

**AN ANALYSIS OF THE OPERATIONS OF EXPORT TRADE
PROMOTION ORGANISATIONS IN KENYA.**

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A research project submitted in partial fulfilment of the requirements for the award of the Degree of Master of Business Administration (MBA) of the School of Business, University of Nairobi.

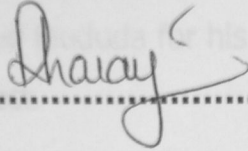


August 2006

DECLARATION

This project is my original work and has not been submitted for a degree in any other university.

Signed

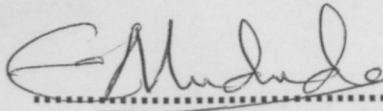


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Dated.....16/9/2006.....

This project has been submitted for examination with my approval as the university supervisor.

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ACKNOWLEDGEMENT

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First and foremost to the Almighty God for his guidance, blessings and provisions which enabled me to complete this project.

ABSTRACT

Secondly, to all my lecturers at the University of Nairobi in particular to my supervisor Mr. Eliud Mududa for his commitment and assistance throughout the period of my project.

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Special thanks to my family for their moral support, encouragement and their contribution to the success of this project.

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Finally to my colleagues in the MBA program for their teamwork and sharing of information throughout the study period.

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Export Trade Promotion in Kenya has gained a lot of importance over the years due to its contribution to Kenya's participation in International trade. It requires partnership of various stakeholders including government, community and the private sector in order to pave the way for growth in the country. The study focuses on the role of export trade promotion organisations in Kenya that have been established since independence. The objective of the study is to determine the extent to which they are effective in their service delivery.	
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ABSTRACT

Export Trade Promotion in Kenya has gained a lot of importance over the years due to its contribution to Kenya's participation in international trade. It requires the cooperation and partnership of various stakeholders including government agencies, the business community and the private sector in order to pave the way for growth of trade and exports from all the key sectors in the country. The study has examined the selected export trade promotion organisations in Kenya that have been incorporated in the last few decades. The objective of the study is to examine the current operations of export trade promotion organisations and to determine the extent to which they are effective in their service delivery.

The research instrument used to collect data was a questionnaire with open ended and closed ended questions. To achieve the objective of the study, primary data was collected from the selected export trade promotion organisations in Kenya and secondary data was sourced from publications, newsletters, annual reports and previous studies. A list of these organisations was obtained from the export promotion arm of the Ministry of Trade and Industry.

Analysis of data indicate that all the organisations strive to promote Kenya's external trade to a good extent. They do this by developing trade promotion strategies that focus on Kenya's premier export products. Some of the strategies include capacity building in international trade, provision of targeted market intelligence information and identification of trade opportunities using new technologies. The findings from the analysis also reveal that these organisations face many challenges in their daily operations. These challenges include funding and resource constraints, bureaucracy, lack of skilled staff and unclear guidelines in the working environment. The organisations have been proactive in formulating ways to address these challenges including approaching donors for technical assistance, training and funding, developing strategic plans to steer their operations and forming joint collaborations with other export trade promotion organisations in order to have a greater impact on Kenya's international trade and to boost economic growth in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background information

In today's competitive world of international business, many countries are re-assessing the role and mandate of export promotion organisations in order to keep up with the challenges in the global market place. Besides being reference points for technical assistance and provision of reliable trade and market information to the business community, export promotion organisations have been identified as relevant to the development of emerging economies throughout the world.

For firms to engage in international trade, the decision to internationalise is one for management. Internationalising will entail the sale and distribution of goods and services across national borders and will involve the functions of trade, its role in bridging the gap between demand and supply in terms of the quantity of goods and services, their quality and time of production. (Melo, 2000). Today, the individual firm no longer has a choice about going international; remaining domestic may mean lost opportunities and even competition in its own backyard. The importance of a healthy export sector to the nation, individual states, and communities cannot be overstated. Achieving and maintaining competitiveness requires global involvement. (Cavusgil *et al*, 1990).

Czinkota (1992) and Seringhaus (1986) argue that for companies going international, export trade promotion is an important boost. This is because exporters in different stages of export involvement will require different types of state export assistance. The International Trade Centre (ITC) describes export promotion or trade promotion as those activities that are designed to increase firms' export trade. They include trade missions, trade fairs, publicity campaigns and facilitating contacts with overseas customers. Seringhaus and Rosson (1991) illustrate the essence of export promotion programmes by asserting the fact that export trade promotion involves public policy measures which actually or potentially enhance exporting activity at the company, industry or national level. These measures in export promotion are targeted mainly at small and medium-sized enterprises.

Export Trade Promotion has been described as a combination of activities which involve export capacity development objectives with the aim of addressing the supply side constraints (Executive Forum, International Trade Centre 2000). Czinkota and Seringhaus endorse this statement by asserting that export trade promotion is regarded as a strategy, which includes developmental objectives such as increase in foreign exchange, employment opportunities, diversification and broadening of the export base. This view is endorsed by Czinkota (1982) and Seringhaus (1986) who state that export trade promotion organisations are required to develop a clear focus on the activities they undertake. Export trade promotion activities by state governments have become an important component of the states' economic development programs. In order to improve the effectiveness of state export promotion, a match between export assistance desired by firms and state export promotion activities should be expected. (Czinkota and Kotabe, 1992).

1.2 Export trade promotion organisations in Kenya

The task of export trade promotion organizations is, therefore, to facilitate exploitation of the vast opportunities in the global market by easing the transition of goods and services from domestic to international markets, and to enhance the competitiveness of national exports. It must again be stressed that the real purpose of increasing exports is to enable a country to pay for more imports of consumer, intermediate and capital goods, thereby improving its static efficiency and growth prospects. Export promotion comprises activities designed to increase a firm's or a country's exports. It includes measures that will help establish and improve a country's or firms' participation in trade fairs, trade missions and publicity campaigns, as well as provide information and advice on overseas market prospects, contact searches, trade financing, or market access issues. (UNESCAP, 2001)

Keesing and Singer, 1990 maintain that the activities and trade support services undertaken by export trade promotion organisations should revolve around four main areas.

- (a) Services that improve a firms' know-how and performance in overcoming supply difficulties;
- (b) Activities that give exports ready access to commercial service suppliers abroad;

- (c) Activities that rely on specific, time-limited projects or project components involving temporary infusions of specialized resources to channel external assistance to services supporting manufactured exports; and
- (d) Services that contain packages of assistance built around one or more grant funds.

According to research and advisory work undertaken by the International Trade Center over the past several years on national trade promotion organizations, the structure and functions in each institution differ considerably throughout the world in their structure and functions. Although some organizational patterns may be more prevalent in developing countries than others, no single model stands out as one that could be applied with equal success across the board. Instead experience shows that the most appropriate institutional set-up is one that is adapted to the given situation in the country concerned. (Jaramillo, ITC 1990).

1.2 Export trade promotion organisations in Kenya.

Anchoring every successful export-oriented programme are the export promotion policies carried out by public and private export promotion organisations (Teo, 1995). There are several organisations in Kenya that offer business support services to exporters in various sectors of the economy. These organisations are required to be enterprising, sector specific and targeted to particular groups in order to offer specialized assistance, facilitate trade and enable exporters to compete in the international markets.

An analysis of the operations of export trade promotion organisations in Kenya within the framework of international trade reveals that they are similar in many aspects, however the differences arise in the sectoral focus and related activities, whereby each organisation concentrates its efforts based on their scope of operations.

There are various key organisations involved in export trade promotion in Kenya. These include Export promotion Council, Export Processing Zones Authority, Kenya Tea Development Agency, Coffee Board of Kenya, Kenya National Chamber of Commerce and Industry, Kenya Association of Manufacturers, Fresh Produce Exporters Association of Kenya, Kenya Tourist Board, Horticultural Crops Development Authority, Tea Board of Kenya and the Kenya Flower Council.

The Export Promotion Council of Kenya is the foremost organisation in the promotion of exports. The organisation is a semi-autonomous body, which operates under the Ministry of Trade and Industry. It was founded by the Government of Kenya in 1992 with the objective of addressing bottlenecks and challenges faced by exporters and thereby making them more productive with the aim of improving the performance of the export sector. (Export Promotion Council, 2005).

The Export Processing Zones Authority was developed under the export development program in the year 1990 as an initiative to shift from import substitution to export-led growth. There are now over 40 zones in Kenya with investors coming from Kenya, Europe, Asia, and America. (Export Processing Zones Authority, 2005).

The key activities in the tea sector are undertaken by Kenya Tea Development Agency. The organisation was incorporated as a private company under Cap 486 of the Laws of Kenya. It was originally formed in 1964 as a parastatal operating under the name Kenya Tea Development Authority and was privatised in the year 2000. After privatisation, it was renamed the Kenya Tea Development Agency and was restructured to focus on development, processing and promotion of Kenyan tea to world markets. The agency operates in collaboration with other sub-sectoral organisations, and manages over 50 operational factories in the small-scale tea sub-sector in Kenya. (Kenya Tea Development Agency, 2005).

The Coffee Board of Kenya is in charge of activities in the coffee sector and it was established through an Act of Parliament with the objective of promoting Kenyan coffee by ensuring efficient production, processing and value addition, and to effectively promote Kenyan coffee in global markets. The Board encourages coffee growers to engage in proactive marketing of coffee and also provides support services to its stakeholders in the coffee sector. (Coffee Board of Kenya, 2005).

The Kenya National Chamber of Commerce and Industry is an autonomous private sector institution which is membership based. It was established in the year 1965 and has since instituted over 60 branches countrywide. The organisation is also affiliated to the worldwide International Chamber of Commerce. The Chamber is involved in developing and promoting the commercial interests of its members through networking

with other trade promotion organisations in the country and those in foreign countries. (Kenya National Chamber of commerce and Industry, 2005).

The representative body for the Kenyan manufacturing sector is the Kenya Association of Manufacturers which was constituted as a corporate body in 1959. The association is a membership organisation that works through 14 structured industrial sectors, four regional chapters and seven working committees. One of the seven committees is the export trade promotion committee which develops and reviews the annual export promotion plans in regional and international markets. (Kenya Association of Manufacturers, 2005).

The Fresh Produce Exporters Association of Kenya was established in 1975 to enhance the country's competitiveness in the horticultural export market. The association is a membership organisation registered under the Companies Act as a company limited by guarantee. The main focal products identified for export promotion are flowers, fruits and vegetables. (Fresh Produce Exporters Association, 2005).

In the tourism sector, the Kenya Tourist Board is the leading institution which was established to undertake promotional activities in the domain of tourism with the prime objective of ensuring that Kenya is ably promoted as a tourist destination. (Kenya Tourist Board, 2005) According to trade statistics, tourism is one of Kenya's major exports coming second to horticulture and accounting for over 20% of Kenya's exports and over 40% of GDP. (Economic Survey of Kenya, 2004).

The Kenyan horticulture sector provides income for over 75% of the labour force in Kenya. In this sector, the key organisation involved in horticultural trade is the Horticultural Crops Development Authority. It is a state corporation under the Ministry of Agriculture and established in 1967. On its establishment, it was accorded the responsibility of promoting, coordinating and facilitating activities in the horticultural industry in Kenya. Horticultural exports account for over 20% of Kenyan exports and contribute the highest amount of foreign exchange earnings for Kenya. (Horticultural Crops Development Authority, 2005).

The Tea Board of Kenya is responsible for the activities in the Kenyan tea sector. The main responsibilities of the Board are to regulate and promote the Kenyan tea industry and to facilitate research into all aspects of tea growing and disease control. It was established in 1950 under an Act of Parliament. Tea is a very important commodity for Kenya's external trade and it is one of the country's leading export products accounting for 18% of total exports. (Tea Board of Kenya, 2005).

In the agricultural sector, there are many product categories such as flowers, different kinds of vegetables, fruits, and plants. Under the flower product category, there is an organisation which was formed to undertake international marketing activities. This is the Kenya Flower Council, the lead organization and the national focal point in the provision of promotional and self-regulatory services for the floriculture industry in Kenya. It was established in 1996 with the objective of promoting the interests of the Kenyan floriculture growers and exporters. (Kenya Flower Council, 2005)

All the organisations mentioned above are directly involved in export trade promotion in Kenya. They work together, pooling resources and develop partnerships, task groups and teams to boost their efforts in the area of trade. They represent Kenya in global forums relating to international trade and help exporters to take advantage of opportunities in the export market. Their role and responsibilities are tied to the Kenya Government National Export Strategy for export growth, which was developed jointly by relevant organisations together with the Government and will be implemented during the years 2003-2007.

1. What is the role of export trade promotion organisations in Kenya?

2. How do these organisations fulfil their role in export trade promotion?

1.3 Statement of the research problem

The functions and performance of export promotion organisations in Kenya has been an area of discussion in many trade forums within the context of international trade. Export promotion organisations face many challenges such as insufficient or limited resources for stimulating exports and the ability to engage in activities that facilitate the participation of the business community in international trade; thereby contributing to export growth of the country. Some authors argue that these organisations should be scrapped and replaced with systems that provide enterprises with 'targeted' export support services (Keesing and Singer, 1990). On the other hand, others have expressed the opinion that the track record of export promotion organisations can be improved if they are revitalised and changed into more effective export development institutions (Hogan 1990). In addition to the challenges they face, export promotion organisations are now being subjected to close scrutiny by trade experts, consultants and the business community. A worldwide survey done in 1997 revealed that export promotion organisations have tended to become bureaucracies at the expense of providing beneficial export market information and facilitating export promotional activities. (ITC, 1997). Exporters that have used or attempted to use their services have indicated that their performance is not up to standard.

These issues are the foundation of this research study and the basis for raising the following research questions:

1. What is the role of export trade promotion organisations in Kenya?
2. How do these organisations fulfil their role in export trade promotion?

1.4 Objectives of the study

The specific objectives of the study are as follows:

1. To examine the current operations of export trade promotion organisations in Kenya.
2. To identify challenges facing these organisations.

1.5 Significance for undertaking the study

The study is significant to:

1. Trade promotion officers who are directly involved in developing initiatives in promotion of Kenya's trade.
2. Trade Promotion Organisations, with the aim of highlighting the need for service delivery and identifying ways to build capacity from within the country before venturing into the global markets.
3. The academia in the field of International Business and those interested in export trade promotion within the framework of international trade will have access to the study and will benefit from a micro-level analysis of organisations that are in charge of promoting trade in Kenya.

2.1 Introduction

Export promotion has been considered a field whose importance and contribution to world trade and economic growth has received significant attention. Many countries have incorporated trade policies that recognise the role of export promotion organisations within their national export strategies. The trend in international trade is now focussed to optimising the opportunities available in the global market and implementation of activities related to export trade promotion.

The ultimate success of export promotion organisations depends on a number of approaches that have been identified by export trade experts. These include adjusting to trade trends and linking trade and investment (Domeisen, 2005), sustaining trade development and developing national capacity (Williams, 2005), government policy support (Gulhati, 1990), export diversification programs (OECD, 2003) and export entrepreneurship (Teo, 1995).

Export promotion has also been described as combination of activities carried out by export trade promotion organisations ranging from providing information about current opportunities in the world market to giving specialized assistance to design and implement marketing programmes and sales campaigns abroad. In his article "Export Promotion Strategies – Evidence from Developing Countries", Milner (1990) defines export promotion as the identification of export market opportunities, establishing strategies for international market entry and addressing constraints to exporting. The activities or policy measures in export promotion potentially enhance exports either from a firm, industry or national enterprise level with the aim of boosting exports and strengthening the economy of the country (Seringhaus, 1986). These policies are also important in assisting exporters to overcome barriers to trade. (Czinkota, 1992).

Newly emerging economies have not been able to significantly increase their export volumes on their own without developing effective strategies of export promotion. There are many other reasons related to the level of economic development to explain this; however the main reason is the lack of knowledge about the complex nature of international trade as compared to domestic business. The export promotion and

development strategy of any country will set the stage for determining the level and type of trade linkages that the country will make in international markets.

Successful exporting countries have realised that besides having strategic partners in global trade and signing pacts that bind them to trade agreements, there is need to have an internal national strategy that boosts exports in order to enhance the competitiveness of their exports to the world markets.

Trade promotion through exports incorporates elements of enhancing the competitiveness and strategic thinking of trading countries, thus highlighting the need to build institutional capacities in order to enhance linkages and to achieve sustainable economic development in transitional economies. This will result in the improvement of their operations, making them more proactive in assisting and enhancing the export competitiveness of business enterprises.

In order to maintain an export-promotion focus as the stimulus to economic growth, export promotion organisations must be able to offer the required support and services to stakeholders in the public and private sectors. These issues will be addressed in the study and the consequential recommendations will be of great reference in strategizing on ways to upgrade the export promotion activities in Kenya. The recommendations will also have the overall benefit of improving the performance of these organisations in order to facilitate an enabling environment to enhance trade and attract investment to the core sectors in the country.

The debate over export expansion and import substitution as the appropriate basis for economic development in developing countries leans towards supporting exports as a catalyst in becoming a leader in global trade. This indicates that there is a clear link between exports and increased prosperity. Export oriented policies have become absolutely necessary in creating an enabling business environment for accelerated development and overall economic performance.

A survey done at the Export Promotion Council revealed that the major activities undertaken in export promotion are trade fairs and exhibitions because they provide an excellent forum for exchange of ideas and business-to-business contacts. Export promotional activities vary based on the product, theme of the activity, purpose for undertaking the promotional activities and seasonality because some of the products for example, flowers are seasonal in nature.

2.2 The development of Export Trade Promotion in Kenya

Since Independence in 1963, the government pursued an import substitution policy, which focussed on producing for the domestic market. High tariffs, protection of foreign investments, foreign exchange control and price controls were some of the instruments put in place to propel the country to economic freedom.

In 1986 the government unveiled the Sessional Paper No. 1 on economic management for renewed growth, which changed the policy to an export-led focus. An export-led policy aims to achieve economic growth through exporting by removing barriers to trade, eliminating stringent foreign exchange controls and liberalising prices.

The shift towards exporting and export promotion as an engine of growth has played a major role in giving Kenya an international status as a major exporter of commodities to world markets. The growth in exports and the changes in policy has also led to an emergence of export promotion organisations which support trade in exports. Trade policy and promotion officials who work within these organisations have a major stake in strengthening trade related capacities in Kenya through the implementation of a range of activities that will increase the volume of exports to global markets, thereby creating jobs and spurring economic growth.

Export promotional activities fall within the most important pillars of international trade and therefore, this study is demand-driven as an important initiative to highlighting the role of export trade promotion organisations in the growth and development of the economy of Kenya.

The various activities within the context of trade promotion have been undertaken for several years by export promotion organisations in Kenya, which operate under the arm of the Ministry of Trade and Industry. Kenya's location as an international trade hub and export channel is very strategic; with market access to the African region, Middle East, Europe and Asia through the seaports, airports and the road and rail networks.

The various activities within the context of trade promotion have been undertaken for several years by export promotion organisations in Kenya, which operate under the arm of the Ministry of Trade and Industry. Kenya's location as an international trade hub and export channel is very strategic; with market access to the African region, Middle East, Europe and Asia through the seaports, airports and the road and rail networks.

2.3 Linkage of export trade promotion to Kenya's potential in International Trade

Export Promotion Organisations in Kenya have been given the mandate to promote regional and global trade. Export trade is a competitive area of international trade and it plays a crucial role in the economy of the country especially in maintaining a healthy balance of trade.

The Government of Kenya has set a target of 5.7% annual growth in exports over the next few years. (National Export Strategy, 2003-2007). Given that the Kenyan economy is in the developing stages, it is imperative for key stakeholders to identify areas of improvement in export promotion activities and benchmark them with those of the more developed nations in South East Asia and Europe in order to keep up with the changing trends.

Kenya's participation in international trade is evident in its membership in various trade agreements. Membership to global trade bodies is an assurance that Kenya will benefit from preferential trade agreements with other member states. Being a member of the World Trade Organisation (WTO), Kenya conforms to the most favoured nation treatment (MFN) principles of trade without discrimination. It is also a member of the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC). Under the Africa Growth and Opportunity Act (AGOA), Kenyan exports to the US market qualify for duty free access. Under the Generalised System of Preferences (GSP), Kenyan exports are entitled to preferential duty treatment and no quantitative restrictions to several countries in Europe, Japan, USA, Canada, Australia and New Zealand. The ACP-EU agreement accords duty free and quota free access to Kenyan exports to the European markets. Kenya's external trade has seen remarkable growth over the years due to its accessibility to preferential trade areas (Asiko, 1989)

The role of export trade promotion organisations in defining Kenya's export strategy has been considered as key in reducing the balance of payments and increasing the prospects of Kenyan exports to global markets. The export trade promotion organisations undertake activities that have the potential of increasing the volume and value of exports from Kenya. This will go along way in giving Kenya a prominent position in international trade.

Table 2-1 gives a brief overview of the activities undertaken in the area of export trade promotion in Kenya. These activities are spearheaded by the Export Promotion Council in collaboration with other export trade organisations depending on the sectoral focus.

Table 2-1: Export Promotional Activities Scheduled for the year 2006.

Export Promotional Activity	Sectoral and Regional Focus
International Market Research	Focus on Manufacturing and Services sectors in Africa and the agricultural sector in Europe, Asia, Middle East.
International Trade Missions	Focus on Manufacturing sector in Africa and Agricultural sectors in Europe and North America.
Incoming Buying Missions	Main focus is on the agriculture sector which has given Kenya a comparative advantage.
Contact Promotion Programmes	All sectors. Creating business-to-business linkages with the possibility of partnerships and potential for trade
Buyer and Seller Meetings	All sectors. Buyer/ seller meetings are undertaken in Kenya or in the selected countries as per sector
Trade Fairs and Exhibitions	All sectors. In Africa, Middle East, Asia and Europe because of proximity and potential for business.

Source: Export Promotion Council, 2005

Export promotion organisations and other stakeholders in the Ministry of Trade and Industry have continued to draw attention to Kenya's negative balance of trade as a justification for promoting Kenya's exports and highlighting the role they play economic development. They argue that their activities contribute considerably to the economy by generating substantial financial gains through export trade. Kenya's balance of trade in the year 2004 shows that as a country, we are dependent on imports and in addition, over the last five years there had been a trade deficit.

Key indicators show that in the year 2004, imports rose by 29 percent while exports increased by 17 percent. Consequently, there was an expanded trade deficit of 51 percent from Kshs. 98.7 billion in 2003 to Kshs. 149.4 billion in the year 2004. (The Economic Survey of Kenya, 2005). The investment trends have also been positive in the recent years in key economic sectors of the country (Investors Guide: Kenya Investment Authority, 2004).

Africa. Kenya has established a strong market presence in the European markets especially with agricultural produce, which is renowned for its high quality standards.

Table 2-2 Kenya Balance of Trade 2000-2004 (Kshs. Million)

Description	2000	2001	2002	2003	2004
Exports (f.o.b)					
Domestic Exports	119,764	121,43	131,394	136,708	159,061
Re-exports	14,763	26,156	37,889	46,444	55,729
Total	134,527	147,589	169,283	183,153	214,790
Imports (c.i.f)					
Commercial	240,473	285,106	254,006	278,838	360,941
Government	7,331	5,001	3,703	3,005	3,264
Total	247,804	290,108	257,710	281,843	364,205
Total Trade	382,331	437,698	426,993	464,997	578,995
Balance of	-113,276	-142,518	-88,426	-98,690	-149,415

Source: Economic Survey 2005 – Central Bureau of Statistics

The trade deficit is not simply the nation's problem, but is also a major economic issue to be dealt with at the state level. The Government can play a key role in stimulating international business activity by enhancing the role of export trade promotion organisations. The business sector requires coordinated guidance and assistance from the public sector in order to stimulate growth. (Cavusgil *et al*, 1990)

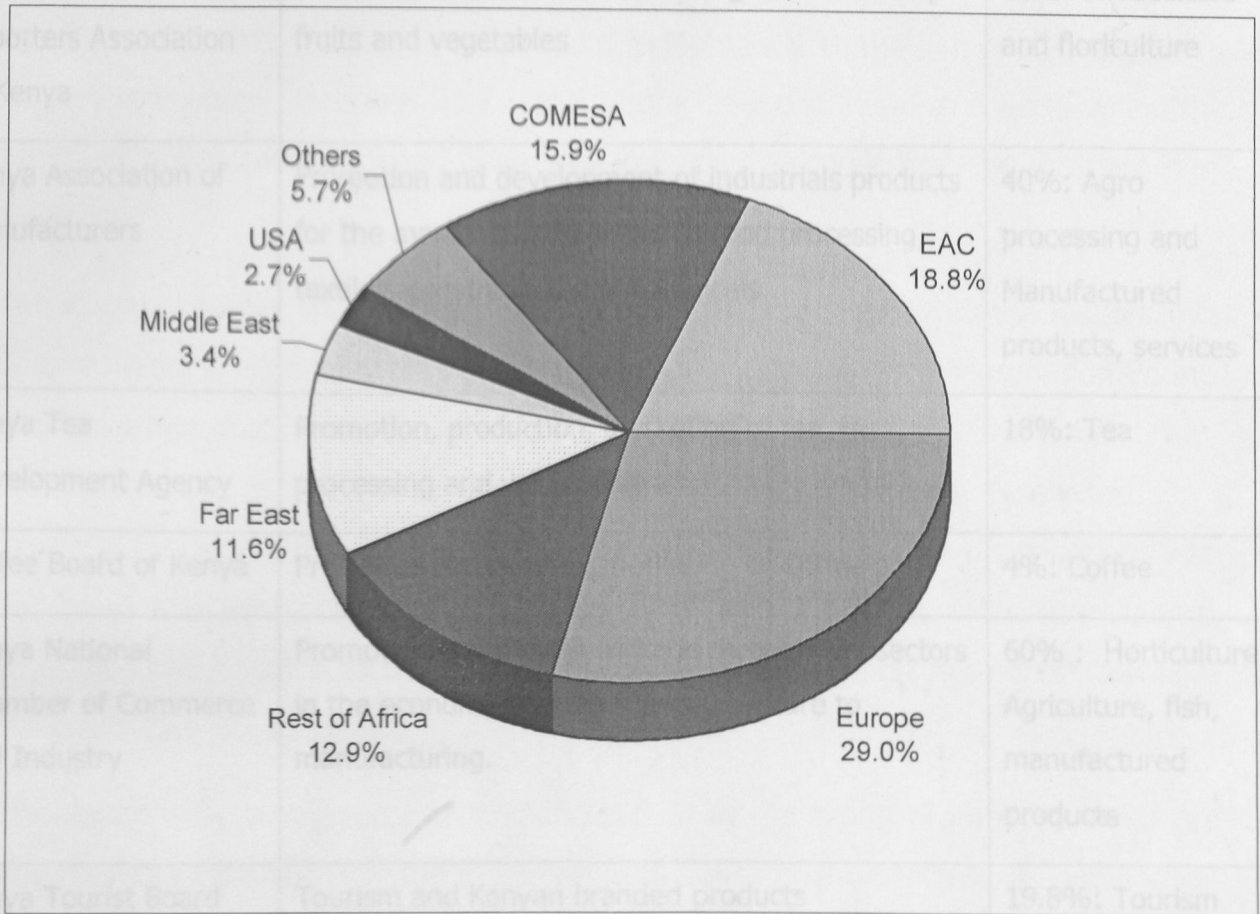
Table 2-3: Link of export promotion to Kenyan exports.

Statistics for the year 2004 collected from the Central Bureau of Statistics indicate that African countries are the major destination of Kenyan exports with 47.6 percent out of which COMESA takes 73 percent. Exports to the European Union comprise for 29.5 percent, while the Far East (China, India, Japan, Pakistan, Singapore, Indonesia) and finally the Middle East (Saudi Arabia, Israel, Jordan, Emirates, Iran) each accounted for 11.6 percent and 3.4 percent respectively.

The following chart gives an overview of the destinations of Kenyan exports to global markets. Kenya trades mostly in the regional markets of EAC, COMESA and the rest of

Africa. Kenya has established a strong market presence in the European markets especially with agricultural produce, which is renowned for its high quality standards.

Figure 2-1: Total Exports Distribution to Global Markets, 2004.



Source: Economic Survey of Kenya, 2005 – Central Bureau of Statistics

The table below shows the linkage between exports from Kenya and the focal product identified by each export trade promotion organisation in Kenya.

Table 2-3: Link of export promotion to Kenyan exports.

Export Trade Promotion Organisation	Focal product in trade promotion	Percentage of Kenyan exports and product categories
Export Promotion Council	Horticulture, agricultural products, textiles, arts and crafts, fish and livestock products, manufactured products, and services other than tourism	60% : Horticulture, Agriculture, fish, manufactured products, services
Export Processing	Investments for exports in Manufacturing, food	40%: Agro processing and

Zones Authority	processing, and services	Manufactured products, services
Fresh Produce Exporters Association of Kenya	Exports, promotion and marketing of cut flowers, fruits and vegetables	20%: Horticulture and floriculture
Kenya Association of Manufacturers	Promotion and development of industrials products for the manufacturing sector in food processing, textiles, construction and chemicals	40%: Agro processing and Manufactured products, services
Kenya Tea Development Agency	Promotion, production, marketing of tea, tea processing and value addition.	18%: Tea
Coffee Board of Kenya	Promotion, production, marketing of Coffee	4%: Coffee
Kenya National Chamber of Commerce and Industry	Promotion and growth of trade through key sectors in the economy ranging from agriculture to manufacturing.	60% : Horticulture, Agriculture, fish, manufactured products
Kenya Tourist Board	Tourism and Kenyan branded products	19.8%: Tourism
Horticultural Crops Development Authority	Production, exporting, promotion and marketing of flowers, fruits and vegetables	20%: Horticulture
Tea Board of Kenya	Promotion, production, marketing and regulation of tea, tea processing and value addition.	18%: Tea
Kenya Flower Council	Exports, promotion and marketing of flowers	20%: Floriculture

Source: Export Promotion Council, 2005

Kenya's export earnings are mainly agricultural products including coffee, tea, horticulture, tourism and industrial or manufactured products. Agriculture accounts for 24 percent of GDP while the services sector, which is mainly dominated by tourism, represents 54 percent of GDP.

The manufacturing or industrial sector which accounts for 13 percent of GDP has been facing many constraints such as high energy costs and poor infrastructure which have affected the competitiveness of Kenyan manufactured products.

2.4 Focal areas of export trade promotion in Kenyan organisations.

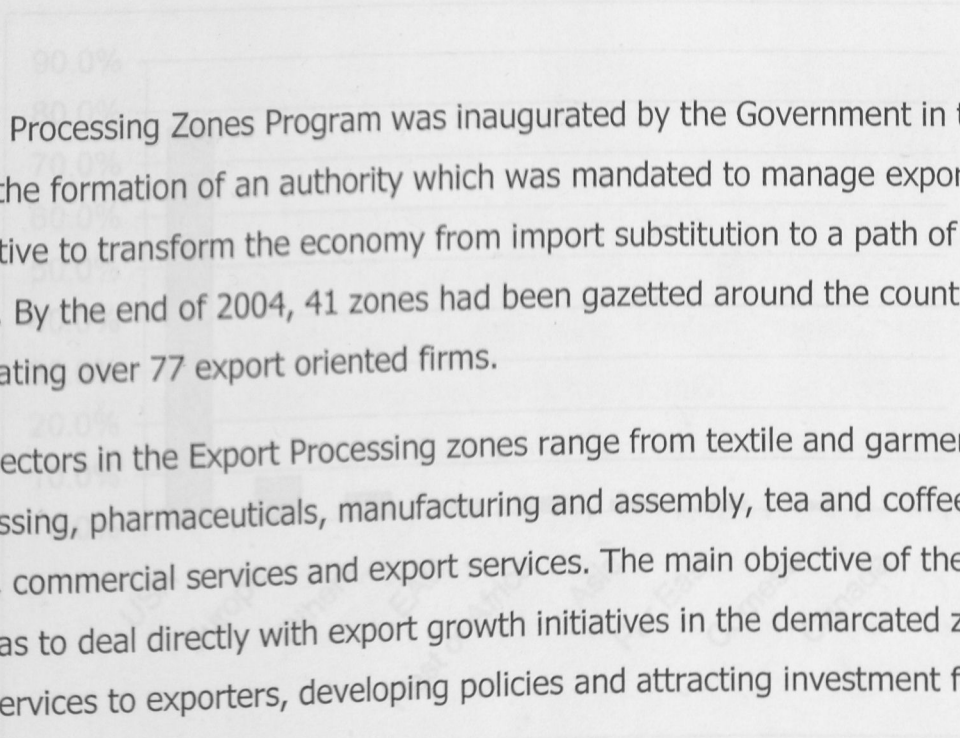
The export promotion organisations in Kenya have been in charge of implementing the action plans formulated through governmental directives. These directives mainly focus on reform measures relating to trade and development with the aim of steering the country to economic freedom. The organisations have continued to operate within the economic policy framework and have been instructed to concentrate on their areas of expertise.

The forefront export promotion organisation in Kenya mandated with the responsibility of spearheading export-led economic growth in Kenya is the Export Promotion Council. The Government of Kenya established the Council in the year 1992. The Council has developed Internet based tools to deliver client-tailored information on selected markets. It operates in partnership with relevant public and private organisations with the mandate of developing and promoting export of goods and services, formulating strategies and endeavours to promote an export culture. (Export Promotion Council Strategic Plan, 2004-2007).

The export trade promotion activities undertaken by the export promotion council are implemented independently but in line with the Government directives as outlined in the National Export Strategy. The strategy has identified fourteen priority sectors for development in the years 2003 – 2007, and based on these sectors, the Export Promotion council has selected six priority sectors on which to focus on and initiate promotional activities.

These sectors are:-

1. Horticulture and other agricultural products
2. Textiles and clothing
3. Arts and crafts
4. Fish and livestock products
5. Manufactures
6. Services other than tourism



The Export Processing Zones Program was inaugurated by the Government in the year 1990 with the formation of an authority which was mandated to manage export zones as an initiative to transform the economy from import substitution to a path of export-led growth. By the end of 2004, 41 zones had been gazetted around the country accommodating over 77 export oriented firms.

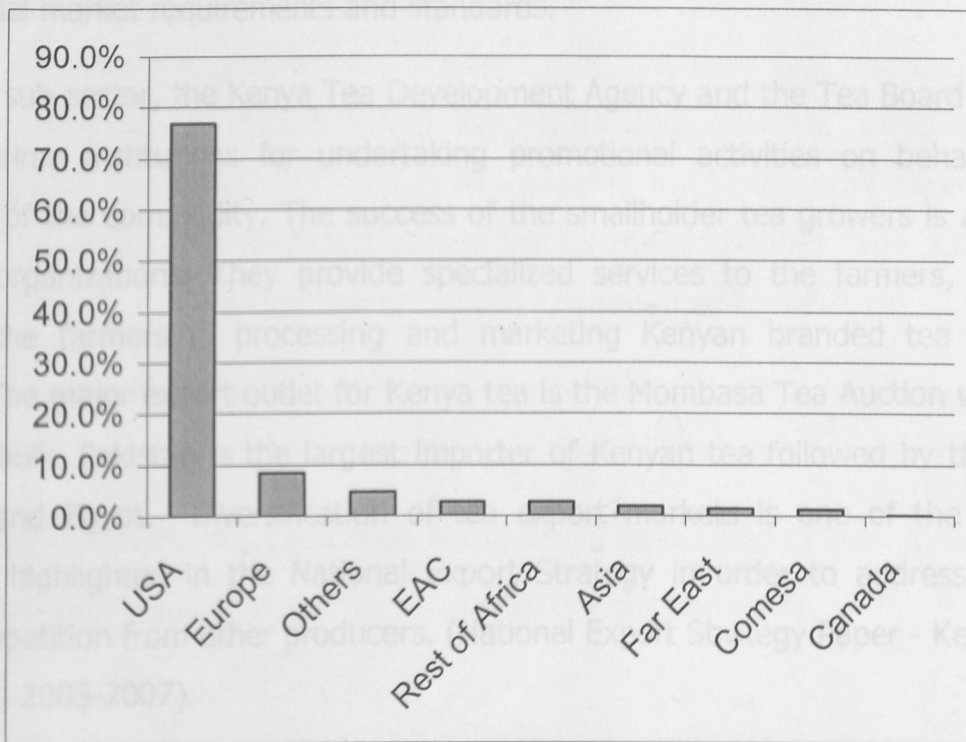
The main sectors in the Export Processing zones range from textile and garments, agro-processing, pharmaceuticals, manufacturing and assembly, tea and coffee processing, commercial services and export services. The main objective of the program was to deal directly with export growth initiatives in the demarcated zones by providing services to exporters, developing policies and attracting investment from foreign and domestic investors.

The zones provide opportunities for export-oriented business ventures to enable them to tap into their productive capital investment, generate jobs, transfer technology, develop forward and backwards linkages, diversify export products and expand markets. (Profile - Export Processing Zones Authority, 2005)

Statistics compiled by the Export Processing Zones authority indicate that there has been tremendous growth over the past five years and Kenyan exports from the zones have continued to increase. As a result of this, the zones have frequently attracted investors from all parts of the world. The Export Processing Zones website is a good tool used by Kenyan missions abroad to market and promote the zones as prime investment areas for foreign trade delegations.

The improved performance of the Export Processing Zones Authority can be attributed to the promotional activities that are undertaken as part of the initiatives to position Kenya as a major player in international trade.

Figure 2-2: Distribution of exports from the EPZA to international Markets, 2004



Source: Export Processing Zones Authority

The agricultural sector has played a significant role in the economic development of Kenya over the years. The sector provides raw material for the agro-food based industries while at the same time, generating income for over 75 percent of the workforce. Promotional activities by the various associations and agencies has resulted in tremendous growth in the sector and expansion of market share internationally.

In the horticulture and floriculture sectors, the Kenya Flower Council, the Horticultural Crops Development Authority and the Fresh Produce Exporters Association of Kenya are the key organisations mandated to promote the sectors.

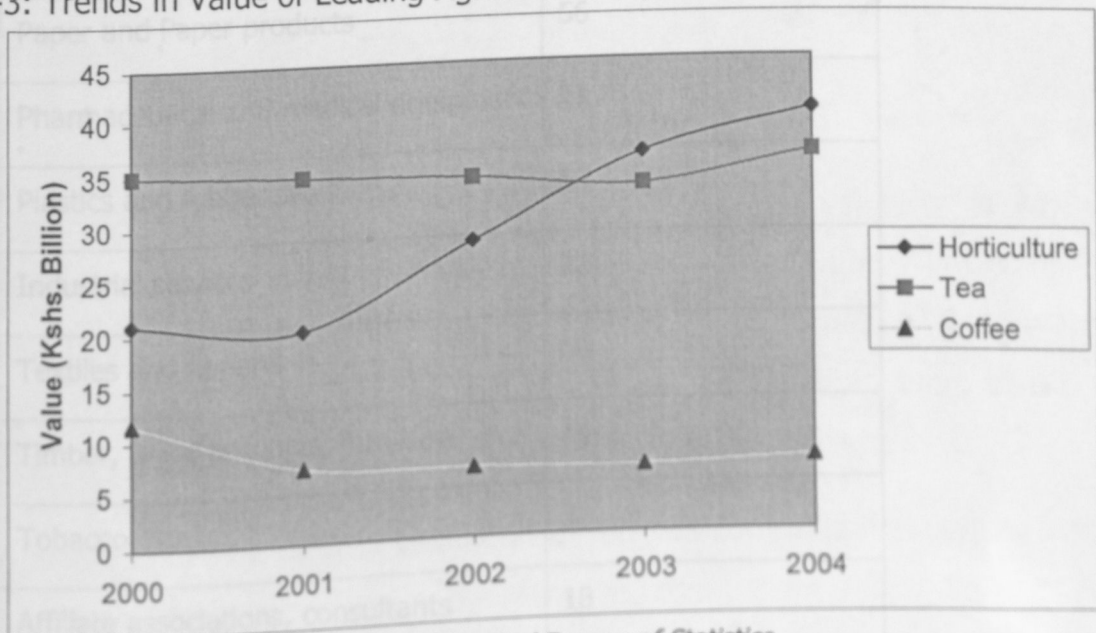
The Fresh Produce Exporters Association of Kenya was founded in 1975 to provide market intelligence, export promotion and technical assistance to exporters as well as negotiating favourable terms of trade for their products in global markets. (The Fresh Produce Exporters Association of Kenya - FPEAK, 2005). The officials responsible for export promotion in this organisation are also expected to undertake outreach programmes in the rural areas in order to impart the knowledge and skills in exporting to the farmers and producers of fresh fruits and vegetables. The Horticultural Crops Development Authority also undertakes similar activities including provision of advisory services for horticulture farmers. The Kenya Flower Council concentrates its efforts on

promotion of cut flowers and ensuring that the growers and farmers meet the international market requirements and standards.

In the tea sub-sector, the Kenya Tea Development Agency and the Tea Board of Kenya are the prime institutions for undertaking promotional activities on behalf of the producers of the commodity. The success of the smallholder tea growers is attributed to these organizations. They provide specialized services to the farmers, including assisting the farmers in processing and marketing Kenyan branded tea to world markets. The major export outlet for Kenya tea is the Mombasa Tea Auction where tea is sold in bulk. Pakistan is the largest importer of Kenyan tea followed by the United Kingdom and Egypt. Diversification of tea export markets is one of the strategic objectives highlighted in the National Export Strategy in order to address the stiff global competition from other producers. (National Export Strategy Paper - Kenyan Tea Sub-sector, 2003-2007).

The third major agricultural export is coffee, which earned Kshs. 6.9 billion in the year 2004. There are a few coffee roasters in Kenya who promote their products in trade fairs and exhibitions worldwide, however most of the coffee exported from Kenya is sold unroasted. The value of coffee exports has drastically reduced over the years as a result of problems in the sub-sector mainly due to low prices offered to coffee growers. In the year 2000, the value of Coffee exports was 11.7 billion, which has reduced to 6.9 billion in 2004. (The Economic Survey of Kenya, 2005).

Figure 2-3: Trends in Value of Leading Agricultural Exports. 2001-2004



Source: Economic Survey of Kenya, 2005 – Central Bureau of Statistics

The Kenyan manufacturing sector accounts for 13 percent of GDP. The key industries include construction, food manufacturing, sugar and confectionery, dairy products, electrical and motor vehicle assembly, paper products, steel and leather goods. The Kenya Association of Manufacturers represents the interests of close to 500 industrialists in Kenya with the aim of encouraging investment and development of industrial potential. (Kenya Association of Manufacturers, 2005). The members are expected to pay a subscription fee for the services rendered to them.

The table below shows a representation of the sectors in the Kenya Association of Manufacturers and the number of members involved in trade promotion activities.

Table 2-4: Membership representation at the Kenya Association of Manufacturers, 2005.

No	Sector Representation	Number of members
1	Building and construction	17
2	Chemicals and allied	48
3	Energy, Electrical and Electronics	27
4	Food and beverages	110
5	Leather and Footwear	6
6	Metal and allied	52
7	Motor Vehicle and accessories	18
8	Paper and Paper products	56
9	Pharmaceutical and medical equipment	21
10	Plastics and rubber products	55
11	Industrial services	21
12	Textiles and Apparel	59
13	Timber, wood products, furniture	14
14	Tobacco	3
15	Affiliate associations, consultants	18

Source: Kenya Association of Manufactures, 2005

In the year 2004, tourism exports to the global markets accounted for almost 41% of Kenya's Gross Domestic Product (GDP). The sector has been a major contributor to Kenya's export earnings for many years. The Kenya Tourist Board has succeeded in collaborating with other organisations in undertaking many activities intended to achieve the common goal of marketing Kenya as a tourist destination. The board is also directly involved in the Kenya branding initiative aimed at promoting the Kenyan branded products and services internationally. Major promotional efforts have been undertaken by the Kenya Tourist Board through participation in tourism fairs in strategic locations in the UK, Europe and Asia.

The table below shows the performance trend in the tourism sector during in the past two years.

Table 2-5: Performance of the tourism sector 2004-2005

Description	Year 2004	Year 2005
Earnings from Tourism Sector	25.8 Billion	39.2 Billion
International Visitor Arrivals	1.14 Million	1.36 Million
Hotel Occupancy	2.6 Million	3.8 Million
Conference Tourism – local	805	912
Conference Tourism – Int'l	126	145

Source: Economic Survey of Kenya 2005 – Central Bureau of Statistics

Developing business linkages both domestically and internationally is key to the economic development in the country. The Kenya National Chamber of Commerce and Industry has continued to undertake this dual role on behalf of its members by providing them with practical tools and techniques and assisting them to access the domestic and international markets through promotional activities.

The Chamber acts as a support institution for both importers and exporters across the various sectors. In its export promotion function, some of the major activities such as trade missions to foreign countries are undertaken in collaboration with the Foreign

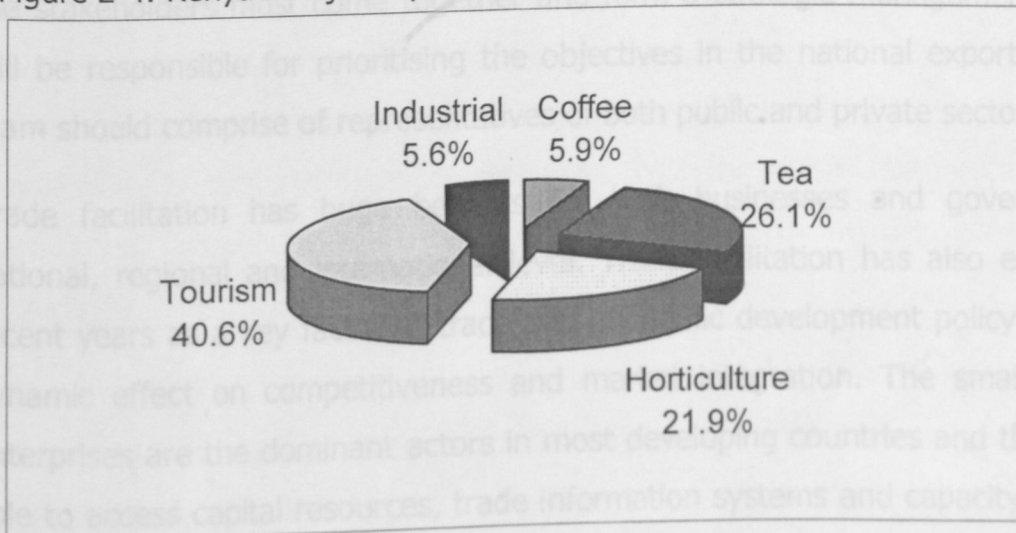
Chamber of Commerce in the respective country and other key stakeholders. One of the major tasks of the Chamber is to educate business people all around the country on good business practices by way of organising forums through their offices located in major towns countrywide.

The intensive export promotion activities undertaken by these key export promotion organisations and the liberalised trade policy have strengthened the market access capability of Kenyan exports abroad.

Figure 2-4 shows the percentage of GDP attributed to Kenya's export trade.

Agricultural exports are divided into the major commodities which are tea, coffee and horticulture which is a compilation of flowers, fresh fruits and vegetables. The manufactured or industrial products are mainly targeted to the COMESA region. The share of Kenyan exports in the world economy has grown and there is scope for greater potential if efforts in export promotion are reinforced.

Figure 2-4: Kenya's Major Exports to the world, 2004. (Percentage of GDP).



Source: Economic Survey 2005 – Central Bureau of Statistics

2.5 Past Studies done in the area of export promotion. (Mathenge, 2003), It

Several scholars have addressed the use of export promotion organisations as mechanisms through which export-led, national economic growth can be encouraged (Czinkota 1982; Cavusgil 1984; Seringhaus 1987). The bulk of existing export promotion organisation literature investigates the impact and awareness level of the service offered by the organisations. The Export Year Program of 1986 in Kenya indicated that the influence of export promotion on the growth of exports from Kenya was not ascertained; however the program itself was quite successful in attracting public attention especially with business people (Kabengi, 1986). Despite the extensive research previously undertaken, there remain neglected areas of research in export promotion especially in semi-private sector export organisations. (Riddle, 2002).

A survey undertaken by the Centre of Trade Facilitation in Kenya identified issues regarding active participation and collaboration between the public authorities and the business community as international best practice in trade facilitation. For instance, it is now a fact that a public-private sector partnership is crucial to the export process. All the stakeholders must come together and form a strategic management team, which will be responsible for prioritising the objectives in the national export strategy. The team should comprise of representatives of both public and private sector.

Trade facilitation has huge benefits for both businesses and governments on a national, regional and international level. Trade facilitation has also emerged in the recent years as a key factor to trade and economic development policy because of its dynamic effect on competitiveness and market integration. The small and medium enterprises are the dominant actors in most developing countries and they need to be able to access capital resources, trade information systems and capacity building so as to comply with international standards under trade facilitation programmes if they are to trade efficiently. (Trade Facilitation in Kenya – The Roadmap, 2005)

A recent study undertaken in Kenya critically analyses the adequacy and effectiveness of the activities offered by the Export Promotion Council of Kenya. It revealed that export promotion in Kenya should shift from the routine activities to an operative communication process in order to ensure success in the growth of exports. The study aimed to examine the perceived effectiveness of the Export Promotion Council in the year 2003, and it revealed that there needs to be a lot more effort in creating an

understanding of the workings of export promotion organisations (Mathenge, 2003). It is also important to select and identify the right groups who determine the success of export promotion so as to come up with the best motivational plans to boost export promotion.

The ASEAN Business Case Studies undertaken in 1995 contain relevant insights on export promotion especially in the Philippines where an export-oriented policy has boosted the economics of the newly industrialised nations of Asia. Philippine policy makers have also realised that in order to achieve the coveted title of the next "economic tiger" of Asia, Philippine must shift to an export oriented economic policy. A successful export-oriented programme of this nature entails inculcating export promotion policies, which are carried out by different public and private export promotion organisations. These policies stimulate export entrepreneurship and help to make the business community more highly aware of the profit potential of the export market.

In his study on the Asian economies in 2005, Wignaraja identified four features of the Asian market-driven trade promotion organisations that are key in contributing to the success of Asian economies. These are private sector involvement, establishing extensive networks and international presence, recruitment of professional staff and availability of sufficient financial resources. With these four features, the Asian export promotion organisations have propelled the growth in the economies of their countries.

A survey of East Africa's businesses undertaken by the International Trade Centre states that the lack of trade support services in addition to bureaucracy are major constraints to growth in export trade. Export promotion organizations were established to formulate export policies and strategies; and to implement promotional activities in export oriented functions. With the limited human capital and budgets available to such institutions, their focus has become more bureaucratic at the expense of their role in providing development of international marketing skills, market intelligence information, export marketing and promotion activities. Promotional activities including the provision of trade information are ultimately dependent on the existence of value for money and reliability of product and service delivery. Exporters that have used or attempted to use the services of some organisations have been disappointed and have moved back to the situation of relying on their own knowledge and resources.

The survey also emphasises that there is increasing awareness that export promotion organisations operate with limited resources and a vast majority of business leaders have ranked the strengthening of these organisations as top priority. The common elements of the way they need to be strengthened are first to increase the participation of the private sector in their management and supervision to make them more responsive to the needs of the exporting community. Secondly, they need to reduce on their policy and administrative functions so that they can focus more on export promotion. Thirdly, to restructure them in order to make them more focussed on value for money in the services they provide by making them recover a proportion of their cost through user charges. This will help them to focus on services for which there is greatest demand.

The East African Survey of Foreign Investors (World Bank, 1994) discusses issues pertaining to trade promotion, the lack of knowledge or market intelligence and information on market access requirements to international markets. The establishment of Export Promotion Zones focused on attracting investors solely for the purpose of manufacturing goods for the export market, while the domestic exporters were not offered any incentives.

In his study on policy and non-policy barriers to trade in Uganda, Morrisey highlights the importance of developing trade policies which do not restrict trade. Streamlining of administrative procedures and empowering trade promotion organizations are key initiatives in reforming and modernizing their operations. These issues have also been addressed by the East African Business Council, a key player in trade promotion within the East African Context.

Regionalisation of trade promotion activities has enabled the three East African countries to develop partnerships and engage in joint efforts to promote regional trade. Export Promotion Council of Kenya together with the Tanzanian and Ugandan counterparts in export trade promotion, the Board of External Trade in Tanzania and Uganda Export Promotion Board respectively are actively participating in various activities within East Africa and globally. (East African Business Council Arusha, 2004)

Of the three East African countries, Kenya has the most advanced with a diversified export diversification structure. The harmonisation of trade related activities in Kenya

with those in Uganda and Tanzania can be a catalyst for integrating this region with the global economy. Export promotion organisations can therefore work together towards a common goal of building a strong regional bloc.

According to Article 6 of the Protocol on Establishment of the East African Customs Union, trade promotion through exports is an undertaking aimed at facilitating the production or manufacture of products for the purposes of export. The protocol includes elements focussed on regional trade promotion such as simplification and harmonization of trade documentation and procedures and elimination of non-tariff barriers. Export trade promotion organizations in the East African Community (EAC) have embraced the paradigm of regional integration and multilateral trading system as an integral part of the development agenda. Cooperation under the EAC cuts across all the major sectors of the East African economies that support the concept of regional integration with the view of establishing a single market and investment area.

Kenya has a population of over 30 million people with an annual growth rate of 3%. Due to the enormous pressure to sustain economic growth, the country is formulating strategies to improve the performance of businesses. According to the Sessional paper No.1 of 1986 on economic management for renewed growth in Kenya; trade promotion and exporting were identified as major inputs to growth of the economy. An analysis of Kenya's export performance highlighted the need to re-establish the government's commitment to liberalise the economy and adopt an outward-looking trade policy.

Export diversification is one of the specific ways in which a country can develop growth strategies in the global trading system. Developing countries like Kenya are heavily dependent on commodity exports and are therefore vulnerable to external shocks. The Doha development agenda explicitly recognises this challenge and urges the international community to take concrete steps to ensure meaningful market access and provide technical assistance. However, the traditional strategies of export promotion which focus on international marketing of final goods is no longer appropriate. Export and investment promotion organisations need to be revamped through increased engagement of the private sector and other relevant stakeholders in order to tackle the major obstacles in international business.

Several programs and trade promotion networks around the world have been launched to strengthen the trade promotion organizations. One such program has been undertaken by the International Trade Centre and United Nations Development Programme in India. The program aimed at establishing support systems and trade promotion networks which have the advantage of creating linkages with specialized trade support institutions in other countries. (International Trade Centre, 2000).

Other previous case studies that have been undertaken to analyse the impact of trade promotion organizations to economic development include "Strengthening Trade Capacity for Development" undertaken by OECD in 2001 which addresses issues of how developing countries can build their capacity for trade. Linkages between private sector organisations are crucial to the development of export trade and to the establishment of product-specific export committees which work in collaboration with export promotion organisations in assessing the export constraints and opportunities in international markets.

A study of African countries based on establishing an enabling environment for less developed countries has developed a focused outlook on trade facilitation and promotion as key areas of intervention in reforming the developing economies. Export trade associations are particularly valuable in developing sector strategies and undertaking initiatives to address constraints that exporters face. They often have first hand information on trends and prospects in international markets, and can assist business people in analysing competitive issues.

A World Bank Survey on Export Promotion Organizations reviews export promotional activities in Kenya and characterize export Promotion as all activities encompassing marketing and trade support services designed to assist and encourage business people to export. In the survey, some of the areas under research include export support services such as training and technical assistance, regulatory compliance, logistics and customs procedures country image building and branding. The survey also emphasized that these key areas can be improved mainly through advertising and promotional events that aim to project Kenya's role in exports and in international trade.

Kenya's prominence in the global arena has also been as a result of the marketing and promotional events such as trade fairs, trade missions abroad and other services offered by the trade representatives in various countries.

In his discussion paper on export promotion viewpoints from the South American country of Costa Rica, Alonso (2005) emphasizes on the fact that most countries do not have comprehensive national strategies for exports and consequently, these countries cannot enter successfully in the world economy based on their competitiveness in trade. Export promotion organisations have the responsibility to bridge this gap by enhancing their institutional capabilities in order to enable them to evolve into multi-functional agencies which support the implementation of strategies for export competitiveness.

One timeless Chinese proverb says: "Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime". According to Phillip Williams (2005) a senior advisor with the International Trade Centre, the Chinese proverb holds true because even in today's advanced world. Sustainability and continuity is the key to economic development.

The solution is in developing national capacity in export promotion organisations by making them more enterprising and sector-specific. The services provided by the export trade promotion organisations should add value to the businesses that depend on them.

The work of export promotion organisations should thus be seen not only as relevant to export growth, but central to the strategic development efforts of our economies and overall competitiveness of our countries. (Akayea, 2005).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This was a census survey targeting the organisations in Kenya that have been commissioned to undertake trade related activities which place Kenya among the trading countries internationally. The research was descriptive and qualitative in nature and aimed to generate detailed information regarding key aspects of the organisations.

3.2 Target Population and sampling

The target population for the study comprised the eleven key export promotion organisations in Kenya. The entire population was examined and thus sampling was not done. These organisations are Export Promotion Council, Export Processing Zones Authority, Fresh Produce Exporters Association of Kenya, Kenya Flower Council, Horticultural Crops Development Authority, Kenya Association of Manufacturers, Kenya Tea Development Agency, Kenya Tea Board, Coffee Board of Kenya, Kenya National Chamber of Commerce and Industry and the Kenya Tourist Board.

3.3 Data Collection Techniques

Primary data was collected through use of questionnaires and interviews. (Frankfort-Nachmias, 1997). The structure of the questionnaire facilitated the accurate translation of the research objectives into specific questions. The visits to these organisations provide first-hand information on their daily operations. Consultations during the visits was focussed on the various activities undertaken in export promotion and other relevant information.

Secondary data was sourced from publications and annual reports via the Internet or through desk research in order to facilitate further discussions in the study.

The respondents who were selected are trade promotion officials and they are directly involved in the trade promotion activities in the selected organizations.

3.4 Data Analysis

4.1 Administration of questionnaire and response rate

Data analysis was done with a focus on identifying the underlying issues and challenges in the daily operations of export trade promotion organisations. The information was thereafter analysed for completeness, accuracy and uniformity before final inclusion in the report. The data analysis revealed the critical issues pertaining to the role and activities of export promotion organisations in Kenya. These activities were categorized to indicate their importance to the country's economic development and in boosting Kenya's position in international trade.

At least two officers were interviewed in each organisation, thus representing a response rate of 90%.

Data analysis was guided by the research objectives in the study which are to examine the current operations of export trade promotion organisations in Kenya and to identify the challenges they face in the provision of their services.

The data was analysed and presented using tables to give a clearer picture of the status of export promotion organisations in Kenya and the circumstances under which they operate.

4.2 Structure and core objectives of the export trade promotion organisations

The survey revealed that out of the eleven organisations, majority are government affiliates of the Ministry of Trade and Industry and the Ministry of Agriculture, because the mandate of trade promotion is primarily undertaken through government initiatives. None of the organisations are formed through a private-public partnership although the findings revealed that these organisations work through committees whose memberships are derived from both the public and private sectors.

Table 4-1: Nature of the organisations

Legal Status of Organisation	Funding Source/s	Number	Percentage
(I) Government affiliates	Government funded, donor funding	7	64%
(II) Private / membership organisation	Membership fees, donor funding	4	36%

Source: Research Data

DATA ANALYSIS AND FINDINGS

4.1 Administration of questionnaire and response rate

Data was obtained using the questionnaire as the research tool and administered through visits and telephone interviews with officials in trade promotion. Questionnaires were also sent to all the selected organisations. All the eleven questionnaires were completed and used in the analysis. Only one questionnaire was partially completed because the current working documents for the year 2006/2007 were being developed and could not be disseminated before completion. At least two officers were interviewed in each organisation, thus representing a response rate of 90%.

Source: Research Data

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The legal status of the organisations clearly determines the way in which they get their funding to undertake their activities. According to the data collected from the organisations, seven are government affiliates and four are private organisations with independent membership. Two of the private organisations have members drawn from other support institutions and representatives in foreign countries. This means that a majority of the organisations are fully dependent on the government for the funding and other resources used in undertaking trade promotion activities.

Table 4-2: Age of Organisation

Age of the Organisation	0-20 yrs	20-40 yrs	40-60 yrs	Above 60 yrs
Number	4	2	4	1
Percentage	36%	18%	36%	10%

Source: Research Data

All the organisations targeted in this study have been in existence for over 20 years, which shows that Kenya's participation in international trade has been an ongoing activity for many years. The Kenya Flower Council has been in operation for the least number of years. It was established in 1996 and has been offering its trade promotion services for 10 years, while the Coffee Board of Kenya has been operating for over 7 decades since its formation in 1933. All the respondents affirmed that the organisations work within clear-cut operational principles guided by their respective mission and vision. It was also noted that there are efforts to develop strategic plans to guide the organisations future goals.

Further analysis was done on the organisations' current operations in order to observe which techniques and approaches they use to undertake their activities. The analysis revealed that most decisions are made at a higher level within the organisation and employees are expected to perform their duties as per their job descriptions. There are initiatives to enhance internal work processes, given that nine of the organisations have empowered their employees by providing an inbuilt ICT infrastructure, while two of them are in the process of upgrading their systems. The five organisations that are linked to the government have an advantage in accessing to trade officials in overseas locations for export market information. All the organisations are members of trade committees and technical working groups that ensure that the scheduled activities are implemented.

The study also examined the mission and core objectives of the organisations to establish if there was a connection to their specific functions. Each of the organisations has a documented mission and vision, which guides the workplans and operations for the trade promotion and marketing arms. The information gathered in the study indicated that over the years, these organizations have been transformed and repositioned to better suit the country's economic direction.

The table below shows a tabulation of the missions and core objectives of the trade promotion organizations targeted in this study. It was revealed that most of the organizations are keen to promote Kenya's competitive advantage in international trade.

Table 4-3: Missions and core objectives of Kenyan Trade Promotion Organisations

Organization	Mission and core objectives of Kenyan Trade Promotion Organizations
Kenya Association of Manufacturers (Established in 1959)	To promote competitive local manufacturing in liberalized markets; to unite manufacturers, serve as a common voice for industry, and provide as essential link for cooperation and dialogue. The organisation operates with seven Working Committees, one of which is the trade promotion committee
Tea Board of Kenya (Established in 1950)	To promote the production and supply of high quality tea to the domestic and international markets. The board is also mandated to regulate and promote the tea industry as well as facilitate research into all aspects of tea growing and manufacture; to oversee harmony and promote the best interest of all stakeholders
Export Processing Zones Authority (Established in 1990)	To transform the economy from import substitution to a path of export led growth and to integrate Kenya into the global supply chain and attract export-oriented investments in the zones, and achieving its economic objectives such as diversification and expansion of exports, job creation, increase in productive investments, technology transfer and creation of backward linkages between the zones and the domestic economy.
Kenya Tourist Board (Established in 1997)	To market and promote Kenya as a preferred tourist destination internationally, while encouraging development of Kenya's domestic tourist market. The Kenya Tourist Board is also charged with the responsibility of providing an enabling environment for tourism locally and in the international markets, while fostering quality service and sustained excellence of tourist facilities and amenities.

Organization	Mission and core objectives of Kenyan Trade Promotion Organizations
Export Promotion Council (Established in 1992)	To develop and promote Kenya's exports of goods and services and harmonize export related activities. The main objectives being to diversify and consolidate Kenya's exports enlarge the export supply base and increase competitiveness of Kenya's export products.
Kenya Tea Development Agency (Established in 1964)	To provide effective management services to the tea sector for efficient production, processing and marketing of high quality tea in world markets for the benefit of farmers and other stakeholders
Fresh Produce Exporters Association of Kenya (Established in 1975)	To develop and promote Kenyan horticulture industry in the global market with due regard to safety, good agricultural Practices, social, ethical environmental responsibilities.
Kenya Flower Council (Established in 1996)	To promote all aspects of the floriculture industry through active participation in the determination and implementation of policies governing sustainable development of the sector. This will guide the organisation to be the lead organization in the provision of self-regulatory and promotional services for the floriculture industry in Kenya.
Kenya Chamber of Commerce and Industry (Established in 1965)	To effectively play a central and catalytic role in facilitating the growth of the Kenya economy through entrepreneurial development, in an enabling and conducive environment for business, geared to result in creation of wealth and employment.
Coffee Board of Kenya Mission (Established in 1933)	To regulate the coffee industry and promote sustainable, cost effective production, processing and marketing of high quality coffee, using appropriate technology at competitive prices, all world markets in partnership with farmers, Board employees and other stakeholders.
Horticultural Crops Development Authority (Established in 1967)	To promote, develop and facilitate production and marketing of horticultural products and enhance social economic sustainability that meets customer needs at competitive costs and to be a centre in providing services in production and marketing horticulture locally and internationally.

Source: Research Data

4.3 Importance of trade promotion activities and functions of the organisations

All the organisations have been in operation for several years and therefore export promotion has been a fundamental area of their functions. All the respondents have worked in these organisations for over three years and have a good knowledge of the importance of export trade to the economy of the country. The commitment of the organisations to the growth of Kenya's economy was outlined in the strategies developed by the organisations to promote exports.

Table 4-4: Importance of export trade promotion activities

Details of the activity	Importance (rating 1-6) 1 is lowest	Frequency	Effect of activity on Kenya's external Trade
Representing Kenya by participating in global trade events/ meetings	6	Continuous	High
Advertising Kenyan exports in strategic markets through various media	4	Periodic	Moderate extent
Provision of export trade and market intelligence information	6	Continuous	High
Export capacity building, trade training and technical assistance	4	Periodic	High
Carrying out export market research in local and international markets	4	Periodic	Moderate extent
Undertaking international marketing to create exposure for Kenya	5	Continuous	High
Distributing publications such as market surveys and product profiles	4	Periodic	Moderate extent
Branding Kenya initiatives and image building	6	Continuous	High
Coordinating trade missions and export trade forums	6	Continuous	High
Facilitating trade fairs and exhibitions	5	Continuous	High

Source: Research Data

Most of the activities are regarded as very important. A rating of 6 was the highest used in the analysis and most of the activities were rated 5 or 6. None of the activities were rated below 4. The study also established that the 60% of the activities are carried out on a continuous basis over the years. However, it was also established that as much as these activities were important, undertaking them successfully and to the satisfaction of their clients and exporters was the greatest challenge.

Analysis of the significance of the activities on the status of Kenya's position in international trade revealed that 70% were important to a great extent and 30% to a moderate extent therefore most of their operations are critical to Kenya.

Operational and performance targets are set by the organisations and are incorporated into their daily operations. On most occasions, these organisations will refer to government directives in trade promotion and would direct their resources in implementing key activities that have been outlined in policy papers.

Out of the eleven organisations, at least seven of them are involved in more than one export product, thereby giving them a larger scope of work and much greater responsibilities. A majority are involved in promoting Kenya's traditional exports mainly in products such as coffee, tea, horticulture which covers fruits, vegetables and flowers.

Table 4-5: Trade Promotion across economic sectors

	Export Sector	Organisations	Representation in Numbers	Coverage in Percentages
1	Horticulture and Agricultural exports	Export Promotion Council, Fresh Produce Exporters Association of Kenya, Kenya Tea Development Agency, Tea Board, Coffee Board of Kenya, Horticultural Crops Development Authority, Kenya Planters Cooperative Union, Kenya Flower Council	6	60%
2	Agro processing for export	Export Promotion Council, Export Processing Zones Authority, Kenya Association of Manufacturers, Kenya Tea Development Agency, Kenya Planters Cooperative Union.	5	50%
3	Manufacturing/ Industrial exports	Export Promotion Council, Export Processing Zones Authority, Kenya Association of Manufacturers	3	30%

4	Textiles / garments exports	Export Promotion Council, Export Processing Zones Authority, Kenya Association of Manufacturers	3	30%
5	Leather and leather export product	Export Promotion Council, Export Processing Zones Authority, Kenya Association of Manufacturers	3	30%
6	Tourism and travel related services	Kenya Tourist Board	1	10%
8	Cultural crafts and artefacts	Export Promotion Council, Kenya National Chamber of Commerce and Industry	2	20%
9	Fish and fish export products	Export Promotion Council	1	10%

Source: Research data

Most of the economic sectors have a good representation with at least 30% of the organisations focusing on their needs with regard to exports.

The organisations that have a mix of sectors they are responsible for include the Export Promotion Council, Fresh Produce Association of Kenya, Horticultural Crops Development Authority and Kenya Planters Cooperative Union. The manufacturing sector is covered by three major organisations namely the Export Promotion Council, Export Processing Zones and Kenya Association of Manufacturers.

The study also aimed to establish which markets in the world has been identified for promotion of Kenyan exports. In their various capacities, these organisations strive to offer the best services to their clients. The focal export markets targeted by these organisations largely depend on the export sector and the products identified for export. The following were the results of data analysis

Table 4-6: Trade Promotion in the world export markets

	Export Product for Trade Promotion	Trade Promotion Market Focus	Importance (rating 1-6) 1 is lowest
1	Coffee and Tea	Asia, Europe, USA and Middle East.	6
2	Fruits, vegetables, Flowers	Europe and Middle East	6
3	Manufactured/ Industrial exports	Regional and African markets	6
4	Textiles exports	American, Regional, African markets	4
5	Leather exports	Regional and African markets	4
6	Tourism	World market	6
8	Exports of cultural artefacts	Regional, African, Europe and American	5
9	Fish exports	Europe and Middle East	4

Source: Research Data

As shown in table 4-6, the most crucial sectors to the economy and those emphasised in trade promotion by the organisations are directly linked to specific world markets. Those with top priority have been known over the years to generate high export earnings and foreign exchange for the country.

Kenyan exports of coffee and tea, horticulture, manufactured goods and tourism were selected as those with the highest rating of importance.

The main reason given by the respondents was that in the selected markets, Kenyan products and services have been performing very well as compared to other products from other countries. Trade promotion activities in these world markets have benefited from the fact that Kenyan products have consistently maintained their high quality and unique nature, thus attracting the attention of keen buyers.

4.4 Impact of export trade promotion activities

The export trade organisations are involved in a number of activities and work together in partnership with other support institutions and trading partners to guarantee that their objectives are met and programs implemented. The partnerships enable the formation of effective working relationships with key stakeholders in order to ensure that export trade promotion organisations remain active in various initiatives in international trade.

The organisations have taken a leading role in activities that require joint efforts for a greater impact. They have realized that the economic growth for the country cannot be the responsibility of one organisation and therefore, they come together to plan and strategise on how to undertake their programmed activities. This is done through the following ways

Source: Research Data

- 1) Attending planning and strategizing meetings with relevant stakeholders
- 2) Ensuring trade partnerships are maintained
- 3) Offering support to collaborating organisations
- 4) Creating sustainable linkages with the collaborating organisations
- 5) Identification of key partners in trade promotion
- 6) Forming working teams that report to the members on progress of their activities

Table 4-7: Impact Assessment of Trade Promotion Initiatives

Assessment areas of trade promotion initiatives	Impact (rating 1-6) 1 is lowest	Extent to which the organization fulfils the initiatives	Reviews of Performance
Facilitating access of Kenyan exports to global markets	4	Moderate extent	Periodic
Enhancing Kenya's position in international trade	4	Moderate extent	Periodic
Improving Kenya's balance of trade by increasing exports	4	Moderate extent	Annually
Developing export and business skills for exporters	3	Moderate extent	Periodic
Creating international business linkages for Kenyan businesses	3	Moderate extent	Periodic
Increasing the competitiveness and value addition of Kenyan exports	2	Below expected	Continuous
Diversification of Kenya's export products and services	2	Below expected	Continuous

Attracting investors into Kenya's key economic sectors	3	Moderate extent	Continuous
Generating employment opportunities and improving income levels	4	Great extent	Continuous

Source: Research Data

Data collected from the organisations indicated that most of the initiatives in export trade promotion have an impact of below 50%. On a scale of 1 to 6, none of the initiatives scored above the rating of 5. Almost all the organisations could identify initiatives where they had implemented a number of trade promotion programs. However, there was absence of the actual measurement of the impact, which was not captured by the organisations. The organisations cited funding as a major hindrance in their initiatives.

The data collected on the impact assessment of the activities on export trade revealed that most of the organisations did not have impact measurement mechanisms. They reported that their trade promotion initiatives were not reviewed periodically based on specific indicators. The reviews were not continuous and could not be correctly measured.

The most encouraging factor was that the organisations had formulated ways in which to incorporate new ideas in their trade promotion initiatives and benchmarking with other worldwide organisations that have excelled in similar initiatives. Some of the organisations that have a documented working paper or strategic plan have ensured that targets are met within the stipulated time and performance is measured against the targets that have been set.

The government has also ensured that those organisations directly linked to the government have tied their performance to the governmental performance contracts. This will ensure that the organisations carry out their programs based on the performance targets agreed upon with the government.

4.5 Major factors hindering trade promotion activities

The challenges faced by these organisations are as a result of a number of factors.

Table 4-8: Responses on Challenges of Trade Promotion Organisations in Kenya

Details of Challenges and Bottlenecks	Number of respondents	Percent of respondents
Structure and organizational hierarchy	5	50%
Funding and resources constraints	10	100%
Bureaucracy and red tape	8	80%
Lack of skilled staff in trade promotion	6	60%
Lack of clear working partnerships	5	50%

Source: Research Data

The most challenging issue was funding, which was repeatedly pointed out by all the respondents in the organisations selected in the study. At least 80% of the respondents were of the opinion that the organisations should have systems to make them autonomous thereby reducing the bureaucracy and red tape.

At least half of the respondents agreed that a vertical organizational hierarchy and lack of clear guidelines and working partnerships has caused the organisations to take longer in decision making and in the implementation of programs.

Table 4-9: Solutions that are considered important in addressing the challenges.

	Factors	Justification of Importance
1	Adequate funding	Very important for the sustainability of the organization and implementation of programs
2	Decision making	Very important and linked with a leaner, horizontal organisation
3	Economic Development Programs	Important, but can only be undertaken with adequate funding
4	Organizational structures	Very important. A defined horizontal structure helps in faster decision making
5	Planning and strategizing on activities	Very important to ensure timely implementation of activities
6	Measuring growth of exports trade	Important. Mechanisms to measure export growth need to be developed
7	Political factors i.e. government directives	Very important. The government guides the operations of the economic sectors
8	External country representatives	Very important. Kenya representation abroad gives the country an international image

Source: Research Data

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Discussions on findings

The study findings have established the fact that export trade promotion in Kenya has been an important part of Kenya's economic activities over the past few decades. The study has also revealed that the organisations mandated to undertake promotional activities are focused on various sectors in the country thereby giving them a bird's eye view of the export performance of the Kenyan economy. These organisations carry out activities individually or jointly with other stakeholders with the aim of ensuring that their targets and objectives are met.

5.1.1 Analysis of the operations of export trade promotion organisations

The organisations are required to identify and undertake trade promotion activities based on the pre-set targets which are incorporated into their daily operations. The Government has developed policy papers which these organisations refer to as blue prints in trade promotion activities. The policy papers act as a guide to the organisations with the overall objective of increasing export activity. Therefore, trade promotion becomes a crucial area of operation and a backbone of economic activity.

Table 5-1: Trade Promotion Activities: Ranking by Importance

Details of the activity	Rating of Importance (rating 1-6) based on the impact on Kenya's external trade
Global representation and participation global trade events	6
Providing trade and market intelligence information	6
Branding Kenya and Kenyan image building	6
Participation in trade missions and forums	6
International marketing	5
Facilitating trade fairs and exhibitions	5
Advertising Kenyan exports in strategic markets	4
Export capacity building, trade training, technical assistance	4
Export market research locally and internationally	4
Distribution of international market surveys, product profiles	4

Source: Research data

The organisations are the focal points for trade promotion and all their activities require joint efforts with key stakeholders and partners for effective implementation.

Table 5-1 above is a representation of the activities which received a rating of 5 and 6 from the respondents, thereby ranking them as very important in enhancing Kenya's position in International trade. Those ranked 4 are increasing in importance and are usually incorporated and undertaken jointly with other activities. For example, market research in overseas markets is also carried out during the trade missions as long as prior planning has been done and appointments booked with the key persons in the foreign market.

The programmed activities are initiated and implemented through planning and strategizing meetings, working groups and trade partnerships, thereby creating sustainable linkages with the collaborating organisations.

5.1.2 Current strategies adopted by trade promotion organizations

The officials who were interviewed gave very good information with regard to the recent efforts undertaken by their organizations in enhancing Kenyan export businesses; however, there was limited information with regard to budgetary allocations provided for export trade promotion programs. The collection of data also involved the review of documents and annual reports from the organizations, including their publications, and strategic plans.

Trade promotion organizations in Kenya have taken several steps to improve their performance in provision of export-related services. These include:-

1. Developing capacity building and trade training programs for exporters and business people thus enriching their knowledge in export trade.
2. Developing outreach programs to exporters, to reach out to those in rural towns in order to enlighten them on trade promotion services available.
3. Establishing systems for provision of business-to-business leads, market intelligence information and other services to export companies.
4. Organising sessions for technical assistance in product development for potential exportable products.

5. Developing strategies for the establishment of businesses with the help of Export Processing Zones Authority and Kenya Investment Authority for Kenyan entrepreneurs.
6. Developing mechanisms for improving coordination among the organizations and embracing the Kenyan National Export Strategy to guide their organizations objectives.
7. Using new technologies and ICT to provide advice on market access issues, market trends, prices and consumer preferences and thereby opening up new opportunities for international trade.
8. Incorporating donor funded technical assistance programs for the business community targeting export products that have high potential in international trade.

5.1.3 Joint collaborations and mutual initiatives between the trade promotion organisations

The study has revealed that activities involving export trade promotion are cross cutting and no single organization can be able to undertake and support all the activities independently. Cooperation and partnership from the stakeholders including government agencies and the private sector have propelled the growth of trade and exports from various sectors in the country.

The organizations have been able to work collaboratively by establishing ways in which to sustain their joint efforts and implement the activities successfully.

Some of the initiatives include the following: -

1. Formation of joint teams, establishing compatible policies, procedures, and other means to assist them in operating within their organizational limits.
2. Having agreements on accountability and distribution of responsibilities; and establishing mutually acceptable strategies.

3. Constituting teams to review the work done through their joint programs. This may involve the creation of monitoring and evaluation committees who report on what the organizations have jointly achieved.
4. Organizing meetings to address hurdles to working collaboratively.
5. Defining common goals in line with their organizational mandates.
6. Identifying the areas that need interventions and discussing ways in which resources can be channelled more effectively and efficiently.

5.1.4 Key challenges affecting the organisations performance

The major hindrance to performance and effectiveness of the operations of the export trade promotion organisations was mainly funding and technical expertise.

Like in many other countries, the organizations involved in international trade compete with other organizations in the global arena and operate under immense pressure to perform. They have to fulfill their obligations by managing the meager resources, maintaining beneficial business connections and good internal employee relations, use of information technology and establishing linkages with strategic partners while keeping up with world trends.

The challenges identified in the study include the following:-

1. Trade promotion activities are costly, sometimes undertaken overseas in foreign countries. Due to budgetary constraints, the organizations face problems in execution of their activities. Occasionally, the organisations have to merge their core functions with revenue-raising objectives in order to continue operating.
2. The trade promotion strategies initiated by the organisations at times do not link with the actual plans and goals after review of their budget allocations; reason being that the budgets cannot accommodate their ambitious plans.
3. The organizations focus on different themes each year, which are disjointed to those of other collaborating organizations. The evaluation of progress and previous years' themes in the activities is not done frequently enough.

4. A lack of systematic dissemination of information makes it difficult to assess the progress of small and medium-sized businesses' participation in trade promotion activities that have been undertaken by the organizations.
5. Joint program coordination among the trade promotion organizations is still a challenge which persists among the organizations.
6. Changing trade and investment patterns require that trade promotion organizations in the world combine the functions of trade and investment promotion because many businesses are demanding a "one-stop shop" for trade support services. Kenyan organizations need to strategize on how this can be done without losing the client focus.
7. While the organizations strive to expand their number of business customers and to offer a variety of export related services, they have not refocused on providing better customer service to their clients, considering that some of the organisations sustain themselves by charging fees for their services.
8. For any organization, retaining the best staff members and officers is a challenge. They need to be recognized for their efforts, trained to improve their skills and motivated in order to improve productivity. The bigger challenge is in the financial incentives and reward; however, these can be tied to organizational targets and performance assessments.
9. Measurement of performance with regard to individual organizations contributions to export growth has continued to be a challenge. The country's growth in exports is largely dependent on joint efforts and collaborations between organizations and cannot be attributed to any one organisation. All relevant data is compiled in the annual Economic Surveys produced by the Central Bureau of statistics.
10. Some of the organisations do not have a structured way to propel the organisation in fulfilling its mission. They have many diverse objectives, which are not clearly mapped to their mission and purpose.

5.1.5 Proposed measures to address the challenges

The organisations have tried to address their challenges through various interventions and benchmarking with other key export trade organizations in the world.

They have established mechanisms to address these challenges including:-

1. Approaching donors for funding and technical assistance in various programs.
2. Offering their services at a minimal cost to ensure affordability by exporters.
3. Identifying export trade promotion initiatives that give quicker returns.
4. Management of the scarce resources to ensure sustainability.
5. Identifying the staff members who require training and skills enhancement.
6. Documenting clear work guidelines.
7. Participating in forums and joint efforts with key stakeholders.
8. Utilizing various techniques and tools to facilitate trade promotion activities; for example performance measurement weights, ICT tools such as price databases and international market information databases.

5.2 Conclusions

Export trade promotion is an important facet of international trade and the organisations in Kenya that are mandated to undertake various activities in this field must give more attention to the initiatives that generate quick and targeted results. They also need to borrow from the strategies adopted by developed economies in the world in order to stay focussed and to execute their functions with the aim of increasing the momentum of Kenya's economic development.

5.3 Recommendations

The Kenyan economy is propelled by a number of factors. One of the most important factors is the growth in exports trade as the main input in international trade and in the generation of foreign exchange. The study has identified some of the key export trade promotion organisations in Kenya and has examined their key areas of operation including the challenges they face in their efforts to provide effective services to their clients.

In view of the value of export trade to Kenya and the importance of these organisations to the economic growth of the country, further research can be undertaken to establish ways in which the organisations can be supported to enable them to accomplish their objectives. This will include identification of winning strategies that can be adopted by these organisations in their operations to make them more targeted to growth in exports.

The study examined the key export trade promotion organisations in Kenya and observed that the majority have been instituted by the Government. Further research can be done to examine the role of the private sector and the business community in trade promotion.

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Nairobi.

Instructions to respondent:

1. This survey aims to collect information on various export trade promotion organisations in Kenya.
2. Your responses will be completely confidential.

Ref: MBA Research Project Information Request

A: STRUCTURE OF THE ORGANISATION

I am a registered MBA student of the School of Business, University of Nairobi. I am carrying out a study entitled "**An Analysis of the Operations of Export Trade Promotion Organisations in Kenya**".

2. What is the legal status of your export trade promotion organisation?

The study covers the operations and activities of your organisation as one of the key export trade promotion organisations in Kenya. The study will aim to examine the role of your organisation in the economic development of the country with regard to international trade and identify the challenges affecting your organisations performance. *Please specify*

The information will be compiled using data collected from previous publications and from the attached questionnaire. Please note that the information will be completely confidential and will be used solely for academic purposes and for inclusion in the research project.

(i)	support, such as technical assistance and regulatory compliance, trade training	
(ii)	The final report will be availed to you upon completion of the study.	
(iii)	Yours faithfully,	
(iv)ation in various forums to in	
(v)	MBA Student	Eliud Mududa Supervisor & Lecturer MBA Research Project

QUESTIONNAIRE

CENSUS STUDY OF EXPORT TRADE PROMOTION ORGANISATIONS

(i) Financed by the government

Instructions to respondent: members fees.....

1. This survey aims to collect information on various activities in export trade promotion undertaken by key organisations in Kenya.
2. Your responses will be completely confidential.

(vi) Other sources (Please specify).....

A: STRUCTURE OF THE ORGANISATION

1. What is the name of your organisation.....

2. What is the legal status of your export trade promotion organisation?

(i) Sub-unit of a government ministry	
(ii) Private organisation	
(iii) Joint public-private entity	
(iv) Members association	
(v) Other (Please specify)	

3. What are the major functions of your organisation in export trade promotion? (Please tick the relevant one(s). have a clear vision?

(i) Export business support, such as technical assistance and regulatory compliance, trade training	
(ii) Provision of export trade information including publications, manuals, brochures	
(iii) International marketing and representing Kenya in international trade events to promote Kenya and Kenyan products	
(iv) Symbolic Representation in various forums to enhance Kenya's role in international trade and improve trade relations with other countries	
(v) Other Key activities (Please specify)	

4. Where does your organisation get resources to undertake its activities? (Please tick the relevant one(s).)

(i) Financed by the government	
(ii) Own resources from members fees.....	
(iii) Fees and charges collected from clients.....	
(iv) Financed by international donors.....	
(v) Donations from private sector	
(vi) Other sources (Please specify).....	
Developing export market research in local and international markets	
Distributing publications such as market surveys and product profiles	
5. Does your organisation have a clear mission?	
Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Facilitating trade missions and trade forums	
Other strategy (Please specify)	

If yes,

What is the mission of your organisation?

.....

.....

.....

.....

6. Does your organisation have a clear vision?

If yes,

What is the vision of your organisation?

.....

.....

.....

.....

7. Does your organisation have an export trade promotional strategy?

Yes:

No:

8. If yes, which of the following areas closely outlines the strategy? (Please tick the relevant one(s)).

Strategy	
Representing Kenya as a key stakeholder in international trade.	
Promoting Kenya as an international trade hub	
Providing international trade and market intelligence information	
Providing technical assistance in international trade and export capacity	
Developing export market research in local and international markets	
Distributing publications such as market surveys and product profiles	
Building the Kenya Brand and enhancing the country's building	
Facilitating international trade missions and export trade forums	
Other strategy (Please specify)	

9. How are the responsibilities and tasks distributed among the employees directly involved in export trade promotion activities? (Please tick the relevant one(s)).

- (i) The schedule of activities is assigned to a department
- (ii) Each employee is assigned a particular task
- (iii) Employees perform different tasks and compliment each other
- (iv) Activities are assigned to employees when need arises
- (v) Employees consult each other and agree on assignments

10. What working tools does your organisation use to implement the organizations key functions? (Please tick the relevant one(s)).

- (i) The organisation uses state-of-art ICT tools
- (ii) The organisation has access to internet resources
- (iii) Trade officials located overseas provide support services
- (iv) Government official guidelines
- (v) Committees/ working groups are utilized
- (iv) The organisation uses own manuals and guidebooks
- (v) Media tools especially in advertising
- (vi) Other tools (please specify)

11. Who are the key partners who collaborate with you on a daily basis in the areas of export trade and export promotion? (Please tick the relevant one(s)).

(i) Representatives from foreign countries

(ii) Other international trade organisations

(iii) Government institutions

(iv) Only key organisations in your particular sector

(v) International Chambers of commerce

(vi) Private sector companies and institutions

(vii) Donor agencies

(viii) others (Please specify)

B: EXPORT TRADE PROMOTION ACTIVITIES AND FUNCTIONS

12. Please indicate the importance of the following activities undertaken by your organisation? (Rating of 1-6: 1 is the lowest score)

Activity	1	2	3	4	5	6
Representing Kenya by participating in global trade events/ meetings						
Advertising Kenyan exports in strategic markets through various media						
Provision of export trade and market intelligence information						
Export capacity building, trade training and technical assistance						
Carrying out export market research in local and international markets						
Undertaking international marketing to create exposure for Kenya						
Distributing publications such as market surveys and product profiles						
Branding Kenya initiatives and image building						
Coordinating trade missions and export trade forums						
Facilitating trade fairs and exhibitions						

13. What other specific activities not mentioned in question No. 10 above, are included in your organisational activity schedule?

.....

14. Have the export trade promotion initiatives and activities by your organisation influenced Kenya's status in international trade?

Yes:

No:

If so, to what extent have such initiatives and activities enhanced Kenya's status in international trade?

(i) Great extent.....

(ii) Moderate.....

(iii) Insignificant extent.....

15. Please state how many times in a year these activities are undertaken by your organisation?

Activity	Frequency per year
Representing Kenya by participating in global trade events/ meetings	
Advertising Kenyan exports in strategic markets through various media	
Provision of export trade and market intelligence information	
Export capacity building, trade training and technical assistance	
Carrying out export market research in local and international markets	
Undertaking international marketing to create exposure for Kenya	
Distributing publications such as market surveys and product profiles	
Branding Kenya initiatives and image building	
Coordinating trade missions and export trade forums	
Facilitating trade fairs and exhibitions	
Others (Please specify)	

16. Which key export sectors does your organisation focus in the initiatives for export trade promotion and in which target markets? For sector-specific organisation, please indicate other complimentary sectors which play a role in the initiatives for trade.

	Export Sector	Indicate specific export products	Indicate International target market (Africa, Asia, Europe, Mid-East, Americas)
1	Horticulture and Agricultural exports		
2	Agro processing for export		
3	Manufacturing/ Industrial exports		
4	Textiles / garments exports		
5	Leather and leather export product		
6	Tourism and travel related services		
7	Export logistics and distribution		
8	Cultural crafts and artefacts		
9	Fish and fish export products		
10	Other exports (Please specify)		

C: ASSESSING THE EFFECTIVENESS OF THE ORGANISATION IN EXPORT TRADE PROMOTION AND IDENTIFYING CHALLENGES IN FULFILLING THEIR GOALS.

17. What activities is your organisation involved in to develop effective working relationships with partner trading countries, individual exporters and export trade support institutions? (Please tick the relevant one(s).

- (i) Participation in meetings to plan export promotion strategies
- (ii) initiating trade partnerships and joint efforts in key markets
- (iii) Offering support in various activities related to international trade
- (iv) Creating business linkages with key partners in international trade
- (v) Active involvement in the activities of collaborating organisations
- (vi) Others (Please specify)

18. How does your organisation compare with other export trade promotion organisations in the world in terms of achievements in growth of international trade? (Rating on a scale of 1-10: 1 being the lowest score?)

Rating Scale	1	2	3	4	5	6	7	8	9	10
Please tick appropriately										

19. Please indicate the impact of export trade promotion initiatives by your organisation in the following areas as compared to other similar organisations in the world.
(Rating 1-6: 1 being the lowest)

	Impact assessment areas	1	2	3	4	5	6
1	Facilitating access of Kenyan exports to global markets						
2	Enhancing Kenya's position in international trade						
3	Improving Kenya's balance of trade by increasing exports						
4	Developing export and business skills for exporters						
5	Creating international business linkages for Kenyan businesses						
6	Increasing the competitiveness and value addition of Kenyan exports						
7	Diversification of Kenya's export products and services						
8	Attracting investors into Kenya's key economic sectors						
9	Generating employment opportunities and improving income levels						
10	Others (please specify)						

20. Does your organisation undertake periodic performance reviews to establish the extent to which it fulfils its mandate in export trade promotion?

Yes: No:

If yes, how frequent are the performance reviews?

- (i) Monthly..... (ii) Quarterly..... (iii) Bi-Annual..... (iv) Annually.....
(v) Other.....

21. What benchmarking criteria, if any, are used by your organisation to develop effective export promotion activities in order to enhance Kenya's position in international trade? (Please tick the relevant one(s).

- (i) Comparison with other export trade organisations
- (ii) Pilot-testing on initiatives that have worked in other countries
- (iii) Measuring performance against targets that have been set
- (iv) Assessing impact of export trade initiatives of the organisation
- (v) Evaluation of implementation schedules
- (vi) Others (Please specify)

22. What are the daily challenges you face in this field of export trade promotion? (Please tick the relevant one(s).

- (i) Insufficient resources to undertake activities
- (ii) Time constraints to execute activities
- (iii) Inadequate skills and technical ability of trade representatives
- (iv) Bureaucracy and red tape in the organisation
- (v) Unclear systems and procedures in trade related operations
- (vi) Lack of focus on key export trade activities
- (vi) Others (Please specify)

23. Please indicate any ongoing programs or activities that have been instituted by the organisation to address these challenges? (Please tick the relevant one(s).

- (i) Better management of organisations resources
- (ii) Time management skills enhancement and proper planning of activities.....
- (iii) Training programs to equip international trade representatives
- (iv) Formulating clear guidelines to reduce red-tape in the organisation.....
- (v) Establishing systems and procedures in trade related operations
- (vi) Involving all key stakeholders in consultations to maintain focus.....
- (vi) Others (Please specify)

Thank you for your cooperation.

LIST OF ORGANISATIONS USED IN THE STUDY.

1. Export Processing Zones Authority
2. Export Promotion Council of Kenya
3. Kenya Association of Manufacturers
4. Kenya Tourist Board
5. Tea Board of Kenya
6. Kenya Tea Development Agency
7. Fresh Produce Exporters Association of Kenya
8. Kenya Flower Council
9. Kenya Chamber of Commerce and Industry
10. Coffee Board of Kenya
11. Horticultural Crops Development Authority