Mineral Find – A Word of Caution

It was revealed last week that a Canadian exploration company had discovered large and very valuable deposits of Titanium and related minerals at Mamburi, Sokoke and other sites along the Kenya coast. The find could be the first major mineral discovery in Kenya of that nature, and with the mind-boggling values being mentioned, there could be cause for celebration. But there should also be a word of caution. Kenya has in the last few years earned a dubious distinction as one of the most corrupt countries even if it must be ensured that the benefits of any such areas, particularly, reach the people of Kenya as a whole, and untouched by developers. This charge is only a small individual charge per line, but totals nearly Sh80 million per month to the pockets of a few well-heeled individuals.

Correction, KPTC

We refer to the penultimate paragraph of Mr Mutua’s letter in The Economic Review of January 13-19, in which he says: “This is correct, but only forms part of the story. You deliberately avoided the most important part of the story, which is that the court ruled that KPTC (Kenya Posts and Telecommunications) actually has legal authority to levy this charge and the case was dismissed on that note.”

Muthiri has conveniently forgotten the fact that the judge also noted that the KPTC case should never have come to court. Indeed, would not have done so had KPTC responded to correspondence and “dared” to take the matter to court. All costs were therefore awarded against KPTC.

This matter was only taken to court as a result of KPTC’s intransigence to enquiries as to what they intended to do in respect of the benefit of Kenya, but responsible for the time-honoured game of divide and rule. Well-informed, but often nonentities realise that their combined vote will not get them anywhere.

We must find quick solutions to these problems, in the interests of peace and stability. According to impeccable banking sector in religiously guarded secrecy.

The European Investment Bank (EIB) has pumped funds into our Central Bank with the noble objective of lending soft capital to small-scale agro-based Kenyan businesses in its quest to boost the economic status of Kenyans and alleviate poverty. Sources, the EIB lends funds to the Central Bank of Kenya (CBK) at an interest rate of two percent. CBK then lends the money to commercial banks at six percent interest. However, the exploitative interest charged by these commercial banks negates the initial aim of the funds.

Sanity and fiscal discipline dictates that banks and other financial institutions charge their customers reasonable and justifiable interests. What our commercial banks are doing cannot be justified. We must find quick solutions to these problems, in the interests of peace and stability. According to impeccable
Open Letter to Prof Jonathan Ng’eno

THIS is to highlight the deplorable condition of the Nakuru-Maik road, which has become a nightmare for commuters, farmers, businesses, students and staff of institutions of learning situated along the said road.

The vehicles that used to ply the road have been steadily withdrawn by their owners as it has been reduced to an impassable, dusty and potholed stretch. Stranded pupils on their way to or from school are a common sight, waiting for vehicles whose numbers have steadily dwindled. Dairy farmers, Kokoto Company and the dairy unit of the Rift Valley Institute of Technology (RVIT) have incurred big losses as a result of spillage of milk during transportation to the Nakuru Kenya Cooperative Creameries (KCC) depot, while farmers often have their milk rejected at the depot because of rancidity resulting from delayed delivery. Mortality rates in livestock have increased, and also as motorists use new tracks beside the original livestock, knocking down grazing livestock.

Apart from the fact that the area is among the most agriculturally productive, it also hosts several government institutions of higher learning, including the Njoro campus of Egerton University, RVIT and the Kenya Agricultural Research Institute (Kar). There is also the giant Njoro Canning Factory and barley farms owned by the Kenya Breweries. Travelling along the road is a sure way of contracting all sorts of diseases from the huge clouds of dust raised and the decomposing carcases of animals run over by vehicles. Immediate action is called for so that the people can pass their indisputable right in an all-season road.

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LETTERS

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EIB Funds

We refer to a letter by Mr Ken Wafuda of Eldoret published in The Economic Review of January 27, February 2, 1997 concerning what he calls a massive financial scandal in the banking sector. For this information, and that of the general public, we wish to advise as follows:

1. The European Investment Bank (EIB) lends its funds to the Kenya government (under the Global Private Enterprise Scheme) at three percent p.a. The funds are either borrowed in dollars or Kenya shillings, depending on the project to be financed.

2. The Central Bank, acting as agent of the government, lends the funds to financial institutions approved by EIB at an average of six percent for dollar funds and 18.5 percent for the shilling funds. The rates vary according to developments in dollar lending rates in the Euro-market (for dollar loans) and treasury bills and deposit rates (for shilling funds). The dollar lending rates are advised by EIB, while the shilling rates are computed by the Central Bank.

3. The interest rates charged by commercial banks when on-lending to the final borrowers are negotiated between the two parties. Currently, the banks lend dollar funds at 12 percent p.a. and shilling funds at an average of 24 percent.

4. The marred enjoyed by commercial banks when on-lending EIB funds is about 6 percent points on both dollar and shilling funds. This

Torture Complaint

The attorney general, according to the High Court in Mombasa, i.e., the case filed by Mr. Mahamud Yusuf Haji to Benson Atandi Sabat, is committed to jail of proviso commissioner, Mr Yusuf Haji and four administrative policemen believed to have tortured Mahamud in an attempt to force him to withdraw a suit against the ruling party officials.

Under section 5 of the torture act, the use of death, including by letter, torture or otherwise to a party whilst he is pending in prison or detention, is treated as torture. In the above case, the funds are negotiated between the two parties. Currently, the banks lend dollar funds at 12 percent p.a. and shilling funds at 18.5 percent, which vary according to developments in dollar lending rates in the Euro-market (for dollar loans) and treasury bills and deposit rates (for shilling funds). The dollar lending rates are advised by EIB, while the shilling rates are computed by the Central Bank.

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