



...House passes motion lauding Chairperson of the Summit of EAC Heads of State and adopts key report on investment and industrialisation

EAST AFRICAN LEGISLATIVE ASSEMBLY, NAIROBI, KENYA: September 12, 2012: EALA today passed a motion appreciating the remarks by President Mwai Kibaki at last week's opening of the 2nd Meeting of the 1st Session of the 3rd Assembly.

The motion moved by Hon Peter Mathuki received overwhelming support on the floor of the House.

The Resolution took cognizance of the unwavering support of President Kibaki as the Chairperson of the EAC Heads of State Summit culminating in the speech he delivered to the Assembly on September 4, 2012, pursuant to Article 54 (1) of the Treaty for the Establishment of the EAC. The President's speech reiterated the need for EALA to forge linkages with National Assemblies in order to improve the performance of the Community. The Head of State urged the Assemblies to hold joint sessions and to ensure the laws enacted by EALA compliment the national laws.

The motion further notes that under H.E. President Kibaki's leadership, Kenya had proceeded to reduce road blocks for transit cargo in a bid to ensure speedy movement of goods and services and that, the country remained keen to ensure smoother operations at the Mombasa port and at weighbridges.

Debating on the motion, Hon Christophe Bazivamo requested the Council to go the extra mile in ensuring its decisions and that emanating from the Summit were fully implemented while Hon Shy-Rose Bhanji and Hon AbuBakr Ogle lauded President Kibaki's call on citizens to embrace Kiswahili. The Members urged the media to promote Kiswahili as the 'lingua franca' of the region.

Members, who spoke in favour of the motion, generally stressed the need of raising awareness of the integration process amongst and between the citizens of the region.

The House meanwhile debated and adopted the Report of the Committee on Communications,

Trade and Investment (CTI) which followed the recent workshop on Investment Promotion and Industrialisation Policies and Strategies in the EAC region held in Kigali, Rwanda. The workshop was called to inform Members on the status of the investment and industrialisation policies and strategies of the Community.

The workshop was informed that the Treaty prioritises rationalization of incentives aimed at promoting the Community as a single investment area, pursuant to Article 80 of the EAC Treaty. The workshop was informed that the EAC had developed a model investment code aimed at guiding Partner States in the interventions in investment promotion.

The Report suggests the need to harmonise and regulate tax and tax incentives given to Foreign Direct Investments (FDIs) given the fact that huge sums of money are lost through tax holidays. It however reiterates the need for a mechanism to be instituted that empowers institutions like the EAC and embassies of Partner States to create awareness, sensitise and attract investors to East Africa.

The Committee thus recommends that the EAC investment code be upgraded to a law which is more binding to discipline investment promotion in the Community. At the same time the CTI is urging for the encouragement of local and strategic industries by supporting them through incentives so as to promote industrial development in the region. Towards this end, EALA reiterates that transformation of the region shall depend on the relentless focus on high prioritization of impact areas. With it comes the need for a strong, stable and predictable political and micro-economic framework as well as adherence to principles of governance, particularly zero tolerance to corruption. At the same time, the Committee is calling for a change in mind-set and the full exploitation of emerging opportunities in shaping industrialisation.

During debate, Hon Patricia Hajabakiga lamented that Non-Tariff Barriers continued to hamper business and noted that many stakeholders to date still complain over the same. “We are not sure of who is in charge of removal of NTBs, since all stakeholders including government officials want them removed but we continue to be complacent”, she noted. On her part, Hon Dora Byamukama called on the authorities to scrutinize goods to ensure that only those manufactured in the region enjoyed the necessary incentives. Hon Nancy Abisai remarked that it was time for the region to harmonize the different economic blueprints for posterity. “We should have a common EAC Vision to enable the ordinary citizens to reap from the benefits of the Common Market”, the legislator said.

On competitiveness, Hon Wilbert Kaahwa assured the House that though not all Partner States had in place relevant authorities to deal with competitiveness and customer welfare, they were nonetheless committed to implementing the EAC Competition Act.

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For more information, contact Bobi Odiko, Senior Public Relations Officer
East African Legislative Assembly, Tel: +255-27-2508240, Cell: +255-787-870945,
+254-733-718036. Email: BOdiko@eachq.org, Web: <http://www.eala.org>

