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New rules to curb use of shell companies in tender frauds

Owners are now required to provide detailed location information and workers on payroll



Attorney-General Githu Muigai . FILE

BY KIARIE NJORGE

Kenyan companies applying for registration are now required to provide detailed information of their location and number of employees as part of a renewed effort to weed out shell companies behind multi-billion shilling theft of public funds.

The rules, contained in fresh amendments to the company registration form,

now make it mandatory for a firm to disclose its physical location down to the specific room and floor of a building as opposed to the current provisions that left the disclosure of such details to a company's discretion.

Attorney-General Githu Muigai, gazetted the new rules that also require companies applying for registration to disclose the number of employees in a business on **FRAUD, Page 4»**



NEWS INDEPTH

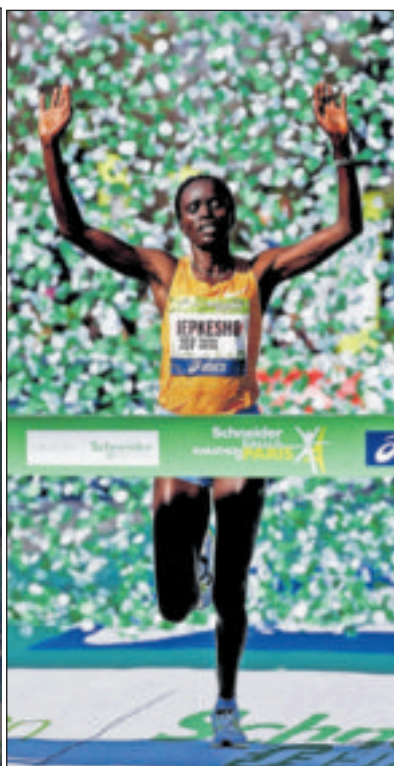
Chinese imports threaten manufacturing goals in Kenya

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CHAMPIONS

PARIS

Cyprian Kotut celebrates as he crosses the finish line to win the 40th Paris Marathon in Paris, France, yesterday. Laban Korir and Stephen Chemlany finished second and third respectively. Compatriot Visiline Jepkesho won the women's race. AFP



UK government now turns its guns on Moi-era looters

BY DAVID HERBLING

The British government has offered to help Kenya trace and recover assets looted by Moi-era power men named in the Kroll Report even as the risk consulting firm said it has only completed a quarter of the job.

UK authorities said they are currently in touch with Nairobi to help identify and seize the more than £1 billion (Sh145 billion) looted from taxpayers and stashed in offshore bank accounts and prime real estate purchases in the UK.

The Kroll report uncovered systematic looting of public resources that were subsequently hidden in more than 40 countries and tax havens around the world in the form of cash in banks, land, ranches, and shares in blue-chip companies.

"The UK continues to work closely with the Kenyan authorities, and has asked for information necessary to take this forward," said a spokesperson at the British High Commission in Kenya.

The British High Commission said recent asset seizures and repatriation, as was the case in the so-called Chickengate scandal and confiscation of former Kenya Power boss Samuel Gichuru's offshore account funds, show that the UK is committed to the fight against graft.

"Recent times have demonstrated we're keen to support Kenya in this area," the spokesperson said.

Kroll, however, said that they were yet to complete the forensic study into the systematic looting of Kenyan taxpayer funds during the 24-year reign of **LOOTERS, Page 4»**

BRIEFING

Graduates prefer State jobs over private sector

Kenyan youth prefer government employment over the private sector due to job security and pension, a World Bank survey.

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CA launches address system to boost commerce

The Communications Authority of Kenya (CA) has started a process to have a nation-wide numbering and addressing system to boost the uptake of e-commerce and improve service delivery.

Page 7»



Regulator warns oil dealers on gas cylinders

Consumers have been asked to report oil marketers and retail outlets that reject cylinders of rivals covered under the Liquid Petroleum Gas (LPG) exchange pool clearing system that aims to cut costs and bring convenience to buyers.

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Low-end drinkers lift Kenya's spirits uptake

Kenyans guzzled a total of 12.7 million litres of spirits in 2014 thanks to increased uptake by the low-income and lower-middle income consumers, a new study shows.

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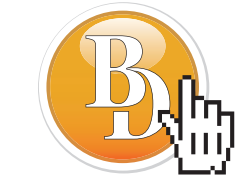
Major companies cited in today's issue of the Business Daily

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EAST AFRICA WEATHER TODAY



	Nairobi	Kampala	Dares Salaam
Mon	26°C	30°C	33°C
Tue	25°C	28°C	32°C
Wed	25°C	28°C	32°C



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State's stand



Nairobi Government Spokesman Eric Kiraithe addressing a Press conference at Kenyatta International Convention Centre yesterday on the violence that erupted at Masinde Murilo Gardens in Kakamega during Cord co-principal Moses Wetangula's presidential bid launch on Saturday. ROBERT NGUGI

What is making news this week

Monday, April 4, 2016

Tribunal starts probe on Sh202m corruption claims against Tunoi
The tribunal appointed to investigate corruption allegations against Supreme Court judge Philip Tunoi will hold its first sitting starting today. It will investigate claims that Mr Justice Tunoi received a Sh202 million bribe from Nairobi Governor Evans Kidero to influence an election petition filed against him by Kabete MP Ferdinand Waititu. The investigation was triggered by former journalist Geoffrey Kiplagat, who claimed in an affidavit he was approached by Dr Kidero's aides to connect them with Mr Justice Tunoi to have him give a favourable judgment to the governor in the Waititu petition.

Police target 10,000 youth as recruitment drive begins
The recruitment exercise for 10,000 new police officers kicks off countrywide today, following the orders issued by President Uhuru Kenyatta at the beginning of last month as the government moves to raise the Service's numbers in the face of persistent security threats like terrorism. It is the first recruitment under new regulations unveiled last year which set a rigorous multi-phased recruitment criteria which include taking a written examination.

K-Rep rebrands as Sidian Bank in bid to shed microfinance image
K-Rep Bank is changing identity to Sidian Bank as its majority shareholder Centum Investments seeks to boost its image as a fully-fledged bank and shed that of a microfinance institution. The rebranding is the last step in an operations overhaul which has included retraining of staff, enhancing customer relations and the core

banking system, a process which has been ongoing since the bank was bought out.

Tuesday, April 5

Uchumi, union labour case hearing on retailer's jobs cut plans starts
The Employment and Labour Relations Court starts hearing the case filed by the Kenya Union of Commercial, Food and Allied Workers against Uchumi Supermarkets contesting the retailer's plans to lay off workers following closure of five branches. Uchumi announced the closure of the five branches in Kenya and lay-off of 253 staff on March 21, citing a need to channel resources to fewer branches and optimise operations for maximum gain. As of June last year, Uchumi had 37 outlets with 4,500 workers spread across East Africa, with a majority of them in Kenya.

ICC to rule on Ruto and Sang case
The International Criminal Court will deliver a ruling on Kenya's Deputy President William Ruto and former radio presenter Joshua Sang's no-case-to-answer Motion on their case at The Hague. A no-case-to-answer decision in favour of the defence would see termination of the cases, while a rejection of the applications will see the trial continue.

Wednesday, April 6

ICPAK hosts public finance management conference
ICPAK holds a public finance management conference themed 'Excellence in Public Financial Management' in Mombasa. The conference will bring together Kenyan and international participants involved in public finance to discuss emerging issues in public financial management.

Kenya Institute of Management holds annual fellows luncheon
The Kenya Institute of Management holds its quarterly Fellows luncheon in Nairobi. Ethics and Anti-Corruption Commission chairman Philip Kinisu will address the meeting on the challenges, lessons and opportunities Kenya faces as it seeks to go corruption-free.

Thursday, April 7

Strathmore hosts SME exhibition
The Strathmore Enterprise Development Centre (SEDC) and SME Fest 2016 hold a three day SME expo in Nairobi that will bring together SMEs and financiers addressing measures to grow revenue for the small businesses.

Friday, April 8

Kenya Association of Manufacturers audits energy usage in industries
The Kenya Association of Manufacturers holds its annual energy day, where the manufacturing lobby group will among other things take stock of its use of sustainable energy and members' compliance with Energy Regulatory Commission requirements on energy audits. The audits are designed for facilities such as agricultural industries, and other factories.

Saturday, April 9

Uhuru marks three years in office
President Uhuru Kenyatta will on Saturday mark three years in power, as political focus increasingly shifts towards the next General Election which is 16 months away. In his State of the Nation address on March 31, President Kenyatta reiterated his government's commitment to grow the economy, strengthen devolution, boost security and unite Kenyans.

DON'T MISS PAGES 27-31



MONDAYS - PERSONAL FINANCE



TUESDAYS - CONSUMER



WEDNESDAYS - HEALTH



THURSDAYS - INNOVATION



RADAR SCREEN ■ MARUBU MUNYAKA

» **LENDING** Efforts to stabilise the shilling should not be seen to be punishing the private sector by denying it affordable funds

High interest rates the bane of Kenya's economic growth

It all started with the efforts aimed at stabilising the Kenya shilling after its worst depreciation from some time in May, 2015.

This was due to what economists thought was mere speculation by commercial banks and other financial actors after three months in which the country went without a substantive central bank governor.

Wiping out excess liquidity and raising interest rates stabilised the shilling by also containing inflation.

But these market interventions by the Central Bank of Kenya (CBK) have had a negative impact on the economy as well.

Firstly, since it has become lucrative for commercial banks to lend riskless to the government, they can only lend to the private sector industries at a premium that would compensate them for the perceived default risks due to presumed less performing economy.

With bank interest rates ranging between 20 per cent to 24 per cent per annum and business expecting gross margins between of 15-25 per cent, the cost of the end product must be adjusted upwards by between 35-49 per cent for the business to survive.

Secondly, if the product price is inelastic and or is subject to foreign competition or is not a must-consume

product, demand would just slide and the expected profits would nosedive as we have witnessed from the financial results reported by the Nairobi Securities Exchange (NSE)-listed companies in the recent past where companies are either reporting losses or reduced profits.

Thirdly, if this trend continues in the name of containing inflation, then many companies will either close shop,

cut on operating costs or simply be troubled as we have also lately noticed massive staff lay-offs at a time when the country should be creating jobs. Many a small company particularly the new start-ups have been closing shop and those which have not yet done so are in dire

need of help.

Fourthly, the reduction in profits or loss making has its own impact on government tax revenue. We have noticed recently that the Kenya Revenue Authority (KRA) is unable to meet its collection targets and the reason for this is already detailed above. This also explains why the impact of declining oil prices has not been felt in the economy fully because the immediate reduction of pump prices would also hamper the government revenue particularly the petrol levy at this point in time when KRA cannot meet its set targets.

“We have also lately noticed massive staff lay-offs at a time when the country should be creating jobs



The Central Bank of Kenya headquarters in Nairobi. One way of containing inflation is by accessing foreign exchange reserves from development partners. FILE

If experience is anything to go by, you need to go back to the last few years just before former President Mwai Kibaki took over to realise how this policy being pursued by CBK today never worked for the last 10 years of retired President Daniel arap Moi's regime. I do not need to go to details for we all saw and experienced the state of the economy then.

What did Mr Kibaki do when he assumed power? He simply reduced government appetite for funds by liquidating its Treasury Bills and Treasury Bonds in order to free liquidity for borrowing by the private sector business-

Faced with donor conditionalities for release of meagre funds like US\$ 39 million (Sh3.9 billion at current exchange rates) only from the World Bank, Mr Kibaki went to China in 2006 and got US\$ 649 million (Sh 64.9 billion) from the Chinese government for projects of his choice without any conditionalities.

A few diplomats including the then ambassador and Head of EU Delegation, among other development partners, came close to castigating China for bailing us out of a financial crisis.

While there is need to control infla-

tion and stabilise the shilling, we should not at the same time be seen to be punishing the private sector by denying it affordable funds.

One way of containing inflation is by accessing foreign exchange reserves from development partners or friendly countries like China. The impact of this would be to strengthen the shilling, infuse liquidity into the economy and contain inflation at the same time.

The Eurobond should have achieved similar objective but the cloudiness that came with it made the economy lose the goodwill of potential investors, giving rise to perceived financial risks in the near future. Inability to articulate the usage of the Eurobond or otherwise was to blame for the state of play we find ourselves in today, of course not forgetting corruption.

This approach would also enable CBK to lower its interest rates, leading to commercial banks lowering their own in turn and infusing more liquidity back to commercial banks.

In the long-term also, the government should deepen the financial markets by also embracing the long talked about "Venture Capital Funds Corporation" and "the Export Import Bank of Kenya" and infuse more funds to the Kenya Industrial Estates (KIE), the IDB Capital Ltd (formerly the Industrial Development Bank Ltd), the Industrial Commercial and Development Corporation (ICDC) and the Kenya National Trading Corporation (KNTC), among others.

This will inject some form of competition in the financial Sector. Micro-finance institutions and sacco are doing their best but they lack financial resources to outreach many potential borrowers and savers.

Mr. Munyaka is an independent financial consultant. He has consulted widely on regulation of banks and financial markets in Kenya and Africa.

Zimbabwe deadline for companies to be black-owned passes

A Zimbabwe deadline for all firms to transfer most of their shares to black Zimbabweans has passed, but it is not clear how many have complied.

The government had said that companies should meet the requirements of a 2008 indigenisation law by the end of March.

Theoretically, non-compliance could lead to a company losing its licence.

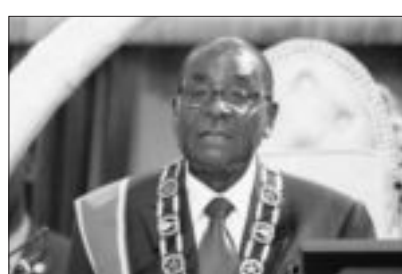
This was a key part of Robert Mugabe's 2013 election campaign - on the basis that black people were discriminated against during the colonial era.

But it has proved controversial, with

detractors saying that it could discourage much-needed foreign direct investment.

The Reuters news agency quotes the minister responsible, Patrick Zhuwao, as saying that most of the country's foreign-owned banks and mining companies have not submitted their indigenisation plans, adding that he thought they would do soon.

But Mr Zhuwao told the BBC's *Focus on Africa* programme that his ministry was currently "going through submissions made by companies [and] we don't have statistics yet" on who has



Zimbabwe President Robert Mugabe. FILE

complied.

He dismissed concerns that the measures would scare off foreign investors.

"Those statements come from voo-

doo economists," he said, "and these statements are really very far removed from reality."

He added that the "law is attempting to negate the imbalances that were created by racism as a result of our colonial history".

Zimbabwe hosts some of the world's best-known banks and mining companies. Standard Chartered and Barclays are among the banks operating in the country, and Zimbabwe also hosts the mining firms Anglo American Platinum and Impala Platinum.

BBC Africa Business Report editor

Matthew Davies says that an attempt to implement the law two years ago was largely ignored, but this time the government is promising action.

The indigenisation plan for businesses echoes the country's land reform programme that started in 2000.

At that time, the process of transferring around 4,500 farms held by white commercial farmers distributed to nearly 170,000 black Zimbabwean families began. This has been widely blamed for causing Zimbabwe's economic collapse.

-BBC

TOP NEWS

New rules to curb use of shell firms in tender frauds

»From Page 1 the launch date. Shell companies are usually formed as vehicles for specific financial operations and in most cases do not have a physical location or a list of employees but only exist on paper.

This has made them ideal for illicit financial operations, including money laundering, bribery, tax evasion and terrorism financing.

Dozens of such companies have been recently named in the National Youth Service (NYS) and the Youth Enterprise Development Fund (YEDF) scandals where they were used as vehicles to receive and move hundreds of millions of shillings.

Daphine Kemunto, the legal manager at Deloitte East Africa, said that the new provisions seek to enhance good governance through adequate disclosures.

“It should be easy to locate and act against shell companies used in illegal or scandalous practices with the introduction of these requirements,” said Ms Kemunto, adding that the disclosures will also make it easy for third parties to serve any notices on a company.

“It should be easy to locate and act against shell companies used in illegal or scandalous practices

DAPHINE KEMUNTO,
DELOITTE EAST AFRICA

The list of details that the registrar of companies will now require those registering companies to provide includes the county, town and district where the company is located; the name of building and plot number where the offices of the company are; the street or road; and the floor or room number.

The companies are expected to provide a post office contact, an office and mobile telephone number as well as an email address.

Previously, some companies would just provide a postal address and in some cases these were their lawyers’ address, leaving no hint as to their physical location.

The design of the new regulations appears intended to ease the process of tracking down firms with suspect operations in order to facilitate quick visits to their premises and to verify that they have the capacity to undertake the businesses they claim to be doing.

The provision on the number of employees offers an additional parameter of authenticity check and is hinged on



Attorney-General's offices at Sheria House in Nairobi. HEZRON NJOROGE

the expectation that companies doing business or receiving millions of shillings would reasonably be expected to have several employees working for them.

Ms Kemunto said employee information may also be necessary to establish whether a company is qualified to be grouped under the small companies’ regime.

The company registration form under the Companies Act 2015 was gazetted in November last year.

The coming into force of the changes three months later points to a response to the recent back-to-back scams that have seen the taxpayers lose millions of shillings. Prof Muigai had not responded to our queries on the issue by the time of going to press.

Josephine Kabura, who has been at the centre of the Sh791 million NYS scam, recently claimed that former Devolution and Planning secretary Anne Waiguru helped her form seven companies at a

go to undertake business with the youth agency.

These were the companies that would be given dubious tenders issued under a flawed procurement system and paid inflated sums of money to be later divided among the actors.

She claims that the payments were for genuine supplies made to the NYS but investigations by the Banking Fraud Investigation Unit (BFIU) indicate that the local purchase orders (LPOs) used to transfer the amount to Ms Kabura’s accounts were forged.

The BFIU said that investigations revealed the Sh791 million was transferred to three companies- Form Home Builders, Roof and All Trading Ltd and Reinforced Concrete Ltd- all belonging to Ms Kabura.

In another case, a company by the name Quorum Limited is accused of having received Sh180 million from the YEDF for offering fictitious ICT services

to the fund.

Chase Bank flagged the transaction as the firm had never received such huge payments before and had during the lifetime of the account only received Sh3,000.

In the Imperial Bank scandal that saw the collapse of the bank, its chief executive Abdulmalek Janmohamed, since deceased, is said to have operated a network of 20 companies which he used to swindle customers of billions of shillings.

At the centre of the scam is W.E Tilley Limited that used to receive bulk payments in a US dollar account on instruction from Mr Janmohammed.

This money would then be transferred to the accounts of other companies linked to Mr Janmohammed and W.E. Tilley and its directors in instalments of between Sh10 million and Sh100 million every week.

Changes made by Prof Muigai in the company form include those on the ownership structure, with companies required to disclose if they are subsidiaries or holding companies. Subsidiary companies will be required to disclose if the holding company is in Kenya or not.

“An express disclosure of this information is immaterial because one is able to tell whether a company is a subsidiary of another by looking at the shareholding structure,” Ms Kemunto said.

“However, a disclosure of the ultimate holding company helps to identify the ultimate parent if different from the majority shareholder as listed in the structure of the company. Our take is that this will help in investigations where needed.”

gkairie@ke.nationmedia.com

UK government now turns its guns on Moi-era looters

»From Page 1 Daniel arap Moi.

“We were never allowed to complete the work. We had only done 25 per cent of the work,” said Kroll’s senior consultant for Africa, Mark Simmonds, in an exclusive interview with the *Business Daily*.

Mr Simmonds, however, declined to give further details, citing strict confidentiality rules.

Kroll is mulling over a plan to set up a base in Kenya as part of a wide plan to win local risk consultancy and business advisory deals, the firm announced last month.

Kroll’s rare disclosure means that the extent of Kenyan assets pillaged under Mr Moi may top £4 billion (Sh580 billion), which is a tenth of Kenya’s rebased GDP.

In 2003, then President Mwai Kibaki hired Kroll Associates to track funds stashed abroad by Kanu bigmen, but the findings have never made public even after whistleblower site WikiLeaks published the explosive report in the run-up to the 2007 General Election.

Mukurweini MP Kabando wa Kabando a fortnight ago petitioned the National Assembly to compel the government to seize assets identified in the damning Kroll report.

The assets identified in the report include multi-million pound properties in London, New York, and South Africa; as well as a 10,000-hectare ranch in Australia.

Those named in the 110-page Kroll Report include former President Moi’s sons Philip and Gideon, Joshua Kulei, who served as private secretary to Moi, ex-powerful minister Nicholas Biwott and former Vice-President Geroge Saitoti (deceased).

The report says Mr Kulei owns several palatial homes in London “where his children go to school” – giving addresses such as 19 Eaton Park, Cobham, Surrey, Flat 11, No. 49 and Lowdnes Square London.

Other properties in the UK are a £4 million palatial home in Surrey and a £2 million flat in Knightsbridge.

Kroll forensic auditors also unearthed



Ethics and Anti-Corruption Commission (EACC) offices at Integrity Centre in Nairobi. EACC is yet to pursue those named in the Kroll Report. FILE

dozens of secret bank accounts held in the UK by powerful Moi government figures and pseudo-businessmen, holding “millions of pounds.”

The report says Moi-era power men have retained the services of top-notch stockbrokers and savvy private wealth advisers based in London and New York

to manage their portfolios.

In September 2007, government spokesman Alfred Mutua (now Machakos governor) and the then Justice permanent secretary Dorothy Angote, confirmed that the Kenyan government had received the Kroll Report in 2004 and that it was handed over to the now defunct Kenya

Anti-Corruption Commission.

The Ethics and Anti-Corruption Commission (EACC), like its predecessors, is yet to pursue those named.

The Kroll Report said that Philip Moi had assets worth £384 million while his brother Gideon Moi (currently Baringo senator) was reported to have £550 million, mostly held overseas.

This translates to Sh55.6 billion and Sh79.7 billion respectively at current exchange rates.

Transnational Bank is the conduit that was used to launder cash to the tune of Sh13 billion before it was sent to overseas accounts, according to the Kroll Report.

The tier-three lender’s major shareholders are Sovereign Trust, associated with Mr Kulei, with 23.03 per cent, Simbi Investors, associated with Simeon Nyachae, with 8.2 million shares or 4.11 per cent; Losupuk Ltd, associated with former vice president George Saitoti, (2.79 per cent) and Kenyerere Ltd – associated with Jared Kangwana - with a 2.15 per cent stake.

hdavid@ke.nationmedia.com

ECONOMY & POLITICS

PRICES | RESULTS | DATA

Graduates prefer State jobs over private sector

PERKS Job security among factors drawing young people to government employment

BY KIARIE NJORGE

Kenyan youth prefer government employment over the private sector due to job security and pension, a World Bank survey.

A world Bank report released last week says that the job stability of public sector employment carries a high premium and youth are prepared to forego Sh1,700 per month in a private sector job in order to hold a public sector one.

It adds that in most cases the government jobs offer higher pay explaining their allure to the youth.

Corruption, which has seen Kenya lose a third of its budget, has also offered public servants an opportunity to be wealthy, a dubious prospect that has seen many seeking State jobs with the intention of lining their pockets with taxpayers' money.

"Not only do they offer high potential earnings, but other non-pecuniary rewards such as job security and career opportunities are also important factors," the Kenya Economic Update report says.

"They (youth) are prepared to forego some salary in exchange for job benefits such as pension and vacations. Together with job stability, these benefits explain why the public sector is a preferred employer to the private sector."

The private sector is regarded as more volatile with job cuts usually dictated by the performance of the employer. In the last 12 months for example, several listed companies like Uchumi Supermarkets, Kenya Airways and Barclays have indicated they intend to let some staff go.

Pay in government jobs has also been growing much faster than the private sector.

Average monthly pay-public sector

The average private sector pay stood at Sh44,806 per month in 2014

Year	Pay (Sh)
2010	33,527
2011	36,043
2012	40,418
2013	45,727
2014	49,739

Source: KNBS

The Economic Survey indicates that in 2014, the increase in average annual earnings was 8.8 per cent in the public sector compared to 7.5 per cent in the private sector.

The average public sector pay surpassed that of the private sector in 2010, making the government an attractive employer given that it also offers a number of allowances not provided by private companies.



Thousands of job seekers outside Bandari College in Mombasa after the Kenya Ports Authority advertised vacant positions following a strike last year. FILE

offering opportunities for graft, handing the youth an opportunity to get rich fast.

The World Bank report further indicates that while Kenya is experiencing modest economic growth, there is still a large population of unemployed and under-employed people.

Workforce

In the next 10 years, about nine million people are expected to join the workforce and given the scarcity of formal sector jobs, the youth will continue to find jobs in the small household enterprises.

"The lack of jobs is evident in urban labour markets: nearly two million urban residents between ages 15 and 64 are jobless, not counting college students," the report says.

"Unemployment is therefore not fictional. Almost one third of the unemployed have been looking for a job for at least one year."

gkiarie@ke.nationmedia.com



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ECONOMY & POLITICS

Only Nairobi, Kirinyaga ink Sh100 diabetes drug deal

BY STELLAR MURUMBA

Only two counties have signed up for a deal that will see patients access drugs for cancer, kidney and diabetes treatment at Sh101 (\$1) per dose.

Swiss pharmaceutical giant Novartis said only Nairobi and Kirinyaga have agreed to supply to the subsidised drugs to patients visiting public hospitals in their devolved units, leaving residents in other counties to buy the drugs at market rates.

“It is up to the other county governments to push for the drugs and offer relief to poor patients since government is not buying the medicine; for now only Nairobi and Kirinyaga patients have access to the NCDs (non-communicable diseases) drugs,” said Novartis spokesperson.

The spokesperson said talks to include more counties in the deal are ongoing with a target of having all the 47 devolved units on board.

Counties like Bungoma reckon they are not aware of the deal despite showing interest on the subsidised medicines.

The first batch of the low-cost drugs were delivered in Kenya in February, easing the burden on households.

A monthly dose of cancer drugs manufactured by Novartis costs between \$100 (Sh10,300) and \$300 (Sh30,900) per month, according to several doctors. The cost is unaffordable to many ailing Kenyans due to poverty.

Kenya is the first country to benefit from the Novartis deal that will see 15 drugs sold at a dollar to 30 low- and middle-income countries.

Other countries set to benefit include Ethiopia, Rwanda, Burundi, Tanzania, Sudan and Uganda.

Cancer is the third leading killer after malaria and pneumonia, according to the Economic Survey 2015.

Official data shows cancer related deaths have been rising from 11,995 in 2010 to 14,175 in 2013.

Deaths from malaria, HIV/Aids and tuberculosis have been declining over the same period, reflecting the public health crisis brought home by cancer at a time when the country is reeling from a shortage of doctors and equipment that can handle the disease.

Poor diet and sedentary lifestyles are behind the rise in diabetic and heart patients as Kenya becomes increasingly urbanised.



A National Bank branch in Nyeri town: The bank reported a loss of Sh1.15 billion, despite reporting a Sh2.25 billion profit in the nine months ended September 2015. FILE

Two-bedroom flats tenants hit hard in sharp urban rent rise

REAL ESTATE Average rent hits Sh20,012 in March up from Sh15,982 in 2012

BY NEVILLE OTUKI

Tenants of two-bedroom flats have experienced the fastest rise in rent over the past five years with renting costs of three-bedroom maisonette rising at the slowest pace.

Official data puts the average monthly rent of a two-bedroom flat at Sh20,012 in March up from Sh15,982 in the same month of 2012, reflecting a growth of 25.2 per cent.

The flats are popular with middle class homes as the rents fit within their monthly budget.

Three-bedroom maisonettes, preferred by rich tenants, are up by 14.6 per cent to Sh32,797 over the same period, according to the Kenya National Bureau of Statistics (KNBS), while a two-bedroom bungalow is up 15.3 per cent to Sh27,759.

This means developers of two-bedroom units have gained the most in terms of rate of returns on their investments, especially in major towns.

KNBS senior statistician Simon Gaitho said the bureau does not currently track the rent for one-bedroom houses.

Sector analysts attributed the faster growth in two-bedroom rental prices to rising demand among working middle-income households. Such properties whose location is near or along routes connecting to commercial towns have proved convenient in daily commute.

Maisonettes are often located in places farther from town centres and are preferred by the rich while most middle-income commuters opt for two-bedroom units whose lower costs match their budg-



Residential flats in Bamburi, Mombasa.

LABAN WALLOGA

ets, according to Anthony Mugo, chief executive of Falcon Development—a real estate developer.

Rents in the cities — Nairobi, Mombasa and Kisumu — are generally higher due to higher demand and cost of living.

Middle class homes spend the bulk of their monthly income (23.6 per cent) on housing, utilities and cooking gas, exposing them most to the rising costs.

Landlords are now required to pay 12 per cent of gross rental income in taxes compared to the previous 30 per cent of their profits in what analysts say could see property owners raise further rent to protect their margins. Taxing gross rental income means landlords will not deduct costs incurred on wages, repairs, utilities and land rates.

The Kenya Revenue Authority will not distinguish between profitable and loss-making property holdings in charging the tax.

HOUSE RENTS IN PAST FIVE YEARS (Sh)			
	2012 (March)	2016 (March)	% jump
3-bedroom maisonette	28,603	32,797	14.6
2-bedroom bungalow	24,069	27,759	15.3
2-bedroom flat	15,982	20,012	25.2
One room	3,119	3,676	17.8
Source: KNBS			

Low-income earners focused housing developer Karibu Homes managing director Ravi Kohli earlier said monthly charges for two-bedroom flats match the income budgets of most middle income earners, hence the preference.

Mr Kohli reckoned there is a glut in the high-end homes market, including three-bedroom units, citing Nairobi’s Kilimani and Kileleshwa estates where several units have been unoccupied for months.

Rent for one-room houses, popular with low income earners, are up 17.8 per cent to Sh3,676, official data shows.

The KNBS defines middle class as those spending between Sh23,671 and Sh120,000 a month and the upper income group as those spending above Sh120,000 monthly.

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CMA makes U-turn to question National Bank on profit alert

BY DAVID HERBLING

Capital markets regulator last week made a U-turn and said it is pursuing National Bank for reporting an unprecedented Sh1.15 billion loss without notifying investors, despite stating on Wednesday that the lender was in compliance.

The Capital Markets Authority (CMA) said it is going after troubled NBK for flouting listing rules and risking shareholder investments.

“The authority is however following up with the company on the placement of the same (profit warning) in the Press in line with our mandate of investor protection to ensure that all investors have equal access to information from the company,” said CMA in a statement sent to the *Business Daily*.

The regulator had on Wednesday evening said it “was duly notified” by NBK of the earnings drop.

But CMA rules demand that all announcements such as profit alerts and change in management be made public within 24 hours of the happening of the event.

National Bank on Wednesday morning notified CMA of a profit warning and later at midnight the same day released full-year results without first publishing in the dailies the profit alert.

CMA requires companies to publicly issue a profit alert if they project

earnings will fall by more than 25 per cent, to warn investors of the risks of capital losses and reduced dividend as a result of the profit fall.

The annual financial results, which were released two days after NBK sent its chief executive, Munir Sheikh Ahmed, and five top managers on compulsory leave to facilitate an internal audit, only deepened the mystery surrounding the authenticity of the lender’s financial health.

It made an after-tax profit of Sh871 million in 2014.

The record loss was blamed on a mounting volume of sour loans which grew by nearly two-thirds to Sh11.7 billion in the period under review, reflecting deteriorating asset quality.

NBK’s earnings were hit by a sevenfold increase in loan impairment costs, which saw provisions to cover for bad loans hit Sh3.7 billion compared to Sh525 million as at December 2014.

NBK posted a net profit of Sh2.25 billion in the nine months ended September 2015, in what the now suspended MD Ahmed dubbed as “the best annual performances by the bank in its 48 years history.”

Mr Ahmed hailed the “transformation” success and had announced that NBK planned to venture into South Sudan and even introduced a Chinese department eyeing trade financing with the Asian economy.

“The authority is following up with the company on the placement of (profit warning) in the Press

CAPITAL MARKETS AUTHORITY

CORPORATE NEWS

PRICES | RESULTS | DATA

CA rolls out address system to boost e-commerce

IDENTIFICATION Move aims to boost uptake of e-commerce and delivery of service

BY OKUTTAH MARK

The Communications Authority of Kenya (CA) has started a process to have a nation-wide numbering and addressing system to boost the uptake of e-commerce and improve service delivery.

Most homes and small businesses lack proper addresses, slowing down the growth of e-commerce that relies on timely and efficient delivery of goods to customers making orders online of through telephone calls.

Players in the delivery and e-commerce space, including Jumia and OLX, have concentrated their operations in major towns, with more detailed street and building addresses.

"Many countries that have successfully deployed national addressing systems posit a strong correlation between physical addressing and growth of e-commerce," Francis Wangusi, the CA director-general, said.

"Further, research has shown that over 90 per cent of the world economy is now being driven by micro, small and medium enterprises, a factor attributed largely to the rapid adoption of e-commerce."

The establishment of the numbering and addressing system will be done through a public-private partnership in a move aimed at aligning the process with the Constitution.

Schedule 4 of the Constitution gives the mandate of physical planning to counties, a requirement that has forced CA to seek collaboration with the devolved governments to ensure that county numbering and address system conforms with the national one.

A national addressing system (NAS) is a framework that provides for, among others, the naming/numbering of streets



CA director-general Francis Wangusi. SALATON NJAU

and/properties and coding to facilitate easy identification and location of such places on the ground.

It also involves the development of digitized maps for use in the management of settlements and urban communities. This is the latest attempt by the government to find a solution to the national addressing and numbering systems and unlock the potential it has on

e-commerce.

In 2000, the Postal Corporation of Kenya developed a 5-digit postcodes system for geographical location.

Between 2008 and 2010, the government established an inter-ministerial taskforce whose role was to test project in Nairobi. In 2009, the Nairobi City Council established property numbering.

Under the new regime, CA is mandated to set standards and establish a national communications numbering and address standards.

The county governments will be charged with, among other things, ensuring that deployment of the County addressing system is consistent with the national addressing standards.

Roads and highway authorities will ensure that road naming and display of addresses, as may be appropriate, conforms to the certified national addressing standards and systems.

According to the Courier Industry Association of Kenya (CIAK), the absence of an efficient numbering system has presented numerous challenge especially in the delivery of good and services in Kenya.

"Majority of homes in Kenya do not have a name or number, rarely have a street name and definitely no national level post or zip code," said Geoffrey Mwove, the CIAK chairman.

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Uchumi borrows Sh250m to pay suppliers as it grapples with debts

BY DAVID HERBLING

Troubled Uchumi Supermarkets has taken a Sh250 million short-term loan from United Bank for Africa (UBA) Kenya to pay suppliers.

The Nairobi bourse-listed retailer — which is battling a winding-up suit — said it owes suppliers a total of Sh3.6 billion and has turned to bank loans for financing, awaiting earnings from disposal of assets and cash injection from a strategic investor.

This is the second time in three months Uchumi is borrowing to settle suppliers' dues, having borrowed Sh500 million from KCB Bank in December last year.

"We acknowledge that we cannot rely on bank loans for too long and for this reason we are exploring other sources of funds such as disposal of some assets, engaging a potential investors," said Julius Kipng'etich, Uchumi chief executive.

"We however continue settling current supplies from our operating cash as well as the savings generated from the closure of



Creditors' dues

■ The Nairobi bourse-listed retailer — which is battling a winding-up suit — said it owes suppliers a total of Sh3.6 billion.

some of our branches," said Mr Kipng'etich in an interview with the *Business Daily*.

Uchumi has historically been grappling with suppliers' dues and mounting debts, which led to the listed retailer being declared insolvent on May 30, 2006 and subsequent suspension from trading at the Nairobi bourse where it was readmitted on May 31, 2011.

The retailer has hired Pamoja Capital to help guide the search for a deep-pocketed investor to put in up to Sh5 billion in ex-

change for a controlling stake in Uchumi. It also plans to dispose of two prime properties: the Ngong Road branch and the Lang'ata Hyper store.

Uchumi last week closed five loss-making outlets, including Nairobi's Taj Mall, Embu, Eldoret, Nakuru and Kisii, leaving the retailer with 20 outlets in Kenya.

San Giorgio Ltd, a Mombasa-based firm, last week moved to court seeking to sell off the assets of Uchumi to recover unpaid dues amounting to Sh53 million.

A supplier has moved to court seeking to wind up Uchumi Supermarkets over an undisclosed outstanding debt, adding to the woes of Kenya's oldest retail chain. The case will be heard on April 5.

Uchumi in January filed for bankruptcy in Uganda after failing to service debts in the market where it pulled out, alongside Tanzania. However, the Industrial Court has stopped Uchumi from sacking the 253 employees declared redundant after closing five branches.

Search Engine

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Business Daily will publish a special journal on: **Search Engine Optimization Experts in Kenya on Thursday, April 14, 2016.**

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BUSINESS DAILY
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CORPORATE NEWS

Regulator warns oil dealers rejecting rivals' gas cylinders

EXCHANGE POOL ERC asks consumers to report marketers

BY ALLAN ODHIAMBO

Consumers have been asked to report oil marketers and retail outlets that reject cylinders of rivals covered under the Liquid Petroleum Gas (LPG) exchange pool clearing system that aims to cut costs and bring convenience to buyers.

"Licensed brand owners who refuse to recognise for exchange other brands of domestic LPG cylinders should be reported to the Commission," the Energy Regulatory Commission (ERC) said.

The Energy (Liquefied Petroleum Gas) Regulations of 2009 compel licensed LPG brand owners under the exchange pool to accept and cylinders belonging to other members of the pool.

The arrangement has, however, been dogged by controversy lately amid tussles between smaller independent and multi-national firms who cited safety concerns on the quality and handling of the cylinders.

The feuds have escalated since last year following back-to-back crack-downs on illegal LPG re-filling sites that have seen the recovery of large numbers of cylinders, some of them either too old, damaged due to poor handling or in need of validation.

Several multinational firms have, as a result, rejected some cylinder brands within the exchange pool —catching the attention of the ERC.

The ERC on Friday published a list of 33 firms with their respective LPG brands and asked consumers to freely source their stock from the pool without intimidation.

“
Licensed brand owners who refuse to recognise other brands of LPG cylinders should be reported
ENERGY REGULATORY COMMISSION



An assortment of gas cylinders: Some of the oil marketers have rejected cylinders from rivals, citing safety concerns. FILE

The scheme entails the pool members paying each other for extra gas cylinders held following the introduction of standard valves, which meant consumers could buy gas from any vendor, keeping prices low.

To join the pool a firm is required to have trained workers, 5,000 cylinders, take a public liability cover of Sh50 million, execute a security bond of Sh5 million and fill the vessels in a licensed plant.

The companies are also required to maintain high environmental, health and safety standards. Offenders are expelled from the pool.

The move by the ERC is expected to deal a blow to an ongoing campaign by some multinationals for the re-introduction of unique valves.

Independent gas dealers have opposed the proposals by the multinationals, terming

it a ploy to drive them out of business.

A meeting scheduled for March 23 in Nairobi to consider the re-introduction of unique valves did not take-off because top officials of the Energy and Petroleum ministry were surveying appropriate route for a joint crude pipeline.

Industry consultations

Petroleum principal secretary Andrew Kamau had told *Business Daily* ahead of the rescheduled meeting that no decision had been reached on the proposals by the multinationals.

"We have not made a decision on the matter and we are keen on having industry consultations," he said.

"We appreciate the safety issues raised by the big firms but we shall also consider the position of the smaller players as well as the interests of the consumers."

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A Royal Air Maroc plane. FILE

Moroccan airline entry steps up price war on Nairobi route

BY DOREEN WAINAINAH

Royal Air Maroc's entry into Kenya is stepping up the price wars for local and international flyers.

The Moroccan national airline had its first flight to Nairobi last week with introductory offers on the carrier's flights being nearly 30 per cent less than the current charges by rivals on some routes.

The airline has introduced return flights for as low as Sh49,000 (\$490) between Nairobi and Europe, Sh79,000 (\$790) to America and Sh69,000 to London.

The rates are lower than what existing carriers, including Kenya Airways as well as Middle East carriers Emirates and Qatar.

Low-cost carriers

The Kenyan airspace has been attracting low-cost carriers for local, regional and international routes. Fastjet made its re-entry to the market, servicing the Kenya-Tanzania route engaging Kenya Airways in a vicious price battle.

The two airlines were put under watch following questionable adverts which indicated prices exclusive of taxes, making it seem

cheaper than it actually was.

KQ, which has been grappling with losses, has had to contend with players coming into its home turf and the East African airspace including Etihad which in December launched direct flights between Dar and Abu Dhabi.

In February, it was reported that 36 passenger and cargo transport operators applied for licences to run local and international flights.

The applications filed with the Kenya Civil Aviation Authority (KCAA) were renewals by existing operators and new applications. Zimbabwe-based Global Africa Aviation Ltd have sought permission to conduct cargo flights between Harare and Nairobi while Canada's West Wind Aviation Ltd is seeking to offer passenger and cargo transport between Nairobi and east, west, central and southern Africa from Wilson Airport.

Other potential entrants include Poland's Small Planet Airlines that plans to have weekly flights while Saudi Arabian Airlines Corporation is seeking a licence for cargo services between Nairobi and Jeddah.

Number plate production hitch at Kamiti Prison hits vehicle sellers

BY LILIAN OCHIENG'

A shortage of number plates has hit motor vehicle dealers and their customers, stalling registration of both used and new passenger and commercial units.

Dealers say the problem which started three months ago has worsened over the past two weeks, affecting cash flow while inflating storage charges.

Storage charges are based on the number of vehicles and days they remain at the Mombasa port or at container freight stations.

The Kenya Revenue Authority (KRA) requires all imported vehicles to be fitted with number plates before leaving the port to curb tax evasion and theft.

"Lack of number plates is hurting our business. We cannot rely on paper number plates," said Rita Kavashe, the chairperson of Kenya Motor Industry Association which represents new vehicle dealers.

Used vehicle dealers have also been hit, according to the Kenya Auto Bazaar Association secretary general Charles Munyori.

Outstanding payment

The director of registration at the National Transport and Safety Authority (NTSA), Ms Jacqueline Githinji, told *Business Daily* there is a production hitch at Kamiti Maximum Security Prison where the number plates are made.

She did not explain the cause of the



Samples of number plates on display at Kamiti: NTSA says there is a production hitch. SALATONJIAU

hitch but several dealers claimed the prison's commercial department is demanding outstanding payments from NTSA.

Ms Githinji said the number plate shortage has affected the KCG registration series ending with 'S' and 'T'.

Kamiti has the capacity to produce 1,000 plates daily for cars, trucks, and tractors.

The surge in motor vehicle imports per day outstrips the supply as Kenya's growing middle class acquire more vehicles.

Car Importers Association of Kenya chairman Peter Otieno said that monthly small car imports alone range between 3,000 and 5,000 units, outstripping the number plate production rate.

The Kenya National Bureau of Statistics states that last year alone, 68,489 passenger cars were imported.

All vehicles currently delayed at the port have their duties fully paid and registration completed.

Dealers said the number plate delays have been recurrent. In some cases businesses and individuals have had to cope with repaying loans for cars held for months.

For prestige

"The number plate problem occurs mostly when a new registration number comes up; some importers even delay registration to take advantage of the newest numbers," said Makena Grace, a container freight handler at the port.

"People rush to buy the new plates for prestige," she said.

IDEAS & DEBATE

OPINIONS | REVIEWS | ANALYSIS

Consider pros and cons of interest rates cap before passing banking Bill in haste

» **LAW** Stakeholders should discuss interest rates control to avoid hurting vibrant sector

BY FERNANDES BARASA

The setting of interest rates is a main function of a central bank. By raising or lowering short term interest rates, or the cost of money, central banks aim to affect the amount spent and borrowed by businesses and consumers.

As a consumer, higher interest rate influences your mortgages, equity loans, credit cards and other borrowing initiatives. As an investor, the impact of higher interest rates depends on what types of investments you venture into. This affects access to credit which is considered to be a main pillar to economic development.

There is currently a heated debate both in and outside Parliament on the effect of the Banking (Amendment) Bill 2015 to the economy.

The Bill as structured is aimed at providing a mechanism for regulation of banks and financial institutions' interest rates through the introduction of ceilings. The Bill proposes to put a cap on the rate of interest charged for loans and to fix the minimum rate of interest that such institutions must pay on deposits held.

The Bill further seeks to amend section 33A of the Banking Act by introducing a new section which provides for interest ceilings, warning to the borrowers and sanctions to banks and financial institutions providing interest rates higher than those prescribed by the law.

The issue of capping interest rates is not new to Kenya. In 2000, the Donde Bill tried to address the issue of interest rates but did not get much support from stakeholders including banks.

Last year, there were fresh attempts to cap bank interest rates through the proposed amendments to the Finance Bill 2015. However, this did not go through.

Equally, the Central Bank of Kenya (Amendment) Bill 2015 sought to amend Section 36 of the CBK Act to compel banks and microfinance lenders to cap borrowing rates at five percentage points above the central bank lending rate.

Such laws designed to prevent the



MPs during a session at the National Assembly. FILE

taking of "excessive" interest, have long been the subject of debate and controversy. While supporters of such legislation claim that such controls protect consumers from abusive lending practices and enable them to obtain loans at reasonable rates, their opponents argue that they work to consumers' disadvantage by distorting financial markets.

According to a World Bank report dated October 2014, at least 76 countries use some form of interest caps.

In sub Saharan Africa, interest rates on credit are capped in 24 countries. The main reason for capping those rates was to protect consumers from high interest rates, to increase access to finance and to make loans affordable. The World Bank paper posits that such scenario has varying effects including withdrawal of financial institutions from the poor or from specific segments of the market.

The global financial crisis of 2008 reopened the discussion on interest rates caps as an instrument for consumer protection. As such countries such as El Salvador, Zambia and Japan introduced new interest rate caps in loans after the financial crisis.

The proponents of interest rates capping cite three main advantages of such initiative.

First, interest rates caps can be used to support a specific sector of the economy where a market failure exists or where

there is need for more financial resources. Such market failures often result from information asymmetries and the inability of financial institutions to differentiate between risky and safe clients.

Second, interest rate caps can be used to protect consumers from exploitation by guaranteeing access to credit at reasonable rates. They also protect the public interest by ensuring a fair and reasonable interest rate on loans.

Lastly, it has been argued out that because the prices charged for access to credit can be erratic and an-

ticompetitive and therefore be higher than the true cost of lending, setting a lower cap on interest rates will provide an excellent environment for lenders to operate.

On contrary, allude to a number of drawbacks related to interest rate capping. According to a paper, 'Effects of Usury Laws', by Oren Rigbi in-

terest rate caps may affect credit markets through numerous channels.

First, higher caps make lending to higher risk borrowers profitable by extending credit to some borrowers who were previously denied it.

Second, because the riskiness of a loan depends on its size, and not just on the identity of the borrower, higher caps may cause a given borrower to request a larger loan. Third, higher caps may increase the probability that borrowers default on loans, particularly if the caps

were preventing borrowers from agreeing to loan terms they could not manage financially.

In the United States, the base rate of interest is set quarterly by the Federal Reserve Bank. Because of good business ethics and strong consumer protection institutions, the banks are more disciplined and are inclined to behave as if they are being capped. In the UK, the base rate is set by the Monetary Policy Committee quarterly in line with other economic conditions prevailing at the time. The banks as in the case of US have good business ethics and, therefore, tend to set the rates they charge to borrowers very much in line with the base rate.

Based on these arguments and lessons from other jurisdictions, it would be good for Parliament and other stakeholders to consider the pros and cons of price controls in any sector, and especially the interest rates since it is at the core of Kenya's monetary policy. For instance, one of the benefits if this Bill is the amendment to section 31 of the Act to ensure that before granting a loan to a borrower, a bank or financial institution shall disclose all the charges and terms relating to the loan.

As we explore this route, let's also consider marrying it with other alternatives such as price transparency, consumer literacy, improve consumer protection frameworks and availing of credit information to the public and potential borrowers.

The writer is the national chairman, Institute of Certified Public Accountants of Kenya.



Other Voices



Bashaar al-Assad
Syrian President



Patrick Kingsley, Guardian

It was beyond sad to read in the Times this (last) week that Turkish border guards have allegedly shot dead Syrians trying to reach safety in Turkey. It is shocking to think of people fleeing the combined atrocities of Islamic State and Bashar al-Assad being gunned down just as they make their bid for safety. But what is perhaps most shocking of all is that we observers are still shocked by this.

The shooting of Syrians on the border is not a new phenomenon. Refugees and rights groups have reported shootings of migrants on the Turkish-Syrian border since at least 2013.



Narendra Modi
Indian Prime Minister



Anuvab Pal

There's been a lot of talk about loans. The summary seems to be: promoters of Indian companies took loans from public sector banks, couldn't repay them, and now need to face the consequences that, from the speeches of Prime Minister Narendra Modi and finance minister Arun Jaitley, seems to have the tone of the Spanish Inquisition mixed with flair of the East German Stasi. One TV channel ran a show with 'suspense music' titled 'The Other Malliyas'. It listed various companies whose debts ran into hundreds and thousands of crores, suggesting that these were less publicised cheats fleeing to foreign shores, who now had to be apprehended and, to satiate the public baying for loan blood, shot.



Muhammadu Buhari
Nigerian President



Gab Ejuwa, Vanguard

That corruption is alive and waxing stronger in Nigeria more than most of its global contemporaries is a fact. In fact, almost all the administrations that have in place the nation have been implicated in the systemic malady. The so-called corrective military governments are not exempted, but were only smarter in hiding the statistics of their official rottenness from public view. They were later exposed as well. And all over the world, it was being constantly said that unless the country fought this sociological monster to a standstill, investments into the country would be an unmitigated and inmitigable disaster.

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Varsity admissions must not be decentralised

The move by public universities and colleges to reject a Bill that proposes to decentralise the admission of students to institutions of higher learning is a step in the right direction.

The committee of vice-chancellors is right in questioning the bid to take away the role of admitting students from the Kenya Universities and Colleges Central Placement Service (KUCCPS), which is a State agency.

The Universities (Amendment) Bill 2015 by Leader of Majority in the National Assembly Aden Duale wants to remove the responsibility of admitting students from the Kenya Universities and Colleges Central Placement Service and place it on respective institutions.

However, there are valid fears that if the admissions role is decentralised it would lead to corruption and interference from influential people seeking slots in popular institutions.

Currently, KUCCPS is in charge of ensuring that each qualified student accesses the course of choice based on merit, transparency and equity. The common platform also ensures that there is no duplication in the admissions exercise.

Imagine the chaos that would ensue if a public university was given

the powers to admit its own students. There is very stiff competition for popular courses like medicine, architecture and engineering hence the need to ensure that those picked for the same are selected based on their qualifications.

There is a dangerous trend in some of the public universities and colleges where management and majority of teaching staff hail from the local community.

What would stop such an institution from picking students from the local community for the popular courses if given the nod?

Some politicians have a rabid tendency of interfering in institutions of learning that are in their domain hence decentralising the admissions exercise would be akin to giving them a licence to influence decisions.

The Education ministry has already warned such institutions to abandon the skewed practice by ensuring that qualified personnel from across the country are employed at the universities.

The era of some institutions creating ethnic cocoons is over and cannot be tolerated anymore. We aver that it is therefore wise to ensure that the role of admitting university students remains centralised so as to promote parity and fairness.

New drone rules timely

The Kenya Civil Aviation Authority's move to regulate the use of drones in the country is a welcome development.

According to the new regulations, civilians will now be limited to flying the drones at a height of 400 feet while those operating the unmanned aerial vehicles for commercial purposes will have their maximum allowable height determined by the regulator.

We welcome the proposed regulations as it is only by instituting rules and penalties that drone usage can be conducted in a safe and orderly manner.

There is need to ensure that the drones do not pose a security risk or interfere with passing aircraft hence the height limitation for civilians.

The devices have many benefits such as aerial surveillance in the fight against poaching. The Ol Pejeta Conservancy was in 2014 denied the use of drones in the war against poachers as the devices were deemed to be a security risk.

Filmmakers and media houses will now also be able to enhance their productions with the drones.

Kenya has also added drones to its arsenal in its war against Al-Shabaab terrorists in Somalia.

But while the new rules are timely, one has to wonder why it took the regulator such a long time before rolling them out.

Drones have been around for some time now, but it is the lack of rules that has seen them highly restricted in the country despite their importance.

EDITORIAL & OPINION



"If you hate your job I have good news for you: There's a support group for that. They meet every day in this building and they work!"

Good leadership is key for our success



COLLINS ODOTE
LEADERSHIP

Two weeks ago, I was involved in a conversation about Kenya's governance. The springboard for that debate was the transformative promise of the Constitution. Just over five years after the adoption of a very progressive Constitution, there is still pessimism about the changes that the Constitution is delivering.

One tweet last week helped summarise the context of the pessimism. It was reported to have been describing a society in 1957, but the argument was whether it was accurate of the Kenyan state in 2015 or 2016. The gist of the tweet that a society where merit was not rewarded, where corruption reigned supreme, where technical know-how prevailed over technical know-how, was bound to fail sooner rather than later.

While there may be several answers to the above question, the fact that it is even being asked should be a cause for reflection. During last week's State of the Nation address by President Uhuru Kenyatta, for example, there was lack of consensus on whether the country had progressed in the last 12 months. Sadly the disagreement was largely along partisan party political lines.

It is important that greater focus be placed on addressing the software of the nation even as work on the hardware continues. It is the software that will help bridge the gap between the opposing political viewpoints on the State

of Kenya. While citizens too have a role to play, we want to focus on leadership. Chapter Six of the 2010 Constitution recognises that leadership is both a legal and moral issue. It states unequivocally that leadership, whether elective or appointive, is a public trust.

Basic rules of trusteeship require that those vested with trust powers have to exercise them for the benefit of the public. In addition, the Constitution requires that leadership demonstrates respect for the people; bring honour to the nation and dignity to the office; and promote public confidence in the integrity of the office.

There are many leadership positions in Kenya. Starting with the most visible ones, the elected leaders. When one looks at the conduct of those in the legislature and the executive at all the levels of government, we have to ask whether their actions and conduct are in the public interest. To what extent are they setting examples worth emulating? Sadly a lot of the conduct by leadership does not bring honour and dignity to the office neither do they inspire public confidence.

How do we expect to transform the society when those who have the responsibility of the transformation process are hell bent on deforming that transformative process. Leadership have to help Kenyans to realise the national dream. That dream has to be shared. The people have to have faith that their leaders have their interest at heart and that they are setting the perfect example. Discussing the examination crisis in the country's education someone asked me how we expected the students not to follow the standards set by their leaders. An example of short cuts and personal aggrandisement and not ethical leadership and a focus on service. How can our children have good morals and values when around them they

realize that values does not pay.

But leadership is not just about those elected only. There are those appointed to offices. Public service too is expected to be inspirational and focus on public good. There are several Kenyans in public service doing a great job. However, we do not celebrate them. Instead we only see the bad apples in public service. These good servant deserve our support and emulation. Unfortunately it comes at great sacrifice and personal threat to be such a leader.

As citizens we have a responsibility of ensuring the environment of electing and selecting leaders promotes ethical and value-laden leadership. If we continue abdicating our sovereign responsibilities to leadership which is private-minded and has consistently demonstrated disregard for public good we cannot complain when they continue to disregard our aspirations for transformation.

In addition, each and every one of us has a leadership responsibility. In my high school we used to be told that if you are given a coffee cup to wash, do wash it better than it has ever been washed before. In the current context I would add that please neither break the cup nor privatise it in the process of washing it.

The examples we set in our leadership positions, however humble, have huge implications on how fast and far our transformative agenda will be realised. As Wangari Mathai used to say, the humming bird can only do its bit, however, huge the challenge is.

As we look at the State of the Kenyan nation let us pay particular attention to the quality of leadership in both elective and appointive offices at all levels of society. Therein lies our pathway to success as a nation.

Dr Odote teaches at the University of Nairobi

VIEWS FROM ABROAD ■ Opinions from around the world

Oil output freeze unpopular

To understand Saudi reluctance to cut production look no further than 1981-1986, the deepest oil price collapse in history.

THE MOSCOW TIMES
MOSCOW

Prices dropped 3.6 times — the current decline is close to this mark but has not yet broken the historical record.

The Saudi Kingdom attempted to single-handedly pull the entire world out of the price slump by cutting production to a record low — to almost one third of its 1981 level from 10.3 to 3.6 million barrels per day.

Ill-prepared for aging society

The government estimates that the proportion of the population who are senior citizens, which reached seven percent in 2000 to make Korea an

THE KOREA HERALD
SEOUL

"aging" society, is set to increase to 24.3 percent by 2030, 32.3 percent by 2040 and 40.1 percent by 2060. Besides denting economic vitality, this fast aging of the population will cause many problems. One outstanding problem is poverty, which is hitting almost half of Korean over-65s. The comparable average ratio for the member states of the Organization for Economic Co-operation and Development is 12.6 percent.

Germany bitterly divided

Many economists who were initially in favour of Merkel's policy have changed their minds. They say that, even in the medium term, the costs

THE GUARDIAN
LONDON

will outweigh the benefits. And the experiences of companies that hired refugees as trainees have been disheartening. Most people they took on lack even the basics of a high-school education. Still worse, we've lost trust in our institutions. When Merkel said, "We'll manage", she appealed to Germans' pride in their own efficiency.

To comment...

The editor invites comments on our content and topical issues. Please include your full names, telephone number and address in your letter.
Email: bdfeedback2@ke.nationmedia.com

EDITORIAL & OPINION

Large economies making inroads in green financing

HENRY PAULSON
ENVIRONMENT

The world's largest economies are starting to make some progress devising ways to bring in private capital to help finance environmentally friendly technologies. An equally powerful economic force should be harnessed at the same time: free trade.

A green financing agenda was initiated at the G20 talks in Shanghai last month. The G20 Trade and Investment Working Group meeting in early April in Nanjing would be a good occasion to push toward a breakthrough in buying and selling green products more

easily around the world.

Environmental goods are among the most obvious to open up to freer global commerce. They have tangible economic and social benefits for all countries, particularly those that may leapfrog traditional fossil fuels as part of their Paris climate commitments.

Many countries, though, maintain high tariffs at the border and non-tariff barriers behind the border. These include regulatory and other restrictions, which keep prices too high and thus hinder such goods from reaching the widest market possible.

It defies economic – and environmental – logic for governments

to deprive their own citizens from accessing the best, most effective clean tech products and services at the lowest cost.

Eliminating tariffs would remove one of the main stumbling blocks to adopting such technologies. For one thing, it would give consumers economic incentives to choose cleaner products over dirtier ones. There are knock-on benefits, too. Improving access to clean water by 50 percent, for example, would save the world more than \$7 billion annually in healthcare costs, according to UN estimates.

In other words, it's a socioeconomic imperative that would save lives, as

well as reduce costs for individuals and governments alike. There was some progress made on reducing tariffs and advancing green trade at the World Trade Organisation's Environmental Goods Agreement negotiations. China has, for instance, reduced tariffs on the 54 environmental products under discussion in the EGA talks. It has not eliminated them, however. A five per cent levy remains on products such as water-purifying technology and solar water heaters. Australia has a similar tariff on certain wind-power equipment.

The author is a Reuters Breakingviews columnist.

Incorporate principles of gender equity in inheritance

BRIAN KAZUNGU
LEGAL

On March 8, Kenya joined the world in marking the International Women's Day, a day set aside for celebrating women and appreciating their economic, political and social achievements.

This year's theme was *Planet 50-50 by 2030: Step It Up for Gender Equality*. We celebrated the many women who have made a mark in various fields and at different levels including our own Wangari Maathai who was the first African woman to receive the Nobel Peace Prize for her contribution to the environment, democracy and peace.

As a country, we have recorded gains in terms of providing opportunities for women in different areas of governance. At the top of this list of achievements is that of the Constitution of Kenya addressing the gender issue.

The Constitution provides that women are equal to men and entitled to enjoy equal opportunities in the political, social and economic spheres. Pertaining to the land sector, Chapter Five spells out that land shall be held, used and managed in a manner that will eliminate gender discrimination.

Matrimonial property

The Matrimonial Property Act was enacted into law in 2013. This legislation provides for the rights and responsibilities of spouses in relation to matrimonial property. The Act further underpins the equal status of men and women on matters of acquiring, administering, holding, controlling, using and disposing of property whether movable or immovable.

Despite these constitutional provisions, the reality on the ground paints a different picture. Culture and traditions continue to support male inheritance of family land and family laws aren't gender sensitive.

Customary practices continue to discriminate against women in land ownership and inheritance. Additionally, women are still not sufficiently represented in land ownership and management in general.

For example, recent surveys by the Land Development and Governance Institute show that only 30 per cent of those transacting in land belong to women.

If we are to improve on this situation, finding ways to incorporate the principles of gender equality into our customary practices is crucial. The National Land Commission's research directorate should prioritise identifying best practices that can be adopted to achieve this. Article 21 of the Constitution tasks all State organs and public officers with the duty of addressing the needs of women and other vulnerable groups within society.

Officials in the Land ministry and the National Land Commission should be at the fore in pushing for the enforcement of these laws and ensuring protection of women's rights.

In addition, these two institutions can promote protection of women's land rights through public awareness campaigns.

The writer is a land and natural resources management specialist.



Letters

The editor welcomes brief letters on topical issues. Opinions expressed here are not necessarily those of the editor or publisher. They may be edited for clarity, space or legal considerations. Send via e-mail to bdfeedback2@ke.nationmedia.com

Why State should reform law enforcement sector

President Uhuru Kenyatta gave his State of The Nation address last week in a joint parliamentary session and mentioned achievements of his administration.

He mentioned the Standard Gauge Railway (SGR) that will be completed ahead of schedule and probably add one point or two to GDP growth. The line will also reduce inflation due to lowering costs of transport and travel. He also mentioned electricity connectivity which has been going on uninterrupted.

With over half of potential customers hooked to the grid, the spread of economic opportunities continues to grow. There are also other positive developments that leave observers wondering why the economy finds it so difficult to breach the six per cent growth mark.

The major problem with Kenya's growth is lack of rule of law. Failure to enforce rule of law means that corruption will continue indefinitely. There is no way of stopping it when suspects bribe police to botch investigations, forcing courts to



Corruption in the National Police Service has hampered reforms. FILE

acquit criminals. Additionally, corrupt suspects bribe judiciary staff from workers at the registry to destroy/hide files, to magistrates and judges.

Enforcement of rule of law cannot be done within a situation where the police are irredeemably corrupt. The policemen are not to blame in all instances however. The law enforcement sector needs a lot of reforms.

Police holding cells must be rebuilt to include beds, tap water and modern toilets. Police offices need to be equipped with modern equipment (including forensic

laboratories), furniture. The Police service needs quality housing, insurances, modern guns and best practice human resource operations.

The cost of enforcing rule of law cannot be borne within our usual budgetary challenges. Various estimates have put the total cost at about Sh500 billion -800 billion. Where would this money come from? My considered opinion is that Kenya should internationally and competitively recruit the Inspector-General (IG) of Police who comes up with the best practice reform package.

This amount of package would be financed by flotation of a diaspora bond, for example. Fiji head hunted Andy Hughes from Australia. Canada used to routinely recruit senior officers internationally.

Heads of airport police should be highly trained with wide exposure across the world. We do not have such specialised professionals.

The new IG would have a contract that would specify non-interference from politics so that he would arrest anybody as

per the constitution. The new IG would be allowed to internationally and locally head-hunt primarily on public safety and battling terrorism, crimes against humanity, environmental crime, genocide, war crimes, organised crime, piracy, illicit traffic in works of art, illicit drug production, drug trafficking, weapons smuggling, human trafficking, money laundering, child pornography, white-collar crime, computer crime, intellectual property crime, and corruption.

I say this because even banks would be forced to drop interest rates when government becomes efficient, lean, frugal and strategic. Investors would beat a path to Nairobi.

At a time when the world is experiencing economic horror of China's slowdown, Kenya should take advantage of attracting ex-Chinese investors by promoting rule of law, good infrastructure (relative to our neighbours) and energy efficiency as its selling points.

KARIUKI MUIRI
via email

Address the perils of importing more than the country exports

Kenya continues to import more and export less each year, while our production levels drop and we continue the sell off our large companies to foreign interests.

As a result, tax revenue has receded and we now have fewer Kenyan owned companies remaining to produce wealth and generate taxes. Our government, already drowning in foreign debt must continuously borrow more to operate and pay its bills.

This cycle of debt enlargement has

impacted every level of our economy. Government debt is now more than Sh3 trillion.

It is prudent to note that the difference between imports and exports in the last four decades has dropped in all economic activities, not because of a substantial increase in exports relative to imports.

No country can continue to exist on debt, especially when there is very little probability of ever repaying it. How can we continue to delude ourselves with the idea that we are a superpower

in East Africa? Our standard of living and economic strength is dependent on ever increasing imports and our entire economy can only be temporarily sustained by ever increasing debts.

Our bubble will burst and when it happens again the crash of 1980s will appear to have occurred in a time of prosperity.

Our lenders will inevitably discontinue lending. What motivation could they have to continue? Our productive capabilities have become uncompetitive and insufficient.

Our manufacturing infrastructure and our source of a competent manufacturing labour force has been dissolved and replaced overseas. How will we possibly function when the money runs out?

Something needs to be done, and it needs to be done soon. The process will be difficult, but the negative consequences of the alternative (continuing on our current path) pales in comparison.

BISHOP BENEAH SALALAH OKUMU
ACK Diocese of Mumias

NEWS INDEPTH

Chinese imports threaten manufacturing

REPORT World Bank finds that cheap goods from the Asian nation are crowding out Kenyan products from both local market and in neighbouring Tanzania and Uganda

BY KIARIE NJORGE

Kenya is faced with a possible premature decline in industrialisation owing to cheap Chinese manufactured goods and poor domestic conditions, a new World Bank report says.

Inadequate infrastructure and policy make the list of local challenges to manufacturing glitter.

Released last week, the report says that Kenya's manufacturing growth is falling every year as consumers opt for Chinese goods which are at least 10 per cent cheaper in what could see some industries fold up.

Known as de-industrialisation, the decline is a process where a country experiences a reduction in industrial activity and is usually an indicator of a transition to a service economy.

"Because Kenya produces and trades few intermediate goods, researchers have concluded that Chinese imports could lead to a de-industrialisation," says the report titled Deal or No Deal: Strictly Business for China in Kenya?

"Many suspect a premature decline of industry because manufacturing growth was only 3.4 per cent in 2014, down from 5.6 per cent in 2013."

The analysis by the WB shows that in 2012, Kenya's imports from China were 12 per cent of total imports, but by 2014, they rose to 23 per cent, indicating the growing dominance of the Far East country's exports to Kenya.

Data from the Kenya National Bureau of Statistics (KNBS) further shows that the import basket from China has been growing at a fast pace.

In 2015, the country imported from China goods worth Sh320 billion up from Sh222 billion in 2014, a 44 per cent growth.

The bilateral trade is heavily skewed in favour of the world's second largest economy with Kenya exporting goods worth Sh6.5 billion in 2014.

The manufacturing sector decline has been worsened by China's taking over of the regional markets of Uganda and Tanzania which Kenya

had traditionally supplied. Kenya's exports to Tanzania and Uganda, the Bank's report says, are quite similar to China's, meaning that they are easily displaced by those from China which are cheaper.

"The greater overlap in East Africa suggests that Chinese goods will likely displace Kenyan exports," the report says. "Between 2008 and 2014, manufacturing exports to Tanzania fell 36.1 per cent; exports to Uganda increased slightly by 4.5 per cent, but compared to previous years, the growth was slow."

A combination of factors have been cited by the report for this slowdown, including unfriendly policies, a high cost of doing business, corruption, high labour costs, inferior technology, and underdeveloped infrastructure.

These negative factors have seen investors opt to put their money in other sectors where returns are higher.

"Manufacturing receives little investment because investors want to avoid the underdeveloped infrastructure and high cost of doing business, and have diverted funds to non-tradable sectors such as real estate and construction."

The manufacturing sector's contribution to the economy has been rooted at about 10 per cent of the gross domestic product (GDP) for over a decade now. The decline is in direct contrast to the government's ambition to raise the manufacturing sector's contribution to 20 per cent of the GDP by 2030, according to the economic development anchor strategy, Vision 2030.

Kenya's de-industrialisation is an indictment of the government for poor support compared to neighbouring Ethiopia that seems to be getting the industries code right and is attracting foreign direct investment (FDI) to feed its manufacturing sector.

"Between 2010 and 2013, the FDI to GDP ratio in Ethiopia was 1.39 compared to only 0.67 in Kenya, and the FDI to export ratio was 0.1 in Ethiopia and 0.03 in Kenya; it also has a lower cost of doing business, offering lower taxes, electricity, and labour costs than

FEARS OF DEINDUSTRIALISATION GROW

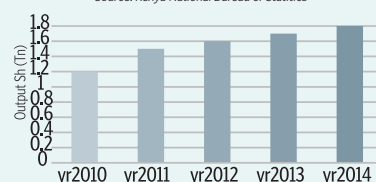
Manufacturing sector grew slowly at only 3.4 per cent in 2014, down from 5.6 per cent in 2013

3.4% ▼

Some worry that slower growth could be a sign of a premature decline of industry

Manufacturing Output Sh (Tn)

Source: Kenya National Bureau of Statistics



Underperforming industrial sector:

For more than a decade, manufacturing has remained at 10 per cent of GDP. But the government wants it to be 20 per cent of gross domestic product under Vision 2030.

■ Manufacturing gets little attention because investors are avoiding underdeveloped infrastructure and high cost of doing business, and have diverted funds to areas like real estate and construction.

■ Kenya can enhance its growth in manufacturing if it continues to attract FDI from China.

CHINA IMPORTS

■ China ranks second to India in number of exports to Kenya. Its low production costs and better positioning in global value chains help it become the top source of imports for Kenya.

■ Chinese imports grew at an annual rate of 33 per cent, and Indian imports also grew quickly at 30 per cent.

■ Kenya likely imports even more from China and India because many imports from the UAE are re-exported manufactured products such as phones, computer monitors, or jewelry originally from China or India.

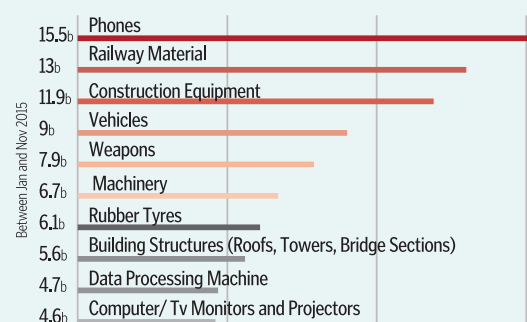
33% ▲

Percentage of growth in Chinese imports



Top Imports to Kenya from China

Source: Kenya National Bureau of Statistics



Kenya," the WB report says.

A total of US \$296.17 million (Sh29.7 billion) was invested in Kenya's manufacturing sector by Chinese investors between 2003 and 2015. This is only more than half what Ethiopia received (US \$545 million, Sh54.5 billion) between 2008 and 2013 — a much shorter period.

The billions of dollars invested in manufacturing in Ethiopia are creating thousands of jobs in Kenya's neighbour.

"If Kenya wishes to attract more manufacturing FDI from China and India, it will have to work towards lowering the cost of doing business to compete with Ethiopia's more favourable investment climate."

The improvement of manufacturing is critical if Kenya is to raise the level of her exports with the sector seen as the weak link in raising Kenya's trading profile with other countries.

Among the suggestions put forward

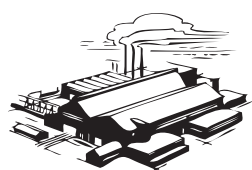
to generally reverse Kenya's poor export record are curbing inflation and real exchange rate appreciation, reducing high tariffs on manufacturing inputs, and attracting more FDI into manufacturing. The export market will also benefit from improved efficiency at the Mombasa port with an emphasis on the period taken to clear goods and transport them inland.

A new terminal at Mombasa Port is projected to handle 450,000 twenty-



Mr Lu Donglin, the proprietor of Goldox Kenya Ltd, in Mogotio, Baringo County.

CHINA INFLUENCE IN KENYA



400

Number of Chinese firms in Kenya. These companies invest the most in manufacturing

\$296.17m

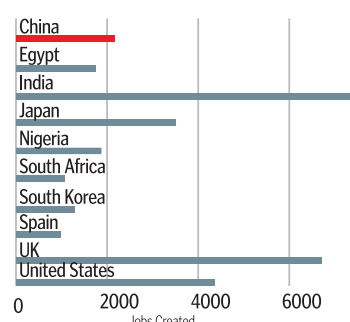
The amount Chinese firms have invested in Kenya's manufacturing sector between 2003 and 2015

ASIAN COUNTRY A MAJOR EMPLOYER FOR KENYA

China is fifth largest creator of jobs; India is the leader (2003-2015)

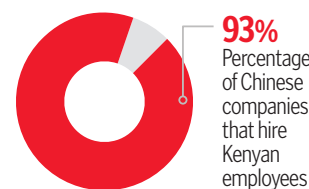
Source: ILO Intelligence from The Financial Times Ltd 2015

China ranks fifth overall with **2,170** jobs, and India is number one with **7,422** jobs



Chinese companies employ local workers

Contrary to the popular belief that Chinese companies only hire Chinese workers, 93 per cent of companies report hiring Kenyan employees; private enterprises are more likely to hire locals than State enterprises



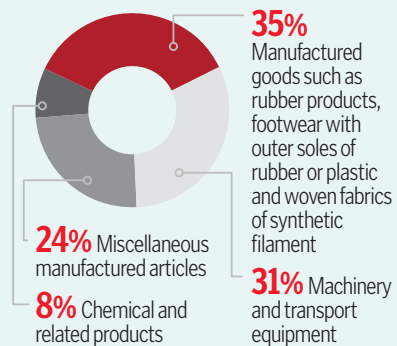
goals in Kenya



An employee of a rolling mill in Nairobi operates a roofing sheet machine. FILE

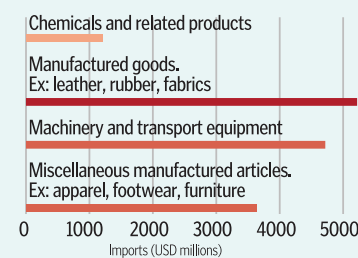
Top four import categories from China

Kenya mainly imports manufactured products from China.



Top four import categories (2010-2014)

Source: UN Comtrade database 2015



foot equivalent units (TEUs) and rise to 1.2million TEUs by 2019.

The standard gauge railway (SGR) from Mombasa to Nairobi, which is expected to be complete by June next year, will also offer faster cargo evacuation.

Kenya, the report summaries, should put more emphasis on areas it has a comparative manufacturing advantage. Leatherwork and apparel are the most outstanding, the report concludes.

But it also says that while the Ken-

yan worker may demand less in wages, he's not as productive as his Chinese counterpart, a weakness that should be addressed.

"Kenya must still work to improve its manufacturing sector to compete with China's low-cost manufacturing; Kenyan producers have to upgrade their skills or specialise in areas where they have a comparative advantage."

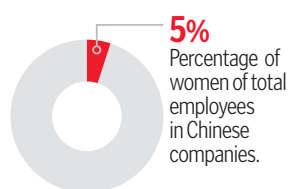
gkiarie@ke.nationmedia.com

SOURCE: KNBS / WORLD BANK BD INFOGRAPHIC MILLIE WACHIRA

Where Chinese companies get their goods

Chinese companies import 59 per cent of goods from China and an additional seven per cent indirectly from Kenyan suppliers

59% Goods imported from China by Chinese companies

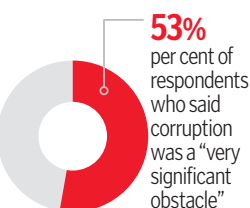


Chinese companies hire fewer female employees

Women represent five per cent of total employees for Chinese companies compared to 29 per cent for all companies in Kenya

Corruption is the biggest obstacle

Chinese companies identified corruption as the most significant obstacle to doing business in Kenya.



TOTAL EXPORTS GOING DOWN

Kenya's net exports have fallen 14.74 per cent per year over the period, reaching \$12.2 billion in 2014

14.74%

Percentage of Kenya's net exports

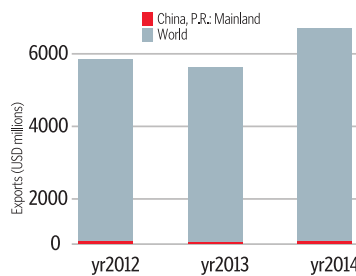
\$12.2bn Net exports in 2014



Kenyan exports to China small relative to total exports (2012-2014)

Source: IMF World Economic Outlook Database 2014

In 2012, Kenya's imports from China were 12 per cent of total imports, but by 2014, they rose to 23 per cent



Exports to China

1% Kenya sends one per cent of its exports to China. Kenya is an oil importer and relatively resource-scarce

KENYA EXPORTS RAW GOODS AND METALS TO CHINA

Crude materials



55% Raw hides and skins, scrap metals, and sisal are the major exports to China

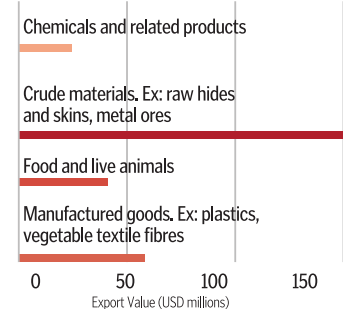
21% Manufactured goods

15% Food and live animals such as coffee, tea, fish, crustaceans, spices.

9% Chemicals and related products

Kenya exports metals and hides and skins to China (2010-2014)

Source: UN Comtrade database 2015



■ Kenya has room to export finished leather products to China that has a limited presence in the high-end leather market, giving Kenya opportunities in value-addition

■ Kenya exports raw hides and semi-processed leather, products that are in high demand in China.

■ Just as Ethiopia attracted Chinese investment in the leather sector to meet demand, so can Kenya to bring more investment to footwear manufacturing, lifting exports.



Kenya's exports to Uganda and Tanzania falling

Chinese goods may have also hurt Kenya's exports to its neighbours. Exports to Tanzania and Uganda are similar to China's, compared to both countries' exports to the US or the UK. The greater overlap in East Africa suggests that Chinese goods will likely displace Kenyan exports.

TOTAL CHINA LOANS

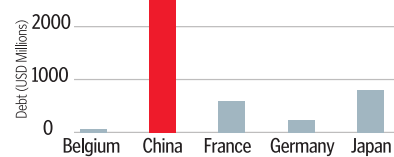
Sh20.6bn Development Loans

China's aid to Kenya is almost entirely for the fiscal year ending in 2015



Kenya owes most debt to China (2015)

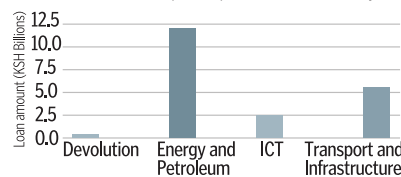
Source: The National Treasury of Kenya (2015)



China loans the most to ministries of Energy, Petroleum, Transport and Infrastructure

Ministry of Energy and Petroleum receives most loans from China (2014)

Source: Estimates of Development Expenditure Government of Kenya (2014)

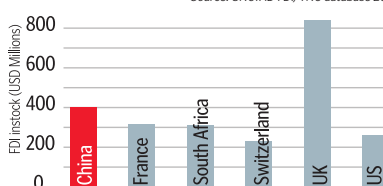


FOREIGN DIRECT INVESTMENT IN KENYA

Kenya performs poorly in attracting FDI given the size of its economy. It attracts even less FDI than Uganda and Tanzania. Corruption, poor infrastructure, and poor investment climate have reduced FDI flows compared to pre-1980 levels

China and UK hold the most FDI stock in Kenya (2012)

Source: UNCTAD FDI/TNC database 2015



WINNERS AND LOSERS FROM KENYA'S CURRENT TRADE

Consumers and retailers gain

■ From 2012 to 2014, Kenyan consumers enjoyed a 10 per cent lower unit price on manufactured goods and a seven per cent lower unit price on consumer goods, thanks to Chinese imports.

■ Consumers benefit from a greater variety of cheap consumer electronics and plastic and rubber products. Medicine, footwear, clothing, textiles and office supplies are now available at much lower prices, prompting side businesses reselling to enter the market



Second-hand market

60%

Percentage of second hand shoes that come from China and Hong Kong.

■ 'Mitumba' offer consumers quality brands from North America, Europe, and Asia at lower prices than local clothes. But China is still a major player in the mitumba business

■ A bale from China is half the price of a that from Germany, but the shoes are of different qualities. 80 percent of shoes in a bale from Europe are leather, but only ten per cent of shoes in a Chinese bale are leather, the rest being rubber or plastic.

Textile industry feeling pinch

Chinese imports have hurt textile and clothing production, a sector that is 20 per cent of all formal manufacturing employment in Kenya. Clothing enterprises employ mainly women, so a weaker industry worsens gender equality.



20%

Percentage of jobs created by Kenya's textile and clothing.

■ Shopkeepers in western Kenya had an average annualized return of 33 per cent.

6.9%

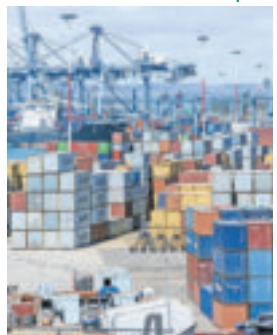
Growth of retail trade between 2013 and 2014

HOW KENYA CAN IMPROVE COMPETITIVENESS

■ Curb inflation and real exchange rate appreciation, reducing high tariffs on manufacturing inputs, and attracting more FDI into manufacturing

■ A key component to achieving export competitiveness is the port of Mombasa.

■ Improve labour productivity and infrastructure, lower transport costs, and lighten the regulatory burden of trade to boost exports and the share of manufacturing in GDP



REGIONAL NEWS



A woman prepares a meal on a biogas-powered stove. The source of energy is affordable and safe to use once installed. SARAH OOKO

Backpack biogas delivers green energy benefits to rural dwellers

➤ **FUEL** Ethiopia-based start-up makes it easy for residents to generate and sell power

Billions of dollars of aid has been pumped into Africa. Yet effective change too often remains an elusive outcome, leading to a vicious cycle: more needs, more aid but still little change. How to resolve this seemingly intractable dilemma?

Biogas could be one part of the solution. (B)energy is a social business venture offering a clean energy solution that not only solves an energy crisis but a social problem too. Its (B)pack — a nearly 1.5 metre wide, pillow-shaped inflatable blue bag — is filled with biogas from a special biogas digester, a sealed compost bag. Afterwards, the biogas-filled (B)pack can be hoisted onto a back for carrying to a home where it is hooked up to a biogas cooking stove.

German founder Katrin Puetz, 34,

built the company's business model on the idea of empowering local franchisees to sell mobile biogas technology on themselves. This turns them into biogas producers, so-called (B)entrepreneurs, in the words of Puetz, as each gains an income while promoting clean, affordable and sustainable energy.

One such (B)entrepreneur is 32-year-old Zenebech Alemayehu, a single mother with a nine-year-old son, based in a southern suburb of Addis Ababa.

"I sacrificed a lot for this," says Zenebech inside a large ramshackle shed as a struck match is held to the end of a metal pipe and a faint blue flame springs into life. "When I see it working I am so happy and more motivated." She puts her fingertips to her lips then toward the flame, a symbolic kiss for her new bi-

ogas-inspired business.

The pipe leads outside the shed connecting with a five metre long plastic tank — the digester — that takes anything from waste food to goat droppings or those of a larger human form; Zenebech keeps hers supplied from a giant pile of cow dung inside the shed.

Puetz began the project that led to her business while working for Hohenheim University in Stuttgart, Germany, where she realised its potential in Africa as a clean, cheap alternative to cooking on smoky, polluting fires.

After being contacted by Addis Ababa University and invited to move to Ethiopia to develop the technology, she launched (B)energy in April 2014. She remains determined her enterprise remains self-sufficient, despite her technology being a

prime candidate for tempting funding — she has already turned down grants from global charities.

"My aim is not to just provide biogas but to show it can be provided without aid," Puetz says. "This is not just about money; it is about pride — why do we always have to have aid and subsidies for something that can work on its own?"

Puetz's business model uses social franchising to encourage growth, and is set up in a way easily replicated around the world, with little investment required by local people using locally available raw materials. "It is environmentally friendly, creates entrepreneurs and strengthens communities without charity," Khartoum-based Waleed Babiker says of why he decided to sign on as the franchisee for (B)energy Sudan. "If you give energy to rural areas they can do a lot with it and develop themselves."

Babiker originally achieved business success through a chain of eight restaurants in Sudan, and wants to give back to society, especially outside Khartoum where rural households struggle to obtain affordable cooking gas. Cooking with biogas can also mitigate problems that go with more traditional methods, Babiker says. In the western Sudan region of Darfur, for example, collecting firewood exposes women to frequent rape, he says.

Also, smoke inhalation globally from cooking and heating with solid fuels kills about two million people every year — primarily women and children — according to the World Health Organisation.

The history of biogas in Ethiopia illustrates some of the problems with outside intervention, no matter how well intentioned.

"Biogas was introduced by NGOs as far back as 50 years ago," says Araya Asfaw, director of Addis Ababa University-based Horn of Africa Regional Environment Centre and Network, and which collaborated with Puetz to test (B)energy's technology. But, Araya explains, too often NGOs built digesters without adequate promotion: "So either people did not know about biogas or were not interested." - **IPS**

BRIEFING

JOHANNESBURG

S. Africa's opposition plans Zuma ouster after ruling

South Africa's main opposition said on Friday it would take any steps necessary to remove President Jacob Zuma from his post, a day after a top court ruled he had flouted the Constitution over renovations to his private home. Top leaders of Zuma's ruling African National Congress party were due to hold meetings to formulate a response to the Constitutional Court ruling, which held that Zuma had failed to uphold the constitution by ignoring instructions to pay back some of the \$16 million in state money spent on the renovations. The opposition has launched impeachment proceedings against the president, which are unlikely to be successful because of the ANC's strong majority in parliament. But some South Africans believe the scandal could still bring down the 73-year-old leader by persuading some in the ANC to abandon him. "We cannot have Jacob Zuma and the Constitution in one parliament. Both those things cannot co-exist," opposition Democratic Alliance leader Mmusi Maimane told a news conference.

LAGOS

GT Bank, MoneyGram sign diaspora funds transfer deal

Customers in Nigeria can now receive money from friends and family in 129 countries directly into their personal GT Bank accounts within minutes. These funds can be accessed as customers would normally do on all deposits into their accounts either in person, online or through an ATM.

MoneyGram CEO Alex Holmes and GT Bank general manager, operations division, Tayo Asupoto made the announcement during a signing ceremony at the Intercontinental Hotel in Lagos.

"Remittances are crucial to Nigeria's economy. Nigerians living abroad sent more than \$21 billion back into the country in 2015," said Holmes. "MoneyGram's account deposit service makes it easy and convenient for both the sender and the receiver to transfer and receive funds. We are pleased to work with GT Bank and we are proud to be connected to almost 1.5 billion bank accounts in five of the world's largest remittance receive markets — Nigeria, China, India, Mexico and the Philippines." Remittance is the second largest source of foreign exchange in Nigeria after the oil sector.

LAGOS

Dangote links up with 2 states to bid for Peugeot Nigeria stake

Aliko Dangote, Africa's richest man, has teamed up with two Nigerian states to bid for a majority stake in Peugeot Automobile Nigeria (PAN) Limited, a local joint venture with the French automaker; the governor of Kaduna State said.

Governor Nasir El-rufai said the states of Kaduna and Kebbi along with development lender Bank of Industry (BoI) and Dangote have submitted bids for the stake which AMCON, Nigeria's state-backed "bad bank", is looking to sell.

South Sudanese jittery after Khartoum shuts border

BY **BD CORRESPONDENT**

IN JUBA

Southern Sudanese have expressed their fears over the border standoff with Sudan.

The citizens of the young nation fear the closing of the border and the tensions between Khartoum and Juba could affect their lives in several negative ways.

A senior employee of the state-owned Nile Pet Oil Company, Charles Juma Modi, said Khartoum's decision would aggravate human suffering, not only in South Sudan, but also in the Sudanese marginalised areas of Nuba Mountains, Blue Nile, South Kordofan and Dafur provinces.

Mr Modi said the current political rift

between the two neighbours impacted negatively on the South Sudanese who migrated from Upper Nile and Bahr Ghazal to Khartoum, in search of food.

The UN High Commission of Refugees last week said food insecurity had forced about 38,000 South Sudanese from the former Warrap and Northern Bahr Ghazal states to flee into Sudan's East and South Darfur since January.

"I think Khartoum is a major source of several commodities that are much cheaper than the ones from East Africa," Mr Modi said.

He expressed worry that Sudan could also consider blocking the pipelines which transport South Sudan oil to the international markets.

South Sudan relies about 98 per cent

on oil revenue.

An economist, Mr Clement Lerat, expressed similar fears and called on the South Sudanese authorities to quickly take appropriate measures to deal with the matter.

"We need our people to be brought back home as Khartoum has already closed down the borders connecting the two countries," he said.

The executive director for African Centre for Transitional Justice, Mr Peter Gai Manyuon, said there was nothing new about the tensions between two countries.

"Whether the border is closed or not, nothing will benefit South Sudanese at the movement. The issue of Abyei will always disrupt the relationship and co-

operation agreement that was signed by both countries," he said.

South Sudanese singer Nyibol Grace expressed dismay over the breakdown of the diplomatic relations between the two countries, and urged both sides to revive dialogue and quickly reopen the borders for the mutual benefit of their citizens.

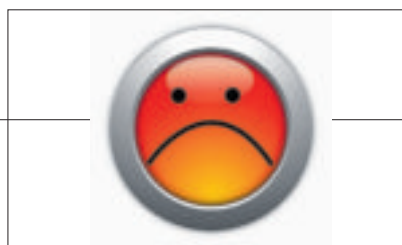
"I feel that it is really tragic that Sudan has closed the border with South Sudan because I understand there was dialogues on how to build key trade corridors and simplify the travel between the two countries' people," she said.

South Sudan journalist War Machor described Khartoum's decision as "unfortunate", saying it would cause a humanitarian crisis in both countries.



The MarketPlace

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Kenafric gives varsity students insight into industry processes

Kenyan hoteliers embrace cross-cultural marketing to woo Chinese tourists

✎ **CUISINE** Top industry players train local staff to satisfy visitors' needs and learn their language

BY SILVIA MWENDIA

Almost 50 Kenyan tourism stakeholders were last week trained on serving Chinese tourists at the "China ready training programme" in a move by Kenyan brands into cross-cultural marketing. The one-day training workshop, held by the China Outbound Tourism Research Institute in partnership with the Kenya Tourism Board, is a clear indication of the degree to which globalisation is now a factor in key Kenyan markets.

Speaking during the workshop at Fairmont Norfolk Hotel, Kenya Tourism Board acting chief executive Jacinta Nzika-Mbithi said Kenya was committed towards understanding and meeting the

needs of Chinese tourists and therefore the training was timely in facilitating the adaptation of tourism related products and services in Kenya to suit their needs.

"We want to bring in more Chinese to visit Kenya and beginning with today's forum, we will continue to hold a series of studies and awareness to know more about the travelling Chinese — their interests, likes and travel dynamics so that we are able to improve Kenya's penetration of the China market by bridging the existing knowledge gaps among the Kenyan travel trade," she said.

InterContinental Hotel Nairobi, one of the participants at the training, believes that this will better position it to cater to Chinese customers.

"We are increasingly getting more Chinese clients and therefore it was important for us to be able to get more information in terms of how best we can assist these kind of customers, but also to make it easier for us to be able to understand their needs and how to cater to those needs given the language barrier and how can we overcome those challenges that are very specific to



Chinese tourists enjoy a meal at Outspan Hotel in Nyeri on February 4. Local hotels are training staff to understand and meet the needs of Chinese customers.

JOSEPH KANYI

that market," said Peter Olale, sales and marketing director at InterContinental Nairobi.

Through the training, InterContinental Nairobi believes that in the long term, its customers stand to benefit from changes such as changing signage and menus and even fast tracking the training of staff to be able to understand the Mandarin language.

According to K.Tian & L. Borges in their 2011 research paper, 'Cross-Cultural Issues in Marketing Communications: Anthropological Perspective of International Business', cross-cultural communication marketing has been defined as "a marketing communication among consumers or

customers who's culture differs from that of the marketers own culture in at least one fundamental aspect of culture."

Waithera Ng'ang'a, Marketing Society of Kenya chief executive, explains that this type of marketing requires in depth research and a clear understanding of the target audience's culture.

"It is a strategic process that goes beyond desk top research and requires direct engagement with the target audiences culture to understand social norms and values, language not just formal, but also colloquial, religion, lifestyle and business etiquette," she said.

When carrying out marketing campaigns, brands make use of three principles to enable them to communicate. They are the applicability of the product to the target market's needs and wants, using a language that is understood, and employing empathy by using the most appealing elements, emotions, symbols, knowledge, and idioms, according to T. Oosthuizen.

In his 2004 paper, 'In Marketing Across Cultures: Are You Enlightening the World or Are You Speaking in Tongues?', T. Oosthuizen developed a three tier core value model which makes use of these principles and acts as a framework for brands marketing to different cultures.

The values in their hierarchical order are core, innate or universal values, learned values, and peripheral values. The universal values include concepts that are common across all cultures such as life and death. They remain the best for cross-cultural marketing.

- AFRICAN LAUGHTER

BRIEFING

Nairobi

Token water dispensers to supply slum dwellers

Nairobi City Water & Sewerage Company (NCWSC) is set to unveil token water dispensers in Kahawa Soweto slums — the first in a series aimed at providing sustainable solutions to perennial water problems in informal settlements. The project is a joint initiative of NCWSC, Water & Sanitation for the Urban Poor and the Water Services Regulatory Board. The service, in which customers pay Sh300 for tokens, aims to boost efficiency in water supply.

Dar-es-Salaam

Aga Khan University opens nursing school in Tanzania

Aga Khan University (AKU) opened a new home of its School of Nursing and Midwifery at Salama House. Since 2004, AKU has graduated more than 2,100 nurses in East Africa 600 of them in Tanzania. The €1.2 million Salama House project was funded as part of a €17.2 million grant to AKU from the Federal Republic of Germany to improve health in East Africa through high quality training of nurses and midwives.



German Federal minister for Economic Co-operation and Development, Gerd Müller, during the opening of the School of Nursing at the Aga Khan University in Dar es Salaam last week. ANTHONY SIAME

Nairobi

German minister tours Kenya for bilateral talks

German minister for Economic Co-operation and Development Gerd Müller was in Kenya and visited development projects supported by Germany. He also held talks on future co-operation between his country and Kenya. Dr Müller first visited the Dadaab refugee camp to reaffirm Germany's commitment to its humanitarian obligations in the vulnerable and conflict-torn Horn of Africa despite the refugee crisis at home.

Accra

Top Swiss hotel enters Ghana in deal with firm

Swiss International Hotels & Resorts has signed an agreement with the company that owns Alisa Hotel Accra. The deal, will among other things, see the hotel renamed Swiss Spirit Hotel & Suites Alisa - Accra. This 199 room hotel is strategically located in the up scale North Ridge district of Accra. The district was originally planned as residence for civil servants and businessmen in the colonial era remains and one of affluent neighbourhoods in Accra.



CORPORATE SCENE



Kenya Association of Pharmaceutical Industry chairman William Mwatu (right) takes the head of preventive and rehabilitation services Isaac Odoyo (left) and KAPI compliance committee chairman John Wanyama through the KAPI Code of Ethics for the pharmaceutical and medical devices shortly after launch. COURTESY

MTN Business Kenya MD, Kennedy Chinganya (left), and Jumia Kenya head of sales & marketing Francisco Cockbaine exchange documents after the signing of a partnership towards the ongoing MTN Entrepreneurship Challenge that will award the winning business idea \$25,000 (Sh2.5m). COURTESY



KTB acting MD Fred Okeyo (left) and managing director at Sarova Hotels J.S. Vohra (right) welcome the Royal Air Maroc officials at JKIA during the airline's inaugural flight to Kenya.

Irene Mwathi (left), the communications manager for P&G, explains to Bridgit Njoki how to purify water during launch of safe drinking water awareness campaign in Dandora, Nairobi. COURTESY



Firms must ensure free-retu

» **MARKETING** Research endorses policy but know your customer to detect the dishonest

BY VICTOR AMADALA

Sendy, a Kenyan online transport start-up that offers a marketplace for last-mile package delivery by connecting customers to motorcycle, van and pick-up truck drivers, is giving free transport services to dissatisfied clients, in a heightened customer relations campaign aimed at retaining them and averting negative publicity

This as a recent poll by Harris shows that 91 per cent of consumers are likely to purchase in a store that has a return policy.

Don Okoth, the head of logistics at Sendy, explained that the Android application enable users to track the nearest motorbike operators registered by the company, estimate service charges, pay via M-Pesa, notify them when transported items arrive and allow them to rate the services.

In case a client rate services offered as poor for instance 0-1 stars on a scale of 1-5 where the latter is considered as best, the company contacts both the driver and the client to establish the cause of poor ranking.

If poor customer service is established, a free service is offered the next time he/she uses the app.

"We have our in-house criteria that guide us on the refund policy hence not every low rating warrants a free trans-

port service," explained Okoth. He added that customers feel much valued when refunded for poor service offered hence become the company's ambassadors. He was however quick to add that refund policy can be quite costly for a business if not well regulated. He cited dishonesty amongst customers and fraudsters,

This perhaps explains the sudden rise of the company which was formed less than two years ago with a capital of \$ 1 million thanks for the Safaricom's Spark Venture Fund. Today, Sendy has registered thousands of motorcycle operators with close to 100,000 people already uploaded the app on their phones.

Purchase risks

Although the act of refunding clients for poor services and goods offered sound like a normal market standard, just like Sendy, most brands across the globe are using free-return policy to make customers happy and in turn win more customers through referrals and retail existing ones even as most research associate this policy with positive returns

A 2012 study by Amanda Bower, professor of business administration and marketing at Washington and Lee University published in the *Journal of Marketing* indicate that e-commerce companies with a free-return shipping policy motivate customers to make big-



Never again: Customers are two times more likely to share bad than good cases. FILE

ger purch spending Using the research customer leading o After a was instit average s

Uber will use Progressive Insurance for Texas drivers

Uber Technologies Inc will use Progressive Insurance to provide coverage for drivers in Texas beginning on Friday, in a pilot that could lead the ride-hailing market leader to diversify its US insurance purchasing from its current sole provider, Uber and Progressive executives told Reuters.

Uber has been purchasing insurance to cover drivers for its primary ride-hailing services, such as UberX, from James River Insurance Company, a unit of James River Group Holdings. In the United States, Uber said it covers each ride with \$1 million of liability coverage per incident and \$1 million of injury coverage for underinsured or uninsured motorists, in addition to other coverage.

Recent changes in Texas insurance rules made it more attractive for Progressive to offer a plan to cover Uber drivers there, Uber and Progressive



The ride-hailing market leader says diversifying cover. AFP

said.

Progressive Corp this year launched "transportation network companies," or TNC insurance product, aimed at individuals who use their vehicles to carry passengers for ride-hailing services such as Uber or its rival Lyft, John Barbagal-

lo, Progressive Insurance's Lines group president, said sees ride-sharing growing.

"We're excited about th told Reuters.

Other large auto insur gun rolling out coverage ride-hailing service drive void that had existed for dr personal policies did not cov that happened when they v passengers for pay.

Important relationship

Uber's senior director of ins Fuldner, said the company d immediate plans to use oth providers in other states. U gressive did not disclose fin of the Texas programme, Uber will be buying covera sands of drivers.

James River Group Pro Myron said his company h Uber's move, but said he ex River will continue to have tant relationship with Ube grow as the numbers of U expands.

-REUTERS



Return policy is well regulated



they fail to fit. Due to this policy, the company has managed to increase its online purchase by a whopping 357 per cent since its inception in 1999, the study observed.

Dimensional Research, a US-based market research firm warn companies to be more conscious while dealing with customers especially in case of a complaint resulting from poor services.

In a study conducted by the firm in 2013, 62 per cent of B2B and 42 per cent of B2C customers purchased more after a good experience, while 66 per cent and 52 per cent respectively stopped making purchases after a bad experience.

It also established that customers are two times more likely to share bad than good experiences.

Even though researchers are associating lenient return policy with high customer activation and retention, a recent study by Strategy+Business indicates that manufacturers and retailers spend more than US\$100 billion (Sh10 trillion) each year on return-type logistics, an average revenue drain of nearly four per cent per year, perhaps confirming Okoth's claims that free return policy is expensive.

The study thus warn companies to conduct due diligence and put in place effective tracking infrastructure to weed out dishonest clients and fraudsters.

-AFRICAN LAUGHTER

ger purchase risks and increase their spending power.

Using surveys and spending data, the researcher tracked the habits of customers over 49 months at two leading online retailers in US.

After a free-return shipping policy was instituted at one of the retailers, average spending per customer in-

creased by \$620 (Sh62,000) over two years. At the other, it went up \$2, 500 (Sh250,000). The study established that when customers pay for return shipping, their purchases fell between 74 and 100 per cent.

Zappos, a US-based online shoe and clothing shop, encourages its customers to return shoes and clothes if

insurance's Commercial Ident, said Progressive growing. d about the pilot," he

uto insurers have be- coverage tailored to vice drivers, filling a sted for drivers whose did not cover accidents hen they were driving ay.

Relationship

ector of insurance, Gus company does not have to use other insurance r states. Uber and Pro- disclose financial terms programme, but did say ing coverage for thou-

Group President Bob company had expected said he expects James ue to have "an impor- o with Uber," that will nbers of Uber drivers

Decline in financial settlements with Big Pharma ignites calls for larger penalties

The amount of money big US pharmaceutical manufacturers have paid to settle charges for violating federal health care laws has declined sharply in recent years, prompting a non-profit watchdog group to call for an increase in enforcement efforts.

In a new analysis that chronicles 25 years worth of pharmaceutical industry settlements and court judgments, the group, known as Public Citizen, found that just \$2.4 billion in federal financial penalties were recovered from 2014 to 2015 — a figure that is less than one third of the \$8.7 billion recovered from 2012 to 2013.

The report calls for larger penalties and possible prison sentences, noting that without tougher sanctions, illegal activities will continue to be "part of the companies' business model."

The report also found there was a nearly 80 per cent drop in settlements between companies and states in 2014-2015 from 2012-2013.

In addition, the report found that in

2014-2015, criminal penalties against large pharmaceutical companies have reached new lows, totaling only \$44 million, compared to \$2.7 billion from 2012 to 2013.

Sammy Almashat, one of the researchers at Public Citizen who helped author the report, said the cause for the decline in settlements is still not clear.

Not improvement

The report explores several possible reasons, from a drop in enforcement and shifts away from off-label marketing prosecutions, to changes in Medicaid pharmaceutical reimbursement strategies.

But Almashat said he does not believe the decrease reflects improvement by large pharmaceutical companies in their overall corporate compliance.

"Previous penalties never have been large enough to deter the most common types of pharmaceutical fraud," he said in a statement.

-REUTERS



The penetration of mobile telephony has aided mobile-based field work in Africa, improving competition with the rest of the world.

Use media analytics to align your marketing resources



BY JOE OTIN

Good insight creates a new way of thinking; it is generally a disturbance in discourse and while we may have awesome data at fingertips, not knowing what to do with that data renders it ineffective.

Business students often ask when it is necessary to conduct comprehensive research considering that startups have limited budgets. Response? It depends on the size of the opportunity.

With ad spend in Africa standing at an estimated \$15 billion (Sh1.5 trillion) per annum, the role of PAMRO (Pan African Media Research Organisation) is to collectively develop media currency across the continent and provide relevant insight to help spend wisely. It was founded in 1999 as a forum for media research providers, media owners, marketers and advertising agencies to create a uniform research infrastructure in African countries.

Early PAMRO conferences were dominated by discussions around methodology and analysis as media researchers around the continent showcased their impressive technical expertise, trying to outdo one another.

As data on Africa became more available and trends laid bare, the conversations have changed. Five years ago, the thought leaders reviewed the potential that the developments in IT would have on the media business.

Last year, these thought leaders demonstrated what they had implemented with cutting-edge technology in the African context.

For us, that is the true benefit of the organisation; the ability to put our minds together and think big, and then turn those thoughts into massive action. The result of which is the contribution of research to the media growth in Africa, which is growing at double the global average. We have seen that where you have good audience measurement and subsequent return-on-investment (ROI) analysis, there is significantly more investment in advertising and promotion.

One of the big things achieved that aids the ad spend increase is the establishment of a Pan-African measure of socio-economic status (SES). As brands expand their markets across borders

they need to look at consumers through the same lens and the work towards this done by Neil Higgs of TNS is projected to have a major impact on marketing across the continent.

Locally, KARF (Kenya Audience Research Foundation) has adopted the SES in the update of the Living Standard Measure and this is good news for companies that manage brands across a number of African countries and require set standards for customer segmentation.

Also, with the high penetration levels of mobile telephony, media research providers in Africa are miles ahead the rest of the world in implementing mobile-based field work. Last year Ipsos introduced us to their smart-phone app for media consumption research, while Geo Poll showcased their feature-phone SMS platform, both of which point to the future of continuous and real time media data at costs that are viable on the continent.

Going a little further, we heard that consumers are increasingly exposed to content from multiple screens, and this is changing the way they are interacting with brands.

With more than 80 per cent of Internet access in Africa occurring through mobile devices and with increasing number of online video views, media houses need to watch these trends closely to develop strategies to remain relevant and protect their revenue streams.

Digital TV

Though despite the growth of online media consumption, TV growth remains strong and the migration to digital TV formats guarantees this growth for some time to come.

An additional benefit of digital TV is the ability to receive return-path data from the decoders back to the broadcaster with continuous programme consumption information.

As this information is being turned into insights that reflect the true nature of TV viewing habits the implications to media houses and advertisers are great especially with regard to cost reduction of the research and the ability to provide real time information and ROI in a manner similar to online media.

As the media environment continues to develop, it is critical for the stakeholders to keep an eye on the shifting sands and anticipate future dynamics and align resources accordingly.

Otin is a digital marketing expert and CEO of The Collective - an interactive ad agency. He is also the President of PAMRO and the Chairman of the Advertising Standards Board of Kenya.



KenafriC gives varsity students insight into industry processes

TOUR Vital lessons from one of the leading manufacturers and exporters of confectionery, food, footwear and stationery in Kenya



Francis Ajwang (wearing a cap), a technician in the Confectionary Division at KenafriC Industries explains the mixing of lollipop ingredients in the cooker to students from Masinde Muliro University during a tour of the Company's confectionary plant. COURTESY

Masinde Muliro University and the University of Eldoret students toured KenafriC Industries for hands-on insight into the processes, products, layout and automation used to make confectionery. The guided tour of the factory, which is located in Nairobi's Baba Dogo area, was led by the Head of Production in the Confectionery Division at KenafriC Industries Shaaban Abubakar. The company has presence in 38 African countries and is one of the leading manufacturers and exporters of confectionery, food, footwear and stationery

products in Kenya. Michael Mukolwe, a food processing engineer and a lecturer at Masinde Muliro University said, the visit had offered the students a great learning experience and opened them to the real world of industrial manufacturing. "The students got exposure to techniques, technology and machinery and were able to connect theory with practical applications. They learnt about the latest advancements and future prospects of the industry," he said adding that was also an opportunity for them to meet prospective employers. Anderson Liambila, a final year

Bachelor of Science student specialising in Food Processing and Technology said the visit had enabled them to get hands on experience in the world of making ball gums, lollipops and how to mix ingredients. "It was very interesting to see what we have learnt in theory being applied in real life. They showed us the entire production flow processes ending with stocking finished goods in the warehouse. I was impressed by the automation because it reduces errors and contamination and ensures correct rationing of ingredients.

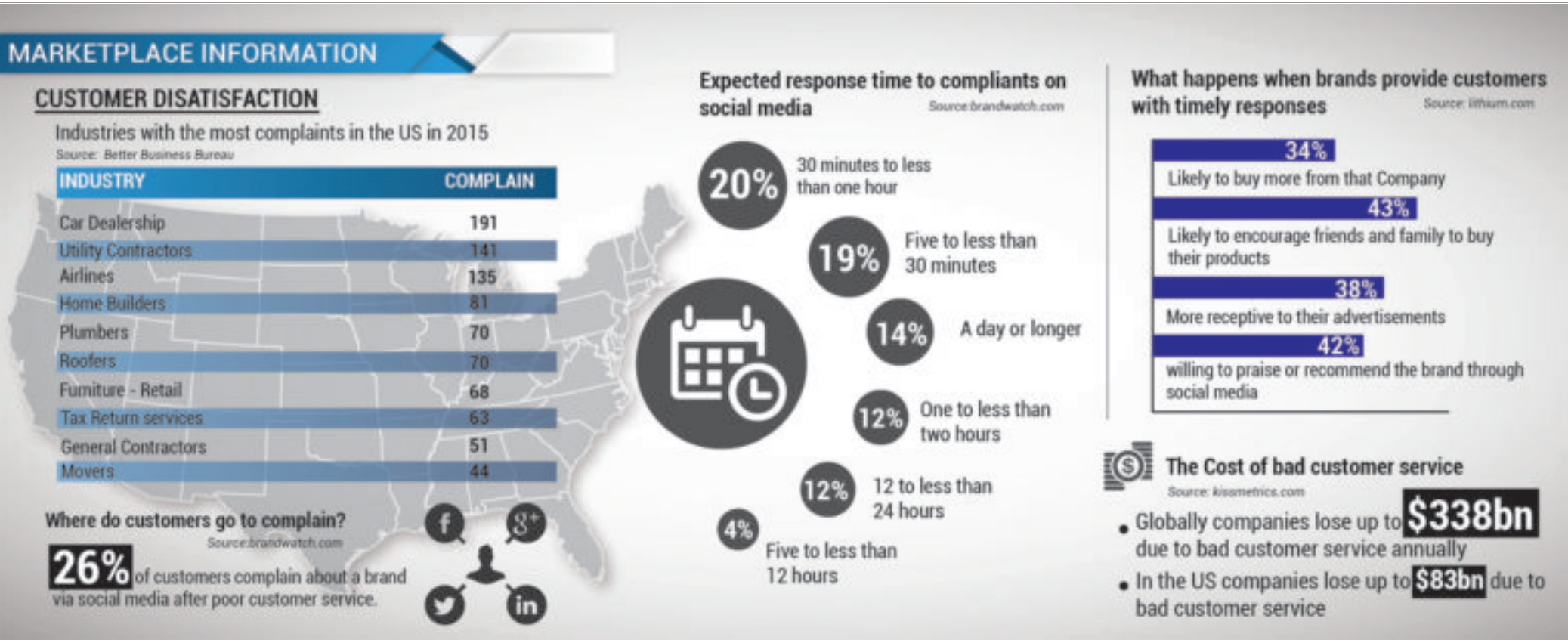


Vice Chancellor USIU-Africa Prof. Paul Zeleza (L), corporate affairs manager Cisco Systems, East, Central and Southern Africa, Hital Muraj (C) and Paul Kimamo at the launch. COURTESY

USIU-Africa, Cisco Systems launch networking academy

USIU-Africa and Cisco Systems Inc have officially launched the Cisco Networking Academy – a global education program that offers professional certifications for ICT careers in network security and administration, technical support, healthcare IT, computer science, and related fields. Sponsors of the academy said it will not only offer students the opportunity to enhance their understanding of the networking field but also provide a platform for students to experience and engage with rich content through a curriculum that integrates technical skills training with real life situations. "We offer quality certification programs in partnership with IBM, Microsoft, Linux, EC – Council, making the partnership with Cisco Systems a great addition to the ever growing number of superior certifications that USIU-Africa offers," the USIU-A vice chancellor Prof Paul Zeleza said, adding

that the certifications offered through such partnerships are key to bridging the gap between degree courses and practical skills that prepare students for the dynamic ICT world. Prof. Zeleza said the partnership with Cisco reemphasizes USIU-Africa's commitment to invest in science, technology, engineering and mathematics programs that should fundamentally improve Africa's competitiveness in technology development and transform society through new inventions. The Cisco Networking Academy has so far equipped more than 5.5 million students in 165 countries with networking skills. "Globally, the tremendous growth in information and communications technology makes it critically important that today's employees are equipped for the future with the right skills to enable them to respond to the changing needs of our society."



MONEY & MARKETS

NEWS | REVIEWS | ANALYSIS

Equity Bank raises by 15 times the amount customers can borrow through phone

BY BRIAN NGUGI

Equity Bank has raised by 15 times the amount customers can borrow through the Equitel mobile banking, highlighting the growing importance of the platform to Kenya's largest lender by client base.

Customer can now borrow Sh3 million compared to the previous Sh200,000 with the maximum repayment period now stretched from a month to 12 months.

The new product is dubbed "Eazzy Plus Loan" and the bank said it was in response to demand by its Equitel customers.

"We believe that in the next few years Equitel will do five more times the number of transactions of all other channels put together," said Equity Group chief executive James Mwangi.

In 2015 Equitel's 1.7 million customers transacted a total of Sh151 billion while the value of Equitel loans stood at Sh8.5

billion, according to the lender.

Mr Mwangi said the increased use of Equitel to access credit "will benefit users since the loan repayment rate through the mobile platform is better than other channels".

"We can significantly reduce the cost of borrowing for our customers," he said.

Equitel transaction platform was unveiled in August last year with the bank noting that 1.9 million customers used it to

apply for loans through phones compared to 533,000 who applied physically.

In 2015, its ATM Transactions reduced by 6 per cent to 30.4 million transactions.

Micro and savings loan products by banks in the country have gained huge popularity with several other lenders reporting similarly phenomenal growth.

KCB Group chief executive Joshua Oigara recently said mobile and agency

banking are driving most of the transaction volumes with about 70 per cent of transactions driven by mobile.

"If you talk about ten transactions we have seven of the transactions in there comprised of mobile and agency banking," he said.

Mr Oigara said KCB Group and Safaricom's mobile banking product (KCB M-Pesa) launched in March has issued loans worth Sh7 billion in 10 months.

Low-end drinkers lift Kenya's spirits uptake to 12.7m litres

CONSUMPTION Usage grows 12pc as consumers turn to affordable brands

BY DAVID HERBLING

Kenyans gulped a total of 12.7 million litres of spirits in 2014 thanks to increased uptake by the low-income and lower-middle income consumers, a new study shows.

The 12 per cent growth came as patrons increasingly turn to spirits such as brandy, gin and vodka due to their affordability and availability in smaller packs, according to market research firm Euromonitor International.

This makes spirits one of Kenya's fastest growing alcoholic beverages category compared to beer, whisky and wines, a factor that has touched of rabid competition by industry players for consumers' throats.

"The growing young population in Kenya will also provide an opportunity for strong growth," said the London-based business intelligence firm.

Gin has registered a mean annual growth rate of 35.4 per cent over the last five years to make the drink the fastest growing in the category even though it only accounts for a third of total consumption according to Euromonitor.

Vodka makes up 60 per cent of total spirit sales to make the distilled drink the most popular. Brandy's share is 12 per cent. Kenya Cane, manufactured by Diageo-owned United Distillers Vintners Kenya, is the leading spirit brand in Kenya, according to data from Euromonitor.

Jebel, a low-end market spirit launched in November 2013, is ranked second. The Jebel brand, sold for Sh10 per 30ml a tot, helped power earnings of East African Breweries Ltd last year.

Kenyans' consumption of Scotch whisky grew six per cent to reach Sh568



Sales of Spirits by Category in Kenya: ('000)

Category	2009	2010	2011	2012	2013	2014
vodka	5,520.2	5,730.5	6,154.1	6,523.2	7,272.5	7,692.6
gin	770.9	789.8	846.5	1,105.5	2,623.8	3,519.0
brandy	1,151.8	1,110.2	1,306.2	1,393.2	1,433.4	1,526.0

Source: Euromonitor International

A section of a bar stocked with alcoholic beverages. FILE

million in 2015, attributable to a growing middle class, according to Scotch Whisky Association, an industry lobby.

This makes the 12 per cent year-on-year growth in spirits sales higher than that of Scottish whisky.

Keroche, maker of ready to drink vodkas such as Crescent vodka and Vienna Ice, says sales of the drinks targeted at the low-end market are up 50 per cent on the back of President Uhuru Kenyatta's renewed fight against illegal brews.

"The proliferation of bars, restaurants and hotels is also expected to spur growth in alcohol consumption in Kenya," said analysts at Euromonitor.

The sustained growth in uptake of spirits has led to tax experts calling for a review of taxes to make the product more affordable to those at the base of the pyramid.

Excise tax on spirits is charged at the rate of Sh175 per litre, Wines, includ-

ing fortified ones (Sh150 per litre), and Sh100 per litre is levied on beer, cider and other fermented and spirituous beverages whose alcoholic strength is below 10 per cent, according to the Excise Duty Act, 2015.

"Lower excise duties (are needed) in order to widen the compliance net," said Kairo Thuo, tax expert at Viva Africa Consulting. The consulting firm says about 30 per cent of the spirits market in Kenya is controlled by illegitimate players who avoid the tax system as well as hygiene and food safety standards.

A study by Viva Africa Consulting shows that the standard cost of producing 250ml of brandy is approximately Sh93.34, which includes 16 per cent VAT and Sh43.75 in excise tax. The selling price shoots to between Sh150 and Sh200, factoring in other costs such as advertising, labor cost and a profit margin.

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Analysts paint a gloomy picture of listed retailer Uchumi share's future

Two analysts have issued bleak outlook for Uchumi Supermarkets in research notes to investors.

Cytonn Investments has made a U-turn from its earlier note advising investors to buy the retailer's stock, and has entirely dropped it from its recommended portfolio.

Exotix Frontier Research has advised investors to sell Uchumi share with a target price of Sh5.30 apiece.

"Given the recent developments in Uchumi, we have suspended Uchumi from our recommendations list pending comprehensive review," Cytonn said in a coverage note dated March 27, 2016.

"We currently have a SELL recommendation based on a target price of Sh5.28," Exotix said, noting that Uchumi faces brand equity erosion, poor execution in expansion strategy and a poor revenue mix.

Uchumi share has shed more than half its value since beginning of the year, and closed at Sh5.10 on Friday.

Cytonn defended its decision saying the review follows Uchumi's closing of five branches in Kenya and lawsuits with suppliers in Kenya and Uganda over non-payment of debts.

"For Uchumi Supermarket, we recommended an 'Accumulate' for purely speculative purposes," Cytonn had earlier said in a coverage note dated March 20, 2016.

Analysts at Cytonn had given Uchumi a target price of Sh6.20 a share, an upside of nearly 20 per cent, saying "buying should be restrained and timed to happen when there are momentary dips in stock prices."



Uchumi Supermarkets outlet in Nairobi. FILE

Uchumi's total equity is in a negative position of Sh181 million as at December 2015 from a positive Sh739 million in June 2015.

"This is primarily explained by accumulated losses that stood at Sh4.3 billion as at December 2015," analysts at Exotix said in their note.



Given the recent developments in Uchumi, we have suspended Uchumi from our recommendations list pending comprehensive review

CYTONN INVESTMENTS NOTE

Cytonn had started its coverage of Uchumi in December 2015 with a buy recommendation and a target price of Sh9.70 per share.

Uchumi went on to touch a high of Sh10.65 on New Year's Eve, giving investors a 31.5 per cent return for those who bought the share in early December.

"Our view is that the company will continue to struggle in its core business going forward as it lacks the necessary cash flows to support the daily operations," Cytonn said after reviewing its position on Uchumi.

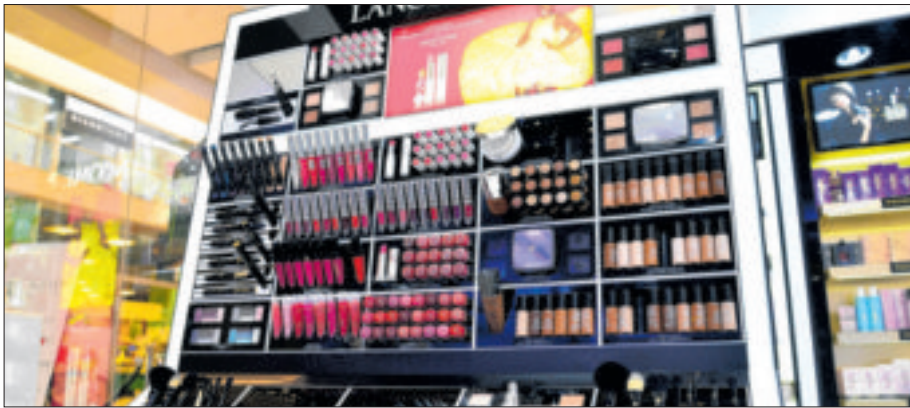
Uchumi collapsed on Madaraka Day, 2006 only to be rescued by the State and its suppliers. In recent years, it has been grossly mismanaged to nearly revert to its earlier position.

- DAVID HERBLING

MONEY & MARKETS

Value of M&As in East Africa falls on Jan, Feb mega deals drought

INVESTMENTS Region posted Sh19.3bn worth of transactions down from Sh101bn last year



Lancôme products on display at the Lintons Beauty World at Garden City Mall in Nairobi. One of the top global cosmetics brand introduced its high-end beauty products in Kenya late last year. FILE

BY CHARLES MWANIKI

The value of mergers, acquisitions, private equity and capital raising deals in East Africa has shrunk in the first two months of the year compared to last year in the absence of big ticket deals that boosted inflows last year.

Data compiled by Burbidge capital shows there has been a total of 15 deals in January and February compared to 21 over the same period last year.

The disclosed value of deals in the region stands at \$193 million (Sh19.3 billion) this year, compared to incoming deals worth \$1 billion (Sh101 billion) recorded in the first two months

of 2015. There was also \$498 million (Sh49.8 billion) worth of private equity exits from the market last year.

Kenya has accounted for 10 of the 15 deals done this year, valued at \$150.8 million (Sh15 billion).

"15 corporate deals with a combined value of about \$200 million have been done already. The deals are primarily private M&A and private equity deals, with one or two public markets transactions coming through as markets stabilise a little and another election (Uganda) is done in the region," said Burbidge Capital in the February financial review.

Last year, the numbers were hugely boost-

ed by big-ticket deals when Helios Partners sold their stake in Equity Bank in a deal that eventually raised Sh50 billion and UK-based Old Mutual's purchase of a controlling stake in UAP Holdings from Centum, Mr Chris Kirubi, Abraaj, AfricInvest and Swedfund for Sh25 billion.

Disclosed deals this year include the Sh300 million investment by venture capital firms TED, MKS Alternative Investments and Synergy Energy in BRCK, a Kenyan company which manufactures routers and modems.

Old Mutual Group has also made a Sh6.4 billion investment in Centum's Two Rivers Lifestyle Centre, the holding company for the Two Rivers Mall.

There are also a number of deals whose value has not been disclosed including the buyout of a majority stake in Nairobi-based air freight forwarder Airflo by Swiss logistics giant Panalpina and Indian conglomerate Godrej Consumer Products' purchase of a majority stake in Canon Chemicals, the makers of Valon petroleum jelly and Styles Industry Ltd which makes hair products.

Upcoming deals expected to boost the total for 2016 include the ARM equity stake sale to a strategic investor for Sh14 billion, the listing of KShoe and St Paul's Properties trust on the NSE, and the IPO of Tanzanian power distributor Tanesco.

UK PE firm Duet has also indicated it will invest Sh1.98 billion for an equity stake in Fidelity Commercial Bank pending regulatory approval.

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Turkana residents protest at Tullow Oil sites demanding employment, tenders and contracts for locals in 2013. FILE

Kenyan consortium wins deal to curb oil-related disputes

BY ALLAN ODHIAMBO

A consortium led by Kenya's Africa Waste and Environment Management Centre (AWEMAC) has clinched a Sh38 million contract to advise on how to minimise conflict in oil exploitation.

The firms will also advise on environmental and safety issues including revenue sharing for communities around oil wells to avoid conflict when the country starts tapping its petroleum wealth.

The Energy and Petroleum ministry said AWEMAC would partner with Spain's Impulso Industrial Alternativo for the assignment that is scheduled to run for 12 months.

"Prepare an overview of the environmental and social characteristics of the areas' most likely to be affected by sector activities and identification of possible claims of rights to oil and gas revenue by local communities, including vulnerable and marginalised groups," partly states the contract scope of work.

AWEMAC beat five others to the job after posting final overall score of 85.68. Others that placed bids for the job included Environmental Resources Management-Kenya, Israel's Appropriate Development Consultants Ltd in partnership with Finkel & Finkel Consulting Engineers of Kenya and KURRENT Technologies in association with RSK Environment Ltd.

Others were Brazil JGP Consultoriae Participacoes Ltd, Juan Piazza and Sofia Antunes and Kenya's Environmental Management Consultant in partnership with Cardno Emerging Markets East Africa Ltd. The government is keen

on tapping the country's oil wealth by 2017 and is even considering moving crude oil to Mombasa by road and railway for export.

The Energy ministry has offered Rift Valley Railways the contract to move the oil over a distance of more than 800km, from Eldoret to the Kipevu-based Kenya Petroleum Refineries from as early as February next year.

Government officials and representatives of Essar Energy are this week expected to strike a deal on the management of the refinery.

They are expected to sign a deed of settlement awarding the Indian firm \$5 million (Sh507.6 million) in exchange for its 50 per cent stake in the Mombasa-based refinery — paving the way for execution of a planned takeover of the refinery by Kenya Pipeline Company in preparation for early oil export from Lokichar fields.

But even as the export plans are consolidated, the Energy ministry is keen on rolling out social development schemes around the oil fields amid concern that lack of clearly defined policies on oil management and wealth sharing could trigger conflict around the project sites.

The head of Presidential Delivery Unit Nzioka Waita last month said the government would refurbish the refinery in Kipevu to support the fuel export plans.

"We are now trying to refurbish Kipevu plant— which has only been bringing petroleum in — to take petroleum out," said Mr Nzioka.

COLD CHAIN INDUSTRY

SERVICES & LOGISTICS IN SUB-SAHARAN AFRICA

COLD STORAGE

COLD TRANSPORT

COLD SUPPLY CHAIN

The EastAfrican, the authoritative regional weekly newspaper, will analyze key trends in the **Cold Chain Industry** in sub-Saharan Africa, through an informative special report scheduled for **April, 2016**.

Topics to be featured include:

- Cutting edge technologies in cold storage
- Reefer supplies
- Warehousing and logistics

To take part contact Mbaabu

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Email: cmmbaabu@ke.nationmedia.com

The EastAfrican

Special report



MONEY & MARKETS GLOBAL

TECHNOLOGY Tap-to-pay functionality gathers momentum from a slow start as shoppers seek to save time and avoid hassle

Does 'pay by app' mean an end to shopping queues?

Contactless payments may be all the rage these days, but you still have to tap your smartphone, smartwatch or card on a terminal of some kind.

And at busy times, this can mean standing in queues or hanging around for ages waiting for the restaurant bill to arrive.

All that could be about to change.

"Payments are vanishing inside apps," explains Dave Birch, a payments expert at Consult Hyperion. "That's where all the interesting stuff is going on."

Take the Starbucks or Hailo apps for example. They let customers pay for products and services via apps linked to bank services—there's no need for physical interaction with a terminal at all. And at Starbucks, that means you don't have to join a queue for the till before you get your coffee.

Apple, Google and Samsung have all anticipated the significance of this and offer in-app payments via their own apps.

Image copyright MasterCard Image caption Maytag and MasterCard are rolling out mobile phone payment at laundrettes in the US And MasterCard's Qkr! app, available for both Android and iOS

phones - and most types of payment card - enables customers to settle the food and drinks bill without the need to bother staff, saving time and hassle.

So far only Wagamama, ASK Italian and Zizzi restaurants have integrated their systems with the Qkr! app, but MasterCard says the Carluccio's chain and

Young's brewery pubs will be "coming soon".

The idea that our phones —indispensable, of course —could take on the functionality of our wallets has long been the dream of smartphone makers.

And tap-to-pay functionality has certainly been gathering momentum from a slow start.

In the UK, contactless payments topped the one billion mark in 2015, according to the UK Card Association.

Market research outfit TrendForce is forecasting steady growth in the mobile payments market over the next four years.

Image copyright Thinkstock Image caption Contactless payment via smartphone... Image copyright Thinkstock Image caption ...or smartwatch still re-

“Everything the user can do within the banking app, he can do within the keyboard, our keyboard

DANIEL PELED, PAYKEY FOUNDER



Customers wait outside a Tesla store in California. Market researchers are forecasting steady growth in the mobile payments market.

AFF

quires a machine reader, whereas in-app payments don't

In the US, big firms like retailer Wal-Mart and bank JPMorgan Chase & Co. are launching mobile payment apps this year.

And Android Pay, which allows owners of Android smartphones to tokenise their credit or debit cards and pay with their phones at contactless terminals, will launch in the UK "in the next few months", promises Google. But services like Android Pay, Apple Pay and Samsung Pay all rely on the contactless payment infrastructure — embedded near-field communication (NFC) chips communicating transaction data with a payment terminal.

Yet NFC isn't exactly new technology, and adoption rates for some of these services have not been stellar so far. Plus, US

contactless infrastructure lags behind that of Europe.

Which is why alternative approaches — such as in-app payments —that do away with the need for point-of-sale hardware completely are causing such excitement.

This approach is also being adopted for easy person-to-person payments.

For example, Paykey provides a keyboard update for iOS and Android that enables users to send payments to one another while chatting via apps such as Facebook, Twitter, WhatsApp and Instagram.

Paykey hasn't launched yet, but founder Daniel Peled explains that the transaction doesn't happen via the messenger app at all - but rather by using the smartphone's onscreen keyboard to direct functions which actually occur within

the user's banking app. Image copyright Venmo Image caption Person-to-person payment apps like Venmo are bringing banking into the mobile age

"Everything (the user) can do within the banking app, he can do within the keyboard, our keyboard," he says.

The payee doesn't need to have Paykey installed to receive the money - but he or she would need to be a member of the Paym database, which links UK bank accounts to mobile phone numbers. The Paym service currently has 3.2m users.

Other person-to-person apps, like Venmo, are also hoping to corner the market for such transactions.

Image copyright Android Image caption Vending machines, parking meters, and laundrettes could all go cashless ...eventually.

-REUTERS

China's Anbang abandons \$14bn bid to buy Starwood Hotels

China's Anbang Insurance Group Co said last week it has abandoned its \$14 billion bid for Starwood Hotels & Resorts Worldwide Inc (HOT.N), paving the way for Marriott International Inc (MAR.O) to buy the Sheraton and Westin hotels operator.

The surprise withdrawal marks an anticlimactic end to a bidding war that had pitted Marriott's ambitions to create the world's largest lodging company, with about 5,700 hotels, against Anbang's drive to create a vast portfolio of US real estate assets.

It also represents a blow to corporate China's growing ambitions to acquire US assets. Anbang's acquisition of Starwood would have been the largest takeover of a US company by a Chinese buyer.

"We were attracted to the opportunity presented by Starwood because

of its high-quality, leading global hotel brands, which met many of our acquisition criteria, including the ability to generate consistent, long-term returns over time," Anbang said in a statement.

"However, due to various market considerations, the consortium has determined not to proceed further," Anbang added, referring to the joint bid it had put together with private equity firms J.C. Flowers & Co and Primavera Capital Ltd.

Anbang did not offer Starwood a reason for not following through on its raised offer of March 26, according to people familiar with the matter. They asked not to be identified disclosing confidential discussions.

"The reason of withdrawal is simple - Anbang isn't interested in a protracted bidding war," Fred Hu, chairman of Pri-

mavera, told Reuters in an email.

It was not immediately clear if Marriott had been planning a counterbid to Anbang's March 26 offer. Anbang has previously bowed out of smaller deals, but this is the most high-profile deal it has abandoned, people familiar with the matter said.

Fully financed

Starwood said on Monday that Anbang had raised its offer to almost \$14 billion. Anbang had been expected to firm up that non-binding offer, so that Starwood would formally declare it superior to Marriott's.

Anbang had already made a \$13.2 billion binding and fully financed offer earlier this month, which Starwood accepted as superior. Had Marriott not counterbid on March 21, Starwood would have pro-

ceeded with the earlier Anbang offer.

Starwood said on Thursday that Anbang had withdrawn its offer "as a result of market considerations," which it did not specify. Marriott declined to provide immediate comment.

The move fuelled speculation on what drove Anbang to change course, especially given that many Chinese overseas acquisitions have been encouraged by the country's authorities.

Chinese financial magazine *Caixin* reported earlier this month that China's insurance regulator would likely reject a bid by Anbang to buy Starwood, since it would put the insurer's offshore assets above a 15 percent threshold for overseas investments.

Should Anbang have clinched an agreement with Starwood, it would have been scrutinised by the Commit-

tee on Foreign Investment in the United States (CFIUS), an interagency panel that reviews deals to ensure they do not harm national security. However, sources had said that both Starwood and Anbang believed the deal would have received CFIUS clearance.

"My guess is that Starwood wanted either a higher break-up fee, maybe a billion dollars, or a higher price from Anbang to offset the risk," said Ryan Meliker, an analyst at Canaccord Genuity Group Inc (CFTO). In its latest offer, Anbang's consortium had offered \$82.75 per share in cash.

Starwood shareholders will also receive stock in Interval Leisure Group Inc (IILG.O), worth \$6.13 per Starwood share.

-REUTERS

MARKET DATA

Agro Commodities Market

Early Morning wholesale commodity prices Date 01.04.2016											
COMMODITY	Unit	Kg	Nairobi	Mombasa	Kisumu	Nakuru	Eldoret	Busia	Karatina	Isiolo	Kitale
CEREAL											
Dry Maize	Bag	90	2700	2450	3200	2300	2500	2925	2600	2000	2000
Green Maize	Ext Bag	115	2000	5600	2400	1800	1800		700	3500	2000
Finger Millet	Bag	90	6200	6300	6800	5400	6750	5400	7000	9000	4500
Sorghum	Bag	90	3500	2700	3200	2700	5850	2700	3600	4500	3600
Wheat	Bag	90	4000				3300		4000	4500	3600
LEGUMES											
Beans Canadian	Bag	90	6000		8000	5500			5000		5400
Beans Rosecoco	Bag	90	6000	6000	8000	5500	8100	7200	7000		5400
Beans Mwitmania	Bag	90	5800	4500		4800	7200		5000	5400	5400
Mwezi Moja	Bag	90	5700							6300	
Dolichos (Njahi)	Bag	90	13500	14400		12600	8100		11000	10000	10800
Green Gram	Bag	90	9000	7650	11000	8100	9900	9000	9000	10000	12600
Cowpeas	Bag	90	7100	2700	8200	9000	4500	8100	3000	4500	7000
Fresh Peas	Bag	51	2500	1750	3000	2500	1785		3060		4000
Groundnuts	Bag	110	13200	13750	10000	12100	11250	11000	17000	13500	13200
ROOTS & TUBERS											
Red Irish Potatoes	Bag	50	2300	2100	2800	4800	1600	1600	2700	2500	2200
White Irish Potatoes	Bag	50	2200	2400	2800	4800	1400				3000
Cassava Fresh	Bag	99	2100	2400	2100			1000			2200
Sweet Potatoes	Bag	98	3200	2900	2500	3500	1800	2500	3500	2400	1700
VEGETABLES											
Cabbages	Ext Bag	126	1500	2700	900		1200	2200	1900	1200	2250
Cooking Bananas	Med Bunch	22	520	780	300	350	800	800	250	850	350
Carrots	Ext Bag	138	2700	2800	3500	1800	1600	2700	1200	1800	
Tomatoes	Lg Box	64	5800	8000	5000	3500	6000	4500	6500	5500	6500
Onions Dry	net	13	1000	850	1040	850	780	750	650	1040	900
Spring Onions	Bag	142	2600	4000	2500	750	800		4260		3000
Chillies	Bag	38	2500	4100	1500	2500		760			800
Cucumber	Bag	50	2200								3000
Capsicums	Bag	50	2500	5500	2800	2500	2000	500	2500		4000
Kales	Bag	50	1250	1000	1200	1200	1200		1000	1500	900
Brinjals	Bag	44	1980	900	1500						2250
Cauliflower	crate	39	2340	2300		1000					
Lettuce	Bag	51	2000	3000							
FRUITS											
Passion Fruits	Bag	57	5000	7000	3000	5000	3420	2850		7500	8250
Oranges	Bag	93	2800	3200		4400	3500	3500		4500	3000
Lemons	Bag	95	2600	2500	1700	2700		2500			4750
Ripe Bananas	Med Bunch	14	600	400	300	750	560	1000	350	500	825
Mangoes Local	Bag	126	2700	1800	2500	3600	2400	3000	1500	2500	2500
Mangoes Ngowe	Sm Basket	25	1200	1330	2000	500	700		1500		
Limes	net	13	1040								
Pineapples	Dozen	13	910	900	650	480	1300	1300		1200	900
Pawpaw	Lg Box	54	2700	850	1300	2700	1890		3240	900	3300
Avocado	Bag	90	2400	3000	1800	2000	1600		2000	2500	1500
OTHERS											
Eggs	Tray	280	280	330	300	300	360		300	320	330
SOURCE: STATE DEPARTMENT OF AGRICULTURE. EMAIL MARKETINFO@KILIMO.GO.KE											

MSCI Emerging Markets Sector Indices

NAME	LAST	NET.CHNG	PCT.CHNG	OPEN	HIGH	LOW	CLOSE
CI-UAE	366.04	41.17	▲12.67%	366.04	366.04	366.04	324.87
CI-AC AMER.	975.28	-3.94	▼-0.40%	975.28	975.28	975.28	979.22
CI-ARGENTINA	1,959.49	150.86	▲8.34%	1,959.49	1,959.49	1,959.49	1,808.62
CI-BRIC	429.93	-9.64	▼-2.19%	429.93	429.93	429.93	439.56
BRIC	194.59	-4.25	▼-2.13%	194.59	194.59	194.59	198.83
BRIC GROWTH	405.63	-9.83	▼-2.37%	405.63	405.63	405.63	415.46
BRIC VALUE	326.43	-6.75	▼-2.03%	326.43	326.43	326.43	333.18
CI-BAHRAIN	75.06	1.62	▲2.21%	75.06	75.06	75.06	73.44
CI-BRAZIL FREE	1,545.46	67.33	▲4.55%	1,545.46	1,545.46	1,545.46	1,478.13
CI-CHILE	3,909.48	-19.51	▼-0.50%	3,909.48	3,909.48	3,909.48	3,928.98
CI-CHINA FREE	50.66	-1.36	▼-2.61%	50.66	50.66	50.66	52.02
CI-COLOMBIA	2,085.32	113.16	▲5.74%	2,085.32	2,085.32	2,085.32	1,972.16
CI-CZECH REPUBLI	211.44	-24.29	▼-10.30%	211.44	211.44	211.44	235.73
CI-EAFE+EM	282.92	-8.74	▼-3.00%	282.92	282.92	282.92	291.66
CI-EU	423.96	-7.26	▼-1.68%	423.96	423.96	423.96	431.22
CI-EM	42,125.82	-19.92	▼-0.05%	42,125.82	42,125.82	42,125.82	42,145.74
CI-EGYPT	1,267.44	64.74	▲5.38%	1,267.44	1,267.44	1,267.44	1,202.70
CI-AC EUROPE	461.22	-9.74	▼-2.07%	461.22	461.22	461.22	470.96
CI-C.FE	100.04	-5.10	▼-4.85%	100.04	100.04	100.04	105.14
CI-C.FE X JP	429.86	-1.22	▼-0.28%	429.86	429.86	429.86	431.08
CI-GOLD DRAGON	134.63	-0.61	▼-0.45%	134.63	134.63	134.63	135.24
CI-HUNGARY	1,090.55	-45.63	▼-4.02%	1,090.55	1,090.55	1,090.55	1,136.19
CI-INDON. FREE	5,707.33	166.61	▲3.01%	5,707.33	5,707.33	5,707.33	5,540.72
CI-INDIA	878.26	-63.38	▼-6.73%	878.26	878.26	878.26	941.64
CI-JOEG & MA	945.96	26.98	▲2.94%	945.96	945.96	945.96	918.97
CI-KOREA	511.23	3.02	▲0.59%	511.23	511.23	511.23	508.21
CI-KUWAIT	419.50	14.95	▲3.69%	419.50	419.50	419.50	404.55
CI-EM L.AMERICA	59,591.15	1503.56	▲2.59%	59,591.15	59,591.15	59,591.15	58,087.59
CI-SRI LANKA	580.91	9.30	▲1.63%	580.91	580.91	580.91	571.61
CI-MOROCCO	259.99	2.46	▲0.96%	259.99	259.99	259.99	257.53
CI-EM E.EUROPE	243.33	2.41	▲1.00%	243.33	243.33	243.33	240.92
CI-EM FAR EAST	520.24	0.29	▲0.06%	520.24	520.24	520.24	519.95
CI-EM ASIA	615.52	-4.74	▼-0.76%	615.52	615.52	615.52	620.26
CI-EM EUROPE	4,236.74	32.79	▲0.78%	4,236.74	4,236.74	4,236.74	4,203.95
CI-MEXICO FREE	41,380.54	148.73	▲0.36%	41,380.54	41,380.54	41,380.54	41,231.81
CI-MALAYSIA FREE	576.17	-6.19	▼-1.06%	576.17	576.17	576.17	582.36
CI-OMAN	628.46	45.97	▲7.89%	628.46	628.46	628.46	582.49
CI-PERU	1,669.57	129.88	▲8.44%	1,669.57	1,669.57	1,669.57	1,539.69
CI-AC PAC.	108.45	-5.17	▼-4.55%	108.45	108.45	108.45	113.62
CI-PHILIPP.FREE	1,148.56	-8.32	▼-0.72%	1,148.56	1,148.56	1,148.56	1,156.87
CI-PAKISTAN	105.40	2.27	▲2.20%	105.40	105.40	105.40	103.13
CI-POLAND	521.71	21.70	▲4.34%	521.71	521.71	521.71	500.01
CI-QATAR	768.21	40.39	▲5.55%	768.21	768.21	768.21	727.82
CI-RUSSIA	799.50	12.78	▲1.62%	799.50	799.50	799.50	786.71
SOUTH EAST ASIA	658.94	14.21	▲2.20%	658.94	658.94	658.94	644.73
CI-THAILAND FREE	456.20	16.82	▲3.83%	456.20	456.20	456.20	439.39
CI-TURKEY	371.45	12.55	▲3.50%	371.45	371.45	371.45	358.90
CI-TAIWAN	306.95	11.13	▲3.76%	306.95	306.95	306.95	295.82
CI-ISRAEL	302.93	-12.42	▼-3.94%	302.93	302.93	302.93	315.36
CI-SOUTH AFRICA	1,233.90	-5.69	▼-0.46%	1,233.90	1,233.90	1,233.90	1,239.59

Commodities

Thriving



Paris

A biker (left) working for Deliveroo delivers meals to employees taking a lunch break at the workplace last week in Paris. The start-up founded in 2013 in the UK and operating in France for a year, says it has already served a “million meals” in France, presenting itself as the “leader” of this thriving market. AFP

Global Commodity Prices

Effective date: 1st April 2016

AGRO COMMODITIES			
COMMODITY	CURRENCY	LAST	NET CHNG
SOFTS			
SUGAR NO5	USD	438.50	-6.20
COFFEE	USD	136.50	1.00
COCOA	USD	2,942.00	-8.00
RUBBER	JPY	172.00	1.00
FROZEN OJ CON1	USC	145.75	3.95
COTTON NO2	USC	58.28	-0.16
GRAINS			
CORN	USC	349.5	-2
MAIZE EUR	EUR	152.00	0.25
WHEAT	USC	470.75	-2.75
ROUGH RICE	USD	9.69	0.00
OILSEEDS			
SOY BEANS	USC	913.75	3.00
SOY BEAN OIL	USC	34.50	0.28
CANOLA	CAD	478.60	2.40
PALM OIL	MYR	2,264.00	-8.00
METALS & MINING			
SYMBOL	CURRENCY	LAST	NET CHG
100 OZ GOLD	USD	1,232.50	-1.70
SILVER	JPY	55.00	0.00
HG COPPER	USC	2.18	0.00
PLATINUM	JPY	3,548.00	17.00
ALUMINIUM	CNY	11,855.00	140.00
PALLADIUM	JPY	2,062.00	8.00
OIL & GAS			
SYMBOL	CURRENCY	LAST	NET CHG
LIGHT CRUDE	USD	37.61	-0.73
NO 2 HT OIL	USD	1.17	-0.02
BRENT CRUDE	USD	39.48	-0.85
GAS OIL	USD	346.25	-8.75
NATURAL GAS	USD	1.98	0.02
KEROSINE	JPY	39.40	0.00
SOURCE: THOMSON REUTERS			

Unit Trusts

Effective date: 31st March 2016

MONEY MARKET FUND	CURRENCY	DAILY YIELD	EFFECTIVE ANNUAL RATE
OLD MUTUAL	SH	8.48%	8.82%
BRITISH AMERICAN	SH	11.53%	12.16%
UAP	SH	5.09%	5.22%
GENCAP HELA	SH	16.22%	17.23%
PAN AFRICA PESA+	SH	14.46%	15.55%
MADISSON	SH	13.56%	14.44%
CBA	SH	10.25%	10.71%
AMANA	SH	14.45%	15.45%
STANLIB	SH	10.27%	10.77%
EQUITY MONEY MARKET FUND	SH	9.19%	9.59%
ZIMELE	SH	10.34%	10.75%
ICEA	SH	13.82%	14.82%
CIC	SH	11.82%	12.39%
NABO AFRICA	USD	-	-

MARKET DATA

Tokyo shares drop after weak BoJ corporate confidence poll

Tokyo stocks tumbled more than three percent Friday as a key Bank of Japan (BoJ) survey showed confidence among major manufacturers dropped to its lowest level since 2013, while Panasonic plunged on a disappointing profit forecast.

Shortly before the markets opened, the BoJ released its closely watched Tankan survey, a poll of more than 10,000 firms seen as the most comprehensive indicator of how Japan Inc is faring.

The quarterly report showed confidence deteriorated to the lowest point since Prime Minister Shinzo Abe kicked off his programme to end deflation, dubbed Abenomics, in early 2013.

The Tankan's weaker-than-expected reading was likely to heap more pressure on policymakers to unleash another round of stimulus, as evidence of a slowdown in the world's number three economy piles up.

Investors are now awaiting the release of US jobs figures later in the day.

"The economy is looking a little weak," Juichi Wako, a senior strategist at Nomura Holdings, told Bloomberg News.

Bear market

"It's difficult to make a move ahead of US jobs data and I expect the market to be weighed down by this."

The benchmark Nikkei 225 index ended lower for the fourth straight session, dropping 3.55 percent, or 594.51 points, to 16,164.16. Over the week, it lost 4.93 percent.

The broader Topix index of all first-section shares gave up 3.40 percent, or 45.80 points, to finish at 1,301.40. Over the week, the index lost 4.73 percent.

In currency trading, the dollar weakened to 112.17 yen from 112.60 yen in New York on Thursday.

The market largely shrugged off better-than-expected Chinese manufacturing data in March, which showed the first expansion of activity since June.

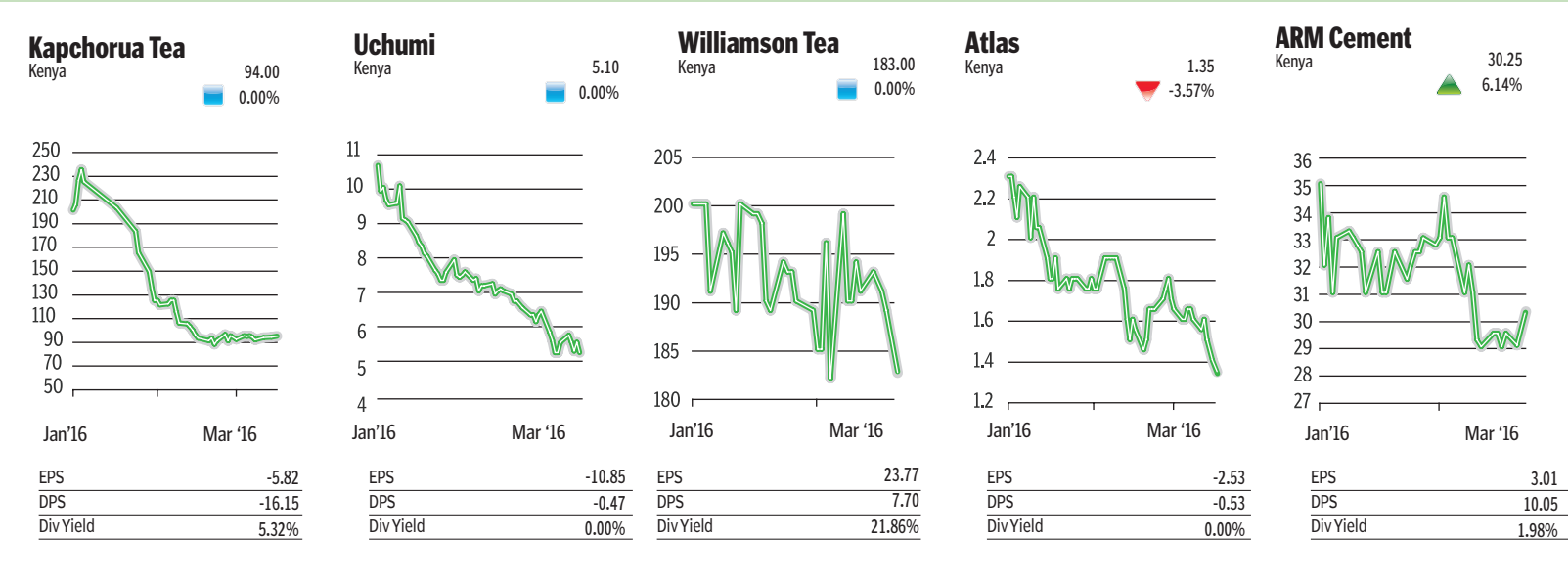
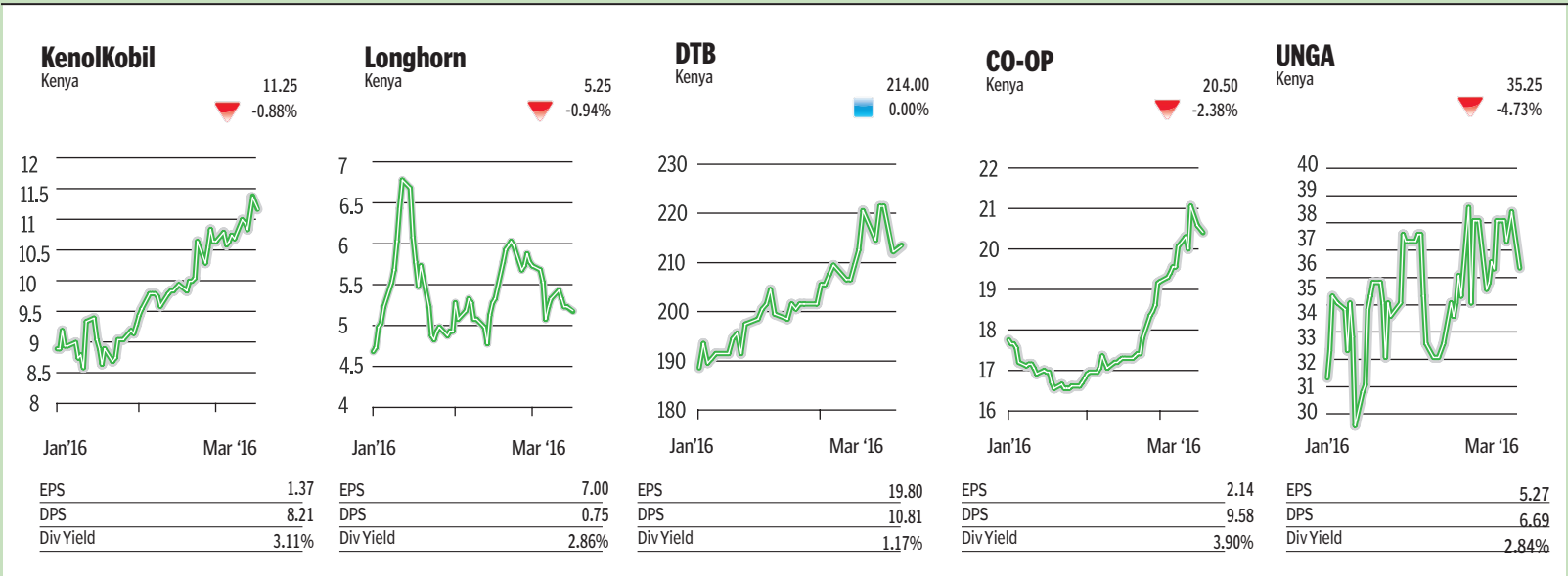
"Selling pressure is dragging on since early trade," Toshikazu Horiuchi, a broker at IwaiCosmo Securities Co, Ltd, said before the market closed.

"Any factors or indicators are seen from negative viewpoints," he told AFP. "Tokyo has sunk into a typical bear market."

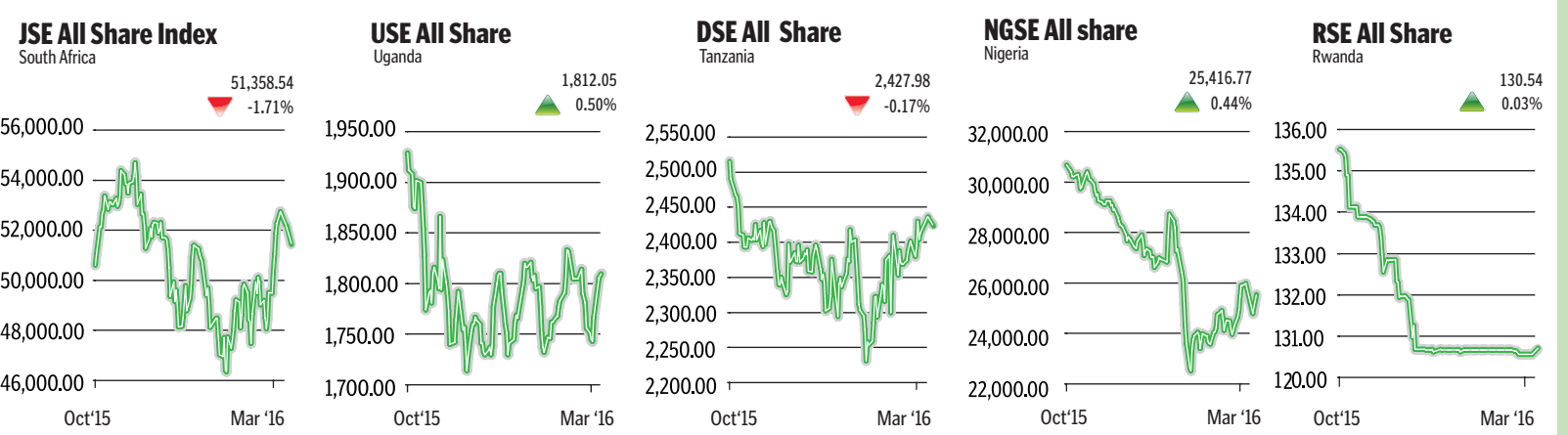
On Wall Street on Thursday, the Dow and the S&P 500 both closed 0.2 percent lower Thursday. The tech-rich Nasdaq edged up marginally.

- AFP

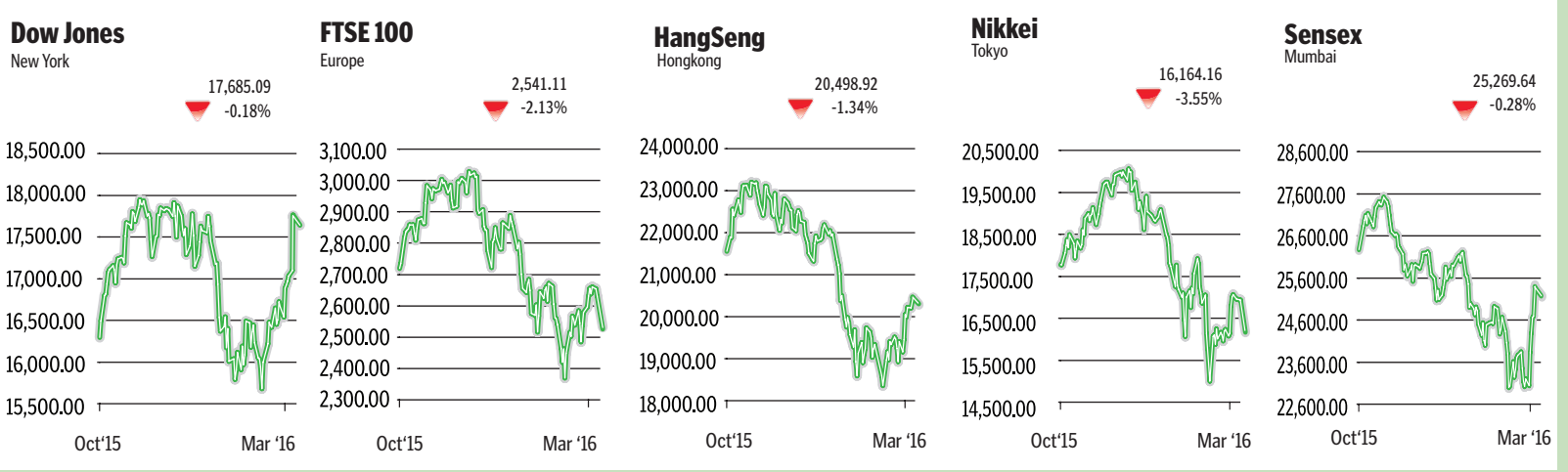
MOVERS & LOSERS YTD



Tracking the markets: Benchmark Index (Latest Data) Africa

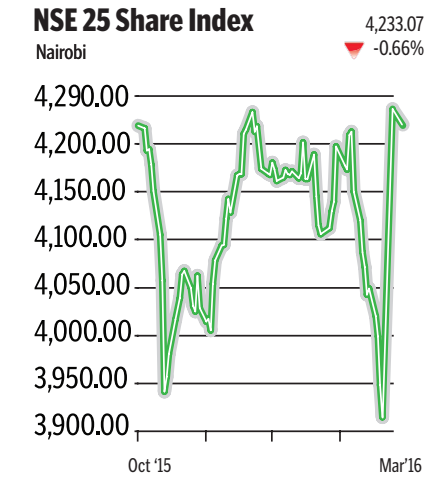
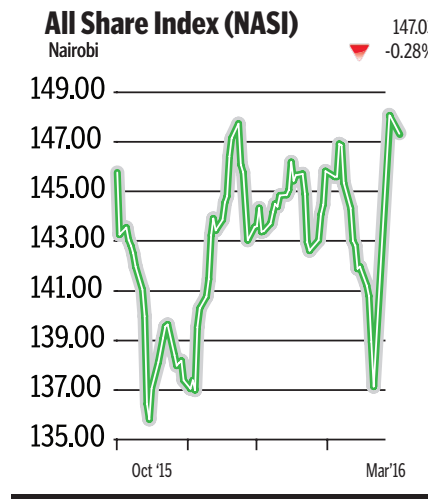
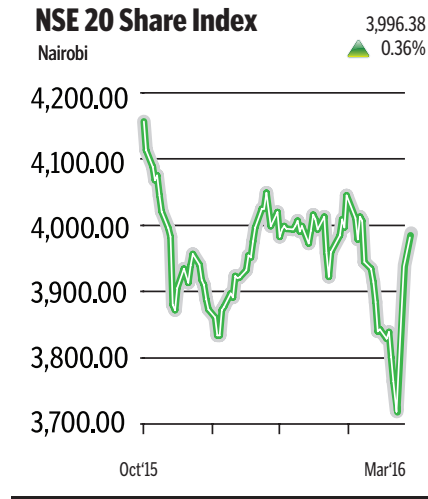


World



MARKET DATA

Nairobi Stocks



Active Counters

Counter	Price Last Fri	Price Prev Fri	% Change	Total Shares Traded
Safaricom	16.85	16.90	-0.30%	24,837,200
KenolKobil	11.25	10.75	4.65%	1,773,200
Equity	40.00	40.75	-1.84%	5,148,400
CIC Insurance	5.95	5.95	0.00%	4,987,300
KCB	41.75	42.00	-0.60%	4,292,700

Gainers

Counter	Price Last Fri	Price Prev Fri	net Change	% change
Stan. Chart.	247.00	224.00	23.00	10.27%
NSE	27.25	25.00	2.25	9.00%
STANLIB FAHARI I-REIT	22.00	20.50	1.50	7.32%
Crown Berger	62.00	58.00	4.00	6.90%
WPP Scangroup	30.25	28.50	1.75	6.14%

Losers

Counter	Price Last Fri	Price Prev Fri	net Change	% change
NBK	11.75	14.55	-2.80	-19.24%
Marshalls	10.15	12.50	-2.35	-18.80%
EA Cables	6.55	7.45	-0.90	-12.08%
Barclays	10.95	12.40	-1.45	-11.69%
Sameer	3.45	3.80	-0.35	-9.21%

MARKET UPDATES

African Indices

NAME	LOCATION	LAST		NET.CHNG	PCT.CHNG	OPEN	HIGH	LOW	CLOSE
NSE 20 - SHR IDX	KENYA	3,996.38	▲	14.29	0.36%	3,996.38	3,996.38	3,996.38	3,982.09
NSE 25	KENYA	4,233.07	▼	-27.98	-0.66%	4,233.07	4,233.07	4,233.07	4,261.05
ALL SHARE INDEX	ZAMBIA	5,526.48	▼	-7.91	-0.14%	5,534.39	5,534.39	5,526.48	5,534.39
ALL SHARE INDE/D	SOUTHAFRICA	51,358.54	▼	-891.74	-1.71%	51,772.56	51,817.32	51,290.50	52,250.28
ALSIUG	UGANDA	1,812.05	▲	9.05	0.50%	1,812.05	1,812.05	1,812.05	1,803.00
ZSE INDUSTRIAL	ZIMBABWE	97.80	▲	0.19	0.19%	97.80	97.80	97.80	97.61
CFG INDEX	MOROCCO	19,872.31	▼	-179.99	-0.90%	19,872.31	19,872.31	19,872.31	20,052.30
MALAWI ALL SHR	MALAWI	13,419.95	■	0.00	0.00%	13,419.95	13,419.95	13,419.95	13,419.95
NSE ALL SHARE/D	NIGERIA	25,416.77	▲	110.55	0.44%	25,306.22	25,444.11	25,284.17	25,306.22
DSE ALL SHR IDX	TANZANIA	2,427.98	▼	-4.06	-0.17%	2,427.98	2,427.98	2,427.98	2,432.04
EGX 30 IDX/D	EGYPT	7,524.99	▲	39.93	0.53%	7,486.76	7,530.65	7,430.88	7,485.06
TUN MAIN INDEX	TUNISIA	5,439.16	▲	18.16	0.33%	5,420.56	5,447.40	5,413.25	5,421.00
RSE ALLSHARE IND	RWANDA	130.54	▲	0.04	0.03%	130.54	130.54	130.54	130.50

Weekly Share Report

				WEEKLY			SHARES	SHARES	EPS				DPS	TOTAL
	52 WK	52 WK	YTD	PRICE (KSH)	PRICE (KSH)	PRICE	TRADED	ISSUED	MKT CAP.	LATEST	P / E	P/B	LATEST	DIVIDEND
	HIGH	LOW	%	APR-01-2016	MAR-24-2016	CHANGE	LAST WEEK		KSHS MN	12MNTN	TRAILING	TRAILING	12MNTN	YIELD
AGRICULTURAL														
EAAGADS AIMS	40.00	18.10	-2.80%	25.50	24.50	4.08%	11,600	32,157,000	820.00	0.25	102.00	2.04	0.00	0.00%
KAKUZI	383.00	252.00	-5.05%	301.00	305.00	-1.31%	200	19,599,999	5899.60	26.92	11.18	2.03	5.00	1.66%
KAPCHORUA TEA AIMS	242.00	86.00	-55.00%	94.00	90.00	4.44%	100	7,824,000	735.46	-5.82	-16.15	0.27	5.00	5.32%
LIMURU TEA AIMS	1,248.00	681.00	-26.36%	799.00	799.00	0.00%	-	1,800,000	1438.20	1.22	-	3.89	1.00	0.13%
SASINI	23.25	13.65	2.30%	19.00	19.55	-2.81%	44,000	228,055,500	4333.05	2.21	8.60	0.32	1.25	6.58%
WILLIAMSON TEA AIMS	435.00	162.00	-52.08%	183.00	186.00	-1.61%	10,300	17,512,640	3204.81	23.77	7.70	0.25	40.00	21.86%
AUTOMOBILES & ACCESSORIES														
CAR & GEN	58.50	34.00	-12.03%	34.00	34.75	-2.16%	2,700	40,103,308	1363.51	0.76	44.74	0.65	0.00	0.00%
MARSHALLS	13.50	10.15	-14.77%	10.15	12.50	-18.80%	400	14,393,106	146.09	-11.90	-0.85	0.37	0.00	0.00%
SAMEER	7.00	3.30	-4.00%	3.45	3.80	-9.21%	43,600	278,342,393	960.28	-0.24	-14.38	0.41	0.00	0.00%
BANKING														
BARCLAYS	17.85	10.55	-11.03%	10.95	12.40	-11.69%	2,196,300	5,431,536,000	59475.32	1.55	7.06	1.84	1.00	9.13%
CFC STANBIC	130.00	71.00	16.36%	94.00	94.00	0.00%	249,400	395,321,638	37160.23	12.41	7.57	1.61	6.15	6.54%
DTBK	250.00	176.00	14.44%	214.00	210.00	1.90%	29,600	220,100,096	47101.42	19.80	10.81	1.78	2.50	1.17%
EQUITY	53.50	36.50	-0.63%	40.00	40.75	-1.84%	5,148,400	3,773,674,802	150946.99	4.59	8.71	2.19	2.00	5.00%
HF	41.00	18.80	-6.74%	20.00	21.00	-4.76%	774,300	352,416,667	7048.33	3.43	5.83	0.77	1.30	6.50%
I&M HOLDINGS	139.00	95.00	3.00%	103.00	100.00	3.00%	579,000	392,362,039	40413.29	17.12	6.02	1.84	3.50	3.40%
KCB	65.50	37.00	-5.14%	41.75	42.00	-0.60%	4,292,700	3,025,219,832	126302.93	6.49	6.43	1.63	2.00	4.79%
NBK	26.00	8.00	-16.83%	11.75	14.55	-19.24%	151,200	308,000,000	3619.00	-3.75	-3.13	0.27	0.00	0.00%
NIC BANK	63.50	35.00	-6.94%	40.25	40.75	-1.23%	327,000	639,945,603	25757.81	6.86	5.87	1.14	1.25	3.11%
STAN. CHART.	357.00	183.00	16.41%	247.00	224.00	10.27%	64,200	309,159,514	76362.40	19.97	12.37	1.82	17.00	6.88%
CO-OP BANK	23.00	15.85	15.28%	20.50	20.75	-1.20%	2,455,300	4,889,316,295	100230.98	2.14	9.58	2.29	0.80	3.90%
COMMERCIAL														
ATLAS DEV.GEMS	12.10	1.35	-33.33%	1.35	1.40	-3.57%	713,500	1,497,370,885	2021.45	-2.53	-0.53		0.00	0.00%
EXPRESS (K) AIMS	6.40	3.80	-11.11%	4.00	4.25	-5.88%	7,900	35,403,790	141.62	-2.18	-1.83	0.71	0.00	0.00%
HUTCHINGS BIEMER	-	-	0.00%	20.25	20.25	0.00%	-	360,000	7.29	-18.34	-1.10	-	0.00	0.00%
KQ	9.80	4.05	-11.22%	4.50	4.50	0.00%	2,795,300	1,496,469,035	6734.11	-13.35	-0.34	1.26	0.00	0.00%
LONGHORN PUBLISHERS AIMS	9.50	3.70	16.67%	5.25	5.30	-0.94%	22,400	243,750,000	1279.69	7.00	0.75	0.71	0.15	2.86%
NATION MEDIA	256.00	130.00	-5.76%	174.00	176.00	-1.14%	53,600	188,542,286	32806.36	11.80	14.75	3.71	10.00	5.75%
STANDARD GRP	43.00	24.50	9.82%	29.50	28.00	5.36%	4,500	81,731,808	2411.09	2.57	11.48	1.16	0.50	1.69%
TPS EA	38.50	22.50	1.00%	25.00	25.50	-1.96%	31,100	182,174,108	4554.35	1.35	18.52	0.42	1.35	5.40%
UCHUMI	11.50	5.00	-53.42%	5.10	5.25	-2.86%	143,800	364,959,616	1861.29	-10.85	-0.47	0.46	0.00	0.00%
WPP SCANGROUP	50.00	22.50	-1.67%	30.25	28.50	6.14%	5,500	378,865,102	11460.67	1.50	20.17	1.27	0.00	0.00%
CONSTRUCTION & ALLIED														
ARM CEMENT LTD	88.00	28.25	-31.74%	30.25	30.75	-1.63%	2,633,300	495,275,000	14982.07	3.01	10.05	1.35	0.60	1.98%
BAMBURI	200.00	135.00	8.57%	194.00	189.00	2.65%	1,200,500	362,959,275	70414.10	14.49	13.39	2.34	13.00	6.70%
CROWN BERGER	187.00	52.50	-6.56%	62.00	58.00	6.90%	200	71,181,000	4413.22	9.01	6.88	1.08	1.75	2.82%
EA CABLES	17.00	6.20	-35.38%	6.55	7.45	-12.08%	68,500	253,125,000	1657.97	-2.21	-2.96	0.69	0.00	0.00%
EAPC	66.00	38.25	-3.74%	45.00	45.00	0.00%	800	90,000,000	4050.00	79.52	0.57	0.84	0.00	0.00%
ENERGY & PETROLEUM														
KENGEN	11.90	5.40	5.63%	7.55	7.70	-1.95%	944,200	2,198,361,456	16597.63	5.24	1.44	0.18	0.65	8.61%
KENOLKOBIL	11.55	7.55	13.54%	11.25	10.75	4.65%	17,723,200	1,471,761,200	16557.31	1.37	8.21	2.34	0.35	3.11%
KENYA POWER	18.50	10.85	-17.05%	10.85	11.00	-1.36%	884,300	1,951,467,045	21173.42	3.81	2.85	0.41	0.30	2.76%
TOTAL	29.00	16.20	0.27%	18.90	18.85	0.27%	23,100	175,028,706	3308.04	2.57	7.35	0.21	0.77	4.07%
UMEME	24.00	16.00	-25.39%	16.50	18.00	-8.33%	517,200	1,623,878,005	26793.99	1.34	12.31	1.93	0.90	5.45%
INSURANCE														
BRITISH AMERICAN	29.00	10.00	-19.62%	10.85	10.95	-0.91%	1,264,700	1,938,415,838	21031.81	1.31	8.28	1.02	0.30	2.76%
CIC INSURANCE	11.45	5.25	-3.23%	5.95	5.95	0.00%	4,987,300	2,615,538,528	15562.45	0.43	13.84	2.13	0.10	1.68%
JUBILEE	600.00	384.00	-2.27%	471.00	468.00	0.64%	54,000	59,895,000	28210.55	48.00	9.81	1.76	8.50	1.80%
KENYA RE	22.75	15.45	-5.95%	20.00	19.80	1.01%	1,057,600	699,949,068	13998.98	4.90	4.08	0.65	0.70	3.50%
LIBERTY KENYA	28.00	15.00	-18.46%	16.10	16.00	0.63%	38,800	535,707,499	8624.89	2.14	7.52	1.48	0.50	3.11%
PAN AFRICA	136.00	36.00	-39.17%	40.00	40.00	0.00%	3,100	144,000,000	5760.00	-0.43	-93.02	1.15	0.00	0.00%
INVESTMENT														
CENTUM INVEST.	68.00	40.00	-1.61%	45.25	45.00	0.56%	612,900	665,441,775	30111.24	10.44	4.33	0.92	0.00	0.00%
HOME AFRICA GEMS	3.65	1.20	-28.85%	1.85	1.80	2.78%	3,593,600	405,255,320	749.72	-0.04	-46.25	-	0.00	0.00%
KURWITU VENTURES LTD GEMS	1,500.00	1,500.00	0.00%	1,500.00	1,500.00	0.00%	-	102,272	153.41	-62.40	-24.04		0.00	0.00%
OLYMPIA	6.50	3.90	-9.38%	4.35	4.35	0.00%	-	40,000,000	174.00	-1.04	-4.18	0.22	0.00	0.00%
TRANSCENTURY AIMS	18.85	5.20	-36.97%	5.20	5.35	-2.80%	240,800	280,284,476	1457.48	-8.53	-0.61	0.40	0.00	0.00%
INVESTMENT SERVICES														
NAIROBI SECURITIES EXCHG	30.25	18.00	11.11%	27.25	25.00	9.00%	735,500	194,625,000	5303.53	1.57	17.36	3.41	0.49	1.80%
MANUFACTURING & ALLIED														
A. BAUMANN AIMS	--		0.00%	11.10	11.10	0.00%	-	3,840,066	42.62	-2.02	-5.50	-	0.00	0.00%
BOC GASES	148.00	90.00	-6.86%	95.00	95.00	0.00%	200	19,525,446	1854.92	11.76	8.08	1.06	5.20	5.47%
BAT KENYA	860.00	670.00	8.15%	849.00	843.00	0.71%	40,600	100,000,000	84900.00	49.76	17.06	11.13	49.50	5.83%
CARBACID	24.00	12.80	-9.51%	14.95	14.50	3.10%	318,000	254,851,988	3810.04	1.55	9.65	2.30	0.70	4.68%
EABL	340.00	245.00	4.40%	283.00	284.00	-0.35%	234,700	790,774,356	223789.14	11.31	25.02	6.97	6.00	2.12%
EVEREADY EA	4.95	2.35	3.70%	2.85	2.75	3.64%	71,500	210,000,000	598.50	2.80	1.02	1.85	0.00	0.00%
FLAME TREE.GEMS	10.20	5.70	0.00%	7.55	7.25	4.14%	5,100	161,866,804	1222.09	0.99	7.63	3.04	0.00	0.00%
K. ORCHARDS AIMS	115.00	97.00	-1.02%	97.00	97.00	0.00%	-	12,868,124	1248.21	0.33	293.94	-54.80	0.00	0.00%
MUMIAS	3.20	1.35	-12.50%	1.35	1.45	-6.90%	3,231,500	1,530,000,000	2065.50	-3.04	-0.44	0.16	0.00	0.00%
UNGA	50.00	30.50	13.33%	35.25	38.25	-7.84%	47,400	75,708,873	2668.74	5.27	6.69	0.57	1.00	2.84%
TELECOMMUNICATION & TECHNOLOGY														
SAFARICOM	17.90	12.60	2.45%	16.85	16.90	-0.30%	24,837,200	40,065,428,000	675102.46	0.80	21.06	6.41	0.64	3.80%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	23.75	19.00		22.00	20.50	7.32%	701,200	180,972,300	3981.39	0.00			0.00	0.00%
GEMS														
AIMS														

MARKET DATA

Equities & Bonds

Share Price Performance Scorecard

SCORECARD AS AT 1ST APRIL 2016								
NAME	PREVIOUS	CLOSE	% 1D	% 5D	% 1M	% 3M	% 6M	% 1Y
A BAUMANN	11.10	11.10	0.00	0.00	0.00	0.00	0.00	0.00
ATLAS DEVPNT & SPprt SERV	1.40	1.35	-3.57	-3.57	-22.86	-35.71	-61.43	-88.16
ATHI RIVER MINING	28.50	30.25	6.14	-1.63	-8.33	-27.54	-30.46	-61.46
BAMBURI	194.00	194.00	0.00	2.65	-1.02	10.86	16.17	21.25
BARCLAYS KEN	11.20	10.95	-2.23	-11.69	-12.40	-19.49	-16.09	-33.43
BAT KENYA	849.00	849.00	0.00	0.71	2.29	8.15	3.92	6.39
BOC KENYA	95.00	95.00	0.00	0.00	5.56	-6.86	-22.76	-29.63
BRITISH AMERICAN	10.70	10.85	1.40	-0.91	-9.21	-16.54	-34.24	-59.81
CAR & GENERAL	34.75	34.00	-2.16	-2.16	-9.33	-13.92	-15.00	-31.31
CARBACID INV	14.75	14.95	1.36	3.10	0.34	-8.28	0.00	-31.26
CENTUM INV	46.00	45.25	-1.63	0.56	2.26	-2.69	-12.14	-28.17
CFC STANBIC BANK	94.00	94.00	0.00	0.00	20.51	13.94	4.44	-25.40
CIC INSURANCE	6.05	5.95	-1.65	0.00	-0.83	-4.03	-16.20	-39.59
CO-OP BANK	21.00	20.50	-2.38	-1.20	11.41	13.89	12.64	-3.53
CROWN BERGER	57.00	62.00	8.77	6.90	9.73	1.64	-3.88	-47.90
DIAMOND KEN	214.00	214.00	0.00	1.90	4.39	14.44	7.00	-11.57
EA CABLES	6.55	6.55	0.00	-12.08	-12.67	-38.21	-41.78	-59.06
EA PORT CEM	45.00	45.00	0.00	0.00	-5.76	-3.74	-10.00	-23.73
EAAGADS	25.50	25.50	0.00	4.08	7.37	-4.67	-15.00	-20.93
EA AFR BREW	289.00	283.00	-2.08	-0.35	5.60	3.66	2.17	-10.44
EQUITY BANK	40.25	40.00	-0.62	-1.84	2.56	0.00	-10.61	-23.08
EVEREADY EA	2.70	2.85	5.56	3.64	3.64	5.56	-5.00	-26.92
EXPRESS KEN	4.00	4.00	0.00	-5.88	-10.11	-11.11	-4.76	-28.57
FLAME TREE HLDNGS	7.40	7.55	2.03	4.14	2.03	7.86	7.86	-17.93
G WILLIAMSON	183.00	183.00	0.00	-1.61	-1.08	-52.34	-47.56	-34.64
HUTCHINGS BIEMER	20.25	20.25	0.00	0.00	0.00	0.00	0.00	0.00
HOME AFRICA LIMITED	1.80	1.85	2.78	2.78	0.00	-28.85	2.78	-42.19
HOUSING FIN	20.25	20.00	-1.23	-4.76	-5.88	-10.11	-10.11	-47.02
I&M HOLDING	104.00	103.00	-0.96	3.00	4.04	3.00	-3.74	-22.05
JUBILEE HLDS	473.00	471.00	-0.42	0.64	2.39	-2.69	-6.55	-17.22
KAKUZI	301.00	301.00	0.00	-1.31	0.00	-5.05	-4.44	7.50
KAPCHORUA	94.00	94.00	0.00	4.44	4.44	-53.00	-52.53	-27.69
KEN ORCHARDS	97.00	97.00	0.00	0.00	0.00	-1.02	-3.00	-13.39
KENGEN	7.45	7.55	1.34	-1.95	7.86	6.34	-10.12	-24.88
KENYA AIRWAYS	4.50	4.50	0.00	0.00	1.12	-8.16	-18.92	-44.44
KENYA COM BK	41.50	41.75	0.60	-0.60	5.70	-4.57	-8.24	-30.99
KENOLKOBIL	11.35	11.25	-0.88	4.65	7.14	17.19	25.70	21.62
KENYA POWER	10.95	10.85	-0.91	-1.36	-4.82	-17.80	-30.23	-39.22
KENYA RE	20.00	20.00	0.00	1.01	0.50	-4.76	5.54	8.11
KURWITU	1500.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00
LIBERTY HOLDINGS	15.80	16.10	1.90	0.63	1.90	-17.44	-25.12	-35.60
LIMURU TEA	799.00	799.00	0.00	0.00	-1.36	-26.36	-26.36	-28.91
LONGHORN	5.30	5.25	-0.94	-0.94	-7.89	16.67	-15.32	-39.66
MARSHALL	10.15	10.15	0.00	-18.80	-18.80	-23.11	-18.80	-15.42
MUMIAS SUGAR	1.35	1.35	0.00	-6.90	-10.00	-15.63	-25.00	-43.75
NAIROBI SECURITIES	26.25	27.25	3.81	9.00	21.11	10.10	29.76	36.93
NATION MEDIA	174.00	174.00	0.00	-1.14	-3.33	-8.90	20.83	-28.98
NATL BANK KEN	12.95	11.75	-9.27	-19.24	-20.34	-25.40	-30.68	-51.04
NIC BANK	40.50	40.25	-0.62	-1.23	-1.83	-6.94	-6.40	-32.35
OLYMPIA CAPITAL	4.35	4.35	0.00	0.00	1.16	-9.38	0.00	-26.27
PAN AFR INS	39.50	40.00	1.27	0.00	-23.08	-33.33	-37.98	-66.94
SAFARICOM	16.90	16.85	-0.30	-0.30	4.33	3.37	12.71	-0.88
SAMEER AFRICA	3.60	3.45	-4.17	-9.21	-1.43	-8.00	-13.75	-37.27
SASINI	19.20	19.00	-1.04	-2.81	-1.55	-2.81	22.58	32.40
STANLIB FAHARI I-REIT	22.50	22.00	-2.22	7.32	10.00	0.00	#DIV/0!	#DIV/0!
WPP SCANGROUP	29.25	30.25	3.42	6.14	9.01	0.83	0.83	-34.24
STANDARD GRP	30.50	29.50	-3.28	5.36	3.51	5.36	-14.49	-22.88
STD CHART KEN	231.00	247.00	6.93	10.27	26.67	26.67	7.39	-28.41
TOTAL KENYA	18.50	18.90	2.16	0.27	15.24	3.56	-2.07	-28.00
TPS (EA)	25.25	25.00	-0.99	-1.96	-6.54	0.00	-12.28	-25.93
TRANSCENTURY	5.20	5.20	0.00	-2.80	-11.11	-36.97	-61.76	-71.51
UCHUMI SUPER	5.10	5.10	0.00	-2.86	-19.05	-53.42	-49.25	-49.50
UNGA GROUP	37.00	35.25	-4.73	-7.84	0.71	4.44	-19.43	-20.79

Weekly Corporate Bonds

APRIL 1, 2016		BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE						
	ISSUE DATE	MATURITY DATE	ISSUED VALUE IN MILLIONS	COUPON (%)	TOTAL VALUE (KSH)		NUMBER OF TRADES	
ISSUE NO.								
CORPORATE BONDS								
CENTUM BOND SENIOR UNSECURED FIXED RATE AND EQUITY LINKED NOTES								
CTNB.BD.18.09.17/13.50	26-09-12	18-09-17	2,917.10	13.500				
CTNB.BD.18.09.17/12.75	26-09-12	18-09-17	1,250.80	12.750	500,000		1	
CTNB.BD.08.06.20/13	15-06-15	08-06-20	3,899.22	13.000				
CTNB.BD.08.06.20/12.5	15-06-15	08-06-20	2,100.77	12.500				
CTNB.BD.08.06.20/12.5V	15-06-15	08-06-20	2,100.77		500,000		1	
CONSOLIDATED BANK OF KENYA LTD MEDIUM TERM NOTE PROGRAMME								
CON.BD-FXD(SN)/2012/7YR	30-06-12	24-07-19	1480.60	13.250				
CON.BD-FXD(SBN)/2012/7YR	30-06-12	24-07-19	1965.00	13.600				
CON.BD-FR(SN)/2012/7YR	30-06-12	24-07-19	1.00					
SHELTER AFRIQUE MEDIUM TERM UNSECURED NOTES								
FXD (SHELTER AFRIQUE) /2013/5YR	30-09-13	28-09-18	4,239.70	12.750				
FR (SHELTER AFRIQUE) /2013/5YR	30-09-13	28-09-18	760.30	11.000				
MRM								
FR (MRM) 2008/8YR	27-10-08	03-01-17	13,785					
FXD (MRM) 2008/8YR	27-10-08	03-01-17	6,215	13.000				
CFC STANBIC BANK SENIOR & SUBORDINATED BOND ISSUE								
FR (CFC STANBIC) 2009/7YR	07-07-09	07-07-16	9,790					
FXD (CFC STANBIC) 2009/7YR	07-07-09	07-07-16	24,020	12.500				
KENGEN PUBLIC INFRASTRUCTURE BOND OFFER 2019								
FXIB 1/2009/10YR	02-11-09	31-10-19	15,625.00	12.500	700,000		1	
HOUSING FINANCE MEDIUM TERM NOTE								
FXD (HFCK) 02/2012/7YR 2ND TRANCHE	22-10-12	14-10-19	2,969.10	13.000				
FR (HFCK) 2010/7YR	26-10-10	02-10-17	1,167					
FXD (HFCK) 2010/7YR	26-10-10	02-10-17	5,864	8.500				
I&M MEDIUM TERM NOTE								
FRN I&M-01/13/5.25	13-12-13	08-03-19	3,429	(182+2%)				
FXD I&M-01/13/5.25	13-12-13	08-03-19	22612.800					
BRITAM MEDIUM TERM NOTE								
BRTB.BD.22/07/19-0037-13	22-07-14	15-07-19	6,000	13.000	300,000		1	
UAP HOLDINGS MEDIUM TERM NOTE								
UAP.BD.22.07.2019	28-07-14	22-07-19	2000.00	13.000				
NIC MEDIUM TERM NOTE								
NIC.BD.09/09/19-0039-12.5	08-09-14	09-09-19	5514.00	12.500				
CIC INSURANCE GROUP LTD. MEDIUM TERM NOTE								
CIC.BD.2.10.2019	08-10-14	02-10-19	5000.00	13.000				
CFC BANK MULTICURRENCY FIXED MEDIUM TERM NOTE								
CFCB.BD.08/12/21-0042-12.95	15-12-14	08-12-21	5080.00	12.950				
CBA FIXED MEDIUM TERM NOTE								
CBAB.BD.14/12/20-0041-12.75	22-12-14	14-12-20	7000.00	12.750				
EABL FIXED MEDIUM TERM NOTE								
EABB.BD.19/03/18-0043-12.25	23-03-15	19-03-18	5000.00	12.250				
CHASE BANK FIXED MEDIUM TERM NOTE								
CHBD.BD.02/06/22-0044-13.5	10-06-15	02-06-22	4822.40	13.250				
REAL PEOPLE MEDIUM TERM NOTE								
RPBD.BD.06/08/18-0046-13.65	10-08-15	06-08-18	270.30	13.650				
RPBD.BD.03/08/20-0047-13.65	10-08-15	03-08-20	1363.90	13.650				
FAMILY BANK MEDIUM TERM NOTE								
FBKB.BD.19/04/21-0049-13.75	26-10-15	19-04-21	1297.10	13.750				
FBKB.BD.19/04/21-0051-2.5	26-10-15	19-04-21	600.70	(182+2.5)				
FBKB.BD.19/04/21-0050-14	26-10-15	19-04-21	121.00	14.000				

Weekly Kenya Treasury and Infrastructure Bonds

BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE					APRIL 1, 2016			
	ISSUE	MATURITY	ISSUED	COUPON	AVG TRADED	TOTAL VALUE	NUMBER OF	
	DATE	DATE	VALUE IN MNS	(%)	YIELD (%)	(KSH)	TRADES	
ISSUE NO.								
ONE YEAR BONDS								
FXD 1/2015/1YR	29-09-15	26-09-16	24,260.65	19.062				
FXD 2/2015/1YR	26-10-15	24-10-16	20,482.75	22.954				
TWO YEAR BONDS								
FXD 1/2014/2YR	24-03-14	21-03-16	19,976.40	10.803				
FXD 2/2014/2YR	26-05-14	23-05-16	20,130.15	10.793				
FXD 3/2014/2YR	25-05-15	19-12-16	29,375.70	10.890	11.4000	500,000,000	1	
FXD 1/2015/2YR	23-02-15	20-02-17	23,592.15	11.470				
FXD 2/2015/2YR	29-06-15	26-06-17	18,746.80	12.629	9.1527	900,000	1	
FXD 1/2016/2YR	25-01-16	22-01-18	20,153.75	15.760				
FIVE YEAR BONDS								
FXD 1/2012/5YR	28-05-12	22-05-17	31,079.55	11.855				
FXD 1/2013/5YR	29-04-13	23-04-18	20,240.75	12.892				
FXD 2/2013/5YR	01-07-13	25-06-18	26,340.05	11.305				
FXD 3/2013/5YR	25-11-13	19-11-18	14,937.80	11.952				
FXD 1/2014/5YR	28-04-14	22-04-19	25,733.70	10.870				
FXD 2/2014/5YR	23-06-14	17-06-19	16,418.25	10.934	10.8250	200,000,000	2	
FXD 1/2015/5YR	29-06-15	22-06-20	30,956.05	13.193	13.7770	800,000,000	6	
FXD 2/2015/5YR	30-11-15	23-11-20	30,673.85	13.920	13.6407	601,800,000	43	
TEN YEAR BONDS								
FXD1/2006/10YR	27-03-06	14-03-16	3,451.05	14.000				
FXD2/2006/10YR	29-05-06	16-05-16	5,028.10	14.000				
FXD1/2007/10YR	29-10-07	16-10-17	9,308.80	10.750				
FXD1/2008/10YR	29-10-07	12-02-18	2,992.75	10.750				
FXD2/2008/10YR	28-07-08	16-07-18	13,504.70	10.750				
FXD3/2008/10YR	29-09-08	17-09-18	4,151.60	10.750				
FXD1/2009/10YR	27-09-09	15-04-19	4,966.85	10.750				
FXD1/2010/10YR	26-04-10	13-04-20	19,394.15	8.790	13.8418	1,000,000,000	29	
FXD2/2010/10YR	01-11-10	19-10-20	18,849.90	9.307				
FXD1/2012/10YR	30-06-12	13-06-22	35,273.50	12.300	13.5158	670,000,000	4	
FXD1/2013/10YR	01-07-13	19-06-23	35,273.70	12.371	14.2357	1,440,000,000	12	
FXD1/2014/10YR	25-05-15	15-01-24	35,852.15	12.180	12.3009	101,100,000	2	
ELEVEN YEAR BONDS								
FXD1/2006/11YR	25-09-06	11-09-17	4,031.40	13.750				
TWELVE YEAR BONDS								
FXD1/2006/12YR	28-08-06	13-08-18	3,900.95	14.000				
FXD1/2007/12YR	28-05-07	13-05-19	4,864.60	13.000				
FIFTEEN YEAR BONDS								
FXD1/2007/15YR	26-03-07	07-03-22	3,654.60	14.500				
FXD2/2007/15YR	25-06-07	06-06-22	7,236.95	13.500	13.8000	500,000	1	
FXD3/2007/15YR	26-11-07	07-11-22	18,030.20	12.500				
FXD1/2008/15YR	31-03-08	13-03-23	7,830.90	12.500				
FXD1/2009/15YR	26-10-09	07-10-24	9,420.45	12.500				
FXD1/2010/15YR	29-03-10	10-03-25	22,336.25	10.250				
FXD2/2010/15YR	27-12-10	08-12-25	13,513.10	9.000				
FXD1/2012/15YR	24-09-12	06-09-27	21,089.45	11.000				
FXD1/2013/15YR	25-02-13	07-02-28	42,138.45	11.250				
FXD2/2013/15YR	29-04-13	10-04-28	17,385.85	12.000	14.8311	1,100,000,000	10	
TWENTY YEAR BONDS								
FXD1/2008/20YR	30-06-08	05-06-28	20,360.95	13.750				
FXD1/2011/20YR	30-05-11	05-05-31	9,365.80	10.000				
FXD1/2012/20YR	26-11-12	01-11-32	44,581.65	12.000				
TWENTY FIVE YEAR BOND								
FXD1/2010/25YR	28-06-10	28-05-35	20,192.40	11.250				
THIRTY YEAR BOND								
SDB 1/2011/30YR	28-02-11	21-01-41	28,144.70	12.000				
INFRASTRUCTURE BONDS								
IFB 1/2011/12YR	03-10-11	18-09-23	43,447.35	12.000				
IFB 1/2009/12YR	23-02-09	08-02-21	19,726.85	12.500				
IFB 2/2009/12YR	07-12-09	22-11-21	18,897.65	12.000				
IFB 1/2010/8YR	01-03-10	19-02-18	15,908.05	9.750				
IFB 2/2010/9YR	30-08-10	19-08-19	32,871.55	6.000	12.6462	190,000,000	1	
IFB 1/2013/12YR	30-09-13	15-09-25	38,841.68	11.000	12.4167	311,650,000	9	
IFB 1/2014/12YR	27-10-14	12-10-26	35,480.90	11.000	12.7720	300,000,000	3	
IFB 1/2015/12YR	30-03-15	15-03-27	51,192.20	11.351	12.7063	1,560,700,000	70	
IFB 1/2015/9YR	14-12-15	02-12-24	25,119.55	11.000	13.5000	224,500,000	1	

MARKET DATA

Currencies

Kenya Shilling

CURRENCY	BUY	SELL	MEAN
US DOLLAR	101.30	101.49	101.39
STG POUND	145.50	145.82	145.66
EURO	115.28	115.52	115.40
SA RAND	6.85	6.87	6.86
KES / USHS	33.21	33.37	33.29
KES / TSHS	21.50	21.64	21.57
KES / RWF	7.44	7.52	7.48
KES / BIF	15.13	15.26	15.20
AE DIRHAM	27.58	27.63	27.61
CAN \$	77.76	77.93	77.84
S FRANC	105.44	105.69	105.56
JPY (100)	90.30	90.51	90.40
SW KRONER	12.47	12.50	12.49
NOR KRONER	12.23	12.27	12.25
DAN KRONER	15.47	15.50	15.48
IND RUPEE	1.53	1.53	1.53
HONGKONG DOLLAR	13.06	13.09	13.08
SINGAPORE DOLLAR	74.95	75.10	75.02
SAUDI RIYAL	27.00	27.07	27.03
CHINESE YUAN	15.67	15.70	15.68
AUSTRALIAN \$	77.57	77.73	77.65

SOURCE: CBK

US Dollar

BACKGROUND	BID	ASK
EURO	1.14	1.14
JAPANESE YEN	112.16	112.21
BRITISH POUND	1.43	1.43
SWISS FRANC	0.96	0.96
AUSTRALIAN DOLLAR	0.77	0.77
SWEDISH KRONA	8.09	8.10
CANADIAN DOLLAR	1.30	1.30
CHINESE YUAN	6.46	6.47
NORWEGIAN KRONE	8.27	8.28
BOSNIAN MARK	1.73	1.74
DANISH KRONE	6.53	6.53
RUSSIA ROUBLE	67.99	68.01
TURKISH LIRA	2.82	2.82
ICELAND KRONA	122.71	123.02
INDIAN RUPEE	66.33	66.35
POLISH ZLOTY	3.71	3.71
CZECH KORUNA	23.67	23.70
HUNGARIAN FORINT	274.37	275.04
UKRAINE HRYVNIA	26.05	26.15
ISRAEL SHEKEL	3.77	3.77
ALBANIAN LEK	121.40	122.04
BULGARIAN LEV	1.71	1.71
SERBIAN DINAR	59.99	60.19
CYPRUS POUND	0.40	0.40
ESTONIAN KROON	11.70	11.71
GEORGIAN LARI	2.28	2.32
THAI BAHT	35.11	35.13
GIBRALTAR POUND	1.44	1.44
CROATIAN KUNA	6.58	6.58
KAZAKHSTAN TENGE	342.36	342.43
LITHUANIA LITAS	2.85	2.85
LATVIAN LATS	0.51	0.51
MOLDOVAN LEU	19.47	19.57
MACEDONIA DENAR	53.86	54.07
MALTESE LIRA	3.41	3.42
ROMANIAN LEU	3.91	3.92
SLOVAK KORUNA	21.55	21.60
SERBIAN DINAR	107.33	107.67
ARMENIAN DRAM	478.10	482.10
UAE DIRHAM	3.67	3.67
ANGOLAN KWANZA	159.87	161.22
BURUNDI FRANC	1,545.00	1,595.00
BOTSWANA PULA	0.09	0.09
CONGO FRANC	913.00	943.00
CAPE VERDE ESCUDO	95.61	96.71
DIJIBOUTI FRANC	176.80	178.50
ALGERIAN DINAR	108.02	108.70
EGYPT POUND	8.88	8.88
ETHIOPIAN BIRR	21.27	21.67
GHANAIAI CEDI	3.83	3.85
GAMBIAN DALASI	42.10	43.60
ERITREA NAFKA	16.15	16.65
GUINEA FRANC	7,488.00	7,688.00
KENYA SHILLING	101.35	101.55
COMORO FRANC	432.20	433.20
LIBERIAN DOLLAR	90.00	91.00
LESOTHO LOTI	14.72	14.74
LIBYAN DINAR	1.37	1.38
MOROCCAN DIRHAM	9.58	9.66
MALAGASY ARIARY	3,178.00	3,218.00
MAURITANIAOUGUIYA	339.00	347.00
MALAWI KWACHA	675.40	693.74
MOZAMBIQUEMETICAL	53.00	54.06
NIGERIAN NAIRA	198.80	199.26
RWANDA FRANC	748.00	757.00
SC RUPEE	12.94	12.96
ST HELENA POUND	1.44	1.44
SIERRALEONLEON	3,945.00	4,045.00
SAO TOME DOBRA	20,812.00	22,107.00
SOMALI SHILLING	610.00	617.00
SWAZILAND LILAGANI	14.72	14.75
TUNISIAN DINAR	2.00	2.00
TANZANIA SHILLING	2,182.00	2,192.00
UGANDA SHILLING	3,363.00	3,373.00
CFA FRANC	574.54	578.54
CFA FRANC	574.75	579.75
MAURITIUS RUPEE	35.04	35.24
SOUTH AFRICA RAND	14.72	14.73
ZIMBABWE DOLLAR	378.00	381.00

Global Markets & Currencies

	DAILY		YTD		52 WEEK		3-YR	
INDEX (REGION/COUNTRY)	CLOSE	CHG	% CHG	% CHG	HIGH	LOW	% CHG	% CHG
GLOBAL								
THE GLOBAL DOW (WORLD)	2,314.85	-8.48	-0.37	-0.9	2,639.52	2,047.44	-8.7	3.1
THE GLOBAL DOW EURO (WORLD)	1,912.74	-13.86	-0.72	-5.6	2,305.98	1,699.54	-12.8	7.3
DJ GLOBAL INDEX (WORLD)	307.36	-0.61	-0.2	-0.2	341.62	272.15	-6.8	3.6
DJ GLOBAL EX U.S. (WORLD)	208.19	-0.57	-0.27	-1	246.68	184.52	-11.4	-1.3
ASIA PACIFIC								
DJ ASIA-PACIFIC TSM (ASIA-PACIFIC)	1,358.46	0.41	0.03	-2.3	1,619.39	1,190.45	-10.9	-0.7
ALL ORDINARIES (AUSTRALIA)	5,151.80	70.3	1.38	-3.6	5,954.80	4,816.60	-12.2	1.1
S & P/ASX 200 (AUSTRALIA)	5,082.80	72.5	1.45	-4	5,982.70	4,765.30	-13.8	0.8
DOW JONES CHINA 88 (CHINA)	254.06	-0.02	-0.01	-11.4	408.69	224.92	-22	6.7
SHANGHAI COMPOSITE (CHINA)	3,003.92	3.27	0.11	-15.1	5,166.35	2,655.66	-21.5	10.3
HANG SENG (HONG KONG)	20,776.70	-26.69	-0.13	-5.2	28,442.75	18,319.58	-17.8	-2.3
S & P BSE SENSEX (INDIA)	25,341.86	3.28	0.01	-3	29,044.44	22,951.83	-10.3	10.4
JAKARTA COMPOSITE (INDONESIA)	4,845.37	28.72	0.6	5.5	5,523.29	4,120.50	-11.2	-0.6
NIKKEI 300 (JAPAN)	270.97	-1.88	-0.69	-12.9	343.20	242.81	-14.2	8.9
NIKKEI STOCK AVG (JAPAN)	16,758.67	-120.29	-0.71	-12	20,868.03	14,952.61	-13.2	10.6
TOPIX INDEX (JAPAN)	1,347.20	-9.09	-0.67	-12.9	1,691.29	1,196.28	-13.3	9.2
KUALA LUMPUR COMPOSITE (MALAYSIA)	1,717.58	-0.24	-0.01	1.5	1,862.80	1,532.14	-6.2	0.9
S & P/NZX 50 (NEW ZEALAND)	6,752.42	38.26	0.57	6.8	6,752.42	5,546.88	15.8	15.1
KSE 100 (PAKISTAN)	33,139.00	216.6	0.66	1	36,228.88	28,927.04	9.6	22.2
PSEI (PHILIPPINES)	7,262.30	-36.93	-0.51	4.5	8,127.48	6,084.28	-9.1	2
STRAITS TIMES (SINGAPORE)	2,840.90	-31.88	-1.11	-1.5	3,539.95	2,532.70	-17.7	-4.9
KOSPI (SOUTH KOREA)	1,995.85	-6.29	-0.31	1.8	2,173.41	1,829.81	-1.6	-0.2
COLOMBO STOCK EXCHANGE (SRI LANKA)	6,071.88	30.89	0.51	-11.9	7,498.78	5,862.35	-12.6	1.9
WEIGHTED (TAIWAN)	8,744.83	7.79	0.09	4.9	9,973.12	7,410.34	-8.9	3.4
SET (THAILAND)	1,407.70	-2.59	-0.18	9.3	1,570.00	1,224.83	-8.1	-3.4
EUROPE								
STOXX EUROPE 600 (EUROPE)	337.54	-3.64	-1.07	-7.7	414.06	303.58	-15.1	4.7
STOXX EUROPE 50 (EUROPE)	2,790.17	-31.45	-1.11	-10	3,591.47	2,566.26	-18.8	1.1
EURO STOXX 50 (EURO ZONE)	3,004.93	-39.17	-1.29	-8	3,828.78	2,680.35	-19.1	4.6
EURO STOXX (EURO ZONE)	321.54	-3.9	-1.2	-6.8	392.35	284.92	-15.4	6.5
ATX (AUSTRIA)	2,270.38	-4.7	-0.21	-5.3	2,681.44	1,957.05	-10.8	-1.2
BEL-20 (BELGIUM)	3,373.04	-46.34	-1.36	-8.8	3,905.71	3,130.76	-10.6	9.2
PX 50 (CZECH REPUBLIC)	899.90	-0.91	-0.1	-5.9	1,058.40	845.90	-14.2	-2.2
OMX COPENHAGEN (DENMARK)	846.76	-6.25	-0.73	-6.6	923.55	745.49	-1.7	20.1
OMX HELSINKI (FINLAND)	7,999.57	-119.53	-1.47	-6.9	9,374.42	7,257.23	-11.2	9.2
CAC 40 (FRANCE)	4,385.06	-59.36	-1.34	-5.4	5,268.91	3,896.71	-13.6	5.5
DAX (GERMANY)	9,965.51	-81.1	-0.81	-7.2	12,374.73	8,752.87	-16.7	8.5
BUX (HUNGARY)	26,451.02	136.72	0.52	10.6	26,451.02	20,002.45	32.2	14
FTSE MIB (ITALY)	18,116.88	-258.44	-1.41	-15.4	24,031.19	15,773.00	-22.3	5.7
AEX (NETHERLANDS)	440.11	-6.13	-1.37	-0.4	509.24	382.61	-10.6	8.1
ALL-SHARES (NORWAY)	627.91	-7.04	-1.11	-3.2	711.22	552.32	-6	6.6
WIG (POLAND)	49,017.35	26.83	0.05	5.5	57,379.45	42,152.70	-9.5	2.8
PSI 20 (PORTUGAL)	5,020.61	-104.98	-2.05	-5.5	6,324.88	4,460.63	-16.8	-4.8
RTS INDEX (RUSSIA)	876.20	6.34	0.73	15.7	1,082.21	628.41	-6.1	-15.7
IBEX 35 (SPAIN)	8,723.10	-147.1	-1.66	-8.6	11,866.40	7,746.30	-25	3.3
SX ALL SHARE (SWEDEN)	483.41	-2.55	-0.52	-4.3	564.90	435.21	-11.5	8.8
SWISS MARKET (SWITZERLAND)	7,807.89	-37.19	-0.47	-11.5	9,526.79	7,496.62	-14.5	UNCH.
BIST 100 (TURKEY)	83,268.04	350.29	0.42	16.1	88,651.88	68,567.89	1.9	-1
FTSE 100 (U.K.)	6,174.90	-28.27	-0.46	-1.1	7,104.00	5,537.00	-9.6	-1.2
FTSE 250 (U.K.)	16,926.12	-48.83	-0.29	-2.9	18,263.46	15,178.80	-2	6.7
AMERICAS								
DJ AMERICAS (AMERICAS)	494.27	-0.63	-0.13	1.4	524.44	433.35	-3	6.9
MERVAL (ARGENTINA)	12,992.43	119.53	0.93	11.3	14,173.87	9,288.41	17.3	56.6
SAO PAULO BOVESPA (BRAZIL)	50,055.27	-1193.6.						

LIFE

MANAGEMENT



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Rules of firing an employee the right way

» **WORKPLACE** Managers should beware of today's litigious society, where businesses constantly face lawsuits



While dismissing an employee is never easy, a manager should ease the transition. FOTOSEARCH

Every boss will eventually face the difficult task of firing an employee.

While seasoned professionals may learn to distance themselves from the process, dismissing someone is rarely easy. Complicating matters is today's litigious society, where businesses constantly face the fear of a lawsuit.

Most businesses are protected to a certain extent by at-will laws, which allow the firing of employees for no reason. This language can also be incorporated into any employment agreements, offering an additional layer of protection.

However, at-will employment does not keep an employee from filing a lawsuit for wrongful termination and, even if the courts rule in your favour, your business will be required to pay court costs.

It's best to take a few measures to protect yourself before firing an employee to avoid a costly legal process.

Consider probation

Because it's often difficult to determine an employee's work style before he begins work, many businesses choose to institute a probationary period during which employees may be fired.

This doesn't offer total protection from lawsuits, but probationary employees have fewer rights than full employees do.

Another option is to bring in contractors or temp workers and try them out before making a decision.

While this is a viable option, it may work best during an employer's job market, since good workers are less likely to take a temporary assignment with the promise of full-time work when full-time positions are available already.

Document everything

Often an employee begins showing signs of a problem well before the employer is ready to dismiss that employee.

As behaviours are observed, make note of dates, times and actions that are relevant to that employee's eventual dismissal.

Issue written warnings and formal performance reviews that require the employee to sign and date them.

This can serve as proof that the employer offered the worker the chance to turn things around.

If an employee gets emotional the manager should continue to stay on track, keeping as professional as possible

Know the laws

Before dismissing an employee, a business should become familiar with laws that might protect that employee. If the

firing is in retaliation for an action the employee took, you may also be liable for wrongful termination.

Say the right thing

When it's time to fire the employee, what you say can be held against you. State that you're dismissing the employee "for cause" but don't state specifics.

Many workplaces find that simply stating that the company is "going in a different direction" is safer than putting the blame on the employee's behaviours.

The discussion should be brief, stating only the facts. If an employee gets emotional, the manager should continue to stay on track, keeping as professional as possible.

Involve HR

A severance package can go a long way in minimizing an employee's potential anger. On the day of the dis-

missal meeting, invite a representative from HR to sit in and handle the paperwork.

This will allow the employee to shift his or her focus to logistics rather than on having been let go.

For small businesses without HR departments, having an office manager sit in on the process could be just as effective.

While dismissing an employee is never easy, by working hard to prepare in advance, a manager can ease the transition and return to his or her tasks as quickly as possible.

In many instances that manager will never hear from the employee again, but if a terminated employee does choose to take legal action, a well-prepared manager should have nothing to worry about.

- ENTREPRENEUR

Planning an exit strategy? What to do before quitting

In today's world, it's common for people to make fast career changes. You may not be looking to make any changes today, but at some point you will want to start a new venture. Whether you're thinking about resigning or planning to sell your business, taking the first steps is the hardest part of your exit strategy.

So, before making any rash decisions, you should have a plan in place for transitioning into a new role. Here are three things you can do before leaving a job.

1. Evaluate the risk and opportunities

There are a variety of reasons for leaving a job or selling a business. You might have other opportunities waiting on the horizon that you're eager to pursue. Or possibly you're tired of your current role. Maybe you're looking for a change of pace.

As you begin to consider your options, make sure to evaluate both the risks and opportunities. Don't forget that work is work, no matter what role you're looking to move into. You will have both good days and bad days at your new job.

On the risk side of things, have you been saving up? Do you have a good amount of money stored away for a rainy day? A transition into a new role can be difficult and even costly.

And in a world with no guarantees, that job you thought you had lined up may not pan out by the time you're ready to pursue it. If you're dependent on your employment income, then make sure you have a comfortable nest egg before putting in your notice.

As for opportunity, what exactly are you planning on doing next? Do you have a clear idea? Do you have a new job lined up, and do you have a backup plan in case it doesn't work out? Will you be getting an increase in salary at your new position? Will your new job be more enjoyable and fulfilling than your last? Do you have a long-term plan for your career progression? Will you be learning new skills that will help you expand your opportunities?

Don't get too caught up in the excitement of moving into a new position, as it can blind you to the potential risks and opportunities that exist.

2. Tie up loose ends

Many people tend to "check out" before they've even handed in their notice. As hard as it may be, try to stay engaged in your work as you are wrapping up your term. Check in with a manager on a daily basis if you need some motivation. Also make a list of everything that needs to get done before you leave.

There is the possibility that your projects and tasks will be taken over by coworkers before you officially leave, but that doesn't mean you shouldn't take responsibility for what you've already started and agreed to do. If you have the opportunity, delegate smaller tasks so you can focus on your top

» **CHANGEOVER** Don't make rash decisions, have a plan in place for transitioning into the new role



An employee leaves her office. Whether you're thinking about resigning or planning to sell your business, taking the first steps is the hardest part of your exit strategy. FOTORESEARCH

priorities and see them to completion. Keep a line of communication open with management and coworkers. There may be those who need to hear directly from you — don't leave them in the dark about your decision to move on to new opportunities. Get in touch with clients if you need to, and share the news with coworkers or managers who need to be in the loop.

This should help you establish clarity around what you need to do before moving on. Your former employer will appreciate it if you leave your tasks in capable hands, instead of leaving a trail of incomplete assignments and appointments your co-workers need to chase down.

It's also best to leave on a good note. If you game-plan and communicate who is going to handle your tasks while your manager looks for your replacement, you're likely to form a lasting, positive relationship with your former employer — and you very well may need that for a good recommendation later on.

3. **Clean, purge and organise** Make an effort to leave your office, desk or working space in good shape before making your exit.

Start separating out your personal possessions — family pictures, stationery, electronics — into boxes.

Don't forget about your personal files on your work computer. Back up what-

ever information you need: documents, music, pictures and so on — and save it on an external hard drive or thumb drive. Don't touch sensitive company data or save it for personal purposes. Only keep contacts with whom you've personally built a relationship.

Get rid of old files or memos that no longer hold any relevance. Archive important documents that belong to the business. Pass on other relevant documents to your co-workers if they need them.

Throw away any trash and wipe away any dust and dirt. Discreetly remove T-shirts, mugs and other swag from your desk and put these items away.

There is the chance that you won't have much time to clean, purge and organise.

Sometimes, when people quit their jobs (particularly sales positions), they are escorted out of the building in fairly short order. If you don't have much time, just prioritise what matters most to you

so you can be on your way.

Even if your boss is away, he or she should be able to trust you to get your desk in order before you leave, so you can make a smooth exit.

But "smooth" largely depends on the amount of trust you've built up with other people in the company while you were working with them.

- ENTREPRENEUR



The better your products are, the more customers want them and the faster your profits grow. FOTORESEARCH

Continue innovating your products or risk company's slow death

Your core products or services are your lifeblood. They are what attract customers, drive revenues and enable a company to thrive. And the better your products are the more customers want them, the faster you grow and the further you distance yourself from your competitors. But, a common mistake with many entrepreneurs is a mindset that once the product is built, they can change their focus to other areas of the business, like sales or marketing. That mindset is their first flawed step towards their grave.

Competition never sleeps

Just because you may have a competitive advantage in the market today does not mean you will keep a competitive advantage in the future. Competition is an entirely fluid ecosystem. Your existing competitors are always watching your moves, and the smart ones will be quick to follow and exceed your efforts. And, new startups are popping up all the time.

Customers always demand more

Your customers are looking for you to help them innovate over time. Yes, they may love your product today, but that product may become obsolete over time, and they are expecting their best vendors to step up their game with new features and functionality over time. The minute you sit back and rest on your laurels of past success, is the same minute you should start to feel the noose tightening around your neck.

Build a three year product roadmap

To solve this problem, you need to have a continually evolving and developing product roadmap. Lay out your product vision for the long term, and tackle one major product upgrade per year. That makes it much harder for your competitors to chase a moving target, and will establish yourself as a trusted thought leader and innovator with your customers looking to take their game to the next level.

Gather ideas from all stakeholders

In order to build an effective product roadmap, you need to gather inputs from all places. You need to continually keep an eye on new innovations of your competitors. You need to be in constant contact with your customers, asking them for suggested improvements they would like to see from your business. And, you need to listen to your own product team, for their own innovation ideas. So, gather inputs from all three channels, prioritise them based on which ones will have biggest positive economic impact on your business, and stage them into your three year product plan over time.

Invest over time or pay the price

Innovate or eventually die. It won't be a fast death, it will be a long drawn-out death, and you most likely won't even see it coming, until it is way too late or too expensive to fix. If you find yourself having to make a choice between investing in your product or investing in other areas of your business, it is most likely time to consider raising capital to afford both. - ENTREPRENEUR

Are you ready to lead? Here is a 10-point toolkit to guide you

» **MANAGEMENT** If every step you take is not powered by an unequivocal winning mindset, you simply will not get there

SUCCESS

SERAPHINE RULIGIRWA-KAMARA



1) Personal and professional roadmap

Where are you going? If you have not clearly articulated this, have been on the move for a while and are still not getting to your destination, it is time you re-worked your journey. Don't change the goal, especially if it seems too ambitious. Your goal whether personal or professional provides you with clarity of purpose.

2) Activity

What are you doing with the time at your disposal? No, this is not about time-management unless you can stop either one or both the hands of time. It is about the activities that you are involved in on a daily basis.

If your consistent daily actions do not support the attainment of the milestones on your roadmap, your expected time of arrival at your destination is left to a myriad of guess-work.

3) Thought process

Being armed with a map and action are not enough. Is your action based on getting there or trying to get there?

If every step you take is not powered by an unequivocal winning mindset, it does not matter how many steps you take you simply will not get there.

4) Habit

There is good and not-so-good habit. Good habits are the small daily dots of achievement that when joined must lead to greater achievement. What are your personal, work, eating and even your personal presentation habits?

Your daily habits are the building blocks that create the vicious cycles that block achievement for you. To break an undesirable cycle, break the habit that feeds on it.

5) Unending intelligence

Look, so you scored a "D" or were rated very poorly at your last evaluation. Whatever the score, it only serves to tell you about your past performance — history.

It does not in any way indicate to you just how much capability is woven into every fiber of your being. Your capability is so much that no one has the ability to grade it. It is this unlimited capability that you want to hang onto, especially when facing hoops and hurdles on your way.

6) Your environment

Look, it doesn't matter where you physically are. It is your internal environment that is reflected to you by your external environment.

You do great work, you get great results, period. An environment unfortunately does not qualify your actions for you. Even if you don't do great, it lets you act in less than impressive ways and then gives you less than impressive results in life. If all you want is impressive results, knowing that you and you alone influence them from within must form the guiding principle of each action that you're engaged in at any given time. It is not about other people, things and places. It is about YOU and what you do or fail to do.



Your daily habits are the building blocks that create the vicious cycles that block achievement. FOTORESEARCH

7) Stagnation

We stay in the false safety of our cocoons because we do not know what to do, or factors in our environment are not enabling or we second-guess our capabilities at every turn or we prefer not to take risks or we simply are yet to find our passion.

All these factors keep us too fearful to make any moves resulting in stagnation. To tackle stagnation, tackle your fears.

To tackle your fears, learn more about the things you are fearful about. Fear can only thrive in ignorance. By gaining knowledge on anything that paralyses you into stagnation, you beat the fear and advance.

8) Authenticity

If we all did what we promise to do as professionals, the whole human resource industry would not exist.

We are not the most authentic of beings. You no doubt have been a victim of this. The new and impressive executive you hired three months ago no longer seems as impressive as they did at the interview.

That's a pity. Only those who actually walk their talk gain the trust and confidence of others who willingly follow them, thus thrusting them into leadership. Aligning your walk with your talk to deliver is a guaranteed win for YOU.

9) Magic

It is not luck or chance. It is about you and the aura around you that makes the difference between success and failure. I am yet to meet a single person who is not drawn to people who exhibit calmness of mind, people who are cool and collected even in the most trying of situations, people who are pleasant and positive as standard *modus operandi*. These are people with fantastic attitudes. Nothing can stop a person with a great attitude from achieving his or her goals

10) Leading

Decide right now that the buck stops here, i.e. with you. The moment you take that decision is the moment you don your leadership crown no matter what designation you are in at this time.

This decision means that you do not need anyone to ask you to do the right thing with the right people at the right time. It means that you take other decisions as well; even the difficult, unpopular and ugly ones. It means understanding that you effectively sign up into a club of lonely minds that will do right even if everyone disagrees. It means developing the thick skin to withstand the backlash that is wont to accompany such a stand.

Are you ready to lead?

Ms Ruligirwa-Kamara is an expert on *Attitude & Human*. Sera@iuponline.com | @SRuligirwa

Practise these five simple gems and improve your work-life balance

Every entrepreneur or worker knows how difficult it can be to balance the heavy workload that comes with owning a business, and life away from the office. While every entrepreneur would love that mythical healthy work-life balance, few are able to achieve it. Here are five suggestions.

1. Establish your priorities

Make a list of everything that is going on in your life and rank the tasks and responsibilities, in order, from most to least important. This will include your business, your friends and family, hobbies, etc. It's important to be 100 per cent honest with yourself when rank

ing your priorities. Ranking your priorities in order from highest to lowest makes it much easier to ensure you are allocating time to the most important things in your business, as well as your personal life.

2. Account for every minute of your day

Have you ever jumped online to check social media or watch a YouTube video, only to look at the time and wonder where the past hour went? Time flies, and when you don't account for every minute of your day it's easy to waste it.

However, when you account for your time your productivity increases, allowing you to get your work tasks complet-

ed yet still leave time for personal and family time.

3. Don't be afraid to say 'No.'

Some people have a hard time saying "No," but trying to please everyone can result in a major time-suck, cutting into your time away from work.

Don't be afraid to decline last-minute meetings or send an unscheduled call to voicemail. Don't do things out of guilt; instead, focus your time on your top priorities. While that may be difficult at first, you will soon feel comfortable saying "No," especially when you notice how it improves your productivity and has a direct impact on your work-life balance.

4. There is no 'perfect' scenario

As an entrepreneur, you may find it difficult to achieve the perfect work-life balance.

But, if you go in knowing this, you will find it much easier to focus on making adjustments that improve your work-life balance, not perfect it.

Unexpected meetings will come up, and you may have to cancel plans to attend a social event at the last minute. It happens. Expect it.

Some people like to think the grass is greener on the other side. It's not.

So, focus on improving your work-life balance, not perfecting it.

5. Obey family, personal time

Two hours of quality family time in the evening that are completely distraction free are better than three hours of family time that include checking your email every 15 minutes and doing other work-related tasks.

When you are away from work, either engaging in an activity you enjoy or spending time with your family, try to completely unplug from work. That's not always possible to do -- and that potential impossibility is something you sign up for when you become an entrepreneur -- but when it is possible, take full advantage.

- ENTREPRENEUR

Land, environment raise key legal issues in infrastructure projects



BUSINESS LAW

CATHY MPUTHIA

Projects such as roads, dams, railways and power lines are part of infrastructure needed to develop a country.

Kenya is witnessing a lot of infrastructure projects which are mostly based on the Vision 2030 blueprint. They are multi-billion shilling projects with complex financing structures.

Any infrastructure project brings with it a number of legal issues which are key to determining its success.

Key among these issues are land and the environment. What are some of the legal provisions that govern infrastructure projects?

First, according to the Constitution, any project that touches on natural resources must be ratified by Parliament.

Many infrastructure projects, including mining and building dams, touch on natural resources.

According to the Constitution, an Act was to be enacted relating to natural resources. In 2015, a Bill was drafted on the same. The proposed law states that all concessions or rights to exploit, extract or deal with a natural resource must be ratified by Parliament.

If an infrastructure project that would impact on natural resources is carried out without parliamentary approval then it becomes illegal.

Infrastructure projects also take up a lot of land. In Kenya land is private, public or communal.

No major issues crop up where public land is earmarked for a project. However, where the land is private it has to be acquired from the owner.

The government can compulsorily acquire private land for public use. However, there is a procedure to be followed. Notice must be given of the intended acquisition. The land



Construction of the Standard Gauge Railway terminal near Port Reitz in Mombasa on March 15, 2016. One can file a case to stop a project if it affects the environment. SALATON NJAU

owner has to be compensated after an inquiry is made by the Commissioner of Lands and an award is written and published. There are many infrastructure projects that have been built on compulsorily acquired land, especially in roads.

The government can also compulsorily acquire private land for a wayleave and build facilities such as sewers, drainage systems or pipelines.

Public facilities

Once again notice has to be given to the land owner. The owner retains the land but the government can put up public facilities on the property.

The Land Act is also applicable in infrastructure projects in so far as the land user is concerned. The government controls the manner in which all land in Kenya is used, such that it can be marked for residential or commercial use.

Before building infrastructure projects a change of user is done. The Physical Planning Bill 2015 may apply once it is passed into law. It is set to provide for the planning, use,

regulation and development of land. I will not delve into the provisions at the Bill because it is yet been passed into law. Infrastructure projects affect the environment also.

Every Kenyan has the right to the environment. This has to be taken into account to avoid public suits. One can file a case to stop a project if it affects the environment.

Environmental impact assessments have to be carried out to gauge how the project will impact the environment and what developers should do to mitigate the damage.

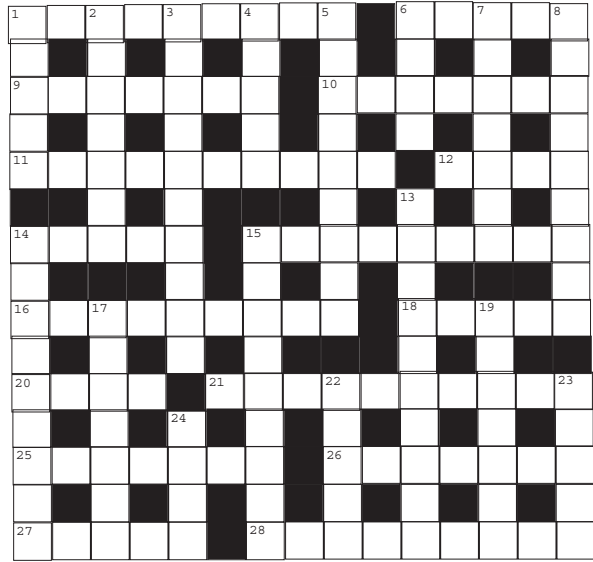
For example, the Standard Gauge Railway passes through Tsavo National Park and according to media reports the ongoing construction has been scaring away lions. This is an environmental issue.

Each project has unique legal requirements. The above are just some of the general provisions.

For a project to proceed, a lot of approvals have to be given by various government entities.

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» TIMES CROSSWORD 25094



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6 Sentence tone needs lifting (4)

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14 Programme notes in print from plates maintaining performance's hot (9)

15 Prude harbouring ignoble attitude's ending special right (9)

17 In photos, end of railway and English signalling junction (7)

19 Consume too much volume before getting into cereal (7)

22 Outer surfaces of knee-length anorak, one in strong fabric (5)

23 Online phone service used by husky people (5)

24 Seizure of contr

» SUDOKU PUZZLE 178

How to play
Fill the grid so that every row, every column and every 3x3 box contains 1-9.
You solve the puzzle with reasoning and logic and not mathematical ability

	5	2	6				8	7
7						6		2
						9	1	
		5	4		9			
6			8		7			1
			3		1	5		
	4	3						
5		6						9
8	2				6	4	5	

» FRIDAY'S SOLUTIONS

CODEWORD
Solution:3034

1	A	I	M	L	E	S	V	R	P	C	N	H	J
14	U	G	D	Y	T	W	K	B	O	F	Q	X	Z

WORD BUILDER

SOLUTION 376: for, form, forum, four, fro, from, fur, mor, our, rum

WORD WHEEL
Solution:0361
HANDRAIL

Quick Crossword
Solution: 2902

- Across:

1 Marque

4 Sands

8 Parks, (Marks & Sparks)

9 Palaver

10 Undergo,

11 Blue

12 Fug

14 Asia

15 Inky

18 Mug

21 Brut

23 Execute

25 Cadaver,

26 Waken

27 Strew,

28 Zydeco
- Down:

1 Map out

2 Reredos,

3 Upstream

4 Sulk

5 Novel

6 Sorbet

7 Spoof

13 Giveaway,

16 Knuckle

17 Abacus

19 Genre

20 Lean-to

22 Under,

24 Avow.

TIMES 25,093

A	N	T	I	C	L	I	M	A	X	P	I	T	T
R	O	O	A	A	E	H							
H	O	S	E	N	E	R	V	O	R	T	E	X	
T	H	D	X	H	C	F							
N	A	B	S	O	L	I	V	E	S	H	E	L	
G	A	O	N	S	R	A	A						
T	A	X	I	D	E	R	M	Y	K	N	I	T	S
O	R	R	L	B	C								
N	A	X	O	S	H	E	X	A	M	E	T	E	R
N	N	A	N	C	I	A							
I	N	G	O	O	D	N	I	C	K	A	T	O	P
O	X	Y	N	D	A	B							
T	Y	P	I	S	T	I	D	O	M	E	N	E	O
E	D	U	S	O	I	O							
E	D	G	E										

SUDOKU 177

5	7	1	8	6	4	2	3	9
3	8	9	1	2	5	4	6	7
6	4	2	9	3	7	5	1	8
1	9	6	3	7	2	8	4	5
4	3	5	6	8	9	1	7	2
8	2	7	4	5	1	6	9	3
2	6	8	7	1	3	9	5	4
9	5	3	2	4	6	7	8	1
7	1	4	5	9	8	3	2	6

THE Business OF Sports

Government orders probe into UK Anti-Doping Agency doctor



SCANDAL Medic filmed claiming he gave drugs to 150 sports professionals from Britain and abroad

The government has ordered an inquiry into the UK Anti-Doping Agency (Ukad) over its handling of an investigation into alleged doping activities by a British doctor involving Premier League footballers and other leading athletes.

According to a *Sunday Times* investigation, Mark Bonar - a London-based private doctor - charges sports stars thousands of pounds for drug programmes.

The newspaper says it has secretly filmed the medic claiming that he has prescribed performance-enhancing drugs such as EPO, steroids and human growth hormone to 150 elite sports professionals from the UK and abroad over the past six years, including:

Investigation has been ordered into alleged doping activities by a British doctor. AFP

There is no suggestion that any Premier League clubs were aware of any alleged wrongdoing and the *Sunday Times* says it has no independent evidence Bonar treated the players.

Bonar has told the *Sunday Times* he treated the athletes for medical reasons and not to enhance their performance. There is no suggestion the substances were illegal.

Athletes contacted by the newspaper either denied Bonar had treated them or declined to comment. The government investigation stems from claims made by a whistleblower athlete who was banned for breaching anti-doping rules in 2014.

According to the newspaper, the sportsman - who wishes to remain anonymous - approached Ukad with evidence that indicated Bonar had allegedly prescribed him performance-enhancing drugs.

Ukad says it did begin an investigation into Bonar but found that he was outside of its ju-

risdiction as he was not governed by a sport, and decided not to pass the case to the General Medical Council (GMC) or to contact him.

The *Sunday Times* - in collaboration with an aspiring athlete - then secretly recorded Bonar allegedly prescribing a series of prohibited drugs to the runner. It is claimed that Bonar then went on to talk about the other sportspeople he says he treated.

The paper further claims that, according to the GMC, Bonar is currently registered without a licence to practise. Ukad told the BBC it would conduct an independent review into the case.

"I am shocked and deeply concerned by these allegations," Culture, Media and Sport Secretary John Whittingdale said in a statement.

"I have asked for there to be an urgent independent investigation into what action was taken when these allegations were first received and what more needs to be done to ensure that British sport remains clean.

"There is no room for complacency in the fight against doping and the government is already looking at whether existing legislation in this area goes far enough. If it becomes clear that stronger criminal sanctions are needed then we will not hesitate to act."

In response to *Sunday Times* article, Ukad chief executive Nicole Sapstead said the organisation was "deeply concerned and shocked by the allegations". Ukad, which receives around £7 million funding each year, has been widely praised for its work in the fight against cheating in sport.

It has been helping Russia's anti-doping agency run testing programmes after Russia was banned from all athletics competitions following accusations of widespread doping. And it was recently appointed as the secretariat for an IOC taskforce that will oversee testing procedures at the Olympics.

Last year a study commissioned by Uefa suggested 7.7 per cent of players in a sample of 879 had high testosterone levels, although European football's governing body said the figures "didn't present evidence of potential doping".

Earlier this year Sapstead told the BBC that football was "at risk" of doping problems.

-BBC

Ronaldo late goal helps 10-man Real Madrid beat Barca in El Clasico

Cristiano Ronaldo's late goal gave 10-man Real Madrid victory in El Clasico and ended La Liga leaders Barcelona's 39-match unbeaten run.

Gerard Pique's powerful downward header from a corner had given Barca a 56th-minute lead after a tense first half. Karim Benzema's brilliant scissor kick made it 1-1, before Gareth Bale had a goal harshly ruled out for a push.

After Real captain Sergio Ramos was dismissed for receiving two bookings, Ronaldo's superb finish won the game.

Karim Benzema has 21 La Liga goals for the season - eight behind leading scorer Ronaldo

Ronaldo's winner will undoubtedly grab the headlines, particularly as it has helped third-placed Real salvage some pride from a poor season to date, but the balance of the side was crucial to the victory.

Under Rafa Benitez, Real were overwhelmed 4-0 by Barcelona at the Bernabeu in November, but they showed far more steely edge at the Nou Camp.

Benitez was punished heavily for not picking Casemiro in midfield that night, an error that his successor Zinedine Zidane avoided repeating in his first El Clasico as a manager. Casemiro's influence in breaking up Barcelona's attacks - and ensuring that Lionel Messi, Luis Suarez and Neymar were frustrated - was crucial.

Real's front trio of Benzema, Gareth Bale and Ronaldo, nicknamed the BBC, played their part in the win, though.

Benzema recovered from a bad first-half miss to score acrobatically from Toni Kroos' deflected cross, while Bale could count himself unfortunate to have a goal ruled out when he headed in Ronaldo's chip, with the officials judging that he had pushed Jordi Alba. **-BBC**



Real Madrid midfielder Luka Modric vies with Barcelona forward Neymar during the match in Barcelona. AFP

SPORTS BRIEFING

Juventus close in on title

Juventus moved closer to a fifth successive Serie A title with a home victory over Empoli. Alvaro Morata hit the crossbar for the hosts with a long-range effort before Mario Mandzukic headed in from Paul Pogba's chip just before half-time.

Riccardo Saponara had Empoli's best chance but he shot over.

The victory takes Juventus six points above Napoli, who were playing away at Udinese in their game in hand yesterday.

Massimiliano Allegri's side had chances to extend their lead but Kwadwo Asamoah just



Empoli defender Lorenzo Tonelli (L) fights for the ball with Juventus forward Alvaro Morata in Turin. AFP

failed to reach the ball after Lukasz Skorupski spilled Morata's drive. In the closing minutes, Morata ran down the left wing and pulled the ball back for Simone Zaza, whose shot was saved by Skorupski.

Azarenka wins Miami Open

Victoria Azarenka secured back-to-back WTA titles with a straight-set victory over Svetlana Kuznetsova in the Miami Open final.

The Belarusian won 6-3 6-2 in 77 minutes to add a third Miami title to her victories in 2009 and 2011.

The 26-year-old, who won in Indian Wells two

week ago, will return to the world's top five next week. Russian Kuznetsova, 30, was bidding for her second title of the year after her victory in Sydney in January.

Azarenka becomes just the third woman to achieve the Indian Wells-Miami double after Steffi Graf (1994, 1996) and Kim Clijsters (2005). "I've been reminded of this since the quarter-finals on social media - 'She's going for the Sunshine Double,'" Azarenka said.

"I've done really well not to get distracted by the future and concentrate on the present." Form returns with fitness for Azarenka Azarenka, a former world number one and

twice winner of the Australian Open, has rediscovered her best form this season after failing to win a WTA title as injuries hampered her in 2014 and 2015. She began the year with victory in Brisbane in January and last month overcame Serena Williams to win at Indian Wells. "Being fit and being prepared helps a lot," she said. "I definitely have a different approach and perspective from a couple of years ago. "I worked a lot on myself outside the court to understand how to be present and make better priorities. That helps me to be in a relaxed way. I know I'm prepared and I don't focus on the result."



The OUTLOOK

ECONOMIC ANALYSIS & COMMENTARY *with Anzette Were*



www.businessdailyafrica.com

Green power is a rare bright spot for Kenya and Africa

ENERGY Investment in renewables gathers pace across the continent as demand for energy grows

As the world begins to respond to the reality of climate change, generating renewable energy has become an important component of managing the issue. Indeed, the amount of money committed to renewable energy investment totalled \$286 billion last year, up five per cent from \$273 billion in 2014. Interestingly the part of the world leading the charge to renewable energy is the developing world which committed \$186 billion compared to the developed world's \$130 billion.

Solar power accounted for \$148 billion, wind \$107 billion and biomass \$5 billion of investment pledges. This is not to say fossil fuels are not attracting investment; the amount was much smaller at \$130 billion. It is however important to note that this UN-backed study, excluded large hydrological power projects because of environmental concerns.

In regard to Africa, a growing population and economic progress are pushing up requirements for energy. According to International Renewable Energy Agency

(IRENA) the push for renewable energy development in Africa is rooted in four core phenomena: to fuel industrial growth, catalyse power sector transformation, support lifestyle changes and for rural development.

These will be sourced primarily from four renewable energy technologies: biomass, hydropower, wind and solar power. For Kenya and East Africa an additional important source is geothermal.

Efforts exist under the Africa 2030 umbrella to ensure renewable sources meet 22 per cent of total final energy consumption by 2030. According to IRENA this would require an average of \$70 billion per year of investment between 2015 and 2030 of which about \$45 billion would be for generation capacity and \$25 billion for transmission and distribution.

The vamping up of electricity generation by renewable sources is especially important for East Africa which has the lowest kWh per capita in Africa and the lowest percentage of individu-



A wind farm in Ngong. Kenya has stepped up generation of power from renewable energy sources. FILE

als with access to electricity. The push for renewables has a practical component for Africa in that it creates more jobs than fossil fuels, renewable energy technologies can be deployed locally at small scales, and the technology costs are decreasing rapidly; indeed IRENA argues that recent project deals for renewables in Africa have been among the most competitive in the world.

Kenya seems to be well aware of the benefits of renewable energy as it currently generates about two-thirds of its electricity from renewables. Further, there is aggressive investment into the sector; investment in the sector grew from next to nothing in 2009 to \$1.3 billion in 2010. Important projects include the 300MW Lake Turkana Wind Project.

There are plans to expand the country's geothermal power production capacity to 5000MW by 2030 with a target of 460MW by 2018. The solar scene has hobbled more than the other sectors in that government has not been as involved and most development has been self-initiated by businesses such as Safaricom's M-Kopa. However, last year the government announced a financing partnership to develop 1-giga-

watt of solar power in the country. The planned Sh12.8 billion 55MW Garissa solar plant may change this.

The truth is that the rise of renewables in Kenya is positive and will help put the country's recent finds in fossil fuels in perspective. However, the truth of the matter is that extensive fossil-fuel reserves, including recent natural gas and oil discoveries, could tempt countries to disregard balanced energy mix.

This is worrying given that currently over 52 per cent of energy on the continent is sourced from thermal and other non-renewable sources. But investment in renewables needs to continue to build momentum across the continent because as the world continues to shift from fossil fuels, the boon that used to be fossil fuel discoveries in Africa will likely wane and countries reliant on the export of fossil fuel exports, will be negatively affected. Africa stands to become one of the cleanest continents in the world with regards to energy generation. This is a possibility that should be embraced not resisted.

Ms Were is a development economist; anzetsew@gmail.com

Euro zone's factory growth remains weak

Euro zone factories rounded off the first quarter in slightly better shape than initially thought but growth in activity remained weak despite the deepest price-cutting since late 2009, a survey showed on Friday.

The surveys suggest manufacturing is still dragging on the wider economy, and growth remained weak in Germany while activity contracted in France.

But Spain, Italy, the Netherlands, Austria and in particular Ireland saw robust expansions. Last month, the European Central Bank unleashed a bold easing package in its latest attempt to spur growth and drive up inflation—which at -0.1 per cent in March was nowhere near its two percent target goal—but it doesn't seem to be working yet.

"The data suggest manufacturing grew by only around 0.2 per cent in the first quarter," said Chris Williamson, chief economist at survey compiler Markit

"Policymakers will also be worried by the further intensification of deflationary pressures in manufacturing supply chains. Discounting was widespread as firms competed on price amid weak demand."

Despite the price-cutting and ECB stimulus, Markit's manufacturing Purchasing Managers' Index (PMI) for the euro zone only rose to 51.6 from February's year-low of 51.2.

That was slightly better than an earlier flash estimate of 51.4 and above the 50 mark that separates growth from contraction.

-REUTERS

GLOBAL MARKET WATCH

DJ INDU 17,685.09 -31.57	FTSE 100 2,541.11 -55.20	XETRA DAX 9,765.42 -200.09	CAC 40 4,290.55 -94.51	FTSE MIB 17,908.44 -208.44	SMI PR 7,635.92 -171.97	HANG SENG 20,498.92 -277.78	NIKKEI 225 16,164.16 -594.51	ALL ORD. 5,073.79 -78.00	SSE COMP. 3,008.98 5.06	S&P SENSEX 25,269.64 -72.22
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CURRENCY RATES

\$: 101.39	TSh 21.57
€: 115.40	USh 33.29
£: 145.66	SAR 6.86

Weekly Market Activity

	LAST WEEK	PREVIOUS WEEK
MARKET CAP IN SH BN	2,072.52	2,079.97
TOTAL SHARES TRADED	73,354,200	97,157,600
EQUITY TURNOVER IN SH	1,648,743,180	2,163,573,470
BONDS TURNOVER	9,003,450,000	6,236,900,000
TOTAL DEALS (BONDS)	200	46
TOTAL DEALS (EQUITY)	5,468	5,879
NSE 20 SHARE INDEX	3,996.38	4,001.36
NSE ALL SHARE INDEX	147.03	147.56
NSE 25 SHARE INDEX	4,233.07	4,266.20
FTSE NSE KENYA 15 INDEX	185.17	187.05
FTSE NSE KENYA 25 INDEX	185.47	187.20
FTSE NSE KENYA BOND INDEX	89.28	88.96
FTSE ASEA PAN AFRICAN INDEX	1,006.47	1,006.47



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SHE SAID

"I will never give myself the luxury of thinking, 'I've made it.'"



-Zaha Hadid
Architect



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