REPUBLIC OF KENYA

ECONOMIC

SURVEY

1974

Central Bureau of Statistics
Ministry of Finance and Planning

Price: Twenty Shillings

ECONOMIC SURVEY

1974

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CHAPTER 1—THE GENERAL ECONOMY

The International Setting

Output in industrial countries accelerated significantly in 1972. and the momentum of increased production carried over into the first half of 1973. when output recorded a rise of 10 per cent compared with the first half of 1972. This rapid rate of growth led to an increase of world trade and to an increase in the demand for agricultural and mineral materials. Commodity prices rose in 1973 at exceptional rates.

1.2. However, the reaction of governments in industrial countries to the inflationary situation, generated both by internal demand pressure and by cost increases in imported raw materials, led to a down-turn in production in the second half Of 1973. in industrial countries for the year as a whole was therefore limited to 6 percent —about the same as the increase recorded in 1972. However, despite the down-turn in production, prices (particularly those of agricultural commodities) continued to increase right through the second half of 1973 and into the first quarter of 1974. The inflationary process was particularly accelerated in the last quarter of the year by unprecedented increases in oil prices, which doubled between September, 1973 and January, 1974. Adverse weather conditions had curtailed the international supply of agricultural commodities and. on average, the prices of these commodities recorded an increase of almost 30 per cent during 1973. compared with an increase of 11 per cent in prices of manufactured goods.

1.3. These relative movements in prices therefore meant that the international terms of trade moved in favour of primary producers. Kenya benefitted from this trend to some extent, though the change in Kenya's terms of trade was relatively modest *(see* Chapter 3).

The Growth of the Economy

1.4. Kenya achieved a satisfactory rate of growth in output in 1973. Gross Domestic Product (GDP) increased from K£652 million in 1972 to K£731 million in 1973 at current prices, an increase of 12.1 per cent. In real terms. this represented a growth of 6.5 per cent measured at constant (1964) prices. Details of estimates of GDP in each sector at current and constant prices are set out in Table 1.1 and the recent growth rates in each sector are analysed in Table 1.2. The recorded increase in GDP in 1973 was in fact higher than the 5 per cent growth rate forecast in last year's *Survey.* Agri. culture and manufacturing, which account for over a quarter of total product in real terms, both achieved a higher level of output than anticipated.

GROSS DOMESTIC PRODUCT—1964, 1969-1973

Table 1.1 *K£million*

INDUSTRY	AT CURRENT PRICES						AT CONSTANT (1964) PRICES					
INDUSTRY	1964	1969	1970	1971	1972	1973*	1964	1969	1970	1971	1972	1973*
GROSS PRODUCT AT FACTOR COST												
A. *Outside Monetary Economy:*												
Agriculture	73.47	89.02	91.98	97.34	112.00	116.70	73.47	89.88	92.82	95.39	98.50	101.28
Forestry	1.99	3.12	3.37	3.84	4.16	4.48	1.99	2.54	2.61	2.72	2.82	2.91
Fishing	0.11	0.14	0.15	0.15	0.15	0.16	0.11	0.15	0.15	0.13	0.14	0.13
Building and Construction	5.81	8.97	9.58	9.97	10.57	11.13	5.81	6.79	6.91	7.08	7.38	7.65
Water	2.09	3.91	4.15	4.47	4.67	4.87	2.09	2.65	2.67	2.75	2.79	2.84
Ownership of Dwellings	5.53	9.58	10.40	11.14	11.90	12.69	5.53	7.09	7.50	7.91	8.31	8.73
TOTAL PRODUCT OUTSIDE MONETARY ECONOMY	890.0	114.74	119.63	126.91	143.45	150.03	89.00	109.10	112.66	115.98	119.94	123.54
B. MONETARY ECONOMY..												
1. *Enterprises and Non-Profit Institutions*												
Agriculture	53.08	64.31	72.29	72.81	88.94	102.22	53.08	70.58	74.04	73.52	83.31	89.55
Forestry	1.88	3.20	3.80	4.47	4.03	4.61	1.88	2.60	2.93	3.13	3.20	3.57
Fishing	0.85	114	118	1.22	1.26	1.34	0.85	1.14	1.03	0.98	1.12	1.06
Mining and Quarrying	1.46	2.02	2.41	2.93	2.13	3.01	1.46	2.01	2.60	2.72	2.50	3.88
Manufacturing and Repair ..	34.17	56.84	62.16	71.68	84.35	04.78	34.17	48.59	52.49	59.29	63.61	70.44
Building and Construction	6.82	15.31	16.81	18.89	24.28	18.47	6.82	11.85	12.07	13.14	15.67	17.18
Electricity and Water	4.84	6.93	7.81	8.21	8.94	9.13	4.84	6.44	7.14	7.81	8.85	9.09
Transport Storage and Communications	24.52	37.81	40.84	43.50	47.03	50.03	24.52	38.57	41.18	43.12	42.43	44.26
Wholesale and Retail Trade	32.98	46.87	55.82	6157	65.96	78.00	32.98	43.95	48.64	53.08	50.69	53.48
Banking. Insurance and Real Estate ..	9.85	17.58	21.07	23.62	25.72	28.60	9.85	16.86	19.60	21.14	21.78	22.79
Ownership of Dwellings	13.34	16.25	17.06	18.22	19.37	21.50	13.34	14.02	14.46	14.87	15.02	16.10
Other Services	11.90	18.43	20.08	21.68	26.27	30.30	11.90	18.44	20.34	22.63	26.59	30.30
TOTAL ENTERPRISES	195.69	286.69	321.33	348.80	398.28	461.99	195.69	275.05	296.52	315.43	334.77	361.70
2. PRIVATE HOUSEHOLDS (DOMESTIC SERVICES)	2.94	3.87	4.14	4.84	5.12	5.83	2.94	3.47	3.55	3.85	3.80	4.00
3. GENERAL GOVERNMENT												
Public Administration	16.84	21.61	23.12	26 80	29.06	29.99	16.84	20.97	21.60	23.91	26.38	27.23
Defence .	2.19	4.10	4.66	5.07	5.34	6.03	2.19	3.94	4.18	4.43	4.72	5.34
Education	11.20	23.14	23.78	32.05	37.18	42.08	11.20	21.34	23.94	25.77	29.70	32.26
Health	4.69	8.34	8.94	10.68	11.85	12.77	4.69	8.04	8.94	10.19	11.62	12.02
Agricultural Services	4.41	5.88	6.38	7.83	8.55	8.60	4.41	5.92	5.73	6.94	7.66	7.74
Other Services	3.13	7.94	9.60	12.06	13.36	13.78	3.13	7.97	9.36	10.51	12.13	12.75
TOTAL GENERAL GOVERNMENT	42.47	71.01	76.48	94.49	105.34	113.24	42.47	68.18	73.75	81.75	92.21	97.32
TOTAL PRODUCT MONETARY ECONOMY	241.10	361.57	401.95	448.13	508.74	581.06	241.10	346.70	373.82	401.03	430.78	463.02
TOTAL GROSS PRODUCT AT FACTOR COST (Monetary and Non.Monetary)	330.10	476.31	521.58	575.04	652.19	731.09	330.10	455.80	486.48	517.01	550.72	586.56

*Provisional

1.5. Estimates for 1972 have been adjusted downwards compared with the preliminary estimates made last year. The increase in the monetary output of agriculture was not as high as then estimated, and there was an overall fall in the product of the distribution sector. Nevertheless, the increase of 13.3 per cent in the real output of monetary agriculture in 1972 was still significant, even when account is taken of the recovery element from the drought year of 1971. Although the output of the general government and building and construction sectors in 1972 are now estimated to have been at a higher level than in the preliminary estimates, these increases were not sufficient to counterbalance the lower estimated growth in agriculture and distribution.

1.6. Agricultural output in 1973 recorded a lower real growth rate than in 1972, 7.5 per cent, although this was still a satisfactory rate of increase, and was well above the average cumulative growth rate of 6.0 per cent achieved between 1964 and 1973. Agricultural production was once again affected by dry weather in some areas in 1973.

1.7. Manufacturing, after a slowing down in the growth of production in 1972, recorded an impressive increase of 10.7 per cent in 1973. This was the result of buoyant demand conditions being prevalent for the whole year. The extra demand was met from additional capacity which came on stream. Some shortages of raw materials were experienced, however, particularly in the first half of the year. Further details on individual sub-groups in this sector are noted in Chapter 6. Construction activity recorded an increase of 9.6 per cent. Although less than the previous year's increase of 19.2 per cent, this was still a satisfactory performance, particularly since, as noted in Chapter 7, activity had been held back by shortages of essential supplies of steel and other requisites. The product of the distribution and transport sectors, which had recorded negative rates of growth in 1972, picked up in 1973 and increased by 5.5 per cent and 4.3 per cent respectively. The up-turn in 1973 is accounted for by a higher level of exports and imports and by increased production of the manufacturing sector for the local market, thereby generating increased activity in these industries. Although relatively small in absolute terms, mining recorded an increase of 55 per cent in production, mainly as a result of increased output of soda ash and fluorspar *(see* Chapter 5). A slowing down in 1973 in the "general government" sector resulted from measures to restrict government expenditures.

1.8. As shown in Table 1.2, the economy has achieved an average growth rate of 6.6 per cent between 1964 and 1973. The overall average growth rate actually achieved between 1967 and 1973 is only fractionally below the target specified in the 1970.1974 Development Plan. The planned targets, which were computed in terms of 1967 prices, have been set out at sectoral level along with the realized growth rates (also estimated at 1967 prices) in Table 1.3. The monetary agriculture, manufacturing and building and con.

GROSS DOMESTIC PRODUCT: PERCENTAGE RATES OF GROWTH, 1964-1973

Table 1.2 *Percentages*

INDUSTRY	Current 1964-1973* Cumulative	Current 1971-72	Current 1972-73*	Constant (1964) Prices 1964-1973* Cumulative	Constant (1964) Prices 1971-72	Constant (1964) Prices 1972-73*
OUTSIDE MONETARY ECONOMY						
Agriculture	5.3	15.1	4.2	3.6	3.3	2.8
Forestry	9.4	8.3	7.7	4.3	3.7	3.2
Fishing	4.2	–	6.7	1.9	7.7	-7.2
Building and Construction	7.5	6.0	5.3	3.1	4.2	3.6
Water	9.9	4.5	4.3	3.5	1.5	1.8
Ownership of Dwellings	9.6	6.8	6.6	5.2	5.0	5.0
TOTAL PRODUCT OUTSIDE MONETARY ECONOMY	6.0	13.0	4.6	3.7	-	3.0
MONETARY ECONOMY—						
Enterprises and Non-Profit Institutions						
Agriculture	7.6	22.2	14.9	6.0	13.3	7.5
Forestry	10.5	-9.8	14.4	7.4	2.2	11.6
Fishing	5.2	3.3	6.3	2.5	14.3	-5.4
Mining and Quarrying	8.4	-27.3	41.3	11.5	8.1	55.2
Manufacturing and repairing	13.3	17.7	24.2	8.4	7.3	10.7
Building and Construction	17.2	28.5	17.3	10.8	19.2	9.6
Electricity and Water	7.3	8.9	2.1	7.3	13.3	2.7
Transport, Storage and Communications	8.2	8.1	6.4	6 .8	-1.6	4.3
Wholesale and Retail Trade	10.0	7.1	18.3	5.5	-4.5	5.5
Banking, Insurance and Real Estate	12.6	8.9	11.2	9.8	3.0	4.6
Ownership of Dwellings	5.4	6.3	11.0	2.1	1.0	7.2
Other Services	1.10	21.2	15.3	11.0	17.5	14.0
TOTAL ENTERPRISES	10.0	14.2	16.0	7.1	6.1	8.0
Private Households	7.9	5.8	13.9	3.5	-1.3	5.3

*Provisional

Table 1.2—(*Contd.*) *Percentages*

INDUSTRY	CURRENT			CONSTANT (1964) PRICES		
	1964-1973* Cumulative	1971-72	1972-73*	1964-1973* Cumulative	1971-72	1972-73*
General Government—						
Public Administration	6.6	8.4	3.2	5.5	10.3	3.2
Defence	11.9	5.3	12.9	10.4	6.5	13.1
Education	15.8	16.0	13.2	12.5	15.2	8.6
Health	11.8	11.0	7.8	11.0	14.0	3.4
Agricultural Services	7.7	9.2	0.6	6.5	10.4	1.0
Other Services	17.9	10.8	3.1	16.9	15.4	5.1
TOTAL GENERAL GOVERNMENT	11.5	11.5	7.5	9.6	12.8	5.5
TOTAL PRODUCT MONETERY ECONOMY	10.3	13.5	14.2	7.5	7.4	7.5
TOTAL GROSS PRODUCT AT FACTOR COST	9.2	13.4	12.1	6.6	6.5	6.5

*Provisional

GROSS DOMESTIC PRODUCT
PLAN TARGETS AND REALISED GROWTH RATES (AT 1967 PRICES)

Table 1.3 *Percentages*

INDUSTRY	PLAN TARGETS	REALISED GROWTH RATES		
	Annual increase from 1967 to 1974	1971-72	1972-73*	1967-73* Cumulative
OUTSIDE MONETARY ECONOMY—				
Agriculture	3.5	3.3	2.9	3.2
Other	3.8	4.1	3.7	4.5
TOTAL MONETARY PRODUCT	3.6	3.4	3.0	3.5
1. *Enterprises and Non-Profit Institutions*:				
Agriculture	6.0	11.7	5.4	6.5
Forestr	8.3	1.7	11.9	7.6
Fishin	7.9	11.7	5.6	–
Mining and Quarrying	6.6	8.2	55.2	11.3
Manufacturing and Repairing	8.9	7.2	10.6	9.5
Building and Construction	8.8	19.3	9.6	9.5
Electricity and Water	8.0	13.4	2.6	8.5
Transport, Storage and Communication	9.4	0.9	3.5	4.3
Wholesale and Retail Trade	7.0	4.3	5.6	5.6
Banking, Insurance, Real Estat	8.9	2.8	3.7	9.7
Ownership of Dwelling	4.0	0.5	6.7	4.1
Other Services	9.0	15.6	12.7	11.4
TOTAL ENTERPRISES	7.7	6.0	7.3	7.3
2. Private Households (Domestic Services)	6.0	-1.5	5.4	1.6
3. General Government	8.0	11.6	3.4	9.6
TOTAL MONETARY PRODUCT	7.8	7.0	6.5	7.7
TOTAL G D P AT FACTOR COST	6.7	6.2	5.7	6.6

*Provisional

struction sectors, the most important of the primary production sectors of the economy, have all recorded higher rates of growth than the targets set down in the current Plan.

1.9. Table 1.4 sets out the relative shares of each sector in total GDP at constant (1964) prices. The proportion of non-monetary production in total GDP continued to decline steadily. Within the monetary sector, agriculture, manufacturing and services increased their share of production in 1973, while the shares of the transport and distribution sectors fell. The share of the "general government" sector has also declined, after recording a steady increase since 1964.

GROSS DOMESTIC PRODUCT

SECTOR SHARES, AT CONSTANT (1964) PRICES, 1964, 1969-1973

Table 1.4 *Percentages*

INDUSTRY	1964	1969	1970	1971	1972	1973*
OUTSIDE MONETARY ECONOMY—						
Agriculture	22.26	19.72	19.08	18.45	17.89	17.27
Forestry	0.60	0.56	0.54	0.53	0.51	0.50
Fishing	0.03	0.03	0.03	0.03	0.03	0.02
Building and Construction	1.76	1.49	1.42	1.37	1.34	1.30
Water	0.63	0.58	0.55	0.53	0.51	0.48
Ownership of Dwellings	1.68	1.56	1.54	1.53	1.51	1.49
TOTAL PRODUCT OUTSIDE MONETARY ECONOMY	26.96	23.94	23.16	22.43	21.78	21.06
Enterprises and Non-Profit Institutions—						
Agriculture	16.08	15.48	15.22	14.22	15.13	15.27
Forestry	0.57	0.57	0.60	0.61	0.58	0.61
Fishing	0.26	0.25	0.21	0.19	0.20	0.18
Mining and Quarrying	0.44	0.44	0.53	0.53	0.45	0.66
Manufacturing and Quarrying	10.35	10.66	10.79	11.47	11.55	12.01
Building and Construction	2.07	2.60	2.48	2.54	2.85	2.93
Electricity and Water	1.47	1.41	1.47	1.51	1.61	1.55
Transport, Storage and Communications	7.43	8.46	8.46	8.34	7.70	7.55
Wholesale and Retail Trade	9.99	9.64	10.00	10.27	9.20	9.12
Banking, Insurance Real Estate	2.98	3.70	4.03	4.09	3.95	3.89
Ownership of Dwellings	4.04	3.08	2.97	2.88	2.73	2.74
Other Services	3.60	4.05	4.18	4.38	4.83	5.17
TOTAL ENTERPRISES	59.28	60.34	60.95	61.01	60.79	61.66
Private Households	0.89	0.76	0.73	0.74	0.69	0.68
GENERAL GOVERNMENT—						
Public Administration	5.10	4.60	4.44	4.62	4.79	4.64
Defence	0.66	0.86	0.86	0.86	0.86	0.91
Education	3.39	4.68	4.92	4.98	5.39	5.50
Health	1.42	1.76	1.84	1.97	2.11	2.05
Agricultural Services	1.34	1.30	1.18	1.34	1.39	1.32
Other Services	0.95	1.75	1.92	2.03	2.20	2.17
TOTAL GENERAL GOVERNMENT	12.87	14.96	15.16	15.81	16 .74	16.59
TOTAL PRODUCT MONETARY ECONOMY	73.04	76.06	76.84	77.57	78.22	78.94
TOTAL GROSS PRODUCT AT FACTOR COST (Monetary and Non-Monetary)	100.00	100.00	100.00	100.00	100.00	100.00

*Provisional

1.10. The contribution of the public sector to GDP is set out in Table 1.5. After steadily increasing to 30.9 per cent in 1971, the public sector share in total GDP declined to 29.1 per cent in 1972 and 27.7 per cent in 1973. Last year, the Kenya Government accounted for 54 per cent and the East African Community for 23.8 per cent of the total public sector GDP. Parastatal bodies set up by the Kenya Government have been increasing their share of GDP in recent years, while that of the East African Community has been declining. In 1973, the parastatal bodies accounted for 15.2 per cent of the total public sector GDP.

1.11. Total resources available (shown in Table 1.6, together with their allocation between investment and consumption) increased at current prices by approximately K£79 million in 1973. Gross investment accounted for almost K£41 million of this increase. The value of increases in stocks rose from K£3 million in 1972 to K£23 million in 1973, while capital formation went up by K£21 million, from K£160.4 million in 1972 to K£181.5 million

CONTRIBUTION OF THE PUBLIC TO GROSS DOMESTIC PRODUCT 1964, 1969-1973

Table 1.5

K£million

	1964					1969	1970	1971	1972	1973*				
	Kenya Govt.	E.A. Comm-unity	Paras ta-tal Bodies	Local Autho-rities	Total	Total	Total	Total	Total	Kenya Govt.	E.A. Comm-unity	Parasta-tal Bodies	Local Autho-rities	Total
GENERAL GOVERNMENT														
General Administration	5.1	1.7	-	1.7	8.5	10.8	11.6	13.8	15.2	10.0	2.9		3.1	15.9
Justice and Police	8.2	0.1			8.3	10.8	11.5	13.0	13.8	14.0	0.1			14.1
Defence	2.2				2.2	4.1	4.7	5.1	5.3	6.0				6.0
Education	3.6	-	0.6	7.1	11.2	23.1	23.8	32.1	37.2	37.2	0.2	2.2	2.4	42.1
Health Services	3.2	-		1.5	4.7	8.3	8.9	10.7	11.9	11.8			0.9	12.8
Agricultural and Veteri-nary Services	3.9	0.3	0.1	0.1	4.4	5.9	6.4	7.8	8.6	7.7	0.6	0.1	0.2	8.6
Other Services	2.0	0.4		0.7	3.1	7.9	9.6	12.1	13.4	9.2	0.6		4.0	13.8
TOTAL GENERAL GOVERNMENT	28.2	2.5	0.7	11.1	42.5	71.0	76.5	94.5	105.3	95.9	4.3	2.3	10.7	113.2
ENTERPRISES														
Agriculture			-0.1		-0.1	0.6	0.7	1.1	1.8			2.0		2.0
Forestry					1.0	1.5	1.6	1.7	1.7	1.8				1.8
Mining and Quarrying								0.1	0.2			0.4		0.4
Manufacturing	0.5	4.0	0.7	0.1	5.3	7.5	8.6	13.2	13.6	0.8	6.8	5.9		13.6
Building and Construction	1.8	1.6		0.3	3.6	6.2	6.8	7.9	9.4	7.0	1.5	0.2	1.4	10.1
Electricity and Water	0.4		0.4	0.8	1.6	1.8	5.0	8.2	8.9	0.5		6.7	1.9	9.1
Transport and Communi-cations**	0.6	18.1			18.7	27.8	30.0	32.2	32.9	0.4	33.8	0.8		34.9
Wholesale and Retail Trade			0.4		0.4	1.5	1.6	2.4	1.1			0.8		0.8
Banking and Insurance			2.8		2.8	6.6	8.9	11.5	9.7			11.1		11.1
Ownership of Dwellings	2.3	1.4		0.1	3.8	3.8	4.2	4.4	4.6	3.1	1.9		0.1	5.1
Other Services						0.2	0.2	0.3	0.5			0.6		0.6
TOTAL ENTERPRISES	6.3	25.1	4.2	1.2	37.1	57	67.5	83.0	84.4	13.6	44.0	28.5	3.4	89.5
TOTAL PUBLIC SECTOR	34.8	27.6	4.9	12.3	79.6	128.6	144.0	177.5	189.7	109.5	48.3	30.8	14.1	202.7

*Provisional

**Including Transport and Communication Corporations of the East African Community.

in 1973. The significant increase in stocks follows the running down of stocks in 1972 as a result of import restrictions imposed in that year. Total consumption went up by K£38 million in 1973, an increase of 6.6 per cent. The bulk of this was accounted for by an increase of over K£30 million in private consumption, while public consumption went up by over K£7 million.

TOTAL USE OF RESOURCES, 1964, 1969-1973

Table 1.6 *K£ million*

	1964	1969	1970	1971	1972	1973*
G.D.P. at Factor Cost	330.10	476.31	521.58	575.04	652.19	731.09
Of Which						
Non-Monetary	89.00	114.74	119.63	126.91	143.45	150.03
Monetary	241.10	361.57	401.95	448.13	508.74	581.06
+Indirect Taxes	26.91	46.62	54.55	67.99	64.60	76.39
—Subsidies	-0.35	-2.10	-1.16	-0.76	1.30	1.76
=G.D.P. at Market Prices	356.66	520.83	574.97	642.27	715.49	805.72
+Imports of goods and services	95.48	140.69	170.36	212.93	211.76	236.98
—Exports of goods and services	112.83	144.07	160.36	171.17	190.47	227.05
=Import Surplus	-17.35	-3.38	+10.00	+41.76	21.29	+9.93
Total Resources available for Domestic Investment and Consumption	339.31	517.45	584.97	684.03	736.78	815.65
Gross Fixed Capital Formation	44.32	93.73	112.71	144.20	160.37	181.50
Increase in Stocks	2.30	8.52	13.39	17.97	3.19	23.01
Gross Investment	46.62	102.25	126.10	162.17	163.56	204.51
Public Consumption	49.35	85.55	94.25	114.23	127.30	134.93
Private Consumption	243.34	329.65	364.62	407.63	445.92	476.21
TOTAL CONSUMPTION	292.69	415.20	458.87	521.86	573.22	611.14

*Provisional

1.12. Gross national product, which takes into account investments, subsidies and factor payments to and from abroad, is set out in Table 1.7. The table also details factor shares in GDP.

Capital Formation

1.13. The level of gross capital formation at current and constant prices by type of asset is shown in Table 1.8. At current prices, capital formation rose by over 13 per cent in 1973, though at constant (1964) prices the growth was only 4.7 per cent. (The comparable rates in 1972 were a growth of 11 per cent at current prices and a decline of 4 per cent at constant prices.) The

increase is accounted for by a growth of K£7.5 million in real terms in capital formation by the public sector, while the private sector recorded a

GROSS NATIONAL PRODUCT 1964, 1969-1973

Table 1.7 *K£million*

	1964	1969	1970	1971	1972	1973*
FACTOR INCOMES—						
A. Outside Monetary Economy	89.00	114.74	119.63	126.91	143.45	150.03
B. Monetary Economy—						
1. Remuneration of Employees:						
Enterprises	86.15	129.23	142.51	157.25	179.37	209.61
Private Households	2.94	3.87	4.14	4.84	5.12	5.83
General Government	42.47	71.01	76.48	94.49	105.34	113.24
TOTAL REMUNERATION OF EMPLOYEES	131.56	204.11	223.13	256.58	289.83	328.68
2. Rental Surplus (including depreciation)	13.34	16.25	17.06	18.23	19.37	21.50
3. Other Operating Surplus (including depreciation)	96.20	141.20	161.75	173.32	199.54	230.88
TOTAL MONETARY ECONOMY	241.10	361.57	401.95	448.13	508.74	581.06
TOTAL FACTOR INCOMES=GROSS DOMESTIC PRODUCT	330.10	476.31	521.58	575.04	652.19	731.09
Add: Indirect Taxes	26.91	46.62	54.55	67.99	64.60	76.39
Deduct: Subsidies	0.35	2.10	1.16	0.76	1.30	1.76
GROSS DOMESTIC PRODUCT AT MARKET PRICES	356.66	520.83	574.97	642.27	715.49	805.72
Add: FACTOR INCOMES RECEIVED FROM ABROAD	6.10	12.26	16.87	12.20	12.85	11.57
Deduct: FACTOR INCOMES PAID ABROAD	14.79	22.07	28.37	21.57	25.10	27.74
GROSS NATIONAL PRODUCT	347.97	511.02	563.47	632.90	703.24	789.55

*Provisional.

CAPITAL FORMATION BY TYPE OF ASSET, 1964, 1969-1973

Table 1.8 *K£ million*

	AT CURRENT PRICES						AT CONSTANT (1964) PRICES					
	1964	1969	1970	1971	1972	1973*	1964	1969	1970	1971	1972	1973*
DWELLINGS—												
PRIVATE:												
(i) Traditional	5.24	8.72	9.24	9.90	10.43	11.00	5.24	6.75	6.63	6.88	6.73	6.64
(ii) Modern	1.23	4.05	5.65	7.58	8.62	6.11	1.23	3.14	4.06	5.27	5.57	3.69
TOTAL	6.47	12.77	14.89	17.48	19.05	17.11	6.47	9.88	10.69	12.15	12.30	10.33
PUBLIC	0.75	3.45	3.78	6.25	5.33	5.73	0.75	2.67	2.71	4.35	3.44	3.46
TOTAL	7.22	16.22	18.66	23.73	24.38	22.84	7.22	12.55	13.40	16.50	15.74	13.78
NON-RESIDENTIAL BUILDINGS—												
PRIVATE	3.24	8.05	7.56	7.87	9.34	6.75	3.24	6.24	5.43	5.47	6.03	4.08
PUBLIC	1.77	6.14	6.53	9.11	11.13	13.06	1.77	4.75	4.69	6.34	7.18	7.88
TOTAL	5.02	14.19	14.09	16.98	20.47	19.81	5.02	10.99	10.11	11.81	13.21	11.96
CONSTRUCTION AND WORKS—												
PRIVATE	3.55	5.74	4.49	5.69	507	6.44	3.55	4.45	3.22	3.96	3.27	3.88
PUBLIC	3.44	12.04	15.96	24.40	32.14	45.01	3.44	9.33	11.46	16.97	20.75	27.18
TOTAL	6.99	17.79	20.45	30.09	37.21	51.45	6.99	13.78	14.68	20.93	24.02	31.06
LAND IMPROVEMENT AND PLANTATION DEVELOPMENT—												
PRIVATE	1.59	1.99	2.06	2.26	2.58	2.34	1.59	1.64	1.72	1.74	1.66	1.52
PUBLIC		0.44	0.30	0.14	0.14	0.17		0.37	0.25	0.10	0.09	0.11
TOTAL	1.59	2.43	2.35	2.40	2.72	2.51	1.59	2.00	1.96	1.84	1.75	1.63
TRANSPORT EQUIPMENT—												
PRIVATE	6.01	12.32	16.34	18.49	16.85	18.64	6.01	11.41	15.87	16.22	12.21	12.34
PUBLIC	3.68	4.76	3.85	7.87	3.44	3.87	3.68	4.41	3.74	6.91	2.49	2.56
TOTAL	9.69	17.09	20.20	26.36	20.28	22.51	9.69	15.82	19.61	23.12	14.70	14.90

*Provisional

CAPITAL FORMATION BY TYPE OF ASSET, 1964, 1969-1973

Table 1.8—(Contd.) *K£ million*

	AT CURRENT PRICES						AT CONSTANT (1964) PRICES					
	1964	1969	1970	1971	1972	1973*	1964	1969	1970	1971	1972	1973*
MACHINERY AND OTHER EQUIPMENT—												
PRIVATE	12.76	20.95	31.14	36.46	43.88	51.06	12.76	19.39	30.23	31.98	31.80	33.81
PUBLIC	1.44	3.82	3.79	7.78	8.72	9.97	1.44	3.53	3.68	6.82	6.32	6.60
TOTAL	14.20	24.76	34.93	44.23	52.60	61.03	14.20	22.93	33.92	38.80	38.12	40.41
BREEDING STOCK AND DAIRY CATTLE — PRIVATE	.-0.38	1.26	2.03	0.40	2.71	1.36	-0.38	1.64	1.84	0.78	1.83	0.77
TOTAL PRIVATE—												
(i) Traditional Dwellings	5.24	8.72	9.24	9.90	10.43	11.00	5.24	6.75	6.63	6.88	6.73	6.64
(ii) Other	28.00	54.37	69.27	78.75	89.05	92.69	28.00	47.91	62.36	65.42	63.37	60.09
TOTAL PRIVATE	33.24	63.09	78.50	88.65	99.48	103.69	33.24	54.65	68.99	72.30	69.10	66.73
TOTAL PUBLIC	11.08	30.65	34.20	55.55	60.89	77.81	11.08	25.06	26.52	41.48	40.27	47.79
TOTAL PRIVATE AND PUBLIC	44.32	93.74	112.71	144.20	160.37	181.50	44.32	79.71	95.52	113.78	109.37	114.52

*Provisional

net decline of K£2.4 million. Capital formation in residential and non-residential buildings recorded a net decline as a result of the fall in private sector investment in buildings. Public sector investment in non-residential buildings went up by over K£0.6 million in real terms. The decline in private sector investment in buildings was partly accounted for by delayed building completions, due to shortages of essential building supplies, noted in Chapter 7. Private sector investment in transport equipment recorded only a marginal increase, though investment in machinery and other equipment went up by over 6 per cent.

1.14. Investment in construction and works by the public sector increased from K£20.8 million in 1972 to K£27.2 million in 1973 in real terms, an increase of almost 31 per cent. The increase is accounted for by a growth in expenditure by parastatal bodies engaged in electricity, mining and oil refining enterprises. Kenya Government also increased its expenditure on construction and works. These expenditures are detailed at current prices by type of project in Table 1.9.

CAPITAL FORMATION: CONSTRUCTION EXPENDITURE BY KENYA GOVERNMENT, 1964, 1968-1973
(at current prices)

Table 1.9 K£'000

	Roads	Water Works	Soil Conservation	Other	Total
1964	428.9	196.1	220.1	798.5	1,643.5
1968	5,814.3	207.3	252.2	1,021.4	7,295.2
1969	7,826.1	243.1	255.9	1,121.6	9,446.6
1970	11,532.4	280.6	263.5	1,331.4	13,407.9
1971	15,041.3	731.8	182.8	1,457.0	17,412.9
1972	16,747.1	1,236.1	96.1	2,965.4	21,044.8
1973*	16,883.4	1,509.6	105.7	7,322.6	25,821.4

*Provisional

1.15. Further details on capital formation by the public sector by major categories are shown in Table 1.10. The growth in capital formation by parastatal bodies is accounted for by the increase in expenditure on construction and works referred to above. The increase of nearly 40 per cent in capital expenditure by local authorities was mainly incurred on water and sewerage works by municipalities. Capital expenditures by the East African Community in Kenya, however, have recorded only a minute increase. While expenditures by East African Railways and East African Posts and Tele. communications Corporations have increased by K£1 million each, capital formation by East African Harbours Corporation declined from K£4.4 million in 1972 to K£2.4 million in 1973.

1.16. Capital formation by industry is shown in Table 1.11, and by industry and type of asset in Table 1.12.

CAPITAL FORMATION, PUBLIC SECTOR, 1964, 1968-73

(at current prices)

Table 1.10 | ***K£ million***

	Govt.	Bodies	Local Authorities	EAST AFRICAN COMMUNITY EXPENDITURE IN KENYA						Total
				General Fund	E.A.R.	E.A.H.	E.A.P. & T.	E.A.A.	Total	
1964	4.23	0.60	1.44	0.11	4.01		0.49	0.20	4.82	11.08
1968	14.96	5.21	5.31	0.21	3.95	1.23	1.79	0.24	7.42	32.90
1969	17.91	2.29	4.13	0.09	2.51	0.38	1.32	1.96	6.31	30.65
1970	23.67	1.97	2.96	0.34	1.73	0.59	1.30	1.48	5.60	34.20
1971	31.03	7.65	5.71	0.44	4.78	2.15	1.45	2.18	11.16	55.55
1972	36.48	9.05	6.82	0.62	1.14	4.42	1.68	0.04	8.54	60.90
1973*	40.92	18.55	9.51	0.95	2.17	2.39	2.71	0.06	8.83	77.81

*Provisional

CAPITAL FORMATION BY INDUSTRY, 1964, 1969-1973

Table 1.11 KEmillion

INDUSTRY	AT CURRENT PRICES						AT CONSTANT (1964) PRICES					
	1964	1969	1970	1971	1972	1973*	1964	1969	1970	1971	1972	1973*
A. OUTSIDE MONETARY ECONOMY— Traditional Dwellings	5.24	8.72	9.24	9.90	10.43	11.00	5.24	6.75	6.63	6.88	6.73	6.64
B. MONETARY ECONOMY—												
lions:												
Agriculture	6.80	10.82	12.39	12.34	15.40	14.61	6.80	9.83	10.94	10.44	10.59	9.35
Forestry	0.22	0.16	0.19	0.30	0.26	0.21	0.22	0.13	0.16	0.24	0.18	0.13
Mining and Quarrying	0.26	0.64	1.28	1.95	1.36	4.64	0.26	0.59	1.24	1.71	0.98	2.90
Manufacturing and Repairing	5.82	9.46	12.95	18.47	28.02	30.45	5.82	8.42	12.31	15.60	19.96	19.85
Building and Construction	1.92	4.16	6.96	7.76	8.51	9.85	1.92	3.75	6.55	6.64	6.03	6.40
Electricity and Water	1.32	3.81	3.68	6.86	10.34	16.30	1.32	3.14	3.22	5.37	6.93	10.12
tions	10.26	16.71	19.87	27.17	21.54	26.04	10.26	15.14	18.47	23.04	15.10	16.82
Wholesale and Retail Trade	3.01	4.15	4.40	5.75	6.54	7.26	3.01	3.57	3.84	4.63	4.60	4.73
Banking, Insurance and Real Estate	0.69	0.72	1.78	2.87	1.77	1.70	0.69	0.66	1.53	2.13	1.21	1.10
Ownership of Dwellings	2.15	7.84	9.78	14.32	14.39	12.37	2.15	6.12	7.11	10.05	9.32	7.50
Other Services	2.29	8.56	8.30	8.51	8.74	9.73	2.29	7.18	6.93	6.78	6.01	6.19
TOTAL ENTERPRISES	34.74	67.02	81.58	106.31	116.86	133.16	34.74	58.52	72.29	86.63	80.91	85.09
2 *General Government:*												
Public Administration	0.86	2.21	2.80	3.70	4.84	5.29	0.86	1.82	2.18	2.74	3.19	3.24
Education	0.51	2.59	1.79	1.82	3.58	5.10	0.51	2.14	1.51	1.42	2.42	3.16
Health	0.40	1.99	2.40	2.70	2.94	2.98	0.40	1.65	1.86	1.96	1.92	1.82
Agricultural Services	0.74	1.34	1.87	1.70	1.08	1.84	0.74	1.11	1.54	1.32	0.74	1.14
Other Services	1.82	9.87	13.03	18.07	20.65	22.14	1.82	7.74	9.51	12.84	13.46	13.44
TOTAL GENERAL GOVERNMENT	4.34	17.99	21.89	27.99	33.09	37.35	4.34	14.45	16.60	20.27	21.73	22.80
TOTAL MONETARY	39.08	85.02	103.47	134.30	149.95	170.50	39.08	72.96	88.89	106.90	102.64	107.89
C. TOTAL—MONETARY AND NON-MONETARY	44.32	93.74	112.71	144.20	160.37	181.50	44.32	79.71	95.52	113.78	109.37	114.52

CAPITAL FORMATION

ANALYSIS BY INDUSTRY AND TYPE OF ASSET, 1964 AND 1973 AT CONSTANT (1964) PRICES

Table 1.12 *K £million*

INDUSTRY	Dwellings		Non-Residential Buildings		Construction and Works		Land Improvement and Plantation Development		Transport Equipment		Machinery and other Equipment		Breeding Stock and Dairy Cattle		TOTAL	
	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*
A. OUTSIDE MONETARY ECONOMY:																
Traditional Dwellings	5.2	6.6													5.2	6.6
B. MONETARY ECONOMY																
1. *Enterprises and Non-Profit Institutions:*																
Agriculture			0.4	0.5	2.5	1.2	1.6	1.6	0.7	1.0	2.0	4.2	0.4	0.8	6.8	9.3
Forestry					0.2										0.2	0.1
Fishing																
Mining and Quarrying						1.7				0.2	0.2	0.9			0.3	2.9
Manufacturing and Repairing			0.3	0.5	0.2	2.8			0.6	1.7	4.7	14.8			5.8	19.8
Building and Construction			0.3	0.1	0.1	1.2				0.7	1.5	4.4			1.9	6.4
Electricity and Water				0.1	0.8	6. 8			0.1	0.1	0.5	3.1			1.3	10.1
Transport, Storage and Communications			1.1	0.5	1.1	3.9			7.1	8.6	0.9	3.9			10.3	16.8
Wholesale and Retail Trade			1.0	0.5	0.5	0.3			0.5	1.4	1.0	2.6			3.0	4.7
Banking Insurance and Real Estate			0.2	0.3							0.5	0.8			0.7	1.1
Ownership of Dwellings	2.0	7.1									0.2	0.4			2.2	7.5
Other Services			0.6	2.6	—	—	—	—	0.1	0.1	1.6	3.4	—	—	2.3	6.2
TOTAL ENTERPRISES	2. 0	7.1	4.0	5.2	5.3	17.9	1.6	1.6	9.1	13.9	13.2	38.5	0.4	0.8	34.7	85.1

*Provisional

ANALYSIS BY INDUSTRY AND TYPE o« ASSET, 1964 AND 1973 AT CONSTANT (1964) PRICES

Table 1.12 (*Continued*) *K£ million*

INDUSTRY	Dwellings		Non-Residential Buildings		Construction and Works		Land Improvement and Plantation Development		Transport Equipment		Machinery and other Equipment		Breeding Stock and Dairy Cattle		TOTAL	
	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*	1964	1973*
2. *General Government:*																
Public Administration	–	—	0.4	2.7	–		–	–		0.3	0.1	0.1			0.9	3.2
Education		—	0.4	1.8		0.5			0.3		0.1	0.8	—	—	0.5	3.3
Health		—		1.4		0.1					0.3	0.2	—	—	0.4	1.8
Agricultural Services		—	0.2	0.4	0.3	0.4		–	0.1	0.1	0.2	0.2			0.7	1.1
Other Services		—		0.6	1.4	12.0	—		0.1	0.4	0.2	0.5	—	—	1.8	13.4
TOTAL GENERAL GOVERNMENT	–	–	1.0	6.8	1.7	13.1	—	—	0.6	1.0	1.0	1.9	—	—	4.3	22.8
TOTAL MONETARY	2.0	7.1	5.0	12.0	7.0	31.1	1.6	1.6	9.7	14.9	14.2	40.4	-0.4	0.8	39.1	107.9
C TOTAL Monetary and Non. Monetary	7.2	13.8	5.0	12.0	7.0	31.1	1.6	1.6	9.7	14.9	14.2	40.4	-0.4	0.8	44.3	114.5

*Provisional

KENYA BALANCE OF PAYMENTS, 1971-1973

Table 1.13 *K£ million*

	1971			1972			1973*		
	Debits/ Assets	Credits/ Liabilities	Net Credits	Debits/ Assets	Credits/ Liabilities	Net Credits	Debits/ Assets	Credits/ Liabilities	Net Credits
A. CURRENT ACCOUNT									
1. Merchandise transactions; Imports (c.i.f.) Exports (f.o.b.)	196.2	104.9	*Dr.* 91 .3	186.0	120.5	*Dr.* 65.5	215.2	160.6	*Dr.* 54.6
2. Non-Monetary Gold Movements	0.2		*Dr.* *0.2*	0.4		*Dr.* 0.4	0.2		*Dr.* 0.2
3. Freight and Insurance	0.2	12.0	11.8	0.4	12.0	11.7	0.5	12.1	11.6
4. Other Transportation	8.5	20.6	12.1	9.3	21.1	11.8	9.0	20.5	11.5
5. Foreign Travel	8.7	23.9	15.2	9.9	27.3	17.4	10.6	24.3	13.8
6. International Investment Income	21.1	12.3	*Dr.* 8.8	25.1	12.9	*Dr.* 12.3	27.7	11.6	*Dr.* 16.2
7. Government Transactions	12.2	13.2	1.0	11.5	13.0	1.5	11.8	13.7	1.8
8. Other Services	7.8	7.3		8.2	6.1	*Dr.* 2.1	8.4	5.9	*Dr.* 2.5
9. Private Transfers	6.9	6.9	*Dr.* 0.5	6.4	6.8	0.4	8.1	7.1	*Dr.* 1.0
10. Government Transfers	3.8	24.6	20.9	4.2	17.4	13.2	4.2	13.7	9.5
TOTAL CURRENT ACCOUNT	265.6	225.8	*Dr.*39.9	261.5	237.2	*Dr.* 24.3	295.7	269.4	*Dr.*26.3
Of which: Visible Balance	196.2	104.9	*Dr.* 91.3	186.0	120.5	*Dr.* 65.5	215.2	160.6	*Dr.* 54.6
Invisible Balance	69.4	120.9	51.5	75.5	116.7	41.2	80.5	108.8	28.3
B. LONG TERM CAPITAL MOVEMENTS									
11. Private Enterprises	0.3	17.3	17.0	0.8	16.1	15.3	0.2	16.2	16.0
12. Government Enterprises	*Cr.* 1.5	1.5	2.0	*Cr.* 2.7	*Dr.* 1.5	1.3	Cr. 0.2	3.7	3.9
13. Local Government	—	*Dr.* 0.1	*Dr.* 0.1		*Dr.* 0.2	*Dr.* 0.2		0.8	0.8
14. Kenya Government	*Cr.* 0.7	*Dr.* 4.4	*Dr.* 3.7	0.9	16.1	15.1	0.8	14.5	13.7
TOTAL LONG TERM CAPITAL MOVEMENTS	*Cr.* 1.0	14.3	15.2	*Cr.* 1 .0	30.5	31.5	0.7	35.2	34.5
TOTAL CURRENT AND LONG TERM CAPITAL ACCOUNT	264.6	240.0	-24.6	260.5	267.7		296.5	304.7	+8.2
C. MONETARY AND SHORT TERM CAPITAL MOVEMENTS									
15. Central Monetary Institutions	*Cr.* 25.5	*Dr.* 0.1	25.5	10.5		*Dr.* 10.5	10.4		*Dr.* 10.4
16. Accounts with I.M.F	2.3	2.3		2.4	2.4		0.5	0.5	
17. Other Monetary Institutions	*Cr.* 1.4	1.5	2.9	*Cr.* 1.5		1.4	2.1	2.4	0.3
18. Other Short Term Capital Movements	*Cr.* 0.1		0.1	*Cr.* 0.5		0.5	*Cr.* 0.5		0.5
TOTAL MONETARY AND SHORT TERM CAPITAL MOVEMENTS	*Cr.* 24.7	3.7	28.5	10.9	2.3	*Dr.* 8.6	12.5	2.9	*Dr.* 9.6
BALANCING ITEM			*Dr.* 3.8			*Cr.* 1.3			*Cr.* 1.6

*Provisional.

Balance of Payments

1.17. Revised estimates of the balance of payments for 1971 and 1972 and provisional figures for 1973 are set out in Table 1.13. The overall deficit on current account worsened slightly, from K£24.3 million in 1972 to K£26.3 million in 1973, despite a reduction of K£10.9 million in the deficit on merchandise account. The smaller deficit on merchandise account was outweighed by three factors. Firstly, there was a reduction in the net receipts from foreign travel as a result of the fall in tourist expenditures during 1973. Secondly, the net deficit on international investment income in 1973 was larger as a result of decreases in Central Bank interest receipts and increases in public sector remittances for debt service charges. Thirdly, net credits of grant receipts from overseas on government transfers account in 1973 reverted to their more "normal" level, after being exceptionally high in 1971 and 1972, following the cancellation of overseas debts owed by the Kenya Government and the East African Community.

1.18. Net receipts on capital account, however, rose by 10 per cent, from K£31.5 million in 1972 to K£34.5 million in 1973. The increase was mainly accounted for by higher capital receipts by Government enterprises. Net receipts of private enterprises also increased, by a small amount. These increases were, to some extent, offset by reductions in capital receipts by the Kenya Government, which declined from K£16.1 million in 1972 to K£I4.5 million in 1973.

1.19. The overall balance of payments surplus is reflected as an increase of K£10 million in the reserves *(see* Chapter 2).

CHAPTER 2—MONEY AND BANKING

Following the Smithsonian Agreement of December, 1971, it was hoped that the exchange rates of the major currencies would stabilize within the structure created by that Agreement; but the dollar and sterling, the major reserve currencies, continued under pressure during the whole of 1972 as a result of the weak balance of payments of their respective countries during that year. The United Kingdom opted to "float" sterling in July, 1972 but the dollar remained pegged to a fixed parity (in terms of gold) until it was devalued by a further 10 per cent in February, 1973. This event led, in 1973, to the final breakdown of the Smithsonian arrangements, since other major currencies moved to "floating" exchange parities, either independently or jointly, as in the case of EEC currencies. This marked the end of a thirty. year-old reliance on fixed exchange rates and was the most significant development in the international monetary scene during 1973.

2.2. In the light of the increasing need for a new international monetary system, the Committee of Twenty on International Monetary Reform was set up in 1972 to establish a new mechanism for prompt and effective exchange rate adjustment by deficit and surplus countries and to consider the related problem of the future of SDR's as instruments for the growth of international liquidity. Developments on monetary reform did not, however, keep pace with the structural change in the international financial scene.

2.3. In the first half of 1973, the value of the dollar declined further as a result of a continued deficit in the US balance of payments. However, in the third quarter, the United States moved into surplus, which strengthened the exchange parity of the dollar in terms of other currencies moving freely in the exchange markets. By December, 1973, the exchange parity of the dollar had returned to its February, 1973 level.

2.4. The Kenya shilling was pegged to the US dollar during this period, although the relationship between the two currencies was varied on three occasions. With the slide of the dollar in the first half of 1973, the Kenya shilling was revalued twice in terms of the dollar, by a total of 3.5 per cent, in order to maintain broad parity with Kenya's major trading partners. Firstly, the shilling was revalued in March from a parity of 7.14 Kenya shillings to the dollar to 7.00 Kenya shillings, followed by a second revaluation to 6.90 Kenya shillings in June. However, when the dollar returned to its pre. February, 1973 level against other major currencies in December, the parity of the Kenya shilling was reversed back to its February, 1973 level of 7.14 Kenya shillings to the dollar.

2.5. Kenya's foreign exchange reserves in 1973 increased from K£72.6 million to K£82.1 million, and in spite of variations during the year in the relative prices of currencies making up the reserves, this broadly reflected the real change that occurred taking the year as a whole. However, there was a significant difference between the first and second halves of the year. In the first half, the level of reserves increased steadily to a peak of K£101.3 million in June, which represented, on an adjusted valuation basis, a rise of some K£30 million. In the second half, there was a fall of some K£20 million. The first half increase was, to a large extent, the result of measures implemented in 1972 to curtail imports and conserve foreign exchange. These measures were relaxed in the second and third quarters of 1973 and the increase in imports resulting from that relaxation led to the decline of reserves in the second half of the year.

FOREIGN EXCHANGE RESERVES, 1966-1974

Table 2.1 K£'000

As at end of Month	Central Bank of Kenya*	COMMERCIAL BANKS		Govern-ment**	I.M.F. Gold tranche	Estimated share of E.A.C.B. Assets	Total
		Net Balances with Banks outside Kenya	Other				
1966 December	17,057	8,259	1,925	1,319	1,443	12,061	42,064
1967 December	28,858	—2,190	2,239	1,665	1,443	4,329	36,344
1968 December	33,729	1,871	1,997	1,232	1,443	2,689	42,961
1969 December	58,336	2,586	406	1,721	1,443	617	65,109
1970 December	73,472	3,480	494	1,401	4,287	795	83,929
1971 December	55,185	561	187	2,037	4,289	446	62,705
1972 December	66,116	—891	164	2,075	4,712	446	72,622
1973							
January	65,881	—1,003	178	2,084	4,665	446	72,251
February	71,596	—2,196	177	2,596	4,665	446	77,284
March	79,769	—2,699	183	2,044	4,665	446	84,408
April	82,128	—3,043	171	2,590	5,183	446	87,475
May	91,958	—2,150	131	3,007	5,169	446	98,561
June	96,581	—3,640	125	2,592	5,170	446	101,274
July	97,398	—5,392	162	2,658	5,189	446	100,461
August	90,697	—3,854	176	2,584	5,282	446	95,331
September	91,711	—2,724	194	2,602	5,299	466	97,528
October	87,373	—2,447	205	2,780	5,285	446	93,642
November	80,152	—1,740	196	2,874	5,287	446	87,215
December	73,844	—612	252	2,874	5,289	446	82,093
1974-							
January	73,598	—2,673	263	3,005	5,290	446	79,929
February+	74,141	—2,323	298	3,005	5,288	446	80,856

*Includes net balances with the Banks of Tanzania and Uganda.
**Includes Overseas Securities of the Kenya Post Office Savings Bank.
+Provisional

MONEY SUPPLY, 1966-1974

Table 2.2 *K*£'000

As at end of	Currency Outside Banks	Private Demand Deposits	Other Deposits	Total
1966	20,410	38,771	31,091	90,272
1967	22,663	41,099	36,341	100,103
1968	24,611	45,898	43,189	113,698
1969	28,945	51,462	50,051	130,458
1970	35,288	59,392	66,237	160,916
1971	37,422	64,605	73,242	115,269
1972	45,110	75,916	78,783	199,809
1973—				
January	44,313	75,337	79,693	199,343
February	44,847	78,124	82,874	205,845
March	47,060	81,229	82,758	211,047
April	46,032	84,178	83,328	213,538
May	46,506	88,060	87,006	221,572
June	45,356	89,550	88,286	223,192
July	45,445	87,349	92,703	225,497
August	45,985	89,015	93,923	228,923
September	46,315	91,945	94,574	232,834
October	44,790	96,115	94,946	235,851
November	46,406	94,760	99,070	240,236
December	49,505	98,178	100,015	247,698
1974—				
January	49,627	97,284	102,263	249,174
February	50,653	102,416	103,956	257,025

COMMERCIAL BANKS—ADVANCES/DEPOSITS AND CASH RATIOS, 1970-1974

Table 2.3 ***K***£ '000

As at end of	1970 Dec.	1971 Dec.	1972 Dec.	1973 Dec.	1974 January	1974 February
TOTAL ADVANCES/DEPOSITS						
Deposits	146,191	159,336	177,264	227,956	228,239	237,822
Advances	86,943	120,123	121,374	161,406	166,644	170,472
Ratio per cent	59.5	75.4	68.5	70.8	73.0	71.7
PRIVATE ADVANCES/DEPOSITS—						
Deposits	120,296	132,385	148,852	191,806	193,164	199,911
Advances	81,853	111,335	112,177	150,194	155,610	160,230
Ratio per cent	68.0	84.1	75.4	78.3	80.6	80.2
CASH/DEPOSITS—						
Notes, Coins and balances with the Central Bank of Kenya*	25,764	19,658	17,163	18,585	19,954	25,512
Ratio per cent	17.6	12.3	9.7	8.2	8.7	10.7

*Excluding Foreign Notes and Coins.

2.6. The overall increase in the reserves during 1973 as a whole reflected the balance of payments surplus during the year of approximately K£10 million shown in Table 1.13. And, in spite of sharp increases in import prices around the turn of the year, particularly for crude oil, the overall liquidity surplus on the balance of payments continued through the first quarter of 1974. Movements in foreign exchange reserves are set out in Table 2.1.

2.7. Details of changes in the supply of money in the economy are set out in Table 2.2. The total money supply, made up of cash in the hands of the public and private bank deposits, increased by 24 per cent from K£200 million at the end of December, 1972 to K£248 million at the end of December, 1973. Part of this increase was an automatic reflection of the increase in the level of foreign exchange reserves but the greater part was caused by an upsurge of domestic credit creation in the banking system. This continued into the first quarter of 1974.

COMMERCIAL BANKS—BILLS, LOANS AND ADVANCES, 1970-1974

Table 2.4 **K£'000**

	1970 Dec.	1971 Dec.	1972 Dec.	1973 Dec.	1974 Jan.	1974 Feb.
PUBLIC SECTOR—						
Central Government	85	196	88	224	264	203
Local Government	705	1,015	1,270	1,584	1,530	1,590
E.A. Community	1,880	4,786	4,528	4,865	4,196	3,491
Total Government	2,670	5,997	5,886	6,673	5,990	5,284
Enterprises, Parastatal bodies and other Public entities	2,420	2,791	3,310	4,539	5,044	4,955
PRIVATE ENTERPRISES—						
Agriculture*	9,287	12,574	12,017	17,798	17,818	18,952
Mining and Quarrying	174	166	1,089	1,649	2,007	2,012
Manufacturing	15,581	24,796	24,329	27,919	29,058	29,078
Building and Construction	3,371	5,294	7,076	7,970	8,553	8,473
Transport, Storage and Communication	2,955	3,944	3,079	3,659	5,440	5,235
Trade:						
Exports	10,028	11,266	8,876	12,028	12,898	13,674
Imports	10,774	10,323	7,808	9,424	8,701	10,175
Domestic	12,984	16,867	17,200	19,238	20,866	20,867
Financial Institutions	2,732	3,391	4,093	11,821	12,441	14,902
Other Businesses	6,386	11,778	14,094	19,123	19,471	19,670
TOTAL PRIVATE ENTERPRISES	74,272	100,399	99,661	130,629	137,253	143,038
PRIVATE HOUSEHOLDS— (including non profit-making institutions)	7,581	10,936	12,517	19,565	18,357	17,195
TOTAL BILLS, LOANS AND ADVANCES	86,943	120,123	121,374	161,406	166,644	170,472

*Including Forestry, Fishing and Wildlife.

2.8. Total loans and advances made by the commercial banks increased from K£121 million in December, 1972 to K£162 million in December, 1973, a rise of 33 per cent. There was a further increase to K£170 million in February, 1974, also at an annual rate of about 33 per cent. The advances/deposits ratio rose slightly during 1973 from 68.5 per cent to 70.8 per cent.

2.9. Bank deposits rose in response to this increase in credit, including an increase in finance to Government noted below. As shown in Table 2.3, deposits increased by K£50.7 million during 1973, at an annual rate of 29 per cent, with a further increase of K£9.9 million between December, 1973 and February, 1974.

2.10. The sectoral analysis of bills, loans and advances issued by the commercial banks is detailed in Table 2.4. Apart from an increase of K£2.1 million in advances to the public sector, the private sector absorbed all the increase in loans and advances in this period. Advances to the trade sector went up by K£6.8 million, to agriculture by K£5.8 million, to manufacturing by K£3.6 million and to private households by K£7.0 million. The apparent increase in advances to financial institutions is largely accounted for by re-classification in 1973 of promissory notes issued by the Cereals and Sugar Finance Corporation as advances in the assets of financial institutions.

ASSETS AND LIABILITIES OF COMMERCIAL BANKS, 1970-1974

Table 2.5 K£'000

As at end of	1970 Dec.	1971 Dec.	1972 Dec.	1973 Dec.	1974 Jan.	1974 Feb.
LIABILITIES—						
Deposits:						
Demand	80,288	86,625	99,661	127,750	125,992	134,048
Time	31,095	34,659	35,551	49,741	51 555	52,079
Savings	34,807	38,052	42,052	50,465	50,691	51,694
Balances due to:						
Central Bank	—	250	—	—		
Kenya Banks	1,451	2,333	3,539	4,316	3,861	3,131
E.A. Banks	534	1,288	1,134	1,455	783	1,088
Banks abroad	1,374	2,090	2,191	3,977	3,987	3.992
Bills payable and other Loans	1,069	2,110	2,051	4,461	2,900	2,635
Other Liabilities*	48,295	58,203	66,402	92,036	92,951	100,184
ASSETS—						
Cash	4,571	4,898	5,699	7,124	6,843	7,156
Balances due by:						
Central Bank	21,687	14,823	11,632	11,713	13,394	18,655
Kenya Banks	2,501	3,579	3,559	3,900	6,208	6,110
E.A. Banks	1,103	667	705	676	476	565
Banks abroad	4,285	3,270	1,733	4,143	1,620	2,191
Treasury Bills	10,000	3,800	15,764	22,986	21,789	22,288
Bills discounted, Loans and Advances	86,943	120,123	121,374	161,407	166,644	170,469
Investments	15,680	10.892	21,920	22,731	22,316	21,826
Other Assets*	52,144	63,558	70,194	99,520	93,450	99,992
TOTAL ASSETS/LIABILITIES	198,915	225,610	252,581	334,201	332,720	349,351

*The figure for contra items has been included.

ASSETS AND LIABILITIES OF THE CENTRAL BANK OF KENYA, 1970-1974

Table 2.6 K£'000

As at end of	1970 Dec.	1971 Dec.	1972 Dec.	1973 Dec.	1974 Jan.	1974 Feb.
LIABILITIES—						
Capital	1,300	1,300	1,300	1,300	1,300	1,300
Notes in Circulation	36,879	39,484	47,872	53,299	53,119	54,463
Coins in Circulation	2,066	2,245	2,364	2,675	2,685	2,633
Deposits:						
Government	16,974	9,523	12,060	16,523	12,169	8,762
Kenya Banks	21,429	14,651	11,524	11,055	12,827	17,927
External Banks*	633	570	1,221	560	1,180	758
Others	2,003	757	1,456	2,733	3,289	3,575
Special Drawing Rights	–	–	6,049	6,493	6,221	6,721
Revaluation Account	-	742	-	3,552	-	–
Other Liabilities	5,598	3,481	2,312	3,908	2,830	4,251
TOTAL ASSETS/LIABILITIES	86,882	72,753	86,158	102,098	95,620	100,390
ASSETS—						
Foreign Exchange:						
Balance with Banks**	41,746	26,489	32,350	40,517	40,001	37,840
Treasury Bills	6,983	4,389	4,551	2,893	2,657	4,713
Other Investments	22,849	19,968	21,997	23,319	23,575	24,221
Special Drawing Rights	2,080	4,274	6,621	7,115	7,365	7,366
SUB.TOTAL	73,658	55,121	65,520	73,844	73,598	74,140
Kenya Government Securities received from E.A.C.B.	3,211	3,211	3,194			
Other Kenya Government Securities		–	2,012			-
Securities guaranteed by Kenya Government	365	365	393	5,807	5,814	8,824
Advances to Kenya Government..	5,000	10,000	10,000	10,000	10,000	10,000
Kenya Treasury Bills	-	499	–	2,993	4,193	3,693
Advances and Discounts	–	–		–	-	-
Revaluation Account	3,495		1,307		3,373	3,373
Other Assets+	1,153	3,558	3,733	9,452	4,420	1,670
SUB.TOTAL	13,225	17,632	20,639	28,252	27,800	27,560

*Excluding deposits from banks of Tanzania and Uganda.
**Including net balances with Banks of Tanzania and Uganda.
+Excluding balances with Banks of Tanzania and Uganda.

2.11. In addition to the changes in loans and advance assets discussed above, commercial banks increased substantially their holdings of Treasury Bills, which increased by K£7.2 million. Full details of assets and liabilities of the commercial banks and the Central Bank are set out in Tables 2.5 and 2.6.

2.12. The increase in the money supply noted above caused the liquidity ratio of commercial banks to rise from 21 per cent in January to 32 per cent in May and July, 1973. As shown in Table 2.7, the ratio subsequently declined steadily to 21 per cent in January, 1974, as a result of the increase in demand for loans and advances from the private sector and the fall in the foreign exchange reserves in the second half of the year.

2.13. The liquidity ratio is still significantly above the minimum prescribed liquidity ratio of 15 per cent, but there is evidence of a tightening of the liquidity situation with a rise in the Treasury Bill rate from a low point of 0.44 per cent (overall annual rate of discount on alloted bills) in December, 1973 to 2.25 per cent in May, 1974. There is other evidence of a recent hardening of money rates in Kenya, which have for some time been well below the high interest rates ruling in most other parts of the world.

COMMERCIAL BANKS—LIQUID ASSETS, 1971-1974

Table 2.7

	Deposit Liabilities+	Liquid Assets*+	Minimum Prescribed Liquidity Ratio**	Current Liquidity Ratio
	K£m.	K£m.	%	%
1971 December	156.1	24.4	12.5	15.6
1972 December	163.0	37.0	15.0	22.7
1973—				
January.	165.5	35.3	15.0	21.3
February	169.8	37.7	15.0	22.2
March	177.5	46.3	15.0	26.1
April	181.6	49.2	15.0	27.0
May	189.3	60.0	15.0	32.0
June	197.7	61.9	15.0	31.0
July	198.3	62.5	15.0	32.0
August	199.2	59.6	15.0	30.0
September	205.7	59.5	15.0	27.0
October	207.3	56.2	15.0	27.0
November	198.5	52.6	15.0	26.0
December	211.4	48.4	15.0	23.0
1974—				
January	213.8	46.2	15.0	21.0
February	218.1	51.1	15.0	23.0

*Includes Notes and Coins, balances at Central Bank, net inter-bank balances in Kenya and overseas (included only if positive) and Treasury Bills. Defined in Central Bank Circular letter to Banks—effective 1st October, 1972.

**As provided for in Banking Act 1968. Till September, 1972 the ratio was fixed at 12.5%. On 1st October, 1972 the prescribed minimum was re-adjusted to 15%—see Economic and Financial Review—Central Bank of Kenya—July-September, 1972—Vol. V No. 1.

+Deposits and Liquid Assets are calculated as an average of three balance days.

CHAPTER 3—TRADE

Preliminary figures on world trade in 1973 indicate that there was an increase in the volume of trade of about 13 per cent. There was also a very rapid rise in the prices of goods traded, with prices of primary products, such as food and minerals, increasing by 30 per cent and those of manufactured goods by 11 per cent. The increase in price of primary products was caused chiefly by a rapid growth in the demand from the industrial countries arising from a steep rise in production and the related need to replenish stocks, and by poor world crops in both 1972 and 1973 of many agricultural commodities. The overall effect of the increase in prices of primary commodities resulted in the world terms of trade in 1973 moving in favour of primary producers. Kenya benefitted to a limited extent from this change, for there was a small improvement in the overall terms of trade (*see* Table 3.4). The world trade situation in the first quarter of 1974, however, suggests that the prices of primary commodities (except oil) may tend to ease somewhat in the current year and that the volume of trade in manufactured goods will grow more slowly due to production difficulties and a slowing down in economic activity in the industrial countries.

BALANCE OF TRADE, 1969-1973

Table 3.1 *K£million*

	1969	1970	1971	1972	1973
IMPORTS—					
From outside East Africa*	117.0	142.0	184.1	177.6	205.8
of which					
Commercial	100.7	126.5	162.8	160.3	187.4
Government	16.3	15.5	21.3	17.3	18.4
From Uganda and Tanzania	11.8	16.0	16.0	13.5	12.3
TOTAL	128.8	158.0	200.1	191.1	218.1
EXPORTS—					
To Markets outside E. Africa	63.3	71.6	73.2	90.6	122.6
Re-exports	5.2	5.8	5.2	4.9	6.3
To Uganda and Tanzania	28.8	31.4	33.9	32.8	38.8
TOTAL	97.3	108.8	112.3	128.2	167.7
BALANCE OF TRADE—					
With Markets outside E. Africa	—48.5	—64.6	—105.7	—82.2	—76.9
With Uganda and Tanzania..	17.0	15.4	17.9	19.3	26.5
TOTAL	—31.5	—49.2	—87.8	—62.9	—50.4

*Described in the Annual Trade Report as "Net Imports".
+Described in the Annual Trade Report as "Domestic Exports".

3.2. In Kenya, increases in world prices and the easing of import restrictions during 1973 led to a growth of 16 per cent (K£28.2 million) in the value of overseas imports, despite an increase of only 6 per cent in the value of Government imports. The volume of imports, however, was virtually the same as in 1972, and since there was a fall in import volumes in that year, Kenya is still importing a lower volume of goods than in 1971.

3.3. The volume of overseas exports, however, increased by some 16 per cent which, together with higher export prices, caused an increase in external export receipts of 35 per cent (K£32 million). Re-exports increased by 29 per cent (K£1.4 million). Taking all non.East African trade together, the deficit on external trade was reduced slightly, from K£82.2 million in 1972 to K£76.9 million in 1973.

3.4. Total East African trade (imports and exports taken together) increased by only 10 per cent in 1973, compared with a 23 per cent growth in the value of overseas trade. The increase was the result of an 18 per cent (K£6 million) rise in the value of exports, almost entirely to Uganda, and a 9 per cent decrease in imports (K£1.2 million). The decrease in imports was due to a decline in purchases from Uganda, since imports from Tanzania rose. Kenya's trade surplus for East African trade improved by K£7.2 million and the overall deficit on visible trade was, therefore, reduced by 20 per cent, from K£62.9 million in 1972 to K£50.4 million in 1973. Overall trade aggregates are detailed in Table 3.1.

3.5. The price index for all imports is set out in Table 3.2. The index recorded an overall increase of 14 per cent in 1973, with overseas import prices having risen by 15 per cent and East African prices by 8 per cent. All categories of overseas imports went up in price, with significant increases for imported food products, animal and vegetable oils and fats, metal products, semi-manufactured goods and machinery and transport equipment. Specific items showing marked rises were wheat and wheat flour, sugar, animal oils, fertilizers, yarn of synthetic fibres, synthetic fabrics, steel and tin plates, paper products and road transport equipment. The price of mineral fuels increased relatively moderately, by 11 per cent, but this particular group of commodities will show a substantial increase in price in 1974. Prices of imports from East Africa also went up, though more moderately than in the case of overseas imports, with prices of animal and vegetable oils and fats actually declining. The prices of commodities in the food, crude materials, textile yarn, metal manufactures and rubber and paper product groups reached record levels.

3.6. The price index for all exports went up by 17 per cent in 1973. Further details by commodity sub-group are set out in Table 3.3. The overall index for overseas export prices recorded an increase of 19 per cent, compared with an increase of 13 per cent in prices of exports to East Africa. The main reason for the increase in the index of food products exported overseas was the strong world demand for coffee, which rose in price by 21 per cent in 1973. This increase was offset somewhat by a 6 per cent decrease in the price of tea, but the price of sisal doubled in 1973 and that of hides and skins increased by 76 per cent. Exports to the partner states have now risen by over 40 per cent in price since 1970, and prices of all categories of exports to the partner states except textile yarn are now at the highest levels ever recorded. The fall in the price of textiles was caused by a weakening of demand for sisal and jute bags and sacks in the East African market.

IMPORT PRICE INDEX, 1969-1973

Table3.2 1964 = 100

Overseas Imports—	1969	1970	1971	1972	1973
Food	79	84	92	104	136
Beverages and tobacco	128	137	143	160	176
Basic materials, inedible	112	117	127	131	138
Mineral fuels	102	105	106	120	133
Animal and vegetable oils and fats	86	133	131	124	168
Chemicals	91	92	95	102	134
Textiles	131	138	173	174	203
Metals	100	113	117	126	159
Semi-manufactures	105	119	117	129	150
Machinery and transport equipment	108	101	114	138	151
Consumer goods	110	115	129	140	155
Total Overseas Imports	105	107	117	130	150
East African Imports—					
Food and live animals	103	109	127	164	188
Beverages and tobacco	108	127	121	99	124
Crude materials, inedible	107	113	115	137	153
Electric energy and residual fuel oils	87	85	87	82	77
Animal and vegetable oils and fats	153	134	163	195	174
Chemicals	138	118	116	116	133
Textile yarn, fabrics, made-up articles and related products	93	92	89	109	121
Metals and metal manufactures	119	124	128	132	140
Rubber, paper and paper products	113	107	110	109	126
Consumer goods	91	91	67	74	90
Total East African Imports	109	111	113	133	144
All Imports	105	107	117	131	149

3.7. The terms of trade are set out in Table 3.4. The faster increase in export prices compared with import prices both in overseas and East African trade caused a slight improvement in Kenya's terms of trade in 1973.

EXPORT PRICE INDEX, 1969-1973

Table3.3 1964 = 100

Overseas Exports—	1969	1970	1971	1972	1973
Agricultural Exports—					
Food and live animals	97	112	103	109	124
Crude materials, excluding sisal	97	100	103	114	149
Sisal	46	40	41	52	101
Total Agricultural Exports	92	104	96	105	125
Other Exports—					
Mineral fuels, lubricants and related materials	111	107	108	106	117
Chemicals	121	123	136	145	156
Manufactured goods	96	86	99	110	128
Total Overseas Exports	94	103	99	107	127
East African Exports—					
Food and live animals	121	125	128	125	137
Beverages and tobacco	60	86	153	164	173
Crude materials, inedible	122	128	147	122	149
Mineral fuels and lubricants	94	91	106	111	125
Animal and vegetable oils and fats	109	111	163	152	198
Chemicals	103	102	94	122	135
Textile yarn, fabrics, made-up articles and related products	98	94	101	175	158
Metals and metal manufactures	109	115	130	152	159
Rubber, paper and paper products	126	111	133	148	168
Machinery and transport equipment	143	182	211	220	278
Consumer goods	135	139	153	178	251
Total East African Exports	111	113	126	141	160
All Exports Excluding Gold	99	107	109	119	139

TERMS OF TRADE, 1969-1973

Table 3.4 1964 = 100

	1969	1970	1971	1972	1973
External Trade	90	97	85	82	85
Inter-territorial Trade	102	102	112	106	111
TOTAL TRADE	94	99	93	91	93

Imports

3.8. The increase in the value of imports slightly exceeded the forecast in last year's *Survey.* A substantial rise had been anticipated, but increases in world prices were greater than expected. Import values as a result increased at the same rate as the increase in prices, rising by 14 per cent to K£218.1 million. Imports from overseas increased by 16 per cent and those from East Africa fell by 9 per cent.

TOTAL IMPORTS, 1970-1973

By Broad Economic Category

Table 3.5

	K£'000				PERCENTAGE OF TOTAL			
	1970	1971	1972	1973	1970	1971	1972	1973
1. **Food and Beverages**	13,076	19,100	19,173	21,569	8.3	9.5	10.0	9.9
Primary	3,654	4,817	4,709	6,681	2.3	2.4	2.5	3.1
For Industry	806	1,251	2,455	4,815	0.5	0.6	1.3	2.2
For Household Consumption	2,848	3,566	2,254	1,866	1.8	1.8	1.2	0.9
Processed	9,422	14,283	14,464	14,888	6.0	7.1	7.6	6.8
For Industry	4,206	4,812	3,873	4,672	2.7	2.4	2.0	2.1
For Household Consumption	5,216	9,471	10,591	10,216	3.3	4.7	5.5	4.7
2. Industrial Supplies (Non-Food)	56,846	70,437	66,035	84,507	36.0	35.2	34.6	38.7
Primary	4,157	5,884	4,952	5,307	2.6	2.9	2.6	2.4
Processed	52,689	64,553	61,083	79,200	33.3	32.3	32.0	36.3
3. Fuels and Lubricants	14,752	16,933	20,542	23,120	9.3	8.5	10.7	10.6
Primary	11,380	13,193	14,816	17,904	7.2	6.6	7.7	8.2
Processed	3,372	3,740	5,726	5,216	2.1	1.0	3.0	2.4
Motor Spirit	818	630	1,230	1,036	0.5	0.3	0.6	0.5
Other	2,554	3,110	4,496	4,180	1.6	1.6	2.4	1.9
4. Machinery, and other Capital Equipment	23,238	31,874	36,107	40,607	14.7	15.9	18.9	18.6
Machinery and other Capital Equipment	21,776	29,234	32,976	37,754	13.8	14.6	17.3	17.3
Parts and Accessories	1,462	2640	3,131	2,852	0.9	1.3	1.6	1.3
5. Transport Equipment	26,438	35,663	26,290	24,440	16.7	17.8	13.8	11.2
Passenger Motor Vehicles	5,956	6,657	5,945	4,650	3.8	3.3	3.1	2.1
Other	9,703	12,678	9,496	8,914	6.1	6.3	5.0	4.1
Industrial	9,457	12,345	9,273	8,768	6.0	6.2	4.9	4.0
Non-Industrial	246	333	223	146	0.2	0.2	0.1	0.1
Parts and Accessories	10,779	16,328	10,848	10,876	6.8	8.2	5.7	5.0
6. Consumer Goods not elsewhere specified	18,853	24,750	21,576	23,352	11.9	12.4	11.3	10.7
Durable	4,708	6,533	4,510	5,143	3.0	3.3	2.4	2.4
Semi-Durable	8,196	10,667	8,955	9,316	5.2	5.3	4.7	4.3
Non-Durable	5,949	7,550	8,111	8,893	3.8	3.8	4.2	4.1
7. **Goods not elsewhere specified**	4,808	1,305	1,368	495	3.0	0.6	0.7	0.2
TOTAL	158,102	200,064	191,091	218,089	100.0	100.0	100.0	100.0

SELECTED NET IMPORTS, 1968-1973

Table 3.6 K£'000

	Crude Petroleum	Motor Vehicles and Chassis	Agricultural Machinery and Tractors	Industrial Machinery (including electrical)	Iron and Steel	Fabrics of Cotton	Fabrics of Synthetic Fibres	Paper and Paper Products	Pharmaceutical Products	Fertilizers
1968	9,656	8,072	2,295	14,690	6,147	2,752	3,183	4,798	2,194	1,875
1969	10,168	9,894	1,911	15,427	6,473	1,923	2,354	5,697	2,459	2,272
1970	11,023	11,473	2,420	22,413	9,004	1,022	3,849	6,648	2,712	3,041
1971	12,798	16,676	3,004	29,972	11,311	1,174	3,776	8,313	3,288	3,063
1972	14,587	13,492	3,266	34,082	10,167	769	3,488	7,702	3,586	3,745
1973	17,557	11,464	3,028	38,861	14,410	618	6,749	10,171	3,944	4,331

Table 3.7

IMPORTS OF TRANSPORT EQUIPMENT* 1971-1973

K£'000

	PRIVATE			PUBLIC			TOTAL IMPORTS		
	1971	1972	9173	1971	1972	1973	1971	1972	1973
Railway rolling stock	11.7	19.1	23.6	2,343.5	3,046.4	3,002.1	2,355.2	3,065.5	3,025.7
Motor cars ..	6,488.3	5,838.8	4,630.1	168.3	106.5	20.2	6,656.6	5,945.3	4,650.3
Buses, lorries and chassis for assembly	8,613.9	5,369.3	6,370.4	1,405.9	2,177.6	443.6	10,019.8	7,546.9	6,814.0
Motor vehicle parts	2,808.4	2,424.1	2,545.7	180.3	84.0	21.3	2,988.7	2,508.1	2,567.0
Aircraft	653.6	652.4	816.9	1,348.1			2,001 .7	652.4	816.9
Aircraft parts	277.4	286.3	260.6	3,778.8	1,723.3	1,535.0	4,056.2	2,009.6	1,795.6
Aircraft engines	223.2	100.3	40.6	1,437.1	735.4	966.8	1,660.3	835.7	1,007.4
Other ..	5,378.2	2,929.7	2,725.8	485.0	707.7	814.2	5,863.2	3,637.4	3,540.0
TOTAL TRANSPORT EQUIPMENT	24,454.7	17,620.0	17,216.9	11,147.0	8,580.9	6,803.2	35,601.7	26,200.9	24,216.9

*Excluding from East Africa imports.

Table 3.8

ORIGIN OF OVERSEAS (NET) IMPORTS, 1969-1973

GEOGRAPHICAL AREA AND COUNTRY	TOTAL IMPORTS K£'000					PERCENTAGE SHARES				
	1969	1970	1971	1972	1973	1969	1970	1971	1972	1973
E.E.C.—										
United Kingdom	36,453	41,459	56,249	50,560	50,742	31.2	29.2	30.5	28.5	24.7
West Germany	9,514	11,197	16,104	16,867	20,312	8.2	7.9	8.7	9.5	9.8
Italy	4,896	6,185	6,951	7,846	8,165	4.2	4.4	3.8	4.4	4.0
France	3,881	5,138	6,771	7,122	6,583	3.3	3.6	3.7	4.0	3.2
Netherlands	4,290	4,100	5,177	4,870	7,926	3.7	2.9	2.8	2.7	3.8
Other	2,511	2,923	4,177	5,135	5,532	2.1	2.0	2.3	2.9	2.7
TOTAL	61,605	71,002	95,429	92,400	99,260	52.7	50.0	51.0	52.0	48.2
Other Western Europe Total	4,935	6,161	8,928	9,415	11,430	4.2	4.3	4.8	5.3	5.6
Eastern Europe Total	2,607	3,476	5,289	4,103	5,379	2.2	2.4	2.9	2.3	2.6
U.S.A	8,736	11,906	16,321	11,954	16,762	7.5	8.4	8.9	6.7	8.1
CANADA	806	796	960	1,404	1,964	0.7	0.6	0.5	0.8	1.0
AFRICA—										
Zambia	104	133	208	381	569	0.1	0.1	0.1	0.2	0.2
Other	1,174	1,700	2,466	2,276	1,718	1.0	1.2	1.3	1.2	0.8
TOTAL	1,278	1,833	2,674	2,657	2,287	1.1	1.3	1.4	1.5	1.1
MIDDLE EAST—										
Iran	8,139	8,888	9,991	14,044	15,648	6.8	6.2	5.4	7.9	7.6
Other	4,566	5,403	5,630	4,707	5,324	3.9	3.8	3.0	2.6	2.6
TOTAL	12,705	14,291	15,621	18,751	30,972	10.9	10.1	8.5	10.6	10.2
FAR EAST AND AUSTRALASIA—										
Australia	2,137	1,884	3,143	3,663	2,218	1.8	1.3	1.7	2.1	1.1
Japan	9,344	15,196	19,330	17,870	25,998	8.0	10.6	10.5	10.1	12.6
India	2,957	3,104	3,649	3,934	4,032	2.5	2.2	2.0	2.2	2.0
China (Mainland)	1,151	1,213	1,435	1,213	1,613	1.0	0.9	0.8	0.7	0.8
Other	4,966	5,618	8,517	6,447	8,971	4.2	4.0	4.6	3.6	4.4
TOTAL	20,555	27,015	36,074	33,127	42,832	17.6	19.0	19.6	18.6	20.8
All other countries	299	576	2,214	2,349	4,223	0.2	0.4	1.2	1.3	2.0
Parcel Posts and Special Transactions . .	3,425	4,970	595	1,461	684	2.9	3.5	0.3	0.8	0.3
TOTAL	116,951	142,026	184,105	177,621	205,793	100.0	100.0	100.0	100.0	100.0

3.9. Import values are set out in Table 3.5 by end-use and by industrial sector of origin. Some selected imports are further detailed in Table 3.6. The import cost of all major categories except transport equipment and miscellaneous goods increased in 1973. The most notable increases were in purchases of supplies of non-food industrial and agricultural inputs. These rose by 28 per cent, accounting for 39 per cent of total imports. This growth was spread over a wide range of commodities, such as textile yarn, fertilizers, insecticides and metal products. There was also a significant increase in the imports of primary food products for the use of industry, which went up by K£2.4 million, chiefly as a result of increased wheat imports following the decline in local wheat production. Imports of processed food stuffs for household consumption, on the other hand, decreased marginally.

3.10. Imports of crude petroleum increased by K£3 million in 1973. A substantial part of this increase was caused by increased prices during the year. The value of imported crude oil increased by 20 per cent compared with an increase of 9 per cent in the quantity of crude oil imports.

3.11. The total share of imports of capital equipment declined slightly in 1973, despite an increase of K£4.5 million in the value of such imports. A substantial proportion of the total imports of capital equipment was machinery and equipment for the paper mill project at Webuye in western Kenya. However, there was a decline in both the value and the share of imports of transport equipment; a detailed breakdown of such imports is set out in Table 3.7. The value of total imports of transport equipment fell mainly as a result of the K£1.7 million decrease in imports of commercial vehicles by the public sector, and a K£1.2 million decrease in imports of motor cars by the private sector, although this was largely offset by an increase in purchases of commercial vehicles.

3.12. Imports of consumer goods went up relatively moderately, by 8 per cent, in 1973 with the increase in imports of semi-durables, such as clothing, being lower than the increase in imports of durables, such as domestic appliances. The sharp decline in imports of "goods not elsewhere specified" between 1970 and 1971 is accounted for by the allocation of imports by parcel post into their appropriate categories.

3.13. Imports are set out in Table 3.8 by country of origin. The United Kingdom is still the major source of imports and, although its share of the total declined by nearly 4 percentage points to just under 25 per cent in 1973, its level of exports to Kenya was maintained in value terms. The share of imports from the U.S.A. and Japan, on the other hand, increased by 1.4 and 2.5 percentage points respectively. The E.E.C. is the source of almost half of Kenya's imports. With the recent increases in oil prices, the share of Middle Eastern countries in the total value of Kenya's imports will rise significantly in 1974.

Exports

3.14. Kenya's exports increased by K£38 million in value in 1973, with exports to overseas markets going up by K£32 million and to the partner states by K£6 million. Re-exports also went up, by 29 per cent, to K£6.3 million in 1973. Although some increases in prices and quantities had been anticipated, this growth was almost double the forecast in last year's *Survey*. Particular instances were the increases in value of coffee and maize, which together contributed over 40 per cent of the total increase.

3.15. Major categories of exports are set out in Table 3.10 by end-use and industry of origin. The quantities and prices of principal overseas exports are detailed in Tables 3.9 and 3.11, and changes in prices, quantity and value in Table 3.12. All major categories of exports rose in value in 1973. Exports of industrial supplies increased their share of the total from 26 per cent in 1972 to 32 per cent in 1973, following an increase of 63 per cent in their value. Consumer goods was the only other category of exports which increased its share. The bulk of the increase in the value of industrial supplies occurred in primary products, whose share of the total became larger than that of processed products for the first time since 1968. This is accounted for by the increases in the value of exports of maize (K£5.9 million), ivory (K£2.8 million), sisal (K£2.7 million) and hides and skins (K£1.4 million). These increases far outweighed the fall in exports of pyrethrum extract, which was

QUANTITIES OF PRINCIPAL OVERSEAS EXPORTS, 1969-1973

Table 3.9

Item	Unit	1969	1970	1971	1972	1973
Coffee	Metric Tons	50,969	53,725	56,426	63,142	75,317
Tea	"	32,835	35,063	33,508	47,126	51,472
Petroleum products	Million Litres	929	1,038	1,145	1,129	1,219
Pyrethrum products	Metric Tons	2,397	1,753	2,676	3,358	3,438
Meat products	"	5,938	6,683	7,180	10,208	6,336
Sisal	"	35,755	44,291	34,713	38,764	44,800
Hides and skins	"	6,548	5,983	8,271	10,522	8,226
Soda ash	"	85,938	157,155	149,904	144,717	201,880
Cement	"	309,026	343,069	331,689	372,208	432,694
Maize (raw)	"	140,893	84*	12*	8*	199,544
Canned pineapples	"	7,959	7,465	10,805	9,734	13,352
Butter and ghee	"	824	656	227	1,979	1,860
Beans and peas	"	10,849	9,583	8,059	21,268	16,283
Cotton (raw)	"	2,780	5,082	4,606	4,266	4,780
Wool	"	1,821	1,675	1,313	1,605	1,498
Animal feeds	"	29,870	31,827	21,566	39,403	29,711
Cashew nuts	"	9,141	23,174	10,604	15,540	9,368

*Consisting of small shipments of "special purpose" maize sold at about three times the price for ordinary maize. For this reason, no price is shown in Table 3.11.

TOTAL EXPORTS, 1970-1973
By Broad Economic Category

Table 3.10

	K£'000				PERCENTAGE OF TOTAL			
	1970	1971	1972	1973	1970	1971	1972	1973
I. Food and Beverages	51,917	47,928	62,520	74,506	50.4	44.8	50.7	46.2
Primary	41,860	37,459	48,833	59,657	40.6	35.0	39.6	37.0
For Industry	24,342	21,493	26,906	37,310	23.6	20.1	21.8	23.1
For Household Consumption	17,508	15,966	21,927	22,347	17.0	14.9	17.8	13.8
Processed	10,0671	10,469	13,687	14 849	9.8	9.8	11.1	9.2
For Industry	1,646	1,169	1,045	1,772	1.6	1.1	0.8	1.1
For Household Consumption	8,421	9,300	12,642	13,077	8.2	8.7	10.2	8.1
2. Industrial Supplies (Non-Food)	26,127	28,731	31,608	51,670	25.4	26.8	25.6	32.0
Primary	9,701	10,895	14,879	28,543	9.4	10.2	12.0	17.7
Processed	16,426	17,836	16,729	23,127	15.9	16.6	13.6	14.3
3. Fuel and Lubricants	14,379	18,356	19,274	21,285	13.9	17.1	15.6	13.2
Primary	56	69	69	88	0.1	0.1	0.1	0.1
Processed	14,322	18,287	19,205	21,197	13.9	17.1	15.6	13.1
Motor Spirit	2,393	2,639	2,888	3,275	2.3	2.5	2.3	2.0
Other	11,929	15 648	16,317	17,922	11.6	14.6	13.2	11.1
4. Machinery and other Capital Equipment	946	1,145	956	1,125	1.0	1.1	0.8	0.7
Machinery and other Capital Equipment	932	1.125	931	1,083	0.9	1.1	0.8	0.6
Parts and Accessories	14	20	25	43	–	–	–	–
5 Transport Equipment	453	538	549	713	0.4	0.5	0.4	0.4
Passenger Motor Vehicles	–	–	–	–	–	–	–	
Other	10	97	53	38		0.1		
Industrial	10	97	53	38	–	0.1		–
Non-Industrial	–	–	–	–	–	–		–
Parts and Accessories	443	441	496	675	0.4	0.4	0.4	0.4
6. **Consumer Goods not elsewhere specified**	9,106	10,229	8,286	11,932	8.8	9.6	6.7	7.4
Durable	576	561	227	329	0.6	0.5	0.2	0.2
Semi-Durable	3,455	3,921	2,876	4,200	3.3	3.7	2.3	2.6
Non- Durable	5,075	5,747	5,183	7,403	4.9	5.4	4.2	4.6
7. **Goods not elsewhere specified**	129	151	190	157	0.1	0.1	0.2	0.1
TOTAL	103,056	107,078	123,384	161,388	100.0	100.0	100.0	100.0

OVERSEAS EXPORT PRICES, 1969-1973

Table 3.11 Kshs./Unit

Item	Unit of Quantity	1969	1970	1971	1972	1973
Coffee unroasted	Kg.	6.61	8.29	6.92	7.84	9.50
Tea	Kg.	6.87	7.25	7.09	6.99	6.59
Petroleum products	1,000 Lt.	164.12	157.53	154.94	158.44	155.64
Maize	100 Kg.	39.36	*	*	*	56.02
Meat and products	Kg.	8.74	8.53	10.20	9.55	11.88
Pyrethrum extract	Kg.	121.14	132.15	149.79	148.52	164.10
Sisal	100 Kg.	96.05	84.20	87.29	106.70	213.20
Hides and skins, undressed	Kg.	5.71	5.52	5.90	7.18	12.61
Wattle extract	Kg.	1.38	1.52	1.58	1.62	1.91
Soda ash	100 Kg.	21.03	21.29	24.82	26.74	27.89
Cement	100 Kg.	9.28	9.59	9.44	10.55	11.86
Beans, peas, etc	Kg.	0.97	1.07	1.13	1.04	1.44
Cashew nuts, raw	Kg.	1.49	1.37	1.41	1.35	1.30
Wool	Kg.	6.05	5.45	4.00	4.60	10.76
Animal feed	100 Kg.	34.88	41.07	39.59	30.03	64.80
Cotton, raw	Kg.	5.47	4.82	5.13	5.70	5.74
Pineapples, tinned	Kg.	1.82	1.79	1.78	1.89	2.22
Butter and ghee	Kg.	6.66	7.14	8.17	7.67	7.44
Wattle bark	100 Kg.	63.06	64.79	58.68	54.54	51.90

**See* footnote to Table 3.9

OVERSEAS EXPORTS, 1972 AND 1973, CHANGES IN VALUE, QUANTITY AND PRICE

Table 3.12

	VALUE K£'000			PERCENTAGE CHANGE IN		
	1972	1973	Change	Value	Quantity	Price
Coffee, unroasted	24,769.0	35,776.7	11,007.7	44.4	19.3	21.1
Tea	16,417.2	16,963.8	546.6	3.3	9.2	-5.7
Petroleum products	8,942.2	9,488.4	546.2	6.1	8.0	-1.8
Meat and products	4,875.7	3,761.3	-1,114.4	-22.8	-37.9	24.4
Pyrethrum extract	3,782.3	2,920.3	-862.0	-22.8	-30.1	10.5
Sisal	2,067.7	4,776.8	2,709.1	131.0	15.6	99.8
Hides and Skins, undressed	3,777.2	5.186.1	1,408.9	37.3	-21.8	75.6
Wattle extract	1,688.6	1,214.6	-474.0	-28.1	-39.3	17.9
Soda ash	1,935.0	2,815.6	880.6	45.5	39.5	4.3
Cement	1,963.6	2,565.8	602.2	30.7	16.2	12.4
Beans, peas etc.	1,103.4	1,173.2	69.8	6.3	-23.4	38.5
Cashew nuts, raw	1,049.0	608.9	-440.1	-42.0	-39.8	-3.7
Wool	369.4	806.5	471.1	118.3	-6.7	133.9
Animal feed	358.3	962.7	604.4	168.7	-24.6	115.8
Cotton, raw	1,216.2	1,373.1	156.9	12.9	12.0	0.7
Pineapples tinned	920.1	1,481.2	516.1	61.0	37.2	17.5
Butter and ghee	759.0	691.8	-67.2	-8.9	6.0	3.0
Wood carvings	439.7	755.1	315.4	71.7		
Metal scrap	434.0	530.8	96.8	22.3	-0.3	22.6
Wattle bark	61.2	135.3	74.1	121.1	132.2	-4.8
All other items	13,661.7	28,648.1	14,986.4	109.7		..
TOTAL	90,590.5	122,636.1	32,045.6	35.4		

DIRECTION OF OVERSEAS EXPORTS*, 1969-1973

Table 3.13

GEOGRAPHICAL AREA AND COUNTRY	TOTAL EXPORTS K£'000					PERCENTAGE SHARES				
	1969	1970	1971	1972	1973	1969	1970	1971	1972	1973
E.E.C.—										
United Kingdom	15,491	15,585	15,471	20,392	20,622	22.6	2.01	19.7	21.4	16.0
West Germany	7,867	6,825	7,047	9,480	13,571	11.5	8.8	9.0	9.9	10.5
Italy	1,431	1,557	1,543	2,959	3,687	2.1	2.0	2.0	3.1	2.8
France	700	558	537	724	1,460	1.0	0.7	0.7	0.8	1.1
Netherlands	2,457	3,799	3,799	6,989	8,096	3.6	4.9	4.4	7.3	6.3
Other	1,148	1,496	1,199	1,769	4,380	1.6	1.9	1.5	1.9	3.4
TOTAL	29,094	29,800	29,232	42,313	51,816	42.5	38.5	37.3	44.4	40.2
Other Western Europe Total	4,140	6,109	5,080	7,319	11,110	6.0	7.9	6.5	7.6	8.6
Eastern Europe Total	1,280	1,943	2,450	968	2,256	1.9	2.5	3.1	1.0	1.7
U.S.A	5,229	6,772	5,625	5,491	7,532	7.6	8.7	7.2	5.8	5.8
CANADA	1,440	1,877	1,119	1,753	2,706	2.1	2.4	1.4	1.8	2.1
AFRICA—										
Zambia	4,294	4,292	5,529	4,976	7,282	6.2	5.5	7.1	5.2	5.6
Other	6,813	7,640	8,094	10,130	13,054	9.9	9.9	10.3	10.6	10.1
TOTAL	11,007	11,932	13,623	15,106	20,336	16.1	15.4	17.4	15.8	15 8
MIDDLE EAST—										
Iran	199	337	353	623	592	0.3	0.4	0.4	0.6	0.5
Other	2,016	1,880	2,708	1,725	3,048	2.9	2.4	3.5	1.8	2.4
TOTAL	2,215	2,217	3,061	2,348	3,640	3.2	2.8	3.9	2.4	2.8
FAR EAST AND AUSTRALIA—										
Australia	595	655	817	769	670	0.8	0.8	1.0	0.8	0.5
Japan	1,305	1,231	2,648	2,093	5,031	1.9	1.6	3.4	2.2	3.9
India	1,762	3,044	2,046	2,378	1,587	2.6	3.9	2.6	2.5	1.2
China (Mainland)	477	619	876	1,618	3,070	0.7	0.8	1.1	1.6	2.4
Other	1,721	3,545	2,132	3,001	6,856	2.5	4.5	2.7	3.1	5.3
TOTAL	5,860	9,094	8,519	9,859	17,214	8.5	11.7	10.9	10.4	13.3
ALL OTHER COUNTRIES	1,407	807	2,285	2,609	5,271	2.0	1.0	2.9	2.7	4.1
AIRCRAFTS AND SHIPS STORES	6,838	6,900	7,354	7,688	7,047	10.0	8.9	9.3	8.0	5.5
ALL EXPORTS	68,510	77,451	78,348	95,454	128,929	100.0	100.0	100.0	100.0	100.0

*Excluding gold and currency but including Re-Exports.

due to a decline in production. The increase of K£6.4 million in exports of processed industrial supplies was the result of growth in exports of a wide range of products covered in this group, the most prominent single increase being in exports of soda ash, which went up by K£0.9 million. The growth in value of primary exports of foods and beverages for industry is entirely due to coffee exports, which increased by K£11 million in 1973, following significant increases in prices and in quantities exported.

3.16. Exports of petroleum fuels and lubricants rose by K£2 million and those of semi- and non-durable consumer goods by K£1.3 million and K£2.2 million respectively. Much of this increase was in sales of manufactured goods to Uganda, discussed below.

3.17. Overseas exports are set out by country of destination in Table 3.13. Although the value increased in almost every case, there has been some change in the percentage distribution of exports. The share of exports going to the E.E.C. decreased by 4.2 percentage points in 1973, while other European countries increased their share of Kenya's exports by 1.7 points. Despite a decrease in sales to India, Far Eastern countries increased their share of the total by nearly 3 points, mainly due to the increase in value of exports to Japan.

Trade with African Countries

3.18. Details on trade with African countries are set out in Table 3.14. Exports to all African countries increased by K£11.5 million. This was a slightly slower expansion than in exports to other countries, with the result that the share of exports to African countries declined from 37 per cent in 1972 to 35 per cent in 1973. The main reason for this decline was the decrease in growth of exports to Tanzania in 1973, when they rose by only 3.5 per cent, compared with an increase of 10.5 per cent in 1972. Exports to Uganda, Zambia and Mauritius, however, went up significantly. The increase in exports to Uganda is discussed later in this chapter. Purchases of dairy products, particularly butter, and essential chemical oils by Zambia, and purchases of petroleum products by Mauritius accounted for the increase in exports to these two countries.

3.19. Imports from African countries continued the decline which first became apparent in 1972. The contribution of imports from African countries as a share of the total dropped from 8.4 per cent in 1972 to 6.7 per cent in 1973. This change is mainly the result of the decline in purchases from the partner states. Imports from Uganda decreased from K£7.6 million in 1972 to K£4.7 million in 1973, a drop which was only partially offset by the K£1.7 million increase in imports from Tanzania, from K£5.9 million in 1972 to K£7.6 million in 1973. In addition, there was also a slight decline in purchases of imports from all other African countries.

Table 3.14

TRADE WITH AFRICAN COUNTRIES, 1969-1973

K£'000

	EXPORTS*					NET IMPORTS				
	1969	1970	1971	1972	1973	1969	1970	1971	1972	1973
MAINLAND—										
Uganda	15,949	16,698	19,150	16,507	21,898	7,803	10,043	8,026	7,583	4,668
Tanzania	12,848	14,752	14,743	16,286	16,854	4,018	5,938	7,932	5,887	7,627
Zambia	4,294	4,292	5,529	4,976	7,283	104	133	208	381	567
Ethiopia	501	918	1,016	1,059	1,800	15	106	163	187	174
Burundi	329	481	413	310	512			1		
Somalia	881	735	775	1,173	1,290	18	22	56	75	69
Sudan	204	217	488	618	1,046	26	20	7	1	1
Rwanda	858	901	881	1,289	1,579	93	102	353	1	
Zaire	579	1,115	1,149	1,092	910	527	670	731	742	534
Malawi	181	236	238	263	317	29	93	56	6	5
Mozambique	138	190	231	203	188	169	397	417	118	96
Egypt	334	448	212	276	242	35	34	30	42	23
Algeria and Libya	195	195	441	696	419	2	21			
Ghana and Nigeria	206	142	203	266	233	29	14	53	173	351
Other+		318	751	500	962		10	595	872	403
INDIAN OCEAN ISLANDS—										
Mauritius	494	753	557	702	1,376	1	1	1		1
Reunion	613	637	559	452	654					
Other#	1,200	741	613	919	1,527	230	106	3	59	64
TOTAL	39,804	43,769	47,949	47,587	59,090	13,099	17,711	18,632	16,127	14,585
Percentage of all Exports/Imports.	40.9	39.9	42.7	37.1	35.2	10.2	11.2	9.3	8.4	6.7

*Including Re-exports (except for East African Trade),
+Available only from 1970 onwards.
#Madagascar and Seychelles.

Trade within the East African Community

3.20. Details on the total volume of trade between the partner states are set out in Table 3.15. As indicated, Kenya's trade within the Community increased by 10 per cent, reaching a total level of K£51 million. This was caused by a growth of 18 per cent in exports, almost entirely to Uganda. Imports from the partner states declined by 9 per cent in 1973, as a result of the decreased level of imports from Uganda, which more than exceeded the increase in imports from Tanzania. As a result, Kenya's overall balance of trade with the partner states improved, from K£19.3 million in 1972 to K£26.5 million in 1973, despite a decline of K£1.2 million in Kenya's surplus with Tanzania.

TRADE WITH EAST AFRICA, 1960, 1969-1973

Table 3.15 K£'000

	1960	1969	1970	1971	1972	1973
EXPORTS—						
To Tanzania	7,608	12,847	14,752	14,743	16,286	16,854
To Uganda	6,163	15,949	16,698	19,150	16,507	21,898
TOTAL	13,771	28,796	31,450	33,893	32,793	38,752
IMPORTS—						
From Tanzania	1,875	4,018	5,938	7,933	5,887	7,627
From Uganda	5,120	7,804	10,048	8,026	7,583	4,668
TOTAL	6,995	11,822	15,986	15,959	13,470	12,295
BALANCE—						
With Tanzania	5,733	8,829	8,814	6,810	10,398	9,226
With Uganda	1,043	8,145	6,651	11,124	8,924	17,229
TOTAL	6,776	16,974	15,465	17,934	19,322	26,456

3.21. Imports and exports from and to Tanzania are set out at commodity level in Tables 3.16 and 3.17. Kenya's imports from Tanzania increased by K£1.7 million (30 per cent) in 1973. They were, however, still below the record level of imports in 1971. The most significant feature of Kenya's trade with Tanzania was the 38 per cent growth in imports of "other manufactured goods" in 1973. In 1968 these goods accounted for 42 per cent of Kenya's total imports from Tanzania. This proportion had risen to 55 per cent in 1973, with the growth spread over a wide range of products, as indicated in Table 3.16. Exports to Tanzania went up by only 3 per cent in 1973, compared with an increase of 10 per cent in 1972. The most significant features were the increases in exports of dairy products and iron and steel, which increased by over K£0.5 million each, and a comparable decline in exports of fresh fruit and vegetables and soap products.

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Table 3.16 K£'000

Item	1969	1970	1971	1972	1973
FOOD—					
Meat and meat preparations	66	51	28	45	82
Cereals and cereal preparations	160	285	295	121	108
Fruit and vegetables	356	590	1,139	591	523
Sugar, not refined	–	12	22	4	–
Coffee and tea	39	213	46	18	4
Margarine and shortenings	179	164	101	48	37
Others	719	669	477	379	632
TOTAL	1,519	1,984	2,108	1,206	1,386
BEVERAGES AND TOBACCO—					
Beer	–	–	–	–	–
Cigarettes	–	–	–	–	–
Unmanufactured tobacco	163	728	860	788	610
Other	5	7	4	1	2
TOTAL	168	735	864	789	612
BASIC MATERIALS AND FUELS—					
Oil seeds, oil nuts and oil kernels, etc	38	39	319	207	396
Vegetable oils	185	524	358	56	401
Electricity	–	–	–	–	–
Petroleum products*	1	–	1	–	34
Other	380	561	753	604	624
TOTAL	604	1,124	1,430	867	1,455
OTHER MANUFACTURED GOODS—					
Soap, cleansing and polishing preparations	59	67	49	6	88
Textile fabrics, articles etc:—					
Cotton piece goods	51	247	1,378	993	446
Other	243	248	348	248	299
Iron and steel	1	1	3	172	517
Aluminium**	225	287	391	422	587
Metal manufactures	144	164	216	118	123
Wireless sets, domestic	276	220	227	176	232
Clothing	16	27	52	126	196
Footwear	57	64	40	15	18
Other	654	770	828	749	1,668
TOTAL	1,726	2,094	3,531	3,025	4,174
MISCELLANEOUS-	1	1	–	–	–
ALL IMPORTS	4,018	5,938	7,932	5,887	7,627

*Excluding by-products.

**Excluding domestic aluminium-ware which is included in metal manufactures.

EXPORTS TO TANZANIA, 1969-1973

Table 3.17 K£'000

Item	1969	1970	1971	1972	1973
FOOD—					
Meat and meat preparations	143	148	127	132	65
Dairy products	705	742	936	1,696	2,254
Cereals and cereal preparations	464	658	86	678	945
Fruit and vegetables	365	495	610	835	326
Coffee and tea	386	458	277	50	8
Other	735	1,200	837	999	918
TOTAL	2,798	3,701	2,874	4,390	4,516
BEVERAGES AND TOBACCO—					
Beer	111	180	252	330	431
Cigarettes	–	-	–	–	–
Other	103	87	88	62	21
TOTAL	214	267	340	392	452
BASIC MATERIALS AND FUELS—					
Petroleum products*	1,398	1,260	1,404	1,546	1,759
Other	470	474	1,110	1,668	1,411
TOTAL	1,868	1,734	2,514	3,214	3,170
OTHER MANUFACTURED GOODS					
Chemicals and products:—					
Soap, cleansing and polishing preparations	962	957	826	611	112
Other	1,137	1,501	1,545	2,098	2,213
Bicycle tyres and tubes	105	123	107	180	13
Paper, paper board and manufactures	940	1,058	923	1,097	1,174
Textile fabrics, articles etc:—					
Piece goods of cotton	2	–	39	24	8
Synthetic fabrics	130	51	53	271	216
Sisal bags and sacks	33	2	5	7	15
Other	635	602	550	821	1,016
Cement	707	1,173	1,096	479	123
Iron and steel	39	118	326	68	586
Aluminium**	16	9	19	7	26
Metal manufactures	705	846	786	593	948
Clothing	389	264	312	249	350
Footwear	405	352	330	379	206
Other	1,760	1,994	2,098	1,405	1,709
TOTAL	7,965	9,050	9,015	8,289	8,715
ALL EXPORTS	12,847	14,752	14,743	16,286	16,854

*Excluding by-products.
**Excluding domestic aluminium-ware which is included in metal manufactures.

IMPORTS FROM UGANDA, 1969-1973

Table 3.18 K£'000

Item	1969	1970	1971	1972	1973
FOOD—					
Meat and meat preparations	3	33	1	—	—
Cereals and cereal prepara-					4
tions	94	71	62	60	1
Fruit and vegetables	159	246	250	138	180
Sugar, not refined	787	735	19	9	1
Coffee and tea	24	20	14	—	4
Margarine and shortenings	418	688	690	442	114
Other	395	392	438	405	326
TOTAL	1,880	2,185	1,474	1,054	629
BEVERAGES AND TOBACCO—					
Beer	15	163	73		
Cigarettes	1	—	1	—	—
Unmanufactured tobacco	139	565	405	616	98
Other	9	8	3	4	2
TOTAL	164	736	482	620	100
BASIC MATERIALS AND FUELS—					
Oil seeds, oil nuts and oil kernels, etc.	169	282	198	96	124
Vegetable oils	489	740	703	469	178
Electricity	424	466	570	525	599
Petroleum products*	4	3	3	1	3
Other	183	267	248	375	214
TOTAL	1,269	1,757	1,722	1,466	1,118
OTHER MANUFACTURED GOODS					
Soap, cleansing and polishing preparations	194	105	82	60	30
Textile fabrics, articles etc:—					
Cotton piece goods	2,144	2,725	2,130	2,112	1,556
Other	87	97	204	212	168
Iron and steel	594	620	391	308	419
Aluminium**			1		
Metal manufactures	77	139	129	187	53
Wireless sets, domestic	34	68	32	164	232
Clothing	35	31	36	152	1
Footwear	191	306	176	137	14
Other	1,124	1,278	1,168	1,112	348
TOTAL	4,480	5,369	4,348	4,444	2,821
MISCELLANEOUS	11	1	—	—	—
ALL IMPORTS	7,804	10,048	8,026	7,583	4,668

*Excluding by-products.
**Excluding domestic aluminium-ware which is included in metal manufactures.

EXPORTS TO UGANDA, 1969-1973

Table 3.19 K£'000

Item	1969	1970	1971	1972	1973
FOOD—					
Meat and meat preparations	223	205	192	215	122
Dairy products	1,482	915	1,038	1,298	2,032
Cereals and cereal preparations	1,693	988	674	1,768	1,151
Fruit and vegetables	259	359	436	316	327
Coffee and tea	66	85	44	30	2
Other	700	1,356	1,921	945	1,593
TOTAL	4,423	3,908	4,305	4,572	5,227
BEVERAGES AND TOBACCO—					
Beer	144	129	129	126	151
Cigarettes	3	–	–	–	–
Other	66	56	29	27	54
TOTAL	213	185	158	153	205
BASIC MATERIALS AND FUELS—					
Petroleum products*	3,492	4,340	4,786	4,859	4,880
Other	702	834	1,176	962	1,171
TOTAL	4,195	5,174	5,962	5,821	6,051
OTHER MANUFACTURED GOODS-					
Chemicals and products:—					
Soap, cleansing and polishing preparations	907	715	973	742	2,057
Other	1,225	1,677	1,888	1,773	2,579
Bicycle tyres and tubes	125	164	155	39	5
Paper, paper board and manufactures	492	427	498	394	871
Textile fabrics, articles, etc:—					
Piece goods of cotton	29	59	70	4	5
Synthetic fabrics	86	120	247	51	122
Sisal bags and sacks	384	16	28	–	–
Other	235	297	259	119	288
Cement	220	246	84	294	53
Iron and steel	108	114	152	147	288
Aluminium**	21	14	39	8	–
Metal manufactures	713	832	1,014	679	775
Clothing	386	351	450	87	445
Footwear	314	222	254	110	174
Other	1,871	2,177	2,614	1,514	2,753
TOTAL	7,119	7,431	8,725	5,961	10,415
MISCELLANEOUS		–	–	–	–
ALL EXPORTS	15,949	16,698	19,150	16,507	21,898

*Excluding by-products.
**Excluding domestic aluminium-ware which is included in metal manufactures.

TRANSFER OF MANUFACTURED GOODS WITHIN E.A. COMMON MARKET, 1969-1973

Table 3.20

TRANSFER FROM / TRANSFERS TO	KENYA	TANZANIA	UGANDA	TOTAL Transfers of Manu-factured Goods	Total of All Transfers	Proportion of Transfers to in Relation to Transfers of Manufactured Goods			Percentage of Transfers of Manufactured Goods To Total Transfers		
						KENYA	TANZANIA	UGANDA	KENYA	TANZANIA	UGANDA
1969											
Kenya	—	2,365.7	5,936.1	8,291.8	11,820.6	2.949			–		–
Tanzania	11,886.7		1,578.7	13,465.4	14,560.9		0.246			–	
Uganda	12,562.2	948.0		13,510.5	17,126.0			0.555			
Manu. Goods	24,449.2	3,313.7	7,504.8	35,267.7			–				
Total of all Transfers	28,797.1	5,194.7	9,515.7		43,507.5	–		–	84.9	63.8	78.9
1970											
Kenya	—	3,128.2	8,053.4	11,181.6	15,986.3	2.416					
Tanzania	13,294.1		1,612.0	14,906.1	16,746.8		0.283		–	–	–
Uganda	13,718.8	1,096.8		14,814.8	18,135.3			0.652			
Total Transfers of Manu. Goods	27,012.1	4,225.0	9,665.4	40,902.5							
Total of all Transfers	31,449 .8	7,375.7	12,042.7		50,868.4				85.9	57.3	80.3
1971											
Kenya	—	5,061.7	6,664 9	11,726.6	15,958.0	2.515			–		–
Tanzania	12,950.3		841.3	13,791.6	15,559.5		0.489				
Uganda	16,547.3	1,684.8		18,232.1	21,047.4			0.412			
Manu. Goods	29,497.6	6,746.5	7,506.2	45,339.5			–				
Total of all Transfers	33,892.2	9,829.7	8,842.3		52,564.2	–		–	87.0	68.6	84.9
1972											
Kenya	—	3,267.4	5,806.9	9,074.3	13,470.5	3.049				–	
Tanzania	13,956.4		237.7	14,194.1	16,577.3		0.271		–		–
Uganda	13,710.7	585.4		14,296.2	17,276.2			0.423			
Total Transfers of Manu. Goods	27,667.1	3,852.8	6,044.6	37,564.6		–					
Total of all Transfers	32,793 .3	6,656.3	7,874.4		47,324.0				84.4	57.9	76.8
1973											
Kenya	—	4,940.2	3,409.0	8,349.2	12,295.8	3.849					–
Tanzania	14,825.7		127.0	14,952.7	16,966.1		0.384		–		
Uganda	17,312.6	804.8		18,117.4	22,782.0			0.195			
Total Transfers of Manu. Goods	32,138.3	5,745.0	3,536.0	41,419.3			–	–			
Total of all Transfers	38,751 .5	8,511.7	4,780.7		52,043.9				82.9	67.5	74.0

KENYA EXPORTS TO TANZANIA SUBJECT TO TRANSFER TAX, 1969-1973

Table 3.21 *K£*

Item	1969	1970	1971	1972	1973
SUBJECT TO TAX FROM 1967—					
Ghee	2,670	2,880	2,192	8,821	57,254
Wheat meal and wheat flour	21	–	–	42,488	92,750
Vegetable ghee	65,658	5,017	9,370	–	32,347
Margarine	79,894	125,808	112,856	106,640	69,869
Cooking fat, vegetable	149,870	277,071	151,529	150,942	126,840
Sugar unrefined and mill white, including jaggery	5,486	122	118	-	–
Sugar confectionery	4,373	13,968	17,410	55,732	4,471
Biscuits	19,053	4,583	4,977	8,797	8,360
Ice cream prepared and mixture	4,839	–	–	–	–
Beer and ale	2,668	832	–	–	–
Cigarettes and pipe tobacco	7,961	7,014	7,086	5,908	12,264
Paints, enamels etc.	18,162	7,381	808	5,620	8,861
Perfumery, cosmetics, toilet prep, and shampoo	35,237	33,064	19,499	21,379	35,793
Soap, soap powder and detergents	977,315	938,299	726,846	624,392	112,180
Matches	3,120	-	–	–	53,900
Plastic foam, in sheet form	5,633	6,726	745	230	280
Articles of plastic materials	40,612	45,757	30,993	10,403	9,697
Bicycle tyres	–	–	–	–	–
Suitcases and handbags of vulcanized fibres or paperboard	70	1,126	589	5	–
Writing blocks, registers and similar stationery	30,959	14,774	13,734	10,668	21,370
Envelopes*	–	16,694	1,600	1,135	5,369
Non-multiwall, block bottom unprinted paper bags, boxes and cartons	91,597	384,839	240,970	170,973	208,272
Woven rayon fabrics in the piece	1,942	11,489	–	–	–
Clothing of textile fabric not knitted	209,247	96,422	130,398	50,134	77,512
Clothing accessories of textile fabric knitted or crocheted	73,549	67,787	106,840	170,071	267,215
Stockings and hose	13,144	7,143	8,845	509	–
Footwear (excluding gumboots, heavy leather boots etc.)	338,529	247,960	247,902	284,775	106,944
Glass tumblers	3,432	968	645	223	194
Nails, ferrous, including roofing nails	15,093	8,309	4,999	–	19,438
Iron and steel buckets	3,082	1,220	–	2	–
Metal louvre windows	33,204	27,353	30,746	2,005	2,919
Domestic aluminium hollow-ware	11,467	14,713	10,171	10,751	15,972
Metal furniture and parts	69,765	85,065	40,201	28,203	15,842
Bottles and jars, common, empty	35,224	30,337	6,164	19,907	23,842
Spring matresses etc. of rubber or plastic foam	17,652	99,464	19,697	2,780	1,302
Writing and drawing chalks	1,054	302	–	–	–
TOTAL	2,371,583	2,584,485	1,947,930	1,793,493	1,391,057
SUBJECT TO TAX FROM 1968—					
Cotton yarn	3,737	27,086	12,189	40,395	37,601
Woven fabrics of cotton in the piece	106	114	–	546	–
Tents, tarpaulins	48,808	83,868	14,876	4,054	16,352
TOTAL	52,651	110,068	27,065	44,995	53,953

KENYA EXPORTS TO TANZANIA SUBJECT TO TRANSFER TAX, 1969-1973

Table 3.21—(Contd.) K£

Item	1969	1970	1971	1972	1973
SUBJECT TO TAX FROM 1969—					
Vermicelli and fine noodles	18,262	12,795	3,370	17,080	10,880
Tomato Sauce	8,322	11,967	10,274	5,617	8,211
Jams	27,637	33,644	21,383	12,921	29,969
Fruit squashes and cordials	8,239	8,709	4,959	2,119	3,929
Candles	206	2,105	12,777		
Rubber foam or sponge in sheet form	1,565	1,213	1,817	721	1,605
TOTAL	64,231	70,433	54,580	38,458	54,594
SUBJECT TO TAX 1970—					
Broom handles		252	122	350	
Rubber parts for making sandals	—	27,348	31,862	28,039	52,994
Crown corks		27,392	30,134	64,521	220,640
Brooms and brushes		9,841	4,934	1,749	4,841
TOTAL	—	64,833	67,052	94,659	278,475
SUBJECT TO TAX FROM 1971—					
Knitted fabrics	—	—	15,110	216,069	332,568
TOTAL	—	—	15,110	216,069	332,568
GRAND TOTAL	2,488,465	2,829,819	2,111,739	2,187,674	2,110,647

*Tax revoked 3-5-1968, reimposed 10-2-1970.

3.22. While imports from Uganda declined by K£2.9 million (38 per cent) in 1973, exports increased by K£5.4 million (33 per cent) over the same period. Detailed figures are shown in Tables 3.18 and 3.19. The decline in imports was spread over a large range of products, though the most significant feature was the 37 per cent decline in imports of "other manufactured goods". The decrease in imports of beverages and tobacco was accounted for by the decline in imports of unmanufactured tobacco. The bulk of the increase in exports to Uganda in 1973 was recorded in manufactured goods. Total exports of these increased from K£6.0 million in 1972 to K£10.4 million in 1973 with a significant increase in exports of chemical products, particularly soap, and paper products.

3.23. An alternate analysis of trade in manufactured goods within the East African Community is set out in Table 3.20. While Kenya has maintained a high percentage of exports of manufactured goods in total sales to the partner states, their share declined from 87 per cent in 1971 to 83 per cent in 1973. This was caused by increased exports of un-processed foods, such as wheat in 1972 and unmilled maize in 1973.

KENYA EXPORTS TO UGANDA SUBJECT TO TRANSFER TAX, 1969-1973

Table 3.22 *K£*

ITEM	1969	1970	1971	1972	1973
SUBJECT TO TAX FROM 1967—					
Spirit (excluding vodka)					8,660
Paints, enamels, lacquers, etc.	77,760	30,725	29,332	38,604	25,266
Paper products including drinking straws and corrugated cardboard boxes	109,315	122,491	122,126	122,234	350,826
Domestic aluminium hollow-ware	1,353	811	40,048	1,004	7,125
Blankets		3			1,352
Suitcases of vulcanized fibre or paper-board	5,108	5			1,148
Clothing of textile fabric, woven, knitted or crocheted	350,117	319,314	339,511	66,036	403,232
Footwear (excluding gumboots, etc.) ..	204,019	143,060	132,160	5,363	99,241
Brooms and brushes (except paint and lavatory brushes)	9,318	15,323	16,745	3,212	10,787
Cement	88,395	246,367	70,655	292,700	52,518
Woven rayon fabrics in the piece					24,047
TOTAL	878,385	878,099	750,577	529,153	984,203
SUBJECT TO TAX FROM 1968—					
Stockings, socks and sockettes	1,371	681	1,531	130	34
Dry cell batteries*	101,920	209,068			
Ground spices, curry powder and yellow gram flour	7,668	5,891	8,499	1,298	5,877
Fruit juices, cordials and vinegar	24,776	37,421	50,498	33,265	122,626
Tomato sauce	3,558	6,311	3,642	2,687	6,389
Metal doors and windows	19,875	7,725	17,288	3,420	
Sisal rope and twine	5,456	8,416	12,603	5,940	11,765
TOTAL	164,624	275,513	94,061	46,740	146,691
SUBJECT TO TAX FROM 1969—					
Biscuits	12	4,914	2,593	1,488	800
Wood and articles of wood	3,258	198,910	339,497	88,761	64,843
Soap and soap powder	2,469	671,685	677,685	387,682	1,450,610
Galvanized, corrugated iron sheets		1,627			34,894
Matches					10,527
Insulated wire and cable	1,838	78,155	66,405	47,592	4,900
TOTAL	7,577	955,595	1,086,180	525,523	1,566,574
SUBJECT TO TAX FROM 1971—					
Hessian sisal bags and sheets		–	19,636	972	8,500
Beds and mattresses			247,553	80,353	198,398
Plastic sheets, covering and tiles	–		6,301	10,917	10,791
Bicycle tyres and tubes			18,727	38,845	4,572
TOTAL	–	–	292,217	131,087	222,261
SUBJECT TO TAX FROM 1972—					
Plastic bottles, jars, containers etc. and plastic combs			–	36	16,116
TOTAL	–	–	–	36	16,116
GRAND TOTAL	1,017,586	2,109,201	2,223,035	1,232,537	2,935,846

*Tax revoked 5-11-1972.

3.24. *Trade in Transfer Taxed Goods.*—No new items of Kenya's manufactured goods became liable to transfer tax in the partner states in 1973. Details on values of exports of transfer taxed commodities between 1969 and 1973 are set out in Tables 3.21 and 3.22. Although exports to Tanzania have recorded an overall increased of 14 per cent since 1971, there has been no increase in the value of exports subject to transfer tax in this period. There was a decrease in exports of soap (by K£512,000) and footwear (by K£178,000) in 1973, although items such as crown corks and knitted fabrics show increases, of K£156,000 and K£116,000 respectively. Exports of transfer taxed goods to Uganda however went up by 138 per cent in 1973, compared with an increase of 33 per cent in total exports. This was the result of an exceptionally large growth in exports of soap and soap powder which, in 1973, accounted for half of the total value of exports of transfer taxed goods. Sales of cement to Uganda, however, declined by K£240,000 in 1973.

The Kenya Export Promotion Council

3.25. The activities of the Export Promotion Council were broadened during 1973 with the establishment of a marketing section under a marketing executive. The work of this section includes assessment of available capacity for production for exports and organizing fact-finding missions to export markets for the appraisal of information. The Council organized a seminar in 1973 on the export marketing of processed foods, textiles and furniture. During 1973, the Council organized Kenya's participation in several trade fairs, in Japan, Britain, Zaire, Zambia, Tanzania and the United States. The fact that three of the six fairs in which the Council participated were in African countries underlines its interest in the promotion of exports to such markets. The information section of the Council has taken steps to facilitate the collection, maintenance and dissemination of up-to-date information.

The Kenya National Trading Corporation

3.26. In order to enable the Kenya National Trading Corporation to deal more efficiently with its growing participation in the distribution sector of the economy, and to fulfill its role in the promotion of Kenyanization of trade, a commercial department was established within the Corporation in 1972/73. This department has both import and export sections, and its distribution division is split into western, eastern and central area zones to facilitate organization of its activities.

3.27. Details on turnover figures for the Corporation are set out in Table 3.23. The Corporation recorded an increase of 19 per cent in its turnover in 1972/73, compared with an increase of 25 per cent in 1971/72. The largest increase, in the turnover of sugar, is accounted for by an increase in both the volume and price of sugar handled by the Corporation. Price increases were also partly responsible for the increase in turnover of other commodities.

Kenya National Trading Corporation—Turnover Ex-Depot, 1967/68-1972/73

Table 3.23 K£'000

	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73
Sugar	4,905	5,571	9,067	11,340	13,805	15,936
Salt	124	100	410	335	328	391
Edible Oils	138	526	527	—	—	—
Rice	437	80	94	89	122	234
Textiles and Clothing	1,423	499	475	2,562	1,927	2,246
Cement*	—	106	148	1,476	3,676	4,969
Other	—	179	206	221	234	189
TOTAL	7,206	6,949	10,833	16,023	20,094	23,965

*For domestic use only.

CHAPTER 4—AGRICULTURE

Agriculture had to contend with difficult climatic problems in 1973, with particularly dry conditions prevalent in the latter half of the year. Yet, despite these problems, 1973 was a record year for farmers as a whole; the gross marketed production rose by 17 per cent, increasing farmers' receipts by K£17.5 million.

Marketed Agricultural Production

4.2. The value of marketed production at current prices is set out in Table 4.1 for 1973 and the previous five years. Gross revenues from a number of crops were at record levels last year. Maize deliveries increased by 18 per cent and the value of the crop rose by K£1.3 million. The value of the sugar-cane crop increased by 47 per cent, as a result of increases in both production and price. Coffee yields and quality showed considerable improvements, principally in small-holder production, and these, together with higher prices, led to an increase in the value of the crop of over 34 per cent, to K£32.4 million. Tea production also had a record year, despite the decline in the international price of tea, and the value of tea produced reached K£16.8 million. The most significant increase, however, was recorded in the value of sisal, for which farmers' receipts increased by nearly 280 per cent to K£7.1 million. This growth is attributable entirely to the escalation of world prices for the crop. For the first time for some years, it was profitable for farmers to crop hedgerow sisal.

4.3. The value of livestock production increased by 4.5 per cent in 1973, despite the drought conditions in the latter half of the year. This was mainly the result of higher prices for beef, which compensated for the drop in the number of cattle slaughtered. In addition, the milk intake by the K.C.C. rose by 4 per cent in 1973.

4.4. Table 4.3 shows the significance of the major commodity groups in total production. The high production, values of coffee and sisal increased the share of permanent crops, leading to a comparable decline in the share of other groups.

4.5. Large* and small farms accounted for roughly equal shares of the gross marketed production, as indicated in Table 4.4. The effect of adverse weather conditions on the pyrethrum crop as well as low prices for tea affected small farm revenue adversely, so that the share of small farms in the total did not rise as expected.

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*These are defined as whatever remains of the old "scheduled" areas and the large holdings in the "Coastal Strip".

GROSS MARKETED PRODUCTION BY COMMODITY, 1968-1973

Table 4.1 K£'000

	1968	1969	1970	1971	1972	1973*
CEREALS—						
Wheat	6,635	6,583	4,994	5,206	4,160	3,902
Maize	5,405	3,861	2,828	4,276	7,252	8,571
Barley	242	333	392	437	477	975
Rice	429	577	724	725	859	906
Other Cereals	218	223	62	102	205	171
TOTAL	12,940	11,577	9,000	10,746	12,953	14,525
TEMPORARY INDUSTRIAL CROPS—						
Castor and other oil seeds	569	503	556	400	272	227
Pineapples	140	210	242	295	326	412
Pyrethrum	2,622	1,317	1,477	2,423	3,662	3,038
Sugar Cane	2,179	2,942	3,509	3,457	3,038	4,453
Tobacco	25	26	35	28	31	30
Cotton	700	834	695	878	980	983
TOTAL	6,305	5,832	6,514	7,481	8,309	9,143
OTHER TEMPORARY CROPS—						
Pulses	490	428	236	303	753	436
Potatoes	503	698	1,263	1,652	1,723	1,551
Other Temporary Crops	244	1,657	1,247	1,542	1,773	1,596
TOTAL	1,237	2,783	2,746	3,497	4,249	3,583
PERMANENT CROPS—						
Coffee	12,266	16,163	21,814	18,922	24,165	32,396
Sisal	2,193	2,250	1,715	1,519	1,862	7,051
Tea	9,335	11,159	13,838	11,803	16,034	16,766
Coconut Products	490	484	520	545	572	515
Wattle	433	464	420	423	530	468
Cashew nuts	422	423	1,186	944	638	862
Fruit and Other Permanent Crops	670	702	745	1,025	1,080	972
TOTAL	25,810	31,645	40,238	35,181	44,881	59,030
TOTAL CROPS	46,291	51,837	58,498	56,905	70,244	86,281
LIVESTOCK AND PRODUCTS—						
Cattle and Calves	11,689	12,218	13,324	13,330	16,510	17,132
Sheep, Goats and Lambs	440	453	475	733	825	825
Pigs	890	614	750	593	631	651
Poultry and Eggs	358	320	998	1,032	1,207	1,207
Wool	533	560	346	220	205	503
Hides and Skins	657	675	604	841	1,170	1,205
Dairy Products	7,126	6,100	6,806	9,300	10,890	11,319
TOTAL	21,673	20,940	23,303	26,049	31,438	32,842
UNRECORDED MARKETED PRODUCTION	3,342	3,425	3,595	3,741	4,100	4,298
GROSS FARM REVENUE	71,306	76,202	85,396	86,695	105,931	123,421

*Provisional

AVERAGE GROSS COMMODITY PRICES TO FARMERS, 1968-1973*

Table 4.2 *KSh. per stated Unit*

	Unit	1968	1969	1970	1971	1972	1973
Coffee	100 kg.	640	630	747	636	779	910
Tea	" "	585	619	674	650	601	593
Sisal	" "	93	90	78	68	90	191
Pyrethrum (extract equivalent)	kg.	344	325	310	357	396	387
Seed Cotton	100 kg.	98	98	99	105	115	122
Maize	" "	31	28	28	33	39	39
Sugar Cane	Metric ton	45	45	45	45	50	52
Rice Paddy	100 kg.	46	55	51	48	51	50
Wheat	" "	56	55	45	51	51	64
Beef (third grade)	" "	253	275	273	285	302	346
Bacon Pigs	" "	441	404	355	370	418	426
Milk	100 Litres	59	52	53	69	77	77

*These prices are for calendar year deliveries and reflect actual payouts, although average prices for two crop seasons which overlap during a calendar year might have differed.

SHARES OF COMMODITY GROUPS IN GROSS MARKETED PRODUCTION, 1967-1973

Table 4.3 *Percentages*

	Cereals	All other temporary crops*	Permanent crops	Livestock and Products	Total
1967	14.4	15.9	40.2	29.5	100.0
1968	18.4	15.3	37.0	29.3	100.0
1969	15.1	15.8	41.5	27.5	100.0
1970	10.4	16.5	46.3	26.8	100.0
1971	12.4	17.0	40.6	30.0	100.0
1972	12.2	15.7	42.4	29.7	100.0
1973	11.8	13.8	47.8	26.6	100.0

*Including "unrecorded marketed production" which consists almost entirely of temporary food crops.

GROSS MARKETED PRODUCTION FROM LARGE AND SMALL FARMS, 1966-1973

Table 4.4

	LARGE FARMS		SMALL FARMS		TOTAL		PERCENTAGE SHARE OF SMALL FARMS
	K£million	Annual Percent change	K£million	Annual Percent change	K£million	Annual Percent change	Percent
1966	36.0	8.1	32.8	37.4	68.8	20.3	47.5
1967	32.9	-8.6	34.1	4.3	66.9	2.8	51.0
1968	34.4	4.9	35.8	5.9	70.2	4.9	51.0
1969	37.9	10.2	38.3	7.0	76.2	8.5	50.3
1970	41.2	8.7	44.2	15.4	85.4	12.1	51.7
1971	42.1	2.1	44.6	0.9	86.7	1.5	51.4
1972	50.3	19.4	55.6	24.8	105.9	22.2	52.5
1973*	60.3	19.8	63.2	13.5	123.4	16.5	51.2

*Provisional

Table 4.5 CROP AREAS ON SMALL FARMS SETTLEMENT SCHEMES .1970*,, '000 Hectares

	LONG RAINS.			SHORT RAINS			BOTH CYCLES		
	Single Crop (1)	Mixed Crop (2)	Total (3)	Single Crop (4)	Mixed Crop (5).	Total (6)	Single Crop (7)	Mixed Crop (8)	Total (9)
CEREALS—									
Unimproved Maize	107.9	382.0	489.9	70.2	289.6	359.8	178.1	671.6	849.7
Other Maize	86.2	37.8	124.0	13.6	18.2	31.8	99.8	56.0	155.8
Bulrush Millet	1.7	12.6	14.3	4.5	24.7	29.2	6.2	37.3	43.5
Finger Millet	10.1	17.7	27.8	0.7	6.3	7.0	10.8	24.0	34.8
Other Millet	1.7	4.9	.6.6	0.3	6.6	6.9	2.0	11.5	13.5
Sorghum	18.7	85.9	104.6	3.7	26.4	30.1	22.4	112.3	134.7
Wheat	2.0		2.0	6.3		6.3	8.3		8.3
Other Cereals	0.5	2.3	2.8	0.1	0.3	0.4	0.6	2.6	3.2
TOTAL	228.8	504.1	732.9	99.4	328.9	428.3	328.2	833.0	1,61. 2
PULSES—									
Beans	2.3	165.4	167.7	11.1	172.7	183.8	13.4	337.8	351.5
Pigeon peas	0.5	68.3	68.8	0.9	45.9	46.8	0.7	57.1	57.8
Cow peas	0.1	35.7	35.8	0.2	33.7	33.9	0.3	69.4	69.7
Field peas		5 0	5.0		1.2	1.2		6.2	6.2
Yellow, Green and Black Gram	0.3	10.2	10.5		2.6	2.6	0.3	12.8	13.1
Other Pulses		0.9	0.9		0 9	0.9		1.8	1.8
TOTAL	3.2	285.5	288.7	12.2	257.0	269.2	14.7	485.1	499.8
TEMPORARY INDUSTRIAL Crops									
Cotton	15.3	10.9	26.2	23.1	18.1	41 .2	38.4	29.0	67.4
Sugar Cane	12.0	18.4	30.4	6.2	13.0	19.2	9.1	15.7	54.8
Pyrethrum	11.0	8.3	19.3	6.5	4.0	10.5	8.7	6.2	14.9
Groundnuts	2.3	14.4	16.7	1.2	4.9	6.1	1.7	9.7	11.4
Oil Seeds		6.1	6.1	0.5	3.5	4.0	0.2	4.8	5.0
Other Temporary Industrial Crops	1 1.2	5.8	7. 0	0. 6	2.2	2.8	0.9	4.0	4.9
TOTAL	41 .8	63.9	105.7	38.1	45.7	83.8	59.0	69.4	128.4
OTHER TEMPORARY CROPS—									
Cassava	12.1	72.4	84.5	18.4	65.4	83.8	15.3	68.9	84.2
English Potatoes	5.0	15.8	20.8	9.4	15.1	24.5	14.4	30.9	45.3
Sweet Potatoes	4.4	24.3	28.7	6.7	9.2	15 9	5.5	16.8	22.3
Yams	0.5	7.8	8.3		3.5	3.5	0.3	5.6	5.9
Cabbages	0.3	4.7	5.0	0.1	1.6	0.7	0.4	6.3	6.7
Other Vegetables	0.2	2.7	2.9		0.4	0.4	0.2	3.2	3.4
Other Temporary Crops	4.9	6.7	11.6		1.9	4.6	3.8	4.3	8.1
TOTAL	27.4	134.4	161.8	37.3	97.1	133.4	39.9	136.0	175.9
PERMANENT CROPS—									
Coffee	51.1	11.4	62.5			–	51.1	11.4	62.5
	19.3	0.3	19.6				19.3	0.3	19 6
Coconuts	0.5	43.9	44.4	2.0	48.2	50.2	1.2	46 1	47.3
Cashew nuts	1.1	36.6	37.7	5.9	43.9	49.8	3.5	40.2	43.7
Bananas	11.4	65.9	77.3	7.4	51 .6	59.0	9.4	58.9	68.3
Other Fruits	1.2	24.0	25.2	1.3	30.2	31.5	1.2	27.2	28.4
Other Permanent Crops	2.4	1.7*	4.1	0.2	0. 4	0 .6	1.3	0.9	2.2
TOTAL	87.0	183.8	270.1	16.8	174.3	191.1	87.0	185. 0	272.0
TOTAL CULTIVATION	388.2	544.9	933.1	203.8	425.8	629.6	528.8	806.0	1,334.8

*Revised estimates obtained from the Small Farms Census 1970. The following districts are excluded from this table:—

Nakuru, Laikipia, Uasin Gishu, Trans Nzoia, Baringo, West Pokot, Lamu and Tana River. The first four are predominantly large farm areas and crop areas for these are in the data for large farms.
+The method for obtaining the entries in columns (7) and (8) is as follows:—

(a) For crops planted twice a year, the appropriate entries for short and long rains are added

(b) For tea and coffee, which are measured in the long rains only (hence no entries in columns. (4), (5) and (6)), the entries are copied from those obtained in the long rains.

(c) For all other crops except cotton an averagers taken of the entries made for the short ruins and long rains. In the "mixed crop" columns, addition produces a higher value than that given for total cultivation owing to the incidence of multiple cropping. This applies also to the totals of the main groups i.e. to cereals, pulses etc. The measurement of crop areas is undertaken using objective methods. For crop identification, however, it is sometimes necessary to rely on reports given by the farmers themselves. This applies particularly to cereals.

Crop Areas, Livestock Numbers and Inputs Used

4.6. Data on crop areas and livestock numbers are set out in Tables 4.5. 4.6, 4.7 and 4.8. It should be noted that the figures on crop areas and livestock numbers on small farms and settlement schemes in Tables 4.5 and 4.6 do riot relate to 1973. The indications are that no major change in terms of Crop areas has occurred on small.holdings between 1970 and 1973, although livestock numbers in pastoral areas have probably fallen.

			Sheep and Goats		poultry	pigs
		Pastoral Areas**	Small Farms	Pastoral Areas**	Small Farms	Small Farms
Nyanza	1,232.5		636.4		3,347.0	
Western	754.2		203.0		2,294.0	5.0
Rift valley	1,438.7	1,794.0	852.0	1,723.0	950.2	24.0
Central	482.7		613.0		1,106.8	25.1
Coast	259.6		422.0		1.111.4	1.4
Eastern	1,610.7	378.0	1,535.0	546.0	3,007.9	0.8
North Eastern		435.0		222.0		
TOTAL		2,607.0	4,261.4	2,491.0	11,817.3	56.3

*Revised estimates obtained from the Small Farms census 1970, and Aerial Live stock census of Pastoral Areas 1969/70.

* *Includes all animals in districts which are predominantly pastoral.

Table 4.7 — LARGE FARMS AREAS OF MAJOR CROPS, 1969-1973 — '000 *Hectares*

	1969	1970	1971	1972	1973*
Maize	55.8	59.3	66.3	77.2	76.8
Whea	137.3	121.1	92.7	89.2	83.6
Sugar.cane	26.1	26.4	28.1	26.9	27.1
Pyrethrum	3.9	3.3	3.7	3.6	3.2
Sisal	85.7	85.1	82.1	67.9	74.0
Tea	21r8	23.8	23.8	23.8	25.5
Coffee	27.6	29.7	28.4	29.4	28.6
Wattle	16.6	17.2	16.6	16.1	13.6
Fruit	2.8	3.7	2.5	4.1	4.2
Fodder crops	9.8	11.7	12.6	12.0	12.4
Grass leys 86.1	86.1	98.9	101.9	95.2	92.0

*Provisional

Table 4.8 — LARGE FARMS— LIVESTOCK NUMBERS, 1968-73 — '000 *Head*

	1968	1969	1970	1971	1972	1973*
Dairy Cattle	280.2	273.1	292.0	279.4	308.0	302.3
Beef Cattle	480.7	500.6	492.3	481.4	488.7	480.0
Sheep	443.9	406.9	438.4	437.4	366.0	350.0
Pigs	28.8	32.3	27.2	26.5	23.3	20.0
Poultry	225.2	219.4	215.8	210.9	219.6	246.8

*Provisional

Table 4.9 — AGRICULTURAL INPUTS, 1966-1973 — K£'000

	1966	1967	1968	1969	1970	1971	1972	1973*
MATERIAL INPUTS—								
Fertilizers	3,212	2,392	2,602	2,922	3,607	3,711	4,224	5,773
Other Agricultural Chemicals	1,171	1,248	1,536	1,793	2,236	1,640	2,936	3,389
Livestock, Drugs and Medicines	616	661	704	909	1,321	1,152	1,683	1,819
Fuel	2,018	2,030	2,103	2,441	2,372	2,720	3,028	3,396
Power	243	253	258	313	358	370	430	472
Spares and Maintenance of Machinery	905	953	788	929	1,042	919	946	921
Bags	587	677	701	815	512	1,057	1,465	1,780
Manufactured Feeds	998	752	880	1,088	1,354	1,487	2,124	2,699
Seeds	461	695	584	405	340	800	736	1,798
Office Expenses	152	150	148	152	159	157	158	158
Small Implements	276	188	235	248	236	318	302	144
Other	84	100	119	141	168	200	238	283
TOTAL	10,723	10,099	10,658	12,156	13,705	14,531	18,270	22,632
SERVICES INPUTS—								
Marketing, Research and Publicity	1,614	1,265	905	857	1,028	1,181	1,848	1,788
Artificial Insemination	41	44	45	50	70	50	18	15
Aerial Spraying	92	92	67	105	93	57	83	75
Accounting, Secretarial and Auditing Services	404	423	440	481	530	556	595	630
Tractor Services	312	379	339	355	371	388	425	463
Private Veterinary Services	30	30	30	30	30	30	30	30
Government Seed Inspection Services	1	1	2	2	4	9	16	16
Governmental Veterinary Inoculation Services	17	21	26	26	30	32	23	21
Insurance	150	190	200	200	200	200	200	200
Transportation	158	200	211	243	260	254	292	313
Other	96	120	150	150	150	150	150	150
TOTAL	2,915	2,765	2,415	2,499	2,766	2,907	3680	3,701
TOTAL INPUTS	13,638	12,864	13,073	14,655	16,471	17,438	21,950	26,333

*Provisional.

4.7. The value of agricultural inputs is shown in Table 4.9. The total value of inputs used rose by 20 per cent. This increase is attributable almost entirely to rising costs. The most significant rises were among the material inputs, which now account for 86 per cent of the total. The value of fertilizers rose in 1973 by over K£1.5 million, despite the fact that there was a 6 per cent drop in the quantity imported. A further breakdown of chemical, medicinal and feed inputs is given in Table 4.10.

CHEMICAL, MEDICINAL AND FEED INPUTS, 1969-1973

Table 4.10 K£'000

	1969	1970	1971	1972	1973*
OTHER AGRICULTURAL CHEMICALS—					
Insecticides	435	531	588	773	1,086
Fungicides	991	1,275	703	1,609	1,726
Herbicides	367	430	349	540	577
Plant hormones				14	
TOTAL	1,793	2,236	1,640	2,936	3,389
LIVESTOCK DRUGS AND MEDICINES—					
Dips, Spray fluids	615	707	666	703	554
Vaccines	146	422	263	628	457
Other livestock drugs	148	192	223	352	807
TOTAL	909	1,321	1,152	1,683	1,819
MANUFACTURED FEEDS—					
Pig feed	63	82	149	188	314
Poulty feed	792	1,057	913	1,219	1,509
Cattle feed	146	118	352	637	797
Other feeds	87	97	73	80	79
TOTAL	1,088	1,354	1,487	2,124	2,699

*Provisional.

Crop Production

4.8. *Maize.*—1973 was a record year for maize deliveries to the Maize and Produce Board, which increased by 18 per cent, as indicated in the series below: —

	Metric Tons
1969	280,000
1970	206,000
1971	256,000
1972	372,985
1973	440,801

Significantly higher deliveries of maize were received by the Board in the months of March, April and May 1973, as a result of the favourable weather conditions and the increased use of hybrid seed for the 1972 plantings.

4.9. Maize purchases from the Board also went up in 1973 compared with 1972, although still below the high figure for 1971. The increased sales were a reflection of the dry weather conditions prevalent in the latter half of 1973 and the increasing difficulties in some areas of finding sufficient food. Quantities of maize purchased from the Board for local consumption in recent years were:—

	Metric Tons
1969	157,572
1970	158,238
1971	283,752
1972	194,727
1973	227,370

The level of maize reserves was increased by 90.000 tons to a total (including the one million bag "strategic reserve") of 2 million bags during 1973.

4.10. A record volume of 220,000 metric tons of maize was shipped to export markets in 1973, predominantly to Central and South America and to Japan.

4.11. In 1973, the producer price for maize was increased from KSh. 35 to KSh.40 per 90 kilo bag. However, as a result of inadequate rainfall in 1973, the deliveries of maize in 1974 are expected to be lower than in 1973. The current level of stocks should, however, ensure sufficient supplies of maize for domestic consumption until the new crop is harvested later in 1974.

4.12. *Wheat.*—Deliveries of wheat continued to decline in 1973. Quantities delivered in recent years were:—

	Metric Tons
1969	241,558
1970	221,486
1971	205,743
1972	164,383
1973	124,572

The decline of 24 per cent in 1973 was a result of a reduction of the acreage under wheat. This loss in acreage can be mainly attributed to the fact that the farmers are being drawn away from wheat production by the comparatively better returns being offered by maize and dairying, as well as the need to farm wheat on a large scale with substantial mechanical equipment, 4.13. While the production of wheat has been declining, the consumption of wheat flour has been growing rapidly, as the following series shows:—

	Metric Tons
1969	75,847
1970	94,093
1971	116,431
1972	111,903
1973	130,222

As a result of this imbalance between domestic supply and demand, the country has failed to achieve self-sufficiency in wheat production, and imports have, therefore, been necessary. A total of 77,081 tons of wheat were imported in 1973 and the exports of Kenya wheat to traditional markets in Burundi, Zaire and Rwanda were phased out by June, 1973. Exports to Uganda have now also been halted as a result of continuing shortfalls in available supplies. Further importations of wheat are expected to be necessary in 1974 to supplement local production.

4.14. Increased wheat prices to farmers were announced for the 1973 planted crop, in an attempt to reverse the decline in the area planted to wheat which first became apparent four years ago. The official producer wheat price has been raised to KSh.70 per bag for the 1974 season. A campaign to increase the area planted to wheat in Masailand is being intensified, and discussions have been taking place between the Wheat Board and the Ministry of Agriculture on implementation and administration of a new wheat scheme in this part of the country. The two new wheat stores constructed in Narok District are now being utilized.

4.15. *Rice* The production of paddy, which is confined almost entirely to the irrigation schemes, is discussed in paragraph 4.50.

4.16. *Pyrethrum.*—Kenya normally supplies approximately 70 per cent of the world's pyrethrum, and the crop is enjoying increasing world demand. Despite strenuous efforts to increase the country's output, particularly by small-holder farmers who predominate in production of the crop, there was a 15 per cent drop in the 1973 production of pyrethrum extract, as shown in the following series: —

	Metric Tons
1969	81
1970	95
1971	143
1972	185
1973	157

This drop was predominantly caused by adverse weather conditions affecting Kisii District and the settlement scheme areas of Central Province.

4.17. The drought affected both the production and the pyrethrin content of the flowers. Efforts are now being made to improve the production per hectare, through selective breeding programmes and the propagation of improved management practices. The Pyrethrum Board has also increased its payout to farmers from KSh. 3/79 to KSh. 4/04 per kilo of pyrethrins.

4.18. *Sugar-Cane.*—Factory production of sugar, which suffered badly in 1972, recovered well in 1973 and reached a record level of 133.400 metric tons, an increase of 45 per cent. This was a direct result of higher cane deliveries, as shown in the following series:—

	Metric Tons
1969	1,300,657
1970	1,451,200
1971	1,378,002
1972	1,062,295
1973	1,545,062

4.19. All categories of growers registered higher production, as shown in Table 4.11. This was due to the more favourable weather conditions. Most striking was the performance of the small-holders co-operatives, which increased their production by 180 per cent. The new sugar factory at Mumias also commenced operations in 1973, and produced 19,700 metric tons of sugar last year. The factory is expected to produce well over 40.000 metric tons in 1974.

AREA OF CANE HARVESTED AND CANE PRODUCTION, 1972 AND 1973

Table 4.11

	HECTARES		PRODUCTION (*Metric tons*)	
	1972	1973	1972	1973
Factory Estates	5,415	9,719	351,967	534,132
Large Farms	6,557	8,775	452,399	570,595
Small-holders Co-operatives	1,930	1,815	86,872	243,805
Settlement Schemes	3,800	3,788	171,057	196,530
TOTAL	17,703	24,097	1,062,295	1,545,062

4.20. Sugar and sugar-cane prices were also reviewed in 1973. The differentiated price for cane, introduced in 1971, for the Coast and for the rest of the country was increased by KSh. 10 in both zones to KSh. 60 and KSh. 62 per metric ton respectively. At the same time, the price paid to factories for sugar was increased from KSh. 1,040 to KSh. 1,230 per metric ton and the retail price for consumers was increased by 55 cents per kilo to KSh. 2/40. This latter increase also stemmed from the very high import price for sugar in 1973/74.

4.21. *Cotton.*—1973 was a disappointing year as far as cotton production was concerned, although world prices were higher than they had been for some years. The following series indicates that the objective of substantially increasing cotton production has yet to be realized:

	Metric Tons
1969	17,111
1970	14,017
1971	16,764
1972	16,981
1973	16,177

The low production figure for 1973 was the result of weather damage, pest infestation and the failure on the part of farmers to harvest their total crop. Such farmers, located predominantly in Coast Province, tended to concentrated their efforts mainly in harvesting cashew nuts, which yielded a comparatively better return.

4.22. Cotton is grown throughout the country in the drier areas and is strongly influenced by climatic conditions, which can cause considerable fluctuations in yields in any one year. Experiments are currently being conducted to grow cotton in Elgeyo Marakwet, Kerio Valley and Baringo Districts, where, despite drought conditions, the farmers' response has been encouraging. The area around Loitokitok is also considered to have potential for growing cotton. The results of the experiments conducted by the Ministry of Agriculture in conjunction with the Cotton Lint and Seed Marketing Board have been encouraging. The current international demand for cotton remains strong and the outlook appears bright. The average price offered in December, 1973 was KSh. 15/50 per kilo.

4.23. *Horticulture**—As shown in Table 4.1, poor yields of potatoes and pulses accounted for the decline of almost 13 per cent in the total farm value of horticultural products. Yet despite this fact, 1973 was remarkable for the major increases that were recorded in horticultural exports. The total value of exports increased by over K£700,000, or 77 per cent, despite strong competition from other countries, unfavourable weather conditions at home and seasonal shortages in air freight capacity. Of particular interest was the increase in exports of fresh vegetables and flowers, shown in Table 4.12. Major increases were recorded in the exports of flowers, courgettes and brinjals in 1973, their values rising by 139, 62 and 72 per cent respectively. Britain and West Germany continued to be the major importers, although the share of exports to other European countries such as Switzerland and France was also beginning to increase. The indications are that these countries would absorb much higher quantities of exports, if supplies and airfreight facilities were available.

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*Including output of all fruit, vegetables, potatoes and pulses. In Table 4.1 the category "other temporary crops" consists mainly of vegetables.

EXPORTS OF FRESH HORTICULTURAL PRODUCE, 1968-73

Table 4.12

	Volume (Metric Tons)	Value (K£)
1968	1,476	156,481
1969	2,519	267,026
1970	3,224	342,088
1971	5,123	543,600
1972	7,856	833,600
1973*	10,158	1,478,553

*In 1973 a separate valuation was introduced for cut flowers. The 1973 value figures are therefore not comparable with previous years.

4.24. A new grading and packing station was opened in December, 1973 on the Kinangop. Potatoes will be the principal crop to be handled initially, but other produce will be introduced gradually. The station at Machakos had to be closed down in May. 1973, due to a continued fall in the supply of produce, but grading and packing stations at Karatina and Yatta have been operating well and handling an increasing volume of produce.

4.25. *Coffee.*—1973 was a record year for coffee deliveries. There was an increase in average yields for both estates and small-holdings, as a result of a low incidence of Coffee Berry Disease and the increased use of irrigation on the estates. Labour shortages, however, continued to be critical during the main coffee picking and pruning seasons. Table 4.13 gives details on total production, which went up by 15 per cent. Small-holders increased their share of the total from 45 per cent in 1972 to 51 per cent in 1973.

COFFEE PRODUCTION, 1966-73

Table 4.13 '000 Metric Tons

	Estates	Small-holders	Total
1966	28.4	28.5	56.9
1967	19.2	28.2	48.0
1968	18.8	20.8	39.6
1969	26.8	25.6	52.4
1970	27.9	30.4	58.3
1971	31.5	28.0	59.5
1972	34.2	27.8	62.0
1973	35.1	36.1	71.2

4.26. There was also an overall improvement in the quality of coffee, entirely from small-holders. This is illustrated in Table 4.14 in the form of proportions of the crop deliveries in the various classes by the two main categories of producers. There was an improvement of 6 percentage points in the proportion of the total crop in classes 1-3. balanced by drops of 5 points in classes 4-6 and I point in classes 7-10.

Table 4.14 COFFEE QUALITY, 1970/71 -1972/73

	1970/71	1971/72	1972/73
PER CENT IN STANDARDS 1 TO 3—TOTAL*	22.8	16.0	21.8
Estates	11.7	10.3	8.2
Small-holders	38.9	23.5	39.5
PER CENT IN STANDARDS 4 TO 6—TOTAL*	64.5	73.6	68.8
Estates	82.3	84.0	85.0
Small-holders	56.1	68.8	55.6
PER CENT IN STANDARDS 7 TO 10—TOTAL*	12.7	10.4	9.4
Estates	6.0	5.7	7.1
Small-holders	5.0	7.7	4.9

*National crop, including other producers.

4.27. Coffee prices too registered a marked increase, with farmers receiving an average of K£442 per metric ton in 1973, an increase of 18 per cent over the 1972 average price. Kenya benefitted considerably in 1973 from the return of the international coffee sales to free marketing conditions for the first time in ten years. Also, while Kenya produced a record crop there was a general decline in world production of coffee, causing the improvement in prices noted above. The outlook for 1974 is generally favourable. Another high yield is anticipated and prices appear likely to remain firm.

4.28. Tea. —Tea yields were also a record in 1973. as shown in the following series:

	Metric Tons
1969	36,060
1970	41,077
1971	36,290
1972	53,322
1973	56,578

4.29. A total of 51,528 metric tons was exported in 1973, while the rest was consumed locally. During 1972/73. a further 4,667 hectares of tea were planted by small-holders and the number of small-holder tea growers increased by 12.417. The total area under small-holder lea and the number of growers arc shown in Table 4.15.

Table 4.15

	Total Hectares at end of year	Number of growers at end of year
Up to 1964/65	5,133	22,343
1965/66	6,479	29,693
1966/67	8,424	32,599
1967/68	10,772	37,953
1968/69	13,409	42,596
1969/70	16,229	48,443
1970/71	19,230	53,400
1971/72	26,228	66,897
1972/73	30,895	79,314

4.30. The first green tea factory, located in Embu, which came into production in 1972, has operated well. However, because of uncertainty in the demand for green tea, plans for additional factories have for the time being been shelved. The crucial factor of rapid transportation of green leaf to the factory is still a major problem. Despite maintenance of tea roads by the Ministry of Works, the entire tea road network needs to be improved to an all-weather standard, and further extensions of the network are required to reduce haulage distances.

4.31. While production of tea was high in 1973, prices paid to farmers fell from KSh. 6/01 per kilogram in 1972 to Ksh. 5/93 in 1973. due to a decline in world market prices. Since the end of 1973, however, there has been a significant improvement in world prices for tea and the outlook does not now seem unduly bearish.

4.32. *Sisal.*—Sisal production had a spectacular year in 1973 as a result of the dramatic increase in world prices of sisal from K£73 sterling per ton in January, 1972 to K£320 sterling in November, 1973. In the 1960s, sisal producers suffered severely from the global excess of supply of hard fibres over demand, partly due to the introduction of synthetic substitutes. As a result of the consequential price fall, there was a major decline of acreages and production as producers diversified their estates into other products and did not undertake any new planting. The yield of fibre from cuttings is shown in the following series:—

	Metric Tons
1969	49,834
1970	43,930
1971	44,826
1972	41,210
1973	58,054

4.33. Sisal yield increased by 41 per cent in 1973. High prices stimulated production of hedgerow sisal, and even resulted in the re-opening of some closed estates. The effects on yields of any additional planting that took place in 1973 will not, however, be felt until 1978 by which time it is probable that the current price boom will have levelled off.

4.34. The recovery of sisal prices in 1972 and 1973 was the result both of a substantial fall in the world supplies of hard fibres together with a shortage of production capacity, and of the increased production costs of synthetic fibres such as polypropylene, caused by rising capital and crude oil costs. But it is probable that the prevailing high sisal prices will encourage production of alternative synthetic substitutes at competitive prices, and lead to an expansion of the production of hard fibres; both factors are likely to cause a weakening in the price of sisal.

4.35. Hence, for sisal to remain a viable commodity amidst strong competition from synthetic and other vegetable fibres, continued efforts must be made to keep the costs of production as low as possible, both on the estates and in the processing factories.

Livestock Production

4.36. *Dairying.*—As shown in Table 4.16, milk deliveries rose in 1973 by 4 per cent over the previous year. Farmers have been encouraged to move into dairying by the high returns obtainable, and there has also been a growing tendency for farmers to turn towards the more profitable sales of liquid milk at the expense of direct cream supplies. Once again, high deliveries have put a severe strain on the handling capacity of the Kenya Co-operative Creameries (K.C.C.).

4.37. Both domestic and export sales of liquid milk rose substantially in 1973, with a particular rise in sales to Uganda. The record level of milk deliveries, however, still meant that approximately 50 per cent of the K.C.C.'s wholemilk intake could not be sold as liquid milk, the most profitable product. The balance, therefore, had to be utilized less remuneratively in manufactured milk products. There was a significant increase in the demand for cheese, evaporated milk and dried wholemilk powder, but the demand for butter and ghee remained virtually constant between 1972 and 1973. The drop in sales of dried skimmed milk powder was almost entirely the result of a shortage of packing material. The high level of deliveries and the high price paid to producers for milk (77 cents per litre) on the one hand, and insufficient demand for liquid milk on the other, is continuing to cause severe financing problems for the K.C.C. Talks are currently under way between the K.C.C. and the Government to find a solution to the problem.

4.38. *Beef.*—The following series shows deliveries of cattle and calves to the Kenya Meat Commission (K.M.C.):-

	Head of Cattle
1969	184,700
1970	196,100
1971	209,900
1972	199,100
1973	155,000

Deliveries in 1973 dropped by 22 per cent, with the largest decline in deliveries occurring in Garissa District, where K.M.C. purchased 10,767 fewer head of cattle in 1973 than in 1972. Deliveries at Athi River fell by 17 per cent and at Mombasa by 53 per cent, with both plants recording a decline of around 23,000 in numbers of cattle slaughtered. The Nakuru plant, however, showed an increase of over 15 per cent from 1972. Drought conditions and livestock movement restrictions were the main causes for the low deliveries.

Table 4.16

DAIRY PRODUCTION, 1970-1973

	RECORDED MILK PRODUCTION* 000 litres**	MILK PROCESSED BY THE KCC						
		Wholemilk and cream '000 litres**	Butter and ghee '000 kgs	Cheese '000 kgs	Evaporated milk '000 kgs	Dried whole-milk powder '000 kgs	Dried skim-milk powder '000 kgs	Other products '000 kgs
1970	232,013	103,138	5,493	484	2,678	2,286	2,440	338
1971	220,351	108,374	4,092	495	2,679	2,320	3,228	393
1972	268,437	124,550	5,696	730	4,826	2,927	4,080	235
1973	279,658	148,816	5,543	988	5,129	3,697	3,814	159

*Deliveries or milk and butter fat to the Kenya Co-operative Creameries and other sales licensed by the Kenya Dairy Board.
**Wholemilk equivalent.

4.39. The volume of meat processed in 1973 fell by 16 per cent (Table 4.17), less rapidly than the number of cattle slaughtered. This was because deliveries of high grade cattle remained virtually constant. The overall decline in meat production, however, caused a drop in the percentage of production which was exported. With Western Europe now being opened up as a market for frozen meat, exports would undoubtedly have been higher if the reduced supply of meat had not had to be channelled into satisfying local demand. Farm prices for slaughter stock were increased in July, 1973, by between 4.2 per cent and 8.5 per cent, according to the grade of meat.

PRODUCTION AND DISPOSAL OF BEEF BY THE KENYA MEAT COMMISSION, 1967-73

Table 4.17

	Total Production (metric tons)	Local Sales (metric tons)	EXPORTS		Percentage of Production Exported
			Chilled or Frozen (metric tons)	Canned (metric tons)	
1967	31,449	14,692	3,451	13,306	53.3
1968	29,608	16,082	3,004	10,522	45.7
1969	26,219	14,232	2,011	9,976	45.7
1970	27,993	15,621	2,680	9,692	44.2
1971	26,094	13,611	2,780	9,703	47.8
1972	26,905	12,780	3,992	10,133	52.5
1973	22,694	11,752	3,068	7,874	48.2

4.40. *Sheep and Goats.*—As Table 4.18 shows, deliveries of sheep and goats to the Kenya Meat Commission declined significantly, by 65 per cent, in 1973. This decline in through-put was partly due to poor pasture conditions, changes in ownership of sheep producing farms in the highlands and a decrease in breeding stock, but the K.M.C. also faced increased competition for the available stock from other slaughterers.

DELIVERIES OF SHEEP, LAMBS AND GOATS TO THE KENYA MEAT COMMISSION, 1966-73

Table 4.18 '000 Head

	Sheep	Lambs	Goats
1966	41.8	7.8	13.3
1967	39.2	7.6	19.9
1968	31.3	9.5	12.3
1969	49.0	11.6	38.4
1970	50.4	14.4	47.3
1971	37.8	15.3	46.8
1972	33.2	21.5	46.5
1973	12.4	5.4	17.7

4.41. *Pigs.*—The decline in pig production which started in 1971 continued in 1973, when production fell by a further 13 per ceni. as indicated in Table 4.19. But the pig intake into Uplands Bacon Factory, which slaughters approximately 60 per cent of all pigs processed in Kenya, increased in the latter half of the year.

PIG DELIVERIES, 1966-73

Table 4.19				'000 Head
	Baconers	Porkers	Larders*	Total
1966	35.5	17.9	1.8	55.5
1967	33.2	13.9	1.4	48.5
1968	40.6	10.0	1.3	51.9
1969	41.4	9.8	1.3	52.5
1970	49.5	9.1	1.9	60.5
1971	42.8	6.3	2.0	51.0
1972	33.9	2.2	3.1	39.2
1973	31.0	1.2	1.8	34.1

*From 1972, the grade was changed to Manufactures.

Agricultural Development Services

4.42. *Agricultural Education and Training.*—The institutions offering agricultural training in Kenya range from primary schools to the University of Nairobi. Table 4.20 details enrolments at the more formal of these training institutions. The new intake into the Faculty of Agriculture at the University has remained constant at 40 students per year, but the annual intake of the Faculty of Veterinary Medicine has been increased to 80. A postgraduate degree course in agriculture was initiated in 1973. Plans have also been announced for the introduction in the current year of a degree course in food technology and postgraduate courses in agricultural marketing and agricultural economics. The majority of the 19 veterinary medicine and 40 agriculture students who graduated in April. 1974 have now joined the Ministry of Agriculture.

TOTAL ENROLMENTS AT AGRICULTURAL TRAINING INSTITUTIONS, 1971-1973

Table 4.20			*Numbers*
	1971	1972	1973
Degree Level—			
University of Nairobi, Faculty of Agriculture	81	120	120
Faculty of Veterinary Medicine	210	264	296
Diploma Level—			
Egerton College	590	635	630
Certificate Level—			
Embu Institute of Agriculture	160	160	160
Animal Health and Industry Training Institute	255	255	255
Water Department Training School	82	180	259
Short-term Vocational Courses—			
Narosura Farm Mechanization Training Scheme	120	60	60
Naivasha Dairy Training School	120	120	120

4.43. The total number of students at Egerton College in 1973 remained approximately the same as in 1972, and there were 184 graduates in December. 1973, in nine disciplines; of these 137 were Kenyans, who were absorbed into the Ministry of Agriculture, the Department of Settlement and the Ministry of Education. A new course in food technology was launched at Egerton in May, 1974 with an initial intake of 10 students. Further plans for diversification in the courses offered at the College are currently being considered.

4.44. The expansion and renovation of the Embu Institute of Agriculture was also completed in 1973, but shortage of finance restricted the number of new admissions to below the full complement. The new institute at Bukura has now been completed and the first intake of students is scheduled to be admitted in June, 1974. Two-year courses in animal health, range management and leather manufacture continue to be offered at the Animal Health and Industry Training Institute at Kabete, in addition to the nine month course in leathercraft. Construction work on new Farmers Training Centres at Ol Joro Orok, Kamweti, Bungoma and Baringo, and on the new multi-disciplinary District Development Centre at Embu, was initiated in 1973.

4.45. *Agricultural Research.*—1973 was primarily a year of consolidation. Emphasis was laid on increasing the effectiveness of existing programmes and on the preparation of proposals to extend current projects. Plans are also being considered for the new projects which feature in the Development Plan, 1974-1978.

(a) Maize.—Research on maize agronomy continued during the year. This consisted of the study of the physiology of the maize plant and the related aspects of soil physics.

(b) Pastures.—In co-operation with the British Government, a beginning was made in 1973 on the implementation of the second phase of the pasture research project, which includes the economic analysis of livestock production systems and the appointment of associated research officers in Embu, Katumani, and Mtwapa Research Stations.

(c) *Oil Crops.*—Research work on improved varieties of sunflower was given increased support in January, 1973. The centre for this research is to be moved from Kitale to Thika, since it is felt that the crop can make a substantial contribution to the development of lower rainfall arable areas.

(d) Cotton.—Work on the agronomy and breeding of cotton is being carried out at the research stations at Tabere and Kibos in co-operation with the staff seconded from the Cotton Research Corporation. The research programme for this crop will also include the study of cotton grown under irrigation.

(e) Triticale.—This crop, a cross between wheat and rye, is foreseen to have a future in the cereal production of the country. Great progress in research on triticale has been made in Canada, which is also making sub-

stantial contributions to the research on wheat and barley at the Plant Breeding Station, Njoro. A request has been made to the International Development Research Centre for assistance in research on triticale.

(*f*) *Soil Survey.*—The Soil Survey Unit contributed to the development of the areas of marginal rainfall, by the preparation of soil and land use capability maps for the Kindaruma region. At the same time a report was prepared on the farming systems in the area. The Unit is currently engaged on work in Kapenguria.

(g) *Dry Land Research.*—A draft proposal is currently under discussion for a dry land research project.

(h) Radio-Isotope Laboratory.—Agreement has been reached for the establishment of a laboratory to support fundamental studies in such fields as soils, water and plant nutrition.

4.46. *Farm Mechanization.*—There was a slight rise during 1972/73 in the area worked by the Tractor Hire Service of the Ministry of Agriculture, as shown in Table 4.21. The service operated 53 tractors but activities were limited by the poor mechanical condition of the equipment. Half of the operations were carried out in Narok and 35 per cent in Nyanza Province. Wheat and maize crops accounted for 45 and 40 per cent respectively of the ploughed land, and sugar-cane and oil seeds for the rest.

AREA WORKED BY THE TRACTOR HIRE SERVICE, 1968/69—1972/73

Table 4.21 '000 *Hectares*

	1968/69	1969/70	1970/71	1971/72	1972/73
Area Ploughed	6.9	4.4	4.0	3.1	5.3
Area Harrowed	20.2	12.1	7.1	3.2	3.2
Area Planted	5.3	4.0	2.0	1.5	0.7
TOTAL	32.4	20.5	13.1	7.8	9.2

4.47. The Mechanization Extension Service of the Ministry, which was established in 1972, continued its supporting role in assisting farmers by helping them to resolve their mechanization problems and also by encouraging farm mechanization in small-holder areas.

4.48. *Farm Mapping.*—The Farm Mapping Unit produces topographical and boundary surveys of specific areas. It aims to provide the necessary details for farm plans, settlement demarcations and prospective minor irrigation schemes. The Unit operates with 11 survey teams in nearly all parts of the country. In 1973, the unit surveyed 13,000 hectares, of which 8,400 hectares were related to the settlement programmes and 2,000 hectares to the minor

4.49. *Irrigation.*—During the year 1972/73 some irrigation schemes recorded excellent performances, but there were also some disappointments. The average net income per plot-holder on all irrigation schemes rose to K£159, an increase of 11 per cent on the previous year. The gross return per hectare for all schemes also recorded an increase, of 6 per cent, and rose to K£142. Details of the progress and performance of each scheme are set out in Table 4.22.

PROGRESS OF IRRIGATION AND PRODUCTION AT THE MAJOR IRRIGATION SCHEMES, 1968/69—1972/73

Table 4.22

	1968/69	1969/70	1970/71	1971/72	1972/73
MWEA—					
Hectares cropped	3,443	3,788	4,311	4,660	4,766
Number of plot-holders	1,894	2,072	2,338	2,578	2,562
Paddy yield (metric tons)	17,466	23,025	24,760	27,938	31,220
Gross value of crop (K£)	424,794	559,434	600,420	679,852	760,995
Payments to plot-holders (K£)	258,490	371,923	378,904	436,614	495,086
TANA—					
Hectares cropped	484	536	573	577	709
Number of plot-holders	247	296	354	362	465
Cotton yield (metric tons)	816	1,126	1,278	1,875	2,004
Gross value of crop (K£)	42,589	61,661	69,654	109,814	123,961
Payments to plot-holders (K£)	19,927	38,278	39,328	79,595	74,611
PERKERRA—					
Hectares cropped	255	258	188	299	236
Number of plot-holders	472	463	465	455	418
Onion yield (metric tons)	2,396	2,735	1,600	1,832	994
Gross value of crop (K£)	85,130	73,265	60,815	61,425	77,814
Payments to plot-holders (K£)	43,954	40,308	30,212	17,125	32,317
AHERO—					
Hectares cropped	212	923	1,321	1,246	1,693
Number of plot-holders	131	408	519	515	518
Paddy yield (metric tons)	1,052	2,662	2,221	2,128	2 ,977
Gross value of crop (K£)	25,473	64,573	56,843	69,139	117,595
Payments to plot-holders (K£)	16,003	28,558	4,027	19,545	41,554
BUNYALA—					
Hectares cropped	–	212	212	424	417
Number of plot-holders	–	131	131	131	131
Paddy yield (metric tons)	–	1,067	1,124	1,683	746
Gross value of crop (K£)	–	25,868	27,494	46,129	29,644
Payments to plot-holders (K£)	–	16,881	18,763	25,530	7,416
TOTAL—					
Hectares cropped	4,394	5,716	6,605	7,206	7,821
Number of plot-holders	2,738	3,369	3,807	4,041	4,094
Gross value of produce (K£)	577,986	784,801	815,226	966,402	1,110,009
Payments to Plot-holders (K£)	338,374	495,948	471,234	578,409	650,984

4.50. The Mwea Rice Scheme had a successful year in 1973. The crop yield of rice in this scheme increased by 600 kilograms per hectare over the previous year, to a new record level. The coverage of information in Table 4.22 extends only up to 30th June, 1973, and it therefore does not include a further 454 settlers who were established in this scheme in the latter half of 1973. This represents the largest single intake of new farmers in the settlement's history. The growth of the cotton crop at the Tana Irrigation Scheme suffered from late plantings and pest infestation; but despite these problems the overall performance was generally satisfactory. At Perkerra an expanded acreage under chillies yielded good results. Onion production, however, was very disappointing. While dry conditions undoubtedly affected yields, the major problem was continued neglect of the crop and poor husbandry by the farmers. Results at the Ahero Pilot Scheme, on the other hand, were much more encouraging. Two full crops were harvested in the year and the average net income to farmers increased by 110 per cent over the previous year. The research station was also successful in developing a number of disease resistant rice strains during the course of the year. These will help to prevent a repetition of the catastrophic effects of disease on the Bunyala scheme, which caused total paddy production at the scheme to fall by 56 per cent in 1972/73.

4.51. ,, k,;kkjj*Range Development and Livestock Marketing.*—Despite drought conditions during the latter half of 1973, new ranches continued to be developed under the Livestock Development Project. In the North-Eastern Province, grazing, management and range water development work was centred in Wajir District. Approvals for ranch development loans totalled K£1.24 million under this project. Of the 113 ranches involved, 15 were categorized as group ranches, 10 as company ranches, 45 as individual ranches and 43 as "commercial" ranches. On the marketing side, however, the activities of the Livestock Marketing Division of the Ministry of Agriculture, which is responsible for developing such services as stock routes, boreholes and other facilities on holding grounds, were severely restricted first by disease conditions and later by drought. The Division also participated in an experiment which established the feasibility of rearing zebu cattle from the northern range areas in feedlots after about 10 months of grazing in the high potential areas. This would enable more of these younger cattle to be moved by lorry out of the north than of full grown animals, and would offer considerable advantages during periods of drought. Furthermore, mechanized transport can also be used to move cattle safety across areas under quarantine restrictions.

4.52. *Agricultural Credit.*—Farmers can obtain credit from a total of eight parastatal organizations. The largest of these is the Agricultural Finance Corporation which last year issued over 43 per cent of all agricultural loans, amounting to K£1,917,169. The other organizations are the National Irrigation Board, the Co-operative Bank of Kenya, the Kenya Tea Development

Authority, the Cotton Lint and Seed Marketing Board, the Pyrethrum Board of Kenya, the Horticultural Development Board and the Agricultural Development Authority. Each of these latter organizations issues loans for specific crop enterprises. Table 4.23 shows amounts of loans issued by the above organizations, by type of farmer; their total value increased by 12 per cent in 1972/73. Large farmers accounted for 43 per cent of the total loaned. The table does not include loans issued under the guaranteed minimum return (G.M.R.) system. These loans are mostly issued to finance recurrent operations and last year amounted to K£3.3 million, a drop of 30 per cent from the previous year's figure. This decline is attributed to low demand, especially in areas where unfavourable weather conditions caused farmers to be less optimistic about future returns on their investments.

NEW AGRICULTURAL CREDIT ISSUED BY TYPE OF FARMER, 1970/71 TO 1972/73

Table 4.23 K£

	1970/71	1971/72	1972/73
SHORT TERM LOANS—			
Small Scale Farmers	102,915	178,910	190,049
Large Scale Farmers	–	5,600	21,476
Co-operative Societies	832,384	701,976	723,517
Others	521,079	542,234	584,800
TOTAL	1,456,378	1,428,720	1,519,842
MEDIUM TERM LOANS—			
Small Scale Farmers	193,553	727,822	728,412
Large Scale Farmers	3,604	31,631	31,285
Co-operative Societies	100,060	3,516	156,525
Others	–	882	53,350
TOTAL	297,217	763,851	969,572
LONG TERM LOANS—			
Small Scale Farmers	401,901	46,324	34,750
Large Scale Farmers	64,365	993,347	1,829,317
Co-operative Societies	–	–	60,872
Others		721,188	–
TOTAL	466,266	1,760,859	1,924,939
OTHER LOANS—			
Small Scale Farmers	514,819	*	*
Large Scale Farmers	1,024,819	*	*
Co-operative Societies	116,998	*	*
TOTAL	1,656,141	*	*
TOTAL	3,876,002	3,953,430	4,414,353

*Included above

4.53. *Agricultural Development Corporation*—During 1972/73 the corporation earned a net profit of K£188,372, compared with the previous year's figure of K£20,295. Despite this improvement the corporation is encountering a problem in meeting its heavy interest payments, and a working party was appointed last year to consider and recommend alternative arrangements for its financial structure. One of the main functions of the corporation is the provision of strategic agricultural inputs. One such input is hybrid maize seed, for which the corporation has 3,000 acres under production in 1974. The corporation also supplies farmers with high grade dairy cattle, sheep and pigs and this programme continued to develop successfully in 1973. The most important capital development to be undertaken during the year was the beef feedlot at Kitale. By the end of the year a number of yards had been constructed and it is hoped that in 1974 the target of feeding 6,000 animals a year will be achieved.

4.54. *Co-operative Societies.—The* number of registered co-operative societies is shown in Table 4.24. There was a net increase of 55 in the number of societies in the year, from 1,633 to 1,688. However, only 1,032 of these were active in 1973. The total turnover of the agricultural societies was just under K£27 million and continued to be dominated by coffee, milk and pyrethrum.

NUMBER. OF REGISTERED CO-OPERATIVE SOCIETIES

Table 4.24 ***Numbers***

Province	TO 31ST DECEMBER, 1973			Registrations in 1973
	Registrations	Liquidations	Balance in Register	
Central	524	124	400	11
Rift Valley	451	42	409	29
Nyanza	351	63	288	8
Western	249	99	150	11
Eastern	249	45	204	4
Nairobi	206	90	116	19
Coast	144	32	112	7
North Eastern	3	1	2	1
Country-Wide*	7	—	7	1
TOTAL	2,184	496	1,688	91

*Country-wide organizations are those whose operations and membership is not confined to any one particular province and include the K.C.C., K.F.A., K.P.C.U., the Co-operative Bank, etc.

4.55 An important function of the Co-operative movement is to provide education and advice to its members. The various training courses undertaken in 1973 are shown in Table 4.25. The purpose of these courses is to help improve members' knowledge of the various aspects of management and development of the co-operative movement. The number of members attending members' seminars went up by 73 per cent in 1973, but attendance at committee members courses dropped, although 30 per cent of all committee members participated in these courses. In addition to the courses shown in Table 4.25, the Department of Co-operatives also organized 294 courses for its staff in co-operative administration and coffee factory management.

ATTENDANCE AT COURSES CONDUCTED BY THE CO-ORERATIVE DEPARTMENT, 1973

Table 4.25 ***Numbers***

PROVINCE	Members' Seminars*	TRAINING**	
		Committee members	Movement staff (Field)
Central	23,046	526	442
Coast	13,643	140	36
Eastern	41,940	375	1,127
North Eastern			
Nyanza	7,792	260	154
Rift Valley	7,275	264	392
Western	827	126	119
TOTAL	94,525	1,691	2,270

* members seminars are of one day duration
** Courses last for between 1 day and 1 week.

Land Adjudication and Registration

4.56. During the course of 1973, the total area of land registered, adjudicated or under adjudication reached a total of nearly 6 million hectares. This was an increase of 21 per cent over the previous year and represents 40 per cent of the total registrable land, leaving 9 million hectares where adjudication has not yet started. Adjudication is now virtually complete in Central Province and is also nearing completion in Western Province. Details of the progress of this programme in 1973 are set out in Table 4.26.

4.57. Table 4.27 shows the number and area of holdings added to the land register in 1973. Compared with 1972, the number of holdings registered went up by 149 per cent, though the total area registered declined from 870 thousand hectares in 1972 to 619 thousand hectares in 1973. This was because in 1972 registration was concentrated on large group ranches, while in 1973 there was a high proportion of small sized holdings in Western Kenya.

PROGRAMME OF LAND REGISTRATION AND ADJUDICATION AS AT 31st DECEMBER, 1973*

Table 4.26

	Registered Areas		Area Adjudicated but not Registered		Area in which adjudication is in progress	Total Land Registered, Adjudicated or under Adjudication	
	'000 Holdings	'000 Hectares	'000 Holdings	'000 Hectares	'000 Hectares	'000 Hectares	% of Total Registrable Land
NYANZA—							
Kisumu	11.5	15.1	27.5	41.3	23.5	79.9	45.4
Siaya	46.9	81.5	56.8	43.1	50.6	175.2	69.6
Kisii	130.2	168.7	4.2	7.4	10.3	186.4	95.8
South Nyanza	30.3	123.3	17.8	72.1	25.2	220.6	38.7
TOTAL	218.9	388.6	106.3	163.9	109.6	662.1	55.5
WESTERN—							
Kakamega	150.0	226.7	15.4	25.4	11.6	263.7	98.1
Bungoma	36.8	179.4	3.5	13.4	5.0	197.8	92.0
Busia	30.2	135.2	6.2	12.5	8.7	156.4	96.2
TOTAL	217.0	541.3	25.1	51.3	25.3	617.9	95.6
RIFT VALLEY—							
Kericho	27.4	111.0	9.3	40.0	50.8	201.8	80.1
Nandi	16.0	85.5	5.4	23.1	28.2	136.8	89.8
Elgeyo Marakwet	9.8	60.8	1.2	4.2	41.8	106.8	55.1
Baringo	6.5	61.2	1.2	3.7	38.6	103.5	10.6
Kajiado**	2.3	779.8		153.9	471.3	1,405.0	83.4
Narok**		316.7		44.7	283.9	645.3	40.1
West Pokot					88.3	88.3	18.9
Laikipia+					69.0	69.0	87.3
Samburu					283.7	283.7	16.2
TOTAL	62.0	1415.0	17.1	269.6	1,355.6	3,040.2	42.4
CENTRAL—							
Nyeri	43.9	79.6				79.6	100.0
Murang'a	99.4	153.9				153.9	100.0
Kiambu	39.4	96.4				96.4	100.0
Kirinyaga	28.1	88.8	0.1	1.7	2.7	93.2	97.6
TOTAL	210.8	418.7	0.1	1.7	2.7	423.1	99.5
EASTERN—							
Embu	43.3	60.7	6.5	34.2	100.3	195.2	78.5
Meru	50.6	117.8	1.9	59.8	122.3	299.9	45.2
Machakos	13.8	84.9	11.1	29.3	346.9	461.1	61.0
Kitui				8.7	41.0	49.7	1.9
TOTAL	107.7	263.4	19.5	132.0	610.5	1,005.9	23.9
COAST—							
Taita	8.0	8.3	1.7	1.1	9.2	18.6	9.2
Kwale	5.5	18.5	6.0	55.4	69.1	143.0	26.2
Kilifi	0.4	1.5		26.7	41.2	69.4	9.6
TOTAL	13.9	28.3	10.9	83.2	119.5	231.0	15.7
ALL PROVINCES	830.3	3,055.5	179.0	701.7	2,223.2	5,980.2	39.6

*All former "trust" land.

**In Narok 122 holdings were registered and 3 holdings adjudicated and in Kajiado 33 holdings were adjudicated.

+In Laikipia "trust" land accounts for only 8 % of the area of the district.

NUMBER AND AREA OF HOLDINGS ADDED TO THE LAND REGISTER DURING 1970-1973

Table 4.27

	1970		1971		1972		1973	
	000 Holdings	'000 Hectares	'000 Holdings	'000 Hectares	'000 Holdings	'000 Hectares	' Holdings	'000 Hectares
Kisumu	1.3	2.4	6.7	7.1			7.7	9.9
Siaya	–		1.8	3.8	5.9	12.7	23.5	42.5
Kisii	–	–	6.1	12.7	9.9	20.0	66.4	20.7
South Nyanza	–		2.8	17.0	5.1	26.6	7.8	46.6
Kakamega	—	–	1.2	1.1	1.2	3.4	61.0	82.7
Bungoma	–	–	–	–	9.9	43.1	5.2	36.8
Busia	–	–	1.7	6.1	6.5	31.1	6.5	26.1
Kericho	12.2	51.5	4.3	14.0	7.1	29.8	3.9	15.7
Nandi	2.4	15.5	2.2	9.9	3.6	14.5	1.4	7.5
Elgeyo Marakwet	–		0.5	3.7	0.3	8.5	1.6	11.8
Baringo	–				0.1	0.7	1.4	5.2
Kajiado	–	–	0.5	30.4	0.3	529.9	0.1	178.8
Narok*	–	14.4		101.8		114.9	–	93.4
Kirinyaga*	–	–		0.1	2.2	9.4	–	1.4
Embu	–	–	–	–	23.1	10.0	–	–
Meru*	1.5	3.3	4.5	14.1	3.2	9.1	0.2	–
Machakos			4.2	15.1	0.9	4.1	5.5	22.9
Taita	1.2	0.6			0.8	2.6		–
Kwale							5.7	15.9
Kilifi	–	–	–	–	–	–	0.4	1.5
TOTAL**	18.6	87.7	36.2	237.2	79.1	870.4	197.3	619.4

*In 1973, 3 holdings were added in Narok and 5 holdings by end of March 1974; 11 holdings in Kirinyaga and 184 holdings in Meru comprising 79 hectares were added to the register in March 1974.

**12,700 holdings comprising 43,600 hectares registered by March 1974 are included in 1973 totals.

Land Settlement

4.58. Until July, 1971, there were three types of settlement programme operated by the Department of Settlement. These were the "million acre" settlement programme, the *harambee* programme and the *haraka* programme. In July, 1971 the Department of Settlement initiated the *shirika* programme.

4.59. Both the *harambee* and *haraka* settlement programmes have now been discontinued. A total of 431 families have been settled on an area of 6,259 hectares under the *harambee* programme, while 15,480 families were settled on an area of 57,080 hectares under the *haraka* programme. The "million-acre" settlement programme, which began in 1962, was completed in 1970. The development of this programme is summarized in Table 4.28. Of the 34,173 settled families, 29,744 were occupying individual plots in 119 schemes comprising 418,235 hectares, and 4,429 families were settled on 16 co-operative farms and ranches comprising 76,156 hectares.

4.60. In 1971 the land resettlement programme policy of sub-dividing large-scale farms was discontinued and the new *shirika* scheme inaugurated. Under this programme, entire farms including livestock, loose assets and standing crops are taken over as intact running concerns. These are then run and managed by qualified farm managers supplied by the settlement fund trustees, who operate the farm on a commercial basis on behalf of the *shirika* members. Each member is allocated about one hectare for his home-

THE PROGRESS OF LAND SETTLEMENT ON MILLION-ACRE SCHEME TO 1970

(Cumulative totals as at the end of each year)

Table 4.14

	Hectares Purchased	Total Number of Schemes Planned	Total Number of Schemes Settled	Total Number of Families Settled
1963	235,988	59	49	10,441
1964	342,913	94	77	19,300
1965	425,586	119	98	26,089
1966	471,076	135	109	29,096
1967	479,665	135	118	31,531
1968	484,984	137	130	33,195
1969	490,993	139	134	33,581
1970	494,391	140	135	34,173

THE PROGRESS OF "SHIRIKA" SETTLEMENT SCHEMES TO 1973

Table 4.29

	Hectares Purchased	Total Cost K£'000	Total Number of Schemes Settled	Total Number of Settlers
1971	4,651	240	4	725
1972	24,717	1,328	17	2,507
1973	29,816	1,345	26	3,858
TOTAL	59,184	2,913	47	7,090

stead and subsistence requirements and also works on the rest of the farm for a regular wage. By thus avoiding sub-division of the larger farm units, it is hoped that considerable economies of scale can be gained. The progress of the programme is detailed in Table 4.29. By the end of 1973, 7,090 families had been settled on 47 schemes occupying 59,184 hectares. Further development is planned and by the end of March, 1974 the Department of Settlement had acquired for settlement a further 6,234 hectares at a cost of K£ 199,000.

4.61. Produce sales from settlement schemes operated as co-operatives are shown in Table 4.30. There was only a marginal increase of 0.5 per cent on the 1972 sales figures. Although there was a considerable increase in the sales of beef and wool, this barely compensated for the large drop in the sales of maize, coffee and pyrethrum. It is suspected that this is because settlement farmers on these schemes have been disposing of some of their farm produce directly to alternative buyers, thereby by-passing the coopera- tives to avoid repayment of loans.

SALES FROM SETTLEMENT SCHEMES THROUGH CO-OPERATIVES, 1966-1973

Table 4.30 **K£'000**

ITEMS	1966	1967	1968	1969	1970	1971	1972	1973
Milk	471.7	586.3	645.6	829.7	1,021.7	1,633.9	2,069.9	2,150.8
Butterfat	100.5	101.8	86.4	56.3	37.6	10.2	7.7	4.2
Pyrethrum	611.1	950.8	748.8	455.4	445.9	516.5	806.8	660.1
Beef	45.5	50.6	83.3	105.3	107.4	101.9	99.0	140.9
Wheat and Barley	49.7	56.9	28.1	13.7	17.3	13.4	5.1	6.2
Maize	65.0	132.0	165.9	164.8	155.4	183.9	144.5	21 .7
Coffee	24.7	26.4	20.9	20.6	26.7	27.5	36.6	19 7
Sugar-cane		135.9	223.4	434.9	609.5	511.9	435.6	525.8
Wool	32.7	34.3	42.5	37.9	26.4	12.7	18.0	95.5
Other Products	28.0	29.4	39.3	28.0	20.5	31.1	24.0	40.7
TOTAL	1,428.9	2,104.4	2,120.2	2,146.6	2,468.4	3,043.0	3,647.2	3,665.6

CHAPTER 5—NATURAL RESOURCES

Water Supplies

Kenya's long-term strategy for water development aims at the provision of piped water to every household by the year 2000. Expenditures on water development are undertaken within the framework of this target and a steady increase in expenditure has been apparent for the last few years. This is illustrated in Table 5.1, which shows that the total public sector expenditure on the development of water supplies has increased five-fold between 1969/70 and 1973/74. Several departments of the Kenya Government are involved in water development, although nearly half of total expenditure is incurred by the Water Department. Nairobi City Council accounts for the bulk of the expenditure by local authorities.

CENTRAL GOVERNMENT AND OTHER PUBLIC AUTHORITY DEVELOPMENT EXPENDITURE ON WATER SUPPLIES AND RELATED SERVICES, 1969/70—1973/74

Table 5.1 K£000

	1969/70	1970/71	1971/72	1972/73	1973/74*
Water Department	506	752	1,402	2,375	2,751
Mombasa Pipeline Board	66	6	123	264	320
Ministry of Health	13	33	33	43	63
Ministry of Lands and Settlement	89	53	43	17	95
Ministry of Co-operatives and Social Services	33	23	26	29	33
Local Authorities	294	1,638	1,652	2,086	2,482
TOTAL	1,001	2,505	3,279	4,814	5,744

* Provisional

5.2. *Water Department.*—The Sabaki River Supply Scheme has now gone past the design stage and the construction work is about to start. The project is estimated to cost K£12.5 million and will be the largest single project undertaken by the Water Department. The project is being financed by the World Bank and, when completed, will have an output of 16 million gallons daily. This scheme will considerably improve the current critical water supply situation at the Coast, including Mombasa municipality.

5.3. The details of the expenditures undertaken by the Water Department on different projects are set out in Table 5.2. Total outlays of the Department on water supplies and services rose by 16 per cent in 1973/74, a marked decline from the exceptional 69 per cent growth in 1972/73. Development of rural water supplies accounted for 38 per cent of the total expenditure in 1973/74, though total outlays on rural water supplies in 1973/74 actually fell compared to 1972/73, when they had almost doubled.

5.4. The provincial distribution of water projects being developed by the Water Department is shown in Table 5.3. Rural schemes completed or currently nearing completion rose to 63 and their total cost was K£1.7 million.

DEVELOPMENT EXPENDITURES FOR WATER SUPPLIES AND RELATED SERVICES BY THE WATER DEPARTMENT, 1969/70—1973/74

Table 5.2 K£'000

	1969/70	1970/71	1971/72	1972/73	1973/74*
Urban Water Supplies	81	134	208	180	45
Rural Water Supplies	253	408	654	1,292	1,057
Buildings and Works	24	69	36	30	120
Water Resources Surveys	11	10	11	80	86
Lake Victoria Hydrometeorological Surveys	41	42	46	50	52
Dam and Borehole Subsidies	10	6	8	8	105
Livestock Development Project Range Water	–	–	392	282	450
Master Plan Study for Water Development	86	85	47	316	454
Miscellaneous programmes	–	–	–	137	382
TOTAL	506	752	1,402	2,375	2,751

* Provisional.

Since this figure refers to schemes which are expected to be operational by the middle of the current year, their total cost is different from the estimate shown in Table 5.2. They include 17 new large projects (K£10,000 or more) worth nearly K£800,000, and these accounted for virtually all the increase in total project values since the previous year. This brings the number of gazetted water schemes run and maintained by the Department to 160, a growth of 28 over the previous year; 92 of the schemes are in urban areas.

RURAL WATER SUPPLY PROJECT SCHEMES OPERATIONAL OR EXPECTED TO BE OPERATIONAL BY JUNE, 1974

Table 5.3

	Small Projects (less than K£10,000)		Larger Projects (K£10,000 and over)		All Projects	
	No.	Cost (K£)	No.	Cost (K£)	No.	Cost (K£)
Central	-	-	5	606,000	5	606,000
Coast	3	900	5	193,000	8	202,000
Eastern	5	30,000	7	173,000	12	203,000
N. Eastern	6	25,000	1	12,000	7	37,000
Nyanza	1	8,000	6	284,000	7	292,500
R. Valley	16	72,000	5	173,000	21	245,000
Western	–	–	3	115,000	3	115,000
TOTAL	31	144,000	32	1,556,000	63	1,700,000

5.5. The Water Department is also responsible for the development of water supplies in the range areas, and the large investments that are going into livestock production are being accompanied by a corresponding growth of outlays on water; in 1973/74, these amounted to K£450,000. The Range Water Development Scheme has now been extended beyond North-Eastern Province to Taita, Kajiado, Narok, West Pokot and Samburu districts.

5.6. Local Authorities.—Development expenditures incurred by local authorities on water supply undertakings are set out in Table 5.4. These were incurred almost entirely by municipalities and, in 1973, principally by Nairobi City Council, which finalized the construction of the Chania Water Scheme. This scheme has augmented supplies of water to Nairobi, which had been seriously strained at the peak of the 1973/74 dry season. Nairobi now has sufficient supplies of water for the next few years, but the Council is actively engaged in negotiating financial support for phase II of this project.

Capital Expenditure on Water Supply Undertakings
by Local Authorities, 1969-1974

Table 5.4 K£'000

	1969	1970	1971	1972	1973	1974*
Municipalities	165	380	1,615	1,498	1,965	2,322
County Councils	27	15	23	154	121	160
Total	192	395	1,638	1,652	2,086	2,482

*Provisional.

5.7. *Mombasa Pipeline Board*.—The main function of the Board is to undertake water supply development for the Mombasa Municipality and adjacent coastal areas. It provides supplies to the Water Department, which is directly responsible for the operation and maintenance of the municipality's supply system. The supply shortages which have persisted during the last 2 years are expected to continue until the completion of the Sabaki River Project. The Board has taken measures to improve the existing pipeline from Mzima Springs at an approximate cost of K£1 million. This is expected partly to alleviate the shortages likely to occur until the Sabaki River Project becomes fully operational.

5.8. *Ministry of Health*.—For a number of years the Ministry of Health has received assistance from WHO/UNICEF in undertaking a water supply programme. The objective of this programme is to make the population in rural areas conscious of the benefits of using treated water. The aid scheme ended in 1972 and the Ministry has now assumed full responsibility for the programme; details on its costs are set out in Table 5.5.

5.9. *Ministry of Lands and Settlement*.—As part of the development of the settlement schemes, the Department of Settlement undertakes to provide water supplies to the settled holdings. The supplies are mainly piped and last year the Department spent K£95,000 on their development.

WHO/UNICEF ASSISTED RURAL WATER SUPPLY PROGRAMME IN KENYA, 1966/67-1973/74

Table 5.5

	Number of Schemes	Number of Districts involved	Total Cost K£	Value of UNICEF contribution		Estimate of Number of persons benefitted	Average cost per scheme K£	Average cost per capita KSh.
				K£	% of Total			
1966/67	63	12	63,900	26,000	41	66,000	1,014	19.35
1967/68	34	13	50,000	33,000	67	49,000	1,470	20.42
1968/69	42	20	71,400	40,300	57	80,000	1,700	17.85
1969/70	24	14	32,400	12,900	40	26,300	1,360	24.64
1970/71	46	6	95,460	32,590	34	47,100	2,075	40.54
1971/72	40	8	92,439	33,079	35	50,100	2,310	36.90
1972/73	82	28	122,762	42,762	35	76,300	1,497	32.18
1973/74	93	31	63,384	–	–	81,450	682	15.56

5.10. *Ministry of Co-operatives and Social Services.*—The Department of Social Services is generally responsible for assisting and promoting self-help water schemes. Provisional figures for the total value of completed water supply schemes in 1973 indicate a sharp increase over the previous year. Assistance by the Department, local authorities and other private donors accounted for a significantly greater proportion of the overall expenditure during the year than in the past. Details on expenditure are set out in Table 5.6.

VALUE OF COMMUNITY SELF-HELP WATER SUPPLY AND IMPROVEMENT SCHEMES, 1970-73

Table 5.6

	Unit	1970	1971	1972	1973*
Value of Water Supply Schemes Completed	K£'000	135	233	205	433
Value of Contribution of Beneficiaries:—					
Labour	K£'000	21	27	38	48
Materials	K£'000	13	15	27	17
Cash	K£'000	83	108	98	58
Total value of Beneficiaries' Contribution	K£'000	117	150	163	123
Percentage of Total Cost	%	86.7	64.4	79.5	28.4

* Provisional.

5.11. *Groundwater.*—In areas which lack permanent rivers and streams, groundwater is an important source of supply. The Government has operated a programme for many years chiefly to assist individuals who take the initiative in drilling boreholes, especially in agricultural areas. The Government pays a subsidy for unsuccessful drillings. Table 5.7 details the total number of boreholes drilled and the subsidy paid.

BOREHOLES DRILLED AND SUBSIDY PAID, 1968/69-1972/73

Table **5.7**

	Unit	1968/69	1969/70	1970/71	1971/72	1972/73
Boreholes Drilled	No.	81	98	83	67	84
Successful Boreholes	No.	44	67	64	65	70
Percentage Successful	%	54.3	68.4	77.1	97.0	83.3
Subsidy Paid	K£	4,049	3,875	1,588	1,456	1,800

QUANTITY AND VALUE OF FISH LANDED, 1971-73

	1971		1972		1973*	
	Quantity	Value to Fishermen	Quantity	Value to Fishermen	Quantity	Value to Fisherman
	Met. Tons	K£'000	*Met. Tons*	K£'000	*Met. Tons*	*K£'000*
FRESHWATER FISH—						
Lake Victoria	14,918	767	15,989	841	16,797	906
Lake Rudolf	3,612	51	4,090	51	4,927	72
Lake Baringo	293	9	58	2	89	3
Lake Naivasha commercial	484	29	117	12	62	9
Lake Naivasha sport	–		–	–	–	
Other lakes	200	8	208	10	1,188	70
Rivers	1,622	80	1,624	81	1,835	107
Fish ponds	–	–	–	–	–	–
TOTAL	21,129	944	22,086	998	24,898	1,167
MARINE FISH—						
Lamu	1,236	110	1,219	58	1,126	65
Malindi	928	71	1,547	71	372	43
Kilifi	310	23	172	17	114	13
Mtwapa	–	–	–	–		
Mombasa	11,847	164	2,176	168	1,082	171
Shimoni	335	25	471	39	211	18
Vanga	435	22	419	28	321	27
Other S. Coast Villages	1,369	89	1,299	74	235	18
Sport fishing	102	8	108	7	86	11
All other areas	–	–	–	–	–	–
TOTAL	6,562	512	7,411	463	3,547	366
CRUSTACEANS—						
Lamu	68	17	66	18	69	22
Malindi	6	2	4	1	4	1
Kilifi	14	4	4	1	4	1
Mtwapa	–	–	–	–	–	
Mombasa	119	35	57	23	89	28
Shimoni	5	2	6	2	6	2
Vanga	15	2	20	4	14	3
Other S. Coast Villages	47	8	28	5	24	4
TOTAL	274	71	185	54	210	61
OTHER MARINE PRODUCTS—						
Lamu	24	1	10	–	50	2
Malindi	2	1	2	2	49	8
Kilifi	–	–	–	–	10	2
Mtwapa	–	–	–	–	–	
Mombasa	173	4	110	5	150	6
Shimoni	–	–	4	1	8	1
Vanga			–	–		
Other S. Coast Villages	–	–	–	–	–	–
All other areas	–	–	–	–	–	–
TOTAL	199	7	126	8	267	19
All Fisheries	28,164	1.533	29,808	1,523	28,922	1,612
Estimated retail value K£'000	–	3,873	–	3,885	–	

* Provisional

5.12. *Dam Construction.*—A dam construction unit operates within the Water Department with the purpose of assisting individuals or communal groups to construct surface water conservation works, especially in areas with poor surface water supplies. Construction work was undertaken in Kajiado, Kitui and Machakos in 1972/73, at a cost of K£41,243.

Fisheries

5.13. The size and value of the fish catch is illustrated in Table 5.8. Its total value was 6 per cent higher than in 1972, but there was a 3 per cent decline in the quantity landed, because of smaller marine catches.

5.14. Landings from freshwater fisheries increased by 13 per cent in quantity and 17 per cent in value and accounted for 86 per cent by weight of all landings. This growth was the result of higher production from all sources except Lake Naivasha. The rapid growth of production at Lake Baringo reflects the reorganization of the system of marketing through the fish freezing plant there. While the remarkable expansion in landings from small lakes is partly the result of better statistical coverage, it also suggests that development efforts such as those at Lakes Jipe and Chala are beginning to take effect.

5.15. Production of marine fish dropped by half in 1973. This was largely due to unfavourable weather conditions for the greater part of the year. The catch of crustaceans and other marine products increased by more than half. The figures in Table 5.8 do not include the amount and value of deep sea fish catches, which are landed by foreign boats at Mombasa for processing and cold storage prior to their export. These amounted to 34,500 tons in 1973, valued at approximately K£1 million.

Forestry

5.16. The forest plantation development programme continued to maintain its growth momentum. Total areas planted since 1967 are set out in Table 5.9. The forest plantation area increased by a further 4 per cent in 1973, including 4,700 hectares of newly planted forests, 1,300 hectares more than 1972. Nearly a third of the new plantations were in the Turbo Afforestation Scheme being developed for supply of timber to the paper mill at Webuye. The total area now planted under this scheme amounts to 7,750 hectares. The rural afforestation extension scheme continued to develop and was extended in 1973 to four additional districts—Kajiado, Garissa, Siaya and South Nyanza. The scheme now covers 20 districts.

5.17. The drought conditions of 1973 increased the fire hazard in forests, and about 2,700 hectares were destroyed by fire as a result. About a fifth of this was in plantation areas.

FOREST PLANTATION AREA, 1967-1973

Table 5.9 '000 Hectares

	1967	1968	1969	1970	1971	1972	1973*
Indigenous softwoods	4.6	4.6	4.6	4.6	4.6	4.6	4.9
Indigenous hardwoods	3.9	4.1	4.0	4.3	4.5	4.4	4.6
Exotic Softwoods—							
Cypress	37.3	40.0	43.0	43.8	47.0	47.4	49.9
Pines	42.5	46.6	49.0	51.1	52.2	57.6	58.8
Exotic hardwoods—							
Timber	2.3	2.5	4.0	2.3	2.3	1.6	1.6
Fuel	6.0	7.0	7.0	9.8	9.3	7.7	8.2
TOTAL AFFORE-STATION	96.6	104.8	111.6	115.3	119.9	123.3	128.1

* Provisional.

5.18. Sales of forest products are noted in Table 5.10. The sales of timber rose by 5 per cent in 1973, amounting to a total of 306,000 true cubic metres. Exports of sawn timber made a significant recovery; at 15.500 cubic metres, they were 63 per cent higher than those of the preceding year.

SALES OF FOREST PRODUCTS, 1967-1973

Table 5.10

	1967	1968	1969	1970	1971	1972	1973*
Timber ('000 true cu. metres)—							
Softwood	206	191	257	260	240	243	255
Hardwood	15	17	24	24	33	48	51
TOTAL	221	208	281	284	273	291	306
Fuel ('000 stacked cu. metres)—							
Fuelwood	91	82	89	65	46	37	45
Charcoal	64	106	107	133	125	150	163
Power and Telegraph Poles (numbers)	252	8,342	10,747	14,409	12,501	13,000	12,806

* Provisional.

5.19. After declining to 11,000 metric tons in 1972, exports of charcoal rose sharply in 1973, to 27,524 metric tons. It would seem that the measures introduced to reduce charcoal exports are being widely evaded.

5.20. Forest-based industrial enterprises continued to grow during 1973. Construction of the large paper mill at Webuye proceeded rapidly and the mill is expected to become operational during the current year. Further plywood manufacturing capacity has been installed and work was also initiated on construction of a new fibre board mill at Elburgon (*see* also Chapter 6).

Wildlife

5.21. The value of Kenya's wildlife as a tourist attraction is well known. In 1973, two new national parks were set up: the Marine National Park at Mpunguti and the East Rudolf National Park (although the latter is not primarily a wildlife area). Negotiations between the Kenya National Parks and the World Wildlife Fund also resulted in a further 14,000 hectares being added to the Lake Nakuru National Park, which will make the area a more viable ecological unit, by protecting the natural habitat surrounding the lake, and provide an adequate buffer zone to the lake's fragile aquatic environment. Plans have also been announced to expand the Meru National Park to cover Bisanadi game dispersal area, while part of Amboseli Game Reserve is expected to be gazetted as a national park later this year. In addition to the extension and establishment of new national parks, four new game reserves were also gazetted in 1973. These were the game reserves at Koru, Arawale, Lake Hannington and Shaba. Currently plans are under way to gazette a further four game reserves at Lamu, Kindaruma, Ngong Hills and Mangby in the current year.

5.22. The UNDP and FAO, in close conjunction with the Kenya Government, are currently undertaking a project in Kajiado district to investigate systematically further ways of improving the economic benefits from wildlife resources, as pressures from other potential land uses continue to increase. The main emphasis in the initial stages of the project is to establish a successful cropping programme which will allow a sustained animal off-take to be converted to meat, hides and other by-products. Cropping at present is confined to medium-sized herbivores such as kongoni and wildebeeste because of their ease of capture, handling and slaughter to produce meat for human consumption; its expansion has been hindered by a shortage of cold storage facilities. It is hoped that the entire cropping programme will ultimately be undertaken by private enterprise. Another area under study is the determination of optimum combinations and levels of intensity of wildlife and livestock stocking on range lands. Current plans to develop the livestock industry provide an invaluable opportunity in districts like Kajiado to investigate the problems of joint husbandry, with the aim of maximizing total returns for land owners.

5.23. A substantial amount of educational work was undertaken in 1973 to further public awareness of the value of wildlife. The number of school children and college students who were active members of the Wildlife Clubs of Kenya reached 11,000 in 1973, compared with 7,000 in 1972. The wildlife clubs aim to encourage youth participation in wildlife conservation through seminars, film and slide shows, radio programmes and field visits. Also active in the conservation field is the East African Wildlife Society, whose work falls into four main categories—education, animal rescue, promotion of anti-poaching measures and research. In the financial year 1973/74 the Society has been engaged in projects costing K£20,000. These include research on wildlife in Tsavo, assistance to the anti-poaching programme in Tsavo East National Park and an educational programme on wildlife conservation for the members of the Kenya Army.

5.24. Table 5.11 shows the revenue of the Game Department from its various activities, although this represents only a part of the total accruing to Kenya from game utilization.

GAME DEPARTMENT REVENUE, 1970-1973

TABLE 5.11 K£'000

	1970	1971	1972	1973
Hunting fees	172	262	350	468
Trophy sales/Permits	114	176	400	300
Capture fees	5	10	15	8
TOTAL	291	448	765	776

Mining

5.25. The quantities of important minerals produced are shown in Table 5.12 and the value of their sales in Table 5.13. Items used in the manufacture of cement are excluded from these tables and shown separately in Table 5.14.

THE QUANTITY OF MINERAL OUTPUT, 1969-1973

Table 5.12

	Unit	1969	1970	1971	1972	1973*
Barytes	Ton.	435	447	743	628	903
Carbon Dioxide	"	762	763	1,051	–	1,666
Copper	"	77	79	73	72	–
Diatomite	Ton.	2,303	1,601	1,400	1,812	1,241
Felspar		1,560	895	2,650	1,962	1,461
Fluorspar Ore (Fluorite)		1,861	3,904	6,561	10,457	48,000
Garnet	Kg.	116	–	–	24	17
Gold	gm.	556,847	–	–	34	4,238
Guano	Ton.	360	638	350	747	682
Limestone Products		24,904	24,149	28,127	22,854	32,286
Magnesite	"	503	4	221	628	1,517
Magnetite	"	–	–	–	9,240	12,345
Salt (Crude)		48,167	50,415	54,359	37,362	35,002
Salt (Refined)		32,073	34,300	43,406	22,783	27,688
Sand		–	–	–	12,900	12,511
Sapphire	gm.	2,839	903	–	–	450
Soda Ash	Ton.	101,250	159,870	161,260	164,160	205,800
Soda Crushed Raw		2,485	2,932	1,932	3,710	4,211

*Provisional.

THE VALUE OP SALES OF MINERAL OUTPUT, 1969-1973

Table 5.13 *K£*

	1969	1970	1971	1972	1973*
Barytes	11,408	8,760	10,563	11,894	21,085
Carbon Dioxide	71,635	69,802	97,045		162,500
Copper	40,444	37,685	26,663	20,176	
Diatomite	32,241	30,298	28,000	37,233	27,302
Felspar	24,938	13,200	26,005	11,356	10,250
Fluorspar Ore (Fluorite)	23,837	38,577	38,226	126,959	306,742
Garnets	416	–	–	3,058	41,208
Gold	273,821	–		1,287	4,091
Guano	6,342	11,400	5,899	15,362	14,428
Limestone Products	180,672	171,835	232,486	184,826	227,441
Magnesite	4,622	40	1,768	6,479	12,136
Magnetite	–	–	–	57,450	123,450
Salt (Crude)	39,535	36,299	–	45,690	27,631
Salt (Refined)	358,499	348,298	424,785	224,906	270,433
Sand		–	–	17,178	20,238
Sapphire	5,286	4,310	–		50,399
Soda Ash	98,993	1,733,619	1,889,316	1,745,815	2,087,194
Soda Crushed Raw	26,711	27,046	17,614	34,729	39,159
TOTAL	1,199,400	2,531,169	2,798,370	2,544,398	3,445,687

*Provisional.

QUANTITY AND VALUE OF MINERALS PRODUCED FOR CEMENT MANUFACTURE, 1972 AND 1973

Table 5.14

	1972		1973*	
	Quantity *Metric Tons*	Value *KÃ*	Quantity *Metric Tons*	Value *KÃ*
Gypsum	73,000	177,463		
Kunkur	61, 757	31,095	54,712	27.547
Limestone	1,059,597	238,084	121,368	4,374
Shale	162,000	81,000		
Volcanic Ash	2,633	5,040		
TOTAL	1,358,987	532,682		

*Provisional

5.26. In value terms, the most important mineral produced in Kenya is soda ash, which in 1973 accounted for 60 per cent of the total mineral output. Most of the soda ash produced is exported, and exports went up by 46 per cent in value terms in 1973. But for difficulties in transporting soda ash to Mombasa port, exports would have been higher.

5.27. Another notable feature of the mining industry last year was the growth in the output of fluorspar from Kerio Valley. The production of this mineral, which is used as a fluxing agent in steel refining, reached 48,000 ton s of metallurgical grade during 1973, and exports were valued at K£317,981 New investment of K£ 120,000 was undertaken during 1973 and, as a result, production is expected to increase substantially in the current year.

Table 4.15

QUANTITY AND VALUE OF SODA ASH EXPORTS BY DESTINATION, 1970-1973

	1970		1971		1972		1973	
	Quantity *metric tons*	Value K£	Quantity *metric tons*	Value K£	Quantity *metric tons*	Value K£	Quantity *metric tons*	Value K£
Japan	35,980	275,867	20,800	138,952	16,597	118,235	7,600	60,471
Thailand	20,525	193,233	24,434	239,397	14,968	181,562	37,929	499,408
Turkey	8,112	95,389	4,046	51,422				
Singapore	12,800	152,295	10,311	99,869	11,464	154,672	19,029	263,876
Israel	12,800	152,295	10,025	127,759	12,289	170,761	13,883	205,018
Swaziland	11,208	137,947	16,460	237,138	2,500	35,241		
Iran	8,885	110,873	8,905	109,589	1,351	19,562	6,692	114,020
Other	16,119	157,224	54,925	856,295	85,549	1,254,989	116,748	1,672,771
TOTAL	124,197	1,243,865	149,906	1,860,421	144,718	1,935,022	201,881	2,815,564

5.28. The zinc, lead and silver mining project at Kinangoni near Mombasa now has a dressing plant and the first production of 775 tons of lead and 42,809 grams of silver was recorded in February of this year. Further expansion now being undertaken will result in the production of 2,000 tons of concentrates by the end of the year.

5.29. Steady development in gold mining in western Kenya, where the mineral occurs in small quantities, has continued, and production reached 4,238 grams in 1973. This is expected to rise further with the setting up of a new milling plant. Plans are proceeding to set up a co-operative of small-scale gold prospectors.

5.30. During 1973, considerable progress was made in the projects for producing magnetite at Ikutha in Kitui District and sapphire from Garba Tulla. The production of magnetite increased from 9,240 tons in 1972 to 12,345 tons, representing a growth in output of nearly 35 per cent. Investigations have led to the discovery of deposits of chromide and nickel ores in Sekker, West Pokot. An African-owned company has been given mining rights to exploit these deposits and has already commenced operations. During the last quarter of 1973, great interest was generated in the Mwatate area of the Taita-Taveta District, Coast Province by a new find of glossular (green) garnet. By the end of the year, K£41,000 worth of this precious stone had been exported, mainly to West Germany. It is expected that production will increase further in the current year.

5.31. Two more licences were issued during the year for oil exploration. One firm was given concession rights to undertake exploration of approximately 2,400 square kilometres in the south-west part of Kenya, including an area in the off-shore waters up to the 12-mile limit. The concession for this firm also includes exploration rights for oil and gas in another off-shore area of approximately 3,500 square kilometres. The second licence is for investigation of the sub-surface geological structure off the Kenya Coast. This brings the number of firms engaged in oil prospecting in Kenya to nine. Several exploration groups have been evaluating geological data compiled since 1954. Others have already completed primary groundwork, including aeromagnetic surveys, and are waiting to undertake the next stage of exploration.

CHAPTER 6—MANUFACTURING AND ELECTRICITY

Manufacturing

After a relatively modest expansion in 1972, the growth of real industrial production in 1973 recovered sharply, and, as shown in Table 6.1, the volume of production went up by 9.7 per cent. Thus, overall growth in real terms over the period 1969 to 1973 *(i.e.* during the last Development Plan) was 8.8 per cent per annum, above the planned rate of growth of 8.4 per cent. Several factors contributed to this growth, particularly increased activity in the processing of agricultural commodities. The output of many of these industries rose during the year, following increased crop production *(see* Chapter 4). This was particularly true of coffee milling, fruit and vegetable canning and sugar production.

6.2. There was a rising demand for manufactured goods within the domestic market, and a significant increase in the value of exports of manufactures to the other partner states of the Community, especially Uganda. In addition to these factors, substantial new capacity for certain types of manufactured goods was brought on stream.

6.3. Not all industries shared in the growth. In meat processing, production actually declined by 20 per cent because of a shortage of slaughter stock. The footwear and clothing group, knitting mills and spinning and weaving factories were the other important industries in which production fell in 1973. The reasons for the decline in production are noted below in the sections dealing with these industries.

6.4. Expansion of new industrial capacity also continued during the year. The Industrial and Commercial Development Corporation (ICDC) invested in several new projects, including a starch and animal feeds factory, a cashew-nut processing plant, a vegetable dehydrating plant, sewing thread and ready-made garment factories, a fibre-board factory and pharmaceutical and tanning projects.

6.5. A subsidiary of the ICDC, Kenya Industrial Estates, completed construction of phases I and II of the Nairobi Industrial Estates. All 20 factories in the first phase are now in operation and 18 of the 28 planned in phase II had begun production by the end of 1973. Products manufactured include textiles, footwear, furniture and fixtures, curios, paper, leather and metal products. The capital invested in the Nairobi estate is nearly K£900,000. The first phase of the Nakuru Industrial Estate was also completed at a cost of about K£467,000. Of the 25 factory premises completed, 9 were in production by the end of 1973, turning out ready-made clothes, pencils, surgical bandages, cutlery and other metal products. Work was also initiated on the Kisumu Industrial Estate, which is expected to be completed by the middle of the current year, and plans are being drawn up for two further estates in Mombasa and Eldoret.

QUANTITY INDEX OF MANUFACTURING PRODUCTION, 1966-1973

Table 6.1 1969=100

	1966	1967	1968	1970	1971	1972	1973*	Percentage change 1972 to 1973
Coffee Milling	101.2	125 0	75.0	107.3	135.8	129.7	149.3	+ 15.1
Meat Processing	99.4	107.6	105.2	108.4	100.1	100.6	82.0	-18.5
Dairy Products	99.9	100.5	104.3	105.7	100.6	121.4	135.2	+ 11.4
Canning of Fruit and Vegetables	98.8	92.7	103.4	130.9	141.9	154.4	204.2	+ 32.3
Canning and Preserving of Fish	87.3	86.2	88.8	110.0	90.0	90.0	90.0	0.0
Grain Milling	76.8	84.0	83.8	119.2	116.5	120.1	132.1	+ 10.0
Bakery Products	86.6	91.9	101.1	115.4	160.0	188.5	205.0	+ 8.8
Sugar	31.6	52.5	70.8	108.9	107.7	79.2	129.7	+ 63.8
Confectionery	104.1	86.5	84.7	97.1	98.2	120.0	125.9	- 4.9
Miscellaneous Food	62.4	55.3	66.5	102.3	113.3	146.4	160.5	+ 9.6
TOTAL FOODSTUFF PROCESSING	81.3	87.0	89.0	111.8	118.1	127.7	142.7	+ 11.7
Beverages	75.9	75.5	90.5	120.7	141.2	162.6	198.2	+21.9
Tobacco	100.4	98.8	99.7	114.6	123.3	127.6	143.7	+ 12.6
TOTAL BEVERAGES AND TOBACCO	82.5	81.7	93.0	119.1	136.4	153.3	183.7	+ 19.8
Cotton Ginning	100.8	103.0	86.5	119 5	130.3	125.1	128.1	+ 2.4
Knitting Mills	49.0	38.3	72.5	110.2	127.3	120.5	111.2	-7.7
Cordage, Rope and Twine	95.5	112.2	113.5	48.4	82.3	118.4	147.7	+ 24.7
Spinning and Weaving	63.9	74.7	107.4	128.6	146.5	142.6	142.5	- 0.1
TOTAL TEXTILES	78.2	87.2	102.4	91.8	115.5	127.5	138.4	+ 8.5
Footwear	87.1	79.3	98.8	103.5	128.6	136.1	132.7	-2.5
Clothing and Wearing Apparel	87.3	105.4	99.2	124.4	120.4	121.4	79.4	-34.6
Canvas Goods	81.1	80.6	103.2	133.4	100.9	96.3	100.6	-4.2
TOTAL FOOTWEAR AND CLOTHING	85.9	93.6	100.0	121.3	118.2	119.6	97.0	-18.9
Wood Products	61.0	79.4	74.7	102.5	98.6	105.1	110.5	+ 5.1
Furniture and Fixtures	54.2	66.7	66.7	112.5	133.3	195.9	208.4	+ 6.4
TOTAL WOOD PRODUCTS AND FURNITURE	58.1	74.1	71.4	106.7	113.1	143.1	151.5	+ 5.9
Paper	78.9	85.1	73.5	112.0	125.8	128.2	144.7	+ 12.9
Pnnting	81.2	87.0	101.3	111.6	136.8	113.4	135.3	+ 19.3
TOTAL PAPER AND PRINTING	80.6	86.5	94.7	111.7	134.2	116.9	137.5	+ 17.6
Leather and Leather Products	48.3	64.6	83.9	79.6	102.0	130.4	141.3	+ 8.4
Rubber and Rubber Products	66.9	69.3	91.0	116.5	135.0	161.8	193.0	+ 19.3
Chemicals	71.6	77.9	94.5	101.4	113.0	117.8	125.9	+ 6.9
Petroleum Products	84.9	91.4	89.8	99.9	118.2	116.5	122.3	15.0
Non-Metallic Minerals	75.4	79.9	89.1	122.8	123.5	132.0	130.5	-1.1
Metal Products	77.9	82.4	92.6	111.1	121.9	128.3	165.8	+ 18.4
Non-Electrical Machinery	87.3	94.9	107.6	117.4	119.4	128.3	158.9	+ 23.9
Electrical Machinery	71.7	74.1	91.4	115.0	123.9	124.1	138.6	+ 11.7
Transport Equipment	82.1	89.5	92.2	102.4	112.1	110.9	115.0	+ 3.7
Miscellaneous Manufacturing	66.4	86.5	91.9	126.4	173.4	174.8	199.8	+ 14.3
ALL MANUFACTURING	78.7	84.7	90.8	110.0	121.6	127.8	140.2	9.7

*Provisional

6.6. Other agencies involved in the provision of development finance for manufacturing are the Development Finance Company of Kenya and the Industrial Development Bank (IDB). The former approved 6 new industrial projects during the year and also participated in the expansion of four existing enterprises. These projects include the manufacture of motor accessories, razor blades, bricks and tiles, paper products and tea manufacture. The total amount disbursed during the year was K£845,000, an increase of 23 per cent over disbursements in 1972. The IDB was established at the beginning of 1973 and had already invested in four industrial projects by the end of the year. The Bank's activities are expected to grow in the current year, on the basis of a loan of K£1.8 million from the World Bank, which will be used for financing the foreign exchange cost of equipment and services in industrial projects.

6.7. Other increases in capacity undertaken by the private sector are noted below in the relevant sections of the chapter. Many of these involve public sector participation through loan finance or equity purchases.

6.8. *Food Processing.*—The output of this group of industries increased by 12 per cent in 1973, the highest rate of growth recorded for a number of years. Notable increases took place in the production of sugar, canning of fruit and vegetables, coffee milling and dairy industries. Meat production, on the other hand, declined by 19 per cent, mainly due to the fall in deliveries of cattle *(see* Chapter 4). However, meat production in the current year is expected to be substantially higher following the satisfactory rains and the completion of the expansion of meat processing plants at Athi River and Mombasa.

6.9. Output in dairy processing increased by 11 per cent during 1973, compared with an increase of 21 per cent in 1972. As in the case of meat processing, the lower growth was caused by a fall in deliveries on account of shortage of rain in most parts of the country. But Kenya Co-operative Creameries (KCC) continued to expand their handling capacity during the year in order to ease the problem of handling the increased flow of milk into the Creameries under "normal" conditions. Its K£600,000 plant at Kitale for the manufacture of milk powder is nearing completion. KCC is also planning to build a plant at Nyahururu at an estimated cost of K£670,000 for the production of ultra-heat-treated milk, which can be stored without refrigeration. This has become essential to meet the rising demand for this type of dairy product within the country.

6.10. As already indicated above, production of canned fruits and vegetables increased significantly, by 32 per cent, during 1973. The bulk of this rise is accounted for by a large increase in the intake of pineapples for canning. A further three processing plants are currently being established and these will increase the output of this industry substantially. The largest of these is a K£3.5 million extension to an existing fruit canning plant, which has become essential to meet increased demand and is expected to become operational early in 1975, thereby quadrupling the processing capacity. The second project is a K£1.4 million vegetable dehydrating plant to be built at Naivasha with a processing capacity of about 30,000 tons of fresh vegetables, and the third is a K£ 140,000 factory for processing beans with handling capacity of 14,000 tons a year. The commissioning of this latter plant is expected to take place in the middle of 1974. The output of all three plants is intended essentially for the export market.

6.11. Output of grain mill products increased by 10 per cent in 1973 as a result of increased amounts of cereals milled during the year. These are detailed in Table 6.2 below.

PRODUCTION OF GRAIN MILL PRODUCTS, 1968-1973

Table 6.2

Year	Wheat Flour	Sifted Maizemeal	Rice	Broken Rice
	'000 Metric tons	Metric tons	Metric tons	'000 Metric tons
1968	75.0	57.0	..	..
1969	89.2	80.0	..	..
1970	127.9	80.0	..	..
1971	120.4	102.0	..	..
1972	116.5	102.5	17.3	2.1
1973*	133.8	122.0	19.7	4.1

*Provisional.

6.12. While domestic production of maize increased significantly during the year, that of wheat declined substantially. Requirements of wheat flour for domestic consumption, however, continued to rise and this increase in demand was met by running down existing stocks and importation from abroad. Imports of wheat increased by 19 per cent during 1973, and amounted to 77,100 tons. Rising consumption of wheat in turn has boosted production in the bakery industry, which increased by nearly 9 per cent. A new K£500,000 bakery is to be built in Kakamega, and work is under way on construction of extensions costing K£270,000 to a bakery at Nakuru. These two projects will meet increases in demand in Rift Valley and Western Kenya.

6.13. Biscuit manufacturing capacity is also being expanded in the current year. An existing plant is being extended and a new plant is in the course of being established. Together these projects entail an investment of K£550,000. The expansion of capacity in this industry is being undertaken particularly to meet increased demand for production for the export market. Installation of the new plant will also enable production of a more diversified range of commodities.

6.14. Sugar production increased by 64 per cent in 1973 partly because the new mill at Mumias became operational and partly due to an increase in deliveries of cane to the other factories. These deliveries had been significantly reduced in 1972 by the decline in cane production in that year. The production of the four mills which were in operation by July, 1973 increased by 40 per cent. The series below shows the production of sugar over the past few years.

	'000 Metric Tons
1968	81.4
1969	115.1
1970	125.1
1971	124.3
1972	91.1
1973	149.2

6.15. Local production of sugar, which reached a record level of nearly 150,000 tons in 1973, now meets 69 per cent of domestic demand. As a result of increased domestic production imports of sugar declined by 25 per cent last year, but because of high world prices, still cost the economy K£6.7 million in foreign exchange. The incentive given to farmers through higher prices of cane and the installation of additional processing capacity at the existing mill at Muhoroni is expected to boost production still further during the current year. Work on the Muhoroni extension, initiated last year, is expected to be completed by December, 1974, at a total cost of K£1.3 million, and will increase the crushing capacity of the mill by two-thirds.

6.16. The production of miscellaneous food products, which had increased by nearly 30 per cent in 1972, was held back in 1973, mainly by the shortage of sunflower seeds for extraction of edible oils and fats. A series of plants are currently being established and these, when operational, will increase the output of this group of industries substantially. Work on a new instant tea factory costing K£1 million was initiated last year and the plant is expected to go into production by August, this year. The factory, which is located at Kericho, will produce 364,000 kilograms of tea powder a year, entirely for export. There are also plans to build three new tea factories at Kiambu, Sotik and Kisii at a total cost of K£812,000 to process tea from new small-holder tea plantations. A cashewnut processing plant costing K£1.6 million with capacity to process 15,000 tons of raw nuts annually is being built at the Coast and is expected to be completed by January, 1975. There are also plans to build an extraction plant for edible oil at Nakuru at an estimated cost of K£500.000. When completed, this plant will be able to process annually about 30,000 tons of oil seeds, mainly from sunflowers. Lastly, a new

K£100,000 animal feeds factory with a capacity to produce 5 to 6 tons of animal feeds an hour was built at Thika in 1973 and the construction of another K£100,000 plant to manufacture molasses-based cattle feed is currently in progress.

6.17. *Beverages and Tobacco.*—Production of spirits and mineral waters went up by 21 per cent and that of beer by 22 per cent in 1973. This was made possible by expansion of capacity in 1972. Details of the output of individual items are set out in Table 6.3. The output of spirits, beer and mineral waters has more than doubled between 1968 and 1973. Production capacity of mineral waters and beer is being further expanded in the current year. A new mineral waters manufacturing plant costing K£400,000 is expected to go into production in June this year. The second phase of the brewery expansion initiated 2 years ago is also nearing completion.

PRODUCTION OF BEVERAGES AND TOBACCO, 1966-1973

Table 6.3

	Spirits	Beer	Mineral waters	Cigarettes
	litres	'000 litres	'000 litres	Million
1966	139,120	50,088	19,602	2,168
1967	137,997	48,839	21,075	2,083
1968	164,760	60,001	22,748	2,055
1969	169,965	64,757	27,876	2,114
1970	180,441	79,533	31,429	2,426
1971	200,116	93,538	36,532	2,610
1972	278,496	109,137	38,610	2,709
1973	336,722	133,306	46,555	3,050

6.18. *Textiles.*—Production of this group of industries increased by 9 per cent in 1973, despite a wide variation in the performance of its individual sections. The bulk of the growth was in cordage, rope and twine which increased by nearly 25 per cent. The rising level of demand has prompted further expansion of the manufacturing capacity of one of the plants in this industry. This investment is worth K£150,000 and will also make possible the production of a larger range of products.

6.19. The output of knitting mills declined by 8 per cent in 1973, due to a drop in demand for locally produced items as a result of competition from imported knitwear. This followed the relaxation of import controls in the second quarter of 1973. Nevertheless, production capacity in this industry is being expanded to diversify its range of products. The knitting mill at Eldoret is being expanded at a cost of K£8 million to manufacture polyester and viscose yarn from synthetic material, and a new nylon-polyester manufacturing plant costing K£6 million is being built at Thika.

6.20. Production in the spinning and weaving industry declined slightly in 1973, after an increase of 8 per cent in 1972. Production of fabrics in the last few years is detailed below: —

	'000 sq. metres
1967	6,277
1968	17,685
1969	19,853
1970	22,238
1971	25,184
1972	27,236
1973	26,437

The drop in production in 1973 is the direct result of diversification of products to satisfy the demand for higher quality clothing material. The industry will benefit from the completion of a K£1.3 million sewing thread factory in Nairobi during the current year. Two of the existing mills are also currently undertaking expansion programmes which will augment production capacity substantially. The capacity of the mill at Kisumu is being expanded at a cost of K£1.2 million, and will enable it to manufacture printed fabrics and polyester blended shirt material, while a plant in Nairobi is undertaking an investment of K£800,000 to produce an extra 4 million square metres of printed fabrics from local cotton.

6.21. Construction of a new plant at Nakuru to undertake washing and combing of locally grown wool is expected to be completed during 1974. The plant will have capacity to handle 1,500 tons of raw wool per annum and is expected to cost K£950,000. Plans have also been announced for construction of a PVC-coated fabric manufacturing factory in Nairobi, costing K£100,000, to produce synthetic materials for upholstering and related uses.

6.22. *Footwear and Clothing.*—The output of this group declined by 19 per cent in 1973. Production fell in all sections except canvas goods, which recorded a modest increase of 4 per cent. This slow growth in production was partly caused by a shortage of imported canvas material used in tent manufacture. The decrease of 2 per cent in production of footwear was the result of a fall in domestic demand. Plans have been announced for construction of a new K£460,000 plant to be built at Thika to manufacture men's clothing.

6.23. *Wood Products and Furniture.*—Output of this sector recorded a modest increase of 6 per cent in 1973. This was a contrast to the sharp increase in output in 1972 and was the result of the low level of building activity which reduced the increase in output of furniture and fixtures. Production of certain types of office furniture was also held back by a shortage of steel.

6.24. New developments in this industry include the expansion of one of the major plywood factories situated in Western Kenya. This expansion, costing K£170,000, has been undertaken to meet the rising demand for plywood used in manufacture of tea chests. Installation of new capacity will increase production of the plant from 225,000 square metres to 1.2 million square metres per annum. A new K£300,000 plywood plant also went into production at the beginning of this year. This plant will produce nearly 2.7 million square metres of plywood per annum.

6.25. *Paper and Printing.*—Although the overall output of this group of industries rose by 18 per cent in 1973, there was a wide variation in the performance of its individual components. Most of the growth was in paper manufacturing, which increased by 45 per cent, mainly reflecting a 50 per cent increase in production of packaging paper used in making cartons and containers.

6.26. Output of this industry will be substantially increased when the giant K£17 million paper mill at Webuye goes into production later this year. The project will enable a substantial part of the demand for paper to be satisfied locally at a time when supplies from overseas are being affected by the general world-wide shortage of paper. Nearly K£6 million worth of machinery had been installed on site by the end of 1973. Total investment in the project now amounts to K£10 million.

6.27. *Leather and Leather Products.*—Shortage of inputs slowed down the growth of output in this group of industries in 1973 to a modest 8 per cent. Production in this industry will, however, increase when the construction of a K£510,000 tannery with a capacity to handle 211,000 hides per annum is completed at Athi River later this year.

6.28. *Rubber and Rubber Products.*—Production in this industry increased by 19 per cent in 1973. The increase resulted from a higher level of output in tyre manufacturing and retreading to meet increased demand.

6.29. *Chemicals.*—The production of chemical products in 1973 recorded an increase of 7 per cent. A large proportion of this growth was accounted for by increases of 26 per cent in manufacture of paints and of 15 per cent in the manufacture of basic industrial and other miscellaneous chemicals. The increase in output of paints occurred despite a decline in domestic building activity, and resulted from increased export demand, with the quantity of paints exported rising by 25 per cent between 1972 and 1973. Paint production figures for recent years are set out in Table 6.4. The overall growth of chemical industries was held down by a 15 per cent decline in production of pyrethrum, as a result of a fall in deliveries of pyrethrum flowers (*see* Chapter 4), and by a 17 per cent drop in wattle bark processing.

PRODUCTION OF PAINTS AND DISTEMPERS, 1969-1973

Table 6.14 '000 litres

	Paints	Distempers
1969	2,976	722
1970	3,198	654
1971	3,701	529
1972	4,166	553
1973	4,484	547

6.30. Developments in this industry include the expansion of the wattle bark factory at Konza. The expansion, costing K£425,000, is being undertaken to cope with the increased supply of wattle bark from the area. This expansion will double the output of the plant and also enable it to undertake production of extract powder for export. A K£300,000 expansion to a match factory will increase production capacity of the plant by 80 per cent, and help relieve the current shortage of matches in the country. A new plant costing K£ 160,000 has come into operation for production of veterinary and medical drugs, and plans have been announced for construction of two similar plants entailing investments of K£775,000 and K£200,000 respectively.

6.31. *Petroleum.*—Annual throughput of crude oil in the refinery at Mombasa has increased by 95 per cent since the refinery came into operation in 1963 as a result of improvements in plant utilization. Construction work initiated in 1972 to expand the capacity of the refinery is expected to be finished in the middle of the current year. This has involved an investment of K£12 million and when fully operational will increase the annual handling capacity of the plant from 2.7 million tons of crude oil to 4.2 million tons. The new capacity is unlikely to be utilized in the current year, but this was expected, as capacity was constructed to cover the market requirements to be met by the refinery through to the end of this decade. Throughput figures on crude oil handled by the refinery since 1968 are detailed below:—

	Million Litres
1968	2,255
1969	2,510
1970	2,508
1971	2,966
1972	2,925
1973	3,069

The value of exports of petroleum is shown in Table 6.5. Petroleum exports in 1973 went up marginally, by 5 per cent, largely due to higher prices.

EXPORT OF PETROLEUM PRODUCTS, 1968-1973

Table 6.5 K£'000

	1968	1969	1970	1971	1972	1973
To Tanzania	1,411	1,398	1,260	1,404	1,546	1,759
To Uganda	2,999	3,492	4,340	4,786	4,859	4,880
To Other Countries	6,111	7,623	8,176	8,869	8,942	9,488
TOTAL EXPORTS	10,521	12,513	13,776	15,059	15,347	16,127

6.32. *Non-Metallic Minerals.*—Cement manufacturing is the main component of this group of industries, which also includes the manufacture of clay products and glass. The output of cement, detailed in Table 6.6. fell slightly in 1973 as a result of the low level of building activity in the country. There was no overall increase in exports either, because of a significant decline in exports of cement to Uganda and Tanzania. Clay industries recorded a high rate of growth in 1973, following the increased demand from the building industry for locally made materials as a result of restrictions on imports. Expansion of capacity costing K£150,000 is currently being planned by one of the brick and tile plants in Nairobi.

CEMENT PRODUCTION AND UTILIZATION, 1965-1973

Table 6.6 '000 metric tons

YEAR	PRODUCTION	IMPORTS		EXPORTS		CONSUMPTION AND STOCKS
		From Uganda and Tanzania	From Overseas	To Uganda and Tanzania	To Overseas	
1965 ..	483.8		0.3	186.2	199.4	97.7
1966 ..	470.3	0.1	0.8	154.9	169.6	146.3
1967 ..	493.6	0.2	0.8	87.3	221.2	185.5
1968 ..	543.2	0.1	1.2	123.8	239.0	181.5
1969 ..	642.4	0.2	1.2	110.8	309.0	223.6
1970 ..	792.1	—	1.0	170.2	343.1	279.7
1971 ..	794.0	–	42.1	149.2	331.7	355.2
1972 ..	799.9	1.8	64.0	97.0	372.2	396.0
1973 ..	792.2	0.2	16.8	16.2	432.7	360.3

6.33. *Metal Products.*—Output of metal products rose by 18 per cent in 1973 as a result of increased domestic demand, and is expected to increase still further as demand continues to grow in the current year. As a result, capacity is being expanded in this group. The tin can manufacturing enterprise at Thika is planning to expand its plant at a cost of K£600,000. Another factory at Mombasa is undertaking investment of K£300,000 to manufacture resin-coated steel sheets to meet the demand for a locally-produced advanced type of roofing material. Work is also under way on a K£250,000 galvanizing factory at Ruiru near Nairobi.

6.34. *Electrical Machinery.*—This sector has experienced a fairly moderate and steady rate of growth in the last few years. Output in 1973 increased by nearly 12 per cent as a result of new capacity installed in 1972. Plans have been announced to establish three new plants to meet increasing local demand, in anticipation of import restrictions. Two plants, involving investments of K£350,000 and K£400,000 respectively, to assemble radios and other electronic equipment, are expected to go into operation later this year. Construction is also under way on a K£100,000 plant to assemble refrigerators and gas cookers.

6.35. *Transport Equipment.*—Plans have been announced for construction of a commercial vehicle assembly plant. The plant will cost K£2 million and have a capacity of 3,650 vehicles per year.

Electricity

6.36. The rate of growth in total sales of electricity was lower in 1973 than in 1972 as a result of a slight decline in the number of new consumers. Sales for industrial consumption, however, increased significantly, by 13 per cent. Industrial consumption accounts for over 33 per cent of total sales. The rise in sales of electricity for street-lighting increased by 11 per cent following the installation of lighting in new areas. Details of sales of electricity by type of consumer are set out in Table 6.7.

SALES OF ELECTRICITY BY TYPE OF USER, 1969-1973

Table 6.1 '000kWh

	1969	1970	1971	1972	1973
Domestic and staff quarters	101,718	107,345	114,405	122,991	129,141
Off peak water heating and pumping	87,126	96,237	105,497	117,941	121,282
Industrial	145,956	173,331	223,507	252,846	285,912
Commercial	151,094	170,753	186,158	204,222	223,938
Lighting and power (small consumers)	7,666	8,516	9,516	9,948	10,842
Street Lighting	8,586	8,671	9,232	9,389	10,447
Special Contracts	73,714	80,907	66,903	77,506	78,159
TOTAL SALES	575,860	645,759	715,218	794,843	859,721

6.37. Figures detailing local generation and imports of electricity are shown in Table 6.8. The rate of increase in domestically generated electricity declined from 19 per cent in 1972 to 9 per cent in 1973. This was caused by the drop in the second half of 1973 in the volume of water in the Tana River, the country's principal source of locally generated hydro-electric power. The resulting shortfall was made up by a 7 per cent increase in imports from Uganda.

GENERATION, IMPORTS AND CONSUMPTION OF ELECTRICITY, 1969-1973

Table 6.8 '000 *kWh*

	1969	1970	1971	1972	1973
Domestically Generated	459,432	513,391	557,262	664,171	723,271
Imported	218,147	247,220	293,356	283,168	302,379
TOTAL AVAILABLE	677,489	760,611	850,618	947,339	1,025,650
Internal Usage and Transmission and Distribution losses	101,629	114,852	135,400	152,496	165,929
TOTAL SALES	575,860	645,759	715,218	794,843	859,721

6.38. The expansion in the infrastructure of the industry continued in 1973. Capital expenditure on extensions to power stations and distribution networks in 1973 was K£1.8 million, an increase of 42 per cent over 1972. As a result, the distribution network expanded by 460 kilometres, an increase of 16 per cent over 1972. Supplies were made available for the first time in Webuye, where connection of consumer premises commenced in August. Work is currently under way on the extension of the line to Bungoma township. Plans for extensions to Butere, Yala, Voi and Wundanyi have also reached an advanced stage. During 1973, Meru township was connected to the main grid. At the year end, reinforcement work was in progress on Western and Rift Valley sub-stations at Musaga, Lessos and Lanet. The sub-station at Musaga is expected to be commissioned later in 1974. This will improve the supply system conditions in the western parts of the country and also provide additional capacity. Work on the extension of supply lines from Sotik to Kisii, which will connect Homa Bay to the main grid system, is currently under way. Electrical power was extended to the Kinangoni mining project at the Coast in 1973. The installation of a K£5 million, 33 megawatt steam turbine generator and boiler is currently in progress and will ultimately increase the total generating capacity of the Kipevu power station in Mombasa to 107 megawatts. Commissioning of a new gas turbine generator in Nairobi in April, 1974 has already increased the generating capacity of the system by 13.5 megawatts.

6.39. The construction work on the Kamburu Hydro-Electric project, which is being undertaken by the Tana River Development Company, has continued to make good progress. The first two sets of turbines are expected to be commissioned in June and July, 1974, and will have a total generating capacity of 50 megawatts. By the end of 1973, a total of K£11.7 million had been spent on the project, of which K£4.4 million was the cost of civil engineering works. Work on the erection of transmission lines between the site and Nairobi, a distance of 104 kilometres, is currently under way. Secondary civil engineering works have also been going on at Kindaruma since completion of the main construction work in 1967. A total of K£5 million had been spent on this work by the end of 1973.

6.40. The Geothermal Exploration Project in the Lake Naivasha area of Rift Valley is continuing and has now taken on added significance in view of the international oil supply situation. On the basis of information gathered since the project's inception in 1970, current efforts are being concentrated on drilling deep exploration holes in the Ogaria/Olkaria area. Feasibility studies will then be carried out to determine the power production potential at this site.

CHAPTER 7—BUILDING AND CONSTRUCTION

In 1973 building and construction accounted for 52 per cent of total capital formation in Kenya. The discussion in this chapter is particularly centred on completions and plan approvals for buildings (with separate details on the development of housing in the country), and on road construction activity; details of other works such as hydro-electric dams, irrigation schemes, water supplies, airports and factories are given as appropriate in other chapters. The total value of building completions in 1973 was lower than in 1972 (for reasons mentioned below) although Kenyatta Conference Centre, a major completion in 1973, is included in the figures. However, the growth in building activity was satisfactory, though not as buoyant as in 1972, and a substantial amount of project work was in progress. The value of completions in 1974 is expected to reflect this and will take into account the completion of the paper mill at Webuye and the extension to the oil refinery in Mombasa —two substantial projects due to become operational in 1974.

Building

7.2. Reported Private Completions.—The total cost of reported private new buildings completed, as well as extensions and alterations to existing buildings, is set out in Table 7.1. The provisional figures (especially for Nairobi) are low because completion of many building projects was held back by a shortage of essential imported building items such as steel, roofing material and sanitary fixtures. Shortages of cement also occurred in some areas, caused by internal marketing difficulties.

The Value of All Private Building Work Completed in Main Towns, 1967-1973

Table 7.1 K£million

	Nairobi	Mombasa	Nakuru	Kisumu	Kitale	Eldoret	Thika	Others	Total
1967	3.28	0.59	0.06	0.02	0.03	0.03	0.14	..	4.15
1968	3.75	1.30	0.03	0.16	0.33	..	0.11	..	5.68
1969	6.05	1.01	0.12	0.08	..	..	0.03	..	7.29
1970	8.40	1.24	0.16	0.06	0.04	..	0.01	..	9.91
1971	11.29	1.22	0.08	0.14	0.05	0.02	0.01	..	12.81
1972	9.59	2.72	0.16	0.18	..		0.06	0.06	12.77
1973*	3.94	1.68	0.12	0.02	..	0.03	..	0.02	5.81

*Provisional.

7.3. Completion of non-residential buildings was particularly adversely affected by these shortages. The value of reported non-residential buildings completed in Nairobi during the year amounted to nearly K£600,000; comparable figures for 1971 and 1972 were K£5.7 million and K£3.5 million respectively. However, the value of reported completions for Nairobi in 1971 was exceptionally high, because it included two large office blocks valued at K£2.6 million and a K£750,000 hotel extension.

7.4. Although Mombasa and Nakuru have experienced a rising level of building activity in recent years, the value of completions in these towns also declined in 1973. Non-residential buildings completed in 1973 accounted for 55 per cent of the value of all private building work in Mombasa. This reflects completion of a few large hotels. New hotels accounted for nearly 75 per cent of the value of non-residential buildings completed in 1972, and 60 per cent in 1973.

7.5. Table 7.2 details the number and value of reported new private buildings completed in main towns. The aggregates in this table are lower than those in Table 7.1, since Table 7.1 includes costs of work on alterations and extensions as well. As Table 7.2 indicates, there was a drop in 1973 in the total number and value of completions, because of the shortages of essential materials mentioned above. The final figures for 1973 will be slightly higher than those indicated in Table 7.2, because some returns are still outstanding.

REPORTED COMPLETION OF NEW PRIVATE BUILDINGS IN MAIN TOWNS, 1967-1973

Table 7.2

	NUMBER			ESTIMATED COST K£ million		
	Residential	Non-Residential	Total	Residential	Non-Residential	Total
1967	245	107	352	1.44	1.63	3.07
1968	314	166	480	1.84	2.69	4.53
1969	329	151	479	2.65	3.63	6.28
1970	466	129	595	3.85	4.97	8.82
1971	535	165	700	5.39	6.24	11.63
1972*	569	145	714	6.56	4.99	11.55
1973*	338	64	405	3.57	1.37	4.94

*Provisional.

7.6. *Reported Public Completions.*—The amount and value of reported public building work completed is set out in Table 7.3. This table includes all building work carried out by the Central Government, local authorities, the East African Community and parastatal organizations. The series shows a rising trend in value terms continuing into 1973, though the rise in 1973 was lower than in 1972.

REPORTED COMPLETIONS OF NEW PUBLIC BUILDINGS, 1969-1973

Table 7.3

	NEW						EXTENSIONS			
	NUMBER			COST K*£'000*				COST K*£'000*		Grand Total
	Res	Non-Res.	Total	Res.	Non-Res. ..	Total	Res.	Non-Res.	Total	K£'000
1969	423	129	552	1,330.9	1,073.9	2,404.7	34.9	49.1	84.0	2,488.7
1970	446	131	577	2,122.8	2,103.7	4,226.5	0.1	28.6	29.5	4,256.0
1971	521	108	629	2,115.1	1,179.5	3,294.6	4.1	549.3	553.4	3,848.0
1972	928	217	1,145	2,657.8	1,964.2	4,621.9	16.4	158.2	174.6	4,796.5
1973*	273	51	324	1,076.4	4,108.6	5,185.0	1.5	24.4	25.9	5,210.9

*Provisional.

7.7. Although the number of public non-residential buildings completed dropped from 217 in 1972 to 51 in 1973, their value more than doubled because of the completion of the Kenyatta Conference Centre, which is estimated to have cost K£3.8 million.

7.8. *Plans Approved.*—A total of 3,215 plans were approved by the Nairobi City Council in 1973, as shown in Table 7.4. The value of all plans approved during the year was K£19.5 million, representing an increase of more than 17 per cent over 1972. This increase is mainly accounted for by the rise in the number of private residential building plans approved, which went up by nearly 130 per cent over the same period. However, there was also a significant increase in the total number of plans presented by the public sector. A total of 247 plans were approved, compared with 180 in the previous year.

7.9. The bulk of residential building plans were for housing estates and were approved in the first quarter of 1973, when the total number of approvals for private dwellings reached 1,283 units. These included 927 units for Buru-buru Estate valued at K£1.1 million and financed by the Commonwealth Development Corporation. Plans for 216 dwelling units submitted by the public sector were also approved in 1973. The bulk of these (173 units) constituted the second phase development at Ngei Estate, costing K£760,000 and financed by the National Housing Corporation. Nearly 90 per cent of all public sector building plans approved were for residential units.

7.10. The number of private non-residential building plans fell from 566 in 1972 to 441 in 1973. In value terms, these declined from K£6.1 million to K£5.4 million, a decrease of 12 per cent. Plans approved for public non-residential buildings dropped from 65 in 1972 to 31 in 1973, but their value fell by only 22 per cent.

7.11. During the first quarter of 1974 a total of 645 plans were approved by Nairobi City Council. The estimated cost of these plans is K£6 million. They include 128 private residential units, estimated to cost K£661,000, and 158 public residential units valued at K£658,000. The latter constitutes the housing development at Kibera by the National Housing Corporation.

7.12. Details of approvals by municipalities other than Nairobi are set out in Table 7.5. A total of 713 plans were approved in 1973 in these municipalities, an increase of 7 per cent over 1972. Contrary to the trend in Nairobi, over 60 and 90 per cent respectively of the value of private and public plans were accounted for by non-residential buildings. Their value in 1973 was K£7.9 million, compared with K£6.1 million in 1972. This growth of 30 per cent in the value of approvals during 1973 should ensure a buoyant level of building activity in these municipalities, on the basis of the work already in the pipeline.

PRIVATE AND PUBLIC BUILDING PLANS APPROVED BY THE NAIROBI CITY COUNCIL, 1968-1974

Table 7.4

	NUMBER OF PLANS						ESTIMATED COST K£'000)						
	PRIVATE			PUBLIC			PRIVATE			PUBLIC			All Build-ings
	Resi-dential	Non-Resi-dential	Total	Resi-dential	Non-Resi-dential	Total	Resi-dential	Non-Resi-dential	Total	Resi-dential	Non-Resi-dential	Total	
1968 ..	887	590	1,477	11	74	85	4,430	3,550	7,980	985	519	1,504	9,484
1969 ..	985	544	1,529	9	95	104	4,019	6,881	10,900	655	1,944	2,598	13,498
1970 ..	1,178	551	1,729	43	43	86	8,284	6,240	14,523	2,368	1,815	4,183	18,705
1971 ..	1,132	572	1,714	329	33	362	7,046	5,594	12,640	1,093	921	2,014	14,654
1972 ..	1,101	566	1,667	115	65	180	6,464	6,104	12,568	406	3,639	4,045	16,614
1973.. ..	2,527	441	2,968	216	31	247	9,361	5,361	14,737	1,947	2,815	4,761	19,498
1970—													
1st Qr. ..	303	144	447	4	9	13	1,513	1,791	3,303	565	15	581	3,884
2nd Qr. ..	292	120	412	27	14	41	1,885	886	2,771	87	191	278	3,049
3rd Qr. ..	342	193	535	4	9	13	2,821	3,090	5,911	139	184	1,582	7,493
4th Qr. ..	241	94	335	8	11	19	2,065	473	2,538	318	1,424	1,742	4,280
1971—													
1st Qr. ..	240	141	381	1	8	9	1,345	775	2,120	6	292	298	2,416
2nd Qr. ..	264	118	382	324	8	332	2,042	1,199	3,241	1,011	375	1,385	4,626
3rd Qr. ..	343	179	522	4	13	17	2,101	1,852	3,953	76	246	322	4,275
4th Qr. ..	285	134	419	–	4	4	1,557	1,769	3,326	–	8	8	3,334
1972—													
1st Qr. ..	245	130	375	11	16	27	1,730	1,468	3,179	46	1,468	1,514	4,711
2nd Qr. ..	305	172	477	66	14	80	1,523	1,348	2,871	121	179	300	3,171
3rd Qr. ..	265	124	389	2	15	17	1,981	1,966	3,947	24	955	979	4,929
4th Qr. ..	286	140	426	36	20	56	1,230	1,323	2,553	215	1,038	1,252	3,805
1973—													
1st Qr. ..	1,283	82	1,365	179	7	186	3,604	596	4,200	791	173	963	5,163
2nd Qr. ..	507	139	646	2	11	13	2,173	2,732	4,905	6	544	550	5,455
3rd Qr. ..	437	110	547	23	9	32	2,009	849	2,858	296	2,072	2,368	5,226
4th Qr. ..	300	110	410	12	4	16	1,590	1,184	2,774	854	26	880	3,654
1974—													
1st Qr.	404	73	477	160	8	168	3,003	1,587	4,590	661	793	1,454	6,044

PRIVATE AND PUBLIC BUILDING PLANS APPROVED BY OTHER MUNICIPALITIES 1971-1973

	NUMBER)F PLANS						ESTIMATED COST (K£ooo)						
	PRIVATE			PUBLIC			PRIVATE			PUBLIC			All Buildings
	Residential	Non-Residential	Total	Residential	Non-Residential	Total	Residential	Non-Residential	Total	Residential	Non-Residential	Total	
1971	352	226	578	3	5	8	2,196,624	1,627,078	3,823,702	1,198,002	7,430	127,230	3,950,932
1972	406	246	652	6	10	16	2,274,164	3,552,394	5,826,558	142,900	96,900	239,800	6,066,358
1973	442	250	692	7	14	21	2,334,509	3,376,025	5,710,534	195,627	2,005,284	2,200,911	7,911,445
1971—													
1st Qr.	83	48	131	2	2	4	351,109	264,339	615,448	45,800	750	46,550	661,998
2nd Qr	79	49	128	1	1	2	431,875	435,139	867,014	74,000	1,180	75,180	942,194
3rd Qr.	101	89	190	–	2	2	955,521	719,065	1,674,586	–	5,500	5,500	1,680,086
4th Qr.	89	40	129	–	–	–	458,119	208,535	666,654	–	–	–	666,654
1972—													
1st Qr	76	50	126	1		1	370,011	396,688	766,699	–	–	–	766,699
2nd Qr	123	72	195	1	4	5	676,209	1,298,168	1,974,377	–	4,950	4,950	1,979,327
3rd Qr	121	68	189	3	3	6	688,991	923,788	1,612,779	142,750	88,700	231,450	18,844,229
4th Qr	86	56	142	1	8	4	538,953	933,750	1,472,703	150	3,250	3,400	1,476,103
1973—													
1st Qr.	136	67	203	1	4	5	711,985	388,359	1,000,344	500	1,857,500	1,857,500	2,957,844
2nd Qr.	114	70	184	1	2	3	727,532	947,424	1,674,956	777	35,150	35,150	1,710,883
3rd Qr	104	67	171	3	6	9	5,000,231	1,830,395	2,330,418	190,150	86,042	276,192	2,606,610
4th Qr	88	46	134	2	2	4	394,969	209,847	604,816	4,200	27,092	31,292	630,108

7.13. The cost of construction inputs has been rising steadily over the past few years. The increase was, however, more pronounced in 1973 for several reasons, particularly the shortage of some essential building materials, such as steel, and the general worldwide inflation, which affected the prices of imported building materials. Further, the rise in the price of oil increased the cost of transporting these materials within the country. An indication of the impact of these factors on the prices of building materials is illustrated in Table 7.6, which shows an index based on prices paid by the Ministry of Works for the listed items. These are contract prices and the prices paid by individual contractors might be even higher.

7.14. The prices of all inputs apart from ballast and timber showed a sharp rise in 1973. The steepest was for mild steel rods, which went up by 167 per cent. Shortages of skilled labour and the need to pay higher wages in the face of the general rise in prices caused the cost of skilled labour to rise by 37 per cent in 1973. The indications are that the prices of most materials will rise further during 1974.

COST OF BUILDING MATERIALS AND LABOUR, 1966, 1970-1973

Table 7.6 1968 = 100

	1966	1970	1971	1972	1973
Ballast	53.6	94.0	104.0	95.0	95.0
Stone (230 x 230 mm.)	63.0	74.0	85.0	85.1	139.0
Sand	63.9	111.0	1160	127.3	139.0
Cement	98.8	100.0	100.0	100.0	120.0
Mild Steel Rod (12 mm.)	. .	101.5	134.0	95.3	254.0
Timber	74.6	107.1	1140	114.1	114.0
Skilled labour	69.4	111.1	111.0	111.2	152.0
Semi-skilled labour	93.1	128.0	111.0	111.3	128.0
Unskilled labour	83.0	110.4	111.0	110.0	128.0

Housing

7.15. The demand for housing in the urban areas is more pronounced than in the rural areas, where much of the housing built is in the form of traditional dwellings constructed out of local materials. The high rate of urban growth resulting from migration from the rural areas is the major factor contributing to the pressure on urban housing. Given the inevitably limited resources which can be devoted to the provision of decent housing, the Government's main efforts are towards urban housing.

7.16. The principal feature of the housing industry in 1973 in urban areas was the significant decline in the number of new units completed. This was apparent in both public and private house-building. Shortages of supplies delayed work and postponed completions. This also partly explains the apparent disparity between the increasing level of Government expenditure on housing and the decline in the number of units completed in 1973. In addition, a substantial amount of this expenditure was earmarked for housing schemes approved in the first quarter of 1973, as noted above. Construction work on these got under way only towards the end of 1973.

7.17. The National Housing Corporation is the Government's agency for public housing projects. It makes funds and technical assistance available to local authorities and, where necessary, undertakes its own housing projects. Details of the housing units completed under the Corporation's auspices in each province are set out in Tables 7.7 and 7.8. Completions dropped significantly in 1973, for the general reasons mentioned above and because construction in Nairobi is receiving less emphasis. Approximately 80 per cent of the units completed cost more than K£2,000 each, suggesting that the emphasis was on housing for higher income earners. Site and service schemes, important in 1972, almost disappeared in 1973.

NATIONAL HOUSING CORPORATION—VALUE OF HOUSES COMPLETED, 1970-1973

Table 7.7 K£000

PROVINCE	1970	1971	1972	1973
Central	337		6	37
Coast	179	198	1,119	486
Eastern	60	–	16	44
Nairobi	1,617	1,526	3,042	899
North Eastern	–	14	29	13
Nyanza	30	17	44	77
Rift Valley	147	117	169	89
Western	72	30	–	500
TOTAL	2,442	1,902	4,425	2,145

NATIONAL HOUSING CORPORATION PROJECTS BY PROVINCE, 1970-1973

Table 7.8 *Numbers*

	Units Completed				Site and Service Plots Completed			
	1970	1971	1972	1973	1970	1971	1972	1973
Central	220		6	34	161		1,078	
Coast	174	208	589	257		100	150	–
Eastern	50		16	34	–	–	–	–
Nairobi	1,341	1,290	1,505	302	–	1,260	741	–
North Eastern	–	8	26	6		–	–	
Nyanza	4	20	42	70	–	105	35	
Western	85	34	–	238	–	–	–	–
Rift Valley	192	177	313	153	8	–	96	96
TOTAL	1,880	1,737	2,497	1,092	169	1,465	2,100	96

7.18. The Ministry of Works is responsible for the construction of housing for civil servants. The number and value of units completed by the Ministry of Works is shown in Table 7.9. The housing provided for civil servants is categorized as "institutional" and "pool" accommodation—the former being built for the needs of specific Ministries, while the latter are intended for general civil service use. The average cost per unit of institutional housing is significantly less than the average cost per unit for pool housing.

Table 7.9

MINISTRY OF WORKS HOUSING CONSTRUCTION, 1963/64-1972/73

	INSTITIJTIONAL HOUSING*			POOR HOUSING **		
	Units Built	Cost K£'000	Cost per Unit K£	Units Built	Cost K£'000	Cost per Unit K£
1963/64	134	57.6	430	108	68.2	631
1964/65	133	58.9	443	22	10.9	497
1965/66	264	204.6	775	63	54.9	871
1966/67	152	177.6	1,169	25	44.8	1,791
1967/68	394	379.3	963	108	140.0	1,296
1968/69	515	539.8	1,048	63	134.0	2,127
1969/70	482	515.0	1,068	19	45.7	2,407
1970/71	885	1,198.8	1,355	77	172.2	2,237
1971/72	1,147	1,809.7	1,578	119	249.8	2,099
1972/73	530	807.5	1,524	97	231.3	2,385

Source: Ministry of Works.
*For specific ministries.
**For general civil service use.

7.19. The private sector completed approximately 635 units of dwellings in urban areas in 1973, valued at K£3.6 million. These were mainly high-cost housing valued at over K£5,000 per unit. Table 7.10 presents a more detailed analysis of reported private new residential buildings in Nairobi since 1970. The analysis shows the number of dwelling units by size. At present much of the private building activity in the modern sector caters for middle and upper incomes. This is brought out in Table 7.10, where (except for 1970, when 43 per cent of the total number of dwelling units completed were 3-roomed) 4-roomed dwelling units feature prominently. Over 80 per cent of the total number of units completed each year are units of three or more rooms. A similar situation prevails in other towns.

Table 7.10

ANALYSIS OF REPORTED NEW RESIDENTIAL BUILDINGS—NAIROBI, 1970-73

Years	NUMBER OF HABITABLE ROOMS*						TOTAL NO. OF DWELLING UNITS
	1	2	3	4	5	6 or more	
1970	6	83	385	145	146	137	902
1971	22	168	266	421	141	152	1,170
1972	16	248	194	553	98	202	1,311
1973	—	31	32	162	69	131	425

A habitable room is defined to mean a room used for the purpose of working, living or sleeping other than kitchen, bathroom, lavatory, laundry-rooms etc.

Road Construction

7.20. Expenditure by Ministry of Works on roads during 1973/74, and the corresponding expenditure in the previous financial year, is set out in Table 7.11. There was a slight decline in outlays during 1973/74, partly because, during the last few years, consistently high levels of expenditure on road development have been maintained and the country now has a satisfactory road network. There now exist 48,600 kilometres of classified roads, of which 3,730 kilometres are bitumen. Accordingly, Government policy is now to lower the rate of growth of expenditures on roads and to direct an increasing part of such expenditures towards rural roads and the agricultural feeder road system.

EXPENDITURE ON ROADS, 1972/73-1973/74

Table 7.11 K£'000

	1972/73	1973/74
DEVELOPMENT		
Trunk Roads	5 452.1	5,999.0
Primary Roads	6,414.3	4,256.0
Secondary Roads	1,634.2	1,245.0
Minor	1,450.8	1,762.0
Unclassified	845.3	1,323.0
Miscellaneous	1,756.0	1,420.0
Implementation of road maintenance organization	2,218.5	1,658.0
TOTAL	19,771.3	17,663.0
RECURRENT (maintenance and repair)	5,796.3	6,978.2
TOTAL	25,567.6	24,641 .2

7.21. Much greater emphasis is now being given as a matter of policy to the maintenance of roads already built, and nearly 30 per cent of total road expenditures in 1973/74 was spent on maintenance and repairs, K£1.2 million more than in 1972/73. Details by province are given in Table 7.12, which excludes some unallocable administration expenditures covered in Table 7.11.

M.O.W. EXPENDITURE ON ROAD MAINTENANCE AND REPAIR, 1973/74

Table 7.12 *K£*

	Coast Province	Eastern/ North Eastern Province	Central Province	Rift Valley Province	Western Province	Nyanza Province	Total
1. Maintenance	396,150	753,380	1,028,237	795,263	270,908	697,072	3,941,010
2. Resealing	92,500	106,900	94,550	110,703	29,700	66,100	500,000
3. Regravelling	155,150	296,200	361,300	303,700	105,150	233,500	1,455,000
4. Other Repairs	89,575	19,837	52,487	32,700	6,258	46,344	247,201
TOTAL	733,375	1,176,317	1,536,574	1,241,016	412,016	1,043,016	6,143,211

7.22. The classification, length and cost of new roads completed in 1973 is shown in Table 7.13. A total of K£10.4 million was spent on construction of these new roads (including upgrading), covering a distance of 404 kilometres, of which 353 kilometres was bitumen. Perhaps the most significant of the bitumen road projects completed during the year were the Kakamega-Mumias road, 75 kilometres, constructed at a cost of K£1.1 million, Nakuru-Eldama Ravine (53 kilometres, K£1 million), Dandora-Kangundo (58 kilometres, K£1.6 million), Eldoret-Nyeru (41 kilometres, K£2.0 million) and Jamji-Sotik (35 kilometres, K£1.1 million). Two noteworthy gravel roads completed in 1973 were the 30 kilometres Homa Bay-Kendu Bay stretch, constructed at a cost of K£572,000, and the Kisii-Kibirigo road covering a distance of 21 kilometres, constructed at a cost of K£386,000.

M.O.W. ROADS COMPLETED 1973

Table 7.13

TYPE OF ROAD	BITUMEN		GRAVEL	
	Length Km.	Cost K£'000	Length Km.	Cost K£'000
Trunk Roads	30.0	515		
Primary Roads	281.0	7,964	51	960
Secondary Roads	32.9	758	–	–
Township Roads	9.0	225	–	–
TOTAL	352.9	9,462	51	960

7.23. Although work on most new roads is undertaken by private contractors, the Ministry of Works also undertakes projects using labour drawn from its own resources, the National Youth Service (*see* Chapter 13) and the Army. A total of 2,500 kilometres of gravel road of varying standards was completed by these three organizations. The most significant of the projects undertaken in this way was the work on the Nairobi-Addis Ababa road by the National Youth Service. The Ministry of Works also undertakes the financing of roads in special rural development areas. Work in these areas is going on as scheduled and is expected to be completed by mid-1975. In 1973, the Kenya Army engineering battalion started work on the construction of the Garissa-Wajir road, a distance of 332 kilometres.

7.24. A new loan agreement worth K£10.35 million was signed with the World Bank last year for further road construction. This money will be spent on financing the construction and improvement of 708 kilometres of trunk, primary and secondary roads. These include reconstruction of the road from Nairobi city centre to Nairobi airport, and the bitumenization of the Thuchi-Nkubu, Thika-Gacharage, Nyeri-Kiriani and Kisii-Magonga roads. Provision is also made for bitumenization of the Mumias-Bungoma road and the construction of access tracks and collection roads for the Mumias Sugar Scheme.

7.25. In 1973, work was also begun on ten new road projects, detailed in Table 7.14, and a weighbridge. These new projects cover a distance of 610 kilometres, of which 239 kilometres are bitumen, and will cost approximately K£7.5 million to construct. They include the Yala-Busia road (72 kilometres, K£1.8 million), Gucha River-Sotik road (43 kilometres, K£1.1 million), Kagumo-Karatina (25 kilometres, K£1.3 million), Mazeras-Kaloleni road (22 kilometres, K£618,000) and Kisii-Kericho gravel tea roads (297 kilometres, K£1.4 million). The construction of a weighbridge at Mariakani for checking heavy vehicle axle loads is expected to cost K£192,000 when completed. Improvements were also effected in 1973 to access roads to the Lake Nakuru, Aberdare and Meru National Parks, at a cost of K£1 million. Apart from completions and new projects noted above, work was in progress on 900 kilometres of roads, detailed in Table 7.15.

MINISTRY OF WORKS—ROADS STARTED IN 1973

Table 7.14

TYPE OF ROAD	BITUMEN		GRAVEL	
	Length Km.	Cost K£'000	Length Km.	Cost K£'000
Trunk Roads	171.3	3,175		
Primary Roads	47.0	1,966	–	–
Township Roads	9.0	300		–
Tourist Roads	12.0	77	74	561
Tea Roads	–	–	297	1,709
TOTAL	239.3	5,518	371	1,970

M.O.W.—ROADS PROJECTS IN PROGRESS IN 1973

Table 7.15

TYPE OF ROAD	BITUMEN		GRAVEL	
	Length Km.	Cost K£'000	Length Km.	Cost K£'000
Trunk Roads	149.7	4,068	23	688
Primary Roads	48.0	1,668	–	–
Secondary Roads	6.0	484	35	600
Tea Roads	–	–	460	2,577
TOTAL	203.7	6,220	698	3,865

CHAPTER 8—TOURISM

Tourist traffic to Kenya declined in 1973 with the number of visits falling by 9 per cent, visitor days spent in Kenya by 7 per cent and the expenditure of tourists by 11 per cent. Within the totals, however, the decreases for visitors from outside East Africa ("foreign" residents) were generally smaller than those for East African residents. The total number of foreign visitors remained about the same as in 1972, while days stayed by foreign residents increased by 1 per cent, and there was a small increase in their average length of visit, from 11.5 to 12.0 days.

8.2. Hotel occupancy rose, with total guest nights 12 per cent higher than in 1972, although a rapid increase in capacity during the year led to the bed occupancy rate declining to 48 per cent, the lowest annual level since 1965. Reasons for the slowing down of the previously rapid growth in tourism activity are not easy to identify, although the after-effects of political developments in neighbouring countries in 1972, the increasing competitiveness of new tourist areas elsewhere in the world and the unsettled monetary and economic conditions in 1973 have probably been jointly responsible. Although the 1970-74 plan target for hotel capacity has already been exceeded, it is certain that the unsettled conditions of 1974 will not enable the industry to realize the overall planned increases in traffic and earnings for the period. And to achieve the targets set out in the new Development Plan, the tourist industry will have to be planned and promoted more effectively in the face of such adverse factors as increasing air-fares and the economic effects of the worsening oil situation.

BED OCCUPANCY PLANNED AND ACHIEVED, 1971 AND 1973

Table 8.1 '000 Bed-Nights

	DEVELOPMENT PLAN PROJECTIONS		ACTUAL BEDS OCCUPIED	
	1971	1973	1971	1973
E.A. Residents	905	1,015	760	988
Foreign Residents	1,287	1,884	1,432	1,795
TOTAL	2,192	2,899	2,193	2,784

8.3. It is estimated that visitors to Kenya spent a total of K£24.3 million in 1973, compared with a (revised) figure of K£27.3 million in 1972. This drop of 11 per cent reflects both the overall decrease in visitor days spent in Kenya during the year and a fall in average spending per day, which was particularly marked among visitors from Britain and the U.S.A. The tourist expenditure estimate represents gross spending by visitors on Kenya's tourist attractions, shown as a credit under "Foreign Travel" in the balance of payments, Table 1.13. It includes an element of "prepayments" made abroad for local travel and accommodation by visitors on package tours, but no reduction is made for the cost of imported goods and services, and no allowance for the earnings of East African Airways from tourist traffic; these two latter items are accounted for elsewhere in the overall balance of payments.

Visits and Visitor Days

8.4. During 1973, the number of departures declined by 9 per cent and arrivals by 10 per cent, bringing down the average annual increase since 1968, (when comprehensive visit statistics were first collected), to 9 per cent, 6 percentage points less than envisaged in the last plan. In the two paragraphs which follow, only departure statistics are commented upon, as figures for visitor arrivals have (until 1973) included some people who eventually settle in Kenya.

RECORDED VISITS BY PURPOSE OF VISIT, 1971-1973

Table 8.2 ***Thousands***

Purpose of Visit	Arrivals			Departures		
	1971	1972	1973*	1971	1972	1973
Holiday	292.9	328.1	291.6	295.5	345.0	309.0
Business	50.2	50.6	48.3	56.3	42.1	43.7
Transit	68.1	65.6	57.9	47.9	41.3	35.4
TOTAL	411.2	444.3	397.7	399.7	428.4	388.1

*From July 1973, the arrivals series is based on a 10 per cent sample.

8.5. The bulk of the decline in tourist traffic was confined to. Uganda and Tanzania residents (23 per cent). Visits by non-East African residents showed a fall of only 3 per cent, with substantial declines in visitors from North America and India being offset by the rise in tourist traffic from "Other Africa", "Other Asia" and "Other Europe". But visitor-days are generally a better indicator of tourist activity than the number of visits made and in 1973 the total number of days spent in Kenya by non-residents was 1 per cent higher than in 1972, although the drop in the total stay of East African residents led to an overall decline of 7 per cent. Residents of U.K. and India had the longest average visits, and for all non-East African residents visits averaged 12 days, compared with 10 days by East African residents. There was a slight increase in the average length of stay of visitors staying less than a month, and a 10 per cent decline in the average visit of longer staying visitors, who account for only 7 per cent of total visits but 37 per cent of total visitor days.

Table 8.3

Visitor Departures by Country of Residence, 1971-1973

Thousands

COUNTRY	HOLIDAY			BUSINESS			TRANSIT			TOTAL		
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973
United kingdom	34.0	40.2	38.3	9.4	6.9	6.8	5.3	5.0	3.9	48.7	52.1	49.0
West Germany	30.3	34.6	32.2	2.7	1.9	1.9	2.5	2.6	2.2	35.6	39.1	36.3
Italy	8.7	11.8	13.5	1.4	1.0	1.0	1.1	1.0	1.3	11.3	13.7	15.8
France	5.5	8.4	9.0	1.0	0.8	0.9	0.8	0.6	0.7	7.2	10.0	10.5
Switzerland			17.7	1.0	0.8	0.9	0.8	0.7	0.7	13.4	17.0	19.2
Other Europe	17.4	20.2	22.8	3.1	2.3	2.5	3.0	2.5	2.5	23.5	25.0	27.8
TOTAL EUROPE	107.6	130.8	133.4	18.7	13.7	13.9	13.4	12.3	11.3	139.6	156.7	158.6
United States ..	46.6	57.9	45.4	3.9	3.3	3.7	4.2	3.4	2.9	54.7	64.7	52.0
Canada		5.6	5.1	0.5	0.5	0.5	0.6	0.6	0.5	4.9	6.6	6.1
TOTAL N. AMERICA	50.4	63.5	50.4	4.5	3.8	4.2	4.8	4.0	3.4	59.6	71.3	58.1
India	7.2	6.0	4.5	1.3	0.8	0.6	2.7	2.1	1.5	11.2	8.9	6.6
Japan		3.2	3.9	1.1	0.9	1.1	0.7	0.8	0.8	3.3	4.8	5.8
Israel	1.9	2.1	1.5	0.6	0.3	0.2	1.1	0.6	0.4	3.6	3.0	2.1
Other Asia	4.0	4.9	5.1	1.0	0.7	0.9	1.3	1.2	1.1	6.3	6.7	7.1
TOTAL ASIA	14.8	16.1	15.0	4.0	2.7	2.8	5.8	4.7	3.7	24.5	23.5	21.5
Uganda	39.4	30.4	14.1	8.5	6.0	7.3	4.0	3.5	1.8	51.8	39.9	23.3
Tanzania	59.4	74.5	63.1	14.2	10.6	9.4	8.3	6.6	5.2	81.9	91.7	77.8
Zambia	4.6	6.4	7.8	1.2	1.2	1.1	3.7	3.6	3.5	9.5	11.1	12.3
Other Africa	14.2	17.6	19.5	4.6	3.7	4.3	7.1	5.7	5.8	25.9	27.0	29.7
TOTAL AFRICA	117.6	129.0	104.6	28.4	21.3	22.1	23.0	19.4	16.3	169.1	169.7	143.0
Australia and New Zealand		3.9	3.6	0.5	0.4	0.3	0.7	0.7	0.5	4.3	4.9	4.5
All Other Countries	2.0	1.8	1.9	0.4	0.2	0.4	0.2	0.2	0.2	2.6	2.2	2.4
TOTAL OTHER	5.2	5.6	5.5	0.9	0.6	0.7	0.9	0.9	0.7	6.9	7.2	6.9
TOTAL	295.5	345.0	309.0	56.3	42.1	43.7	47.9	41.3	35.4	399.7	428.4	388.1

8.6. Visitors on business increased by 4 per cent in 1973 and showed negligible seasonal fluctuation, while visitors on holiday and intransit displayed the usual seasonal trends. While fluctuations in transit traffic largely reflect exogeneous factors, it is possible to try to reduce seasonality among other visitors, and the promotion of conference tourism is one of the policies being actively pursued to achieve a more efficient utilization of resources in the tourist industry throughout the year.

8.7. A significant change in the relative importance of the various means of travel to and from Kenya is apparent in Table 8.4. In 1973 (although the number of visits by air increased by only 4 per cent) 77 per cent of total visits were by air compared with 67 per cent in 1972 and 64 per cent in 1971. This reflects the increasing proportion of non-East African residents in total visits (from around 68 per cent in 1971 and 1972 to 74 per cent in 1973) and the decline in tourist travel from Kenya to Tanzania and Uganda (mentioned in paragrajh 8.9 below), which is mainly by road.

VISITOR DEPARTURES BY METHOD OF TRAVEL, 1969-1973

Table 8.4 Thousands

	1969	1970	1971	1972	1973
Air	180.0	220.7	257.8	285.9	297.6
Sea	9.2	13.3	16.1	7.9	4.2
Road	84.1	96.5	117.3	128.7	84.0
Lake				1.7	1.7
Rail		8.3		4.2	0.6
TOTAL	276.0	338.8	399.7	428.4	388.1

8.8. Table 8.6 gives a summary of first visits and revisits from 1971 to 1973 by traveller's country of residence, together with revisit ratios*. From 1971, it has become possible to make an estimate of the number of visitors coming to Kenya by tabulating arriving visitors' answers to the question "Have you been in Kenya before in the last 30 days?" Visits by travellers who answered "no" to this question are referred to as "first visits" and other visits (i.e. "yes" answers) as "re-visits". The figures on first visits may be taken as giving a rough indication of the number of individual visitors in the year. In 1973, first visits by non-East African residents were 256,000 while the comparable figure for 1972 was 258,000, indicating that about 21 per cent of foreign visitors were double-counted in the visit statistics for 1972, and 16 per cent in 1973.

* The revisit ratio is calculated by dividing total "revisits" made by particular categories of visitors by the corresponding total of "first visits". A more detailed analysis of visits and revisits can be found in the Kenya Statistical Digest, December, 1973.

TOTAL STAY OF DEPARTING VISITORS AND AVERAGE LENGTH OF VISIT, 1971-1973

Table 8.5

Total Stay (Thousands of Days)

Year/Quarter	0-14 Days	15-23 Days	Over 28 Days	Holiday	Business	Transit	East Africa	Other Africa	U.K.	West Germany	Other Europe	North America	Asia	All Other	Total
1971	**1,737**	**873**	**1,124**	**3,200**	**454**	**80**	**1,109**	**271**	**644**	**373**	**543**	**494**	**241**	**59**	**3,734**
1972	**1,940**	**1,001**	**1,826**	**4,287**	**409**	**72**	**1,350**	**341**	**793**	**493**	**738**	**715**	**262**	**75**	**4,768**
1973	**1,763**	**1,033**	**1,639**	**3,951**	**423**	**61**	**991**	**411**	**762**	**442**	**803**	**690**	**262**	**74**	**4,435**
1971—															
1st Qr.	541	311	269	966	133	22	279	68	238	133	201	122	60	20	1,121
2nd Qr.	327	143	197	547	100	19	259	53	99	60	70	60	55	10	667
3rd Qr.	466	245	333	927	97	20	282	88	184	92	136	180	69	14	1,045
4th Qr.	404	174	324	759	124	19	288	62	124	88	136	132	57	15	902
1972—															
1st Qr.	701	379	742	1,681	123	18	473	112	327	238	329	244	73	26	1,822
2nd Qr.	331	149	291	677	77	17	309	62	110	57	81	87	54	12	771
3rd Qr.	501	270	451	1,103	100	20	297	102	225	104	176	221	77	20	1,223
4th Qr.	407	203	342	826	109	16	271	66	131	95	152	163	58	16	952
1973—															
1st Qr.	483	370	490	1,223	105	15	218	97	286	172	287	200	64	19	1,343
2nd Qr.	359	169	445	841	116	16	291	105	153	85	124	127	71	17	973
3rd Qr.	489	275	406	1,052	106	15	246	118	185	90	195	239	78	22	1,173
4th Qr.	432	216	298	835	96	15	237	91	139	95	196	124	49	16	946
															(Average Length of stay (Days)
1971	5.2	19.7	55.7	10.8	8.1	1.7	8.3	7.7	13.2	10.5	9.8	8.3	9.8	8.7	9.3
1972	5.5	19.8	71.1	12.4	9.7	1.7	10.3	9.0	15.2	12.6	11.3	10.0	11.1	10.5	11.1
1973	5.6	19.9	64.2	12.8	9.7	1.7	9.8	9.8	15.6	12.2	10.9	11.9	12.2	10.7	11.4
1971—															
1st Qr.	5.9	20.1	52.7	11.7	7.8	1.7	8 1	7.6	14.1	12.0	10.8	8.6	9.6	10.6	10.0
2nd Qr.	4.8	19.5	57.7	100	7.6	1.7	7.8	6.7	11.9	9.9	9.0	7.1	9.3	7.0	8.4
3rd Qr.	5.0	19.5	54.5	10.6	7.9	1.6	8.2	8.2	14.2	9.9	9.2	8.4	10.1	7.5	9.3
4th Qr.	5.0	19.5	58.5	10.7	9.0	1.7	9.2	8.0	11.8	9.6	9.5	8.3	10.4	9.3	9.4
1972—															
1st Qr.	5.7	20.1	87.8	13.3	10.3	1.8	10.7	10.0	16.9	14.6	12.6	10.4	10.9	13.2	12.2
2nd Qr.	5.0	19.4	65.4	11.2	8.8	1.9	9.3	8.2	13.2	10.7	10.3	9 0	10.8	7.9	9.8
3rd Qr.	5.4	19.6	58.1	12.0	9.9	1.6	10.2	9.1	15.3	10.9	10.3	9.6	11.1	9.3	10.7
4th Qr.	5.7	19.8	68.4	12.5	9.7	1.7	10.7	8.1	13.5	11.9	10.6	10.8	11.9	10.8	10.9
1973—															
1st Qr.	6.0	20.1	70.3	14.2	9.9	1.6	9.8	10.8	17.3	13.4	11.9	13.0	14.0	13.3	12.7
2nd Qr.	5.6	19.8	65.6	14.0	10.6	1.8	10.9	10.4	16.3	12.8	12.0	13.3	12.8	12.0	12.2
3rd Qr.	5.6	19.9	56.5	12.1	9.5	1.6	9.7	9.1	14.6	10.6	10.4	11.7	11.4	9.6	10.9
4th Qr.	5.5	19.7	65.0	11.0	8.8	1.9	8.8	9	13.3	11.4	9.8	9.7	10.7	9.1	10.0

NOTE.—Countries shown are countries of residence.

FIRST VISITS AND REVISITS BY COUNTRY OF RESIDENCE, 1971-1973

Table **8.6**

COUNTRY OF RESIDENCE	FIRST VISITS			REVISITS			TOTAL			REVISIT RATIO*		
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1971	1972	1973
	000's	000's	000's	000's	000's	000's	000's	000's	000's			
Uganda	381	31.2	18.0	15.2	7.1	5.2	53.3	38.4	23.1	0.40	0.23	0.29
Tanzania	56.1	75.0	62.6	27.6	20.0	15.0	83.7	95.0	77.6	0.49	0.27	0.24
TOTAL EAST AFRICA	94.2	106.2	80.6	42.8	27.2	20.1	137.0	133.4	100.7	0.45	0.26	0.25
Other Africa	31.6	36.2	37.0	6.0	5.4	5.4	37.6	41.5	42.3	0.19	0.15	0.15
U.K.	43.1	46.3	47.0	9.0	8.3	6.6	52.1	54.6	53.5	0.21	0.18	0.14
West Germany	29.1	34.0	31.2	6.5	6.9	5.9	35.6	40.9	37.0	0.22	0.20	0.19
Other Europe	47.6	58.3	65.9	9.2	11.4	10.5	56.8	69.7	76.3	0.19	0.16	0.16
North America	46.0	55.0	49.5	13.5	15.8	8.9	59.6	70.8	58.4	0.30	0.29	0.18
India	9.8	9.0	6.7	2.3	1.4	0.8	12.1	10.4	7.5	0.23	0.16	0.12
All others	16.5	19.0	19.1	3.8	4.1	2.7	20.4	23.1	21.8	0.24	0.22	0.14
TOTAL FOREIGN	223.8	257.7	256.3	50.4	53.3	40.7	274.2	310.9	297.0	0.23	0.21	0.16
TOTAL	318.0	363.9	336.9	93.2	80.4	60.8	411.2	444.3	397.7	0.29	0.22	0.18

* See text.

FIRST VISITS AND REVISITS BY PURPOSE OF VISIT AND ORIGIN, 1971-1973

Table 8.7 '000S

VISIT/YEAR/PURPOSE	FROM UGANDA		FROM TANZANIA		FROM ELSEWHERE		TOTAL	
	E.A.R.	F.R.	E.A.R.	F.R.	E.A.R.	F.R.	E.A.R.	F.R.
FIRST VISITS								
1971—								
Holiday	27.2	13.4	35.4	13.6	4.2	133.4	66.8	160.4
Business	4.3	1.6	6.7	1.5	1.4	20.5	12.5	23.5
Transit	3.4	2.3	5.3	3.2	6.3	34.4	14.9	39.9
TOTAL	350	17.3	47.4	18.3	11.9	188.3	94.2	223.8
1972—								
Holiday	20.8	16.4	53.9	26.0	5.5	148.7	80.3	190.9
Business	4.0	1.8	7.2	2.0	1.8	20.9	13.1	24.6
Transit	3.7	3.7	4.1	4.7	5.0	33.8	12.8	42.2
TOTAL	28.7	21.7	65.1	32.8	12.3	203.3	106.2	257.7
1973—								
Holiday	7.8	5.2	44.5	30.0	5.6	159.3	57.9	194.4
Business	5.4	1.3	6.4	2.3	1.4	18.9	13.2	22.6
Transit	1.7	1.5	3.8	5.3	4.0	32.4	9.5	39.3
TOTAL	14.8	8.0	54.8	37.6	11.0	210.7	80.6	256.3
REVISITS								
1971—								
Holiday	10.0	9.1	18.9	21.5	0.4	5.8	29.4	36.4
Business	2.7	1.5	5.2	1.9	0.4	2.4	8.3	5.9
Transit	1.6	1.6	2.6	2.7	0.9	3.9	5.1	8.2
TOTAL	14.4	12.1	26.7	26.1	1.8	12.2	42.8	50.4
1972—								
Holiday	3.6	6.2	13.3	27.2	0.6	6.1	17.4	39.4
Business	1.9	1.0	4.1	2.0	0.8	3.2	6.8	6.2
Transit	0.7	1.0	1.5	2.3	0.8	4.3	3.0	7.7
TOTAL	6.2	8.2	18.8	31.5	2.2	13.6	27.2	53.3
1973—								
Holiday	1.3	0.8	9.2	22.3	0.4	5.2	10.9	28.4
Business	2.5	0.6	3.8	2.0	0.6	2.8	7.0	5.5
Transit	0.5	0.4	1.0	2.4	0.8	4.0	2.2	6.8
TOTAL	4.3	1.8	14.0	26.8	1.8	12.0	20.1	40.7
TOTAL								
1971—								
Holiday	37.2	22.4	54.3	35.1	4.6	139.3	96.2	196.8
Business	7.1	3.1	11.9	3.4	1.8	23.0	20.8	29.4
Transit	5.0	3.9	7.8	5.9	7.2	38.3	20.1	48.1
TOTAL	49.3	29.4	74.0	44.3	13.6	200.5	137.0	274.2
1972—								
Holiday	24.4	22.6	67.2	53.1	6.1	154.7	97.7	230.4
Business	6.0	2.7	11.3	3.9	2.6	24.1	19.9	30.7
Transit	4.5	4.6	5.5	7.1	5.8	38.1	15.8	49.8
TOTAL	34.8	30.0	83.9	64.3	14.5	216.8	133.4	310.9
1973—								
Holiday	9 1	6.0	53.8	52.3	6.0	164.5	68.8	222.8
Business	7.9	2.0	10.2	4.3	2.1	21.8	20.2	28.0
Transit	2.2	1.9	4.8	7.8	4.8	36.4	11.7	46.1
TOTAL	191	9.9	68.8	64.4	12.8	222.7	100.7	297.0

E.A.R.—East African Residents.
F.R.—Foreign Residents.

8.9. The revisit ratio for East African residents in 1973 was higher than for foreign residents and showed a much smaller fall between 1972 and 1973. There was a considerable drop in revisits of foreign visitors from Uganda and to a lesser extent in those from Tanzania, with the result that in 1973 the revisit ratio was 0.16 compared with 0.21 in 1972, indicating a decline in "mobility" of foreign visitors in terms of travel from Kenya to other nearby countries. Residents of Germany showed the highest revisit ratio, although lower than in 1972, as was the case with almost every other residence group. Analysis by purpose of visit showed little change in the mobility of business and transit visitors between 1972 and 1973, but a significant decline in that of holiday visitors, who were the least "mobile" in the three purpose of visit categories.

Hotel Occupancy

8.10. Hotel occupancy statistics for the last few years are summarized in Table 8.8 and in greater detail in the next four tables. The tables show for the first time the new detailed tourist zones (definitions of which can be found in the *Statistical Abstract,* 1973) used in the 1974.78 Development Plan. Total bed nights stayed in 1973 were 12 per cent higher than in the previous year. Occupancy by non-Kenya residents increased less rapidly than in 1972, a result of a deceleration in the growth of bed occupancy by non-East African residents (i.e. "foreign" residents). There was a rapid increase in nights stayed by "permanent occupants" and occupancy by Kenyan residents increased by 8 per cent. This however may be partly "statistical", reflecting the clearer definitions of "residence" contained in the new reporting forms introduced at the beginning of 1973.

HOTEL BED OCCUPANCY, 1965, 1970-1973

Table 8.8 '000 Bed-Nights

	1965	1970	1971	1972	1973
Permanent occupants*	234	216	217	190	347
Kenya Residents		430	441	469	505
Residents of	375				
Uganda or Tanzania		110	103	98	136
Foreign Residents	394	1,148	1,432	1,718	1,795
TOTAL BEDS OCCUPIED	1,002	1,904	2,193	2,475	2,784
TOTAL BEDS AVAILABLE	2,126	3,882	4,215	4,980	5,855
Bed Occupancy Rate (per cent)	47	49	52	50	48

*Persons staying one month or more in one hotel—includes some block bookings for aircrew.

Table 8.9

HOTEL BEDS OCCUPIED BY AREA, 1965-1973

'000 Bed-Nights

Year/Quarter/ Month	NAIROBI				COASTAL				OTHER																Total Beds Occupied	Total Beds Available
	High class		Other		Beach		Other		Coast Hinterland		Southern Game Area		Nyanza Basin		Western		Central		Northern							
	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents	Foreign Residents	E.A. Residents		
1965..	135.4	39.5	119.6	247.9	54.2	117.3	27.3	73.0	12.1	16.0	15.8	7.4	2.3	30.3	1.1	21.6	25.7	54.3	0.3	1.3	1,002.4	2,126.0
1966.. ..	162.1	36.0	137.7	259.0	128.1	121.2	35.9	77.1	24.7	13.5	24.0	8.5	2.5	31.2	1.0	20.4	38.5	53.1		0.5	1,174.6	2,136.5
1967..	162.7	43.3	173.9	267.2	164.2	109.7	37.9	92.7	26.3	13.1	31.3	9.2	3.4	31.6	0.6	21.6	40.0	65.7	—	0.4	1,293.8	2,473.6
1968..	170.4	44.7	197.0	300.4	209.5	149.1	31.5	118.1	29.5	17.8	42.6	8.6	4.5	30.6	0.8	18.5	38.9	72.0	1.2	0.5	1,486.0	2,847.5
1969..	219.2	41.0	200.3	309.6	261.0	156.1	45.6	106.3	38.1	19.7	50.4	11.0	5.1	24.9	1.0	15.2	53.5	72.0	2.0	0.4	1,632.7	3,251.4
1970..	328.3	43.2	206.9	301.3	364.3	152.8	59.1	120.5	50.4	16.9	60.3	11.5	8.9	24.2	0.6	14.3	67.6	71.0	1.9	0.4	1.904.3	3,881.9
1971..	397.6	32.9	253.1	304.6	474.0	153.6	66.5	121.3	65.6	15.8	74.0	12.1	8.4	29.2	1.2	13.5	89.5	75.8	2.0	1.7	2,192.5	4,215.3
1972..	454.0	27.6	308.8	316.8	613.1	150.1	52.7	117.0	77.8	18.9	87.2	12.9	8.2	26.1	1.8	16.0	110.6	69.3	3.5	2.6	2,474.7	4,979.6
1973..	484.3	58.9	291.2	468.5	656.5	156.0	52.5	143.4	82.6	18.0	101.1	15.8	5.8	34.0	2.5	4.2	114.4	76.7	4.6	2.9	2,783.8	5,853.6
1972																						
1st Qr. ..	131.1	7.9	100.9	81.3	289.0	32.3	18.5	29.4	24.8	4.3	28.1	3.6	3.2	5.9	0.6	4.3	35.7	17.2	1.4	0.7	770.2	1,228.9
2nd Qr. ..	83.9	4.4	58.5	72.5	72.0	32.0	7.7	28.3	9.1	3.9	9.8	2.9	2.3	6.0	0.2	3.9	14.6	15.7	0.3	0.6	428.7	1,182.9
3rd Qr. ..	119.4	4.2	86.1	81.7	139.0	45.1	13.7	29.7	22.3	5.1	25.6	3.6	1.7	6.5	0.3	4.0	32.7	18.9	1.0	0.8	641.4	1,242.3
4th Qr. ..	119.5	11.1	63.4	81.1	164.5	41.3	12.8	29.8	21.5	4.9	23.7	2.8	1.0	7.8	0.5	3.9	27.5	17.7	1.0	0.7	636.5	1,318.9
1973																						
1st Qr. ..	133.9	13.0	75.0	117.7	257.3	26.7	17.0	33.8	28.2	3.9	29.8	3.6	1.8	8.2	1.0	4.0	35.9	19.0	1.9	0.6	813.9	1,441.7
2nd Qr. ..	91.3	16.5	57.0	118.0	79.1	37.5	8.8	29.7	10.7	3.8	12.4	3.9	0.9	8.8	0.3	3.8	14.7	19.7	0.3	0.6	522.9	1,392.7
3rd Qr. ..	133.1	15.1	85.4	116.4	134.7	46.7	11.8	28.7	22.6	5.0	31.0	4.3	1.8	8.7	0.8	3.7	34.5	18.1	1.0	0.6	709.5	1,477.5
4th Qr. ..	126.1	14.2	75.6	116.6	185.3	44.5	14.0	40.2	20.9	5.3	27.8	4.1	1.3	8.6	0.6	3.0	29.3	19.8	0.9	0.9	739.4	1,540.5
1973																						
January ..	42.9	4.8	26.3	36.5	99.1	10.3	6.6	12.2	10.0	1.5	10.0	1.2	0.6	2.7	0.2	1.1	11.7	6.5	0.7	0.2	285.2	491.1
February ..	46.5	3.8	24.5	38.4	88.4	8.7	5.6	11.4	9.9	1.3	10.0	1.2	0.7	2.6	0.4	1.2	13.9	5.5	0.8	0.2	275.0	448.9
March	44.4	4.4	24.2	42.8	69.9	7.6	4.7	10.1	8.2	1.2	9.8	1.2	0.6	2.8	0.3	1.6	10.3	7.0	0.3	0.2	253.7	501.7
April	31.9	5.8	22.5	38.7	43.1	22.8	3.6	11.7	5.1	1.5	4.6	1.6	0.3	3.4		1.5	4.6	7.6		0.2	212.5	477.7
May	27.1	5.3	15.7	40.0	15.5	6.6	2.6	9.1	1.8	1.0	2.3	0.8	0.2	2.8		1.2	3.7	5.5		02	143.2	456.9
June	32.2	5.4	18.8	39.3	20.6	8.1	2.7	8.9	3.8	1.2	5.6	1.5	0.4	2.7	0.2	1.2	6.4	6.5	0.3	0.2	167.3	458.1
July	49.5	5.4	28.8	40.8	39.9	11.3	3.6	9.3	8.3	1.7	12.1	1.3	0.6	2.9	0.3	1.2	12.3	5.9	0.3	0.1	237.1	488.3
August ..	43.6	5.4	29.6	40.0	51.7	23.3	5.3	11.0	8.5	2.1	10.9	1.7	0.8	2.9	0.3	1.4	12.7	6.3	0.4	0.3	259.8	492.9
September	40.0	4.3	26.9	35.5	43.1	12.1	2.9	8.4	5.7	8.0	8.0	1.4	0.4	2.8	0.2	1.1	9.5	6.0	0.3	0.1	212.6	496.4
October ..	45.0	4.6	20.3	39.3	53.2	11.4	3.2	11.7	7.7	1.4	11.2	1.2	0.5	2.8	0.3	1.1	12.0	6.3	0.4	0.3	233.9	501.8
November	37.1	4.1	24.1	37.9	54.6	8.9	3.7	12.3	5.8	1.1	6.9	1.2	0.5	2.9	0.2	1.1	6.5	5.8	0.2	0.1	214.8	508.9
December..	44.0	5.5	31.3	39.4	77.6	24.2	7.1	16.3	7.4	2.7	9.7	1.8	0.3	2.8	0.2	0.9	10.8	7.7	0.4	0.5	290.7	529.8

NOTE.—Annual totals include revision and may differ slightly from the sums of quarterly and monthly figures,
+Includes A*, A and B* hotels.

Table 8.10

Hotel Room and Bed Availability and Occupancy Rates, by Area, 1965, 1969.1973

	Nairobi		Coastal		Other						All Hotels
	High Class	Other	Beach	Mombasa Island	Coast Hinter-land	Southern Game Area	Nyanza Basin	Western	Central	Northern	
1965—											
Rooms available ('000 nights)	189	451	184	129	35	37	49	38	151	5	1268
Occupancy rate (per cent)	74	64	53	60	48	38	53	48	39	22	58
Beds available ('000 nights)	308	671	368	224	77	71	77	64	257	9	2,126
Occupancy rate (per cent)	57	55	47	45	37	33	42	36	31	17	47
1969—											
Rooms available ('000 nights)	260	544	404	176	75	63	52	32	204	6	1,816
Occupancy rate (per cent)	73	69	58	61	44	56	47	45	42	24	61
Beds available ('000 nights)	441	872	795	321	171	134	89	50	368	12	3,251
Occupancy rate (per cent)	59	59	52	47	34	46	34	33	34	19	50
1970—											
Rooms available ('000 nights)	384	553	498	182	81	84	61	32	238	7	2,120
Occupancy rate (per cent)	72	67	59	52	47	49	47	40	40	23	61
Beds available ('000 nights)	700	909	986	336	183	173	109	50	423	13	3,882
Occupancy rate (per cent)	53	60	52	53	37	41	30	30	33	17	49
1971—											
Rooms available ('000 nights)	389	609	537	189	84	93	64	34	263	13	2,275
Occupancy rate (per cent)	82	66	65	69	54	52	52	35	42	17	64
Beds available ('000 nights)	716	1,028	1,067	349	195	192	118	55	472	25	4,215
Occupancv rate (per cent)	60	54	59	54	42	45	32	27	35	15	52
1972—											
Rooms available ('000 nights)	441	713	748	204	87	94	63	36	272	17	2,675
Occupancy rate (per cent)	79	64	56	59	60	60	47	40	42	23	60
Beds available ('000 nights)	802	1,213	1,493	379	202	199	118	59	483	32	4,980
Occupancy rate (per cent)	60	52	51	45	48	50	29	30	37	19	50
1973—											
Rooms available ('000 nights)	569	794	849	236	127	123	62	36	302	24	3,123
Occupancy rate (per cent)	72	66	53	61	43	54	51	38	40	19	58
Beds available ('000 nights)	1,063	1,381	1,677	443	280	252	115	58	544	41	5,855
Occupancy rate (per cent)	51	55	48	44	36	46	34	29	35	18	48

Table 8.11

HOTEL GUEST-NIGHTS BY COUNTRY OF RESIDENCE,1973

COUNTRY OF RESIDENCE	NAIROBI		COAST		OTHER		TOTAL	
	'000 Bed nights	per cent	'000 Bed-nights	per cent	'000 Bed-nights	per cent	'000 Bed-nights	per cent
Kenya	154.2	11.8	218.0	21.6	133.1	28.2	505.2	18.1
Uganda	59.4	4.6	11.5	1.1	2.4	1.0	73.3	2.6
Tanzania	42.3	3.2	18.8	1.9	1.6	—	62.6	2.2
Other Africa	62.4	4.8	21.4	2.1	3.5	1.0	87.2	3.1
United Kingdom	175.2	13.4	111.4	11.0	42.1	8.9	328.7	11.8
West Germany	87.3	6.7	263.9	26.2	40.2	8.5	391.4	14.1
Scandinavia	43.1	3.3	26.5	2.6	11.6	2.5	81.2	2.9
Other Europe	137.5	10 6	220.3	21.8	70.9	15.0	428.7	15.4
U.S.A./Canada	186.8	14.3	37.7	3.7	112.8	23.9	337.3	12.1
Asia	43.0	3.3	5.1	0.5	6.2	1.3	54.4	2.0
All other Countries	40.2	3.1	22.7	2.3	23.6	5.0	80.5	2.9
Permanent occupants	271.6	20.8	51.1	5.1	24.5	5.2	347.2	12.5
TOTAL	1,302.9	100.0	1,008.4	100.0	472.6	100.0	2,783.8	100.0
Bed-Nights available	2,383.1	-	2,120.1	-	1,351.4	-	5,854.6	-

*Provisional.

GAME LODGE* OCCUPANCY, 1965, 1972 AND 1973

Table 8.12

LODGE LOCATION/TYPE	BEDS OCCUPIED (THOUSAND NIGHTS)						BED OCCUPANCY RATE (%)		
	E.A. Residents			Foreign Residents					
	1965	1972	1973	1965	1972	1973	1965	1972	1973
National Parks	10.0	22.7	23.4	17.8	92.1	94.0	50.6	52.2	45.4
Game Reserves	4.8	11.4	14.0	14.3	93.3	108.3	39.0	62.9	52.2
TOTAL	14.7	34.1	37.4	32.1	185.5	202.4	45.1	56.8	48.6
Full Catering	12.9	18.2	22.7	30.5	183.8	200.5	49.0	58.7	49.1
Self-Service	1.8	15.9	14.8	1.7	1.6	1.9	22.6	41.7	43.6

*Lodges in National Parks and Game Reserves only.

8.11. Hotel capacity expanded at the same rate (18 per cent) as in 1972, while occupancy rose less rapidly, resulting in a decline in the rate of bed occupancy from 50 to 48 per cent and of room occupancy from 60 to 58 per cent. The rapid expansion in availability of beds in high class hotels in Nairobi was probably a response to expected increases in demand for accommodation from "conference tourists", a factor which no doubt contributed to the rise in the occupancy rate of Nairobi "other" hotels. Development of capacity at the Coast was small although the nearby game areas ("Coast Hinterland") experienced an increase of 39 per cent, contributing to the rapid expansion of capacity in game areas generally. Details of occupancy in game areas are shown in Table 8.12.

8.12. Table 8.11 shows the first comprehensive data on hotel occupancy by detailed residence groups, although a comparative analysis with earlier years is not possible. Overall, in the non-East African category, the dominant residence group is that of "Other Europe", followed by West Germany. Within the area classifications, residents of USA and Canada account for the largest single group of bed nights in the Nairobi and up-country areas (mainly game areas) while residents of West Germany and "Other Europe" are the major groups of hotel occupants at the Coast, emphasizing the popularity of the beaches with European visitors and that of game areas with American visitors. Domestic holiday tourism largely accounts for the sizeable number of Kenyan resident visitors at the Coast (a trend which can be promoted to even out the seasonal variations which most Coast hotels experience), while business travel is the main reason for the high proportion of Kenya residents staying in hotels in the up-country areas. Overall roughly 44 per cent of total visitor days in Kenya were spent in hotel accommodation (38 per cent in 1972), with residents of West Germany using hotel accommodation for 88 per cent of the time they were in Kenya, residents of "Other Europe" (including Scandinavia, but not the U.K.) for 64 per cent and residents of the USA/ Canada for 49 per cent. The predominance of "non-hotel" accommodation for other visitors was mainly accounted for by accommodation with friends and relatives.

Visits to Wildlife Areas and Other Attractions

8.13. The number of visits to the various national parks increased by 23 per cent in 1973, with Nairobi, Lake Nakuru and Tsavo National Parks attracting more than half the total visitors. Meru National Park increased greatly in popularity with the opening of a new game lodge in the Park and the improvement of road access. Visits to Nairobi National Park rose by 41 per cent. The popularity of this park underlines the need to find a satisfactory status for the Kitengela dispersal area so that the park's viability is not threatened. Fears have also been expressed at the damage caused by vehicles driving off the park roads and damaging the grass cover.

TOTAL NUMBER OF VISITORS TO NATIONAL PARKS, 1971-1973

Table 8.13 ***Numbers***

PARK	Adult Residents			Adult Non-Residents			Children		
	1971	1972	1973	1971	1972	1973	1971	1972	1973
Aberdare	9,265	8,491	9,844	28,193	29,868	29,035	1,138	1,577	2,274
Lake Nakuru	22,934	28,779	36,128	15,927	22,801	32,155	13,801	21,169	23,068
Marine	9,055	11,044	10,188	12,560	15,517	14,096	3,599	4,967	4,739
Meru	1,381	2,198	5,210	294	561	2,135	2,179	2,832	4,121
Mt. Elgon	983	2,339	2,808	101	418	271	314	1,016	1,089
Mt. Kenya	2,255	2,643	3,117	861	1,294	1,581	1,751	1,898	1,979
Nairobi	52,785	61,982	104,809	53,814	70,994	70,250	33,293	33,286	62,224
Shimba Hills	1,977	2,965	3,575	1,573	2,442	2,692	656	1,088	1,241
Tsavo (East)	16,441	18,354	19,156	24,690	33,255	35,492	4,185	4,481	5,637
Tsavo (West)	26,387	31,394	31,895	32,004	43,844	48,168	8,955	9,192	9,878
TOTAL	143,463	170,189	226,730	170,007	220,993	235,875	69,871	81,506	116,250

Table 8.13 ***(Contd.)*** ***Numbers***

PARK	Season Ticket holders			Other/Non-Paying Visitors			Total Visitors		
	1971	1972	1973	1971	1972	1973	1971	1972	1973
Aberdare	127	81	243	968	909	826	39,681	40,926	42,222
Lake Nakuru	4,476	4,659	4,449	1,921	2,155	2,647	59,059	79,563	98,447
Marine	187	877	759	1,276	964	378	26,677	33,369	30,160
Meru	57	58	355	1,603	2,308	3,850	5,514	7,957	15,671
Mt. Elgon	–	–	–	–	19	48	1,398	3,792	4,216
Mt. Kenya	14	18	21	271	211	226	5,152	6,064	6,924
Nairobi	37,112	29,509	37,992	865	1,243	2,084	177,869	197,013	277,359
Shimba Hills	18	23	7	4,025	3,719	2,503	8,249	10,237	10,018
Tsavo (East)	35	64	23	1,691	1,444	3,972	47,042	57,598	64,280
Tsavo (West)	615	447	513	3,220	814	1,564	71,181	85,691	92,018
TOTAL	42,641	35,736	44,362	15,840	13,786	18,098	441,822	522,210	641,315

8.14. Table 8.14 shows a longer series, which covers only paid visits to the various national parks. Comparable visits figures for game reserves are not available. However, some indication of the popularity of game reserves with foreign residents can be seen from Table 8.12. More bed-nights were spent by foreign resident visitors in lodges in game reserves than in national parks, while national parks have been more popular with East African residents in the last few years. Information on developments concerning wildlife conservation can be found in the Wildlife Section of Chapter 5.

VISITS* TO NATIONAL PARKS, 1968/69-1972/73

Table 8.14 *Numbers*

	1968/69	1969/70	1970/71	1971/72	1972/73
Nairobi National Park	133,677	130,903	143,974	153,151	159,049
Tsavo National Park (East)	22,320	31,277	38,654	51,535	55,820
Tsavo National Park (West)	38,460	41,618	57,971	80,659	85,206
Lake Nakuru National Park	39,678	42,654	51,565	56,502	84,162
Mountain National Parks	22,721	32,627	41,295	43,369	47,251
Meru National Park	1,285	2,267	3,761	4,283	7,469
Marine National Parks	16,229	18,939	22,629	29,074	30,065
Shimba Hills Nat. Reserve	–	–	3,745	5,174	6,371
TOTAL	274,370	300,285	363,594	423,747	475,393

*Visits for which entry fees were paid. Visits on season tickets and special passes are not included.

8.15. Visitors to the museums, the snake park and other sites are shown in Table 8.15. During 1973, plans to establish museums in the up-country areas of Kenya were under way. The museum at Kitale was opened and houses an extensive collection of butterflies as well as a special shop where local craftsmen can send their handicrafts for display and sale. An agreement was concluded for a 10-acre plot for a museum in Kisumu and the Trustees are in the process of acquiring land for a museum in Meru. An interesting historic site was opened to the public at Jumba La Mtwana (near Mombasa), where the remains of a 14th century Swahili town, which was abandoned early in the 15th century for reasons not yet established, are found. An intensive programme to protect archaelogical sites near Lamu is expected to be carried out with international aid, and construction work on the Institute for African Prehistory will begin in June. Research into the origins of man has continued on the eastern shores of Lake Rudolf in the area which has been declared a national park. This is the first national park in Kenya where wildlife conservation is not the primary aim. The park will be opened to the public in early 1975, when communications and facilities for visitors are expected to have been established.

VISITORS TO MUSEUMS, SNAKE PARK AND SITES, 1970-1973

Table 8.15 *Numbers*

	1970	1971	1972	1973
National Museum	124,825	131,008	146,490	151,819
Lamu Museum	–	–	3,835	5,502
Snake Park	72,602	73,049	86,187	89,991
Fort Jesus	59,354	65,489	69,184	71,306
Gedi	18,885	21,353	23,726	24,570
Olorgesailie	2,961	3,012	6,157	3,597
Kariandusi	2,264	1,374	2,963	1,967
Hyrax Hill	1,241	1,217	3,249	1,640
Jumba la Mtwana	–	–	–	79

The Development of Tourism

8.16. The 1974-78 Development Plan envisages tourist earnings of K£66 million for 1978 from traffic totalling over 800,000 visits per year and utilizing more than 28,000 hotel and lodge beds. In promoting this expansion, the Government's aim is to achieve a balance between maximum economic returns and an orderly rate of growth with expanding employment for Kenyans. Private enterprise is encouraged accordingly, while there is increasing Government participation through the Kenya Tourist Development Corporation (KTDC) in loan and equity investment. During 1973, over K£800,000 was made available to the KTDC to invest in new hotels and lodges, bringing the hotel investment by KTDC in the industry to K£2.6 million. A hotel management company was formed in 1973 to provide management services for hotels in which the corporation is a major shareholder, and also to assist Kenyans to own and manage hotels. Three major projects in which the KTDC is an investor were completed in 1973 and a further four were under construction. During the plan period 1974-1978, a significant proportion of the planned Government investment of K£59 million in the industry will be directed through the KTDC for its Kenyanization programme.

8.17. The Government also plays a vital role in the provision of the infrastructure needed by the tourist industry. During 1973, several road projects were completed or were under construction, most notably access roads to the Meru, Aberdare and Lake Nakuru National Parks. Work is under progress for the expansion of Nairobi, Mombasa and Kisumu airports and the airport at Malindi is expected to be upgraded to a major domestic aerodrome suitable for medium-range jet aircraft *(see* Chapter 9). A consultancy contract for a feasibility study on an integrated coastal resort complex at Diani was awarded by the Government to a local consortium and work began in early 1974. The study, expected to be completed in 18 months at an estimated cost of over K£250,000, will produce a plan for the phased development of the area. The report will take into consideration social costs and the need to preserve the ecology of the area and to integrate the resort with existing tourist facilities. A parks and tourism project with the wider aim of developing up-country circuits and tourist-related wildlife projects is under consideration. The Government is also projecting an expenditure of over K£2 million on promotion in the 1974-78 plan period.

CHAPTER 9—TRANSPORT AND COMMUNICATIONS

Activity in the transport, storage and communications industries, as measured by total receipts (Table 9.1), had declined slightly in 1972, but showed a twelve per cent expansion in 1973. In the public sector, which is composed mainly of the East African Corporations, there was a recovery from a decline of 3 per cent in 1972 to a 4 per cent expansion in 1973. This particularly reflected higher earnings in communications, with water and air transport also showing substantial growth. The growth of private sector receipts, at 28 per cent, was four times as rapid as in 1972, with road and air transport showing the fastest expansion, of 42 and 15 per cent respectively, while water transport receipts fell by 18 per cent.

9.2. Passenger and freight receipts for road and rail transport are detailed in Table 9.2. Road transport first accounted for more than half of total receipts in 1972, and continued to grow in importance in 1973, with passenger earnings up by 13 per cent and freight receipts by 56 per cent, while railway receipts from both continued to decline. The reasons for the increasing competitiveness of road transport are discussed below, together with developments in the other transport, storage and communication industries.

Road Transport

9.3. One of the indicators of road transport activity is the consumption of petroleum products, shown in Table 9.3. Consumption continued to rise although there were heavy increases in the price of petroleum products towards the end of the year. The full effect of the energy crisis sparked off by the Middle East War in October. 1973, and causing a 450 per cent increase in oil prices during the year, will be fully felt in 1974. As shown in Table 9.3, petrol consumption rose by 16 per cent and that of light diesel fuel by 15 per cent, compared with 1972 totals. While heavy diesel fuel usage increased by 17 per cent, consumption of fuel oil dropped slightly, by 36 million litres (8 per cent). There was no appreciable increase in consumption of aviation spirit in 1973, but turbo fuel consumption rose by 26 per cent.

9.4. Registrations of new vehicles are shown in Table 9.4, which indicates an overall decline of 12 per cent in 1973. Motor cars, lorries and buses all showed increases, with those for buses and mini-buses the highest, both at 38 per cent. Lorry registrations also showed a 13 per cent rise. In 1972, registrations of lorries and buses had fallen substantially, but in 1973 the biggest drop in new registrations was recorded by utilities (45 per cent). This was mainly due to demand exceeding supply of these vehicles in the world market, and, as a result, the factories in the producing countries, particularly Japan, could not meet orders placed by Kenya dealers. The other categories of vehicles showing declines were motor-cycles (a drop of 25 per cent) and "others" (a drop of 22 per cent)—this latter class includes mainly tractors and road construction vehicles.

Table 9.1

	Railway Transport	Road Transport	Water Transport	Air Transport	Services Incidental to Transport	Total Transport and Storage	Communi-cations	Total Transport, Storage and Com-munications
1968—								
Public	16,957.9	577.6	12,753.1	10,362.4	156.6	40,807.6	6,039.0	46.846.6
Private		14,003.2	1,662.4	1,471.1	4,017.0	21,153.6	988.2	22,141.8
Total	16,957.9	14,580.8	14,415.5	11,833.5	4,173.6	61,961.2	7,027.2	68,988.4
1969—								
Public	17,258.3	1,004.3	13,637.7	11,278.2	139.7	43,318.2	6,894.9	50,213.1
Private		14,720.2	1,625.8	1,569.1	3,913.0	21,828.1	995.4	22,823.5
Total	17,258.3	15,724.5	15,263.5	12,847.3	4,052.7	65,146.3	7,890.3	73,036.6
1970—								
Public	18,142.8	1,527.8	14,056.3	11,958.0	141.5	45,826.4	7,662.9	53,489.3
Private		16,965.2	1,662.3	1,453.3	4,592.6	24,673.4	1,373.9	26,047.3
Total	18,142.8	18,493.0	15,718.6	13,411.3	4,734.1	70,499.8	9,036.8	79,536.6
1971—								
Public	18,096.6	1,329.2	17,039.6	15,442.4	144.6	52,052.5	9,079.5	61,132.0
Private		16,176.0	2,224.3	1,872.9	4,777.1	25,050.3	172.6	25,222.9
TOTAL	18,096.6	17,505.2	19,263.9	17,315.3	4,921.7	77,102.7	9,252.1	86,354.9
1972*—								
Public	16,875.0	1,254.1	14,275.6	15,040.7	125.5	47,570.9	11,493.4	59,064.3
Private		17,964.4	2,014.4	2,116.5	4,950.5	27,045.8		27,045.8
TOTAL	16,875.0	19^218.5	16,290.0	17,157.2	5,076.0	74,616.7	11,493.4	86,110.1
1973*—								
Public	16,783.3	1,287.4	14,962.9	15,697.7	121.2	48,852.5	12,521.5	61,374.0
Private		25,458.9	1,651.4	2,429.0	5,100.4	29,226.5		34,639.7
Total	16,783.3	26,746.3	16,614.3	18,126.7	5,221.6	78,079.0	12,521.5	96,013.7

*Provisional
+Including storage

PASSENGER AND FREIGHT RECEIPTS, 1968-1973

Table 9.2 K£'000

	1968	1969	1970	1971	1972*	1973*
Passenger Traffic:						
Rail	1,106.2	1,166.5	1,158.4	1,143.5	1,200.0	1,100.0
Road	3,940.4	5,545.3	6,451.0	5,528.7	7,642.7	8,640.8
Total	5,046.6	6,771.8	7,609.4	6,672.2	8,842.7	9,740.8
Freight Haulage:						
Rail	15,851.6	16,091.8	16,984.4	16,953.1	15,775.0	15.683.3
Road	10,640.5	10,179.2	12,042.0	11,976.4	11,575.8	18.105.4
Total	26,492.1	26,271.0	29,026.4	28,929.5	27,350.8	33,788.7

*Provisional.

CONSUMPTION OF PETROLEUM PRODUCTS USED IN TRANSPORT, 1969-1973

Table 9.3 *Million Litres*

	1969	1970	1971	1972	1973
Petrol (motor spirit)	213	235	264	274	319
Light Diesel Fuel*	184	190	241	263	302
Heavy Diesel Fuel*	37	42	47	47	55
Fuel Oil*	353	392	419	439	403
Aviation Spirit	8	8	6	7	8
Turbo Fuel	203	225	242	278	349

*Excludes International Ocean Bunkers.

NEW MOTOR VEHICLE REGISTRATIONS, 1968-1973

Table 9.4 *Numbers*

	1968	1969	1970	1971	1972	1973
Motor cars	5,631	6,389	7,680	8,072	6,337	6,850
Utilities	3,465	4,232	4,959	5,514	4,671	2,593
Lorries	1,483	1,760	2,472	2,038	1,494	1,689
Buses	274	311	435	639	408	562
Motor cycles	1,013	1,244	1,317	1,393	1,437	1,072
Others	1,185	1,045	1,419	1,157	1,419	1,105
TOTAL	13,051	14,981	18,282	18,813	15,766	13,871

9.5. Table 9.5 shows the total population of vehicles in Kenya as at the end of 1973. Commercial vehicles (utilities and pick-ups, lorries, trailers, buses and mini-buses) formed 39 per cent of the total vehicle stock in the country. Private motor cars (saloon cars and station wagons) represented 49 per cent, while farm tractors and road construction vehicles represented 5 per cent. The vehicle count for the end of 1973 also showed that 92,889 vehicles (56 per cent) were kept in Nairobi area.

MOTOR VEHICLE STOCK, END OF 1973

Table 9.5 *Numbers*

Saloon Cars	71,348	Trailers	7,361
Station Wagon	10,516	Rollers, graders, cranes	968
Utilities and Pick-ups	36,190	Wheeled tractors	7,853
Lorries	18,132	Crawler tractors	269
Buses	2,561	Motor-Cycles	9,113
Mini-buses	995	Three-wheelers	129
Special purpose vehicles	430		
		TOTAL ALL VEHICLES	165,865

9.6. Table 9.6 shows the total number of licences issued for vehicles on hire in the years 1968-1973. The 1973 figures show a small increase of 4 per cent over 1972. There were 349 more "B" licences issued than in 1972, an increase of 10 per cent. Of the 3,380 passenger vehicle licences issued in 1973, 2,645 were issued to Africans and 735 to non-Africans. In the case of "B" licences, out of a total of 3,767 licences, 2,595 were issued to Africans and 1,172 to non-Africans. These figures clearly indicate the Government's continued support to transporters of African origin. Table 9.7 shows the participation of Africans in the transport business from 1971 to 1973. The impact of the President's announcement of June, 1973, exempting vehicles of less than 3 tons carrying capacity from the need to hold TLB certificates will be reflected in the figures for 1974, which are expected to show a decline in issued certificates. Because the bulk of TLB certificates are applied for in the early part of the year, almost all 1973 certificates had been issued by the time the announcement was made.

LICENCES ISSUED FOR VEHICLES ON HIRE, 1968-1973

Table 9.6 *Numbers*

	1968	1969	1970	1971	1972	1973
Passenger Service Vehicles	**2,102**	2,273	3,137	3,255	3,447	3,380
Freight Transport Vehicles	**2,622**	2,614	3,092	3,394	3,418	3,767
TOTAL	4,724	4,887	6,229	6,649	6,865	7,147

PARTICIPATION OF AFRICANS IN TRANSPORT BUSINESS 1971-73

(Passenger and Freight licences issued)

Table 9.7

	1971				1972				1973			
	Passenger		Freight		Passenger		Freight		Passenger		Freight	
	No.	%	No.	%	No.	%	No.	%	No	%	No	%
Africans	2,468	76	2,255	66	2,653	77	2,256	66	2,645	78	2,595	69
Non-Africans	787	24	1,139	34	794	23	1,162	34	735	22	1,172	31
TOTAL	3,255	100	3,394	100	3,447	100	3,418	100	3,380	100	3,767	100

9.7. The Transport Licensing Board (TLB) processed 1,453 applications compared with 1,429 in 1972. Meetings were held throughout the year at Nairobi, Nakuru, Mombasa, Nyeri, Kisumu and Embu. Although several hundred applications are approved each year, both for passenger and freight vehicle licences, not all of them result in the purchase of vehicles. This is mainly due to very high prices of vehicles, spare parts, insurance and general maintenance costs. Table 9.8 shows the rate of utilization of approved applications in 1970-1972.

VEHICLES BOUGHT FROM APPROVED TLB APPLICATIONS, 1970-1972

Table 9.8 *Numbers*

	1970		1971		1972	
	Passenger	Freight	Passenger	Freight	Passenger	Freight
Approved applications	466	465	255	251	440	373
Utilized certificates	347	366	181	175	284	256
Rate of utilization (%)	74	79	71	70	65	69

9.8. Apart from E.A. Railway Corporation's small transport fleet, the only public sector enterprise in road transport is the Kenatco transport company, which is wholly state-owned. The company is based in Nairobi, and operates freight haulage and taxi services in East Africa, Zambia, Ethiopia, South Sudan, Burundi, Rwanda and Zaire.

9.9. During 1973, the company's services were expanded considerably, particularly those to Zambia following the closure of the Zambia/Rhodesia border early in the year. The Kenya Government offered Mombasa's port facilities to that country and Kenatco embarked on a major haulage operation from Mombasa carrying Zambian imports from Kenya and overseas. The Kenya exports have consisted mainly of refrigerated meat, butter and bacon, lubricants from the Mombasa refinery and other Kenyan manufactured goods. On the return journey, the vehicles have brought to Mombasa copper, zinc, cobalt and general cargo. At present the company is carrying a monthly average of just over 7,000 tons of freight to and from Zambia. There are 250 heavy-duty vehicles involved in this operation and another hatch of 45 new vehicles has recently been added. The aim is to achieve a target of 9,000 tons of freight carried monthly by the end of 1974.

9.10. Operations to Uganda have now resumed and those to Rwanda have been stepped up. Presently a fleet of 43 vehicles is operating locally, and on the Rwanda route 8 lorries have just been added to meet the increased demand for freight haulage.

9.11. Kenatco also runs a taxi service in Nairobi and Mombasa. Sixty cars were added to the taxi fleet last year, bringing the total to 107. These cars are in use as transport for delegates at major conferences, and otherwise are available for private hire.

9.12. In order to provide a comprehensive service, the company has now opened a new department in Mombasa for clearing and forwarding. The company has continued to make a profit on its operations and is now able to meet all its financial obligations without Government assistance. In 1973, it obtained loans of nearly K£ 1,000,000, all secured without outside guarantees.

Railways

9.13. Railway revenues have been declining since 1971, and provisional figures of total railway receipts for 1973 (Table 9.1) show no improvement in the situation. While there was not much change in receipts from goods traffic, which were about K£16 million, receipts from passenger traffic fell by 8 per cent from the 1972 total, and those from "other coaching" by 30 per cent.

9.14. Improvements in the road network, increases in the number of private vehicles (*see* Table 9.5) and more effective public road transport services have diverted passenger traffic away from the railway. The development of air transport, especially between Nairobi and the Coast, has also resulted in additional losses of passenger traffic. Lack of loading capacity in 1973 and the ever increasing competition from road hauliers made it difficult for the railways to earn more from freight traffic. But a new tariff structure, which has been reviewed by the E.A. Communications Council, will allow the Corporation to charge for services according to their cost. Plans have also been drawn up for a modernization programme which will include further dieselization and the introduction of regionalized control methods permitting the easy location and maximum utilization of rolling stock as well as the identification of unprofitable activities.

9.15. Several major projects were in hand in 1973. Work on additional crossing stations between Mombasa and Nairobi was completed at a cost of nearly K£350,000, and the installation of apparatus for tokenless block signalling between Nairobi and Nakuru, costing nearly K£ 100,000, was almost finished. Work on the new sorting yard at Changamwe is progressing, and so far over K£ 170,000 has been spent, while a new K£70,000 goods shed was completed in the industrial area in Nairobi early this year.

9.16. Work is progressing on a field survey for a possible extension to the Kerio Valley (where fluorspar is being mined), and to date nearly K£ 10,000 has been spent. The track between Voi and Ndara will soon be re-aligned at a cost of K£55,000 in order to prevent the periodic disruption of services by flooding. In 1974, the Embakasi-Nairobi section of the railway line will be re-laid on a more stable foundation. This will facilitate track maintenance and will cost K£82,000.

Harbours and Shipping

9.17. Mombasa port, which serves Kenya, Uganda, Northern Tanzania, Rwanda, Burundi and to a limited extent Zambia, has continued to show considerable expansion in its activities.

9.18. Table 9.9 shows the tonnage of freight handled at the port in 1969-1973. There was a 14 per cent increase in the overall quantity of freight handled in 1973, compared with 1972. Imports of dry cargo fell slightly, by 5 per cent, while those of bulk liquids increased by 17 per cent, giving a 10 per cent overall increase in imports. Exports of dry cargo rose by 325,000 metric tons (32 per cent) while bulk liquids rose by 9 per cent, giving an overall increase of 23 per cent in exports.

FREIGHT HANDLED AT MOMBASA HARBOUR, 1969-1973

Table 9.9 '000 Metric Tons

	1969	1970	1971	1972	1973
Landed:					
Dry Cargo	885	1,166	1,344	1,237	1,175
Bulk Liquids	2,165	2,416	2,549	2,564	2,998
Total	3,050	3,582	3,893	3,801	4,173
Loaded:					
Dry Cargo	1,343	1,358	1,064	1,032	1,357
Bulk Liquids	698	853	614	622	676
Total	2,041	2,211	1,678	1,654	2,033
TOTAL FREIGHT HANDLED	5,091	5,793	5,571	5,455	6,206

9.19. In order to cope with this increasing volume of traffic, the Port Authority is currently executing a development programme which includes the provision of new equipment such as forklift trucks, lighters, boats, tugs and cranes; some of these arrived at the port in March, 1974.

9.20. During 1973, considerable development and rehabilitation of port facilities took place. Work on the new services area for the provision of offices, maintenance workshops and stores was started. Work was also begun on rationalizing the track layout as part of a major scheme for the rehabilitation of the areas in the rear of berths 1 to 5 and 7 to 10. Improvement of road access to the port's main gate was also undertaken during the year. Other projects completed during 1973 included modifications to the conveyor belt system for the handling of bulk Magadi soda ash at berth 9; construction of new offices for use by the customs and improvements to customs and accountants' offices in the baggage hall. Progress on the construction of the new berths 16 and 17 continued satisfactorily and they are expected to be ready for use in late 1974.

9.21. The port did, however, experience serious congestion problems between December, 1973, and March, 1974. This led to an imposition of a surcharge of ten per cent for cargo shipped from European ports in Europe/East African Conference vessels after 11th March, 1974. The port is utilizing all means available to ease congestion and it is hoped that the future establishment of bonded customs warehouses in Nairobi and Kampala, where the final customs clearance will be obtained, will accelerate cargo handling in the port.

9.22. The continued rise in receipts from the port can be seen in Table 9.1. As the "energy crisis" continued to hit every sector of the economy, the Communications Council of the E.A. Community on 16th March. 1974, approved increases in the tariffs for the harbours, including those for wharfage, handling, piloting and other port charges and dues.

9.23. The Eastern Africa National Shipping Line (EANSL), a member of the East Africa/Europe and the East Africa/Far East Shipping Line Conferences was established as a result of the desire of the Governments of Kenya, Tanzania, Uganda and Zambia to exert a greater degree of control over their external trade. It was incorporated in Tanzania in 1966. It has been decided that the four Governments should become the sole owners of the Line and an allocation of K£ 125,000 has been made to enable the Kenya Government to acquire its further share of the Line (one-third of the capital had hitherto been held by Southern Lines Limited).

9.24. The EANSL, which up to November, 1973 was managed by the Southern Lines Limited, operates four ships but, because membership of the Conference Lines requires that the voyages to be performed each year be equally shared, the Line also has to charter ships from other lines at very high cost. As a result of this, together with the high management fees which were being paid, the Line has continued to experience financial difficulties.

Civil Aviation

9.25. East African Airways Corporation.—After a number of years of difficulties, the airline's financial position showed some improvement in 1973, as a result of a 10 per cent reduction in expenses and of improved management procedures instituted by the overseas experts brought in at the beginning of the year. The airline had been severely under-capitalized for several years, but the situation was improved in 1973 when the three partner states subscribed an additional K£3 million.

9.26. In 1973, a total of 553,788 passengers were carried, at an average passenger load factor of 43 per cent. On total scheduled freight operations, EAA offered 224 million ton kilometres and achieved a weight load factor of 44 per cent. During the year on-time performance for scheduled flights improved markedly, and by October had reached 81 per cent. The total aircraft-hours for the year were 31,231, with improved pilot and aircraft utilization. In order to offer better services to customers, the airline opened a self-handling office in London in the latter part of the year.

9.27. Although 1974 will be a difficult year due to the "energy crisis" the airline hopes to continue to improve on its performance in 1973. Kenya's share of turnover for the year can be seen in Table 9.1.

9.28. Commercial Air Traffic.—Commercial traffic at Nairobi Airport, detailed in Table 9.10, showed little change in 1973. Provisional figures for 1973 show a 5 per cent rise in total cargo handled at the airport, compared with 1972. There was an increase of 665 metric tons (9 per cent) in cargo landed and 904 metric tons (6 per cent) in cargo loaded, but there was a decrease in both landed and loaded mail. The total number of passengers handled declined slightly, by 3 per cent. This fall was to be expected, as the cost of air travel rose very significantly towards the last quarter of the year due to fuel price rises, which forced some airlines to cut down flights, and some would-be travellers cancelled their trips to East Africa.

Commercial Traffic at Nairobi Airport, 1969-1973

Table 9.10

	1969	1970	1971	1972	1973*
Passengers (000's)—					
Landed	285.6	320.2	378.4	409.8	396.4
Embarked	295.7	328.0	386.4	438.9	393.1
In Transit	199.9	221.4	233.9	283.1	313.8
Total	781.2	869.6	998.7	1,131.8	1,103.3
Freioht (Metric tons)—					
Cargo: Landed	4,624.4	5,126.3	6,215.7	7,314.8	7,979.8
Loaded	8,835.5	10,222.9	11,391.1	16,373.6	17,277.9
Mail: Landed	834.2	844.5	958.9	1,057.7	890.8
Loaded	733.1	785.5	836.2	1,186.8	963.6
Total	15,027.2	16,979.2	19,401.9	25,932.9	27,112.1

*Provisional

9.29. Traffic at Mombasa and Wilson airports is shown in Tables 9.11 and 9.12. Provisional figures for 1973 show that passengers handled at Mombasa increased modestly, by 9 per cent, and cargo handled also increased, by 7 per cent. Movements of light charter aircraft are centred on Wilson Airport, and the 1973 figures show no very significant change in the airports activity from that of 1972. At Malindi 35,100 passengers passed through the airport in 1973, an increase of 19 per cent over 1972, and Kisumu airport handled 5,200 passengers, a rise of 68 per cent.

COMMERCIAL TRAFFIC AT MOMBASA AIRPORT, 1969-1973

Table 9.11

	1969	1970	1971	1972	1973*
PASSENGERS (000'S)—					
Landed	55.5	70.5	78.3	75.1	84.0
Embarked	50.5	64.1	80.4	76.5	84.7
In Transit	24.9	23.1	31.9	40.5	41.2
TOTAL ..	130.9	157.7	190.6	192.1	209.9
FREIGHT (Metric tons)—					
Cargo: Landed	236.6	250.4	273.4	227.6	254.7
Loaded	378.0	315.9	423.6	326.1	349.1
Mail: Landed	80.4	77.0	73.4	64.6	64.5
Loaded	32.0	58.5	60.0	52.6	47.0
TOTAL	727.0	701.8	830.4	670.9	715.3

*Provisional

AIR TRAFFIC AT WILSON AIRPORT, 1969-1973

Table 9.12 Numbers

	1969	1970	1971	1972	1973*
CASUAL AIR MOVEMENTS—					
Arrivals	75,337	72,426	61,998	65,818	65,969
Departures	75,220	72,179	61,775	65,531	65,758
PASSENGERS HANDLED—					
Arrivals	8,145	11,924	10,438	15,400	14,242
Departures	8,044	12,836	9,998	15,000	13,950

*Provisional

9.30. *Nairobi Airport.*—This airport, which handles 75 per cent of East Africa's air traffic and is served by more than 25 international airlines, is undergoing expansion in order to cope with the increasing traffic. Construction work began in March 1973 and should be completed in mid-1976. The design and construction work necessary for the first stage has been phased as follows:— construction of passenger terminal and control block; erection of air-bridges; civil works and construction of cargo terminal and ancillary buildings. Work on phase one is progressing satisfactorily. Work on civil works has also started and includes removal of black cotton soil; foundations for remote receiver stations; two airfield lighting sub-stations; construction of the main drainage channel and the housing site at Embakasi Village. Although the civil works are now slightly behind schedule, it is expected that the whole project, which will cost just over K£16 million, will be completed on time.

9.31. *Mombasa Airport.*—Tenders for development of the Mombasa Airport to international standard, for use by high capacity jet aircraft operating direct services to Europe, were invited during the latter part of 1973. Construction work, which will take about 27 months, will start in the middle of 1974. The total construction cost is estimated at about K£9 million.

9.32. *Kisumu Aerodrome.*—Work on the development of Kisumu Aerodrome to wet weather standard by the provision of a sealed run-way. apron and taxiways together with an air traffic control block commenced in the latter part of 1973. This construction will enable the aerodrome to accept Fokker F-27 aircraft. The total cost of construction is estimated at about K£500,000 and the work will extend over a period of about two years.

9.33. *Airstrips.*—Construction of a new airstrip at Migori will be spread over a period of about twelve months. It commenced in late 1973 and will bring this airstrip to murram standard. Some work is also going on on Moyale airstrip to enable it to handle aircraft of up to DC3 size. The improvement of Keekorok airfield is also in hand and will be finalized during 1974.

Posts and Telecommunications

9.34. Table 9.13 shows the main indicators of postal and telecommunications development in Kenya. Twenty-seven new post offices were opened in 1973, bringing the total to 460. This was an increase of 6 per cent over 1972. In 1964 there were 249 post offices in the country and therefore the number has risen by 85 per cent during the last ten years. An additional 6,785 post office private boxes were installed in 1973, bringing the total to 64,960, a rise of 12 per cent over 1972. Of these, 59,826 were rented at the end of 1973, together with 716 private bags.

9.35. In 1973, the number of parcels handled by the post office fell by 5 per cent and the number of registered and insured items dropped by 8 per cent. The decline in registered items over the last two years reflects the increasing use of money orders and other alternative means of sending money. The number of ordinary letters handled during 1973 went up by 8 per cent.

9.36. The progress made in the provision of telephone services over the year can also be seen in the table. There were 3,128 new telephone exchange connections in 1973, bringing the total to 46,903 at the end of the year. Telephone exchange extensions also went up by 16 per cent, from 50,618 in 1972 to 58,467 in 1973. There was an increase of 67 per cent in the number of telex subscribers, which stood at 451 at the end of 1973.

POSTAL AND TELECOMMUNICATION SERVICES, 1969-1973

Table 9.13 *Numbers*

	1969	1970	1971	1972	1973
Post Offices	374	385	408	433	460
Post Office Private Boxes	44,063	46,498	54,093	58,175	64,960
Telephone Subscribers' Lines	33,569	35,034	39,510	43,775	46,903
Public Call Offices	256	250	288	295	315
Telegrams Handled (000's)	618	663	637	608	528
Parcels Handled (000's)	864	575	744	695	661
Manual Telephone Calls Made (000's)	..	..	..	2,418	3,791
Registered and Insured Items (000's)	4,401	4,203	4,247	4,388	4,047
Telex Subscribers	180	184	184	270	451
Ordinary letters handled (Million)				107	116

9.37. *External Telecommunications.*—The expansion of Kenya's business and conference activities has highlighted the need to be well equipped with facilities for communicating with the rest of the world. This is the function of East African External Telecommunications, a company wholly owned by the E.A. Posts and Telecommunications Corporation.

9.38. With a number of new developments made during 1972 and 1973 in the international telephone exchange and automatic international telex exchange in Nairobi, it is now possible for almost all subscribers to get in touch with international stations. The installation of a message switching centre in Nairobi will further improve services. The centre, costing K£450,000, will handle the routing of international telegrams automatically at a peak rate of 10,000 messages per hour. The complex will be linked to the Mt. Longonot earth satellite station. A K£ 100,000 Extelcoms House is soon to be built in Mombasa to house the Mombasa branch administration offices, the central telegraph office and the ship-to-shore receiving station.

9.39. Table 9.14 shows the main indicators of the development of external telecommunications in East Africa.

EXTERNAL TELECOMMUNICATIONS TRAFFIC, 1969-1973

Table 9.14

	1969	1970	1971	1972	1973
Telegraph Service (Numbers)	454,336	464,852	402,282	482,266	487,030
Telephone Service (paid minutes)	238,621	324,464	532,601	1,097,536	1,712,524
Telex Service (paid minutes)	238,596	270,959	346,153	420,846	560,009
*Leased Circuits Revenue (£)	187,703	212,209	278,460	396,141	398,133

*Includes leased circuits, press reception and transmission equipment, hire and maintenance.

Information and Mass Media

9.40. *Broadcasting.*—Radio and television have continued to play a very significant role in mass communication, particularly the radio, which reaches a large number of people in all areas of the country. The number of new radios bought in 1973 was 85,243, virtually the same as in 1972, while there was a small decrease in sales of television sets (Table 9.15). These purchases brought the total stock in the country to just over 1.5 million radios and 38,000 television sets at the end of 1973.

NEW RADIOS AND T.V. SETS SOLD AND LICENSED, 1971-1973

Table 9.15 *Numbers*

	1971	1972	1973
Radios	74,824	84,650	85,243
Television Sets	2,782	2,658	2,575

9.41. In 1973 the Mombasa television studio was completed at a cost of about K£750,000. This studio will provide the Coast with facilities similar to those in Nairobi. Three additional mobile cinema vans, which will facilitate the showing of cultural, educational and general programmes in the rural areas, were acquired during the year. Plans are under way for building booster and relay stations for both radio and TV in several areas of the country. An educational TV studio to establish a regular programme is also being considered for the near future.

9.42. *Kenya Institute of Mass Communications (KIMC).*—This institute was started in 1968 as the training wing of the Ministry of Information and Broadcasting, covering all aspects of broadcasting and information work. Students are trained in the creative as well as the technical aspects of radio and TV broadcasting. Courses are offered in the three main fields, of engineering, production and information (producing senior technicians, technical assistants, junior technical operators and production assistants in TV, radio and information). By October, 1973, a total of 118 trainees had already successfully completed their courses, in addition to 25 officers who did in-service courses at the institute. The localization of programmes in both radio and TV very much depends on KIMC trained graduates, but a serious technical staff shortage is hindering the expansion and full utilization of KTMC facilities.

9.43. *Newspapers.*—Newspapers have played and continue to play a very big role in spreading the ideas of development in all fields. In addition to the daily papers, there are several weekly, monthly and other periodicals covering a very wide range of interests and readership in culture, education, religion, trade and the professions. Table 9.16 shows the circulation of the major newspapers in the country in 1971-1973.

DAILY AVERAGE NEWSPAPER CIRCULATION*, 1971-1973

Table 9.16

	1971	1972	1973
MORNING NEWSPAPERS			
English Language	45,349	49,013	50,976
Swahili	23,556	23,074	24,761
OTHER NEWSPAPERS			
English Weeklies	40,646	45,713	47,348
Swahili Weeklies	50,774	56,657	64,079
English Evening papers**	–	–	13,000

*A small fraction circulates outside Kenya.

**For 6 months October 1973—March 1974.

CHAPTER 10—EMPLOYMENT, EARNINGS, MANPOWER AND CONSUMER PRICES

The discussion on wage employment and earnings in this chapter is confined to the "modern" sector of the economy. The details set out cover all known "formal" establishments in the urban areas, the public sector, large scale farms and other large scale enterprises (such as sawmills, sugar factories and mines) located outside the towns; data is derived from the annual enumeration of employees in these establishments. Statistics of employment in small-holdings in the agricultural sector and in rural non-agricultural and urban "informal" activities have not been included, due to lack of up-to-date information. Such details as are available were published in last year's *Survey.*

10.2. Employment in the modern sector of the economy recorded an increase of 5.8 per cent in 1973. Given the increase that was recorded in the volume of production on small-holdings (Table 4.4) and the buoyancy of economic activity in urban areas in 1973, there are indications that employment on small-holdings and in rural non-agricultural and urban "informal" activities has also increased at a comparable rate. In some coffee and tea areas, shortages of labour were reported during the picking season.

Employment

10.3. The total numbers in wage employment are set out in Table 10.1, showing an increase of 41,800 people in wage employment in 1973. This increase of 5.8 per cent was the largest recorded since 1968, apart from that in 1971, which had been boosted by the special measures introduced under the "Tripartite Agreement". (The growth in employment in 1971 as a result pre-empted the growth that would have occurred in 1972). Consequently, 1973 can be considered as the best year in the 1968-1974 plan period for "natural" employment growth.

WAGE EMPLOYMENT BY MAJOR SECTOR, 1968, 1971-1973

Table 10.1

	1968	1971	1972	1973*	Annual Percentage Change	
	000's	000's	000's	000's	1968/73	1972/73
PRIVATE SECTOR—						
Agriculture and Forestry	173.0	189.6	197.9	220.6	5.0	1.5
Rest of Private Sector	211.5	234.1	234.9	241.8	2.2	2.9
Total Private Sector	384.5	423.7	432.8	462.4	3.8	6.8
PUBLIC SECTOR	221.9	267.5	287.0	299.3	6.2	4.3
TOTAL	606.4	691.2	719.8	761.6	4.7	5.8

*Provisional.

10.4. In 1973, agricultural employment recorded a large increase, 11 per cent, while wage employment in the public sector and the rest of the private sector increased by 4 per cent and 3 per cent respectively. The average annual growth rates of employment over the 1968.1973 period in agriculture and the public sector (5.0 per cent and 6.2 per cent respectively) were higher than the planned target growth rates of 4.5 per cent and 5.0 per cent. However, the average annual growth in wage employment in the rest of the private sector, 3.8 per cent, was well below the 5.8 per cent planned target rate.

10.5. New establishments provided 14,100 of the additional 41,800 jobs in wage employment. Details of these new establishments by economic activity are set out in Table 10.2. Over 40 per cent of the jobs provided by new establishments were in the agricultural sector and a further 18 per cent and 12 per cent respectively in the distribution and manufacturing sectors.

WAGE EMPLOYMENT IN NEW ESTABLISHMENTS BY ACTIVITY, 1972 AND 1973

Table 10.2

	EMPLOYMENT (000's)		PERCENTAGE DISTRIBUTION	
	1972	1973*	1972	1973*
Agriculture and Forestry	1.7	5.7	19.1	40.4
Mining and Quarrying	–	0.2	–	1.4
Manufacturing	1.1	1.7	12.4	12.1
Electricity and Water	–	–	–	–
Construction	3.1	1.5	34.9	10.7
Trade, Restaurants and Hotels	1.9	2.5	21.3	17.7
Transport and Communication	0.2	0.3	2.2	2.1
Financing, Insurance, Real Estate and Business Services	0.4	0.7	4.5	5.0
Community, Social and Personal Services	0.5	1.5	5.6	10.6
TOTAL	8.9	14.1	100.0	100.0
CHANGE IN OVERALL WAGE EMPLOYMENT	28.6	41.8	4.1	5.8

*Provisional.

10.6. An analysis of wage employment in the private sector by type of employer is shown in Table 10.3. Total employment in the private sector increased by 7 per cent in 1973, compared with an increase of 2 per cent in 1972. Employment in incorporated companies went up by 16 per cent, and employment in private enterprises in which the public sector has a minority shareholding by 25 per cent in 1973, though the increase in numbers was only 4,700. Employment in co-operatives registered only a minor increase, while the number of jobs in the rest of the private sector—mainly unincorporated businesses—declined by 8 per cent, from 171,300 to 158,100. The share of employees in the private sector employed in incorporated companies increased from 54 per cent of the total private sector employment in 1972 to 59 per cent in 1973, while employees in "other" private enterprises dropped from 40 per cent in 1972 to 34 per cent in 1973.

Table 10.3

WAOE EMPLOYMENT IN THE PRIVATE SECTOR, 1970-1973

	1970	1971	1972	1973*	Percent in Total	
	000's	000's	000's	000's	1972	1973*
Minority shareholding by the Public Sector	..	..	18.5	23.2	4.3	5.0
Incorporated Companies	..	..	234.0	271.8	54.1	58.8
Co-operatives	..	..	9.0	9.3	2.0	2.0
Other Private Sector	..	..	171.3	158.1	39.6	34.2
TOTAL	397.3	423.7	432.8	462.4	100.0	100.0

*Provisional

10.7. A more detailed analysis of employment in the private sector by economic activity is set out in Table 10.4. The most significant increase in 1973 was in agriculture. Private agricultural employment went up by 22,700 in 1973, an increase of 11 per cent. In percentage terms, however, the 16 per cent increase in employment in financial institutions was greater, although it accounted for only 2,300 extra jobs. Employment in the manufacturing sector also went up by a further 6,200 in 1973, an increase of 9 per cent which was much more closely in line with the growth of manufacturing production than has been the case in recent years. This increase occurred mainly in enterprises engaged in manufacturing dairy products, canning and preserving of fruit and vegetables, baking, spinning, weaving and finishing textiles and manufacturing furniture and fixtures. But while employment in these sub-groups in the manufacturing sector increased, small falls were

WAGE EMPLOYMENT IN THE PRIVATE SECTOR BY INDUSTRY, 1970-1973

Table 10.4

	1970	1971	1972	1973*	Percentage change 1972/73*
	000's	000's	000's	000's	
Agriculture and Forestry	183.7	189.6	197.9	220.6	11.5
Mining and Quarrying	2.8	2.8	2.7	2.4	-11.1
Manufacturing	57.5	67.4	67.1	73.3	9.2
Electricity and Water	–	–	–	–	–
Construction	17.0	21.0	23.4	23.7	1.3
Trade. Restaurants and Hotels	42.6	47.4	46.0	44.7	-2.8
Transport and Communication	16.5	16.3	18.1	16.6	-8.3
Financing, Insurance, Real Estate and Business Services	14.9	14.8	14.8	17.1	15.5
Community, Social and Personal Services	62.3	64.4	62.9	64.1	1.9
TOTAL	397.3	423.7	432.8	462.4	6.8

*Provisional.

recorded in the numbers employed in enterprises engaged in the manufacture of non.electrical machinery and structural metal products. An 11 per cent per cent decline in employment in the mining and quarrying group was accounted for by lower employment in enterprises engaged in oil prospecting, although, as noted in Chapter 5, the total number of such enterprises rose in 1973.

10.8. Other significant aspects of wage employment in the private sector in 1973 were decreases, of 3 per cent and 8 per cent respectively, in the distribution and transport sectors. These decreases may be more apparent than real, since new citizen entrepreneurs taking over enterprises in these two sectors tend to dispense with the services of regular employees in preference to family and casual workers.

10.9. The small increase of 1 per cent in employment in private enterprises engaged in construction activity reflected the slowing down of building construction in 1973 (*see* Chapter 7). Indeed, employment in this sector would have declined had it not been for the increase in employment in enterprises engaged in other construction work, such as road building. Enterprises in the services sector once again recorded only a marginal increase, of 2 per cent.

10.10. Wage employment in the public sector increased by 12,300 in 1973, a rise of 4 per cent. Details of this are set out in Table 10.5. Central Government, parastatal bodies and enterprises with a public sector majority shareholding accounted for nearly three-quarters of the total employment in the public sector. Employment in these three tiers of the public sector went up by 10,400 in 1973, an increase of 5 per cent. Of this rise, 5,100, or nearly 50 per cent, was accounted for by jobs in the parastatal bodies, with significant increases being recorded by the Kenya Tea Development Authority, the National Irrigation Board, the Pyrethrum Marketing Board, the Maize and Produce Board, I.C.D.C., the Teachers' Service Commission and Nairobi University. A further 2,600, or 25 per cent of the total increase, was accounted for by higher employment in enterprises with a majority shareholding by the public sector. The increases here were also spread over a large number of concerns, the most notable being the Mumias Sugar Company, the Fluorspar Mining Company (both of which came into full operation in 1973), East African Power and Lighting Company, Kenya Commercial Bank and Kenya Engineering Industries.

10.11. The remaining increase was accounted for by a 1,200 rise in employment by local authorities and a 700 rise in employment in the East African Community and its corporations. East African Airways Corporation, East African Cargo Handling Services and East African Harbours Corporation increased their employment by 1,300, but employment in East African Railways Corporation and East African Posts and Telecommunications Corporation declined by 800. The share of the East African Community and its corporations in total public sector employment as a result declined from 17.4 per cent in 1972 to 17.0 per cent in 1973.

WAGE EMPLOYMENT IN THE PUBLIC SECTOR, 1970-1973

Table 10.5

	1970	1971	1972	1973*	Per cent in Total	
	000's	000's	000's	000's	1972	1973*
Central Government	111.6	125.6	133.0	135.7	46.3	45.3
Parastatal Bodies	60.1	62.4	71.0	76.1	24.7	25.4
Majority Control by the Public Sector	6.3	6.6	7.4	10.0	2.6	3.3
Local Government	23.7	23.8	25.8	27.0	9.0	9.0
E.A. Community General Fund Services	3.1	3.2	3.7	3.8	1.3	1.3
E.A. Railways Corporation	22.5	22.6	23.3	22.7	8.2	7.7
E.A. Harbours Corporation	2.2	3.1	3.0	3.3	1.0	1.1
E.A. Posts and Telecommunitions Corporation	5.5	5.8	5.8	5.6	2.0	1.9
E.A. Airways Corporation	3.8	3.7	3.9	4.6	1.4	1.5
E.A. Cargo Handling Services Limited	8.7	9.9	9.1	9.4	3.2	3.1
Other E.A. Public Bodies**		0.8	1.0	1.1	0.3	0.4
TOTAL	247.5	267.5	287.0	299.3	100.0	100.0

*Provisional

**International Aeradio (E.A.) Ltd., E.A. External Telecommunication Company Ltd., and Eastern Africa National Shipping line.

PUBLIC AND PRIVATE SECTOR WAGE EMPLOYMENT BY INDUSTRY, 1972 AND 1973

Table 10.6

	TOTAL EMPLOYMENT (000's)		PERCENTAGE DISTRIBUTION			
			Private		Public	
	1972	1973*	1972	1973*	1972	1973*
Agriculture and Forestry	246.9	265.4	80.2	83.1	19.8	16.9
Mining and Quarrying	3.2	3.1	84.5	77.5	15.5	22.5
Manufacturing	84.8	94.4	79.2	77.6	20.8	22.4
Electricity and Water	5.1	5.4	0.5	0.4	99.5	99.6
Construction	37.6	41.2	62.3	57.5	37.7	42.5
Trade, Restaurants and Hotels..	47.6	46.6	96.6	96.0	3.4	4.0
Transport and Communication	45.3	44.4	39.7	37.3	60.3	62.7
Financing. Insurance, Real Estate and Business Services	17.5	20.2	84.4	84.1	15.6	15.9
Community, Social and Personal Services	231.8	240.9	27.2	26.6	72.8	73.4
TOTAL	719.8	761.6	60.1	60.7	39.9	39.3

*Provisional

10.12. In 1973, Africans accounted for 96.1 per cent of all wage employment compared with 94.7 per cent in 1972. Details on employment by race and sex are set out in Table 10.7. The number of Africans in wage employment went up by 50,600 from 681,500 in 1972 to 732,100 in 1973, an increase of 7 per cent. The numbers of Asians and Europeans in wage employment, on the other hand, went down 5,200 and 3,600 respectively. Taken together Asians and Europeans in 1973 accounted for only 3.9 per cent of total employment, compared with 5.3 per cent in 1972. The number of women in wage employment continued to increase, and their share of total wage employment increased from 14.3 per cent in 1970 to 15.0 per cent in 1973.

WAGE EMPLOYMENT BY RACE AND SEX, 1970-1973

Table 10.7

	1970	1971	1972	1973*	PER CENT IN TOTAL	
	000's	000's	000's	000's	1970	1973*
Africans	600.7	650.3	681.5	732.1	44.7	96.1
Asians	30.3	27.3	25.2	20.0	3.5	2.6
Europeans	13.5	13.6	13.1	9.5	1.8	1.3
TOTAL	644.5	691.2	719.8	761.6	100.0	100.0
of which Males	552.3	590.9	613.3	647.6	85.7	85.0
Females	92.2	100.3	106.5	114.0	14.3	15.0

*Provisional

10.13. Details on wage employment by citizenship are set out in Table 10.8. The percentage of jobs occupied by non-citizens declined further to 2.6 per cent in 1973 from 3.6 per cent in 1972. Most of the fall in the number

WAgE EMPLOYMENT BY CITIZENSHIP, 1972 AND 1973

Table 10.8 000's

	CITIZENS		NON-CITIZENS		TOTAL	
	1972	1973*	1972	1973*	1972	1973*
Africans	677.1	728.6	4.4	3.5	681.5	732.1
Asians	15.2	12.1	10.0	7.9	25.2	20.0
Europeans	1.7	1.5	11.4	8.1	13.1	9.5
TOTAL	694.0	742.2	25.8	19.5	719.8	761.6
PER CENT IN TOTAL	96.4	97.4	3.6	2.6	100.0	100.0

*Provisional.

ASIAN AND EUROPEAN WAGE EMPLOYMENT BY CITIZENSHIP AND INDUSTRY, 1972 and 1973

Table 10.9 Percentages

INDUSTRY	ASIANS						EUROPEANS					
	Citizens		Non-Citizens		Total		Citizens		Non-Citizens		Total	
	1972	1973*	1972	1973*	1972	1973*	1972	1973*	1972	1973*	1972	1973*
Agriculture and Forestry	0.8	0.7	1.1	0.9	1.9	1.6	2.1	2.1	6.3	5.5	8.4	7.5
Mining and Quarrying	0.1	0.1	0.2	0.2	0.3	0.3	0.0	0.0	0.4	0.5	0.4	0.5
Manufacturing	10.6	12.9	10.2	9.9	20.8	22.8	1.8	2.1	11.3	10.7	13.1	12.8
Electricity and Water	0.2	0.1	0.2	0.2	0.4	0.3	0.0	0.0	1.2	1.0	1.2	1.0
Construction	1.5	1.7	4.4	4.2	5.9	5.9	0.3	0.5	6.2	6.4	6.5	6.9
Trade, Restaurants and Hotels	17.6	17.7	7.6	5.8	25.2	23.5	2.3	2.4	10.2	8.2	12.4	10.6
Transport and Communication	7.3	7.1	2.3	2.2	9.6	9.4	1.2	1.2	7.4	6.5	8.6	7.7
Financing, Insurance, Real Estate and Business Services	9.3	9. 4	3.3	2.9	12.6	12.2	2.3	2.2	13.8	11.9	16.1	14.0
Community, Social and Personal Services	9.6	10.7	13.7	13.3	23.3	24.0	2.1	5.4	31.0	33.5	33.1	39.0
Total	57.0	60. 4	43. 0	39.6	100.0	100.0	12.0	15.8	87.8	84.2	100.0	100.0

*Provisional

of non-citizens in wage employment was accounted for by permanent emigration. The decline in the number of citizen non-Africans in wage employment can partly be attributed to their transferring into self-employment in industry and services.

10.14. The distribution of Asian and European wage employees by citizenship and industry is set out in Table 10.9. Over 46 per cent of the Asians in wage employment were engaged in manufacturing and distribution, compared with 23 per cent of Europeans. However, 22 per cent of Europeans were deployed in agriculture and financial institutions, while the comparable share of Asian employment in these two sectors was 14 per cent. A total of 9 per cent of the Asians and 8 per cent of the Europeans were employed in transport and communications, mainly by the East African Community Corporations.

Earnings

10.15. Total earnings from wage employment in the "modern" sector went up by K£25.3 million from K£206.8 million in 1972 to K£232.1 million in 1973, an increase of 12 per cent, compared with an increase of 10 per cent in 1972. Details of earnings in major sectors are set out in Table 10.10. The overall increase of 12 per cent in earnings compared with a growth of 6 per cent in numbers employed indicates an increase in average wages; this was most significant in the public sector, where earnings rose by 16 per cent and numbers employed by 4 per cent (*see* also paragraph 10.19).

EARNINGS BY MAJOR SECTOR, 1970-1973

Table 10.10 *K£ million*

	1970	1971	1972	1973*
PRIVATE SECTOR—				
Agriculture and Forestry	13.7	15.1	18.6	20.6
Rest of Private Sector	75.6	82.4	88.7	96.5
Total Private Sector	89.3	97.5	107.3	117.1
PUBLIC SECTOR	79.3	90.6	99.5	115.0
TOTAL	168.5	188.1	206.8	232.1

*Provisional

10.16. The increase in average earnings in the private sector was lower than the increase in the public sector. While employment went up by 7 per cent, earnings rose by 9 per cent. In private agriculture, total earnings and numbers employed both increased by 11 per cent. It is perhaps significant that both employment and earnings rose faster than average in the largest employing industry, even though the increase in employment was largely confined to relatively lowly paid unskilled labour, particularly coffee and tea pickers, and average earnings in agriculture declined overall. Earnings in the rest of the private sector went up by 9 per cent, compared with an increase of 3 per cent in numbers employed, indicating a marked increase in average earnings, though not as sharp as in the public sector.

10.17. Earnings in the private sector are set out in Table 10.11 by type of employer. Employees in private incorporated companies earned 67 per cent of total remuneration in the private sector, while only 59 per cent of total employees in the private sector were engaged in these enterprises. The average earnings of employees in incorporated companies were therefore higher than elsewhere in the private sector. Earnings of employees in enterprises with a minority shareholding by the public sector and in co-operatives were only marginally higher than their share in total employment, while employees in the rest of the private sector only received 25 per cent of total earnings although accounting for 34 per cent of employment.

EARNINGS IN THE PRIVATE SECTOR, 1970-1973

Table 10.11 *K£* million

	1970	1971	1972	1973*
Minority shareholding by the Public Sector			7.2	8.7
Incorporated Companies			69.9	78.2
Co-operatives			1.0	1.2
Other Private Sector			29.2	29.0
TOTAL	89.3	97.5	107.3	117.1

*Provisional

10.18. Total earnings in the private sector are analysed by industry in Table 10.12. Earnings from wage employment in all industrial groups except transport and communications increased in 1973. The decline of 7 per cent in earnings in this particular industry was accounted for by a fall in the number of employees. Increases in total earnings in agriculture have been discussed above. Significant increases were also recorded in the earnings of employees in the service industries, manufacturing, mining and construc-

EARNINGS IN THE PRIVATE SECTOR BY INDUSTRY, 1970-1973

Table 10.12 *K£million*

	1970	1971	1972	1973*
Agriculture and Forestry	13.7	15.1	18.6	20.6
Mining and Quarrying	0.9	1.0	0.7	0.8
Manufacturing	20.8	24.0	25.3	29.3
Electricity and Water	–	–	–	–
Construction	5.6	6.8	7.6	8.4
Trade, Restaurants and Hotels	19.1	21.5	21.6	21.9
Transport and Communication	6.9	6.8	8.3	7.7
Financing, Insurance. Real Estate and Business Services	10.3	10.4	12.7	13.7
Community, Social and Personal Services	12.0	11.9	12.5	14.7
TOTAL	89.3	97.5	107.3	117.1

*Provisional.

tion. Earnings in these industries increased by 18, 16, 14 and 11 per cent respectively, compared with increases in employment of 2 per cent in services, 9 per cent in manufacturing and 1 per cent in construction, and a fall of employment in mining of 11 per cent. Consequently there were wide variations in the growth of average earnings, with the highest increase being recorded in the mining sector.

10.19. Details of earnings of employees in various tiers of the public sector are set out in Table 10.13. The total earnings of employees in parastatal bodies went up significantly, by 34 per cent, in 1973 while the number of employees increased by 7 per cent; as a result, an appreciable increase has been recorded in their average earnings. Emoluments in parastatal bodies now account for over 27 per cent of the total earnings in the public sector. While the total earnings of employees of the Railways Corporation in Kenya went up from K£7.9 million in 1972 to K£9.7 million in 1973, an increase of 23 per cent, their number declined by 3 per cent in this period; the large increase in average earnings results directly from the salary revisions implemented during the year. Earnings of employees in East African Community General Fund Services and East African Airways Corporation also went up. by 17 and 15 per cent respectively. Since the number of employees in the General Fund Services increased by only 3 per cent over this period there was an increase in average earnings of employees in this tier of the public sector too, although not as large as the increase in earnings of employees in the parastatal bodies and Railways. The 18 per cent increase in employment by East African Airways, however, was larger than the growth in earnings, indicating a decline in average receipts of employees in this organization due to an increased number of employees on the lower pay scales.

EARNINGS IN THE PUBLIC SECTOR, 1970-1973

Table 10.13 *K£million*

	1970	1971	1972	1973*
Central Government	33.5	37.9	39.9	42.4
Parastatal Bodies	14.7	19.8	23.2	31.2
Majority Control by the Public Sector	1.9	2.6	4.0	5.2
Local Government	7.5	7.6	8.9	9.2
E.A.C. General Fund Services	1.7	1.8	1.8	2.1
E.A. Railways Corporation	8.0	8.0	7.9	9.7
E.A. Harbours Corporation	0.9	1.1	1.2	1.2
E.A. Posts and Telecommunications Corporation	3.5	3.6	2.9	3.1
E.A. Airways Corporation..	4.0	3.4	4.7	5.4
E.A. Cargo Handling Services Ltd.	3.6	4.2	4.2	4.4
Other E.A. Public Bodies**	–	0.6	0.8	1.1
TOTAL	79.3	90.6	99.5	115.0

*Provisional

**International Aeradio (E.A.) Ltd., E.A. External Telecommunications Co. Ltd. and Eastern Africa National Shipping Line.

CHANGES IN WAGE EMPLOYMENT AND EARNINGS, 1970-1973

Table 10.14 *Percentages*

	EMPLOYMENT				AVERAGE EARNINGS			
	1970/71	1971/72	1972/73*	1970/73*	1970/71	1971/72	1972/73*	1970/73*
Private Sector -								
Agriculture and Forestry	3.2	4.4	11.5	20.1	6.7	18.1	-0.6	25.2
Mining and Quarrying		-3.6	-11.1	-14.3	11.1	-27.4	28.5	3.7
Manufacturing	17.2	-0.4	9.2	27.5	-1.5	5.9	5.7	10.1
Electricity and Water								
Construction	23.5	11.4	1.3	39.4	-1.7	0.3	9.1	7.6
Trade, Restaurants and Hotels	11.3	-3.0	-2.8	4.9	1.2	3.5	4.3	9.3
Transport and Communication	-1.2	11.0	8.3	0.6	-0.2	9.9	1.2	10.9
Financing, Insurance, Real Estate	0.7		15.5	14.8	1.6	22.1	-6.6	15.9
Community, Social and Personal Services	3.4	-2.3	1.9	2.9	-4.0	7.5	15.4	19.1
Public Sector	8.2	7.3	4.3	21.1	5.9	2.3	10.8	20.0
Total	7.2	4 1	5.8	18.2	4.1	5.6	6.1	16.6

*Provisional

10.20. Further details by industry of changes in employment and average wage per employee are given in Tables 10.14 and 10.15.

Average Wage Earnings per Employee, 1970-1973

Table 10.15 K£

	1970	1971	1972	1973*
PRIVATE SECTOR—				
Agriculture and Forestry	74.6	79.6	94.0	93.4
Mining and Quarrying	321.4	357.1	259.3	333.3
Manufacturing	361.7	356.1	377.0	398.4
Electricity and Water	—	—	—	—
Construction	329.4	323.8	324.8	354.4
Trade, Restaurants and Hotels	448.4	453.6	469.6	489.9
Transport and Communication	418.2	417.2	458.6	463.9
Financing, Insurance, Real Estate and Business Services	691.3	702.7	858.1	801.2
Community, Social, and Personal Services	192.6	184.8	198.7	229.3
PUBLIC SECTOR	320.2	339.0	346.7	384.2
TOTAL	261.4	272.1	287.3	304.8

*Provisional

Manpower and Kenyanization

10.21. In Table 10.16 consolidated data are set out on the number of job vacancies, applicants and placing which have been dealt with by the offices of the Ministry of Labour between 1971 and 1973. The details in this table exclude current school leavers, since this category of job seeker is handled by the Kenyanization of Personnel Bureau. The total number of vacancies reported to the labour offices went up from 13,345 in 1971 to 26,881 in 1973. The number of job applications received in this period, however, rose by 34,231 from 54,590 to 88,821. Although this indicates a decline in the number of applicants per vacancy from 4.1 in 1971 to 3.3 in 1973, actual placing increased by only 4,735 from 11,112 in 1971 to 15,847 in 1973. As a result, the percentage of vacancies filled declined from 83 per cent in 1971 to 59 per cent in 1973. The disparity between the numbers of vacancies and applicants was largest in the case of unskilled occupations. Skilled occupations generally had low applicant-vacancy ratios. The applicant-vacancy ratio for clerical occupations, however, went up by over 3 times from 5.5 in 1971 to 17.2 in 1973.

10.22. Schemes to promote Kenyanization include national vocational training and trade testing programmes, set up in order to establish standards of skills by which workers can be graded through a system of trade testing, and apprenticeship programmes in various craft trades, establishing standards for industrial employment. Details on the number of passes obtained in trade tests in various types of craft training are set out in Table 10.17.

LABOUR OFFICES: VACANCIES, APPLICANTS AND PLACINGS, 1971-1973

Table 10.16

Occupation	Vacancies	Applicants	Placings	Ratio of Applicants to Vacancies	Percentage of Vacancies Filled
1971—					
Technical	10	57	3	5.7	30.0
Managerial		4	-	–	-
Clerical	729	4,039	672	5.5	92.2
Sales	85	419	59	4.9	69.4
Agriculture	590	1,195	541	2.0	91.7
Mining and Quarrying	93	155	85	1.7	91.4
Transport and Communication	792	4,576	764	5.8	96.5
Crafts and Production	2,054	5,121	1,550	2.5	75.5
Services	1,728	6,800	1,636	3.9	94.7
Unskilled	7,027	31,626	5,571	4.5	79.3
Miscellaneous	237	598	231	2.5	97.5
TOTAL	13,345	54,590	11,112	4.1	83.3
1972—					
Technical	12	61	10	5.1	83.3
Managerial	12	20	8	1.7	66.7
Clerical	1,004	8,545	792	8.5	78.9
Sales	125	544	80	4.4	64.0
Agriculture	3,376	2,039	1,135	0.6	33.6
Mining and Quarrying	58	46	28	0.8	48.3
Transport and Communication	602	4,984	591	8.3	98.2
Crafts and Production	1,552	4,686	1,050	3.0	67.7
Services	1,887	10,243	1,510	5.4	80.0
Unskilled	10,732	38,847	6,029	3.6	56.2
TOTAL	19,360	70,015	11,233	3.6	58.0
1973—					
Technical	11	78	1	7 1	9.1
Managerial	29	21	3	0.7	10.3
Clerical	669	11,495	468	17.2	70.0
Sales	108	1,098	91	10 2	84.3
Agriculture	3,143	3,402	1,218	1.1	38.8
Mining and Quarrying	61	80	20	1.3	32.8
Transport and Communication	739	5,981	724	8 1	98.0
Crafts and Production	3,215	8,207	1,940	2.6	60.3
Services	2,720	12,217	2,390	4.5	87.9
Unskilled	16,186	46,242	8,992	2.9	55.6
TOTAL	26,881	88,821	15,847	3.3	59.0

Table 10.17

TRADE TEST PASSES, 1970 -1973

	1970			1971			1972			1973		
	GRADE I	GRADE II	GRADE III	GRADE I	GRADE II	GRADE III	GRADE I	GRADE II	GRADE III	GRADE I	GRADE II	GRADE III
Mechanical Engineering	121	323	1,688	147	294	819	123	272	711	201	373	1,008
Building	76	369	923	71	232	556	30	223	641	47	75	547
Woodwork	32	53	799	18	86	405	20	81	241	28	77	326
Electrical	75	74	239	15	38	125	15	74	252	31	65	149
Tailoring and Others	16	4	50	7	52	205	201	46	225	10	42	243
TOTAL	320	823	3,699	258	702	2,110	201	696	2,070	317	632	2,273

Consumer Prices

10.23. Indices on consumer prices for lower and middle income wage earners went up by 15 and 13 per cent respectively in the 12 months between December, 1972 and December, 1973, indicated in Table 10.18. Further rises of 8 per cent and 6 per cent were recorded in the period up to April, 1974, making overall increases of 24 per cent and 20 per cent respectively in the 16 months from December, 1972 to April, 1974. These increases in the cost of living were higher than have been previously recorded in Kenya over comparable periods.

PERCENTAGE CHANGES IN CONSUMER PRICES, DECEMBER, 1968 TO APRIL, 1974

Table 10.18

	Dec. 69 to Dec. 70	Dec. 70 to Dec. 71	Dec. 71 to Dec. 72	Dec. 72 to Dec. 73	Dec. 73 to April 74	Dec. 68 to April 74
Nairobi Lower Income Index	1.6	7.5	3.0	15.0	7.9	39.6
Nairobi Middle Income Index	2.4	6.3	4.2	12.8	6.2	37.2

10.24. As indicated in Tables 10.19 and 19.20, food and rent are the items with the largest weights in the indices, and both items have shown sharp price increases in recent months, contributing largely to the overall rise in the indices. But there have been faster price increases for other groups, such as clothing and footwear, transport, and furniture and utensils, although their impact on the index is relatively smaller. School fees are the only item recording a fall, the result of the reduction in the overall average level of primary school fees from January, 1974.

10.25. The cost of living index for persons in the upper income group increased by 20 per cent in the 16-month period between December. 1972 and April, 1974.

10.26. The escalation of food prices in 1973 occurred for a number of reasons. The continued dry weather led to a shortage of important food items, particularly vegetables and meat. This situation was exacerbated by the movement of food crops into neighbouring countries, which were also experiencing shortages. Rising farm costs and switching by farmers out of some of the main food crops (particularly wheat, and to some extent maize), made it necessary for the Government to increase farm prices of maize, wheat, sugar and meat, the main items in the food sub-indices. Further, shortfalls in domestic production of wheat and sugar were made up by importations from overseas at prices ruling in world markets, which were well in excess of the equivalent prices in Kenya. The introduction of Sales Tax on non-essential manufactures had an effect on some items, particularly in the middle income index, but neither index reflects the abolition of Graduated Personal Tax in January, 1974.

LOWER INCOME INDEX OF CONSUMER PRICES-NAIROBI

(Base: August. 1971 = 100)

Table 10.19

(a) Old Weights

	Food	Drinks and Tobacco	Fuel. Light and Water	Personal Care and Health	Recreation and Enter-tainment	Transport	House-hold Operation	Clothing and Footwear	Miscel-laneous	All Groups
WEIGHT	671	79	52	19	11	26	53	79	10	1000
1968—December	91.7	88.3	90.7	89.4	95.4	100.0	97.8	98.4	100.0	92.4
1969—December	90.3	91.0	93.8	91.7	95.4	100.0	102.0	101.2	100.0	92.4
1970—December	92.5	91.0	95.8	100.0	95.4	100.0	100.2	100.5	100.0	93.9

(6) New Weights

	Food	Drinks and Tobacco	Fuel. Light and Water	Personal Care and Health	Recreation and Enter-tainment	Transport	Furniture and Utensils	House hold Operation	Clothing and Footwear	School Fees	Rent	All Groups
Weight	522	43	45	13	10	28	26	10	56	48	199	1000
1971 —												
December	100.8	102.1	102.1	100.0	100.0	100.1	103.8	106.3	102.3	100.0	100.5	100.9
1972—												
March	101.8	102.1	102.1	100.0	100.0	100.1	103.8	104.2	102.3	100.0	100.8	101.6
June	102.4	102.1	115.4	100.0	100.0	100.1	103.8	102.3	102.3	100.0	100.8	102.5
September	101.6	104.3	114.9	100.0	100.0	100.1	104.0	105.1	105.1	100.0	103.5	102.8
December	101.7	104.3	115.8	100.0	100.0	100.1	108.2	107.4	106.0	100.0	107.5	103.9
1973—												
March	102.1	104.3	114.1	100.1	100.0	100.0	108.2	105.0	106.0	100.0	111.6	104.8
June	104.9	104.3	117.2	100.0	100.0	100.1	127.4	108.6	130.6	100.0	115.5	109.1
September	111.4	104.3	118.5	107.5	100.0	117.2	151.5	117.4	160.0	100.0	131.0	118.6
December	113.4	104.3	120.3	114.2	100.0	117.2	163.8	120.4	166.6	100.0	131.0	119.5
1974—												
January	113.7	104.3	126.9	113.4	100.0	117.2	163.8	131.1	166.6	66.8	131.0	119.5
February	121.6	104.3	126.9	113.4	100.0	138.8	163.8	130.0	166.6	66.8	131.0	124.2
March	124.4	104.3	129.9	113.4	120.0	146.4	187.6	129.3	187.1	66.8	131.0	128.0
April	126.5	104.3	129.6	113.4	120.0	146.4	187.6	126.0	187.1	66.8	131.0	129.0

MIDDLE INCOME INDEX of CONSUMER PRICES—NAIROBI

(Base: August, 1971=100)

(a) Old Weights

Table 10.20

	Food	Beverages and Tobacco	Clothing and Footwear	Furniture and Utensils	Fuel Light and Water	House-hold Operation	Personal Care and Health	Recre-ation and Enter-tainment	Transport and Travel	Miscel-laneous	All Groups
WEIGHT	409	106	120	62	44	43	37	24	98	57	1000
1968—December	88.9	91.6	90.1	96.8	89.0	97.4	93.5	91.7	97.6	98.7	91.6
1969—December	90.2	92.0	93.2	96.3	90.3	97.0	93.9	91.7	97.6	99.0	92.6
1970—December	92.8	92.0	95.4	97.1	96.8	98.9	96.8	100.0	97.7	100.0	94.8

(b) New Weights

	Food	Beverages and Tobacco	Fuel, Light and Water	Personal Care and Health	Recre-ation and Enter-tainment	Transport	Furniture and Utensils	House-hold Operation	Clothing and Footwear	School Fees	Rent	All Groups
WEIGHT	412	44	50	23	13	65	26	23	51	69	224	1000
1971—December	100.8	102.0	100.3	99.9	101.0	101.0	100.1	103.0	102.0	100.0	100.5	100.8
1972—												
March	102.8	102.0	101.0	100.3	102.5	103.2	100.3	102.1	102.0	100.0	100.8	101.9
June	103.5	102.0	112.5	100.2	103.8	104.8	105.2	102.3	103.2	100.0	100.8	103.1
September	104.0	104.2	112.6	100.3	105.0	105.1	106.4	104.5	103.4	100.0	103.5	104.1
December	103.7	104.2	113.7	100.5	105.0	105.9	103.5	104.0	105.1	100.0	107.5	105.0
1973—												
March	104.2	104.2	114.0	100.1	105.0	109.5	104.1	104.0	105.1	100.0	111.6	106.4
June	107.8	104.2	115.4	101.9	109.4	114.8	106.2	105.9	107.9	100.0	115.5	109.5
September	111.8	104.2	117.3	106.2	111.1	118.7	132.9	110.0	132.4	100.0	131.0	117.1
December	114.4	104.2	118.3	107.8	111.1	121.6	130.7	110.3	132.4	100.0	131.0	118.4
1974—												
January	116.2	104.2	118.5	107.8	1111	124.6	131.7	114.2	143.0	84.3	131.0	118.9
February	124.1	104.2	118.9	109.0	111.1	131.9	131.7	114.0	143.0	84.3	131.0	122.7
March	125.6	104.2	127.0	135.9	111.1	134.7	134.6	118.9	145.0	84.3	131.0	124.8
April	127.4	104.2	127.7	133.7	111.1	134.7	139.8	118.4	145.0	84.3	131.0	125.7

CHAPTER 11—PUBLIC FINANCE IN THE ECONOMY

This chapter discusses the operations of the Kenya Government, local authorities and the General Fund Services of the East African Community. The East African Community Corporations and the parastatal bodies established by the Kenya Government have been covered in the appropriate foregoing chapters. With the growing participation of the public sector, the contribution to gross domestic product of the Kenya Government, local authorities and the General Fund Services has grown from K£81.9 million in 1969 to K£127.9 million in 1973

Kenya Government*

11.2. The main aggregates of revenue and expenditure of the Kenya Government for 1973/74 and previous years are set out in Table 11.1. The Government increased its expenditure in 1973/74 by K£34.6 million over 1972/73, a growth of 17 per cent, compared with the budgeted increase of 11 per cent when the current year's estimates were initially approved by the National Assembly. The extra amount is largely accounted for by supplementary estimates which have been necessary for two reasons. These were the salary increases awarded to the middle and lower cadres of civil service during the course of the year, and the introduction of free education in Standards 1 to 4 in primary schools. Under the circumstances, the Government has been successful in maintaining its overall level of expenditure relatively close to the approved estimates.

11.3. Kenya Government revenue receipts in 1973/74 are expected to rise by 26 per cent, compared with an increase of 5 per cent in 1972/73. Details of this increase are noted in subsequent paragraphs in this chapter. Because revenue receipts have risen faster than expenditures, the overall budgetary deficit of the Government has been reduced by 7 per cent from K£51.8 million to K£48.4 million, and the recurrent surplus has increased from K£9.4 million in 1972/73 to an estimated K£21 million in 1973/74. This will be a larger surplus than in any previous year, and will finance a record proportion of 30 per cent of total development expenditure. A further 35 per cent, of the development expenditure in 1973/74 approximately, is being financed from external grants and loans and the balance of 35 per cent will be financed by long- and short-term domestic borrowings, as indicated in Table 11.1.

*The figures in this Chapter detailing operations of Kenya Government differ from those in the published Appropriation Accounts. The principal reasons for this are the elimination of double counting resulting from transfers between Recurrent and Development accounts and the inclusion of collection costs incurred by the East African Community on the collection of Income Tax and Customs and Excise revenues and Appropriations-in-Aid in both revenue and expenditure figures.

OUT-TURN OF REVENUE AND EXPENDITURE*, 1965/66-1973/74

Table 11.1 K£'000

	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74
Recurrent Revenue	56,355	65,996	77,077	84,703	97,927	123,983	141,628	148,999	187,243
Recurrent Expenditure	63,267	68,529	74,991	80,515	91,136	111,317	128,670	139,578	166,203
Recurrent Surplus	—6,912	—2,533	+ 2,086	+ 4,188	+6,791	+ 12,666	+ 12,958	9,421	21,040
Development Expenditure	8,645	9,741	12,219	14,287	19,298	29,733	39,765	44,775	69,753
Development Project Earnings and Other Miscellaneous Receipts	586	408	863	642	400	379	424	606	283
DEFICIT	—14,971	—11,866	—9,270	—9,457	—12,107	—16,688	—26,383	—34,748	—48,430
INVESTMENT EXPENDITURE—									
Purchase of Equity	48	305	518	334	2,824	9,811	1,780	2,752	**
Loans to: Public Corporations	5,607	6,260	6,513	9,253	7,444	5,541	9,461	13,392	**
Private Corporations	24	49	325	590	243	405	831	852	**
Other					519		15	57	
TOTAL INCREASE IN INVESTMENT CLAIMS	5,676	6,614	7,356	10,177	11,030	15,757	12,087	17,053	**
TOTAL DEFICIT	—20,647	—18,480	—16,626	—19,634	—23,137	—32,445	—38,469	—51,801	—48,430
FINANCING OF THE DEFICIT—									
External Loans on Recurrent Account	2,169	2,220	1,267	105	68				
External Loans on Development Account	7,258	5,619	6,564	7,010	10,706	10,941	11,489	24,657	20,000
External Grants to Recurrent Account	2,573	2,833	1,689	792	528	620	754	227	1,357
External Grants to Development Account	2,525	641	213	182	912	204	1,040	294	3.000
TOTAL EXTERNAL FINANCE	14,525	11,313	9,733	8,089	12,215	11,765	13,283	25,178	24,357

Table 11.1—*(Contd.)* K£'000

	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74
LONG TERM DOMESTIC BORROWING ON RECURRENT ACCOUNT	1265		–	144	1,238	1,372			
LONG TERM DOMESTIC BORROWING ON DEVELOPMENT ACCOUNT	741	7,818	8.285	8,134	12,398	6,744	15,552	21,303	19,000
SHORT TERM DOMESTIC BORROWING ON RECURRENT ACCOUNT—									—1,500
Cereals and Sugar Finance Corporation				677	3,7^6	1,158	—4,954	2,074	—1.500
Tax Reserve Certificates	232	18	721	—90	1,290	—1,152	91	—269	10,000
Treasury Bills ..				5.000	—5,000	10,000	6,000	5.000	
Other		1		3	11	4			
SHORT TERM DOMESTIC BORROWING ON DEVELOPMENT ACCOUNT—									
Advances from Central Bank					5,000	5.000			
TOTAL NET SHORT TERM DOMESTIC BORROWING	232	19	721	5,590	5.067	15,002	1,137	6,805	7.000
CHANGES IN CASH BALANCES (Increase+)	—3,886	+ 670	+2,113	+2,323	+ 7,778	+ 2,438	—8,497	+ 1,485	+ 1,927

*This table details Kenya Government's deficit and its financing. The details in this table are set out in such a way as to isolate distortions caused by items of "investment" expenditure. These items consist of expenditures on purchase of equity in "commercial" enterprises and loans and advances to various sectors of the economy. Similarly, recurrent revenue, as shown in this table, excludes grants and long-term and short-term domestic financing. Basic aggregates in this table can be reconciled as follows:—

1. Recurrent expenditure plus development expenditure and investment expenditure as shown in this table equal total expenditure shown in Tables 11.3 and 11.8.
2. Development project earnings plus external loans and grants and long-term and short term domestic borrowing on development account equal development revenue shown in Table 11.14.

**Included in development expenditure. *Provisional.

11.4. Increases in Government expenditure in the four main categories of functional activities undertaken by the Government are set out in Table 11.2. Detailed figures on outlays on various activities within each of these four categories are set out in further detail in Table 11.3.

THE GROWTH OF EXPENDITURE BY FUNCTIONAL ACTIVITIES, 1964/65 TO 1973/74*

Table 11.2 *Percentages*

SERVICES	1964/65 to 1972/73	1964/65 to 1973/74	1971/72 to 1972/73	1972/73 to 1973/74*
General Services	139.6	174.7	6.9	14.7
Financial Obligations	42.2	64.6	7.7	15.8
Economic and Community Services	222.3	282.4	17.1	18.6
Social Services	408.5	488.2	12.1	15.8
TOTAL EXPENDITURE	185.5	234.5	11.6	17.2

*Provisional

11.5. Economic and community services as a single category account for the largest share of expenditure. Their share of the total expenditure increased marginally from 32.9 per cent in 1972/73 to 33.3 per cent in 1973/74. The most significant feature of the expenditure on this group of activities is the 50 per cent increase in outlays on agriculture and veterinary services, whose share of total outlays on economic and community services has consequently increased from 22 per cent in 1972/73 to 27 per cent in 1973/74. The increased is accounted for by a K£2.0 million subvention to the Maize and Produce Board to establish the "strategic" maize reserve, loans of K£1.9 million to the Agriculture Finance Corporation and an expenditure of K£1.4 million on the purchase of land for settlement purposes.

11.6. Expenditure on transport and roads, the largest single activity in the economic and community services group, increased by a modest 6 per cent in 1973/74, compared with an increase of 20 per cent in 1972/73. As a result, the proportion of total group expenditure directed to transport and roads declined from 44 per cent in 1972/73 to 39 per cent in 1973/74. The slower rate of growth is largely accounted for by the levelling out of expenditures on roads, following significant outlays on the development of the primary road network in the last few years, and there was an absolute decline in expenditure on roads in 1973/74. The emphasis in road expenditures has shifted from primary roads to the development of the secondary and feeder road networks and the maintenance of roads recently constructed—*see* Chapter 7.

RECURRENT AND DEVELOPMENT EXPENDITURE ON MAIN SERVICES, 1969/70-1973/74

Table 11.3 *K£million*

Services	1969/70	1970/71	1971/72	1972/73	1973/74*
GENERAL SERVICES—					
Administration and Foreign Affairs	7.30	8.00	10.66	12.06	12.53
Law and Order	11.96	13.42	16.98	15.76	17.44
Defence	5.69	6.47	9.29	11.95	15.18
Revenue Collection and Financial Control	2.64	2.54	3.04	2.96	3.83
TOTAL	27.59	30.43	39.97	42.72	48.98
FINANCIAL OBLIGATIONS—					
Public Debt	10.67	18.04	17.03	16.77	20.01
International Monetary Organization Subscriptions	1.07	3.28	0.12	0.20	0.10
Pensions and Gratuities	3.83	3.65	3.77	3.91	3.62
Compensation Payments	0.07	0.03	0.02	0.02	0.01
Passages and leave expenses	0.54	0.58	0.48	0.61	0.36
Transfers to local authorities	4.89	0.85	0.97	2.61	3.82
TOTAL	21.07	26.43	22.39	24.12	27.92
ECONOMIC AND COMMUNITY SERVICES—					
Agriculture and Veterinary	10.94	11.38	14.35	14.22	21.15
Forestry	1.67	1.73	2.30	2.35	2.82
Game and National Parks	1.37	1.76	2.41	2.95	3.29
Transport and Roads	12.79	18.72	24.23	29.09	30.95
Electricity and Petroleum	2.60	3.97	0.05	1.15	1.22
Banking	–	2.88	0.25	0.38	1.09
Other (including water supplies)	7.95	10.72	12.96	16.09	18.06
TOTAL	37.32	51.16	56.55	66.23	78.58
SOCIAL SERVICES—					
Education	17.54	27.58	33.68	40.38	46.65
Health	7.94	10.11	12.22	12.77	14.11
Other (Labour, Community Development, Housing, etc.)	6.11	6.57	10.01	9.54	11.83
TOTAL	31.59	44.26	55.91	62.70	72.59
UNALLOCABLE	3.88	4.52	5.71	5.64	7.89
TOTAL EXPENDITURE	121.45	156.80	180.52	201 .41	235.96

*Provisional.

11.7. The decline in road expenditure has been more than offset by the increase in expenditure on airport construction. It is anticipated that K£5.2 million will be expended on construction of airports in 1973/74, the bulk of which is earmarked for the construction of Nairobi and Mombasa Airports. The increase in expenditure on "other" economic and community services is mainly accounted for by an increase of K£1.7 million in outlays on development of water supplies, and is noted with further details in Chapter 5.

11.8. Social services is the next largest single category of expenditure after economic and community services. Total expenditure on these activities has more than doubled between 1969/70 and 1973/74. It is anticipated that the Government will have increased its expenditure on social services by 16 per cent in 1973/74, (compared with an increase of 12 per cent in 1972/73) largely accounted for by the increased outlays incurred on education, as a result of the partial introduction of free education in primary schools and the salary revisions for teachers announced a few months ago. Salary increases also account for part of the increase in expenditure on health services, while the bulk of the rise for other social services is the result of an increase in housing loans and capital contribution of K£1.2 million to the Housing Finance Company of Kenya.

11.9. Expenditure on general services is estimated to have risen by 15 per cent in 1973/74. Over 50 per cent of this increase will have been incurred on defence expenditure, estimated to rise by 27 per cent in 1973/74. Salary revisions and administrative costs incurred following the takeover of income tax administration from the East African Community and the introduction of sales tax account for the rest of the increase in expenditure on general services.

11.10. Apart from a small increase in transfers to local authorities, the increase in 1973/74 in expenditure on financial obligations is accounted for by a 19 per cent increase in public debt payments. Almost 33 per cent of the total expenditure on public debt payments in 1973/74 has been incurred on debt redemption and the balance on interest payments. Redemption payments increased from K£6.1 million in 1972/73 to K£8.1 million in 1973/74.

11.11. Further details on public debt are shown in Tables 11.4 to 11.7. The overall level of public debt in 1973 increased from K£194.3 million in 1972 to K£236.4 million in 1973, a rise of over 21 per cent, compared with an increase of 14 per cent in 1972/73. The increase is almost equally apportioned between funded internal and unfunded external debts. Internal debt now accounts for 47 per cent of the total public debt, compared with 22 per cent 10 years ago. The bulk of the internal debt is funded and raised on the local market through issues of Government stocks. Unfunded loans account for only about 10 per cent of the local debt. Overseas countries are the main source of unfunded debt, although the share of international organizations has been increasing in recent years. As shown in Table 11.6, almost 25 per cent of the total unfunded debt in 1973 had been borrowed from these international organizations.

11.12. An analysis of public funded debt by holders on local registers is noted in Table 11.7. The National Social Security Fund remains the most significant single source of loan funds, although its share of the total declined slightly from 35 per cent in 1972 to 33 per cent in 1973.

PUBLIC DEBT, 1961-1973

Table 11.4 *K£million*

As at 30th June	PUBLIC DEBT*								
	FUNDED			UNFUNDED			TOTAL		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
1961	32.53	16.79	49.32	18.79	1.06	19.85	51.32	17.85	69.17
1962	32.16	17.09	49.25	25.08	1.10	26.18	57.24	18.20	75.44
1963	32.16	17.09	49.25	32.79	0.95	33.74	64.95	18.04	82.98
1964	32.16	17.09	49.25	35.96	0.90	36.86	68.12	17.99	86.11
1965	32.16	17.59	49.75	44.75	0.94	45.69	76.91	18.53	95.44
1966	32.16	18.32	50.48	53.94	1.02	54.96	86.10	19.34	105.44
1967	32.16	26.27	58.43	58.96	1.21	60.17	91.12	27.49	118.61
1968	27.30	34.77	62.07	58.19	1.40	59.59	85.49	36.17	121.66
1969	27.30	47.81	75.11	65.98	1.33	67.31	93.28	49.14	142.42
1970	27.30	56.91	84.21	74.74	1.19	75.93	102 04	58.10	160.14
1971	21.21	64.21	85.42	73.67	11.04	84.70	94.88	75.24	170.13
1972	21.21	77.66	98.87	84.55	10.88	95.43	105.76	88.54	194.30
1973	21.21	99.22	120.42	105.29	10.73	116.01	126.50	109.95	236.43

*Excluding Short-Term Borrowings.

DEBT SERVICING CHARGES, 1961-73

Table 11.5 *K£ million*

As at 30th June	ANNUAL DEBT SERVICING CHARGES			INTEREST AND LOAN REPAYMENT RECEIPTS			NET SERVICING CHARGES			Sinking Funds at Market Value
	External	Internal	Total*	External	Internal	Total	External	Internal	Total	
1961			3.40			1.51			1.89	5.33
1962	0.95	3.19	4.14	0.20	1.55	1.75	0.75	1.64	2.39	5.28
1963	1.37	3.29	4.66	0.22	1.61	1.85	1.15	1.68	2.83	6.67
1964	1.97	3.24	5.21	0.33	1.71	2.04	1.64	1.53	3.17	7.88
1965	2.61	3.76	6.37	0.56	2.26	2.82	2.05	1.49	3.54	9.05
1966	3.16	4.55	7.71	0.32	2.57	2.89	2.84	1.98	4.82	9.99
1967	4.83	3.50	8.33	0.81	2.79	3.60	4.02	0.71	4.73	11.22
1968	5.27	2.67	7.91	0.74	3.13	3.87	4.53	-0.50	4.03	11.01
1969	4.78	4.09	8.87	0.38	2.98	3.36	4.40	1.11	5.51	11.36
1970	4.98	5.70	10.68	0.62	3.01	3.64	4.18	2.86	7.04	13.91
1971	11.45	6.20	17.65	0.58	7.35	7.93	10.87	-1.15	9.72	12.84
1972	7.23	9.47	16.70	0.59	4.50	5.09	6.64	4.97	11.61	15.51
1973	8.88	7.67	16.55	0.68	3.97	4.64	8.20	3.70	11.91	15.94

*Includes interest payments of (K£million):—
1960—2.34; 1961—2.73; 1962—3.29; 1963—3.66; 1964—4.05; 1965—4.41; 1966—4.73; 1967—5.25; 1968—5.40; 1969—5.97; 1970—6.61; 1971—7.44; 1972—8.72; 1973—10.64.

SOURCES OF UNFUNDED DEBT, 1966-1973

Table 11.6 K£'000

Outstanding as at June 30th	1966	1967	1968	1969	1970	1971	1972	1973
EXTERNAL DEBT								
Lending Countries								
United Kingdom	43,627	47,582	44,486	47,830	52,776	46,314	47,209	48,014
U.S.A	4,793	4,047	4,581	4,759	4,890	5,733	7,272	13,611
West Germany	2,795	3,297	3,563	3,622	3,896	4,583	4,889	4,869
U.S.S.R		195		163	147	130	113	97
Japan					149	598	599	690
Israel			456	609	647	566	471	374
Others	400				127	869	3,714	8,950
TOTAL	51,613	55,121	53,086	56,983	62,632	58,793	64,267	76,605
International Organizations								
I.B.R.D	1,785	1,873	1,661	1,497	1,195	2,498	6,640	9,122
I.D.A.	542	1,961	3,441	7,380	10,633	11,987	13,048	18,674
African Development Bank				119	278	386	595	885
TOTAL	2,327	3,834	5,102	8,996	12,108	14,871	20,283	28,681
TOTAL EXTERNAL	53,940	58,955	58,188	65,979	74,738	73,664	84,550	105,286
INTERNAL (E. AFRICAN) DEBT								
Uganda/Tanzania	448	441	454	400	367	333	299	265
Banks: Central						10,000	10,000	10,000
Other	557	567	553	465	386	295	199	108
Insurance Companies		154	268	261	234	207	180	154
Other	10	53	127	202	202	202	202	201
TOTAL INTERNAL	1,015	1,215	1,402	1,328	1,189	11,037	10,880	10,728
TOTAL UNFUNDED DEBT	54,956	60,170	59,590	67,307	75,927	84,701	95,430	116,013

ANALYSIS OF PUBLIC FUNDED DEBT AT BOOK VALUE BY HOLDERS ON LOCAL REGISTER AS AT 31ST DECEMBER

Table 11.7 K£'000

HOLDERS	1969	1970	1971	1972	1973
PUBLIC BODIES:—					
National Social Security Fund	17,417	17,510	22,533	30,427	34,677
Central Government	9,912	13,411	20,083	18,679	19,386
Local Government	1,078	950	901	833	833
Kenya Post Office Savings Bank	2,114	2,551	2,008	3,507	4,870
East African Community Institutions	891	380	380	3,383	4,895
Central Bank	3,510	3,510	2,010	5,701	4,576
Other Public Sector	474	472	513	440	417
OTHER INTERNAL:—					
Commercial Banks	6,184	8,299	8,374	8,095	10,375
Insurance Companies	4,879	5,280	5,368	6,496	6,182
Other Companies	2,445	4,169	7,341	9,184	11,172
Private Individuals	780	719	396	259	251
EXTERNAL:—					
Other East African	352	370	370	98	94
Other Sterling Area	1,723	1,556	1,371	1,047	870
Non Sterling Area	42	39	13	12	8
TOTAL	51,801	59,216	71,661	88,161	104,716

ECONOMIC ANALYSIS OF EXPENDITURE, 1968/69-1972/73

Table 11.8 *K£million*

RECURRENT EXPENDITURE	1968/69	1969/70	1970/71	1971/72	1972/73
CONSUMPTION EXPENDITURE GOODS AND SERVICES—					
Wages and Salaries:					
Personal Emoluments	26.32	36.42	47.62	61.54	62.63
House Allowances	1.07	1.27	1.53	2.50	3.06
Passages and Leave Expenses	0.51	0.51	0.56	0.48	0.55
Contributions to Pensions Fund	0.44	0.42	0.49	0.16	0.02
Pay and allowances to Armed Forces:					
Personal Emoluments	3.22	3.31	3.54	3.96	4.27
Pensions and Gratuities	0.13	0.14	0.15	0.17	0.20
TOTAL	31.70	42 07	53.89	68.80	70.73
Other Goods and Services:					
Rent of Fixed Assets:					
(a) Residential	0.32	0.39	0.64	0.64	0.68
(b) Non.residential	0.35	0.43	0.29	0.44	0.50
Maintenance and repairs	2.54	3.13	3.66	5.15	11.52
Travelling expenses	2.39	2.65	2.91	4.08	4.34
Collection costs of income tax, customs and excise duties	1.10	1.32	1.42	1.42	1.00
Miscellaneous other goods and services	9.10	11.14	13.69	18.33	19.95
TOTAL	15.83	19.06	22.61	30.06	37.99
SUBSIDIES—					
To agriculture	2.76	1.35	1.20	0.79	1.67
To other sectors	0.05	0.03	0.04	0.04	0.09
TOTAL	2.81	1.38	1.24	0.83	1.76
INTEREST—					
External Debt	3.58	3.20	3.33	3.87	5.46
Internal Debt	2.39	3.41	4.12	4.85	5.17
TOTAL	5.98	6.61	7.45	8.72	10.64
OTHER TRANSFERS—					
To Households and Un.incorporated Enterprises:					
(a) Persons (including pensions)	4.29	5.09	4.34	7.67	8.78
(b) Private non-profit institutions—Educational	5.48	3.14	2.66	3.13	3.28
(c) Other private non-profit institutions	0.33	0.19	0.55	0.32	0.72
To rest of the world	1.11	1.27		0.40	0.53
To other General Government Agencies:			3.47		
(a) Local Authorities	5.69	4.79		0.80	0.79
(b) E.A. Community	0.12	0.02	0.75	0.13	0.20
(c) Land Settlement	0.51	0.39			
(d) Miscellaneous	1.38	2.33	0.43 4.36	3.12	2.28
TOTAL	18.91	17.22	16.56	15.58	16.59
TOTAL RECURRENT EXPENDITURE	75.22	86.33	101.75	124.00	137.71

Table 11.8—*(Contd.)* *K£million*

	1968/69	1969/70	1970/71	1971/72	1972/73
CAPITAL EXPENDITURE					
GROSS CAPITAL FORMATION—					
Residential buildings	1.42	1.08	2.32	2.46	2.80
Non-residential buildings	4.39	4.11	5.67	6.25	6.55
Construction and works	7.83	10.50	15.75	19.08	24.92
Plant, Machinery and Equipment	1.93	2.11	2.54	4.46	3.39
Transport Equipment	0.75	1.40	1.55	1.97	1.52
Land	0.28	0.83	0.81	2.00	1.32
TOTAL	16.60	20.03	28.64	36.22	40.51
INVESTMENT IN COMMERCIAL ENTERPRISES	2.60	9.81	1.78	2.75	
LOANS TO OTHER SECTORS—					
To Households and Un-incorporated Enterprises		0.76			0.06
To Corporations	5.71	4.97	4.35	6.60	5.24
To Other General Government Agencies	4.46	2.69	1.60	3.69	9.00
TOTAL	10.18	8.42	5.95	10.31	14.30
LOAN REPAYMENT—					
External Debt	1.67	1.95	1.91	2.98	3.18
Internal Debt	0.57	1.34	7.60	3.95	1.63
Sinking Fund	0.74	0.78	1.14	1.29	1.33
TOTAL	2.98	4.07	10.65	8.22	6.14
TOTAL CAPITAL EXPENDITURE	29.76	35.12	55.05	56.52	63.70
ALL EXPENDITURE	104.98	121.45	156.80	180.52	201.41

Table 11.9 KÃ000

ECONOMIC CLASSIFICATION / FUNCTIONAL CLASSIRCATION	RECURRENT EXPENDITURE: CONSUMPTION EXPENDITURE: Wages and Salaries	RECURRENT EXPENDITURE: CONSUMPTION EXPENDITURE: Other	RECURRENT EXPENDITURE: Subsidies	RECURRENT EXPENDITURE: Interest on Public Debt	RECURRENT EXPENDITURE: Transfers to House-holds	RECURRENT EXPENDITURE: Transfers to Rest of the World	RECURRENT EXPENDITURE: Other Transfers	RECURRENT EXPENDITURE: Total Recurrent Expendi-ture	CAPITAL EXPENDITURE: Gross Capital Forma-tion	CAPITAL EXPENDITURE: Loans and Invest-ment in Govern-ment Enter-prises	CAPITAL EXPENDITURE: Loan Repay-ments to other Sectors	Total Recurrent and Capital Expend-ture
GENERAL SERVICES—												
Administration—Central ..	2,462	1,037	29	–	181	–	–	3,709	2,600	–	–	6,309
Administration—Provincial	2.784	564	–	–	–	–	50	3,398	366	–	–	3,764
Foreign Affairs	663	717	–	–	–	179	50	1,610	382	–	–	1,991
Law and Order	10,220	3,780	–	–	37	1	–	14,037	1,719	–	–	15,756
Defence	4,244	5,465	–	–	7	–	–	9,716	2,230	–	–	11,946
Revenue Collection and Fina- ncial Control	987	1,757	25	–	10	119	8	2,905	44	–	6	2,956
COMMUNITY SERVICES—												
Roads	273	5,564	8	–	–	–	–	5,845	19,580	–	–	25,425
Water Works	680	1,850	11	–	–	–	81	2,622	1,501	–	–	4,123
Other	74	14	–	–	–	'–	–	89	–	–	–	89
SOCIAL SERVICES—												
Education	26,547	2,991		–	7,855	11	1,180	38,584	1,794	–	–	40,378
Health	6,075	3,948	13	–	307	–	–	10,343	2,431	–	–	12,774
Labour	313	72	–	–	33	10	–	427	45	–	–	472
Housing	81	9			–.	–	–	90	680	3,490	–	4,260
Other, including Community	2,299	1,237	–	–	471	6	181	4,192	620	–	–	4,813
Development	3,779	1,103	1,668	–	138	2	355	7,045	515	3,647	–	11,206
ECONOMIC SERVICES—												
Agriculture	1,465	1,026		–	21	–	1	2,513	449	52	–	3,014
Veterinary	1,496	488	4	–	1	1	–	1,990	357	–	–	2,347
Forestry	624	356	–	–	1	–	–	981	339	5	–	1,325
Game and Fisheries	11											
National Parks and Tourism		422	–	–	–	–	379	812	–.	819	–	1,630
Lands, Mines, Survey and Geology	1,725	712	–	–	–	–	1	2,438	139	–	–	2,578
Commerce and Industry ..	757	1,219	–	–	1	–	76	2,053	377	6,871	–	9,301
Transport, excluding Roads	373	1,016	–	–	–	–	–	1,388	2,276	3	–	3,668
Electricity and Petroleum ..	–		–	–	–	–	–	–	–	379	–	379
Banking and Financial Institutions	–		–	–	–	–	–	–	1,145	6	–	1,151

ECONOMIC AND FUNCTIONAL CROSS-ANALYSIS EXPENDITURE, 1972/73

Table 11.9 - (Contd.) K£'000

ECONOMIC CLASSIFICATION / FUNCTIONAL CLASSIFICATION	RECURRENT EXPENDITURE								CAPITAL EXPENDITURE			Total Recurrent Capital Expend-ture
	CONSUMPTION EXPENDITURE											
	Wages and Salaries	Other	Subsidies	Interest on Public Debt	Transfers to House-holds	Transfers to Rest of the World	Other Transfers	Total Recurrent Expendi-ture	Gross Capital Forma-tion	Loans and Invest-ment in Govern-ment Enter-prises	Loan Repay-ments to other Sectors	
RECURRENT FINANCIAL OBLIGATIONS—												
Interest	–	–	–	10,637	–	–	–	10,637	–		–	10,637
Sinking Fund	–	–	–	–	–	–	–	–	–		633	633
Redemption	–	–	–	–	–	—	–	–	–		5,497	5,497
Compensation Payments to Designated Officers	–	–	–	–	21		–	21	–		–	21
Pensions and Gratuities	223	–	–	–	3,685		–	3,908	–		–	3,908
Subscriptions to International Monetary Organizations	–		–	–	–	202		202	–		–	202
Passages and Leave Expenses	609	–	–	–	—	–		609	–		–	609
Transfers to Local Authorities, n.e.s.				—	–	–	794	794	83	1,732	–	2,610
UNALLOCABLE EXPENDITURE—												
Buildings—Residential	282	861	–		–	–	–	1,143	—	–	–	1,143
Buildings—Non-Residential	282	1,028	–		–	–	–	1,310	–	–	–	1,310
M.O.W.—Unallocable	1,112	327	–	–	5	–	132	1,576	706	50	–	2,332
Government Printer. .	238	405		–	–	–	–	643	126		–	769
Other Unallocable	50	27	–	–	1	–		78	6		–	84
TOTAL	70,728	37,994	1,758	10,637	12,773	530	3,288	137,708	40,510	17,054	6,136	201,407

11.13. An economic analysis of the Government outlays is detailed in Table 11.8*. This table does not include information on 1973/74, since the details required to undertake this analysis for the current year were not available at the time of going to press. The share of capital expenditure in the total remained almost constant in 1971/72 and 1972/73. Wages and salaries declined from 55 per cent of the total recurrent expenditure in 1971/72 to 51 per cent in 1972/73. Following the salary revisions in 1973/74, the percentage share of wages and salaries in total recurrent expenditure will increase once again.

11.14. A functional and economic analysis of Government expenditure in 1972/73 is put together as a matrix tabulation in Table 11.9.

11.15. Receipts on recurrent account are detailed in Table 11.10. Total receipts are anticipated to increase by K£38.3 million in 1973/74, a rise of 26 per cent, mainly as a result of an increase of K£37.2 million in receipts from taxation, which accounted for 82 per cent of the total receipts on recurrent account. Details are set out in Table 11.11.

GROSS RECEIPTS ON RECURRENT ACCOUNT, 1969/70-1973/74

Table 11.10 K£million

	1969/70	1970/71	1971/72	1972/73	1973/74*
DOMESTIC SOURCES—					
Taxation	76.18	92.99	107.81	117.14	154.34
Interest and repayment of loans	5.45	9.77	5.09	4.64	5.74
Charges for goods and services	10.99	12.81	13.65	15.47	16.11
Reimbursement from other administrations	1.24	0.95	2.63	2.17	2.16
Miscellaneous	4.07	7.47	12.43	9.58	8.89
TOTAL RECEIPTS	97.93	123.98	141.62	187.24	148.99

*Provisional.

11.16. Total receipts from direct taxes are estimated to have risen by only 4 per cent in 1973/74, compared with an increase of 14 per cent in 1972/73. This moderate growth is the result of the abolition of Graduated

*In Table 11.8, the "recurrent" and "capital" expenditures are not synonymous with the "recurrent" and "development" expenditure as published in the Appropriation Accounts. The definitions in this table are based on economic rather than budgetary categories.

GROSS REVENUE FROM TAXATION FOR RECURRENT EXPENDITURE, 1969/70-1973/74

Table 11.11 *K£million*

	1969/70	1970/71	1971/72	1972/73	1973/74*
DIRECT TAXATION—					
Income Tax	29.20	37.78	45.04	50.20	55.46
Graduated Personal Tax	2.44	2.68	1.82	3.25	1.00
Estate Duties	0.35	0.35	0.50	0.43	0.40
Export Duties	0.40	0.49	0.44	0.68	–
TOTAL	32.39	41.30	47.80	54.57	56.86
INDIRECT TAXATION—					
Sales Tax			–	2.70	31.00
Import Duties	24.35	28.72	31.50	26.99	36.57
Excise Duties	13.15	15.27	16.21	16.84	20.31
Stamp Duties	1.07	1.28	1.34	1.34	1.90
Petrol and Diesel Tax	2.11	2.39	2.39	2.36	–
Licences and Fees under the Traffic Act	1.10	1.70	2.64	2.94	3.05
Taxes and Licences, n.e.s.	1.63	1.69	5.41	8.74	4.00
Land Premia and Taxes	0.13	0.31	0.20	0.27	0.25
Royalties	0.25	0.32	0.32	0.39	0.40
TOTAL	43.79	51.68	60.01	62.57	97.48
TOTAL TAXES AND LICENCES	76.18	92.98	107.81	117.14	154.34
Percentage contribution of:—					
Direct Taxes	43	44	44	47	37
Indirect Taxes	57	56	56	53	63

*Provisional

Personal Tax in 1974 and also of the slowing down of the increase in income tax receipts following the reduction in rates of personal income tax from 1st January, 1974.

11.17. The significant increase in the collections from indirect taxes accounts for over 90 per cent of the increase in total taxation receipts. The bulk of the increase has accrued from the sales tax, which was fully operational, in the sense of being levied both on imports and on local manufacturers, for the first time in 1973/74. Receipts from sales tax on imports in the last quarter of 1972/73, when sales tax was first introduced, amounted to K£2.7 million. Apart from sales tax receipts, collections from import and excise duties also increased, by 35 per cent and 21 per cent respectively in 1973/74, as a result of the increased value of imports and higher level of local production of excisable commodities. These are discussed separately in Chapters 3 and 6. Further details on import and excise duty collections at commodity level are set out in Tables 11.12 and 11.13. The figures in these tables are, however, presented on a calendar year basis and are not directly comparable with the figures in Table 11.11.

IMPORT DUTY COLLECTIONS, 1969-1973

Table 11.12 K£'000

END USE CATEGORY	1969	1970	1971	1972	1973
Food, drink and tobacco	2,403	3,079	4,630	4,745	4,268
Basic materials	679	723	742	897	1,120
Fuels	6,765	7,400	8,851	6,645	10,108
Chemicals	671	771	1,051	836	1,061
Textiles	4,128	4,492	4,868	3,809	4,119
Semi-manufactures	1,553	1,685	2,435	1,445	1,964
Metals	796	961	1,366	1,217	1,742
Transport Equipment	3,627	4,393	5,322	4,371	4,784
Machinery	1,215	1,533	2,229	2,279	3,535
Miscellaneous manufactured articles	1,988	2,725	4,260	3,384	2,795
Miscellaneous commodities and transactions	682	824	-526	-225	-448
TOTAL	24,507	28,586	35,228	29,403	35,048

EXCISE REVENUE BY COMMODITIES, 1969-1973

Table 11.13 K£'000

COMMODITY	1969	1970	1971	1972	1973
Beer	4,334	5,838	6,981	7,647	9,793
Sugar	2,819	3,221	2,713	2,197	2,848
Cigarettes	3,756	4,404	4,885	5,201	5,802
Cigars	1	–	–	–	–
Matches	191	162	186	199	247
Tobacco	35	26	25	24	3
Spirits	223	211	211	246	333
Mineral Waters	434	507	629	654	805
Biscuits	29	26	29	31	36
Fabrics, woven	436	553	622	743	670
Soap	494	487	702	493	867
Paints and distempers	162	161	178	229	227
TOTAL	12,914	15,596	17,160	17,664	21,632

11.18. No receipts have been shown against petrol tax in 1973/74, and receipts from taxes and licences n.e.s. have also declined, from K£8.7 million in 1972/73 to K£4 million in 1973/74, since consumption taxes were abolished and replaced by the sales tax in 1973. The overall increase in receipts from indirect taxes has led to the share of indirect taxes in total taxation receipts rising from 53 per cent in 1972/73 to 63 per cent in 1973/74.

DEVELOPMENT REVENUE ACCOUNTS, 1969/70-1973/74

Table 11.14 *K£million*

	1969/70	1970/71	1971/72	1972/73	1973/74*
EXTERNAL SOURCES—					
Grants:					
British Government	0.76	0.04	0.56	0.01	..
Others	019	0.17	0.48	0.28	
TOTAL	0.95	0.21	1.04	0.29	3.00
Loans:					
U.K. Exchequer and C.D.C.	6.71	2.44	3.23	4.00	
U.S.A.I.D	0.03	0.23	1.26	0.02	
I.B.R.D		1.53	3.24	2.63	
West Germany	0.17	0.94	0.20	0.23	
I.D.A	3.27	1.63	1.08	5.63	
Other Foreign Loans	0.52	4.16	2.48	12.15	
TOTAL	10.71	10.93	11.49	24.66	20.00
TOTAL EXTERNAL SOURCES	11.66	11.14	12.53	24.95	23.00
INTERNAL SOURCES—					
Loans:					
Local Market Issues	12.37	6.74	15.55	21.30	19.00
Other Local Loans	5.02	5.00			
TOTAL	17.39	11.74	15.55	21.30	19.00
MISCELLANEOUS REVENUES—					
Development Project Earnings	0.13	0.17	0.36	0.20	0.17
Other	0.24	0.20	0.07	0.41	0.11
TOTAL	0.37	0.37	0.43	0.61	0.28
TOTAL INTERNAL SOURCES	17.76	12.11	15.98	21.91	19.28
TOTAL REVENUE	29.42	23.25	28.51	46.86	42.28

*Provisional.

11.19. Details of revenue receipts on development account are set out in Table 11.14. These indicate an overall decline in total receipts for development expenditure. The resulting enlarged deficit on development account has been covered by increased short-term borrowings and the transfer of the enlarged surplus on recurrent account. These are shown in Table 11.1 and not included in Table 11.14.

Local Authorities

11.20. Total expenditure by local authorities is shown in Table 11.15. Figures for 1972 and 1973 are derived from published estimates and not actual accounts, since accounts have not been finalized by all authorities. Past experience suggests that the actual expenditure is usually below the published estimates and it is felt that in the final out-turn, the overall increase between 1971 and 1973 will be less than the 38 per cent increase indicated in Table 11.15. Furthermore, the increase is expected to be more evenly phased over the three years, rather than being confined mainly to 1972. as shown in the provisional figures.

EXPENDITURE OF LOCAL AUTHORITIES, 1968-1973

Table 11.15 *K£million*

	MUNICIPALITIES			COUNTY COUNCILS	TOTAL
	Nairobi City Council	Other Municipal Councils	Total		
1968	8.85	4.91	13.76	14.63	28.39
1969	9.21	4.02	13.23	5.99	19.22
1970	9.06	4.37	13.43	2.83	16.26
1971	11.11	4.56	15.67	3.45	19.12
1972*	12.67	6.88	19.55	6.08	25.63
1973*	13.50	6.19	19.70	6.80	26.49

*As shown in Councils' Estimates.

11.21. Nairobi City Council, the largest single authority, accounts for around 50 per cent of the total expenditure incurred by local authorities, the balance being evenly shared between the other municipalities and the county councils.

11.22. In 1973, the bulk of the increase in expenditure by municipalities was incurred on social services. Details of expenditure by municipalities on main services are set out in Tables 11.16 and 11.17. The increases in expenditure on social services have been incurred for both health and educational services. An economic analysis of the expenditure incurred by municipal councils is detailed in Table 11.18.

MUNICIPAL COUNCILS

EXPENDITURE ON MAIN SERVICES, 1971-1973

Table 11.16 K'£'000

	SERVICES																	
	ADMINISTRATION			COMMUNITY			SOCIAL			TRADING			UNALLOCABLE			TOTAL		
	1971	1972*	1973*	1971	1972*	1973*	1971	1972*	1973*	1971	1972*	1973*	1971	1972*	1973*	1971	1972*	1973*
Nairobi	512	524	506	2,076	2,533	3,353	3,327	3,976	4,896	5,193	5,636	4,748	1	1	1	11,110	12,671	13,504
Mombasa	245	232	398	553	668	750	784	754	1,032	451	407	399	67	4	77	2,099	2,057	2,655
Nakuru	61	122	88	149	138	178	248	316	414	367	394	464	4	66	-4	829	1,036	1,140
Kisumu	80	74	100	167	208	182	195	229	406	218	705	216	—	2	—	659	1,218	905
Eldoret	34	50	48	62	67	68	88	98	113	114	140	139	—	—	—	298	355	368
Kitale	27	39	33	39	44	47	49	105	92	65	89	92	2	2	—	183	279	263
Thika	104	229	83	53	176	124	80	78	110	103	301	136	20	-2	—	360	783	453
Nyeri	14	69	47	21	21	28	7	8	6	31	337	47	—	—	—	73	435	128
Embu	3	64	46	—	20	22	4	7	7	9	51	15	2	—	—	18	142	90
Meru	7	45	71	3	69	11	5	4	16	9	92	6	—	3	4	25	213	109
Kakamega	10	98	41	6	64	15	-1	12	8	1	184	19	-1	4	—	15	363	82
ALL MUNICIPALITIES	1,097	1,546	1,462	3,130	4,008	4,778	4,788	5,587	7,099	6,559	8,336	6,281	96	72	79	15,668	19,551	19,698

*As shown in Councils' Estimates.

RECURRENT AND CAPITAL EXPENDITURE ON MAIN SERVICES, 1969-1973

Table 11.17 K£'000

SERVICES	1969	1970	1971	1972*	1973*
ADMINISTRATION	811	1,153	1,097	1,547	1,462
COMMUNITY SERVICES—					
Roads	1,396	1,334	1,369	1,585	2,184
Sanitary Services	970	1,424	1,090	2,020	1,971
Other	259	279	671	404	623
TOTAL	2,625	3,037	3,130	4,009	4,778
SOCIAL SERVICES—					
Health	686	804	1,469	1,201	1,794
Education	2,202	2,354	2,645	2,981	3,554
Other	1,065	1,071	673	1,406	1,751
TOTAL	3,953	4,229	4,788	5,587	7,099
ECONOMIC SERVICES	–	–	–	–	–
TRADING SERVICES—					
Water Undertakings	1,651	1,304	1,709	3,431	2,430
Markets and Slaughter Houses	193	195	256	285	314
Breweries and Beer-shops	347	320	425	347	328
Housing Estates (including Staff Housing)	3,346	2,888	4,007	3,788	3,073
Hostels	28	32	30	33	40
Other	252	245	132	453	95
TOTAL	5,817	4,984	6,559	8,337	6,221
UNALLOCABLE EXPENDITURE	26	22	96	72	79
TOTAL	13,234	13,424	15,668	19,551	19,689

*As shown in Councils' Estimates.

MUNICIPAL COUNCILS

ECONOMIC ANALYSIS OF EXPENDITURE, 1969-1973

Table 11.18 K£'000

	1969	1970	1971	1972*	1973*
EXPENDITURE ON:					
Wages, Salaries and Allowances	5,112	5,652	6,251	7,810	9,029
Other Goods and Services	2,422	2,986	3,481	4,009	4,389
Loan Charges	2,106	2,330	2,279	2,537	2,884
Transfers (Excluding Compensation and Gratuities)	250	292	543	132	507
Capital	3,523	2,478	3,821	8,288	5,096
Net Inter Departmental Transfers	-180	-313	-707	-3,225	-2,209
TOTAL	13,234	13,424	15,668	19,551	19,698

*Provisional.

11.23. Details on the revenue receipts of municipal councils are noted in Table 11.19. Graduated Personal Tax receipts accounted for over 20 per cent of the total revenue directly accruing to the municipalities in 1973. The municipalities are expected to encounter significant short-falls in their revenue, following the abolition of Graduated Personal Tax in 1974, unless

MUNICIPAL COUNCILS

ECONOMIC ANALYSIS OF REVENUE, 1969-1973

Table 11.19 K£'000

	1969	1970	1971	1972*	1973*
Graduated Personal Tax	2,046	2,297	4,723	4,104	4,286
Indirect Taxes (Licences, Cesses and Rates)	3,192	3,298	3,850	3,777	4,116
Income from Property (Buildings and Land Rents)	1,390	1,484	1,780	1,865	2,068
Interest on Investments	429	225	226	104	324
Sale of Goods and Services:—					
School Fees	497	517	525	616	711
Sale of Water	1,124	1,303	2,235	1,621	1,986
Sale of Beer	391	363	354	348	216
Markets and Slaughter Charges	46	50	131	78	90
Sewerage and Refuse Removal Charges	460	995	569	1,198	1,170
Other Sales	620	740	677	597	661
Government Grants	255	116	269	40	95
Loans Raised	2,157	1,534	3,081	5,681	33,179
Miscellaneous (Including Court fines, sale of capital assets, loan repayment, and non-Government grants)	347	392	168	451	548
TOTAL	12,952	13,315	18,588	20,480	19,450

*Provisional

compensated by central government subventions or other independent sources of revenue. In addition, revenue receipts of the municipalities from school fees arc also likely to decline significantly following the introduction of free education in primary schools.

11.24. Following the take-over of education, health and secondary roads by the central government in 1969, the activities of the county councils declined significantly in 1970. Indications are that the county councils are once again moving forward, as shown in Table 11.20. Further details on the operations of the county councils are set out in Tables 11.21 and 11.22.

COUNTY COUNCILS

EXPENDITURE ON MAIN SERVICES, 1969-1973

Table 11.20 K£'000

SERVICES	1969	1970	1971	1972*	1973*
ADMINISTRATION	1,306	1,258	1,555	1,952	2,130
COMMUNITY SERVICES—					
Roads	239	28	24	182	183
Sanitary	87	83	101	292	428
Other	1	4	3	10	3
TOTAL	327	115	129	484	613
SOCIAL SERVICES—					
Health	276	4	–	–	1
Education	2,362	35	11	15	112
Other	300	346	429	625	773
TOTAL	2,938	385	439	640	886
ECONOMIC SERVICES—					
Veterinary	206	236	230	275	304
Agriculture	43	46	57	85	49
Forestry	22	20	18	29	25
Other	12	13	10	105	30
TOTAL	283	315	315	494	409
TRADING SERVICES—					
Water Undertakings	200	185	212	320	423
Markets and Slaughter Houses	166	176	250	499	478
Breweries and Beershops	111	112	83	168	159
Housing F.states(including Staff Housing)	90	88	145	922	1,104
Other	21	28	79	73	236
TOTAL	588	589	769	1,982	2,401
UNALLOCABLE EXPENDITURE	537	163	241	525	356
TOTAL EXPENDITURE	5,979	2,826	3,448	6,079	6,795

*Provisional.

COUNTY COUNCILS

ECONOMIC ANALYSIS OF EXPENDITURE, 1969-1973

Table 11.21 K£'000

	1969	1970	1971	1972*	1973*
EXPENDITURE ON:—					
Wages, Salaries and Allowances	3,855	1,507	1,875	2,339	2,424
Other Goods and Services	1,700	916	1,102	1,536	1,455
Loan Charges	187	163	231	227	300
Transfers (including Compensation and Gratuities)	124	87	87	128	136
Capital	169	219	179	2,057	2,666
Net Inter-Departmental Transfers	-56	-67	-26	-208	-187
TOTAL	5,979	2,826	3,448	6,079	6,795

*Provisional.

COUNTY COUNCILS

ECONOMIC ANALYSIS OF REVENUE, 1969-1973

Table 11.22 K£'000

	1969	1970	1971	1972*	1973*
Graduated Personal Tax	1,178	274#	114#	239#	250#
Indirect Taxes (Licences, Cesses and Rates)	1,035	1,123	1,342	1,558	1,641
Income from Property (Building and Land Rent)	326	403	472	579	619
Interest on Investment	57	66	61	51	53
Sale of Goods and Services:—					
School Fees	836	3	1	3	1
Other	749	797	966	1,102	1,417
Government Grants	2,340	68	11	173	67
Loans Raised	1	3	55	1,157	2,253
Miscellaneous (including court fines, sale of Capital assets and non-Government Grants)	138	111	166	118	331
TOTAL	6,660	2,848	3,188	4,980	6,632

*Provisional.

#Area Council Poll Rates.

East African Community—General Fund Services

11.25. The functional analysis of the expenditure incurred by the General Fund Services of the East African Community in Kenya is shown in Table 11.23. (This excludes outlays of the self-contained transport and communications corporations of the Community). Expenditures of the Community on general fund services in Kenya rose by a further 12 per cent in 1972/73, following an increase of 19 per cent in 1971/72 after several years of stagnation. General and economic services account for the bulk of the expenditure.

Expenditures on these two services have increased by 36 per cent and 30 per cent respectively between 1970/71 and 1972/73. The economic analysis of the General Fund Services expenditures shown in Table 11.24 indicates a three-fold increase in capital expenditure and a 19 per cent increase in recurrent expenditure between 1970/71 and 1972/73. Wages and salaries in this period have risen by 25 per cent, increasing their share of the total recurrent expenditure from 66 per cent in 1970/71 to 69 per cent in 1972/73.

EAST AFRICAN COMMUNITY

(GENERAL FUND SERVICES)

EXPENDITURE IN KENYA BY MAIN SERVICES, 1968/69-1972/73

Table 11.23 *K£million*

	1968/69	1969/70	1970/71	1971/72	1972/73*
GENERAL SERVICES—					
Central Administration	0.26	0.32	0.45	0.33	0.28
Law and Order	0.07	0.08	0.09	0.12	0.08
Revenue Collection and Financial Control	2.04	1.96	2.21	2.49	3.37
Total	2.37	2.36	2.75	2.93	3.73
SOCIAL SERVICES—					
Education	0.43	0.38	0.14	0.17	0.28
Health	0.03	0.03	0.02	0.07	0.03
Total	0.46	0.41	0.16	0.24	0.31
ECONOMIC SERVICES—					
Agriculture and Veterinary	0.58	0.62	0.63	0.75	0.79
Commerce and Industry	0.06	0.06	0.08	0.09	0.08
Transport	1.16	1.51	1.57	2.12	2.03
Meteorology	0.46	0.62	0.67	0.80	0.93
Total	2.26	2.81	2.94	3.76	3.83
FINANCIAL OBLIGATIONS—					
Public Debt	0.04	0.05	0.06	0.06	0.06
Pensions and gratuities	0.42	0.35	0.41	0.42	0.53
Compensation Payments	0.04	0.02	0.01		
Total	0.50	0.42	0.48	0.47	0.59
UNALLOCABLE EXPENDITURE	0.56	0.03	0.01	0.16	–
TOTAL	6.15	6.03	6.34	7.57	8.46

*Provisional

EAST AFRICAN COMMUNITY

(GENERAL FUND SERVICES)

ECONOMIC ANALYSIS OF EXPENDITURE IN KENYA, 1968/69-1972/73

Table 11.24 K£'000

	1968/69	1969/70	1970/71	1971/72	1972/73*
RECURRENT EXPENDITURE					
CONSUMPTION EXPENDITURE ON GOODS AND SERVICES					
Wages and Salaries:					
Personal Emoluments	2,861	3,055	3,223	3,627	4,004
House Allowances	419	504	561	774	709
Passages and Leave Expenses	40	48	48	55	59
Total	3,320	3,607	3,832	4,456	4,772
Other Goods and Services:					
Maintenance and Repairs	153	382	325	198	230
Transport and Travelling	149	167	186	235	222
Equipment, Postal and Incidental Expenses	312	223	353	723	457
Miscellaneous	322	325	344	331	563
Total	936	1,097	1,208	1,487	1,472
TOTAL CONSUMPTION EXPENDITURE	4,256	4,704	5,039	5,942	6,244
Interest on Internal Debt	2		2	2	2
Transfers to:					
Individuals	240	141	163	150	208
Private non profit-making Educational Institutions	383	274			15
Rest of the World	618	661	638	321	466
Kenya Government	500				
Total	1,741	1,076	801	471	689
TOTAL RECURRENT EXPENDITURE	5,997	5,780	5,842	6,416	6,935
CAPITAL EXPENDITURE					
Gross Capital Formation:					
Residential Buildings		5	184	364	293
Non-Residential Buildings	17	16		88	389
Construction and Works		9	1	1	10
Plant Machinery and Equipment	85	152	269	365	774
Vehicles	21	26	18	337	40
Total	123	208	473	1,154	1,506
Loan Repayment to other Sectors	36	47	27		21
TOTAL CAPITAL EXPENDITURE	159	255	500	1,154	1,527
TOTAL EXPENDITURE	6,156	6,035	6,342	7,570	8,461

*Provisional

CHAPTER 12—EDUCATION

The rapid expansion of all aspects of educational activity in Kenya which has been apparent since Independence continued in 1973, and there were increases in enrolments in educational institutions at all levels. It is clear that increases in population will require continuous expansion of primary education facilities to give every child a basic education, in accordance with Government policy. As a result, because of resource limitations, rates of expansion in other fields of education will need to be curtailed below those occurring in recent years. Hence, the emphasis in the next few years will primarily be on a consolidation of past achievements, with the aim of producing individuals who are better fitted to help develop the society they live in, at whatever level they leave the system. This will involve changes in curricula, up-grading of educational standards, a closer orientation of training to manpower needs (particularly at the higher levels) and the introduction and extension of a number of educational and administrative support services to improve the utilization of such resources as are, and will be, available.

MINISTRY OF EDUCATION EXPENDITURE 1967/68-1972/73

(a) **Recurrent Expenditure**

Table 12.1 K£'000

	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73
Administrative and General	349.2	399.3	819.7	992.3	2,540.0	1,729.8
Primary Education	42.2	5.4	3,929.3	10,309.8	12,654.9	16,023.3
Secondary Education	3,374.4	3,961.5	4,150.6	4,735.7	5,344.5	6,221.7
Technical Education	520.4	550.4	599.0	735.7	874.0	997.5
Teachers Education	1,064.0	1,151.4	1,229.7	1,270.6	1,416.1	1,499.8
Special Schools	775.5	87.4	92.8	108.5	127.3	137.5
Teachers Service Commission	–		89.5	84.9	87.2	114.0
Higher Education	1,018.6	1,212.0	1,461.6	2,878.8	3,333.8	4,620.3
Other Schemes and Services	256.5	516.7	–	–	–	1,019.5
TOTAL NET EXPENDITURE	6,698.9	7.884.1	12,372.4	21,116.3	26,377.9	32,363.4

(b) **Development Expenditure**

K£'000

	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73
Primary Education	–				–	16.4
Secondary Education	355.8	492.8	557.7	754.1	983.6	1,011.0
Teachers Education	61.4	34.5	27.8	4.9	90.9	70.5
Kenyatta College	–	–	–	8.5	31.6	55.2
Technical Education	65.7	37.6	96.0	55.3	123.8	44.8
Higher Education	262.3	232.6	385.7	508.1	515.2	524.3
I.D.A. Project	1,141.3	1,874.4	308.7	41.9	356.1	1,006.8
Special Schools	–	10.0	10.0	35.5	37.5	37.5
Site Surveys		–	–	34.7	22.3	7.4
TOTAL NET EXPENDITURE	1,886.0	2,682.0	1,385.9	1,443.0	2,161.1	2,773.9

12.2 The Ministry of Education supervises the main part of education expenditures in Kenya. Total gross expenditures by the Ministry were K£35.1 million, a 23 per cent increase on the previous financial year. These expenditures are set out in further detail in Table 12.1. In addition, municipal councils incurred expenditures of K£3.6 million in 1973, 19 per cent higher than in 1972. No precise figures are available on the value of expenditure on education by private institutions, such as assisted and unaided schools (which play an important part in secondary education), but they are known to be substantial. It is estimated that approximately K£2.2 million was spent on school-building by self.help groups in 1973 alone, excluding private expenditures on the new institutes of technology.

Primary Education

12.3. In January, 1974, the Government took a major step towards attaining the long-term objective of free primary education, by the remission of fees in Standards 1 to 4 in primary schools. In addition, fees for Standards 5 to 7 were fixed at Ksh. 60 per term for all public primary schools throughout the country. The figures for enrolments in 1974 are expected to show a large increase as a result of these measures, which will perhaps indicate the extent to which aspirations for education have been frustrated by lack of parental resources with which to pay school fees. A total of nearly K£90,000 was spent on the programme for remission of fees in primary schools in 1973, covering ten of the poorest districts in the country.

12.4. Total enrolments in primary schools increased by 8 per cent in 1973, as detailed in Table 12.2. The vast majority of primary pupils are in Government maintained schools, and the steady decline in the numbers in assisted and unaided schools reflects the continuing takeover of such schools by the Government. The number of pupils in primary boarding schools, which had risen sharply in 1972, fell in 1973, as a result of poorer utilization of the available places. The decline was particularly significant in areas with scattered population.

PRIMARY SCHOOL ENROLMENTS BY CATEGORY, 1972-1973

Table 12.2 *Numbers*

	1972			1973		
	Boys	Girls	Total	Boys	Girls	Total
Maintained	947,507	709,686	1,657,193	1,017,093	783,383	1,800,476
Assisted	7,634	8,202	15,836	7,217	7,092	14,309
Unaided	1,479	1,411	2,890	803	429	1,232
TOTAL	956,620	719,299	1,675,919	1,025,113	790,904	1,816,017
Day Pupils	945,416	708,099	1,653,515	1,016,421	781,580	1,798,001
Boarders	11,204	11,200	22,404	8,692	9,324	18,016

ENROLMENT IN PRIMARY SCHOOLS BY STANDARD, 1968-1973

Table 12.3

	NUMBERS						Percentage Increase	
	1968	1969	1970	1971	1972	1973	1968-73	1972-73
Standard 1	250,757	253,298	296,459	306,896	357,366	379,370	51	6
Standard 2	207,755	224,645	241,458	261,660	279,696	316,936	53	13
Standard 3	178,537	197,669	221,235	230,998	256,870	274,081	54	7
Standard 4	158,899	171,573	191,901	207,711	220,994	244,324	54	11
Standard 5	132,701	142,680	158,082	177,547	192,329	206,558	56	7
Standard 6	134,247	141,785	154,603	167,536	185,424	199,873	49	8
Standard 7	146,784	150,647	163,851	173,150	183,240	194,875	33	6
TOTAL	1,209,680	1,282,297	1,427,589	1,525,498	1,675,919	1,816,017	50	8

12.5. As shown in Table 12.3, the intake of new pupils into Standard 1 rose by only 6 per cent. The increase was provided for by a comparable increase in classes, for the number of pupils per Standard 1 class remained constant at 40; this is the level desired for all primary classes. Details on enrolments by classes are noted in Table 12.4. Furthermore, despite the increase in the number of pupils per class in Standards 2 to 6 in 1973, the overall average per class remained below the desired average noted above. The average number of pupils per class is expected to rise in 1974, following increased enrolments resulting from the abolition and reduction of fees. It is anticipated that the apparent excess capacity will as a result be more fully utilized.

AVERAGE ENROLMENT PER CLASS IN PRIMARY SCHOOLS, 1968-1973

Table 12.4 *Numbers*

	1968	1969	1970	1971	1972	1973
Standard 1	35	35	39	38	40	40
Standard 2	31	32	34	34	34	36
Standard 3	29	31	33	33	33	34
Standard 4	29	30	31	31	31	33
Standard 5	29	29	30	30	29	31
Standard 6	32	31	32	32	31	32
Standard 7	36	37	37	36	35	34
ALL CLASSES	31	32	34	34	34	34

12.6. North-Eastern Province recorded an increase of 28 per cent in primary enrolments. This was the largest growth of all provinces in 1973. But, as is aparent from Table 12.5, this area lags far behind the rest of Kenya in the proportion of children attending school; despite the higher increase, enrolments account for only around 13 per cent of the total eligible population. In Central, Eastern and Western Provinces and Nairobi, most children are now getting schooling, while only slightly over half of the primary school age children are at school in the rest of the country. It is expected that the overall objective of 75 per cent primary school age enrolment will now be achieved in 1974, although there will still be large differences in enrolments between various parts of the country.

12.7. Table 12.5 also shows that there has been no reduction in the percentage of pupils who repeated various classes. They are mainly concentrated in Standards 6 and 7, and the absolute numbers involved in the last few years have increased. "Repeating" is essentially the result of pressure caused by the relatively small number of secondary school places which are available to Standard 7 leavers. It gives some pupils a second opportunity of obtaining a place in these schools. While the ideal solution would be to provide a secondary school place for every suitably qualified child, it is not possible to do this in the short term because of resource constraints. The Government

PRIMARY SCHOOL ENROLMENTS BY PROVINCE, 1971-1973

Table 12.5

	ENROLMENTS (000's)			ENROLMENTS AS PERCENTAGE OF: AVAILABLE SCHOOL PLACES*		POPULATION Aged 5-14	POPULATION Aged 6-12+		Percentage of "Repeaters" in Total Enrolment	
	1971	1972	1973	1971	1973	1971	1971	1973	1971	1973
Central	371.9	407.8	443-5	91	93	70	102	114	7.9	9.1
Coast	87.4	96.1	103.1	75	75	34	49	54	4.0	4.4
Eastern	315.5	339.6	370.6	86	86	54	80	88	3.6	3 0
Nairobi	67.5	71.8	76.4	107	103	61	83	87	4.3	4.2
North Eastern	4.7	5.0	6.4	86	81	7	10	13	2.0	4.7
Nyanza	249.0	269.8	291.1	75	78	38	53	58	4.5	4.1
Rift Valley	228.8	250.9	279.1	78	81	35	48	55	4.0	5.1
Western	200.7	234.9	245.8	87	92	46	68	77	4.0	3.7
TOTAL ..	1,525.5	1,675.9	1,816.0	84	86	46	66	73	5.0	5.2

*assuming 40 places per existing primary class.

+ using population estimates from "Kenya Statistical Digest" September, 1972.

intends to improve selection criteria for entry into Standard 7 and the secondary schools, and at the same time modify the curriculum of education in primary schools to make it more vocationally oriented for those who terminate their education at this stage of schooling.

Secondary Education

12.8. Total enrolments in secondary schools rose by nearly 13,000 in 1973, a rise of 8 per cent, compared with a 15 per cent increase in the previous year, and are detailed in Tables 12.6 and 12.7. Boarding schools now cater for 50 per cent of total enrolments in secondary schools. The takeover by the Government of one of the assisted secondary schools caused the decline in the number of enrolments in this category. During the year, the Government also assumed responsibility for 32 Form 1 classes in unaided institutions; a similar number will be sponsored in 1974, but this will be the last such takeover in the Government programme of aid to *harambee* schools. In 1975, the Government is to initiate a new policy which will entail the addition of twenty new classes at Form 3 level a year to existing maintained schools, to cater exclusively for pupils from unaided and assisted schools. The latter will receive direct educational assistance at Form 1 and 2 levels, if they fulfil prescribed conditions and meet the required standards.

SECONDARY SCHOOL ENROLMENTS BY CATEGORY, 1972 AND 1973

Table 12.6 *Numbers*

	1972			1973*		
	Boys	Girls	Total	Boys	Girls	Total
Maintained	60,658	23,172	83,830	66,363	25,739	92,102
Assisted	4,128	3,536	7,664	3,906	3,430	7,336
Unaided	46,509	23,907	70,416	46,955	28,374	75,329
TOTAL	111,295	50,615	161,910	117,196	57,571	174,767
Day Pupils	65,360	23,402	88,762	62,867	24,555	87,422
Boarders	45,935	27,213	73,148	54,329	33,016	87,345

*Provisional

ENROLMENT IN SECONDARY SCHOOLS BY FORM, 1968-73

Table 12.7

	NUMBERS						Percentage Increase	
	1968	1969	1970	1971	1972	1973*	1968/73	1972/73
Form 1	35,624	39,836	41,043	46,246	53,480	58,693	65	10
Form 2	28,467	33,824	37,339	37,423	43,878	46,782	64	7
Form 3	19,547	20,637	24,540	28,378	30,993	34,021	77	10
Form 4	14,565	17,279	19,317	23,103	26,869	28,094	93	5
Form 5	1,769	2,068	2,606	3,014	3,688	3,596	103	25
Form 6	1,389	1,602	2,010	2,558	3,002	3,581	158	19
TOTAL	101,361	115,246	126,855	140,722	161,910	174,767	72	8

*Provisional.

12.9. As shown in Table 12.8, enrolments in Forms 5 and 6 rose by 16 per cent in 1973, a rather slower rate than in recent years, with a particularly low increase in science enrolments in Form 5. It has become apparent that there is a need to concentrate on the quality of construction in these farms, rather than aim at further rapid expansion. Consequently it is intended that no new classes be established for the time being and that many of the existing classes, especially in single stream schools, be consolidated in sixth form colleges.

ARTS AND SCIENCE ENROLMENTS, FORMS 5 AND 6, 1969-1973

Table 12.8 *Numbers*

	1969	1970	1971	1972	1973
Form **5** Arts	907	1,165	1,325	1,618	1,896*
Science	1,161	1,441	1,689	2,070	2,258*
Form 6 Arts	741	889	1,100	1,390	1,592
Science	861	1,121	1,458	1,612	1,989
TOTAL Arts	1,648	2,054	2,425	3,008	3,488
Science	2,022	2,562	3,147	3,682	4,247
Percentage Science	55	55	56	55	55

*Includes late returns not elsewhere shown in secondary school totals.

12.10. The average number of pupils per class in secondary schools, which has been rising steadily in recent years, rose to 37 in 1973. Details of average enrolments per class are noted in Table 12.9.

AVERAGE ENROLMENT PER CLASS IN SECONDARY SCHOOLS, 1968-1973

Table 12.9 *Numbers*

	1968	1969	1970	1971	1972	1973*
Form 1	36	36	35	37	38	40
Form 2	34	35	35	35	36	38
Form 3	33	33	34	36	36	36
Form 4	32	32	33	34	35	35
Form 5	21	23	26	25	27	25
Form 6	18	19	22	23	23	23
ALL CLASSES	33	34	34	35	35	37

*Provisional

12.11. Total secondary school enrolments by province are shown in Table 12.10. The table also details Form 1 enrolments in each year as a percentage of the previous year's Standard 7 leavers. As shown, 32 per cent of the Standard 7 leavers in 1972 obtained places in secondary schools, indicating that there was a small improvement in the likelihood of getting a Form 1 place in 1973. The provincial variations in this measure of educational opportunity should be interpreted with some care, as Nairobi and Mombasa secondary schools in particular serve wider catchment areas.

SECONDARY SCHOOL ENROLMENTS BY PROVINCE AND SEX, 1970-1973

Table 12.10

	Enrolments ('000s)				Form 1 enrolment as percentage of previous year's Standard 7			
	1970	1971	1972	1973*	1970	1971	1972	1973*
Central	29.0	32.1	37.1	41.7	25	27	33	36
Coast	11.8	13.5	14.4	15.4	45	47	47	45
Eastern	17.3	19.4	23.5	24.7	24	24	24	25
Nairobi	23.7	24.3	25.3	25.6	103	104	106	100
North-Eastern	0.2	0.2	0.3	0.4	17	51	57	47
Nyanza	16.7	18.5	22.3	23.0	19	19	23	23
Rift Valley	15.4	18.0	20.4	22.3	23	27	29	29
Western	12.8	14.8	18.6	21.7	21	22	26	28
TOTAL	126.9	140.7	161.9	174.8	27	28	31	32
Girls	37.5	42.7	50.6	57.5	28	28	30	32
Boys	89.3	98.0	111.3	117.2	27	28	31	32

*Provisional

12.12. Details on candidates' performance in secondary school examinations are set out in Table 12.11; although overall pass rates have declined somewhat in recent years, the absolute numbers of successful candidates have been rising. As shown in Table 12.12, 97 per cent of the overall number of pupils in secondary schools were Kenya citizens.

PERFORMANCE OF CANDIDATES IN SCHOOL EXAMINATIONS, 1969-1973

Table 12.11

	1969	1970	1971	1972	1973
KENYA JUNIOR SECONDARY EXAMINATION—					
Number of Candidates (excluding teachers)	27,670	27,501	17,252	10,891	15,451
Percentage of Passes	27	28	28	36	29
SCHOOL CERTIFICATE—					
Number of Candidates	20,438	23,146	27,467	31,326	34,429
Percentage of full passes	48	49	38	40	40
Percentage of EACE passes	34	32	43	38	37
HIGHER SCHOOL CERTIFICATE—					
Number of Candidates	1,987	2,438	3,191	3,696	5,404
Percentage of full passes	46	46	43	41	36
Percentage with one principal subject only	20	22	22	21	19
TOTAL CANDIDATES	50,095	53,085	47,910	45,913	55,284

Table 12.12

CITIZENSHIP OF PUPILS IN SECONDARY SCHOOLS, 1971-1973

Numbers

	Kenya Citizens			Non-Citizens			All Pupils			Percentage of Kenya Citizens			
	1971	1972	1973	1971	1972	1973	1971	1972	1973	1970	1971	1972	1973
Form 1	44,418	51,915	57,265	1,828	1,595	1,428	46,246	53,480	58,693	95	96	97	98
Form 2	35,727	42,315	45,371	1,696	1,563	1,411	37,423	43,878	46,782	95	95	96	97
Form 3	26,763	29,527	32,576	1,615	1,466	1,445	28,378	30,993	34,021	93	94	92	96
Form 4	21,587	25,422	26,767	1,516	1,447	1,327	23,103	26,869	28,094	91	93	95	95
Form 5	2,761	3,409	3,383	253	279	213	3,014	3,688	3.596	94	92	92	94
Form 6	2,330	2,691	3,313	228	311	268	2,558	3,002	3,581	87	91	90	93
TOTAL	133,586	155,279	168,675	7,136	6,631	6,092	140,722	161,910	174,767	94	95	96	97

NUMBER OF SCHOOLS BY PROVINCE, 1972 AND 1973

Table 12.13 *Numbers*

	PRIMARY SCHOOLS		SECONDARY SCHOOLS								ALL SCHOOLS	
			Main tained		Assisted		Unaided		Total			
	1972	1973	1972	1973	1972	1973	1972	1973*	1972	1973*	1972	1973*
Central	1,056	1,065	85	90	1	1	158	150	244	241	1,300	1,306
Coast	493	525	24	24	3	3	34	33	61	60	554	585
Eastern	1,476	1,573	60	65	-	–	101	81	161	146	1,637	1,719
Nairobi	105	110	16	16	13	12	40	38	69	66	174	176
North-Eastern	37	39	3	3				1	3	4	40	43
Nyanza	1,385	1,399	57	60	–	–	99	80	156	140	1,541	1,539
Rift Valley	1,201	1,285	50	53	1	1	71	69	122	123	1,323	1,408
Western	904	932	51	52	-	-	82	70	133	122	1,037	1,054
TOTAL	6,657	6,932	346	363	18	17	585	522	949	902	7,606	7,834
Pupils per School	252	262	242	254	426	432	120	144	171	196	242	254

*Provisional

intends to improve selection criteria for entry into Standard 7 and the secondary schools, and at the same time modify the curriculum of education in primary schools to make it more vocationally oriented for those who terminate their education at this stage of schooling.

Secondary Education

12.8. Total enrolments in secondary schools rose by nearly 13,000 in 1973, a rise of 8 per cent, compared with a 15 per cent increase in the previous year, and are detailed in Tables 12.6 and 12.7. Boarding schools now cater for 50 per cent of total enrolments in secondary schools. The takeover by the Government of one of the assisted secondary schools caused the decline in the number of enrolments in this category. During the year, the Government also assumed responsibility for 32 Form 1 classes in unaided institutions; a similar number will be sponsored in 1974, but this will be the last such takeover in the Government programme of aid to *harambee* schools. In 1975, the Government is to initiate a new policy which will entail the addition of twenty new classes at Form 3 level a year to existing maintained schools, to cater exclusively for pupils from unaided and assisted schools. The latter will receive direct educational assistance at Form 1 and 2 levels, if they fulfil prescribed conditions and meet the required standards.

SECONDARY SCHOOL ENROLMENTS BY CATEGORY, 1972 AND 1973

Table 12.6 *Numbers*

	1972			1973*		
	Boys	Girls	Total	Boys	Girls	Total
Maintained	60,658	23,172	83,830	66,363	25,739	92,102
Assisted	4,128	3,536	7,664	3,906	3,430	7,336
Unaided	46,509	23,907	70,416	46,955	28,374	75,329
TOTAL	111,295	50,615	161,910	117,196	57,571	174,767
Day Pupils	65,360	23,402	88,762	62,867	24,555	87,422
Boarders	45,935	27,213	73,148	54,329	33,016	87,345

*Provisional

ENROLMENT IN SECONDARY SCHOOLS BY FORM, 1968-73

Table 12.7

	NUMBERS						Percentage Increase	
	1968	1969	1970	1971	1972	1973*	1968/73	1972/73
Form 1	35,624	39,836	41,043	46,246	53,480	58,693	65	10
Form 2	28,467	33,824	37,339	37,423	43,878	46,782	64	7
Form 3	19,547	20,637	24,540	28,378	30,993	34,021	77	10
Form 4	14,565	17,279	19,317	23,103	26,869	28,094	93	5
Form 5	1,769	2,068	2,606	3,014	3,688	3,596	103	25
Form 6	1,389	1,602	2,010	2,558	3,002	3,581	158	19
TOTAL	101,361	115,246	126,855	140,722	161,910	174,767	72	8

*Provisional.

12.17. An important development in this field has been the recent *harambee* movement to establish local institutes of technology, a number of which are now under construction. Although the specific educational objectives of each of these institutes may differ, their function in the educational system as a whole will largely be to provide a second chance for pupils who have not been able to develop their potential in the more academic "formal" system. They will emphasize practical and technical aspects of job training in their courses. The Government is intending to give some financial support to these institutes, relating it particularly to their ability to produce the types of trained manpower which are needed for national development.

12.18. Some years ago, the Government introduced a levy charge to finance vocational training for employees in commercial enterprises. The levy was further extended in 1973 to cover three more broad industrial groups and by the end of 1974 only two sectors will still remain to be included. The levy is used to subsidize firms' expenses on technical training for their employees. Other Government activity included the completion of the National Industrial and Vocational Training Centre in Kisumu, and the further development of the Centre in Nairobi.

Teachers

12.19. The total number of teachers in primary and secondary schools rose by 5 per cent in 1973, compared with a 9 per cent increase in 1972. The percentage who are professionally qualified and the percentage of Kenya citizens also continued to rise. These details are set out in Table 12.15.

SCHOOL TEACHERS BY QUALIFICATION AND CITIZENSHIP, 1972 AND 1973

Table 12.15 *Numbers*

	Kenya Citizens		Non-Citizens		Total		Percentage of Kenya Citizens	
	1972	1973	1972	1973	1972	1973	1972	1973
PRIMARY SCHOOLS—								
Professionally Qualified	40,884	43,269	715	656	41,599	43,925	98	99
Not Professionally Qualified	11,862	12,561	75	57	11,937	12,618	99	100
TOTAL PRIMARY	52,746	55,830	790	713	53,536	56,543	99	99
Percentage Professionally Qualified	77	78	90	92	78	78	-	-
SECONDARY SCHOOLS —								
Professionally Qualified	2,684	3,070	1,785	1,680	4,469	4,750	60	65
Not Professionally Qualified	1,760	1,794	877	844	2,637	2,638	67	68
TOTAL SECONDARY	4,444	4,864	2,662	2,524	7,106	7,388	63	66
Percentage Professionally Qualified	60	63	67	67	63	64	-	-
TOTAL TEACHERS	57,190	60,694	3,452	3,237	60,642	63,931	94	95

TEACHER-CLASS AND PUPIL-TEACHER RATIOS BY PROVINCE, 1971 AND 1973

Table 12.16 *Numbers*

	PRIMARY SCHOOLS				SECONDARY SCHOOLS			
	Teachers per Class		Pupils per Teacher		Teachers per Class		Pupils per Teacher	
	1971	1973	1971	1973	1971	1973	1971	1973
Central	1.12	1.08	32	35	1.50	1.52	23	23
Coast	1.09	1.08	28	28	1.50	1.57	24	24
Eastern	1.11	1.07	31	32	1.62	1.52	23	26
Nairobi	1.26	1.21	34	34	1.56	1.54	21	22
North Eastern	1.24	1.27	28	25	1.71	1.67	18	24
Nyanza	1.05	1.01	29	31	1.84	1.56	19	24
RiftValley	1.07	1.09	29	30	1.55	1.58	23	24
Western	1.00	1.05	35	35	1.53	1.62	23	24
TOTAL	1.09	1.07	31	32	1.58	1.55	22	24

12.20. As shown in Table 12.16, average pupil-teacher ratios rose in both primary and secondary schools. The number of teachers per class showed no change in secondary schools between 1972 and 1973, but fell in primary schools, particularly in provinces which showed high ratios in 1972. The number of districts with a teacher-class ratio of less than one declined from six in 1972 to two in 1973.

12.21. Full-time primary teacher training courses had 8,175 enrolled students in 1973,9 per cent more than in the previous year. The majority of new entrants had school certificates and were recruited in the highest grade, for Form 4 school leavers who intended to become teachers. The intake of trainees direct from primary school has been drastically reduced, and will soon be curtailed completely. Secondary teachers are to be recruited increasingly from university graduates, and accordingly enrolments in secondary teacher training colleges fell sharply in 1973 to a total of 730, compared with 1,205 in 1972. More than 1,400 Kenya students were enrolled in diploma and degree courses in education; 632 at the University of Nairobi, 688 at Kenyatta University College, and 82 at Dar es Salaam University.

University Education

12.22. The total number of students at the University of Nairobi rose by 20 per cent in 1973/74. Further details on University enrolments by faculty are noted in Table 12.17. The number of Kenya students enrolled in undergraduate courses rose by 30 per cent. This is mainly accounted for by a near trebling of enrolments for the undergraduate course in education. Enrolments in architecture, commerce and engineering also increased rapidly, by 40 per cent or more. The teaching staff of the University totalled 625 in 1973/74, and recurrent expenditure was K£3.8 million. Improvements to teaching facilities cost K£308,000, the major item being a new physical science laboratory, and extensions to residential facilities costing K£105,000 were also carried out. Degree awards in 1972 and 1973 are shown in Table 12.19.

12.23. Kenyatta University College, which will ultimately undertake all undergraduate teacher training, had a total enrolment of 717 students in 1973/74, with 72 teaching staff. All but 12 of the students were Kenyans. Recurrent expenditure more than doubled to nearly K£660,000 during the year, and expenditure on improvements to various teaching and residential facilities totalled nearly K£100,000.

12.24 The total number of Kenya students at Universities in East Africa increased by 30 per cent in 1973/74 to a total of 4,837. As indicated in Table 12.18, the numbers enrolled in undergraduate courses increased by 28 per cent to 4,542. This entirely reflected the increased enrolments in the two Kenyan institutions, since the total of Kenya students elsewhere in East Africa declined from 519 in 1972 to 455 (268 at Makerere, 187 at Dar es Salaam) in 1973. Uganda and Tanzania students accounted for 265 and 234 respectively of the 604 non-Kenyan students at the University of Nairobi. There were in addition 8 Ugandans studying at Kenyatta University College.

UNIVERSITY OF NAIROBI—KENYA STUDENTS BY FACULTY, 1968/69-1973/74

Table 12.17 *Numbers*

	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74
Undergraduate Courses:—						
Arts	319	387	588	791	802	785
Science	142	203	267	330	299	298
Commerce	108	127	135	204	253	351
Architecture	27	48	66	116	88	123
Engineering	133	124	167	220	266	389
Veterinary Science	42	52	66	90	117	155
Medicine	52	102	169	252	323	396
Building and Land Economics+	36	62	73	102	149	200
Agriculture	–	–	40	81	122	146
Law	–	–	55	106	139	161
Home Economics	–	–	4	8	–	–
Education	–	–	–	–	204	583
TOTAL	859	1,105	1,630	2,300	2,762	3,587
Postgraduate Courses	25	72	107	200	234	358
Diploma Courses:—						
Domestic Science	38	26	19	–	–	–
Art/Design	12	10	6	–	–	–
Diplomacy	–	–	–	–	–	7
Land Development and Survey	–	–	–	9	–	–
Advanced Nursing	10	13	13	24	29	31
Journalism	–	–	13	12	13	19
Adult Education	–	–	–	8	14	14
TOTAL	60	49	51	53	56	71
Other Courses	3	–	–	–	–	–
All Kenya Students	947	1,226	1,788	2,553	3,052	4,016
Students from Other Countries	832	1,014	998	890	790*	604
TOTAL	1,779	2,240	2,786	3,443	3,842	4,620

*Including 24 postgraduate vacation students not classified by faculty or citizenship,
+Including B.A. Design.

UNIVERSITIES IN EAST AFRICA—FIRST DEGREE STUDENTS BY FACULTY, 1971/72-1973/74

Table 12.18

	1971/72			1972/73*			1973/74*		
	Kenya Students	Other Students	Percentage Kenya Students	Kenya Students	Other Students	Percentage Kenya Students	Kenya Students	Other Students	Percentage Kenya Students
FIRST DEGREE COURSES—									
B.A	1,010	1,300	44	1,034	1,338	44	982	1,779	36
B.Sc	392	909	30	354	615	37	337	839	29
B.Com	263	437	34	263	367	42	362	301	55
B.Ed	28	64	30	210	4	98	1,120	24	98
TOTAL COMMON FACULTIES	1,655	2,710	38	1,861	2,324	44	2,801	2,943	49
Engineering	220	243	48	287	580	33	389	411	49
Medicine	355	559	39	365	658	36	401	642	38
Veterinary Science	90	325	22	117	201	37	155	213	42
Other Professional Faculties	472	1,001	32	927	1,699	35	820	1,608	34
TOTAL PROFESSIONAL FACULTIES	1,137	2,128	35	1,696	3,138	35	1,741	2,855	38
TOTAL	2,792	4,838	37	3,557	4,834	39	4,542	5,788	44

*Including Kenyatta University College.

DEGREES AWARDED BY THE UNIVERSITY OF NAIROBI, 1972 AND 1973

Table 12.19 *Numbers*

Faculty	Total Awards 1972	1973 AWARDS				
		First Class	SECOND CLASS		Pass	TOTAL
			Upper	Lower		
Agriculture	–	–			59	59
Architecture, Design and Development	81	2	10	24	48	84
Arts	157	2	42	172	79	295
Commerce	106	1	4	68	23	96
Education	47	–	4	4	41	49
Engineering	112	1	18	50	50	119
Medicine	37	–	–	–	66	66
Science	92	–	10	33	74	117
Veterinary Science	47	–	–	–	62	62
Law	14	–	–	23	16	39
TOTAL	693	6	88	374	518	986
Of which :—						
Degrees	617	6	88	374	431	899
Diplomas*	76	–	–	–	87	87

*Not classified.

Adult Education

12.25. Adult education activities are widespread but irregularly distributed and of variable quality. A number of bodies other than Ministry of Co-operatives and Social Services and the University are also involved in extension services.

12.26. The Adult Education Division of the Ministry of Co-operatives and Social Services was set up to organize a national functional literacy and numeracy programme, to provide formal education to help adults through the C.P.E. examination and to organize rural development centres. In 1973, the number of centres increased from 945 to 973. There was a rise in the number of self-help centres from 500 in 1972 to about 700 in 1973. However, the number of students enrolled at these centres dropped in 1973, possibly because the effect of the drought on farm incomes made it difficult for many students to pay the fees. About 2,950 students were enrolled in 150 classes with the formal vocational and technical education section of the Adult Education Division, and 807 of them sat the C.P.E. examination in 1973 compared with 873 in 1972. However, only 225 were successful in obtaining passes.

12.27. The Institute of Adult Studies at the University has three sections: the Adult Studies Centre at Kikuyu, the Correspondence Course Unit and the Extra-Mural Studies Centre. The Adult Studies Centre organized training courses for 16 District Development Officers and also conducted two month. long Adult Education courses, which were attended by a total of 55 participants. The Centre also organized short courses for civic leaders and voluntary organizations. The Correspondence Course Unit enrolled 2,003 candidates for the K.J.S.E. in 1973. During the year, the Unit also organized the first meeting of the African Association of Correspondence educators.

CHAPTER 13—HEALTH AND OTHER SOCIAL SERVICES

Expenditures on health and other social services by the Central Government and local authorities are set out in Tables 13.1 and 13.2. Both central and local government expenditure continued to rise, although more slowly than in 1972/73. The figures include public expenditure on housing in order to give a comprehensive expenditure total on social services, but further details of Government participation in provision of housing services are discussed in Chapter 7. The bulk of social service expenditures are incurred by the Central Government. Municipalities are responsible for the major proportion of the expenditure shown for local authorities, but a large proportion of the Central Government expenditure is directed towards rural areas.

CENTRAL GOVERNMENT EXPENDITURE ON SOCIAL SERVICES*, 1969/70-1973/74

Table 13.1 K£'000

	1969/70	1970/71	1971/72	1972/73	1973/74**
RECURRENT EXPENDITURE—					
Ministry of Health	6,083	7,525	9,642	10,617	9,500
Ministry of Housing	68	81	98	92	101
Ministry of Labour	1,089	1,288	1,497	1,610	1,718
Ministry of Co-operatives and Social Services	328	407	486	543	561
DEVELOPMENT EXPENDITURE—					
Ministry of Health	1,850	2,626	2,601	2,183	2,245
Ministry of Housing	2,453	2,721	3,158	4,168	5,700
Ministry of Labour ++	16	108	1,193	53	51
Ministry of Co-operatives and Social Services+	134	291	334	471	467
TOTAL EXPENDITURE	12,021	15,047	19,009	19,737	20,343

*Excluding education (see Chapter 12) and some other services defined as Social Services for national accounts purposes.

**Provisional.

+Includes only expenditure by Department of Community Development, Adult Education and other Social Services.

++Expenditure by the National Youth Service.

LOCAL GOVERNMENT EXPENDITURE ON SOCIAL SERVICES, 1969-1973

Table 13.2 K£'000

	1969	1970	1971	1972	1973*
Health	962	808	1,469	1,201	1,794
Housing	3,436	2,976	4,151	4,710	4,177
Other Social Services	1,366	1,417	1,101	2,031	2,524
TOTAL	5,764	5,201	6,722	7,942	8,496

*Provisional.

Health, Nutrition and Family Planning

13.2. The nation's health services are largely provided by the Central Government, and they account for over 50 per cent of the total Central Government expenditure on health and social services. Local authorities expenditure on health, however, amounts to only 20 per cent of their total allocation for social services.

13.3. *Hospitals and Health Centres.*—The number of hospital beds and cots available is analysed by province in Table 13.3. The number is slightly understated as it excludes beds and cots available in *Harambee* health centres. Hospital capacity will shortly be increased when the extensions to the Mathare Mental Hospital and a new hospital at Siaya, currently under construction, are finished.

HOSPITAL BEDS AND COTS BY PROVINCE, 1972 AND 1973

Table 13.3 *Numbers*

PROVINCE	Government	Mission	Other*	Total
Central	1,324	1,556	30	2,910
Coast	1,334	190	360	1884
Eastern	1,223	1,177	7	2,407
North Eastern	235		–	235
Nyanza	954	671	120	1,745
Rift Valley	1,545	1,042	485	3,072
Western	654	889	–	1,543
Nairobi	2,560	243	1,587	4,390
Total 1973	9,829	5,768	2,589	18,186
Total 1972	9,404	6,062	2,589	18,055

*1972 Figures

13.4. Construction of new health centres is nearing completion at Mbere, Migori and Vihiga, and other health centres are planned for Tetu and Kwale under the Special Rural Development Programme. The establishment of health centres is expected to be further expedited by the objective stated in the 1974/78 Development Plan of providing a health centre for every 50,000 people in rural areas.

13.5. *Medical Personnel.*—The total number of medical personnel is shown in Table 13.4. Due to a change in the system of registration of doctors and dentists, comparable data are not available for earlier years, but the figures for 1973 probably represent some growth over the previous years; the number of pharmacists fell slightly, but at a much slower rate than in 1972. Substantial growth, on the other hand, is apparent in the number of nurses and midwives, and represents the success of nursing training schemes initiated in recent years.

REGISTERED MEDICAL PERSONNEL 1969, 1972 AND 1973

Table 13.4 *Numbers*

	1969	1972	1973
Doctors and Dentists			892
Pharmacists	169	143	141
NURSES			
Registered	3,099	4,141	4,490
Enrolled	3,872	5,174	5,783
TOTAL	6,971	9,315	10,283
MIDWIVES			
Registered	1,473	1,844	1,980
Enrolled	1,584	2,237	2,502
TOTAL	3,057	4,081	4,482

13.6. *Public Health.*—Last year, steps were taken to improve the system of reporting on infectious and communicable diseases. Despite the resulting wider coverage, the number of reported cases of some diseases dropped, as shown in Table 13.5.

REPORTED CASES OF SOME INFECTIOUS DISEASES, 1970-1973

Table 13.5 *Numbers*

Disease	1970	1971	1972	1973+	
				Cases	Deaths
Acute Poliomyelitis	71	144	245	190	7
Anthrax	169	259	229	282	2
Brucellosis	65	55	45	94	2
Cerebro-Spinal Meningitis	127	83	36	97	37
Dysentry	15,438	18,939	14,368	19,208	77
Encephalitis (Primary)	15	7	50	3	–
Infectious Hepatitis	924	768	746	819	21
Kala-Azar	23	121	155	196	8
Leprosy	609	607	349	262	9
Schistosomiasis	14,709	11,633	9,012	2,847	–
Tetanus	627	538	495	663	272
Trypanosomiasis	14	34	40	13	2
Typhoid Fever	217	185	161	196	11
Cholera*	–	768	45		
Small Pox			–	––	-

*Includes laboratory confirmed cases only.

+Provisional.

13.7. *Family Planning.*—Reported attendances at family planning clinics between 1967 and 1973 are shown in Table 13.6. While both first visits and re-visits continue to show increases, the numbers are still inadequate to achieve any appreciable decline in fertility rates.

ATTENDANCE AT FAMILY PLANNING CLINICS, 1967-1973

Table 12.10

YEAR	NATIONAL PROGRAMME		NAIROBI CITY COUNCIL		TOTAL		
	First visits	Re-visits	First Visits	Re-visits	First visits	Re-visits	Total
1967	4,840	5,985	1,519	7,878	6,359	13,863	20,222
1968	10,870	17,068	2,240	11,742	13,110	28,810	41,920
1969	24,640	47,915	5,121	24,964	29,761	72,879	102,640
1970	29,440	79,122	5,696	34,573	35,136	113,695	148,831
1971	35,269	108,899	5,831	29,757	41,100	138,656	179,756
1972	36,908	133,095	8,297	39,184	45,205	172,279	217,484
1973	40,773	166,664	9,281	44,643	50,054	211,307	261,361

13.8. The provincial breakdown in Table 13.7 indicates that Nairobi and Central Province are the only two areas which reported more than 10,000 acceptors in 1973. Other notable features of the table are the high number of acceptors as a percentage of first visits and the high percentage of acceptors who adopt the pill as their preferred family planning method. However, 26 per cent of Eastern Province acceptors in 1973 adopted the IUD while 22 per cent of Nairobi acceptors opted for methods other than the IUD or the pill.

ATTENDANCE AT FAMILY PLANNING CLINICS BY PROVINCE, 1972 AND 1973

Table 13.7

PROVINCE	First Visits		Re-visits		Total		1973 Acceptors	
	1972	1973	1972	1973	1972	1973	Number	% Adopting Pills
Central	10,776	10,939	42,258	49,580	53,034	60,519	10,248	87.8
Coast	3,752	4,527	13,473	15,904	17,225	20,431	4,283	83.4
Eastern	6,803	7,720	22,299	26,717	29,102	34,437	7,382	70.4
North Eastern								
Nyanza	2,671	2,712	6,285	8,433	8,956	11,145	2,601	88.7
Rift Valley	4,456	4,011	12,550	14,204	17,006	18,215	3,916	80.5
Western	2,104	3,154	6,967	10,214	9,071	13,368	2,966	92.1
Nairobi	14,002	16,123	67,384	85,098	81,386	101,221	15,125	69.4
Province not stated	641	868	1,063	1,157	1,704	2,025	821	86.1
TOTAL	45,205	50,054	172,279	211,307	217,484	261,361	47,342	78.5

13.9. The Government has launched a new 5.year family planning programme which is expected to make a significant impact on the current high fertility rates. The programme is being sponsored by the World Bank and aims at—

(a) recruiting 640,000 acceptors to help avert 150,000 births during the plan period; and

(b) providing (by the end of the plan period) 400 daily clinics at hospitals and health centres and 17 mobile teams, together deploying a total of over 400 nurses to dispense medical services and 800 family planning field workers to undertake the accompanying motivational work. This will be achieved through.—

(i) construction and/or expansion of 8 nurses training schools for enrolled/community nurse training;

(ii) construction of a national family welfare centre in Nairobi to serve as a focus and headquarters for the programme;

(iii) construction of a new health education unit to produce family planning information and health education materials; and

(iv) construction and/or modification of 30 rural health centres to be linked to the nurses training schools and to provide about 2 months practical training for nurses.

The programme will be continuously evaluated, and the administrative machinery to implement it has already been strengthened.

13.10. *Nutrition.*—The means used to implement nutrition programmes at the provincial level include the education of mothers attending clinics, lectures at public meetings, the provision of special clinics in hospitals and health centres for children with kwashiorkor or marasmus and advice from dieticians on the cooking and ordering of hospital food. Records suggest that about 10 per cent of children seen at nutrition centres suffer from kwashiorkor.

13.11. *Health Extension Work.*—The primary goal of health education is to improve the people's health and general family standards of living. During 1973, projects on general hygiene and health education, and campaigns to help combat tetanus and bilharzia and other diseases, were carried out in a number of districts, e.g. Tana River, Kilifi, Kiambu and Marsabit. Health Education Centre staff also give lectures and seminars on public hygiene at medical training centres, the medical school of the University of Nairobi and other centres. The Centre also has a weekly radio programme on health, nutrition and family planning, to try to reach as wide a number of members of the public as possible.

Social Security

13.12. As well as taking direct steps to improve public health, the Government has also established the National Hospital Insurance Fund (NHIF) and the National Social Security Fund (NSSF) as two nucleus organizations for the provision of social security on a national basis. Both the Funds have now been in operation for a number of years, during which their coverage has been expanding continuously.

13.13. National Hospital Insurance Fund.—The total number of contributors to the NHIF has risen from about 60,000 in 1966/67 to 106,500 (including 2,500 voluntary contributors) by the end of 1972/73. During the same period the total annual turnover of the Fund (receipts plus benefits) has very nearly doubled. Annual receipts and benefit figures of the Fund are set out in Table 13.8.

National Hospital Insurance Fund, 1966/67—1972/73

Table 13.8 K£

	Receipts*	Benefits**	Contributions Net of Benefits
1966/67	693,659	343,683	349,976
1967/68	799,930	582,249	217,681
1968/69	845,775	574,966	270,809
1969/70	964,666	622,786	341,880
1970/71	950,659	665,327	285,332
1971/72	1,026,576	777,635	248,941
1972/73	1,189,255	883,152	306,103

*Includesboth compulsory and voluntary contributions and other receipts but 1966/67 and 1967/68 include only members contributions.

**Benefits exclude other payments e.g. management expenses.

13.14. During the 1973/74 financial year, a number of medical institutions which were formerly not regarded as "hospitals" under the National Hospital Insurance Fund Act were brought within the scheme. Benefit rates in a number of hospitals were also increased. This, together with creation of a single account for both the compulsory and the voluntary contributors, is expected to lead to an increase in benefits to be paid in the future.

13.15. National Social Security Fund.—Total contributions to the Fund have risen from K£1.17 million in 1966 to K£8.73 million in 1973. In 1973, 780 new employers and 35,804 new employees were registered with the Fund. During the same year, 288 employers' records were closed and 3,912 employees were paid out, bringing the net total of employers and employees registered at the end of 1973 to 22,508 and 702,848 respectively. This accounts for 92 per cent of the total employees in the "modern" sector of the economy. Financial details on the operations of the NSSF are set out in Table 13.9.