

REPUBLIC OF KENYA



KENYA NATIONAL ASSEMBLY

TENTH PARLIAMENT - SECOND SESSION - 2008

**THE DEPARTMENTAL COMMITTEE NO. H ON
DEFENCE AND FOREIGN RELATIONS**

**REPORT OF THE VISIT TO THE PEOPLE'S REPUBLIC
OF CHINA**

JULY 05 TO 12, 2008

CLERK'S CHAMBERS,
PARLIAMENT BUILDINGS,
NAIROBI

JULY, 2008

PREFACE

Mr. Speaker, Sir,

1. The Departmental Committee on Defence and Foreign Relations was constituted on April 30, 2008 pursuant to provisions of Standing Order 151 (1). Under the provisions of Standing Order 151(4) the Committee is mandated to:-
 - (i) **investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;**
 - (ii) **study the Programme and policy objectives of the Ministries and departments and the effectiveness for the implementation;**
 - (iii) **study and review all legislation after First Reading, subject to the exemptions under Standing Order 101A(4);**
 - (iv) **study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with its stated objectives;**
 - (v) **investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House or a Minister; and**
 - (vi) **make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.**
2. The Committee oversees the performance of the following Ministries:-
 - (i) Defence;
 - (ii) Foreign Affairs; and
 - (iii) East African Community.
3. Under the above Ministries, the Committee covers the following subjects;
 - (i) Defence matters;
 - (ii) Foreign policy;
 - (iii) Treaties , Conventions and Agreements;
 - (iv) International and Regional Organisations;
 - (v) Bilateral and Multilateral Relations;
 - (vi) Regional Cooperation policy;
 - (vii) East African Community affairs;

MEMBERSHIP

4. The Committee comprises the following Members:-
- (i) The Hon. Adan W. Keynan, MP - **Chairman**
 - (ii) The Hon. Hassan Ali Joho, MP
 - (iii) The Hon. Julius Kiema Kilonzo, MP
 - (iv) The Hon. Eugene Ludovic Wamalwa, MP
 - (v) The Hon. Mohammed Affey, MP
 - (vi) The Hon. Jeremiah Ngayu Kioni, MP
 - (vii) The Hon. John Mbadi Ng'ongo, MP
 - (viii) The Hon. Joshua Serem Kutuny, MP
 - (ix) The Hon. Peter Edick Omondi Anyanga, MP
 - (x) The Hon. Benedict Fondo Gunda, MP
 - (xi) The Hon. Wilson Mwotiny Litole, MP

STUDY TOUR TO THE PEOPLE'S REPUBLIC OF CHINA

5. The Committee had a successful visit to the People's Republic of China. The purpose of the visit was to promote parliamentary exchanges and cooperation. These were to be achieved by:-
- (i) Holding discussions with the Committee on Foreign Affairs of the National People's Congress, and officials of the Ministry of Foreign Affairs of the People's Republic of China.
 - (ii) Visit to Jiangsu Provincial Economic Zone.

Mr. Speaker, Sir,

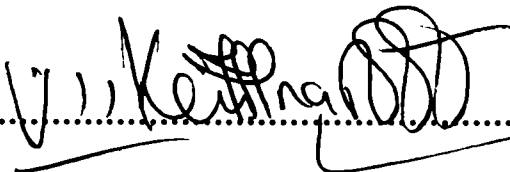
6. The Committee wishes to record its appreciation to you and to the Committee on Foreign Affairs of the National People's Congress of the People's Republic of China for the opportunity to undertake the visit. Further thanks go to the Clerk of the National Assembly for the continuous facilitation of our operations and to the Ministry of Foreign Affairs for the logistical support during the tour.
7. The delegation comprised the following Members:-
- (i) The Hon. Adan W. Keynan, MP - **Leader of delegation**
 - (ii) The Hon. George Khaniri, MP
 - (iii) The Hon. Franklin Mithika Linturi, MP
 - (iv) The Hon. Jeremiah Kioni Ngayu, MP
 - (v) The Hon. Peter Edick Omondi Anyanga, MP
 - (vi) The Hon. Benedict Fondo Gunda, MP
 - (vii) The Hon. Julius Kiema Kilonzo, MP
 - (viii) The Hon. Mohamed Abdi Affey, MP

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The Members were accompanied by Mr. Emejen Nicholas – Secretary to delegation/ Clerk to the Committee.

8. The delegation had a successful visit during which they held meetings and discussions with the Members of the Committee on Foreign Affairs of the National People's Congress, officials of the Ministry of Foreign Affairs of the People's Republic of China and Members of the Foreign Affairs Committee of the Jiangsu Provincial People's Congress. The Committee also visited industrial and economic sites in Jiangsu province.
9. It is now my humble duty, on behalf of the Committee, to table the report and recommend it to the House for adoption, pursuant to provisions of Standing Order 162.

Thank you,

Sign: 

THE HON. ADAN W. KEYNAN, MP.

CHAIRMAN, DEPARTMENTAL COMMITTEE ON DEFENCE AND FOREIGN RELATIONS

Date: 14/10/08

OVERVIEW OF THE PEOPLE'S REPUBLIC OF CHINA

Historical background of Kenya - China relations

10. The history of relations between Kenya and China dates back to 600 years during the Ming dynasty with the silk traders who visited the East African coast and particularly the port town of Lamu. Under Admiral Zheng He, trade between China and the East African coast prospered during the Ming dynasty and diplomatic relations between the people of East Africa and the China grew stronger.

The history of official diplomatic ties between Kenya and China started way back when Kenya gained independence from the British colonizers in 1963. The People's Republic of China was among the first countries to establish diplomatic relations with the Republic of Kenya. After 1965, the relations between the two countries were lowered to a chargé d'affaires level and were gradually normalized in 1978 after China's adoption of its reform and opening-up policy. Ever since there have been frequent mutual high level visits aimed at deepening and expanding cooperation between the two countries.

Kenya and China have shared common grounds on many important international issues, and given consistent support to each other. The reciprocal bilateral relations between the two nations can be further deepened through bilateral exchanges, economic development, cooperation in international and regional issues of common interest and enhancing coordination and cooperation in the United Nations and other international multilateral fora.

The purpose of the visit by the Committee on Defence and Foreign Relations was to promote parliamentary exchange and cooperation. This was achieved through discussions and meetings with the relevant Committees' at the national, provincial and county levels as well as meetings with government officials and visit to economic development sites in China.

Legislative system

11. China is a unified multiethnic country with a unitary political system. To ensure that the legal system remains unified and at the same time adapts to the uneven economic, political and cultural development of different areas, China practices a unified, multilevel legislative system.

In China's multilevel legislative system, laws promulgated at different levels do not have the same effect. The Constitution has the highest legal validity, and no other laws, administrative regulations, local statutes, regulations concerning autonomy and local needs, or other regulations may violate the Constitution. State laws have greater force than administrative regulations, local statutes and

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regulations. State administrative regulations have greater force than local statutes and regulations while local statutes have greater force than the regulations of local governments at the same or lower levels. The regulations of the people's governments of provinces and autonomous regions have greater force than those of the people's governments of the larger cities within their administrative regions.

System of People's Congress

12. The system of people's congresses is the basic political system of China. The Constitution of the People's Republic of China prescribes that all power of the state belongs to the people. The National People's Congress (NPC) and local people's congresses at all levels are the organs through which the people exercise state power. The people's congresses at all levels are constituted through democratic elections, and they are responsible to the people and subject to their oversight. The administrative, judicial and other organs of the state are created by the people's congresses, to which they are responsible and by which they are overseen.

The First Session of the First NPC was held in Beijing on September 15, 1954 and symbolized the systematic nationwide establishment of the system of people's congresses.

There are five central and local levels of people's congresses in China; the National People's Congress, the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government, the people's congresses of cities divided into districts, and autonomous prefectures, the people's congresses of cities not divided into districts, municipal districts, counties and autonomous counties, and the people's congresses of townships, ethnic minority townships and towns. The people's congresses at all levels are constituted through democratic elections.

13. In both direct and indirect elections, the number of candidates must exceed the number of delegates to be elected and the elections must be competitive. In a direct election, the number of candidates should exceed the number to be elected by one-third to 100%. In an indirect election, the number of candidates should exceed the number to be elected by 20% to 50%. In a direct election, more than half of the eligible voters in the election district must vote in order for the election to be valid, and candidates who receive the votes of a majority of the voters are elected. In an indirect election, candidates receiving the votes of a majority of the deputies voting are elected. The costs of elections are paid for out of the state treasury.

The National People's Congress (NPC) and its Standing Committee exercise the state's power to make laws. The NPC enacts and amends basic laws pertaining to criminal offences, civil affairs, state organs and other matters. The Standing Committee enacts and amends all laws except for basic laws that should be

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enacted by the NPC. When the NPC is not in session, its Standing Committees may partially supplement and revise laws enacted by the NPC, provided that the changes do not contravene the laws' basic principles.

The people's congresses of national autonomous areas have the power to enact regulations concerning autonomy and local needs in light of the unique political, economic and cultural conditions of the indigenous ethnic groups. These regulations of autonomous regions take effect after they are approved by the NPC Standing Committee. Such regulations made by autonomous prefectures or counties take effect after they are approved by the standing committees of the people's congresses of the provinces, autonomous regions, and municipalities directly under the Central Government.

14. In total there are 3,000 NPC deputies. Deputies to the people's congresses of cities not divided into districts, municipal districts, counties, autonomous counties, townships, ethnic minority townships and towns are elected directly by their constituencies. Deputies to the NPC and the people's congresses of the provinces, autonomous regions, municipalities directly under the Central Government, cities divided into districts, and autonomous prefectures are elected by the people's congresses at the next lower level.

All political parties and mass organizations may either jointly or separately recommend candidates to be deputies. Candidates may also be recommended by a minimum of 10 voters in a direct election and 10 deputies in an indirect election.

COURTESY CALL ON THE KENYAN AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA

15. The delegation made a courtesy call on the Kenyan Ambassador to China, Mrs. Ruth Sereti Solitei at the ambassador's residence. She informed the delegation that Kenya China relations begun in 1963 and have since been strengthened. High level visits and consultations have culminated in the signing of bilateral agreements on various fields.

The Ambassador further informed the Committee that trade between the two countries was growing steadily but was skewed in favour of China due to the fact that Kenya exports primary goods (black tea, coffee and leather) to China and importing industrial goods, which have high value, from China.

Relations between Kenya and China have been mutually beneficial. In the recent past China has offered bilateral aid and assistance in many fields among them scholarships to Kenyan students to study in Chinese universities, building of rural schools and hospitals.

MEETING WITH THE COMMITTEE ON FOREIGN AFFAIRS OF THE NATIONAL PEOPLE'S CONGRESS

16. The Leader of the Kenyan delegation, Hon. Adan Keynan, MP expressed gratitude to the Foreign Affairs Committee of the NPC for the invitation and the warm reception extended to the Kenyan delegation. He commended the relations between Kenya and the People's Republic of China dating back to the independence of Kenya. He stated that Kenya and China share beliefs and supported each other in their bilateral relations and in the international fora on issues of mutual interest. Kenya and China have played a great role in peace building and conflict resolution in their respective regions and in the world.

The Delegation Leader stated that Kenya upholds the one China policy and that the Tibet issue is an internal affair which should be handled by the Chinese people. He appreciated the role of the Chinese government in trying to bring peace, stability and development in Darfur and Somalia.

The Delegation Leader reiterated the importance that Kenya attaches to the relations between the two countries and expressed appreciation for China's assistance in education, military and bilateral aid.

He noted that there is room for strengthening the relations between the two countries and parliaments should play a role in further strengthening the relations in the areas of trade, investment, culture and people to people exchanges. He appealed to the Chinese government and businessmen to invest in Kenya's fishing, agriculture, infrastructure and tourism industries. He called upon the Chinese people to come and visit Kenya as tourists.

Noting that China was about to host the 2008 Olympics the Leader of Delegation wished the government and the Peoples of China a successful Olympics. He expressed condolence to the Chinese people who died during the earth quake that had hit Sichuan province of the People's Republic of China.

17. The Vice Chair of the Foreign Affairs Committee of the NPC reiterated the long lasting relationship between Kenya and China. He pointed out that the relationship has been made stronger by the high level visits by the leaders of the two countries in the recent past. He welcomed Kenyan leaders and athletes to attend and participate in the Olympics. The delegation was informed that:-
- (i) The relationship between Kenya and China has been cordial, sincere and honest with mutual assistance. The Vice Chairman of the Committee on Foreign Affairs of the National People's Congress further informed the Committee that China and Kenya need to uphold their sound cooperation in international affairs and further strengthen the Sino Kenya relations founded on mutual political trust and consultation. He further noted that China considers Kenya as a reliable friend at all times.

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- (ii) China believes in peaceful relations and opposes interference and double standards in the field of human rights as advocated by the West. China is willing to enhance consultations and coordination in the international fora.
- (iii) China appreciates Kenya's support in the international fora and thanked the Parliament of Kenya and government for the support in the Tibet issue and the one China policy.
- (iv) The Committee on Foreign Affairs of the National People's Congress will encourage more foreign direct investment and tourists to visit Kenya.

The delegation was briefed on the system of NPC and its function.

18. After deliberations the two Committees agreed to:
- (i) Explore ways to enhance cooperation in culture and people to people exchanges and seek more opportunities for cooperation.
 - (ii) Lobby their governments to find ways of ending the Darfur and Somalia conflict.
 - (iii) Make joint efforts to promote inter parliamentary friendly relations (diplomacy) and deepen the already existing relations between the two countries.
 - (iv) Enhance mutual political friendship and trust among parliamentarians.
 - (v) Undertake regular parliamentary exchange / visits to further deepen cooperation.

MEETING WITH OFFICIALS OF THE MINISTRY OF FOREIGN AFFAIRS OF THE PEOPLE'S REPUBLIC OF CHINA

19. The delegation held a meeting with the Vice Minister for Foreign Affairs of the People's Republic of China. The Leader of the Kenyan delegation thanked the National People's Congress for inviting the committee on foreign affairs of the Kenya National Assembly to visit China on parliamentary exchange with the aim of strengthening cooperation and promoting China Kenya relations. He informed the ministry officials that Kenya and China share a lot in the international arena and in their long standing mutual relations. He further reiterated that Kenya is a country that is investor friendly and appealed to the Chinese government and business people to invest in the various sectors of the Kenyan economy.
20. The Vice Minister for Foreign Affairs of China informed the delegation that high level visits and exchanges by the Presidents of the two nations have culminated in the signing of agreements on mutual cooperation in areas of economic, culture, trade, sports, education and archaeology. In view of this, China is building rural schools and hospitals in Kenya in addition to other forms of bilateral aid.

The Ministry will encourage Chinese tourists to visit, enjoy the beauty of the country and invest in Kenya.

He further thanked the Kenyan government and parliament for supporting China in major international issues, one China policy, Tibet issue and the Olympics.

MEETING WITH VICE CHAIR OF THE FOREIGN AFFAIRS COMMITTEE OF THE JIANGSU PROVINCIAL PEOPLE'S CONGRESS

21. The Committee held a meeting with the Vice Chairperson of the Jiangsu Provincial People's Congress (JPPC), Hon. Ms. Bai Suning. She reiterated the mutual relations between Kenya and the People's Republic of China.

Jiangsu province covers an area of 102, 000 square kilometers with a population of 76 million people. The province enjoys a steady economic development with a GDP growth rate of 14.8% p.a. The main stay of the economy is manufacturing industry, ICT, agriculture and the silk industry.

The Jiangsu Provincial Peoples Congress is a local organ of state power and was founded in 1954 and that the term of office of the congress is five years. Deputies to the JPCC are elected from and by the peoples' congresses at cities that have districts under their jurisdictions. The 11th JPCC has 801 deputies.

22. The Vice Chairperson informed the Committee that according to the Constitution of the People's Republic of China the JPPC is mandated, among other things, to:-
- (i) Make local laws for the needs of its jurisdiction but not in contravention of the Constitution, national laws or executive rules. These laws are presented to the Standing Committee of the National People's Congress.
 - (ii) Ensure observance and implementation of the constitution, statutes, administrative rules and regulations, national plans, and financial budget in its jurisdiction.
 - (iii) Examine and approve plans and budgets of the provincial economic and social development and report on their implementation.
 - (iv) Discuss and decide the provinces' major political, economic, cultural and environmental issues.
 - (v) Elect members of the standing committee of JPPC, the principal leaders of the provincial government, provincial higher people's court and the deputies to the national people's congress.
 - (vi) Hear and examine the work report of the provincial state organs
 - (vii) Annul the inappropriate decisions or decrees made by the provincial peoples government among others

The JPCC has a Standing Committee which exercises the above powers in addition to making decisions on major issues and supervising, appointing and dismissing personnel.

23. The delegation was further informed that the Standing Committee of JPPC has 8 working committees, viz; Agriculture and natural resources; Education, science

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culture and public health; Nationalities, religions and overseas Chinese affairs; Environment, resources, urban and rural construction; Deputies liaison; Foreign affairs; Legislative affairs and Budget.

The working Committee on Foreign Affairs is mandated to among other things

- (i) Study, examine and propose bills
- (ii) Carry out investigations, conduct research and organise inspection activities.
- (iii) Handle suggestions and criticisms put forward by JPPC deputies.
- (iv) Conduct exchanges between the standing committee of the JPPC and local legislatures of foreign countries.

The delegation was taken on a tour of the Nanjing public library.

MEETING WITH VICE CHAIR OF THE FOREIGN AFFAIRS COMMITTEE OF THE CHANGZHOU MUNICIPAL PEOPLE'S CONGRESS

24. The delegation held a meeting with the vice chairman of Foreign Affairs Committee of the Changzhou Municipal People's Congress, Mr. Zhu Longhu. The two Committees discussed issues of bilateral relations and ways of establishing inter city relations between Changzhou and City of Nairobi.

The delegation was taken on a tour of an electronic and medical equipment manufacturing industries in the industrial area of the municipality.

The delegation also had a meeting with the Vice Chair of the Liyang City People's Congress, Mr. Zhao Zhongbao.

VISIT TO JIANGNING DEVELOPMENT ZONE – MEETING WITH JIANGNING ADMINISTRATIVE COMMITTEE

25. The Committee was informed that the economic development zone was developed in 1992 and since then it has become a demonstration zone to attract investment in China and a one call centre for all goods. The zone is home to 150 industries and prides in having six of the worlds top industries investing in the zone. The zone has been steadily growing at a rate of 25% p.a. with the mainstay being electronics, automobile, infrastructure development, research and textile industry.

As a result of new developments and the attractive nature of the park it has been extended to include export park, air craft, research, universities, service industry, tourism among other industries.

The raw materials for the industries are locally sourced and some are imported. Registration to start business takes a short period of one week only. Investors pay taxes to the central government and the local authorities. However, the tax paid to the local government can be waived.

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26. The delegation was also informed that a similar economic zone had been established in Nigeria. The meeting explored the possibility of establishing a similar zone in Kenya for the mutual benefit of the two countries. The Kenyan embassy in Beijing was tasked to further liaise with the two governments' on the establishment of the economic development zone in Kenya.

The delegation was taken on a tour of an electronics manufacturing industry.

27. The delegation observed that:-
- (a) Kenyan goods to the People's Republic of China comprise primary and unprocessed products.
 - (b) China has a developed infrastructure which has attracted foreign direct investment.
 - (c) China has the world's largest population and this can be explored as a market for Kenyan products.

RECOMMENDATIONS

28. The Committee recommends that:-
- (i) The Government addresses the issue of trade imbalance which is in favour of China through value addition and processing of primary products, holding regular trade fairs and introduce new products to Chinese market.
 - (ii) The Ministry of Foreign Affairs in conjunction with other key ministries, tourist marketing board and the private sector should jointly commence a vigorous marketing campaign to project Kenya as an investment hub and tourist destination.
 - (iii) Future bilateral agreements signed with China should incorporate technology transfer.