



The "elephant tusks" of Mombasa, Kenya's second largest city with a port which is the gateway to eastern and central africa.

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A Word from the Ambassador

Mr. H. Mutuma Kathurima, Ambassador of Kenya in Berlin.

This is the first edition of the Kenya Newsletter which we hope to publish quarterly. Through the information contained in this newsletter, we hope the reader will be appraised, albeit in a brief form, of the Governments policies and reforms, as well as events which are shaping the destiny of many Kenyans positively. In addition, the



contents will capture some of our Embassy's mandate in Berlin.

In its efforts to render services to its population of 32 million people, the Government is faced with challenges in the provision of health, education, water, infrastructure and energy in a secure environment. The pragmatic reforms undertaken by the Government in various sectors which include agriculture, tourism, trade and manufacturing resulted in a 5.8% growth of the

economy in 2005. Apart from occasioning reforms, the challenges also present opportunities for involvement of partners in business, trade and investment. Sometimes the opportunities availed in Kenya are not known, or are misrepresented, or misunderstood. The newsletter will hopefully address such inadequacies and in doing so, highlight the role of our Mission in disseminating information to the German public and Kenyans resident in Germany.

H. Mutuma Kathurima, EBS
Ambassador

Kenya/German Relations

Kenya and Germany established diplomatic relations immediately after Kenya attained her Independence in 1963. Since then, the relationship has developed into a close partnership for the mutual benefit of the two countries.

Germany is an important development partner to Kenya while Kenya plays a significant role in

German policy towards Africa. In addition, the two countries have wide-ranging cooperation,

particularly in the political, economic and cultural fields. This is realized through high-level bilateral consultations between respective ministries of the two governments.

As part of the bilateral consultations, the Ministries of Finance

of Kenya and Economic Co-operation and Development (BMZ) of Germany meet biennially and alternately in the two countries,



to review technical and development assistance to Kenya.

The most recent bilateral talks on development cooperation between Kenya and Germany were held in Bonn in the week of 20th to 26th August 2006. The German Government committed new funds to Kenya amounting to Euro 21.5 million to finance projects in water, health, private sector de-

Hon Raphael Tuju, Minister for Foreign Affairs poses with the German Federal Foreign Minister, Mr. Frank-Walter Steinmeier during his recent visit to Germany from 25th to 31st May 2006.

velopment in agriculture and primary education support in poor urban areas. The support for these sectors is in keeping with the main objectives of Kenya's economic policy aimed at employment creation, poverty reduction, wealth creation and sustainable social welfare. In addition, the Government of Germany agreed to commit new funds amounting to Euro 8.95 million for technical cooperation in the above areas and for public financial management, as well as for the Peace Support Training Centre in Kenya.

African Peer Review commends Kenya

Kenya's Peer Review report was tabled and discussed by the African Peer Review Mechanism forum of Heads of State and Government during the 7th Ordinary Session of the African Union Heads of State and Government Summit held in Banjul, Gambia from 1st to 2nd July, 2006.

The African Peer Review Mechanism (APRM) is a 'self-monitoring' mechanism created by the New Partnership for Africa's Development (NEPAD). The goal of the mechanism is to get African leaders to subject their governments to a continuous examination by other Africans. The APRM is open to all the 53 members of the African Union and the other African countries that have undertaken Peer Review are Ghana, Mauritius and Rwanda. The countries that agree to go under APRM review are assessed in mainly four agreed areas; de-

mocracy and political governance, economic governance, corporate governance and socio-economic development.

The programme is managed by a panel of eminent persons and a team from APRM Secretariat carries out the review with the participation of the host country. The team consults government officials, members of the opposition political parties, civil society groups, the corporate sector and the media. It prepares a report and recommendations for discussion by a panel of Heads

of state of African countries. Kenya is among the first countries to be reviewed under APRM and the outcome of the discussions is that Kenya Government was generally commended for the bold steps it had taken in:

- Improving the livelihood of the citizens.
- Establishing the necessary structures for good governance and combating corruption.
- Human Resource Development.
- Expansion of democratic space and respect for human rights.
- Prudent management of public resources which has enabled the Government to fund its budget without donor support.

Did you know?

■ The name Nairobi in the Maasai language means "the place of cold waters".

■ Nairobi is the headquarters of

two UN organizations, namely, the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (HABITAT)

■ Kenya is the largest producer and exporter of Pyrethrum, a

flower of the Chrysanthemum family, used in making organic based insecticides that are not injurious to humans.

■ Kenya is the world's largest exporter of tea. It is an active member of the German Tea Council.

Nairobi: An attractive Conference Hub

Nairobi city continues to consolidate its position as a premier destination for international conferences.

Since 1973, when the 32-storey Kenyatta International Conference Centre was completed, the city has been a focal point for various international meetings. This has been aided by a number of factors which include:

Conference facilities: The Kenyatta International Conference Centre itself is the biggest conference venue in the country. It has a variety of other facilities for small and medium-size groups. Located in the Central Business District of Nairobi, it is a venue for conferences, meetings, exhibitions and special events within a walking distance of several five star hotels. On the outskirts of Nairobi, the Moi International Sports Complex in Kasarani and the United Nations conference facility in Gigiri are also the venues of a number of other important international meetings. Various other conference facilities are available throughout the country in attractive surroundings.

Accommodation: There are several five and four star hotels and numerous smaller establishments in Nairobi that provide ample accommodation for conference participants. Various institutions such as the Kenya School of Monetary studies the Kenya College for Communications Technology and Limuru Conference Centre also provide accommodation.

Air connections: Kenya has a well-developed international and domestic air transport infra-

structure with international airports in Nairobi, Mombasa and Eldoret. Nairobi's Jomo Kenyatta International Airport serves more than 30 airlines, providing direct scheduled services to major capitals in Africa, Europe, Middle East and Asia. It is currently undergoing further expansion to increase the passenger handling capacity from 2.5 million to 9 million. The Wilson Airport also in Nairobi handles light aircraft and is one of the busiest in Africa. Airstrips within the country number more than 150.

Other factors: Political stability, good climatic conditions, friendly people and fairly developed communications infrastructure are other factors that have made Nairobi an increasingly popular venue on the international conference circuit.

Key conferences that have taken place in Kenya since January 2006, include the Inter Parliamentary Union Conference which drew members from more than 150 countries worldwide, the Ministers for Culture conference, the International Press Institute Conference, the IGAD Heads of State summit, the African Ministerial Conference on Housing and Urban Development, the five-day AfriCities Summit held from September 14th 2006, attracting around 10,000 participants and the Youth Employment Summit (YES) 2006 from 13th – 16th September 2006, with an estimated 2,000 participants.

Important conferences coming up include the Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC), (COP 12 and COP/MOP 2) due to be held from 6th to 17th November 2006. Others lined up for 2007 are the National Oil Corporation conference and the International Psychiatrist Association Meeting.

The hosting of all these international meetings in Kenya is an indication that conference hosting is increasingly becoming one of its key attractions. The conferences also have a strong linkage



The Kenyatta International Conference Centre in Nairobi's city centre

with Kenya's tourism as participants or exhibitors in the conferences take the opportunity to tour the capital Nairobi as well as other attractions throughout the country.

Steady growth of the economy

Kenya has since independence in 1963 been regarded as a reliable business location in eastern and central Africa. It has maintained stable economic and social programmes including a regular electoral process and population census for economic and development planning.



The Olkaria geothermal power plant in Naivasha, Kenya is harnessing geothermal resources as an alternative source of green energy in partnership with the Government of Germany.

The Kenyan economy is dominated by agriculture which contributes 24% of the Gross Domestic Product (GDP), and 75% of jobs; and trade and industry which contributes 20% of the country's export earnings. Tourism is another important component of the economy generating an average of 12% of the GDP.

With the government's current export-led economic policy, the country has witnessed impressive growth in the last three years, reaching 5.8% in the year 2005. The main objectives of the economic policy are employment and wealth creation, poverty reduction, and sustainable social welfare. The policy options followed by the govern-

ment have opened numerous business opportunities in the country in the areas of infrastructure development, manufacturing and the hospitality industry. These sectors as well as horticulture, tourism, manufacturing, building, construction and the transport and communications sectors continue to drive economic growth. The net effect of the growth in all these sectors has been the creation of more jobs. In 2005 for example, total employment in both the formal and informal sectors rose by 5.9%, from 7.8 million in 2004 to 8.2 million in 2005. Otherwise, in 2005 the economy created a total of 458,900 new jobs which was about 1000 short of the national target of 500,000

jobs to be created annually. The Nairobi Stock Exchange 20-share index has also been on a steady increase. From December 2004 to December 2005 the index rose by 1027 from 2946 points to 3973 points. In January 2006 the index stood at 4171.8. At the same time, domestic credit to the private sector too has grown annually reaching a rate of 8.1% in 2005.

The prudent fiscal and monetary policy pursued by the government is aimed at the sustenance of the growth rate in the economy. Inflation has been contained at single digit levels, as competitive exchange rates that are consistent with the export-led economic growth are maintained.

The introduction of several incentives to investors which include tax holidays, loss-carried forward, investment allowances, duty remission facilities and guarantees against both political and commercial risks among others have added impetus to the economic growth. Institutions such as the Kenya investment Authority, the Export Processing Zones Authority and the Export Promotion Council among others help in the facilitation of business activities in the country.

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CALENDAR OF EVENTS

The Conference Of Parties to the United Nations Framework Convention on Climate Change (Unfccc), (Cop 12 and Cop/Mop2) will take place in Nairobi from 6th to 17th November 2006.