quantity, condition, contents and value unknown.

IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void.

FOR CONDITIONS OF CARRIAGE SEE OVERLEAF

Freight payable at	Place and date of issue
FREIGHT PREPAID	LONDON, 09-10-2017
Number of original Bs/L: 3 (THREE)	Signature: MARIBAN HOLDING INC FOR AND ON BEHALF OF THE MASTER OF MV "THE HOLY": MARIBAN HOLDING INC PANAMA

C.15 Printed and sold by Witherbys Limited
11 The High Cross Centre, Fountayne Road, London N15 4QN
Tel +44 (0)20 8275 4280 Fax +44(0) 8275 4281
by authority of The Baltic and International Maritime Council (BIMCO), Copenhagen

AGRICULTURE AND FOOD AUTHORITY

SUGAR DIRECTORATE
Sukari Plaza, Off Waiyaki Way
P.O Box 51500-00200, Nairobi

REF: AFA/SD/REC/477/3

19th October, 2017

Managing Director
South Nyanza Sugar Co. Ltd
P.O. Box 107-40405
SARE AWENDO

Dear Sir/Madam

RE: ANNUAL REGISTRATION AS A BROWN SUGAR IMPORTER

Reference is made to your letter seeking annual registration as a sugar importer.

This is to confirm that the Authority has approved your registration as a brown sugar importer from 1st July, 2017 to 30th June, 2018 pursuant to section 4(1) of the Sugar imports, exports and by-products (amendment) Regulations, 2010.

Note however that facilitation of importation of COMESA sugar shall be on first come first served basis based on our domestic demand. You will therefore be required to provide the following to facilitate pre-shipment authorization of quantities you intend to bring in the next 3 months.

1. Quantity and type of sugar.
2. Country of Origin.
3. Proforma Invoice.
4. Intended time of importation.
5. Supplier.

Please note that you are required to submit your returns quarterly without fail.

Yours faithfully

S. ODERA
INTERIM HEAD - SUGAR DIRECTORATE

AGRICULTURE AND FOOD AUTHORITY

SUGAR DIRECTORATE
Sukari Plaza, Off Waiyaki Way
P.O. Box 51500-00200, Nairobi

REF: AFA/SD/REC/477/3

19th October, 2017

Managing Director
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1. Quantity and type of sugar.
2. Country of Origin.
3. Proforma Invoice.
4. Intended time of importation.
5. Supplier.

Please note that you are required to submit your returns quarterly without fail.

Yours faithfully

S. ODERA
INTERIM HEAD - SUGAR DIRECTORATE

Ref: AFA/DG/MOA/SO/VOL.V/(35)

Dr. Richard L. [illegible], PhD, CBS
Principal Secretary,
State Department of Agriculture,
Ministry of Agriculture, Livestock and Fisheries,
P. O. Box 30[illegible]-00100,
NAIROBI.

30th November 2017

Dear [illegible]

RE: REQUEST BY SONYSUGAR FOR NO OBJECTION AND APPROVAL LETTER

Reference is made to the request to your office by South Nyanza Sugar Company Limited (SonySugar) for a No objection and approval letter for duty free sugar imports vide their letter Ref: SNSC/MD/AGRIC./MOA VOL VIII/1186/17 dated November 10, 2017.

Following the declaration by His Excellency the President (Executive order No 1 of 2017) that the drought and famine in parts of Kenya was a national disaster, the Cabinet Secretary for the National Treasury allowed the importation of duty free sugar with effect from 12th May 2017 to 31st August 2017 through Gazette Notice No 4536. (Copy attached)

Subsequently, through another Gazette Notice No. 9801 the Cabinet Secretary allowed importation of duty free sugar for sugar loaded into a vessel between 1st September 2017 and 31st December 2017 destined to a port in Kenya and consigned to a local sugar miller. However, this notice was later amended through Legal Notice No. 10149 deleting the earlier period of 31st December 2017 to 13th October 2017. (Copy attached). The import of these is that for any sugar to qualify for duty exemption it ought to have been loaded on a ship destined to a miller in Kenya by the said date of 13th October 2017.

Telephone: [illegible]
Telefax: [illegible] Cell Number: [illegible]

The application by SonySugar for registration as a sugar importer was received by the Agriculture and Food Authority on October 13, 2017. The company was subsequently registered as a sugar importer vide our letter Ref: AFA/SD/REC/477/3 dated October 19, 2017. At the time of registration of SonySugar as a sugar importer there was no provision for duty free importation by millers other than from COMESA and EAC.

We further observe that, the contract documents between SonySugar and Holland Ltd provided by SonySugar have not been properly executed by all parties to form a binding contract between the parties.

We note that it was reported in the Local dailies that the High Court had issued conservatory orders on 19th October 2017 suspending the gazette notice that had extended the importation of duty free sugar. The case was scheduled to be heard substantively on 14th November 2017. It is not clear at this point whether the court has heard the matter and given final orders.

We therefore, propose consultations with the National Treasury for further guidance in view of the temporary injunction on importation of duty free sugar.

We note further that, since SonySugar is a registered sugar importer, they are at liberty to import sugar from any source. If they import sugar from EAC or COMESA Free Trade area such sugar will be allowed into Kenya Duty Free in line with existing protocols. However, if they choose to import sugar from other destinations such sugar will attract 100% duty.

Yours Sincerely

ALFRED BUSOLO TABU
INTERIM DIRECTOR GENERAL

Encl.

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 : CD2017000ASDIMP0010000876318	Version No : 1
Master Approval No	MD2017000ASDASD0010000876571
Master Approval Version No	1
UCR Number	UCR201700985675

Application Status

Approval Status :SU - Submitted	Used Status :	Application Date :20171211183152
Expiry Date :	Amended Date :	Used Date :
Issuance Date :20171211		

Applicant Details

Name :SASI INTERNATIONAL FREIGHT LOGISTICS LTD

PIN :P051344871H	Application Code :SAS
Address :BOX	Country :KENYA
Contact Person :DANIELMASESE	Email : masese@sasilogistics.com

Consignee Details

Name :SOUTH NYANZA SUGAR CO LTD

PIN :P000609298P	OGA Ref No :
Physical Address :51493NAIROBI	Physical Country :KENYA
Postal Address :51493NAIROBI	Postal Country :KENYA
Telephone :059-43620	Fax :059-43245
Email :simon.korir@gmail.com	Sector of Activity :
Warehouse Code :	Warehouse Location :

Importer Details

Name :SOUTH NYANZA SUGAR CO LTD

PIN :P000609298P	OGA Ref No :
Physical Address :51493NAIROBI	Physical Country :KENYA
Postal Address :51493NAIROBI	Postal Country :KENYA
Telephone :059-43620	Fax :059-43245
Email :simon.korir@gmail.com	Sector of Activity :
Warehouse Code :	Warehouse Location :

Exporter Details

Name :HOLBUD LIMITED

PIN :P000000000N

OGA Ref No :

Physical Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Physical Country :UNITED KINGDOM

Postal Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Postal Country :UNITED KINGDOM

Telephone :020 7488 4901

Fax :020 7265 0654

Email :holbud@holbud.co.uk

Sector of Activity :Manufacturing

Warehouse Code :ZEPHYR HOUSE (DF) LTD

Warehouse Location :JKA

Consignor Details

Name :HOLBUD LIMITED

PIN :P000000000N

OGA Ref No :

Physical Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Physical Country :UNITED KINGDOM

Postal Address :66 LEMAN STREET
LONDON E1 8EU
UNITED KINGDOM

Postal Country :UNITED KINGDOM

Telephone :020 7488 4901

Fax :020 7265 0654

Email :holbud@holbud.co.uk

Sector of Activity :Manufacturing

Warehouse Code :ZEPHYR HOUSE (DF) LTD

Warehouse Location :JKA

Values - Header Level

Foreign Currency Code :USD	Forex Rate :103.06	FOB FCY :10,391,250.00
Freight FCY :765,000.00	Insurance FCY :0.00	Other Charges FCY :0.00
CIF FCY :11,156,250.00	FOB NCY :1,070,904,559.88	Freight NCY :78,839,599.50
Insurance NCY :0.00	Other Charges NCY :0.00	CIF NCY :1,149,744,159.38

Remarks

Conditions Of Approval

Purpose Of Import/Export

Trading

Terms and Conditions

Item Details

Item No :1

Item Description :BRAZILIAN BROWN SUGAR

Item HS Code :1701149000	HS Description :Other		
Quantity :25500000	Unit Of Quantity :Net Kilogram	Supplementary - Quantity :0	Package Type :Bulk, solid, fine particles (powders)
Package Quantity :25500000	Foreign Currency Code :USD	Unit Price FCY :0.41	Total Price FCY :10,391,250.00
Unit Price NCY :42.00	Total Price NCY :1,070,904,630.00	Country Of Origin :BRAZIL	Item Net Weight :25500000 Net Kilogram
Item Gross Weight :25500000 Net Kilogram	Applicant Remarks :IDF NO.E1712733112 UCRUCR201700985675		

Transport Details

Mode Of Transport :S	Mode Of Transport Desc :Sea
Port Of Arrival :Mombasa	Customs Office :KLD
Freight Station :CONTAINER TERMINAL	Cargo Type Indicator :Bulk

ANNEX 23

Annex 23

66 LEMAN STREET
LONDON E1 8EU

Telephone: 0207 488 4901
Telex: 892002 Holbud G
Telefax: 0207 265 0654
Cables: HOLBUD London E1
E-Mail: holbud@holbud.co.uk

HOLBUD LIMITED

SOUTH NYANZA SUGAR COMPANY LIMITED
P.O.BOX 107.405
SARE-AWENDO
MIGORI
KENYA

12TH OCTOBER 2017

WE CONFIRM OUR SALE AS PER OUR CONTRACT NO. 786-110-12195.

SELLERS	: HOLBUD LIMITED
BUYERS	: SOUTH NYANZA SUGAR COMPANY LIMITED
QUANTITY	: 50,000 METRIC TONS 10PCT MORE OR LESS IN SELLER OPTION
COMMODITY	: BRAZILIAN BROWN SUGAR
SPECIFICATIONS	: POLARIZATION 99.0 °Z MIN ICUMSA METHOD GS 1/2/3/9-1 MOISTURE 0.2 MAX ICUMSA METHOD GS 2/1/3/9-15 CONDUCTIVITY ASHES 0.3 PCT M/M MAX. ICUMSA METHID GS 1/3/4/7/8-15 COLOUR 1300 ICUMSA MAX ICUMSA METHOD GS 9/1/2/3-8 AS PER KEBS
SHIPMENT	: OCTOBER/NOVEMBER 2017.
QUALITY/ CONDITION	: FINAL AT LOADING AS PER INDEPENDENT SURVEYORS CERTIFICATE AT SELLER'S OPTION, FROM SGS, ITS OR BUREAU VERITAS.
WEIGHT	: FINAL AS PER SHORE SCALE WEIGHTS AT LOADPORT CERTIFIED BY INDEPENDENT SURVEYOR AT SELLER'S OPTION
PACKING	: BULK
PRICE	: SIGHT KSH3295 PER 50KG BAGS AT HOLBUD'S NOMINATED WAREHOUSES IN MOMBASA. CUSTOMS CLEARED
PAYMENT	: HOLBUD' WILL RECEIVE THE PAYMENT OF GOODS FROM THE BUY BACK BUYERS. PLEASE SEE BUY BACK AGREEMENT
DISCHARGE	: HOLBUD'S NOMINATED AGENTS WLL ARRANGE DISCHARGE FROM BULK INTO BAGS INTO HOLBUD'S NOMINATED WAREHOUSES TITLE REMAINS WITH HOLBUD LIMITED
GOVERNING LAW	: THIS CONTRACT SHALL BE GOVERNED BY ENGLISH LAW
FORCE MAJEURE	: AS PER THE RULES OF THE SUGAR ASSOCIATION OF LONDON
ARBITRATION	: FAILING AN AMICABLE SOLUTION TO SOLVE ANY DISPUTE OR CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT, ANY DISPUTE OR CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT SHALL BE REFERRED TO ARBITRATION BEFORE THE SUGAR ASSOCIATION OF LONDON FOR SETTLEMENT IN ACCORDANCE WITH THE RULES RELATING TO ARBITRATION. SUCH ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH ENGLISH LAW.

SOUTH NYANZA SUGAR CO. LTD.
P.O. Box 48979-00100
NAIROBI, KENYA.
Tel: 0020. 89289336 / 36
Email: administration.@sonysugar.co.ke.
SONY SUGAR

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OTHER TERMS : 1 SOUTH NYANZA SUGAR WILL:-

(A) APPLY FOR IDF AGAINST SELLERS PROFORMA INVOICE
(B) OBTAIN SUGAR BOARD'S IMPORT PERMIT

2. HOLBUD WILL PROVIDE PROFORMA INVOICE TO SOUTH NYANZA SUGAR OF USD437.50 CNFFO MOMBASA FOR IDF AND COC WILL BE APPLIED AS PER PROFORMA INVOICE.

GOODS WILL BE CUSTOM CLEARED UNDER SOUTH NYANZA SUGAR'S NAME AT USD437.50 CNFFO.

THE 6 BUY BACK BUYERS WILL PRE-FINANCE THESE COSTS TO THE CLEARING AGENT FOR CUSTOM CLEARANCE FROM CNFFO TO DELIVERED EX WAREHOUSES MOMBASA

3. HOLBUD WILL NOMINATE ITS CLEARING AGENT WHICH SOUTH NYANZA SUGAR WILL AGREE AND APPOINT

THIS NOMINATED CLEARING AGENT WILL CUSTOM CLEAR THE SUGAR UNDER SOUTH NYANZA SUGAR'S NAME. HOLBUD'S NOMINATED COMPANY WILL ARRANGE DISCHARGE OF SUGAR AND MOVEMENT TO EX WAREHOUSES MOMBASA.

4. BUYERS TO BE ENTIRELY RESPONSIBLE FOR IMPORT LICENCE, FAILURE TO OBTAIN SUCH LICENCE SHALL NOT BE SUFFICIENT GROUNDS FOR FORCE MAJEURE.

TITLE OF GOODS WILL REMAIN WITH HOLBUD UNTIL HOLBUD RECEIVES FULL PAYMENT FROM THE 6 BUY BACK BUYERS AS PER PROFORMA INVOICE GIVEN TO SOUTH NYANZA SUGAR AT USD437.50 CNFFO MOMBASA

DESPITE CUSTOM ENTRY AND CLEARANCE IN THE NAME OF SOUTH NYANZA SUGAR THE TITLE OF GOODS REMAIN WITH HOLBUD LIMITED (WHO HAVE A LIEN ON 100% OF GOODS) AND GOODS WILL BE PUT INTO HOLBUD'S NOMINATED WAREHOUSES UNDER HOLBUD'S CONTROL AND CUSTODY IN MOMBASA.

5. ALL DISCHARGE COSTS, INCLUDING STORAGE, BAGGING, WAREHOUSING ETC AT MOMBASA PORT ARE FOR BUYERS ACCOUNT WHICH WILL BE PRE-FINANCED BY THE 6 BUY BACK BUYERS

6. COC CHARGES FOR SELLERS ACCOUNT.

7. BUYERS TO SUPPLY IDF AND UCR AS SOON AS POSSIBLE.

8. SELLERS GUARANTEE VESSEL TO ARRIVE WITH MAXIMUM 10.5 METRES DRAFT AT MOMBASA.

9. OTHER TERMS AND CONDITIONS NOT STIPULATED IN THIS CONTRACT SHALL BE AS PER THE RULES OF THE SUGAR ASSOCIATION OF LONDON. SHOULD ANY CLAUSE OF THIS CONTRACT BE IN CONFLICT WITH THE RULES OF THE SUGAR ASSOCIATION OF LONDON THE CLAUSE OF THIS CONTRACT SHALL PREVAIL.

10. SELLERS TO NOMINATE AGENTS AT DISCHARGE PORT.

11. BUYERS TO ARRANGE INSURANCE IN ACCORDANCE WITH THE RULES OF THE SUGAR ASSOCIATION OF LONDON.

SOUTH NYANZA SUGAR CO. LTD.
P.O. Box 48979 - 00100
NAIROBI, KENYA.
Tel: +020, 8020336 / 38
SONY SUGAR Email: administration.@sonysugar.co.ke

12. IT IS MUTUALLY AGREED BUYERS/SELLERS WILL JOINTLY WORK TO OBTAIN THE COC FOR THE CARGO AND FULL QUANTITY OF VESSEL

13. GEARLESS VESSELS ACCEPTED.

SELLERS

HOLBUD LTD

HOLBUD LIMITED

BUYERS

for AS

SOUTH NYANZA SUGAR CO. LTD.
P.O. Box 48979 - 00100
NAIROBI, KENYA.
Tel: (020) 30289336 / 36
SONY SUGAR Email: administration.@sonysugar.co.ke

ADVERTISEMENT OF MEMORANDUM

ANNEX 24

24

REPUBLIC OF KENYA

NATIONAL ASSEMBLY
TWELFTH PARLIAMENT - SECOND SESSION

In the matter for consideration by the National Assembly on the alleged importation and sale of contraband sugar which is unfit for human consumption

SUBMISSION OF MEMORANDA

The National Assembly, during its Sitting on Tuesday 19th June, 2018 adjourned on a matter of National concern, in accordance with the provisions of Standing Order 33 to discuss the circulation of sugar that is allegedly unfit for human consumption in the country.

Upon deliberation, the matter was committed to a joint sitting of the Departmental Committees on Agriculture & Livestock, and that on Trade, Industry & Cooperatives to ***'Investigate, inquire into, and report its findings to the House within ten (10) days.***

The Joint Committee of the National Assembly hereby invites members of the public who may have an interest in the matter to submit their written representations. This is in compliance with the provisions of Article 118(1)(b) of the Constitution which requires parliament to facilitate the participation and involvement of the public in its legislative and other business including those of its committees.

The Joint Committee has scheduled an inquiry that is open to the public from Monday, 25 June 2018 to Friday, 29 June 2018.

The Inquiry will be held at **Mini Chamber, County Hall, Parliament Buildings.** A detailed schedule is available at **www.parliament.go.ke**

The representations may be forwarded to the **Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi;** hand-delivered to the **Office of the Clerk, Main Parliament Buildings, Nairobi;** or emailed to **clerk@parliament.go.ke;** to be received **on or before Friday 29th June, 2018 at 5.00 pm.**

MICHAEL SIALAI, EBS
CLERK OF THE NATIONAL ASSEMBLY

ANNEX 24