

THE PROSPECTS OF EXPORT MARKETING
IN THE MIDDLE EAST FOR KENYA EXPORTERS:
A CASE STUDY OF KUWAIT, UNITED
ARAB EMIRATES, SAUDI ARABIA AND
SULTANATE OF OMAN.

BY
RAJIV DUGGAL

A MANAGEMENT PROJECT SUBMITTED
IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE M.B.A. DEGREE
FACULTY OF COMMERCE.

UNIVERSITY OF NAIROBI
1982

UNIVERSITY OF NAIROBI
LIBRARY

This Management Project is my Original
Work and has not been presented for
a degree in any other University.

Rajiv Duggal

RAJIV DUGGAL

This Management Project has been
submitted for examination with my
approval as University Supervisor.

Dr. Chege Waruingi

DR. CHEGE WARUINGI

TABLE OF CONTENTS

	<u>PAGE</u>
LIST OF TABLES	(i)
LIST OF APPENDICES	(iii)
ABSTRACT	(iv)
ACKNOWLEDGEMENTS	(vi)
<u>CHAPTER ONE</u>	
1. Meaning of Export Marketing	1
2. Need for The Study	2
3. Objectives of The Study	4
4. Importance of The Study	4
5. Overview of Presentation	6
<u>CHAPTER TWO (LITERATURE REVIEW)</u>	
6. Identifying The Market	8
7. Export Procedure And Documentation	16
8. Export Compensation	24
<u>CHAPTER THREE (BACKGROUND INFORMATION ON THE MARKETS)</u>	
9. Saudi Arabia	26
10. Kuwait	35
11. United Arab Emirates	44
12. Sultanate of Oman	52
<u>CHAPTER FOUR (CURRENT STATUS OF EXPORT AND ANALYSIS OF DATA)</u>	
13. Economic Background on the Markets	65
14. Kenya's Exports To These Markets	73
15. Analysis	81
<u>CHAPTER FIVE (SUMMARY CONCLUSIONS AND RECOMMENDATIONS)</u>	
16. Summary	109
17. Conclusions And Recommendations	113
18. Limitations	116
19. Appendices	118
20. Bibliography	143.

LIST OF TABLES

<u>Table</u>		<u>Page</u>
I	Kenya's Exports To Western Europe	2
II	Kenya's Exports In Africa	2
III	Kenya's Exports To The Middle East	2
IV	Total Value of Exports And Imports by Saudi Arabia, Kuwait, Oman and United Arab Emirates	66
V	Imports by Saudi Arabia	67
VI	Imports by Kuwait	68
VII	Imports by Oman	69
VIII	Imports by United Arab Emirates	70
IX	Total Value of Exports from Kenya To Saudi Arabia, Kuwait, Oman and United Arab Emirates	74
X	Kenya's Exports to Saudi Arabia	75
XI	Kenya's Exports to Kuwait	76
XII	Kenya's Exports to Oman	77
XIII	Kenya's Exports to United Arab Emirates	78
XIV	Kenyan Share Out of the Total Imports of Coffee	83
XV	Share of Kenya Out of the Total Imports of Fruits and Vegetables	85
XVI	Composition of Fruit and Vegetable Exports From Kenya	85
XVII	Share of Kenya Out of the Total Value of Imports of Meat and Meat Preparations	86
XVIII	Imports of Livestock	87
XIX	Import of Eggs	88
XX	Imports of Cereal and Cereal Preparations	89
XXI	Imports of Vegetable Oils	90
XXII	Range of Expected Percentage Increase In Individual Exports For the Years 1982-84	93

LIST OF TABLES

<u>Table</u>	<u>Page</u>
I Kenya's Exports To Western Europe	2
II Kenya's Exports In Africa	2
III Kenya's Exports To The Middle East	2
IV Total Value of Exports And Imports by Saudi Arabia, Kuwait, Oman and United Arab Emirates	66
V Imports by Saudi Arabia	67
VI Imports by Kuwait	68
VII Imports by Oman	69
VIII Imports by United Arab Emirates	70
IX Total Value of Exports from Kenya To Saudi Arabia, Kuwait, Oman and United Arab Emirates	74
X Kenya's Exports to Saudi Arabia	75
XI Kenya's Exports to Kuwait	76
XII Kenya's Exports to Oman	77
XIII Kenya's Exports to United Arab Emirates	78
XIV Kenyan Share Out of the Total Imports of Coffee	83
XV Share of Kenya Out of the Total Imports of Fruits and Vegetables	85
XVI Composition of Fruit and Vegetable Exports From Kenya	85
XVII Share of Kenya Out of the Total Value of Imports of Meat and Meat Preparations	86
XVIII Imports of Livestock	87
XIX Import of Eggs	88
XX Imports of Cereal and Cereal Preparations	89
XXI Imports of Vegetable Oils	90
XXII Range of Expected Percentage Increase In Individual Exports For the Years 1982-84	93

<u>Table</u>	<u>Page</u>
XXIII Imports of Dairy Products	94
XXIV Imports of Cotton Textiles	95
XXV Imports of Footwear	96
XXVI Imports of Kitchenware	97
XXVII Imports of Timber and Wooden Manufactures	98
XXVIII Problems Facing the Kenyan Exporters to the Middle East (From the view point of KETA Officials)	100
XXIX Problems Facing the Kenyan Exports to the Middle East (From the View Point of Exporters to these Markets)	101
XXX Recommendations to improve exports to the Middle East	102
XXXI Reasons for expected increase in exports to the Middle East for the next five years	103
XXXII Predictions on the basis of trend equation	104
XXXIII Predictions on the basis of annual average rate of growth of exports	105
XXXIV Expected value of exports to Saudi Arabia, Kuwait, U.A.E., Oman (Based on the opinions of Respondents)	106

LIST OF APPENDICES

	<u>Page No.</u>
Appendix 1 Questionnaire A	118
Appendix 2 Questionnaire B	123
Appendix 3 Calculation of Trend Equation for Saudi Arabia	127
Appendix 4 Calculation of Trend Equation for Kuwait	128
Appendix 5 Calculation of Trend Equation for Sultanate of Oman	129
Appendix 6 Calculation of Trend Equation for United Arab Emirates	130
Appendix 7 Graph showing the Actual Export Statistics and Trend Line for Saudi Arabia	131
Appendix 8 Graph showing the Actual Export Statistics and Trend Line for Kuwait	132
Appendix 9 Graph showing the Actual Export Statistics and Trend Line for Sultanate of Oman	133
Appendix 10 Graph showing the Actual Export Statistics and Trend Line for United Arab Emirates	134
Appendix 11 Form C.D.3A.	135
Appendix 11A Reverse of Form C.D.3A.	136
Appendix 12 Form C.D.3B.	137
Appendix 12A Reverse of Form C.D.3B.	138
Appendix 13 Form C.D.3C.	139
Appendix 13A Reverse of Form C.D.3C.	140
Appendix 14 Customs Export Entry Form	141
Appendix 15 Certificate of Origin	142

ABSTRACT

In the process of helping a country to gradually move from the developing stage to the developed stage exports play a very significant role. This study thus attempts to look into the prospects of export marketing in the Middle East for Kenyan exporters.

Four countries namely Kuwait, United Arab Emirates, Saudi Arabia and Sultanate of Oman were selected to represent the region. Due to lack of developed agricultural and industrial infrastructure and with vast oil resources, these countries are lucrative markets for a vast range of products.

The study mainly serves as an informative guide to the prospective as well as established exporters to successfully enter these markets. The study begins by explaining the meaning of export marketing, the areas into which an export marketer must look before launching his products and also explaining in brief the documentation procedure to be followed in exporting to these markets. The study also provides information on the demographic characteristics of consumers in these markets, the composition of their total value of imports and a breakdown of imports from Kenya.

In order to determine the products which had

potential for exports from Kenya to these markets eight officials from Kenya External Trade Authority and twelve exporters to these markets were interviewed. To justify the products mentioned by them, secondary data regarding the import requirements of these products in these markets along with the Kenyan share has also been presented.

The study has also looked into the problems facing the Kenyan exporters to these markets and it gives recommendations which might help in resolving these difficulties.

Finally the study has attempted to forecast the trend of exports to these markets for the next five years using three different methods namely, time series analysis, average growth rate of exports to these markets for the past ten years and on the basis of predictions made by the respondents. The three methods predict an increase varying from conservative to optimistic.

The study points out that there exists a vast potential for a number of products and if proper follow up action is taken up by the exporters along with some measures being taken by the government there is no reason why these countries cannot occupy a major position in exports from Kenya.

ACKNOWLEDGEMENTS

My sincere appreciation for and grateful acknowledgement to Dr. Chege Waruingi who provided comprehensive and valuable comments, advice, criticism and suggestions. This undertaking would not have been possible if it were not for his input and his assuming the responsibility as my Project Supervisor. I am also indebted to him for his encouragement and enthusiastic support which helped to maintain a steady pace of work and to improve the quality of the study. I am also very grateful to Dr. F. N. Kibera, other Lecturers of the Faculty of Commerce and my fellow M.B.A. students whose suggestions and criticisms were indispensable during my presentation of the Research Proposal in the Faculty Seminar.

I am thankful to the staff of Kenya External Trade Authority and Kenya Customs, Nairobi for their valuable support and providing such information which was necessary for this paper.

INTRODUCTION

1.1 Meaning of Export Marketing

Exporting marketing is the performance of business activities that direct the flow of a company's goods and services to consumers or users in more than one nation.¹

Basically, marketing fundamentals are universally applicable. Whether a firm is selling in Nairobi or Dubai, its marketing programme should be built around a good product which the customer or consumer wants or can be induced to want, the product should be properly priced, promoted and distributed to a market which has been carefully analysed.

However, the uniqueness of export marketing is found in the diversity of problems a firm faces on account of the special procedures laid down by the governments of both the exporting and importing countries, and also due to the fact that the export market as a whole is composed of a great variety of different kinds of human beings, speaking a diversity of languages, having a variety of local customs and widely different sets of wants.

Thus export marketing today calls for a wider diversification of effort, allied to a greater concentration of planning in each foreign market than at any other time.

¹ Deschampsneufs H., Marketing Overseases Pergamon Press London. 1967.
pg 14.

1.2. Need for the Study

The exports of agricultural produce and other manufactured goods from Kenya have until recently been directed to the nearby East and Central African countries and West European Countries (As shown by the Tables Below).

TABLE 1

		KENYA EXPORTS TO WESTERN EUROPE							
		KE '000							
YEAR	1972	1973	1974	1975	1976	1977	1978	1979	1980
Value of Exports	48,682	62,000	76,029	71,688	138,531	266,074	189,721	199,220	199,039
Percentage of Total Value of Exports.	39.46	38.42	35.98	33.34	43.47	55.40	51.28	48.26	38.77

TABLE II

		KENYA'S EXPORTS IN AFRICA							
		KE '000							
YEAR	1972	1973	1974	1975	1976	1977	1978	1979	1980
Value of Exports	44,860	55,703	73,478	73,884	84,072	94,967	77,663	98,956	140,326
Percentage of Total Value of Exports	36.36	34.51	34.78	34.36	26.38	19.77	20.99	23.97	27.31

TABLE III

		KENYA'S EXPORTS TO THE MIDDLE EAST							
		KE '000							
YEAR	1972	1973	1974	1975	1976	1977	1978	1979	1980
Value of Exports	2,299	3,402	4,398	5,522	5,906	12,542	10,383	14,847	19,350
Percentage of Total Value of Exports	1.86	2.11	2.08	2.57	1.85	2.61	2.87	3.59	3.76

SOURCE: STATISTICAL ABSTRACT 1979 REPUBLIC OF KENYA pg 64

ECONOMIC SURVEY 1981 REPUBLIC OF KENYA pg 11

1.2. Need for the Study

The exports of agricultural produce and other manufactured goods from Kenya have until recently been directed to the nearby East and Central African countries and West European Countries (As shown by the Tables Below).

TABLE 1

KENYA EXPORTS TO WESTERN EUROPE KE'000

YEAR	1972	1973	1974	1975	1976	1977	1978	1979	1980
Value of Exports	48,682	62,000	76,029	71,688	138,531	266,074	189,721	199,220	199,039
Percentage of Total Value of Exports.	39.46	38.42	35.98	33.34	43.47	55.40	51.28	48.26	38.77

TABLE II

KENYA'S EXPORTS IN AFRICA KE'000

YEAR	1972	1973	1974	1975	1976	1977	1978	1979	1980
Value of Exports	44,860	55,703	73,478	73,884	84,072	94,967	77,663	98,956	140,326
Percentage of Total Value of Exports	36.36	34.51	34.78	34.36	26.38	19.77	20.99	23.97	27.31

TABLE III

KENYA'S EXPORTS TO THE MIDDLE EAST KE'000

YEAR	1972	1973	1974	1975	1976	1977	1978	1979	1980
Value of Exports	2,299	3,402	4,398	5,522	5,906	12,542	10,383	14,847	19,350
Percentage of Total Value of Exports	1.86	2.11	2.08	2.57	1.85	2.61	2.87	3.59	3.76

SOURCE: STATISTICAL ABSTRACT 1979 REPUBLIC OF KENYA pg 64

ECONOMIC SURVEY 1981 REPUBLIC OF KENYA pg 11

As can be seen from the tables Kenya's exports in 1980 to Western Europe and Africa accounted for a substantial portion of the total value of exports with Western Europe taking 38.77% of the total followed by Africa with 27.31%. Middle East on the other hand, only accounted for 3.76% which clearly shows that the flow of exports has not been directed towards it.

This study focuses on four countries of the Middle East namely Kuwait, United Arab Emirates, Saudi Arabia and Sultanate of Oman. The reason for the selection of these countries is that apart from Kuwait which has the highest per capita income in the world i.e. US\$ 14900 in 1980, the other countries follow Kuwait in terms of per capita income in the Middle East respectively². Thus due to the large oil revenues of these countries and consequently increased buying power of the people they have come out as lucrative markets for a vast range of products. Apart from their high per capita incomes these countries also represent sizeable markets in terms of population by Middle East standards with the total population amounting to approximately 12.5 million in 1980.³

Inflation and increasing competition on the domestic front, has forced most of the European, American and as well as the developing countries to adopt protectionist policies through increased tariffs and trade barriers so as to make products from other countries uncompetitive.

2. Owens, Owens Commerce and Travel and International Register. Owens commerce and Travel Ltd London 1981 pgs 895,374, 315,446

3. Ibid. pgs 895,374, 315, 446.

Thus new export markets have to be found to maintain and build up the exports and in this respect the Middle East countries seem to be an attractive proposition. This is because of the fact, that these countries have very liberal import policies and because of their concentration on oil production they import most of their food requirements.

1.3 Objectives of the Study

The objectives of this study were:-

1. To analyse past exports - by-products to Kuwait, United Arab Emirates, Saudi Arabia and Sultanate of Oman, and project future sales.
2. To find out the possibilities of exporting new products to Kuwait, United Arab Emirates, Saudi Arabia and Sultanate of Oman.
3. To look into procedure and documentation required for exporting to Kuwait, United Arab Emirates, Saudi Arabia and Sultanate of Oman.
4. To investigate the problems facing exporters regarding these markets and suggest possible solutions.
5. To provide recommendations as to how to improve the performance of exports to Kuwait, United Arab Emirates, Saudi Arabia and Sultanate of Oman.

1.4 IMPORTANCE OF THE STUDY

The importance of this study can hardly be over emphasised, as this will benefit the nation as a whole, the individual exporters and other businessmen associated with export trade among others.

From the national point of view, the government has reiterated that though import substitution has been the main impetus for the industrial development in the past, there is a need now to enlarge the export markets as:- the scope of import substitution is limited, and the study is a step in this direction.

The government has also pointed out that the process of developing the economy will necessitate increasing imports of raw materials, industrial components parts and capital goods. Failure to expand exports at a relatively fast rate would lead to serious balance of payment problems.⁴

The findings of this study will also contribute to the development of the foreign trade sector as proposed by the government. This it would do, by facilitating the expansion and diversification of exports, diversification of markets abroad and attainment of high quality in the markets abroad.

The study will also be important to the export marketers as it will provide information to them regarding these markets. It will also educate them as to how they can go about the whole procedure of exporting their products from Kenya to these countries and also enumerate the sources which could assist them in this regard. Apart from this it will also be important to them because of the fact that

4. Republic of Kenya, Development Plan 1979-83 Part 1. Government Printers Nairobi pg 314.

most industries cannot survive on the domestic market alone. This is primarily because the capital outlay is high and they have high break-even points and for the optimum utilisation of their capacity and a fair return on their capital a larger market is required than what Kenya alone can provide.

Another important aspect of the study is that it will help improve the quality of the products because of the fact that they have to compete in such markets where they have to face tough competition.

The study is also important to other businessmen associated with export trade like clearing and forwarding agents and advertising agencies, as prospects in these markets would also help improve their businesses.

1.7 Overview of Presentation

Following this first Chapter is Chapter two which is devoted to literature review. This Chapter seeks to explain to a prospective exporter the factors which he should consider in identifying an export market. It further informs him of the sources that could assist him in his effort to build an export channel. The chapter also discusses the procedures and documentation and other statutory obligations which an exporter has to perform in order to export his goods from Kenya to these markets. Chapter three gives a demographic break-down

and the market structure of the countries being studied, namely Kuwait, United Arab Emirates, Saudi Arabia and Sultanate of Oman.

The export from Kenya to Kuwait U.A.E. Saudi Arabia and Sultanate of Oman have been analysed forecasted in chapter four.

Chapter five contains a summary and conclusion of the study.

CHAPTER TWO

LITERATURE REVIEW

This Chapter seeks to look into the factors which an exporter must consider in identifying the export market. Apart from this it also serves as an informative guide to an exporter by highlighting the documentation procedure to be followed by him and the kinds of incentives that he can get as an exporter.

2.1 Identifying the Market

One of the most important jobs underlying export marketing is identifying the market or markets in which a new product is to be launched or in which the sales of an existing product are to be developed. Few companies sell, or attempt to sell in every market of the world, and even if they intend having some business in many foreign markets most concentrate on a limited number of them, naturally where business is more profitable.

In order to take advantage of the market opportunities that exist in an area, it is necessary to obtain some basic information about the market. It is important to find out what the market needs and is therefore likely to buy. This calls for an objective and systematic collection, recording, analysis, interpretation and reporting of information about the markets.

In reaching his decision the export marketer should at least look into the following areas:

(a) Market Information

A Kenyan businessman who is interested in exporting his products can proceed in collecting information in the following way.

First of all he can approach the Kenya External Trade Authority (KETA) which is a government sponsored body which was established in 1976. This body aims at achieving closer cooperation between the government and industry, promoting Kenyan exports, coordinating the efforts that tend to stimulate exports and to function as an advisory body in all matters concerning exports, including the foreign trade policy as it affects exports.⁵

Under the authority of the Executive Director KETA is organised in the following sections.

- (i) Marketing section
- (ii) Technical section
- (iii) Trade Fair & Exhibition section
- (iv) Handicrafts section
- (v) Trade Policy section
- (vi) Information and Documentation service section
- (vii) Export Training section
- (viii) Trade Facilitation section
- (ix) Transport and Freight section
- (x) Kenya Commercial Representatives section

An export marketer can learn a lot about the market in which he is interested through the information section. He can gather information about the geographic features and population of the country, the culture and traditions of the people, how much money they have to

5. Kenya External Trade Authority, Bi Annual Report YEARS 1976-1977
Ministry of Commerce and Industry pg 7.

spend, where they live, what they want to buy, and their attitude towards imported products in general. This information is crucial for an exporter because if he does not know where the market is and what it is like then it becomes difficult for him to operate successfully in such a market.

He should also study the political situation in the particular country because the right to do business is determined by the government policies e.g. if a Kenyan firm has some connection with an Israeli company then it is impossible for him to trade in the Middle East.

The information section can also assist the exporter in gathering other information which he deems relevant regarding the particular markets. Apart from this it also provides the names and addresses of the parties to which an exporter can possibly supply his products.

An export marketer can also seek the assistance of the Kenya National Chamber of Commerce and Industry and the Kenya Association of Manufacturers in gathering information regarding the export markets. The Kenya National Chamber of Commerce and Industry keeps up to date information available on trading conditions in all markets. They also provide information on tariffs, shipping regulations, marking of goods, documentation and packing. Individual problems are also taken up on behalf of members. The chamber also publishes a monthly journal both in English and Kiswahili under the names BUSINESS AND UFANISI respectively.

(b) Product Research

The marketing concept essentially talks of customer orientation backed by integrated marketing, and satisfying the needs of the consumers becomes a key to reaching an organisation's goals. As a result consumer research becomes a cornerstone in establishing the market

for a product. An exporter needs to have an information system whereby he can know of the needs and wants of his target market so as to produce a need or a want satisfying product. The export marketer should also look into the strengths and weaknesses of his competitors for example what their share in the market is, their pricing policy, where their marketing programs have been unique and what have been their success and failures.

Valuable information regarding this can be obtained from the Marketing and Technical section of KETA. The marketing section assists the export marketers in identifying products suitable for exports based on the needs of the consumers in that country, and in what quantities they are required. If the section does not have sufficient information regarding a product or market it also undertakes market studies in respect of that. The section also advises on marketing policies to enable the exporters to compete effectively in export markets.

The Technical Section on the other hand advises exporters on quality improvement, improved methods of production and development of new products, industrial design and packaging, production scheduling and cost reduction so as to make their product competitive in the export market.

The Technical Section of KETA has assisted about 20 firms in product development and adaptation.⁶

The examples of such successful product modification are

- (i) Beef Cuts. suggested to the Kenya Meat Commission under which meat was cut and frozen into universally adopted weight. Meat with few membranes, with no sinews and of low tallow content, and trimmings was suggested for making hamburgers
- (ii) Mushrooms: In view of the good potential export demand for fresh and canned mushrooms, the Technical section along with the East African Tanning Extract Company took up the work of developing and canning facilities for these items. The following problems were overcome.
 - (a) Arriving at proper soil composition for optimum growth.
 - (b) Humidity control
 - (c) Pink colouring and disease control
 - (d) Canning Technique
 - (e) Treatment of different parts for maximum utilisation.

Thus a wide range of products have been developed utilising all parts of the plant.

The quality achieved has enabled the company to penetrate the U.S.A. and the German markets.

Other examples are

- | | |
|---------------|-------------------------|
| Pork Products | - Uplands Bacon Factory |
| Guava juice | - Kenya Orchards |

6. This information has been obtained by interviewing Mr. A. Ngone Technical Manager KETA. 19th March, '82.

Honey	-	Bee Keepers Association
Buckets	-	Thika Works Company
Extraction of Bixin	-	Maize and Produce Board
Coconuts	-	Msaribweni Development Company Mombasa.

(c) Distribution Research

The export marketer must also be aware of the channels of distribution in the market(s) in which he is interested. For this he can also seek the assistance of the marketing department of KETA.

The size of his exports could also assist them in advising whether the exporter should open his own office in that foreign country or seek the assistance of some local distribution and commission agents.

The export marketer could also find out about the storage facilities which he can get in that market, its cost, and what special storage requirements his product requires, and whether these are available in that particular market. If they are, then what are the sources, their addresses and how he can communicate with them.

The export marketer must also enquire about the transport facilities available in order to decide how the goods can be distributed to the potential customers in the shortest possible time and at the lowest cost.

The marketer can also approach the Transport and Freight Section of KETA which helps the exporters in all matters connected with transport and distribution. This section apart from providing valuable information

on the means of transport and distribution would also help the exporter in establishing contacts with agents, and would also negotiate for them favourable freight charges and help the exporters in obtaining road/rail/air and shipping space.

(d) Media Research

This is one part of export marketing which has been most neglected by the marketers. This is probably because of the myth that a good product sells itself, or that promotion may be all very well for consumer products, but is of little value for industrial products.

The export marketer should try to identify how best he can publicise and promote his products in the foreign country, since he would have already had an insight into each market (this would help him in knowing what his customers like and how they can be reached most economically).

However, the export marketer has to look into the various media that are available to him. Then according to the nature of his product(s), the characteristics of its users and finances at his disposal, he has to evaluate which media can help him in reaching the maximum users in the shortest possible time, at the minimum cost and also at the same time leaving an impact on them.

For this he can seek the assistance of the marketing section of KETA, and can also approach the advertising agencies which have got expertise in international markets, for developing his advertising campaign.

He can also seek the assistance of the Trade Fair and Exhibition Section for promoting and publicising his product. The information which this section requires is the name of the country the exporter is interested in and the product in which he is dealing. When any Trade Fair is conducted in that country and Kenya is participating, then he would be invited to display his products there. In 1976 and 1977, Kenya participated in 6 and 8 International Trade Fairs respectively⁷ while in 1978 it participated in 8 Fairs.⁸ Initially the participation was limited to fairs conducted in Africa, Europe and U.S.A but in 1981 Kenya participated in Trade Fairs in India and the Middle East thereby extending its participation in various continents.

By participating in such fairs personally the export marketer can have the opportunity of coming in personal contact with the buyers. This apart from assisting in personal selling would also facilitate him in knowing the characteristics which attract his customers. He could at the same time look into the various media prevalent in that country and examine their applicability in promoting his own products.

⁷ Kenya External Trade Authority, Bi-Annual Report 1976-77. KETA Publication Ministry of Commerce and Industry pg 13.

⁸ Kenya External Trade Authority, Annual Report 1978. KETA Publication Ministry of Commerce and Industry.

He can also seek the assistance of the Kenya Commercial Representatives Section of KETA. This department assists the exporters in promoting and publicising his products by providing him display space for exhibiting his goods (i.e. if possible, depending on the size of the products) in Kenya missions abroad and also providing him the opportunity of promotional selling and business visits abroad. Apart from this he can also gather information on various promotional media by writing to the Commercial Attache of Kenya attached to the Diplomatic mission in the country in which the exporter is interested in.

2.2. Export Procedures and Documentation

(a) Export Procedures as a Contract

The moment an exporter has signified to his overseas customer the acceptance of the order, both are parties to a contract, assuming all legal requirements to a valid contract are fulfilled. The Exporter must take care of the manufacture of the goods in accordance with specifications agreed on, their proper packing, their being started on the journey to the customer within the time agreed upon, the securing of the necessary consular documentation, and marine insurance policies, in fact, taking care of all the steps necessary to place the goods in customer's possession, while the customer must make provision for the payment of the value of the goods and such portion of expenses subsequently arising and falling to

his share under the terms of sale in order to ensure the successful completion of the contract. Thus it is essential that the conditions of the order are noted carefully i.e. ex-warehouse or factory, free alongside ship (f.a.s.), free on board (f.o.b.), cost, insurance and freight, or sale effected at port of destination and conform to quotation or contract price. While in the case of air cargo, the conditions of sale are usually landed cost airport of destination including freight and insurance.

(b) Registration and Licence

The first step which an export marketer in Kenya has to undertake before exporting his products is that he has to register his business with the Registrar of Companies and the Attorney General's Office.

Then he has to apply for an Export Licence with the Provincial or District Trade Officer. This is a licence to engage in export business and is valid for one year.

After having completed the above formalities the export marketer should apply for an Export Licence with the Export Import Licencing officer on an "Application for Export Licence Form" which he can obtain from the Import Export Licencing Division, Ministry of Commerce, Uchumi House, Nairobi. This licence is for each particular consignment and is essential for the exportation of goods from Kenya which are detailed below:

- (i) Military equipment and ammunition.
- (ii) Engines, Vessels possessing or built to current military specification differing materially from normal specification and components or parts thereof.
- (iii) Antiques and works of art.
- (iv) Precious stones of all kinds which are mounted or set strung or otherwise incorporated in jewellery.
- (v) Any article made wholly or partly of gold, platinum or silver.
- (vi) Fertilizers
- (vii) Stock feeds
- (viii) Paddy and rice.
- (ix) Live animals other than domestic pets.
- (x) Sugar
- (xi) Scrap Metal
- (xii) Beans, Dried Rose Cocoa, Dried Canadian Wonder, Dried White Haricots, Dried Mad gascar Butter, Dried Mixed Lima.
- (xiii) Millets, all varieties
- (xiv) Mtama, all varieties
- (xv) Njahi, all varieties
- (xvi) Shell fish, crustacea and molluscs fresh chilled, frozen salted or dried.
- (xvii) Castor seed.
- (xviii) Charcoal
- (xix) Archives
- (xx) Shell, cowries and corals
- (xxi) Metals, minerals and their manufactures, as follows:-

antifriction bearings, magnetic materials of all types, alloys containing a certain percentage of molybdenum, cobalt, columbium germanium and compounds, magsium base alloys, mercury metal, molybdenum, neckel tantarum, titanium metal, tungsten wire and filament, and mineral mined in Kenya,

- (xxii) Electronics (including radio and radar) and precision instruments and equipment, other domestic radio receiving sets.
- (xxiii) Empty (new or used) bags manufactured from jute or sisal fibre or a combination of those fibres or from any substitute for jute fibre.
- (xxiv) Electrical and Power generating Equipment
- (xxv) Timber
- (xxvi) Raw Cotton
- (xxvii) Bones
- (xxviii) Bloodmeal
- (xxix) Barley
- (xxx) Green, Black and Yellow Grams
- (xxxi) Potatoes other than seed potatoes
- (xxxii) Salt
- (xxxiii) Bran
- (xxxiv) Jaggery
- (xxxv) Cement
- (xxxvi) Maize meals in bags
- (xxxvii) Edible Oils
- (xxxviii) Hides and Skins

(c) Customs Declaration and Certificates of Origin

After gaining the export licence the export marketer has to fill a Customs Declaration Form (CD3), CD3A , CD3B, and CD3C (Appendix 11,12,13) for exporting his goods from Kenya. These forms are normally supplied by the commercial banks.

After filling these forms the market has to take it to the Commercial Bank in which he has his account, which after verifying them would stamp Box 24. The Commercial Banks would then detach CD3A and send it to the Central Bank of Kenya.

If he is a regular exporter then he can directly take the CD3 forms to the Central Bank of Kenya which will stamp Box 29. In the case of regular exporters the Central Bank of Kenya can also issue a certificate of registration which can authorise the exporter to proceed directly to the Customs Department without getting Box 29 stamped.

Now the exporter can proceed to the customs department along with the CD3B and CD3C forms and should fill six copies of the customs export entry form (Appendix 14) which is a declaration to the customs of his intention to export goods.

After processing these forms the customs department would stamp Box 25 and certify through Box 31 that the goods have been shipped. The fourth and sixth copy of the customs entry form and the CD3C form are returned to the exporter while CD3B form is sent to the Central Bank of Kenya by the Customs Department.

When the money is received in the bank of the exporter he presents the CD3C form to his commercial bank which after completing Box 28 send it to the Central Bank of Kenya. So eventually all the copies of the CD3 form end up with the Central Bank of Kenya.

The exporters of goods to the Middle East also have to get a Certificate of origin (Appendix 15) which is issued by the Kenya National Chamber of Commerce.

(d) Requirements of Central Bank of Kenya

To conserve and enhance Kenya's foreign exchange, the government prohibits the export of goods unless it can be satisfied that the exporters will receive payment in full within three months from the export date such payment being in Kenya Currency from an external account, or in any foreign currency.

In order to export goods, exporters must be registered with the Central Bank of Kenya who require to know

- (a) The exporters name and address
- (b) The general nature of the goods the exporter wishes to export.
- (c) The name and address of the exporter's agent should the service of a recognised agency be used (Export Agencies must also be registered with the Central Bank).

- (d) The approximate Kenya Currency equivalent of foreign exchange received in respect of exports during the 24 months previous to the application.

The CD3C forms which the exporter has should be forwarded to the Central Bank of Kenya suitably endorsed by the exporters bank to the effect that full payment has been received in Kenya in an approved manner. This should be supported by copies of invoice or statements as well as in the case of horticultural products, inspection certificates issued by the Horticultural Crops Development Authority. Any extension of credit beyond three months can only be with specific exchange control approval given prior to date of export.

These registration requirements do not apply in the case of:-

- (a) The exports of an individual's personal effects which requires the specific approval of the Central Bank of Kenya.
- (b) Exports, including goods for repair or exchange, which do not involve return payments and which may only be exported with the specific approval of the Central Bank of Kenya.
- (c) The temporary export of a motor vehicle
- (d) Goods for exhibition at trade fairs
- (e) Goods for which, exceptionally, form CD3 formalities have been waived by the Central Bank. These include:-
 - (i) All exports with an FOB value not exceeding KShs.1,000/- but excluding all game trophies, unless consigned by the

owner himself and gifts in kind with an FOB value not exceeding KShs. 500/-

(ii) Household and personal effects not exceeding KSh.5000/-

(iii) Transhipped goods.

(e) Export Duties

The export marketer should note that the following products are subject to export duty.

(i) Coffee duty is payable on all coffee sold at the Nairobi Coffee Auction and entered for export as follows:-

Price Per Tonne Including Commission

K£1000 or less - No duty

More than K£1000 - 15 percent of the difference

between the price and K£1000

per tonne or pro rate per tonne.⁹

No duty is charged on any consignment of coffee entered for export which does not exceed five kilograms in weight.

Where the commissioner of customs has reason to believe that coffee grown in Kenya which has been entered for export has not been sold at the Nairobi Coffee Auction he shall levy a duty thereon at the rate of K£ 300 per tonne.

(ii) Tea Duty is payable on all tea on the value of the appropriate grades or description thereof f.o.b. at the port or place of export as follows.

F.O.B. Value Per Tonne

Rate of Duty

K£1000 or less

- Nil

More than K£1000

- 15 percent of

⁹ Kenya External Trade Authority, Kenya Market Profile
KETA Publication Ministry of Commerce and Industry April 1980 pg 44.

- the difference between value per tonne and K£ 1000 per tonne or pro rate per tonne.¹⁰

No duty is payable on consignment of tea entered for export which does not exceed five kilograms in weight.

Export Compensation

The Local Manufacturers Act 1974 (Export Compensation) had till recently enabled the exporters to claim a compensation payment of 20 per cent of the F.O.B. price if goods were either wholly made in Kenya or if their locally added value was at least 30 per cent. However, the honourable Minister for Finance Mr. Magugu in his budget address had abolished this scheme as he felt that only a handful of exporters were benefitting from it.

His Excellency The President Daniel Arab Moi in his speech dated 21st September 1982 however, reintroduced this scheme with slight modifications, this was aimed at assisting industrial development. The scheme now states that there will be export compensation for all export earnings which qualified under the previous scheme at 10 per cent but any increases over the previous year will attract 25 per cent. New business using new capital will also get 25 per cent of the export earnings on entry into the export market.¹¹ This new export compensation scheme will be backdated to 18 June 1982 and all transactions entered into before June 18 will be compensated at the previous rate.

¹⁰ Kenya External Trade Authority, Kenya Market Profile. KETA Publication Ministry of Commerce & Industry April 1980 - pg 44

¹¹ Daily Nation, President Moi's guidelines On The Economy And Trade. Nation Newspapers Ltd. 22nd Sept. '82 pg. 6

To conclude it can be said that this chapter has explained in brief the factors which an exporter has to consider in identifying an export market. Apart from this it has also stressed that the knowledge of export procedures and documentation is essential for an exporter so that he could get the right goods at the right place on the right time and at the right price. It has therefore tried to inform the exporters on the range of procedures and the various types of documentation required so as to facilitate him in the process of exporting. In addition it seeks to remind the exporters of the numerous governmental and private sources from which up-to-date information and guidance can be obtained on such matters.

Chapter Three

BACKGROUND INFORMATION ON THE MARKETS

As has been discussed in brief in the previous chapter that a foreign market consists of consumers, producers, resellers and governments, buying products and services. These markets have to be researched and products, prices, promotion and distribution adapted to their needs.

For successfully doing this the export marketer must be well informed about the market. Apart from the information which an exporter might be needing for his specific needs, he must at least have the general information about the market. For instance, he must know about the location of the market, its climatic conditions, the area of the market, its population and geographic distribution, the income of the people, their religion and cultural beliefs the transportation and distribution system, promotional media prevalent in the market and the restrictions regarding importation of the commodities in that country. This chapter aims at providing such information regarding the countries falling within the scope of this study namely Kuwait, United Arab Emirates, Saudi Arabia and the Sultanate of Oman.

3.1. Saudi Arabia

(i) Geography and Climate

The Kingdom of Saudi Arabi stretches from the Arabian gulf on the east to the Red Sea on the West. Its northern boundary is Iraq, Syria and Jordan and on the south, Yemen and Oman. The desert of Rubai-Khali occupies the greater part of the country but the valley region of

the north and centre has a quantity of water and the capital Riyadh is there.

The country has an area of 2,149,690 square kilometers and comprises of four provinces each of which has important commercial centres and towns.¹² The eastern province contains the triangle of Dammam, Dhahran and Alkhobar (the country's oilfields are all situated in the eastern province or off shore in the gulf), the central plateau, the largest province contains Riyadh, the country's capital; while in the western province Jeddah is the most important town.

The country has a desert climate. The coastal plains are very hot and humid with the temperatures soaring very high during the summer which starts from May and extends till July. The climate of the interior and northern region is also moderate and cool in winter with little rainfall.

(ii) Population

This has been estimated to number approximately nine million. It has been calculated that about one third of the population, or between three million and three and a half million persons live in the towns, about half the population are settled in rural areas and the remaining seventeen percent are nomadic. About three fifths of the population lives in the Western Province. Population increase is about two percent per year.¹³

¹² Op cit (2), pg 889

¹³ Op cit(2), pg 895.

(iii) G.N.P. Per Capita:

The Gross National Product Per Capita is US\$7280 according to 1979 estimates, however the average annual growth(per-cent) 1960-79 has been 6.3 which is one of the highest in the world.

(iv) Religion

Apart from Islam being the religion of its people, Saudi Arabia is the religious centre of Islam.

v Language: The main language is Arabic however, English is used for business.

(vi) Local Time: 3 hours ahead of Greenwich Mean Time.

(vii) Currency: The unit of currency is the Saudi Riyal (S.R.)

5 Halalah	= 1 Gurush
20 Gurush	= 1 Saudi Riyal (S.R.)
US \$ 1	= 3.42 (S.R.) ¹⁴
1 (S.R.)	= 3.134 Kshs.

There is no restriction for visitors on the import or export of Saudi Arabia currency or foreign notes and coins

Sea Ports

At present, Jeddah and Damman Ports with populations of approximately 600,000 and 200,000 according to 1980 estimates, are the main Saudi Commercial Ports used by importers.

The rapid growth of the economy had put pressures on the ports but with the completion of the second five year development plan (1975-80) it is now felt that the

14 International Monetary Fund: International Financial Statistics
Bureau of Statistics IMF Washington. Vol. xxxv June 1982, pg.349

country's main ports can handle the present flow of about 13 million tonnes of imports and exports.¹⁵ It is also expected that by 1985 Yanbu, Jaizan, Jubail would also be opened as ports and would further smoothen the flow of goods and traffic on this route.

(ix) Roads:

The Saudi planners realise that the road system must keep pace with the country's growth to cope with the increasing influx of goods and expanding internal trade, and to link and service the main areas of development. At present there are more than 34396 kilometres of roads which link all parts of the country.¹⁶

(x) Railways:

There are at present modern railway lines of approximately 610 kilometres which link most of the important towns in the country.¹⁷ Studies are being conducted on the feasibility of a Trans-Arabia railway which would be connected to Jordan and perhaps to Europe.

(xi) Airports.

Geographical considerations make air transport a vital element in Saudi Arabia's transport network. There are three international airports (Jeddah, Riyadh and Dahrán and seventeen others with schedule flights within the country.

15. Middle East Economic Consultants Beirut: Saudi Arabia Development Aspects pg 25.

16. The Economist: The World In Figures Economist Newspapers Limited 1976 pg. 194.

17. Ibid pg 194

(xii) Marketing in Saudi Arabia

(a) Distribution Structure

The structure of distribution of imported products in Saudi Arabia is shown in Figure 1

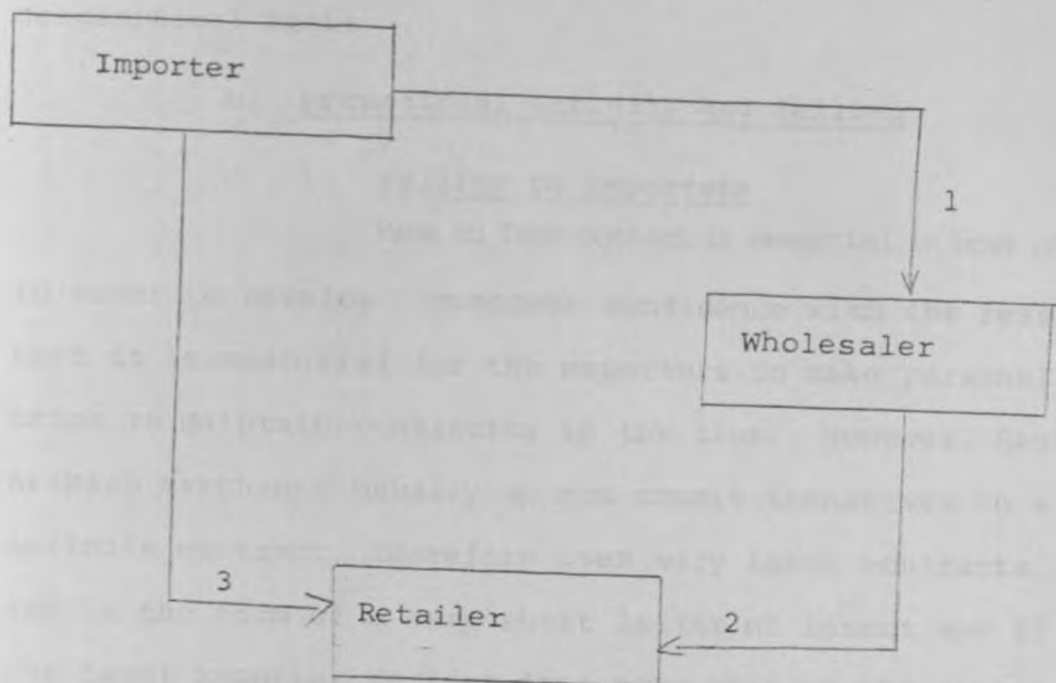


Figure 1.

The bulk of business is conducted through routes 1 and 2 while usually the importers tend to have a relatively limited role as wholesalers mainly in order to gauge the market using the feedback they get from the retailers. However importers supply to wholesalers and retailers at different prices so that the product reaches all retailers at relatively similar prices whether they buy directly from the importer or wholesalers.

It is not surprising to see one company being active at all levels of distribution. However, this must not be taken as a haphazard distribution structure and in judging these companies the major business should be taken as the indicator

of the type of activity of the firm. This, however, is usually over eight percent of the turnover and the task of categorising the company becomes fairly simple.

Major importers have branches throughout Saudi Arabia but most cases the regional manager has a large degree of freedom in engaging direct imports. This is more evident in the typical division of companies on a geographical basis.

b) Promotional Activity and Selling

i) Selling to importers

Face to face contact is essential in most cases in order to develop customer confidence with the result that it is essential for the exporters to make personal trips to maintain continuity in the ties. However, Saudi Arabian merchants usually do not commit themselves to a definite contract, therefore even very large contracts are in the form of a very short letter of intent and if the Saudi importer decides that some part of the contract has not been adhered to he withdraws from the contract and the supplier finds himself in difficulty. This does not mean that Saudi merchants are dishonest or look for excuses to cancel their contracts, but rather indicates particular oriental characteristics of ways of commerce. It is therefore the duty of the seller to understand the requirements of the customer, some of which are never spelt out, but could be discovered if a full interview is held between the seller and the client.

If one insists on a very formal contract, he may jeopardise the chances of success. This does not imply a go ahead with any informal commercial proposition,

but rather a careful selection of buyers with top priority emphasis on the continuity of contact and development of mutual trust.

In assessing the potential clients, it is important to know of their reputation (not size) and commercial practice. This is usually only acquired by long term operation in the area and appreciation of the local style of trade.

A handful of the larger companies can be treated like any European establishment because they have developed organisations on European and American models and are run by expatriates. These companies therefore follow the routine international practice, except that in the case of foodstuffs, they open letters of credit three months after the goods have been received. The reason is the fear that goods may be rejected by the quality control laboratories. This practice has been developed mainly as a result of bad commercial etiquette of some of the companies in the international market who have attempted to sell products which have not been upto acceptable standards in what they considered an open market in which anything can be sold.¹⁸

Although Saudi merchants are difficult to sell to, once relationships are established they show reasonable loyalty and continuity of trade is assured. It is only then that the case of selling to Saudi Arabian markets and their potential are appreciated by the selling parties.

¹⁸ Industrial Market Research, Potential For Increasing Exports To The Middle East.

Industrial Marketing Research Ltd. London 1980 S. 2.2 pg 16.

(ii) Promotional Activity

Advertising is usually undertaken by the local agents in Saudi Arabia. Those items for which agents are not established are not advertised; these being items with little or no brand image.

Apart from the monthly magazines of the Chambers of Commerce in Jeddah, Mecca, Riyadh and Dammam, which carry advertising, there is no trade press in Saudi Arabia. There are nine newspapers published in Arabic and two English newspapers. There is no commercial radio or television and the state radio and television network does not broadcast advertisements. However, the commercial services of Radio Jordan are received throughout Saudi Arabia. There are no public cinemas in Saudi Arabia.

Roadside posters and illuminated signs are used for commercial advertising in all major cities.

One of the most effective media of advertising is direct mail. It is desirable for the material to be pictorial and in both English and Arabic. The target group must be the merchants and Chambers of Commerce. One means of promoting Kenyan products in Saudi Arabia is to increase information of the Saudi population about Kenya itself. This could be done by providing free promotional films to Saudi Arabian television about Kenya, through the Kenyan Embassy or the Kenya External Trade Authority. These films however must exclude dancing scenes as well as women at beach resorts. Apart from this, the number of trade delegations to Saudi Arabia could also be increased to popularise Kenyan products.

(c) Transport between Kenya and Saudi Arabia

Regular shipping lines between Kenyan ports and Saudi Arabian ports do not exist. However, there exists Greek, Italian and Indian tramps on a charter basis.

Jeddah and Dammam ports accept non-containerised cargo but cargo should be palatised and unitised preferably in two ton loads. Dried foodstuffs can be in bags in two ton slings and well strapped. Attention must be paid to the quality of bags used. In some cases low quality bags have resulted in the rejection of cargo by port authorities.

There also exists air transport between Nairobi and Jeddah, for passengers as well as for cargo. However, since there are just two flights a week this limits the space and competitive prices are also not available to the exporters.

(xiii) Customs Duties and Import Restrictions

There is twenty percent duty on the following commodities mostly assessed ad.valoran but in few cases on a quantity basis. The reason for these duties is to provide some protection for the domestic industry.

- (a) Candy sweets and chocolate.
- (b) tahini
- (c) Macaroni
- (d) marble and decorative stones, dolomite and quartz.
- (e) gypsum (S.R. 150 per ton)
- (f) gasolene and kerosene (S.R. 0.16 per litre).
- (g) oxygen and acyletene
- (h) soap powder
- (i) plastic foam

- (j) plastic bags
- (k) plastic bottles and other products
- (l) wooden boxes and other products
- (m) paper towels and handkerchieves
- (n) prayer carpets
- (o) red gotras (men's head dress)
- (p) cotton towels
- (q) shoes and sandals
- (r) tiles (floor) and gypsum tiles
- (s) glass bottles
- (t) tanks and barrels (metal) with less than 300litres capacity
- (u) Metal shelves
- (v) aluminium utensils
- (w) water heaters
- (x) wooden furniture
- (y) plastic pipes and sheets
- (z) bleaches - clorex¹⁹

The imports of alcoholic beverages and explosives is totally forbidden. Other imports are for the most part exempt from duty and wherever a duty applies it is three percent and in the majority of cases charged at ad valorem basis.

The principal import restrictions relate to the black list of the Arab boycott of Israel and South Africa.

UNIVERSITY OF NAIROBI
LIBRARY

3.2. Kuwait

(1) Geography and Climate

The independent state of Kuwait is situated on the North West of the Arabian gulf. It covers an area of 16,000 sq.kms of which 1,000sq.kms represents off shore islands. There are about 414kms of coastline on the gulf and the country side consists of undulating desert.²⁰

The climate which is not unhealthy, is less humid than that of the other parts of the gulf and the temperatures are lower in the winter. During the coldest month January temperatures range between 10°C-15°C with humidity between 60 and 80 percent. Frost can occasionally occur in the interior, but never on the sea coast. From May to September it is very hot when temperatures may go up to 48°C.²¹

(ii) Population:

Kuwait has an estimated population of about 1.45 million,²² of which more than one million is centered in Kuwait City. This consists of about 200,000 Arabs from neighbouring areas, about 5000 Indians and Pakistanis and there are also a number of Iranians and Europeans. Ahmadi is the other important town in Kuwait and has a population of about 22000. It is a short car ride from Kuwait City.

(iii) G.N.P. Per Capita

Kuwait leads the world in terms of per capita income this being US \$ 14900 in 1980 above those of U.A.E. and Sultanate of Oman in the gulf region-²³

²⁰ Lotus Advertising, Welcome To Kuwait Dar Al Taler 1982 pg 19.

²¹ Ibid pg 6

²² Ibid pg 25

²³ Op cit (2), pg 374.

(iv) Religion:

The religion pursued by the people of Kuwait is Islam.

(v) Language

The official language is Arabic, however, English is the second language and business visitors will find that most merchants or their staff speak English.

(vi) Local Time

3 hours ahead of Greenwich Mean Time

(vii) Currency:

The monetary unit in Kuwait is the KUWAITI DINAR (KD) which is divided into 100 fils 1 K.D. = 3.58²⁴ U.S.\$
1 K.D. = 38.37²⁵ KSH.

(viii) Sea Ports

There are four ports in Kuwait namely Shuwaykh, Mina al Ahmadi (oil port), Mina Abd Allah, Shuaybah. The number of ships calling at Kuwaiti ports has increased significantly from 1167 in 1974 to 1805 in 1976 thereby linking²⁶ Kuwait with most parts of the world.

(ix) Roads

Kuwait has a network of 1600 kilometres of well paved roads which provide links between Kuwait City, Ahmadi and other oil producing areas.²⁷

²⁴ Op cit (20), pg 12

²⁵ Daily Nation Money Tuesday 15th June '82 pg 9.

²⁶ Op cit (16), pg 182

²⁷ Op cit (2), pg 375,

(x) Railways

Kuwait has no railways at present, but two projects are being considered for carrying freight only.

(xi) Airports

Kuwait has only one airport which is an international airport and is situated about 16 kilometres from Kuwait City.

(xii) Marketing in Kuwait

(a) Distribution Structure

The distribution structure in the Kuwait market is similar to that of other Middle-East countries, in that there are a large number of importers, operating to satisfy the needs of the consumers. In addition, the Kuwait government plays a role in the distribution of foodstuffs and household products through the cooperative societies.

The large majority of importers operate principally as wholesalers in the market, with some also operating retail outlets.

In food retailing, the cooperative societies sponsored by the government are significant and control most of the retail food sales. The Kuwait Ministry of Planning operates price control and subsidises the prices of basic food-stuffs. Both Kuwaiti and non Kuwaiti families are issued with ration cards allowing each family to purchase a specified quantity (per member of household) of foodstuffs such as rice, sugar, ghee, powdered milk, tinned tomatoes and dahl at subsidised prices. Very few of the items stocked by the cooperatives are imported directly.

The majority of importing for the cooperatives is carried out by the Kuwait Supply Company, this parastatal organisation imports foodstuffs, construction materials and such items as animal feed.

The importers of non-foodstuff items tend to be specialised. Many of the larger importing companies are divisionalised, with each division taking responsibility for a specific range of products. In these cases purchasing responsibility is also divisionalised. In the smaller importing companies it is the owner or the general manager who is responsible for purchasing with the importers activities being specialised, in trading it is usual for the general manager to be involved in the majority of the new orders and he should be the first contact in any sales effort. The business structure is such in the Arab countries that the general manager is available to see anyone who wishes to visit him. While this is advantageous for new suppliers, in that the general manager is the major decision taker, it means that in order for the meeting to be effective, suppliers should have samples and details of prices and delivery.²⁸

Distribution activity is concentrated in Kuwait City and its suburbs where the large majority of the 1.45 million population is concentrated.

An important element of the distribution structure in ~~Kuwait~~ are the Indenting Houses. These organisations are mainly large and medium sized houses which import all sorts of goods on behalf of the foreign nationals who are not allowed to import themselves

and small Kuwaiti traders. For their services they charge a very small and nominal commission.

(b) Promotional Activity and Selling

(i) Selling to Importers

The key to selling to importers as a new supplier lies in being able to show the products being offered and to be able to give price details and delivery dates. If an importer is not restricted by an existing agency agreement, he may usually prefer to receive a trial shipment. This is particularly true for foodstuffs; the importer generally, taking delivery of a trial shipment and selling (occasionally at an initially low mark up) to wholesalers and retail outlets. Trial orders are used as a means of test marketing the products. If the product is acceptable the importer may consider taking an agency. This is usually the case with known brand items or with items for which the importer believes a brand image can be created. It is not however, usual for agencies to be established for items such as timber or low quality items, such as certain fruit juices, nectars from China and Singapore.

(ii) Promotional Activity

Due to the relatively low level of literacy in Kuwait, the power of the written word is much reduced, promotional activity in Kuwait relies on the use of posters, newspapers, television and cinema advertisements. Promotional activity is generally carried out for branded items and is the responsibility of the local agent. Advertisements for retail outlets, rather than for specific

products is more common. Products which do not have local representation are not usually advertised. The rules governing the staging of trade exhibitions are strict and in all cases permission must be obtained from the Ministry of Commerce and Industry.

(c) Transport between Kenya and Kuwait

The transport of freight between Kenya and Kuwait is presently restricted by comparison with the routes between Kuwait and other exporting countries. There is no direct air link between Nairobi and Kuwait City and sea freight relies on a Mercury line vessel calling every 30 to 40 days. Apart from the relatively infrequent shipping, exports from Kenya are forced to rely on charters. This lack of regular freight is a restriction to increasing trade between Kenya and Kuwait. Apart from this the lack of competition on freight routes between East Africa and the Middle East means that the rates charged are uncompetitive in comparison with other, more widely used routes.²⁹

The Shipping Corporation of India has recently set up a route from Dar-es-Salaam, Mombasa, to Dammam and Kuwait calling monthly. There are plans, that if it proves feasible, to extend the route to other parts and to increase the frequency.

(xiii) Customs Duty and Import Restrictions

Kuwait restricts the importation of goods according to the blacklist established by the Arab Boycott Office. This list bans imports from or containing elements from Israel and South Africa. In addition, the products

companies involved in these contries are banned.

Apart from the Boycott List, the principal means of controlling imports is through customs duties. All foodstuffs and animal feed either fresh, preserved or prepared are duty free, as are raw materials. The standard rate of duty is 4 percent on the CIF value of goods imported. In order to protect local industry, the government has established 15 percent duty on certain products.³⁰ These are listed below:

(a) Cast iron products

- cast iron fittings
- cast iron frames
- cast iron pipes (50mm to 150mm)

(b) Plastic Products

- Artificial sponge
- Artificial sponge mattresses and pillows
- bottles, crates, cups and ashtrays

(c) Aerosol Products

- Insecticides, furniture cleaning liquids
- glass chemical liquids
- Air freshners.

(d) Paints

- Industrial, anti corrosion and for iron structures.
- marine and industrial
- automotive

(e) Metal Furniture

- desks, cupboards, storage shelves and angles..

(f) Food stuffs

- macaroni, vermicelli and hard biscuits

(g) Packing and Packaging Materials

- printed/plain craft or white paper sacks

- printed/plain nylon sacks

- printed/plain white paper bags

(h) Car bateries

(i) Nappies

(j) Chemical Cleaners and liquid shampoos.

31

Importation of certain products like jewellery arms and ammunition, radio active materials and pesticides a special import licence is required. These items are also liable for customs duties at the applicable rate

The use of cyclamates in imported foodstuffs is forbidden. Certificates in triplicate are required to prove that no cyclamates are used and to show which substances, if any, are added to foodstuffs. Modern slaughter certificates are required for meats. The labelling requirements follow Saudi Arabian legislation, requiring Arabic labels, date of production and date of expiry of foodstuffs. Embossed labels are not sufficient and thus care has to be taken to meet these requirements.

3.3. United Arab Emirates (U.A.E)

(i) Geography and Climate

The United Arab Emirates was constituted as a sovereign, independent, federal state on 2nd December, 1971, and comprises Abu Dhabi, Dubai, Sharjah, Ras-al-Khaimah, Ajman, Fujairah and Umm-Al-Quwain.

The Emirates extends eastwards for some 500 kms from the foot of the Qatar peninsula and adjoin the Sultanate of Muscat and Oman.

The best time to visit the United Arab Emirates is from November to the end of April. Not only is the climate then more tolerable for visitors, but they can be more certain of meeting merchants many of whom are away from the region during the hot summer months. Between May and October it is extremely hot and humid along the coast, and midday temperatures may exceed 48°C with humidity at 100%. In winter the temperature varies between 14°C and 25°C and humidity 3%. Rainfall is scanty, about 3 inches a year, normally falling in January or February, when sudden torrential storms of short duration may occur.

(ii) Population

Present estimates of population are 950000.³²

The first census in 1975 showed a total population of 652,942 comprising Abu Dhabi (235,668), Dubai (206,861), Sharjah (88,188), Ras-al-Khaimah (57,282), Fujairah (26,498), Ajman (21,566), Umm-al Quwain (16,879). Non-nationals, or

³² Op cit (2), pg 315

immigrants, form over 70 percent of the U.A.E.'s population. Among the thousands of foreigners are Indians, Pakistanis, Northern Arabs, Europeans and Americans. It is expected that the total population will exceed 1.5 million by 1982, with Abu Dhabi making the fastest growth.³³

(iii) G.N.P. per Capita

The Gross National Product per capita is estimated at US \$ 11,225, second in the gulf to Kuwait.³⁴

(iv) Religion

As in the case of other countries in the region Islam is the religion of the people of the United Arab Emirates.

(v) Language is Arabic, but English is widely spoken in business circles.

(vi) Local Time: 4 hours ahead of Greenwich Mean Time

(vii) Currency

The currency of the United Arab Emirates is the Dirham.

1 UAE Dirham (UAE Dh = 100 fils).

1 US\$ = 3.6710 (UAE Dh)

1 UAE Dh = KSh. 2.91.³⁵

(viii) Sea Ports

At present there are six ports in the United Arab Emirates namely, Port Zayed (Abu Dhabi), Port Rashid (Dubai), Port Jebel Ali (situated between Abu Dhabi and Dubai), Port Mina Sagr (Ras-Al-Khaimah), Port Khalid (Sharjah) and Port Khor Fakkan (Sharjah). However, Port Rashid (Dubai) is the largest commercial port in the UAE.

33 Op cit (2), pg 315

34 Ibid pg 313.

35 Op Cit (14), pg 415

It has numerous general cargo berths and extensive storage facilities, both open and covered, which make Port Rashid (Dubai), a premier trans-shipment port of the gulf.

(ix) Roads

Communications within the United Arab Emirates are reasonably well developed with an acceptable road system. There are about five hundred kilometres of roads, the road links between the smaller Emirates are being developed. However, no major problems are encountered in moving goods.³⁶

(x) Railways

There are at present no railways in the UAE.

(xi) Airports

The major airports in the United Arab Emirates are at Abu Dhabi and Dubai, with substantially smaller airports at Sharjah and Ras-Al- Khaimah. The International Airport at Dubai is the largest in the Emirates and it has recently been expanded to handle a total of about three million passengers annually. A new international airport is being built at Abu Dhabi and one is planned for Ruwais.

(b) Promotional Activity and Selling

(i) Selling to Importers

Importers, particularly in Dubai, have perhaps a wider choice of suppliers than do importers in the other Gulf States . Dubai, has long been a major trading centre for the Gulf, and as such has received much attention from exporting

³⁶ Op cit (16), pg 203.

countries.

The establishing of agencies for quality branded foodstuff items and products such as high quality kitchenware and paints is the usual practice by exporters. However, due to the large number of established exporters, as is the case in other Gulf countries, there is a lack of reputable or reliable importers willing to take on other agencies. Among importers purchasing the large range of foodstuffs, construction materials and other items for which agencies are not held, price is the principal criterion for choice. This is turning all the more significant specially where wholesaler's and retailer's margins are being forced down by fierce competition.

The quality of the product is important; however, this aspect is generally heavily outweighed by price as a decision factor, and quality is often judged by the outward appearance of the item. For example, the pork products imported from Denmark are not necessarily of higher quality than those available from Kenya. However, the quality of Danish packaging is far higher, making the product easier to sell at the retail level. Even among medium quality items such as fruit juices imported from Taiwan and China, the presentation of the product, linked with a low price, is a major factor behind the large volume of sales of such products³⁷

Importers are used to dealing with suppliers on a face to face basis. It is considered essential that sales representatives visit potential importers, with samples if possible, and details of prices and delivery possibilities.

Negotiations are facilitated if the exporters representative is in a position to vary prices and delivery 'on the spot'. However, this ability should not lead to details being agreed which at a later date have to be changed.

Rapid and reliable communications are also appreciated by the importers. The desire of such countries, such as Taiwan, China, Malaysia and Singapore to obtain orders from the Middle Eastern countries, to justify their large scale production levels, is evident in the speed with which they react to enquiries from exporters. In addition, exporters from such countries regularly telex importers with details of the prices and availability of their products.

Importers generally prefer to make trial orders for products which they have not previously imported. Such orders generally depend upon the type of the product, however, for items such as steel, standards for which are laid down internationally, trial orders are not usually taken. Importers of products like timber and fresh produce at times also wish to visit suppliers in order to assess the quality of the products and the nature of the suppliers facilities.

(ii) Promotional Activity

Advertising is generally undertaken by local agents in the UAE for branded items. Those items, such as low quality fruit juices, for which there is no appointed agent, no advertising is used. There is a wide range of media available to advertisers. This includes a large number of Arabic language newspapers and periodicals, and a smaller number of English language papers, which accept advertisements.

In addition, advertisements are used in cinemas and on commercial radio and television.

(c) Transport between Kenya and the UAE

Transport by sea presently relies on the Mercury line ships calling principally at Dubai, and occasionally at Abu Dhabi, once every 30 to 40 days. Apart from the frequency which is insufficient the rates charged on frozen cargo tend to penalise small consignments. However, the recent opening of a shipping route by the Shipping Corporation of India, will significantly improve transport from Kenya. By comparison with the distances involved, the shipping rates from Mombasa to this region are also incomp³⁸etitive

Air Transport is also available from Nairobi to Dubai twice a week as Pakistan International Airlines (PIA) is operating flights on this route. This is particularly beneficial for fresh produce for which air freight is preferred and transshipment is not acceptable.

(xiii) Customs Duties and Import Restrictions

Products which appear on the blacklist of the Arab Boycott Office cannot be imported into the United Arab Emirates. The basic rate of duty on imports into Dubai by sea is 3 percent, with imports by air attracting 2 percent duty. Imports of cement are subject to a 2 percent customs duty. A number of products are exempt from duty and these are the following.

- books, rice (unprepared), sugar, wheat and flour, meat(fresh, chilled or frozen), fresh fruits and

vegetables, livestock.

The basic rate of customs duty on imports into Abu Dhabi is 1 percent 'ad valorem'. Alcoholic beverages attract a 25 percent duty.³⁹ Foodstuffs and live animals, building materials, machinery, plant and equipment, medicines, farming materials and printed matter are imported into Abu Dhabi free of duty.⁴⁰

A special licence is required for the importation of alcohol and in Abu Dhabi a licence is required for the importation of pork products.

The climate varies from region to region. In the central area it is hot and humid in summer with the temperature rising to 95°F. In the desert it is hot and dry with the temperature rising to 100°F. In the mountains it is cooler and the temperature rises to 75°F. The rainfall is low and irregular with the maximum of the southern mountains being about 100 inches per year and October as a result of the monsoon.

Population

Population estimates for the total population

39. Op cit (2) pg 327

40. Ibid pg 323

3.4. Sultanate of Oman

(i) Geography and Climate

Oman is located in the east of the Arabian Peninsula astride the tropic of Cancer with a total land area of 300,000 sq.km⁴¹. Oman has three major geographical areas: (a) the Coastal Plains; (b) the mountain chain; (c) the highland plains. The interior of Oman comprises all elevated plateau which increases in the centre where Jabal-Al Akhdar "the Green Mountain" rises to 10,000ft. The elevated plains are suitable for agriculture and there is sheep and goat grazing. In land area, Oman is the second largest country in the Arabian peninsula.

The climate varies from region to region. In the coastal area it is hot and humid in summer with the temperatures rising upto 48⁰C; in the interior it is hot and dry with the exception of some higher locations where it is temperate all the year round. In the southern region, the climate is more temperate. The rainfall is low and irregular with the exception of the southern province where heavy rains occur between June and October as a result of the monsoon.

(ii) Population

Preliminary estimates put the total population of Oman at 1,500,000.⁴²

41. Ministry of Information And Youth Affairs.
Sultanate of Oman "Oman' 82" pg 15

Oman's capital, Muscat, has a population of about 50,000 with the twin town of Mutrah (with the newly developed greater Mutrah also having a population of about 50,000. Of the total population there are about 88 percent Arabs, 4 percent Baluchi, 3 per cent Persians and 2 percent Indians.⁴³

(iii) G.N.P. Per Capita

The G.N.P. Per capita is US \$2570 and is also quite high (5th) in the gulf area.⁴⁴

(iv) Religion

The local inhabitants of Oman are muslims and believe in Islam.

(v) Language

The main language is Arabic, but English is widely spoken in business and government circles.

(vi) Local Time

4 hours ahead of Greenwich Mean Time.

43. Op Cit (16), pg 190

44. Op Cit (16), pg 446

(vii) Currency

The currency of Oman is The Omani Rial. The Omani Rial is divided into 1000 Baizas.⁴⁵ The Omani Rial is pegged to the U.S.\$ and the exchange rate is

1 US \$ = .3454 (O.R.)

1 (OR) = 30.98 (KSh).⁴⁶

(viii) Sea Ports

The main port in Oman is Mina Quaboos (Mutran) which presently handles some 1.632 million shipping ton of cargo annually. In addition the ports of Raysut (Salalah) and Mina al Fahal handle some 437000 shipping tons.⁴⁷ The government is spending a lot of money to improve the container facilities at Raysut and extension of the Mina Quaboos port so as to provide one of the best services in the region.

(ix) Roads

The construction of roads has progressed rapidly in Oman during the recent years. Oman has a total of 2,173 kilometres of grade A (asphalted) road and a further 14,703 kilometres of grade B (graded) road. The extent of laying of both grade A and B roads has been significant, in particular when considering that in 1970 the country had only 10 kilometres of grade A road and 1817 kilometres of grade B road.⁴⁸

45 Development Council, Oman: Oman Facts and Figures 1980, Directorate General of National Statistics, Muscat, August 1981 pg 6

46 Op Cit (14), pg 33

47 Op Cit (45) pg 6.

48 Ibid pg 6

(x) Railways

There are at present no railway facilities available in the Sultanate of Oman.

(xi) Airports

There are two airports in Oman one at Muscat (Seeb International Airport) and the other at Salalah.

The rate of aircraft movements has shown a steady progression since 1975 with 24,900 aircraft movement in 1980 as compared to 15000 in 1975. The passengers handled at the Seeb International Airport has also shown a marked increase with the Arrivals increasing by 62 per cent and departure by 80 per cent as compared to 1975.⁴⁹

(xii) Marketing in Oman

(a) Distribution structure

The structure of distribution in Oman is similar to that found in the other countries mentioned earlier in the study. The major importers operate as wholesalers, with a number of importers having in addition, retail outlets. Although Oman's development has been rapid, there is lack of skilled management, specially in the commercial structure. The large number of retail outlets making continuous losses, reflect not only the lack of management skills, but also the Arab ethic of staying in business so long as other profitable operations can subsidise loss making retail outlets.⁵⁰

49 Op Cit (45) pg 6

50 Op Cit (18) 02.1 pg 125

There are in fact too many wholesale and retail outlets for the economy to support properly and profitably.

The Government plays a minor, but growing role in the distribution structure in Oman. About two years ago, a Cooperative Society was established in order to try and stabilise the foodstuffs market. The Cooperative is presently subsidised by the Ministry of Agriculture and has considerably fulfilled its purpose.⁵¹

Many of the smaller retailers do not import directly from outside the gulf but buy wholesale locally or travel to Dubai and obtain goods there. This importation by road from the United Arab Emirates is significant.

Apart from this a large number of foodstuff importers in Oman are short of storage space, this is particularly the case for such items which have to be imported in large quantities to achieve competitive prices. Importers tend in these cases to pre-sell (wholesale) up to half of a given consignment. The customers collect their part of the consignment from the port and the importers storage problem is thereby reduced.

Unlike Kuwait there are no restrictions on who can import into Oman.

(b) Promotional Activity and Selling

(i) Selling to Importers

It is not necessary to establish agents in Oman in order to be successful. Agencies are generally established for high quality branded foodstuffs and consumer items. However, the Omani government has established regulations requiring

that exporters of machinery and equipment have authorised agents in Oman to ensure that technical back up and repair services are available.

Omani importers rely on face to face contact to conduct business. It is therefore necessary for exporters to be prepared to make several visits a year to Oman to maintain contacts. Price is a major factor in Oman, and, particularly where low or medium quality foodstuffs are concerned, may be the sole decision forming factor. In addition, quality, packaging and delivery are very important. Delivery is particularly important with respect to fresh fruits and vegetables. The market in Oman is subject to rapid fluctuations in the availability of fresh produce. Importers speed of reaction to shortages is great and the market can rapidly turn from a situation of shortage to one of oversupply. It is therefore important that exporters be able to react quickly to orders from Omani importers.

Visits by salesman are important. Salesman should, if possible, have samples with them and should be in a position to quote prices and delivery dates. In addition salesman should have the power to negotiate prices. Importers do not, however, look favourably upon exporters who quote low prices and subsequently decide that they cannot supply at that price.

Prices should be quoted C&F, as there is a rule by the government requiring importers to insure goods locally,

a move planned to boost the Omani insurance industry.

(ii) Promotional Activity

Advertising is generally undertaken by the local agent in Oman. Those items for which agents are not established, are not advertised; these being items with no or very little, brand image. The media available in Oman tend to be relatively crude.⁵² Posters and billboards are not allowed. As a result, a number of companies use vans or lorries with the brand name of particular products painted on the side. These vehicles are then driven around the major urban areas and parked in strategic locations. This is rather expensive, but an effective method of advertising.

There are two weekly newspapers in the English language available in Oman, the Gulf Mirror and Times of Oman. Both of these accept advertisements. There are eight newspapers available in the Arabic language, six of which accept advertisements. No advertising on radio or television is possible.

(iii) Transport between Kenya and Oman

At present, Kenyan exporters rely on Mercury Lines ships and charter planes to freight goods to Muscat. The frequency of Mercury Line, vessels are insufficient with one calling every 30 to 60 days. However, one way of speeding up shipment from Kenya is by transshipment, but the standard letter of credit used in Oman specifies that goods should not be transshipped.⁵³

⁵² Op Cit (18) 02.2 pg 127

⁵³ Ibid pg 128

(xiii) Customs Duty and Import Restrictions

The basic rate of customs duty in Oman is 2 percent 'ad-valorem'. A wide range of items are exempt from duty; gold and silver, seeds, fertilisers, plants, agricultural implements, insecticides, printed matter, fresh fruits and vegetables, rice, wheat, milk, cooking oils and ghee, tea and cement. Alcoholic drinks carry 75 percent duty and goods imported by the government are tax free. The Government has the power to put a duty of up to 25 percent on items for which equivalents are produced locally. There is presently a 25 percent duty on bananas and potatoes, and 20 percent duty on certain plastic pipes.⁵⁴ The principal import restrictions relate to the blacklist of the Arab Boycott Office, mainly prohibiting imports of products from Israel and South Africa, and products containing items from these countries.

Thus it would not be overemphasising if we say that market information is the foundation stone for a successful marketing operation be it domestic or export marketing. Keeping this in view, the chapter has provided the prospective export marketer information like the geographic location, its population, transportation facilities and the marketing structure in these countries, so that, he could clearly see the possibilities of exporting to these countries under such conditions and how he can plan his marketing activities there.

54 Op Cit (2), pg 457.

CHAPTER FOUR

CURRENT STATUS OF EXPORTS & ANALYSIS OF DATA

After having looked into the marketing structure of these countries and going through other basic information about them in the previous chapter, this chapter now focusses attention on the exports from Kenya to these countries.

First of all this chapter aims at providing information about the composition of exports from Kenya to these countries. After having done this, it further aims at identifying products which have a potential for exports to these markets, and finally assessing how the trend of exports to these countries is expected to be for the next five years.

In order to do this, apart from the secondary data, interviews were conducted using two different sets of Questionnaires, Questionnaire A (Appendix 1) for interviewing officials from Kenya External Trade Authority (KETA) and Questionnaire B (Appendix 2) for interviewing exporters to these countries. Some eight officials were interviewed from KETA, while three officials were interviewed from the Marketing Department one each was interviewed from the following departments: Trade Policy Section, Marketing Research Department, Trade Fairs & Exhibitions Department and the Handicrafts Department.

A list of exporters to Kuwait, United Arab Emirates, Saudi Arabia and The Sultanate of Oman was obtained from KETA and fourteen such exporters, representing a diverse range of commodities and based in or around Nairobi were interviewed. The information regarding the total sales of these exporters, the share of export sales and their major export markets was gathered by interviewing their sales/

Marketing Managers and is presented hereunders:-

Kenya Cannery

It is the subsidiary of the famous Del Monte Corporation of San Francisco USA and is dealing in Tinned Pineapple and Pineapple Juices.

The total sales of the company for the five years were indicated as follows:-

Year	1977.	1978	1979	1980	1981
Sales(Ksh)	135 million	244 million	219 million	229 million	273million

Out of the total sales the percentage of exports for the five years has been

1977	1978	1979	1980	1981
95%	97%	96%	96%	97%

The top five countries to which it has been exporting are United Kingdom, Germany, Italy, France and Holland.

Uplands Bacon Factory

This company deals in Sausages, Bacon, Continentals (Liver Sausages, Polony, Frankfurters), Gammon and Picnic Hams.

The total sales of the company for the past five years was indicated as

Year	1977	1978	1979	1980	1981
Sales (Kshs)	48 million	46 million	44 million	45 million	42 million

The percentage of export sales for the past five years has been

1977=33%	1978=33%	1979=30%	1980=25%	1981=20%
----------	----------	----------	----------	----------

The top five export markets are Mauritius, United Arab Emirates, Seychelles, Yemen and Djibouti.

Pan African Paper Mills (E.A.) Ltd.

The company deals in different grades of paper like writing and printing paper, paper used for packaging and paper boards. The total sales of the Company for the past five years was indicated as follows:

Year	1977	1978	1979	1980	1981
Sale (Kshs)	314millions	361million	356millions	363million	345million

The share of exports out of the total sales has been as follows

1977	1978	1979	1980	1981
27%	29%	27%	28%	16%

Sudan, Egypt, Zambia, Uganda and Kuwait consititue the top five export markets for its products.

House of Manji

The Company deals in biscuits, confectionery items, Pasta and other breakfast cereals. The total sales of the company for the past five years was indicated as follows.

Year	1977	1978	1979	1980	1981
Sales (Kshs)	36million	42million	57million	67million	80million
Out of the total sales the export sales have been	5%	7%	11%	13%	and 16%

respectively.

The top five export markets for its products are Sudan, Bahrain, UAE, Nigeria and Oman respectively.

Kenya Meat Commission

The Company deals in Fresh meat of mutton, goat and beef, (canned Beef, Beef Extract) and Hides & Skins.

The sales of the company as indicated for the past five years is as follows:

Year	1977	1978	1979	1980	1981
Sales (Kshs)	13million	5million	9million	9.5million	19million

The percentage of exports out of these is as follows:

1977	1978	1979	1980	1981
60%	55%	55%	60%	65%

Its top five export markets are:-

U.K., Holland, Saudi Arabia, UAE and Kuwait.

Malde and Company

The company is an agent of the Coffee Board of Kenya and are dealing only in the exports of coffee.

The sales for the company during the past five years have been as follows:

Year	1977	1978	1979	1980	1981
Sales (Kshs)	774million	441million	477million	498million	532million

The entire sales shown above are export sales, The top five markets of the company are West Germany, Holland, Sweden, U.K. and Finland.

Ibero Africa Ltd

The Company also deals with the exports of coffee and tea. The entire sales of the company are exports and figures for the past five years are as follows :

Year:	1977	1978	1979	1980	1981
Sales (Kshs)	87.5 million	72.3million	79million	28million	91million

The top five markets of the company are U.K., W. Germany, U.S.A., Norway and Holland.

Vohra Brothers

This company is wholly an export oriented one and deals in coffee and tea. The turnover of the company as indicated for the past five years is as follows:-

Year:	1977	1978	1979	1980	1981
Sales (Kshs)	100million	70 million	89million	73million	81million

The top five countries for its export are W. Germany, U.S.A., U.K., Finland and France.

Kenya Millers

The company deals in food grains like beans, peas and lentils, gram flour, oil seeds, dals and animal feed.

The sales of the company were said to be the following for the past five years:-

Year:	1977	1978	1979	1980	1981
Sales: (Kshs)	6.6 million	8.4million	7.6million	6million	11.8 m

Out of the sales mentioned above the share of exports was as follows:-

Year:	1977	1978	1979	1980	1981
	52%	54%	72%	24%	67%

The major foreign buyers of its products are from U.S.A., U.K., Kuwait, U.A.E. and Mauritius.

Nairobi Horticultural Exporters

This is a small company which began its operations in 1979.

It is wholly an export oriented firm dealing in all types of horticultural products, however, the emphasis being on fresh vegetables. The total sales of the company for the past three years are:-

Year	1979	1980	1981
Sales (Kshs)	3.5 million	4.0 million	1.2 million

The top five markets of its products are U.K., France, UAE, Bahrain. Oman and W. Germany respectively.

Fast Cash and Carry Enterprises

This is also a small wholly export oriented company. It deals in fresh fruits and vegetables. The turnover of the company for the past five years has been as follows:

Year	1977	1978	1979	1980	1981
Sales (kshs)	1.8million	1.9million	2.2million	2.7million	3million

The major export markets for its products are U.K. UAE, Saudi Arabia, Bahrain and Jordan.

Malin Egg Farm

This is also a small company which deals with the export of eggs. The total sales of the company for the past five years has been as follows:

Year	1977	1978	1979	1980	1981
Sales (kshs)	1.7million	1.7million	1.85million	1.9million	2.1million

The proportion of export sales out of the total sales is:

1977	1978	1979	1980	1981
18%	15%	20%	17%	25%

The major export markets of the company are Sudan, Djibouti, UAE, S. Yemen and Saudi Arabia.

Attempts were also made to interview the Sales/Marketing Managers of B.A.T. Developments and TRUFOODS LTD but no favourable response was received from them.

After having discussed the sample size and its composition, the study now moves to providing information on the exports from Kenya to these markets and then analysing the data to obtain the results.

4.1. Economic Background on the Markets

The economies of the countries within the preview of this paper are almost totally based on the production of oil, their industrial and agricultural base is relatively backward in comparison with the larger Middle-Eastern economies like Iran and Iraq. However, the efforts to develop the infrastructure during the last decade and abundance of financial resources has helped the economies in diversifying and increasing the share of its agricultural, industrial and non oil mineral resources. In spite of all this the need for imported agricultural products has remained substantial, this is due to the fact that climatic and physical factors have made agricultural development a difficult task in these economies. Shortage of water, and both skilled and unskilled labour have added to sand encroachment and harsh climatic conditions to make production of agricultural goods a difficult task.

The total value of exports and imports of these countries have been given in Table IV to give an idea of the balance of trade and the value of their imports, so as to

guage the strength of Kenyan exports to these markets.

Table IV

Total Value of Exports and Imports

Year	Saudi Arabia		Kuwait		Oman		United Arab Emirates	
	Exports (Millions of rials)	Imports (Millions of rials)	Exports (Millions of Dinars)	Imports (Millions of Dinars)	Exports (Millions of O. Rials)	Imports (Millions of O. Rials)	Exports (Millions of Dirhams)	Imports (Millions of Dirhams)
1975	104960	14820	2506.8	693.2	498.2	264.3	27609	10571
1976	137330	30690	2873.9	972.0	540.9	250.5	34328	13150
1977	155320	51660	2806.1	1387.1	543.3	302.1	37613	19703
1978	128890	69180	2864.1	1263.9	522.4	327.2	35327	20765
1979	197450	81520	5043.4	1437.0	748.0	430.5	52023	26527
1980	339700	100350	5371.9	1764.9	1137.8	598.2	76884	32425
1981	383340	119300	4758.6	1915.2	1525.2	675.1	73555	35762

Source: International Financial Statistics. International Monetary Fund June 1982 Vol xxxv pgs 252, 312, 348, 414.

It can be clearly seen from Table IV that all these countries are running a surplus on their trade account apart from that their imports have been consistently rising, except in the case of Kuwait and Oman where the imports fell once in 1978 and 1976 respectively but again reverted to the previous trend in the corresponding year. Taking 1975 as the base year it can be seen that the annual average rate of growth in imports is highest for Saudi Arabia with 44.85 percent followed by United Arab Emirates, Oman and Kuwait with 23.3, 21.82 and 19.71 percent respectively.

The composition of the imports of these countries has been shown in Tables V, VI, VII, VIII. The imports have been classified in principal commodity groups, however, due to the non-availability of recent statistics such composition has been presented only for years for which the figures were available.

TABLE V

- 67 -
IMPORTS BY SAUDI ARABIA (.000 Saudi Rials)

PRINCIPAL COMMODITY	1975	1976	1977	1978
LIVE ANIMALS (SHEEP, LAMBS, GOATS)	222,750	246,150	320,002	346,212
MEAT AND MEAT PREPERATIONS	174,456	371,831	678,435	747,695
BUTTER	51,669	35,626	55,593	NOT AVAILABLE
FRUITS AND VEGETABLES	344,836	606,900	999,102	1,202,113
CEREALS AND PREPERATIONS	555,719	1,074,673	1,062,953	1,317,225
COFFEE	34,083	41,808	134,789	62,475
OTHER FOODSTUFFS	566,587	868,432	1,388,270	3,049,480
CHEMICAL PRODUCTS	719,663	1,009,999	1,873,412	2,234,000
WOOD AND WOOD MANUFACTURES	359,546	1,535,000	2,138,000	2,058,000
TEXTILES AND CLOTHING	1,009,920	2,170,000	3,496,000	4,178,000
CEMENT	172,391	608,870	1,432,800	2,374,125
PETROLEUM AND PRODUCTS	98,891	226,984	289,740	473,269
MACHINES AND TRANSPORT EQUIPMENT	6,085,051	13,086,000	20,298,000	28,880,000
OPTICAL AND SURGICAL INSTRUMENTS	819,257	1,139,000	1,714,000	2,653,213
DOMESTIC UTENSILS OF BASE MATERIALS	49,446	151,507	343,695	517,207
OTHER GOODS	3,558,735	7,518,220	15,487,209	19,086,986
TOTAL	14,823,000	30,691,000	51,662,000	69,180,000

SOURCE: Year book of International Trade Statistics 1979 Vol I pgs 683-685,

TABLE VI IMPORTS BY KUWAIT (KD'000)

PRINCIPAL COMMODITIES	1975	1976	1977	1978
FRUITS AND VEGETABLES	23,518	31,647	36,697	41,588
CEREALS AND CEREAL PREPERATIONS	24,344	21,435	17,911	23,154
COFFEE,TEA,COCOA, AND SPICES	8,422	14,161	25,785	24,530
OTHER FOODSTUFFS AND LIVE ANIMALS	49,745	53,993	67,281	73,387
CHEMICALS	26,819	30,119	41,860	44,436
PAPER AND PAPER PRODUCTS	7,578	8,714	* 16,387	15,947
CEMENT	9,645	21,163	23,428	23,410
TEXTILE YARN FABRICS	40,301	61,577	84,089	87,632
OTHER BASIC MANUFACTURES	66,249	123,237	175,851	163,344
MACHINERY AND TRANSPORT EQUIPMENT	316,218	406,706	631,195	500,245
MISCELLANEOUS MANUFACTURED ARTICLES	120,311	199,241	266,552	266,275
TOTAL	693,150	971,993	1,387,036	1,263,948

SOURCE: Year book of International Trade Statistics 1979 Vol I pgs 752-753.

Department of International Economic and Social Affairs New York 1980

TABLE VII IMPORTS BY SULTANATE OF OMAN. (.000 Rials Oman)

PRINCIPAL COMMODITY	1975	1976	1977	1978
BUTTER AND OTHER DAIRY PRODUCTS	4460	6052	6414	7274
CEREALS AND CEREAL PREPERATIONS	8458	7681	8955	10,156
FRUITS AND VEGETABLES	4934	5387	8026	11,372
COFFEE, TEA, COCOA AND SPICES	2074	2284	3931	4,175
SUGAR, SUGAR PREPERATIONS & HONEY	2089	4934	5387	7,316
OTHER FOODSTUFFS	4788	4052	5403	2,070
CRUDE ANIMAL AND VEGETABLE MATERIALS	73	118	223	274
VEGETABLE OILS AND FATS	218	812	1892	3134
PAPER AND PAPER PRODUCTS	665	806	992	1023
PETROLEUM AND PETROLEUM PRODUCTS	10,618	16,615	20,655	27,642
CEMENT	NOT AVAILABLE	NOT AVAILABLE	9526	12,651
LEATHER & LEATHER PRODUCTS	64	8	45	42
OTHER GOODS (INCLUDING MACHINERY)	225,872	201,791	230,615	240,092
TOTAL	264,313	250,540	302,064	327,224
Share of Kenyan Products out of Total Imports	(0.3)	(0.3)	(0.6)	(0.25)

SOURCE: Year book of International Trade Statistics 1979 Vol I pgs 953-954

Department of International Economic and Social Affairs New York 1980

TABLE VIII IMPORTS BY UNITED ARAB EMIRATES ('000 Dirhams)

PRINCIPAL COMMODITY	1976	1977	1978	1979
FOOD AND LIVE ANIMALS	1,275,433	1,562,784	2,095,578	2,902,053
BEVERAGES AND TOBACCO	190,743	237,639	262,562	475,425
CRUDE MATERIALS (EXCLUDING FUELS)	293,505	369,791	322,950	347,117
MINERAL FUELS	893,079	1,323,832	695,807	2,720,216
ANIMAL AND VEGETABLE OILS & FATS	27,632	34,507	62,443	108,893
CHEMICALS	455,368	698,874	953,784	1,243,335
BASIC MANUFACTURES	3,215,204	4,808,294	5,131,118	6,244,313
MACHINES, TRANSPORT EQUIPMENT	5,501,257	8,435,684	8,486,800	8,866,968
MISC. MANUFACTURED GOODS	1,154,252	2,073,541	2,499,843	3,450,973
GOODS NOT CLASSIFIED BY KIND	118,880	142,278	215,866	204,293
TOTAL	13,125,353	19,687,224	20,726,931	26,563,586

SOURCE: Year book of International Trade Statistics 1979 Vol I pg. 1095

Department of International Economic and Social Affairs New York. 1980

Middle East And North Africa 1981-82. Europa Publications Ltd. London 1981 pg 842-843

Table V clearly reveals that imports by Saudi Arabia have increased rapidly, rising from 14,823 million S. Rials in 1975 to 69,180 million S. Rials in 1978. It further shows that besides live animals and coffee which have increased only by 55.43 per cent and 83 per cent in 1978 over the 1975 figures, the increase in all other commodity groups (excepting butter for which figures for 1978 were not available) have been phenomenal ranging from 137 per cent in cereals and cereal preparations to 1277 per cent in cement. However, in the category of goods which are the principal items of exports from Kenya to Saudi Arabia, the maximum increase has been in the case of cement, other commodities which have shown remarkable increases are meat and meat preparations, other foodstuffs, wood and wooden manufactures, petroleum and petroleum products and domestic utensils made of base materials.

Table VI moves on to imports made by Kuwait and reveals that although the imports increased from 693.2 million Dinars in 1975 to 1387.1 million Dinars in 1977, they fell to 1263.9 million Dinars in 1978 registering a decline of 8.87 per cent over the previous year's figures. In the case of the principal commodity groups excepting cereals and cereal preparations, the imports of which declined by 4.88 per cent in 1978 as compared to 1975 statistics, the imports of all other commodities increased. Though there has been an increase in the import of practically all commodities, but it is not as phenomenal as in the case of Saudi Arabia and ranged from 47.52 per cent in the case of other foodstuffs and live animals to 191.26 per cent in the case of coffee, tea, cocoa and spices. However, the fact that the share of eatables

(commodities like fruits and vegetables, cereals and cereal preparations, other foodstuffs) in the total imports is around 12 per cent points to the tremendous potential in this direction.

The figures for the imports made by The Sultanate of Oman have been presented in Table VII which point out that the total value of imports has risen by 23.80 percent over the period 1975 to 1978. This trend of growth in imports has continued even after 1978 and that to at a greater rate as can be seen from Table IV. Although the major component of imports for all these years has been the category of other goods (which includes machinery), its share in the total value of imports has however decreased from 85.45 percent in 1975 to 73.37 per cent in 1978. On the other hand the category of foodstuffs (which includes butter and dairy products, cereals and cereal preparations, tea, coffee, cocoa and spices, fruits and vegetables and other foodstuffs) has shown an increase from 10.14 to 12.94 percent for the corresponding period. The lone exception in the category of foodstuffs which have declined in the period 1975 to 1978 are other foodstuffs, the imports of which declined by 57 percent. The highest increase in this category has been in the case of sugar, sugar preparations and honey, the imports of which increased

by 250.21 per cent followed by fruits and vegetables with 130.48 per cent.

United Arab Emirates like most of the Middle East countries has benefitted from the increase in oil prices. Thus, with the luxury of surplus foreign exchange the imports have gone up from 13125 million Dirhams in 1976 to 26563 million Dirhams in 1979 as shown in Table VIII. The bulk of the share of imports is consumed by machines and transport equipment which approximately accounted for about 41 per cent of the total value of imports for the period 1976 to 1978 but declined to 33 per cent in 1979. On the other hand the maximum increase has been in the category of Animal and Vegetable oils and fats, the imports of which have increased by 294.58 per cent while the minimal increase has been in the case of crude materials - that being 18.26 per cent. The imports of food and live animals which form an important constituent of exports from Kenya to the United Arab Emirates have also shown an increase of 127.53 per cent through the period 1976 to 1979 and have accounted for 10.92 per cent of the total value of imports in 1979.

4.2 Kenya's Export to These Markets

The total value of export from Kenya to these markets is shown in the following table.

TABLE IX

TOTAL VALUE OF EXPORTS FROM KENYA (KSHS)

YEAR	SAUDI ARABIA	KUWAIT	OMAN	UNITED ARAB EMIRATES
1971	1,400,000	14,760,000	5,080,720	NOT AVAILABLE
1972	3,120,000	3,740,000	4,399,000	" "
1973	5,500,000	10,840,000	11,121,820	23,120,000
1974	11,200,000	12,500,000	29,245,120	58,230,000
1975	15,500,000	7,960,000	24,319,300	63,830,000
1976	9,360,000	12,840,000	24,164,400	63,830,000
1977	22,480,000	20,260,000	58,707,100	74,480,000
1978	25,800,000	5,800,000	23,234,670	82,250,000
1979	14,500,000	15,220,000	8,641,188	58,443,592
1980	50,180,000	6,660,000	31,163,911	45,702,753
1981	37,475,000	10,115,000	57,820,377	28,746,430

Source: Statistical Abstract. 1979 Government Printers, Nairobi pg 64
 Annual Trade Report 1980 Statistical Branch, Customs and Excise
 Department, Government Printers, Nairobi pgs 474-653
 Statistical Year Book, Sultanata of Oman, Mazoon Printing Press
 1978 pg 95
 Mr. Odhiambo. Statistics Department, Kenya Customs (1981)

Even though attempts were made to obtain the figures of exports to the United Arab Emirates (UAE) prior to 1972 all efforts proved fruitless. However, the above table reveals that the very large fluctuations in the magnitude of trade are an indication of the discontinuous nature of export sales effort of Kenya organizations.

In addition to the above table, Tables X, XI, XII and XIII give us a detailed break down of exports from Kenya to these markets. The tables provide information on the principal commodities exported, which have been ranked according to the value of sales for 1981.

TABLE X KENYA'S EXPORTS TO SAUDI ARABIA (KSHS)

PRINCIPAL COMMODITIES	RANKED ACCORDING TO THE VALUE OF SALES FOR 1981				
	1977	1978	1979	1980	1981
1. COFFEE	8,930,450	3,542,322	2,345,283	5,723,976	25,998,682.
2. FRESH FRUITS AND VEGETABLES	1,823,578	1,767,377	1,257,015	2,047,764	4,332,795
3. LIVE ANIMALS (SHEEP, GOAT)	-	-	-	9,581,649	2,243,498.
4. MEAT AND MEAT PREPERATIONS	6,371,117	2,564,870	2,910,206	93,283	1,557,322
5. SISAL FIBRE AND ROPES	421,494	354,827	-	245,705	629,989
6. CRUDE ANIMAL AND VEGETABLE MATERIALS	-	24,711	613,313	288,781	587,267
7. OTHER COMMODITIES	176,738	136,063	969,452	393,548	505,820.
8. FURNITURE	114,000	-	-	104,621	403,523
9. FEEDING STUFF FOR ANIMALS	-	-	-	18,391	370,120
10. WOODEN MANUFACTURES	-	14,122	43,226	5,232,961	184,269
11. MEDICINAL AND PHARMACEUTICAL PRODUCTS	167,180	125,,333	96,012	61,416	173,096
12. CEREALS, CEREAL PREPARATIONS & CONFECTIONARY	117,852	193,155	320,958	90,817	149,580
13. BUTTER (INCLUDING GHEE)	824,960	453,400	879,916	-	129,351
14. METAL CONTAINERS & SHEETS	156,985	-	28,528	18,000	118,148
15. TEA	-	7,505	-	-	44,676
16. CEMENT	603,940	3,136,464	3,087,017	2,661,895	39,600
17. PAPER AND PAPER PRODUCTS	452,792	942,886	1,614,311	228,327	7,355
18. PETROLEUM AND PETROLEUM PRODUCTS	-	8,677,866	-	22,477,957	-
19. OILSEEDS AND OLEAGINOUS FRUITS	-	942,918	-	511,000	-
20. ALUMINIUM WARE (DOMESTIC)	1,393,324	2,458,174	-	226,997	-
21. FRUIT JUICES AND TINNED FRUIT	595,279	299,048	216	170,000	-
22. FISH AND FISH PREPERATIONS	327,147	138,834	242,171	-	-
TOTAL	22,476,836	25,779,875	14,457,624	50,177,088	37,475,091

SOURCE: ANNUAL TRADE REPORT 1977 VOLUME II pgs. 340-342
 ANNUAL TRADE REPORT 1978 pgs. 286-403
 ANNUAL TRADE REPORT 1980 pgs. 473-653
 UNPUBLISHED ANNUAL TRADE REPORT 1981 THROUGH Mr. Odhiambo Statistical Officer Kenya Custom - Nairobi

TABLE X KENYA'S EXPORTS TO SAUDI ARABIA (KSHS)

PRINCIPAL COMMODITIES	RANKED ACCORDING TO THE VALUE OF SALES FOR 1981				
	1977	1978	1979	1980	1981
1. COFFEE	8,930,450	3,542,322	2,345,283	5,723,976	25,998,682.
2. FRESH FRUITS AND VEGETABLES	1,823,578	1,767,377	1,257,015	2,047,764	4,332,795
3. LIVE ANIMALS (SHEEP, GOAT)	-	-	-	9,581,649	2,243,498.
4. MEAT AND MEAT PREPERATIONS	6,371,117	2,564,870	2,910,206	93,283	1,557,322
5. SISAL FIBRE AND ROPES	421,494	354,827	-	245,705	629,989
6. CRUDE ANIMAL AND VEGETABLE MATERIALS	-	24,711	613,313	288,781	587,267
7. OTHER COMMODITIES	176,738	136,063	969,452	393,548	505,820.
8. FURNITURE	114,000	-	-	104,621	403,523
9. FEEDING STUFF FOR ANIMALS	-	-	-	18,391	370,120
10. WOODEN MANUFACTURES	-	14,122	43,226	5,232,961	184,269
11. MEDICINAL AND PHARMACEUTICAL PRODUCTS	167,180	125,,333	96,012	61,416	173,096
12. CEREALS, CEREAL PREPARATIONS & CONFECTIONARY	117,852	193,155	320,958	90,817	149,580
13. BUTTER (INCLUDING GHEE)	824,960	453,400	879,916	-	129,351
14. METAL CONTAINERS & SHEETS	156,985	-	28,528	18,000	118,148
15. TEA	-	7,505	-	-	44,676
16. CEMENT	603,940	3,136,464	3,087,017	2,661,895	39,600
17. PAPER AND PAPER PRODUCTS	452,792	942,886	1,614,311	228,327	7,355
18. PETROLEUM AND PETROLEUM PRODUCTS	-	8,677,866	-	22,477,957	-
19. OILSEEDS AND OLEAGINOUS FRUITS	-	942,918	-	511,000	-
20. ALUMINIUM WARE (DOMESTIC)	1,393,324	2,458,174	-	226,997	-
21. FRUIT JUICES AND TINNED FRUIT	595,279	299,048	216	170,000	-
22. FISH AND FISH PREPERATIONS	327,147	138,834	242,171	-	-
TOTAL	22,476,836	25,779,875	14,457,624	50,177,088	37,475,091

SOURCE: ANNUAL TRADE REPORT 1977 VOLUME II pgs. 340-342
 ANNUAL TRADE REPORT 1978 pgs. 286-403
 ANNUAL TRADE REPORT 1980 pgs. 473-653
 UNPUBLISHED ANNUAL TRADE REPORT 1981 THROUGH Mr. Odhiambo Statistical Officer Kenya Custom - Nairobi

TABLE XI KENYA'S EXPORTS TO KUWAIT (KSHS)

RANKED ACCORDING TO THE VALUE OF SALES FOR 1981					
PRINCIPAL COMMODITIES	1977	1978	1979	1980	1981
1. CEMENT	-	-	-	-	2,735,892
2. PAPER AND PAPER PRODUCTS	5,010,346	2,631,325	4,493,829	3,889,501	2,561,984
3. OILSEEDS AND OLEAGINOUS FRUITS	1,496,591	-	244,340	1,369,445	1,675,483
4. FRESH FRUITS AND VEGERABLES	1,235,613	364,427	1,905,116	368,402	1,298,521
5. MEAT AND MEAT PREPERATIONS	-	-	-	-	1,182,623
6. FEEDING STUFF FOR ANIMALS	1,648,603	169,495	-	-	536,214
7. BROOMS & BRUSHES	444,691	233,249	552,086	283,050	88,924
8. WOOD MANUFACTURES	15,142	-	6,219	-	31,864
9. OTHER COMMODITIES	62,567	36,074	753,447	376,640	3,500
10. COFFEE	10,000,028	2,296,504	-	224,311	-
11. CREALS & CEREAL PREPERATIONS	-	19,000	4,311,392	67,032	-
12. WOOD CHARCOAL	-	-	2,951,790	-	-
13. SPICES	344,600	52,100	450	-	-
TOTAL	20,258,181	5,802,174	15,218,669	6,578,381	10,115,005

SOURCE: ANNUAL TRADE REPORT 1977 VOLUME II pg 324
 ANNUAL TRADE REPORT 1978 pgs 268-403
 ANNUAL TRADE REPORT 1980 pgs 473-653
 UNPUBLISHED ANNUAL TRADE REPORT 1981. Through Mr. Odiambo Statistical Officer
 Kenya Customs Nairobi.

TABLE XII KENYA'S EXPORTS TO SULTANATE OF OMAN

(KSHS)

RANKED ACCORDING TO THE VALUE OF SALES FOR 1981

PRINCIPAL COMMODITIES	1979	1980	1981
1. CEMENT	7,058,258	31,015,209	44,210,036
2. COFFEE	-	-	9,125,712
3. PETROLEUM AND PETROLEUM PRODUCTS	-	-	2,489,600
4. CEREALS & CEREAL PREPERATIONS	11,524	-	623,345
5. FRESH FRUITS AND VEGETABLES	70,809	38,891	372,044
6. METAL CONTAINERS FOR STORAGE AND TRANSPORT	-	-	325,580
7. OILSEEDS AND OLEAGINOUS FRUITS	33,000	-	216,510
8. OTHER COMMODITIES	1,947	25,460	195,385
9. CRUDE ANIMAL AND VEGETABLE MATERIALS	5,180	7,892	95,171
10. LEATHER ACCESSORIES (HATS & HEAD GEAR)	65,400	26,316	90,300
11. DOMESTIC UTENSILS MADE OF ALUMINIUM & STEEL	-	40,004	52,814
12. FOOTWEAR	18,912	10,139	23,880
13. BUTTER (INCLUDING GHEE)	1,020,000	-	-
14. PAPER AND PAPER PRODUCTS	232,411	-	-
15. VEGETABLE OILS	123,750	-	-
TOTAL	8,641,188	31,163,911	57,820,377

SOURCE: ANNUAL TRADE REPORT 1980 pgs 470-653

UNPUBLISHED ANNUAL TRADE REPORT 1980 Through Mr. Odiambo Statistics Officer
Kenya Customs. Nairobi.

TABLE XIII KENYA'S EXPORTS TO UNITED ARAB EMIRATES (KSHS)

RANKED ACCORDING TO THE VALUE OF SALES FOR 1981

PRINCIPAL COMMODITIES	1979	1980	1981
1. COFFEE	6,054,453	20,365,709	11,463,378
2. ORGANIC CHEMICALS	123,615	-	3,213,372
3. CEREALS, CEREALS PREPERATIONS & CONFECTIONARY	699,146	814,812	2,526,092
4. BUTTER INCLUDING GHEE	2,032,470	1,027,078	2,087,400
5. FRESH FRUITS AND VEGETABLES	1,689,779	2,005,163	1,952,457
6. CEMENT	19,029,202	8,071,930	1,783,861
7. WOODEN MANUFACTURES	302,146	224,095	1,724,324
8. MEAT AND MEAT PREPERATIONS	2,110,751	144,058	1,258,025
9. CRUDE FERTILISERS AND CRUDE MATERIALS	14,850	1,206,247	685,372
10. CRUDE ANIMAL AND VEGETABLE MATERIALS	12,836,916	8,064,114	469,369
11. LIVE ANIMALS	-	-	365,644
12. FRUIT JUICES AND TINNED FRUIT	1,034,991	2,005,163	312,880
13. SISAL	114,000	161,225	241,200
14. OTHER COMMODITIES	746,229	533,435	179,417
15. DOMESTIC UTENSILS (ALUMINIUM & STAINLES STEEL)	73,879	-	139,807
16. VEGETABLE OILS	925,860	-	125,000
17. LEATHER PRODUCTS	3,775,673	-	108,926
18. FURNITURE (METAL)	92,320	2,084	50,138
19. PETROLEUM PRODUCTS (REFINED GREASES)	111,700	1,063	33,609
20. PAPER AND PAPER PRODUCTS	6,357,919	1,535,987	26,159
21. GLASS PRODUCTS	-	629,914	-
22. OILSEEDS AND OLEAGINOUS FRUITS	243,403	491,000	-
23. TEA	74,250	-	-
TOTAL	58,443,592	45,702,753	28,746,430

SOURCE: ANNUAL TRADE REPORT 1980 pgs 473-653

UNPUBLISHED ANNUAL TRADE REPORT 1981 Through Mr. Odiambo Statistics Officer, Kenya Customs. Nairobi.

Kenya's exports to Saudi Arabia which have been presented in Table X reveal that there is no single category of exports which has been the major component of trade. In addition to this there has not been any commodity which has registered a continuous and steady growth. However, there are items like coffee, fresh fruits and vegetables which have formed a sizeable portion (80.93 per cent in 1981) and have been registering a steady increase since 1979. Other items which have been continuously exported but marred by fluctuations in the value are meat and meat preparations, medical and pharmaceutical products, paper products, cereal and cereal preparations and cement.

Moving on to Table XI which provides information on Kenya's exports to Kuwait, it can be clearly seen that paper and paper products have been the major constituent of exports ranging from 24.73 to 59.12 per cent of the total value of exports. Apart from this fresh fruits & vegetables and brooms brushes are the only other commodities which have maintained some continuity. However, it is disappointing to see that none of the commodities exported to Kuwait have registered a continuous growth over the years, a factor which needs to be looked into.

As can be seen in Table XII which deals with Kenya's exports to the Sultanate of Oman that cement has been the major constituent of export from Kenya and has amounted for 76 to 99 per cent of the total value of exports during the past three years. It is also encouraging to see that it has maintained a continuous growth rate (339.41 per cent in

1980 and 42 per cent in 1981 over the previous years figures) which by itself is remarkable. In addition to cement there has been footwear, leather accessories, other commodities and crude vegetables & animal materials which have had some continuity in the past three years but their value of exports has not been much and leaves sufficient space for further inlets. However, coffee and petroleum products have made an impressive start in 1981 but it is yet to be seen whether they can consolidate their position.

Table XIII again points out that like Saudi Arabia, there is no single category of exports that has been the major component of trade between Kenya and the United Arab Emirates for the past three years. This can further be augmented by the fact that although there have been a number of items (the leading ones being coffee, cereal and cereal preparations, butter, fresh fruits and vegetables, cement etc.) which have been exported over the years to the U.A.E. have all been marred by fluctuations in their value, thus hindering their continuous growth. However, the factor which causes anxiety in this table is the continuous decline of items which till 1979 were contributing significantly to exports to the U.A.E. These items, the value of exports of which has fallen down considerably during the past three years can also be blamed to some extent in the fall of Kenya's total value of exports to the U.A.E.

4.3 Analysis

The interviews conducted with KETA officials revealed the following ranking to the countries in the Middle East from the point of view of Kenyan Exports:

- 1) Saudi Arabia
- 2) United Arab Emirates
- 3) Sultanate of Oman
- 4) South Yemen
- 5) Kuwait

This information from the officials of the prime export body of Kenya perhaps itself reveals the importance of these markets in exports to this region.

In response to the second question the respondents from KETA pointed out the following commodities, in order of importance, which had been exported to Kuwait, United Arab Emirates, Saudi Arabia and The Sultanate of Oman over the years.

- 1) Fruits and vegetables
- 2) Fresh, frozen and tinned meat
- 3) Coffee
- 4) Cereal and cereal preparations
- 5) Cement
- 6) Livestock and poultry products
- 7) Vegetable oils
- 8) Butter
- 9) Paper and paper products
- 10) Wooden products
- 11) Footwear

The list thus gives us an idea of the major commodities exported from Kenya to these markets.

It was also felt by the respondents that all the products they had mentioned had further potential for growth. However, the top eight products which they felt had maximum potential for growth are:-

- 1) Coffee
- 2) Fruits and vegetables
- 3) Fresh, frozen and tinned meat
- 4) Livestock and poultry products
- 5) Cereals and cereal preparations
- 6) Vegetable oils
- 7) Cement
- 8) Clarified butter (ghee)

8 b b
b

These statements can further be supported by examining below the total imports of these products in the respective markets and specifying the Kenyan share for them.

Coffee

Coffee is one of Kenya's major exports to these markets (excluding Oman, although it also became so in 1981). Total imports of coffee in these markets for the year 1978 and the Kenyan share is shown in the following table:-

Table XIV

Kenyan Share Out of The Total Imports Of Coffee

<u>Country</u>	<u>Total Imports in 1978</u>	<u>Kenyan Share</u>
Saudi Arabia	12000 (Metric tonnes)	7 per cent
Kuwait	2737 (metric tonnes)	3 per cent
Oman	1900 (metric tonnes)	Nil
United Arab Emirates	3340 (metric tonnes)	NOT AVAILABLE

SOURCE: Year book of International Trade Statistics 1979
VOLUME 1 pgs 683, 752, 953, 1095

Annual Trade Report 1978 pgs 303-304

As can be seen from the table above the share of Kenya was 7 percent and 3 percent for Saudi Arabia and Kuwait respectively. Statistics for exports from Kenya to U.A.E. were not available for 1978, however, coffee was exported to the U.A.E. and Kenya figures amongst one of the leading suppliers of coffee beans to the market. Coffee was exported to Oman for the first time in 1981. Exports to the country that year were worth Kshs. 9,125,712.

The results of the interview with two of the coffee exporters to these markets revealed that Ethiopia, Somalia, Yemen, India, Nicaragua, Brazil and other South American countries were the main competitors. They also felt that despite the variations in the exports of coffee to these countries, the potential for exports is favourable.

Fruits and Vegetables

A breakdown of the imports of fruits and vegetables in these markets along with the Kenyan share is given in the following tables.

TABLE XV

Share of Kenya Out of The Total Imports of Fruits & Vegetables

Country	Total Imports (1978)	Imports from Kenya	% Share
Saudi Arabia	3,786,655,950 (KShs)	1,767,377 (1978)	.047
Kuwait	1,094,704,840 "	364,427 (1978)	.033
Oman	305,475,800 "	70,809 (1979)	.023
United Arab Emirates	1,554,492,155 "	1,689,779 (1979)	.109

Source: Year book of International Trade Statistics 1979 Volume I
United Nations. New York pgs 683, 752, 953 and 1095.

Annual Trade Report 1978 Ministry of Finance pgs 294 - 300

Annual Trade Report 1980 Ministry of Finance pgs 483 - 494

TABLE XVI

Composition of Fruits and Vegetable Exports From Kenya

Commodity Exported	Saudi Arabia	Kuwait	Oman	U.A.E.
	1978	1978	1979	1979
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
1) Tomatoes, Onions & Potatoes	2,074	-	60,025	461,119
2) Peas, Beans, Lentils and Other Vegetables	198,938	359,843	4,032	273,908
3) Frozen, preserved & prepared Vegetables	529,006	-	-	87,500
4) Cassava Roots	308	234	1,250	8,332
5) Bananas	-	216	-	130
6) Citrus Fruit ✓	41,150	-	-	684
7) Cashew Kernels ✓	572,888	-	-	-
8) Pineapple ✓	277,984	-	5,502	160,386
9) Mangoes ✓	144,735	4,134	-	169,570
10) Apples	-	-	-	56
11) Other Fruits	294	-	-	528,094
Total	1,767,377	364,427	70,809	1,689,779

SOURCE: Annual Trade Report 1978 , Ministry of Finance, Nairobi pgs 294-300

Annual Trade Report 1980 , Ministry of Finance, Nairobi pgs 483-494

Tomatoes, onions and potatoes are the major imports in the vegetables category for Saudi Arabia, Kuwait and U.A.E. while in the case of Oman due to high levels of local production high quality products such as carrots are imported. Though potatoes, tomatoes and onions have been exported to Saudi Arabia and U.A.E. their value is very small and a lot more ground can be gained on this. However, for Kuwait and Oman, tomatoes, onions, potatoes and carrots which constitute their major imports in this category had not been exported in 1978 and 1979 respectively.⁵⁵ Although some headway has been made in this direction to Kuwait where potatoes worth approximately Kshs. 350,000 were exported in 1979 and 1980,⁵⁶ these markets have yet to be fully tapped.

In the case of fruits, mangoes and pineapples are the major imports by Saudi Arabia for which the Kenyan share was a mere 1.46 percent in 1978.⁵⁷ Citrus fruits and cashew kernels form the other components of the fruits exported to Saudi Arabia.

Kuwait on the other hand imports mainly fruits such as lemons, oranges, grapes, bananas, apples and melons of which only bananas worth a mere Kshs. 216 were supplied by Kenya.⁵⁸

For Oman the major import in this category has been apples which have not been supplied by Kenya.

55 Department of Customs and Excise, Annual trade Report, 1978 Ministry of Finance, Nairobi pgs 294-300

56 Ibid 1979 pgs 483-494

57 Ibid 1978 pgs 294-300

58 Ibid 1978 pgs 294-300

In the case of U.A.E. oranges, bananas, grapes and apples form the bulk of the fruit imports. Although bananas and apples have been supplied from Kenya but there value has remained very small over the years.

The information obtained by interviewing two exporters of fruits and vegetables to these markets revealed that Cyprus, Lebanon, Jordan and Turkey were the major competitors in the vegetables category while India, Pakistan, Phillipines , Ecuador, Morocco, France, U.K. and U.S.A. were competing in the case of fruits

Fresh Frozen and Tinned Meat

A rough idea of the total demand for imports of meat and meat preparations along with the exports from Kenya to these markets can be had from the following table.

Table XVII

Share of Kenya out of the Total Value of Imports of Meat and Meat Preparations

	Total Imports (Kshs) 1978	Imports from Kenya (Kshs)
Saudi Arabia	2,355,239,250	2,564,870 (1978)
Kuwait	1,860,000,000	NIL (1978)
Oman	192,500,000	1,947 (1979)
U.A.E.	1,245,680,000	2,110,751 (1979)

SOURCE: Year book of International Trade Statistics

Volume 1 1979 United Nations, New York pgs 683, 752, 953, 1095

Annual Trade Report 1978 Ministry of Finance pgs 294-295

Annual Trade Report 1980 Ministry of Finance pgs 483-485

The above table reveals that Saudi Arabia, Kuwait and the U.A.E. are the major markets for this product category in the region. Inspite of their large imports the Kenyan share has only been .109, 0 and .169 per cent respectively.

Though exports to Saudi Arabia and the U.A.E. did not show any signs of improvement, it is encouraging to see that a breakthrough has been achieved in the Kuwait market in 1981.

Results of the interviews with two of the top exporters of meat and meat preparations revealed that Australia, Argentina and Denmark were the major competitors in these markets for chilled and frozen beef. In the case of chilled and frozen mutton, India, Australia and Rumania were the dominant countries while for bacon, ham and pork products the U.K. Denmark and Netherlands were the principal suppliers. But inspite of this it can be seen that there exists a large potential for a further inroad into these markets.

Livestock and Poultry Products

The demand for livestock (sheep, lamps, goats and cattle) and poultry products is strong in most of these markets as depicted by the following table.

Table XVIII

Imports of Livestock

<u>Country</u>	<u>Imports (Nos)</u>
Saudi Arabia	4,000,000
Kuwait	764,000
Oman	45,000
U.A.E.	170,000

As can be seen from the above table Saudi Arabia is the largest importer of livestock followed by Kuwait, U.A.E. and Oman respectively. The reason for the high imports by Saudi Arabia is that most of it are sacrificed during the Haj period. Before 1978 livestock was not exported from Kenya,

however a step was taken in this direction in 1980 when livestock was exported to Saudi Arabia. Exports of livestock to U.A.E. were started in 1981. However, Kuwait and Oman are the markets which still elude the Kenyan exporters.

The demand for the import of eggs in these countries is as follows:-

Table XIX

Import of Eggs (Units)

Saudi Arabia	18 million
Kuwait	246 million
U.A.E.	150 million
Oman	Self sufficient

Source: Year book International Trade Statistics Volume 1, 1979, United Nations, New York pgs 683, 752, 953, 1095.

Export of eggs from Kenya to these markets has only been to Saudi Arabia with 26860 units (worth kshs 15738) being exported in 1979 and 4508 units(kshs 2254) in 1980⁵⁹.

The interviews with the officials of the Kenya Meat Commission and the exporter of eggs revealed that Somalia, India, Pakistan, U.K. and Australia were the major suppliers of cattle while Romania, U.K. and Holland were the major exporters of eggs to these markets.

Cereals and Cereal Preparations

Cereals and Cereal Preparations are one of the important constituents of foodstuff imports in these countries. The imports for the year 1978 were as follows:-

59 Republic of Kenya, Annual Trade Report 1980.

Department of Customs and Excise, Ministry of Finance, Nairobi pg 478

TABLE XX

Imports of Cereals and Cereal Preparation

Saudi Arabia	,317,225,000 (S.Rials)Approx Kshs.	4,149,258,750
Kuwait	23,154,000 (K.Dinars)Approx "	914,332,936
Oman	10,156,000 (O.Rials)Approx "	314,632,880
U.A.E.	NOT AVAILABLE	

SOURCE: Year book of International Trade Statistics Volume 1 1979
United Nations, New York pgs 683, 752, 953, 1095

The share of Kenya in respect of this particular category of imports has been very insignificant in these markets and is approximately .004 percent for Saudi Arabia, .002 per cent for Kuwait, .003 per cent for Oman and .180 per cent for The United Arab Emirates.⁶⁰

Although exports to Saudi Arabia have remained steady in this category, it is encouraging to see that for the U.A.E. they have risen from Kshs. 679,146 in 1979 to Kshs. 2,526,092 in 1981.⁶¹ The exports to Oman and Kuwait are marred by fluctuations and are done primarily on an 'ad hoc' basis. The main items exported under this category from Kenya are wheat, barley, maize, gram flour, lentils, prepared foods, biscuits and other breakfast foods.

Two exporters were also interviewed under this category and it was learnt that they were competing with Pakistan, Australia, India, Singapore, U.K. Greece, U.S.A. and Burma in these markets.

⁶⁰ Op cit (59) pgs 480-483, 1978 pgs.383-387

⁶¹ Ibid pgs. 480-483

Vegetable Oils

Cotton seed oil, sesamum oil and the category of other fixed vegetable oils have been exported from Kenya to the Middle East, Kuwait is the only market amongst those within the preview of this study where vegetable oils have not not been exported. Even though exports have been made to Saudi Arabia, Oman and the U.A.E. they are small in value and lack continuity.

In 1978 the category of other fixed vegetable oils worth 95,000 Kshs. was exported from Kenya to Saudi Arabia.⁶² In 1979 cotton seed oil worth Kshs.123,760 was exported to Oman, while Sesamum oil & other fixed vegetable oils worth Ksh. 880,000 and Kshs. 45,000 were exported to the U.A.E.⁶³ The potential of these markets however can be guaged on the basis of their imports of vegetable oils made in 1978 which are as follows:-

TABLE XXI

Imports of Vegetable Oils

S. Arabia	173.5 million S. Rials	(Approx. Kshs. 560 million)
Kuwait	1.98 million	(Approx. Kshs. 76 million)
U.A.E.	31.28 million U.A.E. Dirhams	(Approx. KShs. 91 million)
Oman	3.00 Million O.Rials	(Approx. Kshs. 93 million)

The major suppliers of vegetable oils in these markets are U.S.A., Singapore, Japan, Hongkong and Netherlands.

Cement

Cement has been a major component of exports from Kenya to the Middle East particularly so in the case of Oman and the U.A.E. In fact the decline of Kenya's exports to

62 Op Cit (55) pgs 320-321

63 Op Cit (59) pgs 547-548

the U.A.E. can be attributed to cement when from approximately Kshs. 56.7 million in 1978 it came down to Kshs. 1,783,861 in 1981,⁶⁴ this is due to the reason that U.A.E. is gradually becoming self sufficient in cement.

In the case of Oman the rise in cement exports from Kenya has been at a very high rate with exports rising from Kshs. 7 million in 1979 to Kshs. 44 million in 1981.⁶⁵ The potential seems to be good for a few more years as a cement factory is already in the making.

Saudi Arabia inspite of having three factories in operation imports about 68 million tonnes annually. Cement exports from Kenya to Saudi Arabia have gone down from Kshs. 7,764,877 in 1975 to an all time low of Kshs. 39,600 in 1981.⁶⁶ However, the exports of cement to Saudi Arabia has potential for another couple of years when the other plants which are under construction are expected to be in operation.

Kuwait in fact offers the best potential for exports of cement from Kenya. The domestic demand is 1.9 million tonnes annually of which about 1.6 million are imported.⁶⁷ Kenya, was not exporting cement to Kuwait until 1980, however, a breakthrough has been achieved in 1981, with exports worth Kshs. 2,735,892 and it is hoped that the loss of U.A..E. may be recovered in this market.

The major competitors in these markets are Japan, Romania, Greece, East and West Germany.

64 Unpublished Data, 1981 Annual Trade Report through Mr. Odiambo Statistics Officer Kenya Customs 21st June, 1982.

65 Ibid

66 Ibid

67 Central Bank of Kuwait: The Kuwait Economy in Ten years: Economic Report 1969-79. June 1980 pg 27

Butter (Clarified) Ghee

Kenya has been exporting ghee to primarily all these markets except Kuwait, the largest exports being to the U.A.E. The demand for imports of ghee in Saudi Arabia, Kuwait, Oman and The United Arab Emirate, was 2,400, 693, 800 and 1,300 metric tonnes in 1978. The exports from Kenya to these countries in 1979 were 42.34, 54.4 and 108.8 metric tonnes for Saudi Arabia, Oman and U.A.E. respectively.⁶⁸ It has been observed that there were no sales to Oman in 1980 and 1981, while the sales to Saudi Arabia have gone down. Apart from the steps taken to rectify this fall, steps should also be taken to tap the vast potential in the Kuwait market. The major competitors however in these countries are Australia, Holland, India, Malaysia and Singapore.

The reasons that were advanced by the officials of KETA to support the further potential of the products mentioned earlier are as follows

<u>Reasons</u>	<u>Number of Times Mentioned</u>
Transport bottleneck is improving steadily	8
Kenyan products are of international standards	7
Better promotional efforts by KETA in conjunction with bussinessmen	7
Increase in population would mean an increase in consumption	4
Awareness regarding these markets is increasing	3
Good performance of Kenyan products	1
Restrictions regarding trade with neighbouring countries has forced bussinessmen into these markets and consequently exports of these commodities will increase.	1
Total No. of Officials Interviewed .	8

⁶⁸United Nations: Year book of International Trade Statistics 1979 Vol 1
Dept. of International Economic and Social Affairs New York 1979 pgs 683,
752, 953 and 1095

This optimism of the officials was also shared by the exporters interviewed, who expected their exports to these countries to increase. Table XX11 depicts the expected percentage increase in the export sales of the respondents to these markets.

Table XX11

Range of Expected Percentage Increase in Individual Exports For The Years 1982-84

<u>Commodity</u>	<u>Saudi Arabia</u>	<u>Oman</u>	<u>Kuwait</u>	<u>U.A.E</u>
Fruits & Vegetables	33-47%	50-75%	10.60%	5-50%
Coffee	1-6%	2-7.5%	2-10%	5-10%
Cereals and Cereals				
Preparations	2.5-10%	7.5-50%	7.5-10%	15-30%
Poultry Products	1-1.5%	-	-	5-10%
Paper	-	-	1.5-5%	1-7.5%

Since the above sample includes some of the major exporters to these markets it gives an idea that the traditional exports are expected to show an upward trend-

The above respondents were also asked whether their companies were operating at full capacity. Two respondents reported that their companies were operating at full capacity. A third respondent from a meat & meat preparations company reported that his firm had 30 percent idle capacity and if that could be utilised exports to S. Arabia, U.A.E. and Kuwait could increase by another 5,2,1, percent respectively over the next five years.

Apart from the products which have been traditionally exported from Kenya to these markets, it was felt by the respondents (both exporters and officials from KETA)

that there were a number of other products which had potential for exports from Kenya. The products are mentioned hereunder:

<u>Product</u>	<u>Number of Times Mentioned</u>
Dairy Products	10
Cotton Textiles	9
Footwear	8
Kitchenware	5
Timber and Wood Manufactures	4
Plastic Articles	2
Handicrafts	2
Fish and Fish Products	2
Soups & Sauces	1
Footballs & other sports equipment	1
No. of Respondents	<u>12</u>

Out of the product categories mentioned above four are discussed in brief below so as to give an idea of market size for exports.

Dairy Products

There is a tremendous potential for the exports of dairy products to these markets from Kenya. Although Kenya has exported clarified butter/ghee to all these markets except Kuwait, other products like cheese and milk have not been exported.

The imports of milk and cheese in these markets were estimated at

Table XXIII

Imports of Dairy Products

Saudi Arabia	18,500 metric tonnes
Kuwait	8,075.7 metric tonnes
Oman	6500 metric tonnes
U.A.E.	7800 metric tonnes. ⁷⁰

Most of the milk imports in these markets are from Netherlands, W. Germany and U.K. while cheese is mainly imported from Australia, Czechoslovakia, Cyprus, W. Germany and Italy.

Cotton Textiles

The demand for imports of cotton textiles was valued as follows in 1978.⁷¹

Table XXIV

Imports of Cotton Textiles

Saudi Arabia	820 million S.Rials (Approx.Kshs.2,583 million	73
Kuwait	3.15 million K.Dinars (Approx.Ksh. 122.9million	
Oman	7 million o.Rials (Approx.Kshs.216.36 million	
U.A.E.	80 million U.A.E. Dirhams (Approx.274 million Kshs.)	

The demand for imports in Saudi Arabia is high because a lot of cotton textiles are reexported bought by the Hajis as gifts during the pilgrimage season. The prices of most of the cotton textiles is very cheap as they come from Pakistan, India and othe Far East Countries, thus only cheap Kenyan material have a chance to make a break-through in these markets with tremendous potential.

Footwear

Although Footwear was placed by 65 percent of the respondents in the category of products currently not exported to these markets, some exports have been made in the past, with exports worth Kshs.109,105,Kshs.52,931 and Kshs.18,510.

⁷¹ Op Cit (18) pgs 25, 31, 49, 76.

being made to U.A.E. Oman and Kuwait respectively over the past three years.⁷² It can be seen from the above figures that these exports are very small in value and there exists a lot more potential in these markets, which can be estimated from the import figures of these countries for 1978.

Table XXV

Imports of Footwear

Saudi Arabia	171 million S. Rials (Approx. 539 million Kshs)
Kuwait	10.5 million K. Dinar (Approx 409.8 million Kshs)
Oman	1.38 million O. Rials (Approx 42.79 million Kshs)
U.A.E.	89 million U.A.E. Dirhams (Approx. 235.40 million Kshs.) ⁷³

Low quality imports into these countries were made from China, Hongkong, Singapore, India and Pakistan while high quality products were imported from U.K., U.S.A., Italy and other Western European countries.

Kitchenware

Kitchenware which includes domestic utensils of aluminium and stainless steel was also felt by the respondents to be a group which was not being exported currently from Kenya to these markets. This can perhaps be attributed to the small value of exports being made. However, the exports in this category to these countries for the past four years have been worth Kshs. 2,685,171, Kshs. 213,686, Kshs. 40,004 and Kshs. 32,239 respectively for Saudi Arabia, U.A.E, Oman and Kuwait.⁷⁴

Although figures for U.A .E were not available, the import requirements of the other countries were as follows in 1978.

72 Op Cit (59), pgs 634, 635

73 Op Cit (68) pgs 753, 954, 1095

74 Op cit (59) pg 597-599

TABLE XXVI

Import of Kitchenware

Saudi Arabia	48 million S.Rials (Approx.151.2 million Kshs)
Kuwait	4.6 million K. Dinars (Approx. 184.23 million Kshs)
Oman	1 million O.Rials (Approx. 30.98 million Kshs)

The major suppliers of these products to the markets were Japan, W. Germany, U.K. China, Hongkong and India. It also came out from the interviews with the respondents that low cost items such as cuttlery, saucepans and frying pans have a good potential from Kenya.

Timber and Wood Manufactures

The total imports of timber and wooden manufactures in these markets for the year 1978 were as follows.⁷⁵

TABLE XXVII

Imports of Timber and Wooden Manufacture

Saudi Arabia	2000 million S.Rials (Approx.6300 million Kshs)
Kuwait	14.7 million K. Dinars (Approx. 575 million Kshs)
Oman	7.45 million O.Rials (Approx 230 million Kshs)
U.A.E.	343 million U.A.E. Dirhams (Approx 920 million Kshs)

The bulk of the timber is imported from Russia and Rumania while other wooden manufactures are imported mainly from U.S.A., European Economic Community countries, Japan, South Korea and Malaysia.

The reasons stated by the respondents in support for the potential of these products are as follows:

75 Op Cit (18) pg 26, 31, 50, 77

<u>Reasons</u>	<u>No. of Times Mentioned</u>
1) The exporters/manufacturers of the above products have not been aggressive enough on sales promotion if they do so they can penetrate the markets	7
2) The nearness to the markets as compared to the present suppliers .	5
3) Poor quality products are being imported from Europe.	4
4) Enquiries received about these products from these markets	4
5) Quality of Kenyan products is high.	4
6) Increased awareness about these markets will ensure greater interest and thereby exports	1
No. of respondents	8

In essence it can be concluded from the reasons stated by the respondents that with adequate sales promotion, and due to the close proximity to the markets, which would result in lower transportation costs and faster delivery these products can succeed in penetrating the markets.

The majority of the respondents also felt that the Kenyan exporters should lay emphasis on price, promotion and quality. ✓

As regards the prices of Kenyan products in comparison with the competing countries out of the 20 respondents interviewed 90 percent placed them high while 10 percent placed them very high. This thus gives an idea that the prices of Kenyan products are high.

As far as the quality of Kenyan products was concerned in comparison with the competing countries, the results of the finding were as follows:

<u>Opinion of Respondents</u>	<u>No. of Times Mentioned</u>
Very Superior	2
Superior	9
Neither Inferior Nor Superior	9
Inferior	-
Very Inferior	-
	<hr/>
Total No. of Respondents	20
	<hr/>

The findings mentioned in the above table thus reveal that majority of the respondents felt that the quality of Kenyan goods was superior in comparison with those of the competing countries, however, 45 percent of the respondents felt that the quality was as good as that of its competitors, which thus points out that stress should now be laid on other factors like price and promotion.

All the officials from KETA replied positively in response to whether there were any special considerations regarding packaging which exporters to these countries should bear in mind. The considerations are as follows:

<u>Considerations</u>	<u>No. of Times Mentioned</u>
1) Labelling should be done in Arabic and English.	8
2) The production and expiry dates should be shown.	5
3) Anything associated with women or romance should be avoided at all costs.	1
4) Country of origin and that the exporter has no trading links with Israel must be stated	1
	<hr/>
No. of Respondents	8
	<hr/>

It is therefore very clear that all the officials from

KETA felt that the exporters should label both in English and Arabic, while a majority also felt that the date of production and expiry should also be mentioned.

Apart from the information provided earlier, one of the objectives of this study was to find out the problems facing the Kenyan exporter to these markets. This was achieved by asking the officials from KETA as well as the exporters to these countries to enumerate some of these problems. A summary of the findings is given below in the following tables:-

TABLE XXVIII

Problems Facing The Kenyan Exporters to the Middle East (From the View Point of KETA Officials)

<u>Problems</u>	<u>No. of Times Mentioned</u>
i) Lack of regular and reliable shipping service between Kenya and Gulf Areas,	8 ✓ C
ii) Uncompetitive (high) prices by Kenyan Exporters,	8 ✓ B
iii) Poor Packaging,	8 ✓ A
iv) Lack of follow up and consequent lack of knowledge regarding market trends and competitive position of the market,	5 / D
v) Negative image of Kenya Exporters due to their 'ad hoc' export sales to the region,	3 ✗
vi) Competition from other such countries which are able to mount continued marketing and promotional activities,	2 E
vii) Arabs have negative preconceived ideas about Kenyan products,	1
viii) Difficulty in making personal visits as visas are difficult to obtain,	1
ix) Lack of personal contacts,	1
x) Lack of participation in trade fairs.	1

<u>Problem</u>	<u>No. Times mentioned</u>
(xi) Potential buyers are unable to communicate by letters (high level of illiteracy).	<u>1</u>
Total No. of Respondents	<u>8</u>

TABLE XXIX

Problems Facing The Kenyan Exporters to the Middle East - (From the View Point of Exporters to these markets)

<u>Problems</u>	<u>No. of Times Mentioned</u>
(i) Lack of Adequate Shipping links with these markets, resulting in poor availability of shipping space	12
(ii) Freight rates are high on these routes	12
(iii) Poor Paymasters	9
(iv) Delay in securing of export compensation	7
(v) Even with so much competition in these markets, the government is not giving enough relief for the exporters to compete effectively.	6
(vi) Documentation and legalisation to these markets is very complicated	4 B
(vii) Lack of proper air links with Oman and Kuwait, and poor frequency of flights to Saudi Arabia and U.A.E. causing hinderance in the exports of perishable commodities (fruits and vegetables)	2
(viii) Long procedure for the export of foodstuffs which cause delay in exports and thus create a negative image.	1
(ix) Arabs are slow in communicating	1
(x) Preference given to goods from Islamic countries	<u>1</u>
Total No. of Respondents	<u>12</u>

Tables XXVIII and XXIX reveal that apart from the problem of transportation on these routes and the high prices of Kenyan products, there was not much unanimity in the problems as seen by the two groups of respondents.

In order to improve the export performance to these markets recommendations were made by the respondents from KETA which have been summed as follows:-

TABLE XXX

Recommendations To Improve Exports to the Middle East

<u>Recommendations</u>	<u>No of Times Mentioned</u>
(i) The transportation problem should be looked into	7
(ii) Increased participation in trade fairs, and increasing the number of trade missions to these markets	5
(iii) The establishment of an Export Credit Guarantee and Insurance Scheme on fair terms which would enable exporters to compete effectively in these markets.	4
(iv) Export subsidy should be given to exporters	4
(v) Packaging should conform to market requirements	3
(vi) Increased Personal visits by the exporters	2
(vii) The national carrier Kenya Airways should come out to help in easing the transportation problem especially for perishables	1
(viii) Organisation of exporters among themselves to initiate better transportation of their merchandise 1 for example by chartering vessels.	1
(ix) Increased consumer research	1
(x) Increased use of agencies for promoting exports and other information purposes.	1
Total No. of Respondents	<u>8</u>

Another encouraging aspect which came out from the interviews was that, most of the respondents felt that exports to these countries would go up considerably in the next five years. On the basis of their predictions, an average rate of expected increase as a percentage of total value of exports was computed. This revealed that they expected exports to these countries to grow as follows:-

Expected Exports to Kuwait, Saudi Arabia, United Arab Emirates And
Oman as a percentage of Total Value of Exports.

<u>Year</u>	<u>Expected Value</u>
1982	1.5
1983	1.6
1984	1.75
1985	1.85
1986	2.00

These figures given above will be used to compare the results as shown by the trend line and past growth rate of exports to these countries.

The reasons put forward by the respondents to support this increase in exports are as follows:

Table XXXI

Reasons For Expected Increase in Exports to the Middle-East for the next five years.

<u>Reasons</u>	<u>No. of Times Mentioned</u>
(i) Improved Transportation leading to regular and increased shipments	18
(ii) Greater and better export incentives by the government.	17
(iii) Import substitution in the current markets might force us to be more aggressive in the export promotion campaigns in these markets.	7
(iv) Realisation by the government to tap these markets	5
(v) Increased awareness of the markets by the exporters, with the result they will be able to keep their patience with the Arab's slowness	1
(vi) Price and Quality adjustments will be made by the Kenyan exporters with time	1
(vii) Better reputation of Kenyan products.	1
Total No. of Respondents.	<u>18</u>

The above table thus gives insight into what the respondents feel will be the reasons for the growth of Kenyan exports to these markets.

After having gained all the information it is now imperative to see what value the exports might assume to these countries for the next five years. For this first of all a secular trend line was drawn (Appendix 7,8,9 and 10). The trend lines were obtained by using the data as shown in Table IX and calculating it by the method of least squares. The resulting equations were:-

Saudi Arabia : $Y_t = 17.865 + 3.925 X$

Kuwait : $Y_t = 10.973 + .0048 X$

Oman : $Y_t = 25.45 + 3.54 X$

U.A.E. : $Y_t = 54.47 + 0.06 X$

(The working of these has been shown in Appendix 3,4,5 and 6).

The values obtained from these equations for the next five years are as follows:

TABLE XXXII Predictions on the Basis of Trend Equation

Years	Saudi Arabia	Kuwait	OMAN	U.A. E.
1982	41.415million Kshs	11.002million Kshs	46.49million Ksh	55.07millionKsh
1983	45.340 " "	11.007 " "	50.23 " "	55.13 " "
1984	49.265 " "	11.012 " "	53.77 " "	55.19 " "
1985	53.180 " "	11.017 " "	57.31 " "	55.25 " "
1986	57.115 " "	11.021 " "	60.85 " "	55.31

Thus these trend values predict that exports to these countries will rise in the future. Apart from the above method the average annual percentage increase or decrease in exports to these countries was worked out for the past ten years. This

was 39%, -3.5%, 27.5% and 2.6% for Saudi Arabia, Kuwait, Oman and the U.A.E. respectively. On this basis also, further predictions were made.

Table XXXIII

Prediction on the Basis of Annual Average Rate of Growth

Years	Saudi Arabia	Kuwait	Oman	U.A.E.
1982	52.09 million Kshs	9.76 million Kshs	73.72 million Kshs	24.49 million
1983	72.41 " "	9.42 " "	93.99 " "	30.26 "
1984	100.64 " "	9.09 " "	119.84 " "	31.04 "
1985	139.89 " "	8.77 " "	152.80 " "	31.85 "
1986	194.45 " "	8.46 " "	194.82 " "	32.68 "

Now if we look at the average expected percentage value of exports to these countries as predicted by the respondents they were 1.50, 1.60, 1.75, 1.90 and 2.00 per cent respectively for the years 1982 to 1986. In order to check whether these predictions are at least realistic it is necessary to know the expected value of total exports from Kenya for the next five years

The computations for this were done using the World Bank estimates which forecast that the 1980-85 growth rate of exports for Kenya will be 14 per cent in value and the 1985-90 growth rate of exports will be 13.7 per cent in value.⁷⁶ The estimation seems to be accurate as the growth in exports for Kenya from 1979-81 was 28.3 per cent working out to 14 per cent per annum. On this basis the total exports from Kenya can be predicted for the next five years as follows:-

⁷⁶ Kenya External Trade Authority: "Kenya Export News £4000 million trade" January 1982 Vol. 33 pg 14.

1982	12129.6 million	Kshs.
1983	13827.8 million	Kshs.
1984	15763.6 million	Kshs.
1985	17970.4 million	Kshs.
1986	20432.2 million	Kshs.

The figures based on the opinions of the respondents regarding the value of exports to the Middle East worked out as follows:-

Table XXXIV

Expected value of exports to Saudi Arabia, Kuwait, U.A.E.
Oman (Based on the opinions of Respondents)

Year	Expected Value of Exports to These countries	Value of Exports to these countries as a % of total value of exports
1982	181.94 million Kshs.	1.50
1983	221.24 million Kshs.	1.60
1984	275.86 million Kshs.	1.75
1985	341.43 million Kshs.	1.90
1986	408.64 million Kshs.	2.00

Now if a comparison is made between the figures in Tables XXXII, XXXIII and XXXIV, predicting the value of exports to Kuwait, Saudi Arabia, United Arab Emirates and The Sultanate of Oman, it can be observed that all the three tables estimate that in totality exports to these countries are expected to increase.

However, in the case of Kuwait Table XXXIII expects a decline in exports from Kenya over the next five years, while

Table XXXII on the other hand expects a very marginal increase for the corresponding period. This small difference perhaps could be explained due to the different statistical methods used. In case of the other three markets namely, Saudi Arabia, United Arab Emirates and The Sultanate of Oman there has been complete unanimity regarding the expectation of increase in exports.

Though all the three methods, in general, expect an increase in exports to these markets the figures revealed by the Tables XXXIII and XXXIV (based on annual average growth rate of exports and on the basis of predictions of the respondents) seem to be optimistic, as compared to Table XXXIV (which predicts on the basis of trend line). It would however not be wrong to say that perhaps if proper follow up action is taken and aggressive marketing techniques adopted by the exporters in conjunction with KETA, the figures which appear optimistic right now may not only turn into a reality but may even be surpassed.

Thus to conclude it can be said that the chapter highlights the vast potential existing for Kenyan products in the Middle East markets. Besides pinpointing some of the commodities and the market demand for them in Saudi Arabia, Kuwait, United Arab Emirates and Oman it also discloses that the exporters must ensure that the prices of their products are kept down and packaging improved. It also reveals the problems facing the Kenyan exports in these markets, both from the view point of exporters as well as from the officials of KETA thereby making room

for commendatory action. The most encouraging aspect of the chapter is the fact that all techniques used predict an increase in Kenyan exports to these markets.

CHAPTER FIVE

Summary, Conclusions and Recommendations

Summary

The Study focussed on the need for promotion of exports from Kenya to four countries of the Middle East. The process of development of the economy which entails increasing imports of capital goods and oil has necessitated the Kenyan Government to look for new outlets in the export market.

Kenya's exports have mainly been directed to Western Europe and the neighbouring African countries which together account for over 70 percent of the export trade. However, there are high potential markets particularly in the Middle East which account for only about 2% of the total value of exports from Kenya. Given this situation, the study has aimed at providing exporters with information so as to develop an interest in these markets and strengthen Kenya's exports.

Chapter One explains the meaning of export marketing and discusses the research proposal in detail. Chapter Two moves on to literature review and discusses areas such as market information, product research, distribution research and media research which are essential for an exporter to know, in order to successfully launch his product(s). The Chapter also briefly discusses the documentation procedure required for exporting from Kenya. The procedure is essentially the same for the countries within the preview of this paper.

Chapter Three provides background information on Saudi Arabia, Kuwait, Oman and the United Arab Emirates. The point is made there that these markets have a combined estimated population of approximately 12.5 million and high G.N.P per capita ranging from 4500 US\$ in Oman to 14500 US\$ in Kuwait in 1980. In spite of the fact that all these countries have well developed ports and international airports, the transportation structure between Kenya and these markets is extremely poor, there being no regular shipping line on this route and only bi-weekly flights from Nairobi to Jeddah and Dubai, limiting the freight on these routes. The distribution structure of all these countries was found to be practically the same with the bulk of the business being carried through a channel of importers, wholesalers and retailers. However, since only the nationals of the countries studied are allowed to import, Kenya exporters can have no effect on the distribution channels used and mark-ups applied by importers, wholesalers and retailers. The sole control in the hands of exporters is that of establishing contracts with importers and negotiating prices. The distribution of the products is thus solely the domain of the importer and as such the only influence which the exporters can have is through persuasion.

The results of the twenty interviews conducted with officials from KETA and exporters to the above countries revealed that there were a number of products which had potential for exports from Kenya, these products have been divided into two categories.

1. Products currently exported from Kenya to these markets but having further potential for growth

2. Products currently not exported from Kenya to these markets but having potential for exports .

Category 1

- (i) Coffee
- (ii) Fresh, Frozen and Tinned Meat.
- (iii) Fruits and Vegetables
- (iv) Livestock and Poultry Products
- (v) Cereals and Cereal Preparations.
- (vi) Vegetable Oils
- (vii) Cement
- (viii) Clarified Butter/Ghee

Category 2

- (i) Dairy Products
- (ii) Cotton Textiles
- (iii) Footwear.
- (iv) Kitchenware
- (v) Timber and Wood Manufactures
- (vi) Plastic Articles.
- (vii) Handicrafts
- (viii) Footballs and other Sports Equipments.

The estimated import demand for most of these commodities

has also been presented to give an idea of the market potential. It was also found that the major competitors in these markets were U.K., U.S.A., Netherlands, Denmark, Australia, Newzealand, Japan, Korea, Singapore, China, India and Pakistan.

It was also felt by most of the respondents that although the quality of Kenyan products was as good as that of any of its competitors, the prices were too high which made the Kenyan products uncompetitive. Further, they added that the major problems facing Kenyan exporters in these markets were poor transportation on these routes, high prices of products, poor packaging, lack of government incentives and lack of awareness of these markets amongst exporters.

Finally, for the purposes of predicting the value of exports to these countries three methods were used, firstly a secular trend line was drawn using the method of least squares, secondly the annual average rate of growth for exports for the past ten years was used for predicting exports and finally on the basis of prediction made by respondents. Although all the three methods revealed that exports to the above mentioned countries would increase, the predictions made on the basis of the trend line were very conservative as it is expected the exports to these four countries to be only 0.90 percent of the total expected value of exports over the next five years. On the other hand the annual average growth rate of exports anticipated to these countries (S. Arabia, Kuwait, Oman, U.A.E.) is 2.14 percent and compares favourably with the predictions made by the respondents who anticipated exports to these countries to be about

2.00 percent in the next five years.

Conclusion and Recommendations

In conclusion it can be said that Kenya's exports to the countries studied have been based on a reasonably wide product base but have shown little consistency of supply. Discussions with the exporters and the officials indicated that the image of Kenyan suppliers has deteriorated due to delivery, commercial, pricing and packaging problems.

Export sales to these countries appear to be on an 'ad hoc' nature and there seems to have been little follow up by Kenyan exporters. This lack of follow up and the consequent lack of knowledge regarding market trends and the competitive position together with poor transportation structure on these routes has resulted in Kenyan products achieving only low market penetration. Thus, it is hoped that remedial action will be taken regarding the existing problems, and a more positive and aggressive approach adopted by the government authorities and exporters in order to ensure that Kenyan products leave a favourable image in these markets and occupy a major share. If this can be done then not only can the figures predicted above be achieved, but may be the results could be much better than anticipated.

However, in line with the problems that came out in this study a few recommendations have been made which if implemented could act as a catalyst in improving exports to these markets.

Since transportation has been a major hurdle on these routes, the Ministry for Transport and the Transportation

Department of Kenya External Trade Authority should look into how it can be improved and whether with the proposed commissioning of the national shipping line this route could be serviced profitably. However, as the Transportation Department of Kenya External Trade Authority is aware of this problem, it is expected that this thing would be looked into in the near future and the bottleneck removed.

Since the Kenyan prices have become uncompetitive as a result of lack of market feedback regarding competitive trends, it is recommended that Kenyan exporters should review their current export pricing policy, and determine the prices at which they will have to supply to these markets and ascertain the feasibility and desirability of supplying at such prices. In some of the Far East Countries like Japan, Singapore and Malaysia the exporters have got full backing from their governments. His Excellency The President Daniel Arap Moi has reintroduced the Export Compensation Scheme in a bid to encourage exports. It is hoped that this sincere gesture on his part will provide the much needed encouragement to the exporters. However, the government should constantly explore new and better incentives so as to further motivate the exporters.

Efforts should also be made through Kenya External Trade Authority and the National Chamber of Commerce and Industry to identify reliable merchants in these markets, especially with regard to small and medium size importing houses (as opposed to the larger companies which by now are usually over-

committed to other suppliers). Since it was also claimed that the Arab merchants were slow and often bad at making payments export insurance and credit guarantees should be made available to Kenyan merchants in order to give them as much cover as their European competitors enjoy at present.

It is recommended that in packaging of products, particularly foodstuffs, labels should be in Arabic and the production and expiry dates should be shown. Kenyan exporters should also attempt to ensure, that the packaging used for retail selling and for freighting is acceptable to importers.

Since communication between Kenya exporters and Middle East importers was mentioned as a problem it should be seen that importers in these markets are supplied by KETA with details of products available from Kenya, and if any enquiry results then KETA should monitor that these importers who have made enquiries receive replies with the minimum of delay. ✓ Awareness of Kenyan products should also be created in these markets. This could be possibly done through product literature with photographs and a brief description of the products in Arabic, being circulated by the exporters in conjunction with KETA to the local importers in these markets. In addition to this, magazines like Kenya Export News should also be publicised amongst the exporters as their interest is presently geared towards the West and needs to be shifted to these markets. This could

be done by increased participation in Trade Fairs and by increasing the number of trade missions to these countries.

Awards should also be introduced by KETA and the National Chamber of Commerce and Industry in each particular category for the region. This should be done so as to encourage and patronise efficient producers/exporters to these markets. Exchange control policies should also give preference to producers/industrialists/exporters who are travelling on export business and they should also be provided with sufficient foreign exchange to meet their promotional, travel and related expenditure.

Measures should also be taken to ensure that administrative delays at the customs and other export oriented government departments do not delay the shipment of cargoes, apart from this differential rates and priority treatment should also be given by Kenya Railways for export goods.

The promotional and organisational expenditure of institutions like KETA should be increased so that small but potential markets like the Middle East could be researched in greater detail of time.

Although this is not an exhaustive list of recommendations, it is submitted here than even if this small number of recommendations is implemented the results are bound to prove encouraging.

Limitations

Inspite of all the efforts to make the study as exhaustive as possible it still suffers from a few limitations which are as follows:-

- 1) Due to financial and time constraints, it was not possible to:

- (a) conduct a field survey in the markets themselves.
- (b) to interview Kenyan exporters situated on the coast and up country.

This has resulted in the study not being able to incorporate the valuable opinions of the importers in these markets, as well as of the exporters situated far from Nairobi, with obvious implications to the anticipated prospects for exports from Kenya to these Middle East countries.

2) Since figures for the total value of exports to these countries was only available for ten years, a meaningful regression analysis could not be done. This was due to the fact that the number of independent variables (such as population, oil prices, oil production) were eight, limiting the degrees of freedom to only 2.

Thus, although this study is valuable, there still exists further scope for detailed research on these markets incorporating the limitations of this study.

UNIVERSITY OF NAIROBIRESEARCH PROJECTQUESTIONNAIRE A

1. Which are the countries in the Middle East to which Kenyan Products are being exported.

(Please rank in order of importance)

(i) _____

(ii) _____

(iii) _____

(iv) _____

(v) _____

2. What are the products which have been exported over the years from Kenya to these countries.

(i) Kuwait _____

(ii) United Arab Emirates _____

(iii) Sultanate of Oman _____

(iv) Saudi Arabia _____

3. Against which countries is Kenya competing in these markets
(Rank in order of importance).

(i) _____	(ii) _____
(iii) _____	(iv) _____
(v) _____	(vii) _____
(vii) _____	(viii) _____
(ix) _____	(x) _____

4. Do you feel that there is potential for growth in these products
(as mentioned in answer 2).

Kuwait	Yes _____	go to Question 5
	No _____	go to Question 6
United Arab Emirates	Yes _____	go to Question 5
	No _____	go to Question 6
Sultanate of Oman	Yes _____	go to Question 5
	No _____	go to Question 6
Saudi Arabia	Yes _____	go to Question 5
	No _____	go to Question 6

5. Please specify the products in order of importance

(i) _____	(ii) _____
(iii) _____	(iv) _____
(v) _____	(vi) _____
(vii) _____	(viii) _____

6. Please give reasons for your answer to Question No.4.

7. What are the other products not exported currently from Kenya but have a potential from the point of view of Kenyan exporters.

(1) Kuwait :

(2) United Arab Emirates :

(3) Sultanate of Oman :

(4) Saudi Arabia :

8. Please give reasons to support to your answer to No.7.

9. On what factor should the Kenyan exporter pay emphasis while exporting his product to these countries.

(i) Price

(ii) Promotion

(iii) Quality

(iv) Combination of above (specify)

(v) Others (specify)

10. What do you feel about the promotion of Kenyan goods in these countries. (Please place a, b, c, d or e in front of each country)

(a) Very well promoted

(b) Well promoted but need for further promotion

(c) Promotion neglected

(d) Not promoted at all

(e) Others (specify)

UNIVERSITY OF NAIROBI
LIBRARY

Kuwait

United Arab Emirates

Sultanate of Oman

Saudi Arabia

11. Are there any special considerations regarding packaging which an exporter to these countries should bear in mind.

Yes _____ go to Question 12.

No _____ go to Question 13.

12. Please state the special considerations.

13. What do you feel about the quality of the products exported from Kenya as compared to that of its competing countries.

(i) Very Superior

(ii) Superior

(iii) Neither Superior Nor Inferior

(iv) Inferior

(v) Very Inferior

14. What do you feel about the prices of the Kenyan products as compared to its competing countries.

(i) Very High

(ii) High

(iii) Neither High Nor Low

(iv) Low

(v) Very Low

15. What are the problems which Kenyan exporters are encountering when exporting their products to these countries.

(a)

(b)

(c)

(d)

(e)

16. What recommendations would you give to boost Kenyan exports to these countries ?

(a)

(b)

(c)

(d)

(e)

17. Considering the fact that the exports from Kenya to these countries have accounted for less than 1.5% of the total value of exports. How much do you expect the value to be in the next five years.

1982

1983

1984

1985

1986

18. Why ? (Please state reasons for No.17).

RESEARCH PROJECT

QUESTIONNAIRE B

exporter

1. What are the products in which the Company is dealing
 - (i) _____
 - (ii) _____
 - (iii) _____
 - (iv) _____

2. What has been the total sales of the Company for the following years.

1977	1978	1979	1980	1981
_____	_____	_____	_____	_____

3. Please state the share (%) of the export sales out of the total sales for the past five years.

1977	1978	1979	1980	1981
_____	_____	_____	_____	_____

4. To which countries do you export your products ? Please state the top five countries in order of importance :
 1. _____
 2. _____
 3. _____
 4. _____
 5. _____

5. What has been the sales of your Company to the following countries for the past five years ?

_____	_____
_____	_____
_____	_____
_____	_____

	1977	1978	1979	1980	1981
Kuwait	_____	_____	_____	_____	_____
United Arab Emirates	_____	_____	_____	_____	_____
Sultanate of Oman	_____	_____	_____	_____	_____
Saudi Arabia	_____	_____	_____	_____	_____

6. Out of your total exports how much do you expect to export to these countries for the next five years :

	1982	1983	1984	1985	1986
Kuwait	_____	_____	_____	_____	_____
United Arab Emirates	_____	_____	_____	_____	_____
Sultanate of Oman	_____	_____	_____	_____	_____
Saudi Arabia	_____	_____	_____	_____	_____

7. Against which countries are you competing in:

Kuwait _____

United Arab Emirates _____

Sultanate of Oman _____

Saudi Arabia _____

8. How do you rate the quality of your products as compared to those of the competing countries (please tick one of the following).

Very Superior ☐

Superior ☐

Neither Superior nor Inferior ☐

Inferior ☐

Very Inferior ☐

9. On what factors should the Kenyan Exporters emphasise while exporting their products to these countries :

- (a) Price
- (b) Promotion
- (c) Quality
- (d) Combination of above (specify) _____
- (e) Others (Specify).

10. What do you feel about the prices of the Kenyan products as compared to its competing countries.

- (i) Very High
- (ii) High
- (iii) Neither High nor Low
- (iv) Low
- (v) Very Low

11. Is the Company operating on full capacity ?

Yes ☐ go to Question 14.

No ☐ go to Question 12.

12. What is the available capacity ☐ %

13. Do you feel that the utilisation of this idle capacity will have any bearing on the exports to Kuwait, United Arab Emirates, Sultanate of Oman and Saudi Arabia? If yes then by how much over the next five years:

	1982	1983	1984	1985	1986
Kuwait	_____	_____	_____	_____	_____
United Arab Emirates	_____	_____	_____	_____	_____
Sultanate of Oman	_____	_____	_____	_____	_____
Saudi Arabia	_____	_____	_____	_____	_____

14. What are the problems which you are facing in exporting to these countries?

Problems : (a) _____
(b) _____
(c) _____
(d) _____

15. Apart from the products of your company which are the other products which have potential for exports from Kenya to these countries?

Kuwait _____

United Arab Emirates _____

Sultanate of Oman _____

Saudi Arabia _____

16. Considering the fact that the exports from Kenya to these countries have just amounted for less than 1.5% of the total value of exports. How much do you expect them to be for the next five years ?

1982	1983	1984	1985	1986
------	------	------	------	------

_____	_____	_____	_____	_____
-------	-------	-------	-------	-------

17. Please support your answer to question No.16 with reasons :

APPENDIX 3

Saudi Arabia

CALCULATION OF TREND EQUATION

Year	Year Code (X)	Exports (Y) million Kshs.	(XY)	X^2	Yt
1971	-5	1.40	-7.00	25	-1.76
1972	-4	3.12	-12.48	16	2.165
1973	-3	5.50	-16.50	9	6.09
1974	-2	11.20	-22.40	4	10.015
1975	-1	15.50	-15.50	1	13.94
1976	0	9.36	0	0	17.865
1977	1	22.48	22.48	1	21.79
1978	2	25.80	51.60	4	25.715
1979	3	14.50	43.50	9	29.64
1980	4	50.18	200.72	16	33.565
1981	5	37.475	187.375	25	37.49
Total		Y=196.515	431.795	$X^2=110$	

Then the required least square line is

$$Y_t = a + b \frac{x}{y}$$

Where $a = \frac{196.515}{11} = 17.865$

$$\text{and } b = \frac{xy}{x^2} = \frac{431.795}{110} = 3.925$$

$$\text{Thus } Y_t = 17.865 + 3.925 X$$

APPENDIX 4

Kuwait

CALCULATION OF TREND EQUATION

Year	Year Code (X)	Exports (Y) Million Kshs	(XY)	(X ²)	Yt
1971	-5	14.76	-73.80	25	10.949
1972	-4	3.74	-14.96	16	10.954
1973	-3	10.84	-32.52	9	10.959
1974	-2	12.50	-25.00	4	10.963
1975	-1	7.96	- 7.96	1	10.968
1976	0	12.84	0	0	10.973
1977	1	20.26	20.26	1	10.978
1978	2	5.80	11.60	4	10.983
1979	3	15.22	45.66	9	10.987
1980	4	6.66	26.84	16	10.992
1981	5	10.12	50.60	25	10.997
Total		Y=120.7	xy=0.52	X ² =110	

Then the required least square line Yt as shown in the table can be obtained as follows:-

$$Y_t = a + bx.$$

$$\text{where } a = \bar{Y} = \frac{120.7}{11} = 10.973$$

$$\text{and } b = \frac{Xy}{X^2} = \frac{0.52}{110} = .0048.$$

$$Y_t = 10.973 + .0048X$$

APPENDIX 5

Sultanate of Oman

CALACULATION OF TREND EQUATION

Year	Year Code (X)	Exports (Y) Million Kshs	(XY)	(X ²)	yt
1971	-5	5.08	-25.40	25	7.75
1972	-4	4.40	-17.60	16	11.29
1973	-3	11.21	-33.63	9	14.83
1974	-2	29.24	-58.48	4	18.37
1975	-1	24.32	-24.32	1	21.91
1976	0	24.16	0	0	25.45
1977	1	58.71	58.71	1	28.99
1978	2	25.23	50.46	4	32.53
1979	3	8.64	25.92	9	36.07
1980	4	31.16	124.64	16	39.61
1981	5	57.82	284.10	25	43.15
Total		Y=279.97	Xy=389.40	X ² =110	

Then the required least square line Yt as shown in the table can be obtained as follows:-

$$Y_t = a + bX$$

where $a = \frac{Y}{n} = \frac{279.97}{11} = 25.45$

and $b = \frac{XY}{X^2} = \frac{389.40}{110} = 3.54$

$$Y_t = 25.45 + 3.54X$$

APPENDIX 6United Arab EmiratesCALCULATION OF TREND EQUATION

Year	Year Code (X)	Exports (Y) Million Kshs	(XY)	X ²	Yt
1973	-4	23.12	-92.48	16	54.53
1974	-3	58.23	-174.69	9	54.59
1975	-2	58.16	-116.32	4	54.65
1976	-1	63.83	-63.83	1	54.71
1977	0	74.48	0	0	54.77
1978	1	82.25	82.25	1	54.83
1979	2	58.44	116.88	4	54.89
1980	3	45.70	137.10	9	54.95
1981	4	28.75	115.00	16	55.01
Total		Y=492.96	XY=3.91	X ² =60	

Then the required least square line is

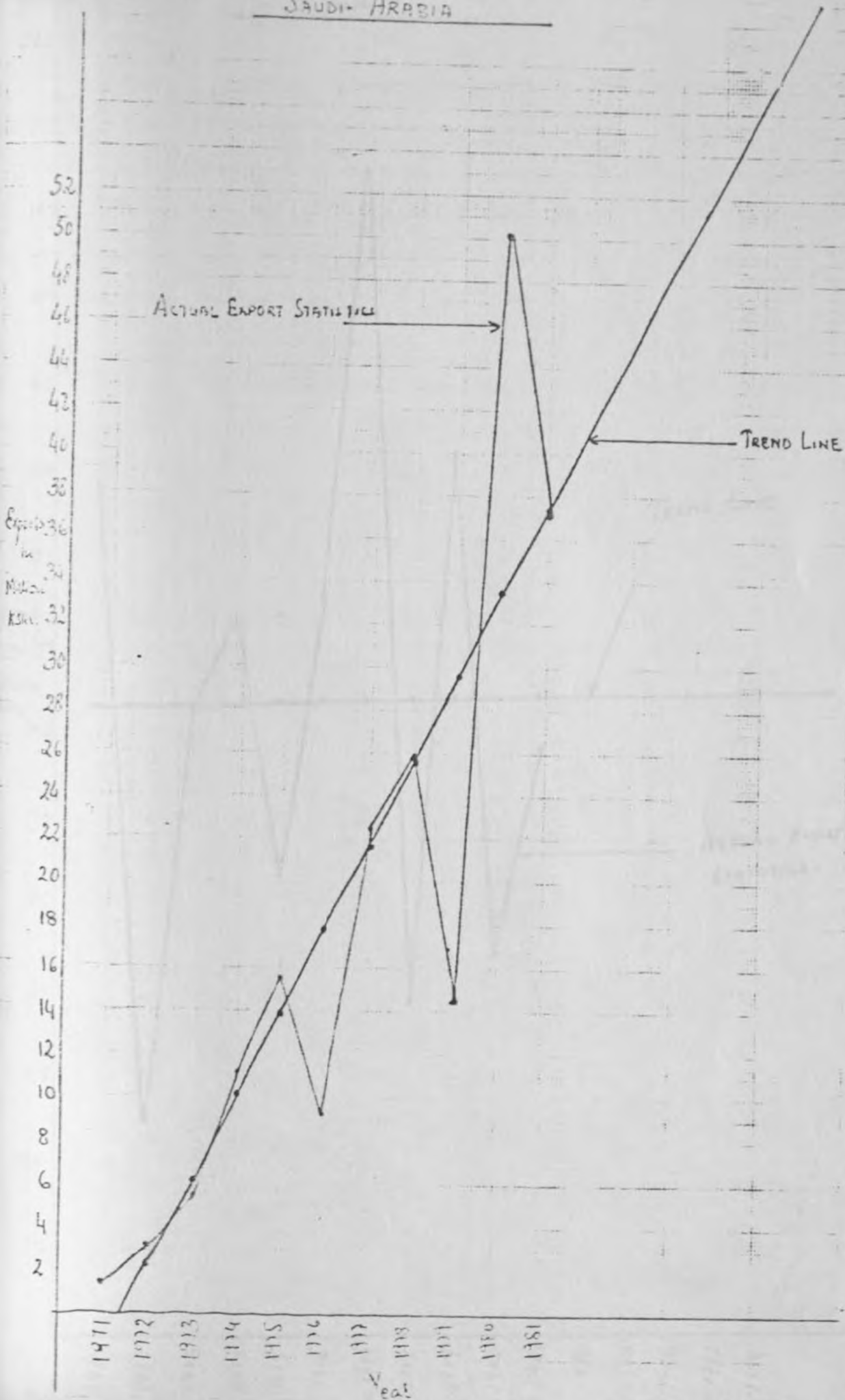
$$Y_t = a + bx$$

where $a = \bar{Y} = \frac{492.96}{9} = 54.77$

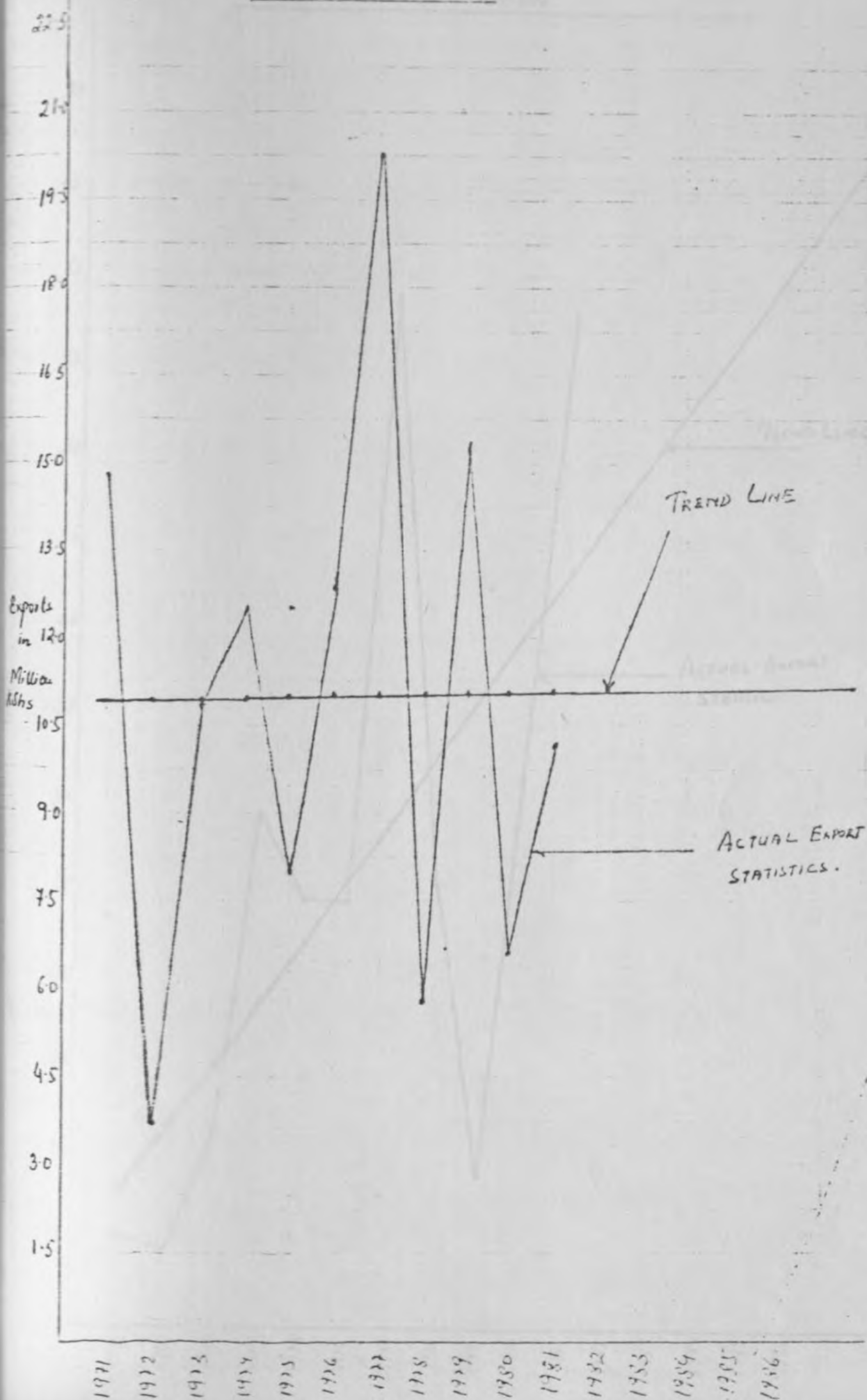
and $b = \frac{XY}{X^2} = \frac{3.91}{60} = .06$

Thus $Y_t = 54.77 + .06 (X)$

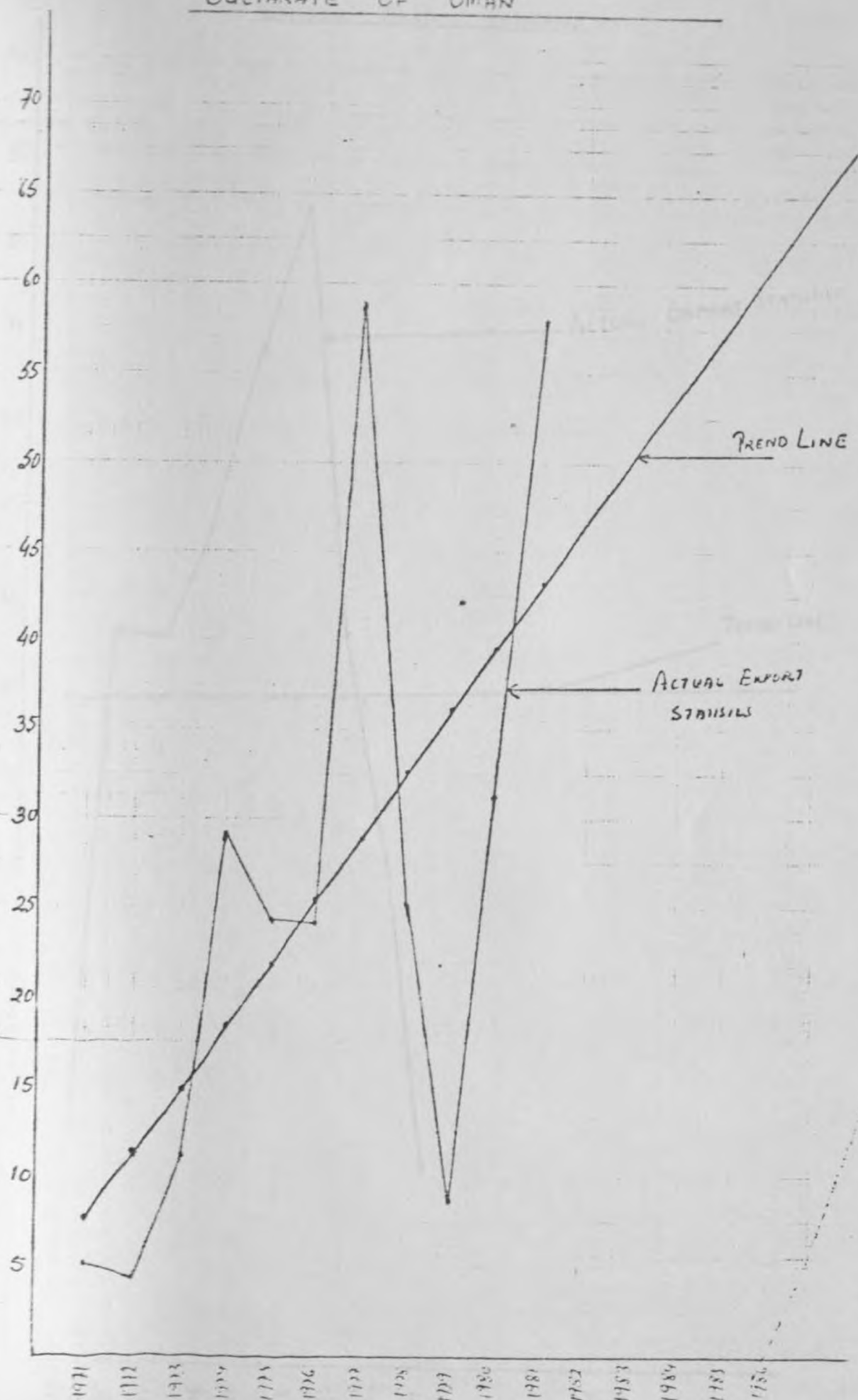
SAUDI ARABIA

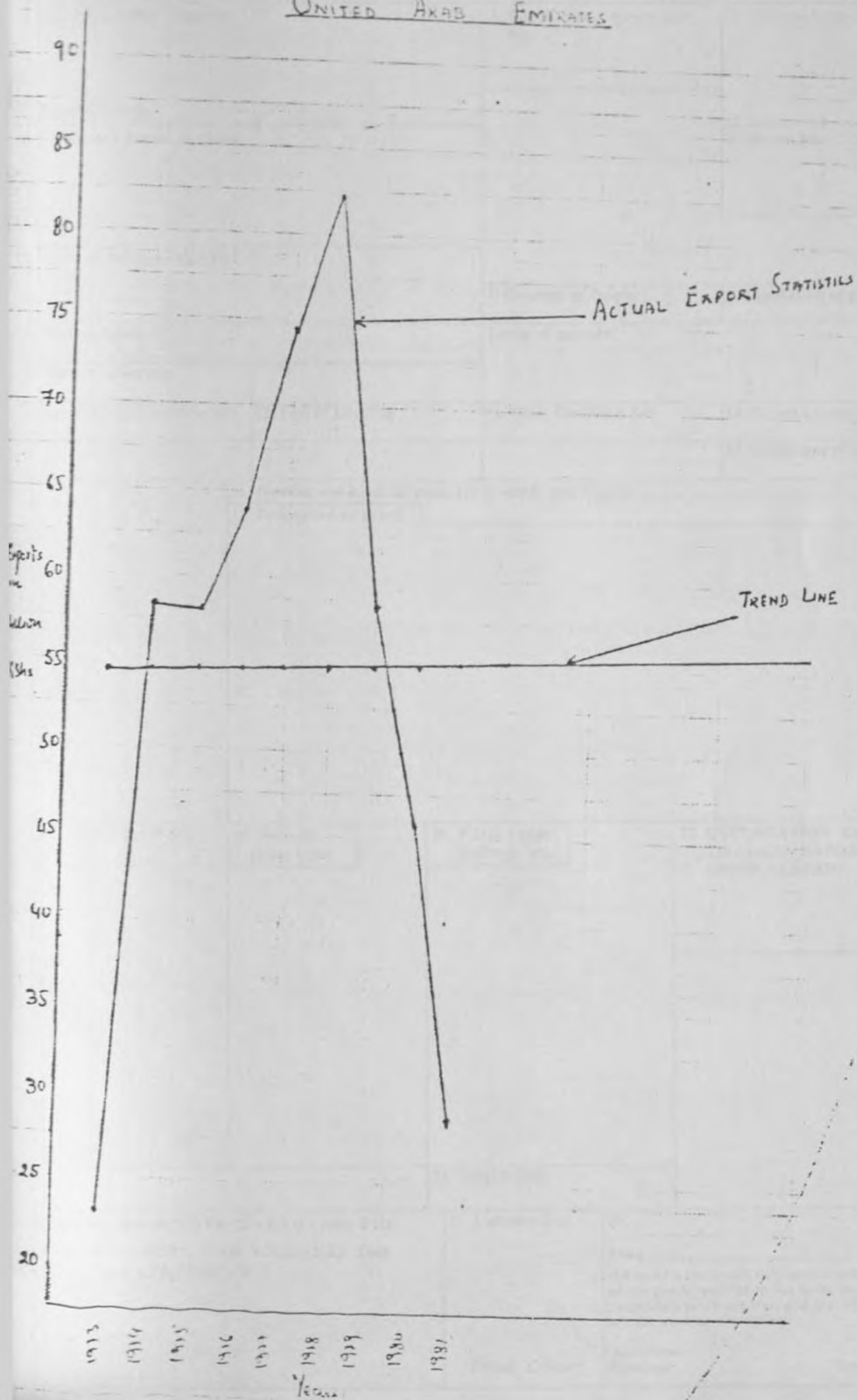


KUWAIT



SULTANATE OF OMAN



UNITED ARAB EMIRATES

C.D. 3A

EXPORTS FROM KENYA

109611

1. Exporter's Name Address		2. Bill of lading Airway bill No.		3. Customs Entry Number	
4. Consignee's Name Address		5. Invoice No.			
6. Notify or Delivery Address		7. Country of Origin		8. Destination of goods	
9. Clearing Agent		Terms of payment.			
10. Date of Shipment					
11. Vessel/Aircraft/Vehicle No.		12. Port of Loading		13. CBK Certificate No.	
				14. Export Licence No. date	
				15. Conditions of sale	
		16. Number and kinds of packages in words and Figures			
		17. Description of goods			
Statistical Code		19. Tariff No.		20. Nett Qty (State Unit)	
		21. F.O.B. value Shillings etc.		22. DECLARATION OF INTENT TO CLAIM EXPORT COMPENSATION	
		23. Total F.O.B.			
COMMERCIAL BANK'S STAMP VERIFYING THE APPLICANT'S SIGNATURE AND VOUCHING THE ACCURACY OF THE STATEMENT.		25. Customs Use		26.	
		Proper Officer		I/We _____ the owners (or agents duly authorized by the owners) of the goods specified in this form, declare that all the particulars given are true, and that the export prices on the invoice are correct. Authorized Signature _____ Date _____	

GUIDE TO EXPORTERS OF GOODS FROM KENYA BY CUSTOMS

Forms C.D. 3A, C.D. 3B and C.D. 3C must be completed by all exporters of goods from Kenya.

Exporters registered with the Central Bank of Kenya

All the three forms must be presented to a commercial bank for verification as required under box 24 of C.D. 3A, C.D. 3B and C.D. 3C. After verification, the commercial bank should detach C.D. 3A and send it to the Central Bank of Kenya. Thereafter, C.D. 3B and C.D. 3C should be sent back to the exporter for representation to the Central Bank of Kenya by the Customs, and C.D. 3C should be sent to the Central Bank of Kenya by the commercial bank.

Exporters not registered with the Central Bank of Kenya

- (a) The procedure is the same as in paragraph 2, except that forms C.D. 3B and C.D. 3C must be stamped in box No. 29 by the Central Bank of Kenya prior to submission to Customs.
- (b) Registered exporter who is exporting for purposes other than sale or who has received payment in advance must follow the procedure in (a) above.

The Central Bank of Kenya may call for production of any documents which may be required in order to satisfy the bank that payments for the goods had been received.

Boxes 26 and 27 must be signed by either the exporter or a person authorized in writing by him.

Box 28 concerns mode of receipt of payments

- (1) *Foreign currency:* If receipts are in several amounts of foreign currency, the exporter's bank should enter these at the time of each payment on a continuation sheet attached to C.D. 3C, retaining the form until the final instalment is received. The exporter's bank should complete the certificate and forward it to the Central Bank of Kenya.
- (2) When payments are made by a bill drawn under credit, the bill for acceptance (or payment if at sight) should be attached to C.D. 3C and retained by the commercial bank until reimbursement is received. If several bills are drawn against one shipment, the amounts should be listed on a continuation sheet attached to the C.D. 3C and the certificate should be completed when cover is received for the final bill. If no bill is available C.D. 3C should be submitted to the commercial bank with the documents.

Box 30 must be completed when payment is to be made to an agent, person or company abroad, through an intercompany adjustment account and C.D. 3C together with related invoices should be attached to the quarterly return of intercompany account rendered to the Central Bank of Kenya.

Invoices or Statements

In all cases, the certified C.D. 3C on submission to the Central Bank of Kenya should be accompanied by copies of invoices, banks credit slips, export entries and Airway Bills/Bills of Lading or if the goods had not been sold at the time of exportation, invoices or statements showing the computation of the amount declared in the C.D. 3C. These invoices or statements must show the quantity and description of the goods and a reconciliation between the total amount of the invoice or statement and the amount received in payment.

Export by Post

The procedure to be followed in post parcels is the same as those set out in the preceding paragraphs, but the C.D. 3B must be placed in an envelope marked "Form C.D. 3B" which must be attached firmly to the package in such a manner as to be readily detachable. Where a single form covers a batch of parcels the envelope containing the Form must be marked "one of a batch of _____ parcels covered by form C.D. 3B". Form C.D. 3C will be retained by the sender for onward transmission to his bankers who will subsequently send it to the Exchange Control on receipt of Foreign Exchange.

False Statements

Tampering with any part of these forms after completion and signature or making false statements may render the party concerned liable to any penalties.

C.D. 3B TO BE SENT TO THE CENTRAL BANK OF KENYA BY CUSTOMS

27. We declare that the following MONEY.		28.
CURRENCY _____		
AMOUNT _____		
Will be paid by		
(i) TRANSFER OF FOREIGN CURRENCY or		
(ii) EXTERNAL A/C IN KENYA		
AMOUNT SHS. _____		
Approx. Date of PAYMENT _____		
THIS AMOUNT IS MADE UP AS FOLLOWS—		
F.O.B. VALUE _____		
INSURANCE _____		
FREIGHT CHARGES _____		
OTHERS _____		
GRAND TOTAL _____		
Signature of Exporter or author <i>A person</i> _____		29. EXCHANGE CONTROL USE
30. NAME AND ADDRESS OF PAYEE (if outside Kenya)	EXCHANGE CONTROL AUTHORITY REFERENCE	
31.		
RAIL WAGON AIRCRAFT SHIPPED IN VESSEL VEHICLE No. _____ as entered.		
PACKAGES.		
SATISFIED CORRECT/SHORT SHIPMENT		
DATE _____ PROPER OFFICER _____		
32.		

C.D. 3B

EXPORTS FROM KENYA

109611

[illegible]

C.D. 3C

EXPORTS FROM KENYA

109611

1. Exporter's Name Address			2. Bill of Lading/Airway Bill No.		3. Customs Entry Number	
4. Consignee's Name Address			7. Country of Origin		5. Invoice No.	
6. Notify or Delivery Address					8. Destination of goods	
9. Clearing Agent			Terms of payment.			
10. Date of Shipment		11. Vessel/Aircraft/Vehicle No.		12. Port of Loading		13. CBK Certificate No.
						14. Export Licence No. date
						15. Conditions of sale
16. Number and kinds of packages in words and Figures			17. Description of goods			
18. Statistical Code			19. Tariff No.		20. Nett Qty (State Unit)	
			21. F.O.B. value Shillings etc.		22. DECLARATION OF INTENT TO CLAIM EXPORT COMPENSATION	
			23. Total F.O.B.			
24. COMMERCIAL BANK'S STAMP VERIFYING THE APPLICANT'S SIGNATURE AND VOUCHING THE ACCURACY OF THE STATEMENT.			25. Customs Use		26. I/We the owners (or agents duly authorized by the owners) of the goods specified in this form, declare that all the particulars given are true, and that the export prices on the invoice are correct.	
			Proper Officer		Authorized Signature Date	

C.D. 3C TO BE SENT TO THE CENTRAL BANK OF KENYA BY THE
COMMERCIAL BANK

27. We declare that the following MONEY,

CURRENCY _____

AMOUNT _____

Will be paid by _____

TRANSFER OF FOREIGN CURRENCY or
INTERNAL A/C IN KENYA

AMOUNT SHS. _____

Approx. Date of PAYMENT _____

THIS AMOUNT IS MADE UP AS FOLLOWS—

F.O.B. VALUE _____

INSURANCE _____

FREIGHT CHARGES _____

OTHERS _____

GRAND TOTAL _____

Signature of Exporter or authorized person _____

30. NAME AND ADDRESS OF PAYEE
(if outside Kenya)EXCHANGE
CONTROL
AUTHORITY
REFERENCE

31.

SHIPPED IN

RAIL WAGON

AIRCRAFT

VESSEL

VEHICLE No. _____

as entered.

PACKAGES.

SATISFIED CORRECT/SHORT SHIPMENT

DATE _____

PROPER OFFICER _____

32. ES TO THE EXPORTER'S BANK

Copy must be certified immediately the export proceeds are received and then lodged with the Central Bank of Kenya Control, accompanied by the Sales Invoice, Bank Credit Slips, an Export Entry and an Air Way Bill or Bill of Lading. Difference between the declared amount and the certified amount must be accounted for on the submission of this form.

NO-2424

(Ufanisi House, Haile Selassie Avenue)

P.O. Box 47024 - NAIROBI

Telephone: 20866 or 20867

Cable: "NACHAMBER"

(Approved and designated as an issuing authority
by the Government of Kenya)

Country of origin

Country of destination

Transport details (sea, air, etc.)

Customs Entry No.

CD3 No.

Export licence No.

Bill of lading/Air waybill No.

Marks & Numbers

Number and kind of packages.	Description of goods.
1	100 lbs. of sugar
2	50 lbs. of sugar
3	25 lbs. of sugar
4	10 lbs. of sugar
5	5 lbs. of sugar
6	2 lbs. of sugar
7	1 lb. of sugar
8	1/2 lb. of sugar
9	1/4 lb. of sugar
10	1/8 lb. of sugar
11	1/16 lb. of sugar
12	1/32 lb. of sugar
13	1/64 lb. of sugar
14	1/128 lb. of sugar
15	1/256 lb. of sugar
16	1/512 lb. of sugar
17	1/1024 lb. of sugar
18	1/2048 lb. of sugar
19	1/4096 lb. of sugar
20	1/8192 lb. of sugar
21	1/16384 lb. of sugar
22	1/32768 lb. of sugar
23	1/65536 lb. of sugar
24	1/131072 lb. of sugar
25	1/262144 lb. of sugar
26	1/524288 lb. of sugar
27	1/1048576 lb. of sugar
28	1/2097152 lb. of sugar
29	1/4194304 lb. of sugar
30	1/8388608 lb. of sugar
31	1/16777216 lb. of sugar
32	1/33554432 lb. of sugar
33	1/67108864 lb. of sugar
34	1/134217728 lb. of sugar
35	1/268435456 lb. of sugar
36	1/536870912 lb. of sugar
37	1/1073741824 lb. of sugar
38	1/2147483648 lb. of sugar
39	1/4294967296 lb. of sugar
40	1/8589934592 lb. of sugar
41	1/17179869184 lb. of sugar
42	1/34359738368 lb. of sugar
43	1/68719476736 lb. of sugar
44	1/137438953472 lb. of sugar
45	1/274877906944 lb. of sugar
46	1/549755813888 lb. of sugar
47	1/1099511627776 lb. of sugar
48	1/2199023255552 lb. of sugar
49	1/4398046511104 lb. of sugar
50	1/8796093022208 lb. of sugar
51	1/17592186044416 lb. of sugar
52	1/35184372088832 lb. of sugar
53	1/70368744177664 lb. of sugar
54	1/140737488355328 lb. of sugar
55	1/281474976710656 lb. of sugar
56	1/562949953421312 lb. of sugar
57	1/1125899906842624 lb. of sugar
58	1/2251799813685248 lb. of sugar
59	1/4503599627370496 lb. of sugar
60	1/9007199254740992 lb. of sugar
61	1/18014398509481984 lb. of sugar
62	1/36028797018963968 lb. of sugar
63	1/72057594037927936 lb. of sugar
64	1/144115188075855872 lb. of sugar
65	1/288230376151711744 lb. of sugar
66	1/576460752303423488 lb. of sugar
67	1/1152921504606846976 lb. of sugar
68	1/2305843009213693952 lb. of sugar
69	1/4611686018427387904 lb. of sugar
70	1/9223372036854775808 lb. of sugar
71	1/18446744073709551616 lb. of sugar
72	1/36893488147419103232 lb. of sugar
73	1/73786976294838206464 lb. of sugar
74	1/147573952589676412928 lb. of sugar
75	1/295147905179352825856 lb. of sugar
76	1/590295810358705651712 lb. of sugar
77	1/1180591620717411303424 lb. of sugar
78	1/2361183241434822606848 lb. of sugar
79	1/4722366482869645213696 lb. of sugar
80	1/9444732965739290427392 lb. of sugar
81	1/18889465931478580854784 lb. of sugar
82	1/37778931862957161709568 lb. of sugar
83	1/75557863725914323419136 lb. of sugar
84	1/151115727451828646838272 lb. of sugar
85	1/302231454903657293676544 lb. of sugar
86	1/604462909807314587353088 lb. of sugar
87	1/1208925819614629174706176 lb. of sugar
88	1/2417851639229258349412352 lb. of sugar
89	1/4835703278458516698824704 lb. of sugar
90	1/9671406556917033397649408 lb. of sugar
91	1/19342813113834066795298816 lb. of sugar
92	1/38685626227668133590597632 lb. of sugar
93	1/77371252455336267181195264 lb. of sugar
94	1/154742504910672534362390528 lb. of sugar
95	1/309485009821345068724781056 lb. of sugar
96	1/618970019642690137449562112 lb. of sugar
97	1/1237940039285380274899124224 lb. of sugar
98	1/2475880078570760549798248448 lb. of sugar
99	1/4951760157141521099596496896 lb. of sugar
100	1/9903520314283042199192993792 lb. of sugar

Value

Gross
Weight

Invoices
Nos. and
dates.

I/we the undersigned do declare that all particulars given are true and correct.

Signature.....

Designation of Declarer

Kenya National Chamber of Commerce and Industry. Valid only when embossed with the seal of the Chamber.

BIBLIOGRAPHY

- Deschampsneufs, H. Marketing Overseas
Pergamon Press Ltd.
London, 1967 pp 1 - 58
- Deschampsneufs, H. Selling Overseas
Staples Printers Ltd.,
Rochester, Kent. 1960
pp 46 - 84
- Europa Middle East and North Africa 1981-82
Europa Publications Ltd.,
London 1981.
pps 527 - 530, 674 - 677, 840 - 847.
- Fayerweathers, John International Marketing
Prentice Hall Inc.,
New Jersey,
pp 5 - 12
- Hess, J.M. and
Cateora P.R. International Marketing
Richard D. Irwin, Inc.,
Illinois, 1966
pp 91 - 144
- International Monetary Fund International Financial Statistics
Bureau of Statistics, I.M.F.,
Washington, Volume xxxv June 1982
pps 251 - 252, 312 - 313, 348 - 349,
413 - 414.
- Industrial Market Research Potential For Increasing Exports
To The Middle East
Industrial Marketing Research Ltd.,
London, 1980 Vol. I pp 10 - 60
Vol. II pp 4 - 75, Vol. III 45 - 125,
Vol. IV pp 1 - 70.
- Kramer, R.L. International Marketing
South Western Publishing Co.,
Ohio, 1970 pp 3 - 17
- Kenya External Trade Authority Kenya Export Directory
1980, KETA Publication,
Ministry of Commerce and Industry
- Kenya External Trade Authority Kenya Export News "Middle East Special"
KETA Publication,
Ministry of Commerce and Industry
pp 7 - 44.

- Kenya External Trade Authority Kenya Export News
KETA Publication,
Ministry of Commerce and Industry,
January 1982 pp 14.
- Kenya External Trade Authority Bi Annual Report 1976/77
KETA Publication,
Ministry of Commerce and Industry
pp 7 - 13
- Kenya External Trade Authority Annual Report 1979
KETA Publication,
Ministry of Commerce and Industry,
pp 15.
- Kenya External Trade Authority Kenya Exporters Guide on Procedures
And Documentation
KETA Publication,
Ministry of Commerce and Industry,
pp 1 - 11.
- Lotus Advertising Welcome To Kuwait
Dar Altalea 1982
pp 4 - 27.
- Middle East Economic
Consultants Saudi Arabia Developmental Aspects
1979, pp 2 - 31.
- Owens Owens Commerce And Travel And
International Register
Owens Commerce and Travel Ltd.,
London, 1981.
- Republic of Kenya Development Plan 1979-83 Part I
Government Printer,
Nairobi, pp 314 - 325.
- Republic of Kenya Economic Survey 1981
Ministry of Economic Planning,
pp 101.
- Republic of Kenya Statistical Abstract 1979
Central Bureau of Statistics,
Ministry of Economic Planning and
Community Affairs,
Nairobi, pp 64
- Republic of Kenya Annual Trade Report 1977 Volume II
Statistical Branch, Customs and
Excise Department, Ministry of
Finance,
Nairobi, pps 324, 342 - 344.

Republic of Kenya	<u>Annual Trade Report 1978</u> Statistical Branch, Customs and Excise Department, Ministry of Finance, Nairobi, pp 287 - 402.
Republic of Kenya	<u>Annual Trade Report 1980</u> Statistical Branch, Customs and Excise Department, Ministry of Finance, Nairobi, pps 474 - 602.
Republic of Kuwait	<u>The Kuwait Economy In Ten Years: Economic Report 1969 - 1979</u> Central Bank of Kuwait, Kuwait, June 1980, pp 12 - 34.
Spiegel, M.R.	<u>Statistics</u> McgrawHill Book Company, New York, 1972 pp 283 - 295.
Staton, W. J.	<u>Fundamentals of Marketing</u> McgrawHill Kogakusha, 1978, pp 499 - 512.
Sultanate of Oman	<u>Oman Facts And Figures 1980</u> Directorate General of National Statistics, August 1981, pp 2 - 16.
Sultanate of Oman	<u>Statistical Yearbook 1978</u> Directorate General of National Statistics, August 1979, pp 89 - 95.
The Daily Nation	<u>Money</u> Nation Newspapers Ltd., Nairobi, June 15th, 1982. pp 9
The Daily Nation	<u>President Moi's Guidelines on The Economy and Trade</u> Nation Newspapers Ltd., Nairobi, Sept. 22nd 1982 pp 6.
The Times of India	<u>The Economic Times</u> June 14th, 1982, pp 1 - 7.
The Economist	<u>The World In Figures</u> The Economist Newspapers Ltd., London, 1976, pp 182 - 183, 190 - 191 202 - 203, 194 - 195.
United Nations	<u>Yearbook of International Trade Statistics 1979 Volume 1</u> Department of International Economic and Social Affairs, New York pp 683 - 685, 752 - 753, 953 - 954 and 1095.

World Bank

World Development Report 1981

The World Bank Washington D.C.,
August 1981, pp 134 - 135.

02340