

Declaration

**TRADE RELATED BARRIERS TO KENYA'S EXPORTS OF
FRUITS AND VEGETABLES TO THE EUROPEAN UNION**

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BY

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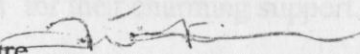
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Declaration

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

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Dedication

It is a great delight to acknowledge the support that I have been given during the process of carrying out this research. I am heavily indebted to my supervisor Mr. Elud O. I dedicate this research study to my late mother Sera Nyawira Gichuru for her love and support. To my husband Gikonyo Kimani for his patience and to my children George and Angela for their charming support.

I am also grateful to all the academic staff of the University of Nairobi's School of Business who in one way or another assisted me in the completion of this research paper. Thank you all for your charming concern.

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My late mother Sera N. Gichuru who encouraged and supported me to join the Masters programme. To my husband G. G. Kimani who gave me loads of support. My children George and Angela for their care and understanding.

Lastly, I appreciate the export organizations' management staff who provided data used for analysis in this research. Above all praise and glory goes to the Almighty God for enabling me to complete this course.

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I am also grateful to all the academic staff of the University of Nairobi's School of Business who in one way or another assisted me in the completion of this research paper and those who guided me in coursework, which gave the basic tools needed in writing up such a research paper. I also appreciate the support and encouragement from my fellow classmates.

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ABSTRACT

Horticulture has been identified as the fastest growing agricultural sub-sector in Kenya, second only to tea as foreign exchange earner. The sub-sector contributes significantly to the Gross Domestic Product (GDP) and employs over one million people directly and indirectly. The horticultural produce exports have also been rising despite the increase in implementation of tariffs in the global market especially in the European Union (EU). The flower industry has been the mainstay of horticultural exports, but recently, the market for fruit and vegetables exports has expanded. This paper highlights the barriers that Kenyan export organizations face in their endeavour to penetrate the European fruit and vegetable markets

A total of 80 exporter organizations were selected using the stratified random sampling procedure out of which 58 organizations returned fully-filled questionnaires within the prescribed period. The data was analyzed using descriptive statistics in the form of percentage tables and pie charts. The study noted that both the tariff and non-tariff barriers affected the export of fruits and vegetables to the EU market. The barriers both tariff and non-tariff resulted in an increase in the export costs and made the exports to become uncompetitive in the EU market due to their quality or cost. Despite this, the study also noted that the Kenyan government had initiated some programmes to address the barriers and enable the exporters compete effectively in the EU market.

Based on the findings of the study, it is recommended that there is still need for the government to intervene further especially by reducing government taxes, offering subsidies and providing information to the exporter organizations. In addition, the export organizations need to invest in programmes that will assist them in overcoming the barriers such as adherence to the required standards. These initiatives will enable the exporters to compete effectively in the EU market and thus earn the country the much needed foreign exchange.

ACRONYMS

ACP	-	African, Caribbean and Pacific countries	
EU	-	European Union	
GDP	-	Gross Domestic Product	
HCDA	-	Horticultural Crop Development Authority	
HACCP	-	Hazard Analysis Critical Control Point	
SPS	-	Sanitary and Phytosanitary	

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countries have in global trade negotiations. Events in the global agricultural market are important for exporting countries beyond the price changes triggered by global reform. This is because export growth contributes significantly to the growth of agriculture in developing countries (Hornig et al. 1996).

The creation of environmental standards and regulations in industrialized countries may impact the trading opportunities of developing countries. The fear in many developing countries, especially, is that stricter product standards in the markets of developed countries will act as trade barriers for their exports. Given their lack of market power, developing countries may be extremely vulnerable to changing market conditions in the North, including an often intricate mixture of environmental and protectionist measures.

Countries that export to import, and integrating an economy into world markets induces institutional change, which facilitates increased rates of economic growth.

1.1.1 Kenya Horticultural Industry

Kenya is an agriculturally endowed country with favourable climatic conditions and soils (and). This encourages the country to produce for both local consumption and export markets. Based on the availability of natural resources, Kenya produces a wide range of horticultural products that are normally categorized into four main sub-groups, namely, vegetables, fruits, cut flowers, herb and spices. Horticultural production occurs under both large and smallholder production systems, with the latter mainly practicing dry-farming systems. The main horticultural production areas in the country are Central, Nyanza and Rift Valley provinces that together accounted for nearly 74 % of total horticultural production in 2005 (Kenyafile, 2006).

CHAPTER ONE

INTRODUCTION

1.1 Background

In recent years, agricultural protection and its impact on developing countries have attracted growing attention. Agricultural protection continues to be among the most contentious issues in global trade negotiations. Events in the global agricultural market are important for exporting countries beyond the price changes triggered by global reforms. This is because export growth contributes significantly to the growth of agriculture in developing countries (Bennis et al, 1995).

The expansion of environmental standards and regulations in industrialized countries may impair the trading opportunities of developing countries. The fear in many developing countries especially, is that stricter product standards in the markets of developed countries will act as trade barriers for their exports. Given their lack of market power, developing countries may be extremely vulnerable to changing market conditions in the North, fuelled by an often intricate mixture of environmental and protectionist measures.

Countries must export to import, and integrating an economy into world markets induces institutional change, which facilitates increased rates of economic growth.

1.1.1 Kenyan Horticultural Industry

Kenya is an agriculturally endowed country with favourable climatic conditions and arable land. This encourages the country to produce for both local consumption and export markets. Based on the availability of natural resources, Kenya produces a wide range of horticultural products that are normally categorized into four main sub-groups, namely, vegetables, fruits, cut flowers, herb and spices. Horticultural production occurs under both large and smallholder production systems, with the latter mainly practicing dry-farming systems. The main horticultural production areas in the country are Central, Nyanza and Rift Valley provinces that together accounted for nearly 74 % of total horticultural production in 2003 (Keplotrade, 2005).

Okado (2001) observes that, Kenya has a long tradition of growing horticultural crops for both domestic and export markets. The horticultural sub-sector has contributed significantly to the Gross Domestic Product (GDP). Currently, horticulture is the fastest growing agricultural sub-sector being the second foreign exchange earner after tea. The sector currently employs over one million people directly and indirectly. The performance of the sub-sector has been impressive over the years. For example, export produce increased from 49,000 tonnes in 1990 to 98,000 in 1999 and further to 133,000 tonnes in 2003. Foreign exchange earnings from the horticultural products have been growing at an average of 15-20% per annum (as indicated in Table 1.1). Export revenue stood at Kshs 20 billion in 2001.

Table 1.1: Export values for fresh fruits, vegetables and cut flowers 1992-2003

Values in millions				
YEAR	FRUITS	VEGETABLES	FLOWERS	TOTAL
1992	358.98	909.70	1,247.81	2,516.49
1993	489.40	1,700.30	2,482.80	4,672.50
1994	536.60	1,797.45	2,637.18	4,971.23
1995	617.34	2,204.83	3,642.32	6,464.49
1996	769.52	2,577.11	4,366.32	7,701.95
1997	805.11	3,116.18	4,887.75	8,809.03
1998	819.53	4,052.22	4,856.93	9,728.68
1999	1,256.00	5,713.00	7,235.00	14,204.00
2000	1,098.00	5,293.40	7,165.60	13,557.80
2001	1,559.80	8,034.50	10,626.90	20,221.00
2002	1,461.60	10,471.21	14,792.30	26,725.11
2003	1,752.65	10,591.41	16,495.53	28,839.58

Source: HCDA2004

Despite stiff competition in overseas markets and the problems usually encountered in the areas of production, marketing, financing, internal constraints and external interventions, Kenya has been able to maintain and even expand her market share on the international arena. This has been possible through improved produce quality, new products development, value-adding to produce, the search and exploitation of marketing opportunities and overall improved efficiency in both production and marketing.

1.1.2 Fruits and Vegetables

Nearly 95 % of the production of fruits, vegetables, herbs and spices are produced by the medium to large scale farmers. In 2003, fruits and vegetables accounted for about 99 % of cultivated area under horticulture, 99.8 % of total volume of production and approximately 89 % of total domestic value of production. Vegetables alone account for nearly 59 % of total cultivated area, 55 % of total volume of production and approximately 57 % of total domestic value.

Notably, in 2003, all the vegetables products taken together accounted for about 55 % of the country's volume of all horticultural production amounting to approximately 2.39 million metric tonnes, valued at Kshs 21.6 billion or 57 % of total domestic value of horticulture. On the other hand, fruits accounted for about 1.96 million metric tonnes or 45 % of the total volume of horticultural production valued at Kshs 12.1 billion or 32 % of total domestic value for horticulture. As indicated in Table 1, the fruits and vegetable exports combined represent 43 % out of the total horticultural exports value in 2003, indicating a substantial contribution to the total horticultural export earnings.

According to Minot and Ngigi (2003), the export value rose from US\$ 111 million in 1990 to US\$ 128 million in 1999, representing an annual growth rate of 1.1 percent in real terms. Similarly, its share in overall agricultural exports remained in the range of 10-14 percent. On the other hand, statistics from the Horticultural Crop Development Authority (HCDA) show strong growth, at least in volume, during the 1990s. This is indicated in Table 1.2.

Table 1.2: Export Volumes for Fresh Fruits, Vegetables, and Cut-flower 1992-2003

Volume in tonnes				
YEAR	FRUITS	VEGETABLES	CUTFLOWERS	TOTAL
1992	11,232	26,323	19,806	57,363
1993	11,697	26,765	23,635	62,119
1994	13,079	26,878	25,121	65,178
1995	13,865	32,126	29,373	71,758
1996	16,869	32,742	35,212	84,523
1997	17,450	30,880	35,850	84,180
1998	11,350	36,800	30,220	78,370
1999	15,595	46,377	36,992	98,964
2000	15,415	45,038	38,756	99,211
2001	22,595	34,770	41,396	98,762
2002	22,482	46,479	52,106	121,068
2003	23,575	48,674	60,982	133,232
Annual growth rate	3.4%	6.4%	9.0%	6.4%

Source: HCDA. 2004

Although revenue growth has slowed, fruit and vegetable exports have become more diversified as Kenya now exports 30 different fruits and 27 vegetables. Despite increased competition from Cote d'Ivoire, Morocco, Zimbabwe, South Africa, and Cameroon, Kenya continues to be the most important supplier of vegetables to the European Union. Nonetheless, Kenya and other horticultural exporters face new challenges related to changes in the structure of consumer demand and to the transformation of the food retail market in Europe. Kenya's ability to maintain and strengthen its role in horticultural exports depends on its ability to adapt constructively to these changes.

1.1.3 Barriers to Trade

Trade barriers are generally defined as government laws, regulations, policies or practices that either protect domestic products from foreign competition or artificially stimulate exports of particular domestic products. While restrictive business practices sometimes have similar effects, they are not usually regarded as trade barriers. The most common foreign trade barriers are government imposed measures and policies that restrict, prevent or impede the international exchange of goods and services (Deardorff and Stern, 1997). Governments use trade barriers for three main purposes: to control the direction of foreign trade by mainly restricting import trade thereby protecting domestic business from foreign competition; to provide public revenue as trade barriers are a major source of revenue especially for developing countries; and for protection from foreign competition

as it is also deemed necessary for national security as critical products and services cannot be left to foreigners.

Deardorff and Stern (1997) noted that trade barriers are classified into two broad categories, namely; tariff barriers that take the form of a specific duty or tax payable on each unit exported or imported or as ad-valorem tax that is a tariff expressed as a percentage of the value of goods imported; and non-tariff barriers which are not specific duty or tax payable on each unit imported. These include trading partners giving a quota system, the host country subsidizing its products and instilling strict standards and safety measures in order to control the trade patterns in their favour.

Trade barriers are commonly used to protect the infant-industries in developing countries to enable them grow to certain standards before competing effectively in the global market. The barriers are also used to influence the trade patterns especially where a country is a large importer of a particular product. In addition, the presence of unfair competition (“dumping”) has detrimental effects on domestic production and thus trade protection is needed. The implementation of the barriers may impact on trade either positively or negatively depending on whether it is the host or home country for business. Kenya has not been an exception in the effects resulting from the EU changes in its barriers in trade relations.

1.1.4 The European Union Market

The European Union (EU) is the largest trading bloc in the world as it accounts for 37 % of worlds merchandise exports and imports. The EU is ranked first in terms of exports and second behind United States of America (USA) in terms of imports. Agricultural products from developing countries hold a stable share in total EU imports of approximately 19 %. The value of imports of food products from developing countries increased by 61 % between 1991 and 2001 amounting to € 32.1 billion in 2001. Fruits and vegetables had the largest share in the food products totaling € 11.8 billion. (CBI, 2003).

According to the Euro-monitor data, Germany, the United Kingdom and France are the leading EU importers of fresh fruits while Germany, the United Kingdom, France and the Netherlands are leading importers of fresh vegetables. In 2002, developing countries supplied more than half of total imports (in value) by EU member countries of these products. The leading fresh vegetable exporter among the developing countries is Morocco, followed by Kenya, Turkey, Egypt and Peru. The developing countries play a significant role in the supply of peas and beans and sweet maize, respectively supplying 55 % and 48 % of total imports (in value) by EU member countries on the European market can mainly be found in products which are hardly grown anywhere in Europe. That is tropical and subtropical products (exotics) and the so-called off-season products.

Dolan and Humphrey (2003) indicate that Kenya remained the dominant supplier of fruits and vegetables in the 1990's period to the EU, accounting for 56 % of all the fruit and vegetable exports from sub-Saharan Africa. This is despite the transformation of the EU markets. These changes included: an increase in the share of total fruits and vegetable sales by the supermarkets and major retail chains from 44 % in 1992 to 76 % in 1997; a marked shift from standardized, loose product to greater product variety, product innovation and increased packaging and processing; and an establishment of traceability standards.

Table 1.3: Kenya's Export Market Share 1994-2000 (in %)

COUNTRY	1994	1995	1996	1997	1998	1999	2000
UK	30.0	29.5	27.0	31.0	31.8	33.6	34.0
NETHERLANDS	28.8	35.6	33.0	38.0	31.0	30.9	31.0
FRANCE	16.1	16.8	12.0	13.0	15.2	15.4	14.9
GERMANY	10.2	8.8	7.0	7.0	6.5	4.6	5.2
OTHERS	8.4	8.6	8.3	3.8	6.4	8.8	2.3
SOUTH AFRICA	-	-	1.0	1.4	4.3	0.6	2.0
BELGIUM	2.9	-	3.0	1.7	2.3	1.9	0.7
SWITZERLAND	2.1	-	7.0	2.0	1.1	2.5	0.7
SAUDI ARABIA	0.7	0.6	1.0	1.0	0.7	0.7	0.6
SWEDEN	0.1	-	0.3	0.7	0.4	0.7	0.6
ITALY	0.2	-	0.4	0.4	0.4	0.3	0.3
DJIBOUTI	0.4	-	0.1	0.1	-	-	-
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: HCDA, 2004

From Table 1.3, it is evident that Kenyan exports market share (fruits and vegetables) in the EU has been increasing but at a reducing rate. There is need to understand the reduction in growth rate in the export market share. This could be linked to the ever-changing EU market structures that eventually affect the trading norms. Some of the notable changes in market structure include introduction and removal of trade barriers that may impact negatively or positively on Kenya's exports of fruits and vegetables.

1.3 Significance of the study

1.2 Statement of the Problem

Notably the performance of African, Caribbean and Pacific countries (ACP) under the previous and existing trade arrangements has been poor without tangible benefits for the ACP countries (Mugenyi and Naluwairo, 2003). Most of the countries have not been able to reap the benefits of the trade relationship because of a number of factors both endogenous and exogenous. The endogenous factors include poor trade policies and inadequate support to private sector amongst others. The exogenous factors include the tariff and non tariff barriers that have proven detrimental to most ACP countries.

Kenya as an ACP member country has had problems in its horticultural relations with Europe. The accessibility of markets and marketing of products to different EU countries, satisfying their respective rules and regulations, overcoming technical barriers to trade, sanitary and phytosanitary regulations, identifying right buyers and satisfying their terms has remained a difficult task for exporters. Despite the existence of these hindrances, Kenyan exports to the EU have been growing.

This indicates that the Kenyan firms have found ways around the hindrances and are still persistent in remaining the dominant supplier of fruits and vegetables to the EU. In view of this, what are the hindrances facing Kenyan fruit and vegetable exports to the EU? How have the individual firms dealt with the hindrances in order to remain dominant suppliers?

1.2 Objectives of the study

The objectives of the study were outlined as;

- i) To identify trade barriers on Kenyan fruits and vegetable exports to the EU.
- ii) To determine how firms have tackled the barriers as hindrances to their trade with the EU.

1.3 Significance of the study

With the changing global economy and integration of regional economies into trading blocks, there is need for any individual country's economy to realign itself and seek its comparative advantage in the global market. This is because the country's import and export market tends to determine the growth of the country's economy. Kenya having had a significant growth rate in its horticultural exports needs to realign itself to the emerging trends in the EU to take advantage of the emerging new markets (new EU members) and adapt to the new regulations as fast as possible. This will enable the country not to loose its status of being an exotic exporter of fresh fruits and vegetables.

The study attempted to shed light on the existing and emerging EU trade regulations and their respective effects to Kenya's trade in fruits and vegetables. The knowledge of these would enable the relevant stakeholders in the sector to seek and implement measures that would enable the country to continue maximizing on the benefits of exporting to the EU.

1.4 Scope of the study

The study focused mainly on the registered and active exporters of fruits and vegetables from the country to the EU. The data for the study was selected from a random sample of the exporters within the country. The study was limited to the formal barriers of trade that were recognized in the market for fruits and vegetables.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Horticultural products, that is, vegetables, fruits, and cut flowers have grown steadily to become the single largest category in world agricultural trade, accounting for over 20 percent of such trade in recent years. The horticultural exports of Sub-Saharan Africa now exceed \$ 2 billion, yet this is only 4 percent of the world's total and there is plenty of room to expand. Not surprisingly, this sector has attracted the attention of policymakers, the aid community, and the private sector in low-income countries where traditional exports are the norm.

2.2 Structure of the Kenyan Vegetable and Fruit Sub-Sectors

According to the USAID study (2001), the Kenyan horticultural export sector has developed into its present state without any harmful or rather negative involvement from the government. The government has been involved to a minimal extent especially on issues that regard phytosanitary and legal. Presently, private companies manage the sector and conduct business independently.

The vegetable and fruit sub-sector is characterized by a few big exporters and numerous small to medium sized exporters working mainly with out-growers. However, the latter sector is declining due to the stricter import regulations being implemented in the EU and also as a result of an increasingly strict contractual commitment between the exporters and the out-growers. In general, the vegetable sector exports is moving towards less dependency on small out-growers, but rather contracting larger producers and/or groups of out-growers, whereas the fruit export sector is still highly dependant on the out-grower system. Furthermore, considering the increasing European Union restrictions on vegetables and competition from competing countries of the staple products such as Ethiopia, Burkina Faso, Uganda, Ghana, Egypt amongst others, Kenya will most probably decline as a supplier for these products in the future. The fruit sector will

continue to be highly dependent on out-growers as a great proportion of the fruits are grown without the use of chemicals.

The USAID study (2001) identified the existing structures of vegetable and fruit sub-sectors in Kenya. By 2001, only nine companies controlled nearly 85 % of the fresh vegetable and fruit exports from Kenya to the Europe market. There exists also a number of small to medium size exporters in the vegetable sector that depend only on out-grower groups and/or on brokers. The out-grower sector consists of some 4,000 growers with a production area of everything less than 2 acres each under contracts. There are probably additional 1,000 – 2,000 out-growers working for the broker system, that is, totally 5 – 6,000 in the vegetable sector with a production area of some 4 – 6,000 acres.

According to Nyoro et al (2004), horticulture in Kenya has been regarded as a success story as it has undergone dramatic growth over the years with several players getting involved in export and sale to local markets. In terms of sub-sectoral contributions to GDP, horticulture has ranked top five for several years. Over the last four years the sub-sector has grown by over 10 % per annum with an estimated value of local and export earnings of Kshs 60 billion. The horticulture exports in 2001 were valued at Kshs 20.2 billion, which was 33 % higher than 2000. Growth in the fresh fruits and vegetables has indeed contributed significantly to the success of the horticultural growth in Kenya. Fresh fruits and vegetables are produced by a large number of smallholder producers, who also depend on these commodities for incomes, food security and employment. Though significant growth has emanated from the flower industry dominated by large producers, the smallholders have played an important part in the growth of the fresh fruits and vegetables sub-sector.

It is worth mentioning that the success of the horticulture sector can be attributed to the participation of the private sector without undue influence from the government. After independence the government encouraged exports as an agricultural growth policy and also potential foreign exchange earner. Beginning in the early 1990s the Kenyan government, under donor pressure, started a slow process of liberalizing the marketing of agricultural produce. The opening up of markets led to reduction in the state monopoly in

some of these markets and encouraged private investment. These has resulted in growth in the number of small scale holder farmers and at present the fruit and vegetables smallholder farmers' number 200,000 accounting for nearly 95 % of the total producers.

Notably, the production, wholesaling, transportation, and marketing of fruits and vegetables have largely been under the private sector. In terms of export value, flowers accounted for 50 % while the fruits and vegetables 47 % of export earnings in the horticultural sector in 2001. Some of the key fruit and vegetable products in Kenya in terms of production volumes, area planted, and consumption levels include – bananas, mangoes, avocados, tomatoes, cabbages, kales, onions, and carrots (Nyoro et al 2004). In 2003, fruits and vegetables accounted for about 99 % of cultivated area under horticulture, 99.8 % of total volume of production and approximately 89 % of total domestic value of production. Vegetables alone account for nearly 59 % of total cultivated area, 55 % of total volume of production and approximately 57 % of total domestic value.

The Kenyan horticultural industry shows what can be achieved. Horticultural products have accounted for two-thirds of all growth in agricultural exports and recently surpassed coffee to become the second largest merchandise export, after tea. Kenya is the second largest horticultural exporter in Sub-Saharan Africa (after South Africa), the second largest developing-country exporter of flowers in the world (after Colombia), and the second largest developing-country supplier of vegetables to the European Union (after Morocco).

2.3 The Fruits and Vegetables Market

Muendo and Tschirley (2004) indicate that Kenya's fruit and vegetable production and marketing have received a great deal of attention over the past decade due to the rapid and sustained growth of its exports to Europe. This impressive growth has undoubtedly contributed to increased rural incomes and reduced rural poverty in Kenya. Yet despite this growth, exports remain a small fraction of Kenya's overall horticultural sector. For the past decade, over 90 % of all fruit and vegetable production was consumed

domestically, and the domestic market accounted for over 90 % of the total growth in quantity of fruit and vegetable production. While over 90 % of smallholder farmers in all but the arid regions of Kenya produce horticultural products, fewer than 2 % do so directly for export. It is thus correct to mention that despite higher percent growth rates in the export sector, the absolute amount of growth has come overwhelmingly from the domestic sector: between 1992/93 and 2000/01, the domestic market accounted for 98 % of the total growth in quantity of fruit production and 91 % of the total growth in vegetable production. Even allowing for higher prices of export commodities, the dominance of the local market is clear.

However, the Kenyan smallholders who have succeeded in producing for the export market continue to face a daunting set of challenges in their endeavour to continue participating in the sector. These challenges are driven by increasing consumer demand for quality and food safety in the UK and continental Europe, and by the related rise of supermarkets in these areas. For example, by the late 1990s, the supermarkets' share of the fresh fruit and vegetable market in the UK had surpassed 70 %, and the share of chains among supermarkets had increased to nearly 80 %. Consolidation in the retail sector has led to increasing market power for large retail concerns, and much more control by them over production practices (Muendo and Tschirley 2004).

In addition to these demands by the European consumers, Kenya's fruits and vegetable sub-sectors face increasingly stiff competition from other African countries such as Cote d'Ivoire, Morocco, Zimbabwe, South Africa and Cameroon. Kenya's horticultural export expansion has been aided by the country's preferential duty-free access to EU markets under the Lome Agreement, which currently runs through 2008. According to Muendo and Tschirley (2004), if this agreement is not renewed, or if other developing countries obtain similar benefits, Kenya will face even stiffer competition in these markets.

Muendo and Tschirley (2004) summarizes that despite the very high growth rates in export horticulture in Kenya, the domestic market continues to absorb at least 4-5 times more produce, by value, than does the export market. At the same time, the domestic horticultural system is relatively uncompetitive in regional markets: while the country

imports a substantial share of some horticultural crops, its exports of fresh produce to the region are negligible. It is evident that there exists a dualistic nature in the vegetable and fruits sub-sectors with an export sector of commercial farmers and some organized smallholder farmers closely linked to export companies, competing successfully in the highly competitive and quality conscious European market, while the domestic sector is dominated by smallholder farmers receiving little if any assistance and struggling in some instances to compete with imports.

In addition, the domestic horticultural system is also subject to strong forces of change at the present time. Continued high rates of urbanization are expected to drive increases in demand; expanding domestic and regional markets for Kenyan horticultural produce, integrating the bulk of the country's smallholder farmers into profitable supply chains that satisfy these markets, and improving quality will require investment in three key areas namely, technical production constraints, the public market infrastructure, and the legal and regulatory environment.

2.4 The European Union Market

According to Euro-monitor data (Keplotrade, 2005), the total European Union consumption of fresh fruit amounted to 25 million metric tonnes in 2003 while vegetable consumption amounted to around 30 million metric tonnes. Italy, Germany and France, together accounted for nearly half of total consumption and continue to dominate the EU market for fresh fruit and vegetables.

The total imports by EU member countries of fresh fruits in 2002 amounted to about € 14.8 billion. Imports from outside the EU into the member states amounted to 8.0 million metric tonnes worth € 6.1 billion. Germany, United Kingdom and France are the leading EU importers of fresh fruits which include bananas, apples, grapes and several citrus fruits. In 2003, the ten new EU member states together imported less than € 1 billion of fresh fruit, which was equivalent to 2.1 million metric tonnes. Among the ten new EU member countries, Poland is the leading fresh fruit importer, accounting for 780,000 metric tonnes worth about € 390 million in 2003.

Developing countries play a major role in the supply of papayas, tamarinds, lyches, bananas, guavas, mangoes, dates, pineapples and passion fruit to the EU. In 2002, these countries supplied more than half of total imports (in value) by EU member countries of these products. The leading developing countries exporting fresh fruit to the EU are South Africa and Latin-American countries like Costa Rica, Ecuador, Chile, Colombia, Argentina and Brazil. Other leading non-Latin American countries are Cote d'Ivoire, Turkey, Morocco and Cameroon.

Imports of fresh vegetables by EU member countries amounted to almost 9 million metric tonnes worth € 8.4 billion in 2002. The leading EU importers of fresh vegetables are Germany, United Kingdom, France and Netherlands. Tomatoes, capsicum, lettuce and onions are the major fresh vegetable products imported by EU member countries. In 2003, the ten new EU member states together imported 756,000 worth about € 355 million of fresh vegetables with the Czech Republic being the leading importer, followed by Poland. Whereas Latin-American countries dominate the extra-EU import of fruits, African countries are important extra-EU suppliers of vegetables in particular to France, Italy and the UK. Nevertheless, vegetable imports are, notably more than fruit imports, dominated by intra-EU trade.

The leading fresh vegetable exporter among the developing countries is Morocco, followed by Kenya, Turkey, Egypt and Peru. Developing countries play a significant role in the supply of peas and beans and sweet maize, respectively supplying 55 % and 48 % of total imports (in value) by EU member countries in 2003. Opportunities for fruit and vegetable producers in developing countries on the European market can mainly be found in products that are hardly in Europe; that is tropical and subtropical products (exotics) and the so-called off-season products.

The USAID study (2001) identifies the European Union as the largest and diversified market in the world for imported fresh produce. In 1999, imports to the EU from non-European countries of fresh vegetables exceeded US \$ 1 billion while imports of fresh fruits reached US \$ 5.5 billion. The unification of the member states into the EU has had a significant effect on the fresh horticultural trade. These effects could be listed as:

- i). Control of imports at the point of entry as a result of the customs union,
- ii). Freedom of movement of perishable goods thereby sustaining the freshness of produce,
- iii). Increased use of one unit of currency,
- iv). Preferential tariffs for ACP countries
- v). Reduction of national trade barriers.

Of importance is that fresh vegetable consumption is declining slowly, perhaps in consequence to the shift from formal meals and food preparation to ready made meals. On the other hand fresh fruit consumption is rising, perhaps through the increase in snacking and interest in healthy eating.

2.5 EU Barriers to ACP Countries in Horticultural Trade

Mugenyi and Naluwairo (2003) indicate that the performance of ACP countries under the previous trade arrangements was poor without tangible benefits for the ACP countries. Most of the countries especially Uganda have not been able to reap the benefits of the trade relationship because of a number of factors both endogenous and exogenous. The endogenous factors include poor trade policies and inadequate support to private sector amongst others. The exogenous factors include the non tariff barriers (mainly sanitary and phytosanitary conditions), protectionist policies such as the Common Agricultural Policy which guarantees subsidies to the EU farmers to the detriment of most ACP countries, poor terms of trade due to a slump in world market prices resulting from over supply, tariff peaks and tariff escalation. The non-tariff barriers constitute a set of problems to market access that include; high standards set by the EU on products entering its market and as a result act as trade barriers to poor countries and environmental trade barriers that are increasingly becoming a barrier to the EU market as consumer demand is increasingly being influenced by concerns and perceptions regarding environmental and social conditions in the producing countries. The overall effect has been less access to the EU market which translates into loss of foreign exchange and little investment in production.

According to Mugenyi and Naluwairo (2003), Uganda has had problems in its horticultural relations with Europe. The accessibility of markets and marketing of products to different EU countries, satisfying their respective rules and regulations, overcoming technical barriers to trade, sanitary and phytosanitary regulations, identifying right buyers and satisfying their terms has remained a difficult task for exporters.

Some of the insights identified that hindered Uganda in accessing the EU horticultural market effectively included: devising and adopting suitable market strategy for the different EU countries and developing suitable marketing plans based on solid and competitive products that can venture into the EU market.

Packaging waste – the sale packaging of products must be limited, re-usable or capable of being recycled. Care is required that any increased costs borne by an importer due to particular packaging supplied with the product do not reduce the competitiveness of the exporter.

Sanitary and phytosanitary regulations – the EU market has experienced an increase in the regulations and market requirements on account of enhanced consumer awareness. The barriers are in the fields of safety, health, quality, environment, social and ethical issues with minimum standards set. These standards include the ISO 9000-2000 and 14001, ECO labeling, OHSAS 180001 (occupational, health and safety standards), Hazard Analysis Critical Control Point (HACCP) and Social Accountability standards (SA 8000).

Mugenyi and Naluwairo (2003), further identified areas in which the Ugandan government could address to enable the country's horticultural exporters realize maximum benefits from their trade with Europe. These include; increasing financial support to horticultural producers to be able to meet the set standards in production and marketing; lobbying with the EU to eliminate residual barriers to new and non-traditional exports of Uganda and give support for promotion and marketing of these non-traditional exports; restructuring of the pattern of production while addressing the supply side

constraints and take measures to promote competitiveness; and urging the EU to maintain preference for agriculture products where Uganda has comparative advantage.

Other areas highlighted by Mugenyi and Naluwairo (2003) include establishment of a framework for analysis of issues in future trade relations where clearly defined specific objectives will be pursued through any future trade arrangements with EU. The objectives must be based on a detailed analysis of the countries strength and weaknesses. The country must take into consideration current and emerging production structures in the country, trends in regional market integration, current and future alternative trade relations with the EU. In addition an offensive strategy has to be established that seeks to identify tariff rate for products which Uganda can use as a trade off or bargaining chip in order to extract trade concessions from the EU or any other trading partner. While developing an offensive strategy, the tariff and non tariff barriers as well as the value and margin of preferences would be analyzed.

Furthermore, tariff peaks and tariff escalation hinder diversification from commodity exports to manufactured exports and thus the country must negotiate for the elimination of tariff peaks and tariff escalation or the improvement of preferential schemes for products. Since the country is part of a regional grouping, should the group choose to negotiate reciprocal preferential trade arrangement with the EU; the same benefits should be extended to the country. Consequently, Uganda could strive to see that the preferences that it enjoys under the Cotonou Agreement are not jeopardized. Additionally, the stringent sanitary and phytosanitary measures on manufactured foods could be relaxed and lobbying made for assistance for the horticultural producers to be able to implement measures required (Mugenyi and Naluwairo, 2003).

2.6 Conclusion

From the foregoing literature, it is worth noting that the EU market is constantly changing and there is increased competition amongst developing countries to attract the EU to their respective products. Numerous studies have been undertaken especially on the EU market as an importer, but limited studies have been conducted likewise on the exporters (ACP countries). There is limited information on the effects of introduction or

removal of barriers to the exporting countries. Literature on the effects of the changes in barriers to Kenyan exporters is also limited as noted in the literature review. This research paper thus seeks to fill that gap by shedding more light on the barriers that affect Kenyan exporters of fruits and vegetables in the present and future.

3.1 Population of the study

The target population for the research was the exporters of fruits and vegetables to the EU. A total of 711 organizations are registered in the country as exporters of fruits and vegetables. Out of this number, nearly 207 are considered as active exporters as they participate in trade fairs unlike the dormant ones (HCDA, 2004).

3.2 Sample

In order to achieve the objectives of the study, the researcher adopted stratified random sampling procedure to select the sample population of nearly half the number of exporter organizations which came to 40. The 207 organizations were classified first according to their relevant export product, that is, fruits or vegetables. The organizations were further categorized according to the export volumes they had traded in the past year 2004 to allow ranking. From these two categories, forty (40) organizations were selected randomly from each group.

3.3 Data Collection

In order to achieve the stated objectives, primary data was collected from the respondent organizations through the use of questionnaires administered to the senior managers, mainly the marketing managers of the organizations.

3.4 Data Analysis and Interpretation

The data processing and analysis followed a sequential way of manually checking the questionnaires in correct errors, data entry into the computer, and production of frequency tables and pie charts where necessary. The researcher also employed the use of statistical software mainly Ms Excel to assist in the interpretation of the data.

CHAPTER THREE

RESEARCH DESIGN

3.1 Population of the study

The target population for the research was the exporters of fruits and vegetables to the EU. A total of 711 organizations are registered in the country as exporters of fruits and vegetables. Out of this number, nearly 207 are considered as active exporters as they participate in trade often unlike the dormant ones (HCDA, 2004).

3.2 Sample

In order to achieve the objectives of the study, the researcher adopted stratified random sampling procedure to select the sample population of nearly half the number of exporter organizations which came to 80. The 207 organizations were classified first according to their relevant export product, that is, fruits or vegetables. The organizations were further categorized according to the export volumes they had traded in the past year 2004 to allow ranking. From these two categories, forty (40) organizations were selected randomly from each group.

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CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 Introduction

This chapter presents an analysis of the variables involved in the study. Descriptive statistics are used in interpreting and presenting the findings of the study giving due regard to the study objectives. The attributes of the respondents are presented mainly in frequency tables to show the distribution pattern of the variables. This enables precise interpretation of the results.

4.1 Descriptive Statistics

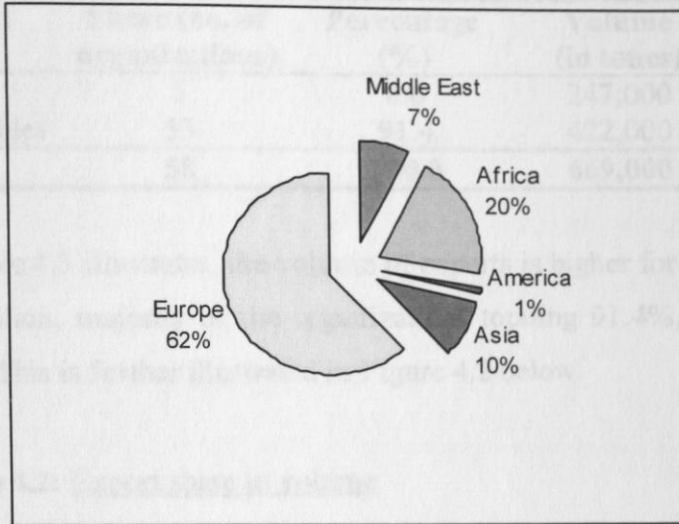
Out of the 80 questionnaires distributed to the sample population of horticultural produce exporters, only 58 fully filled questionnaires were returned within the prescribed period. All the interviewed organizations exported fruits and vegetables to Europe. In addition, at least 32.8 % of the organizations also exported the fruits and vegetables within Africa as indicated in Table 4.1 below.

Table 4.1: Regions to which Fruits and Vegetables are destined

Region	No. of organizations	Percentage (%)
Europe	58	100
Africa	19	32.8
Asia	9	15.5
Middle East	7	12.1
America	1	1.7

As can be seen in the above table, Europe is the leading recipient of Kenyan fruit and vegetable exports followed by Africa. This is further illustrated in Figure 4.1. It should be noted that less than 2 % of the exports are directed to the American market.

Figure 4.1: Regional Export Market of Fruits and Vegetables



From Figure 4.1 above, it is evident that very few organizations have ventured into the American market. This could be attributed to the number of years that the organizations have in exporting their produce internationally. The organizations have an average of 2 years in exporting produce to the world market.

Table 4.2: Experience in exporting

Category	Period (in months)
Average	25
Highest	24
Lowest	7

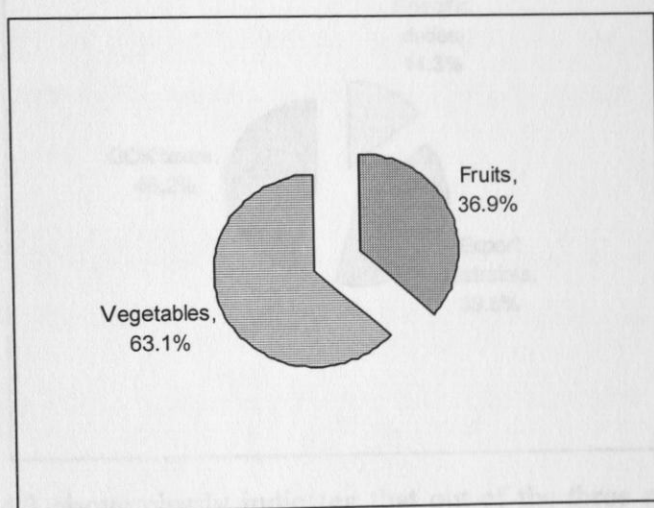
As indicated in Table 4.2 above, it is notable that the majority of the exporters are relatively new in the field of exporting fruits and vegetables as they have less than 3 years of experience.

Table 4.3: Export share and volume of exports

Product	Share (no. of organizations)	Percentage (%)	Volume (in tones)	Percentage (%)
Fruits	5	8.6	247,000	36.9
Vegetables	53	91.4	422,000	63.1
Total	58	100.0	669,000	100.0

As Table 4.3 illustrates, the volume of exports is higher for vegetables compared to fruits. In addition, majority of the organizations totaling 91.4%, export more vegetables than fruits. This is further illustrated in Figure 4.2 below.

Figure 4.2: Export share in volume



As Figure 4.2 indicates, vegetables command at least 63.1% of the Kenyan fruits and vegetables exports.

In terms of the tariff barriers experienced by the organizations, 72.4% of the export organizations indicated that the government taxes were the major hindrances to their exports to the EU as indicated in Table 4.4.

Table 4.4: Tariff Barriers

Tariff	No. of organizations	Percentage (%)
Specific duties	13	22.4
Export restraints	36	62.1
Government taxes	42	72.4

It should be noted as illustrated in the above table, export restraints and government taxes are the significant tariff barriers that affect exporters of fruits and vegetables in Kenya.

Figure 4.3: Tariff Barriers

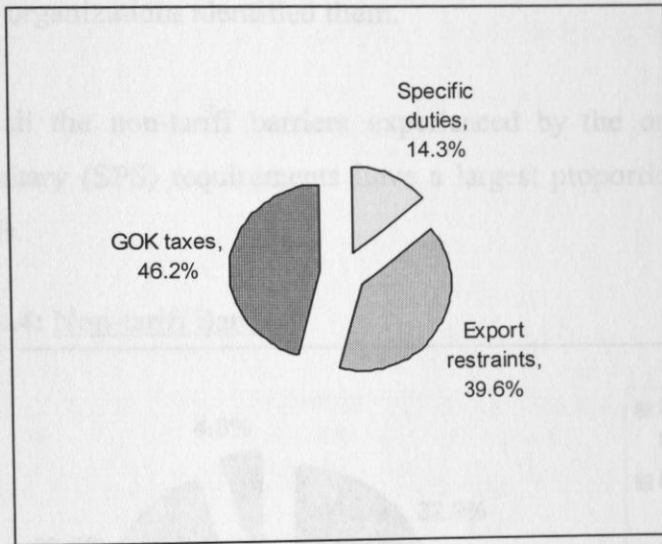


Figure 4.3 above clearly indicates that out of the three main tariff barriers, government taxes are the major barriers to the exporter organizations as they constitute at least 46.2 % of all tariff barriers.

The organizations also highlighted some of the major non-tariff barriers that limit their exports to the EU. These are presented in Table 4.5. Notably, the sanitary and phytosanitary (SPS) requirements affect majority of the exporters followed by the safety standards that the organizations have to observe especially in the processing and packing of the vegetable products.

Table 4.5: Non-Tariff Barriers

Non-Tariff	No. of organizations	Percentage (%)
SPS	48	82.8
Environmental	35	60.3
Inadequate space	4	6.9
Lack of knowledge in farming	9	15.5
Safety standards	43	74.1
Slow documentation	7	12.1

Table 4.5 above indicates that the non-tariff barriers of inadequate space, lack of knowledge in farming and slow documentation were insignificant barriers as less than 10 exporter organizations identified them.

Out of all the non-tariff barriers experienced by the organizations, the sanitary and phytosanitary (SPS) requirements have a largest proportion followed by environmental standards.

Figure 4.4: Non-tariff Barriers

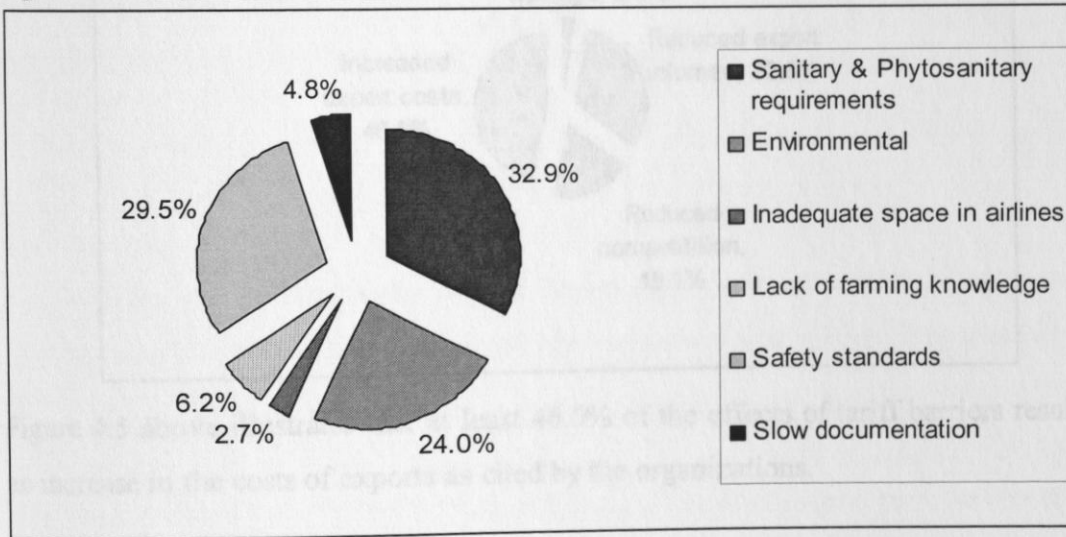


Figure 4.4 above confirms that slow documentation, lack of knowledge in farming and inadequate space are insignificant non-tariff barriers. The research also noted that these barriers had different effects on the exports to the EU. These effects for tariff and non-tariff barriers are presented in Table 4.6 and 4.7 respectively.

Table 4.6 below, presents the effects of the tariff barriers on the exports to the EU. The main effect of the tariff barriers was that it increased the costs of exports to the EU.

Table 4.6: Effect of Tariff Barriers

Effect of barrier	No. of organizations	Percentage (%)
Produce wastage	3	5.2
Reduced export volumes	38	65.5
Reduced competitiveness of exports	21	36.2
Increased export costs	54	93.1

The table above indicates that tariff barriers had two major effects on Kenyan exports of fruits and vegetables, that is, reduction in export volumes and an increase in export costs.

Figure 4.5: Effects of the Tariff Barriers

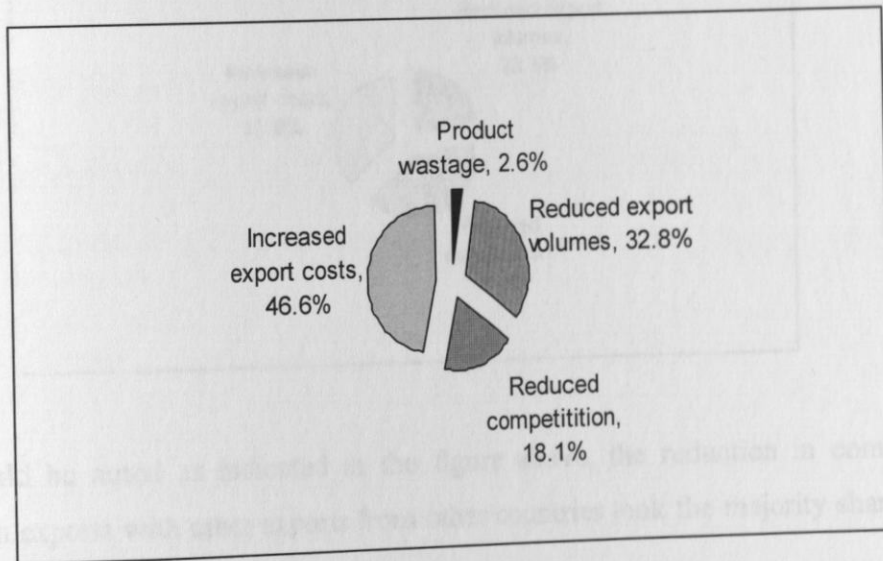


Figure 4.5 above illustrates that at least 46.6% of the effects of tariff barriers resulted in an increase in the costs of exports as cited by the organizations.

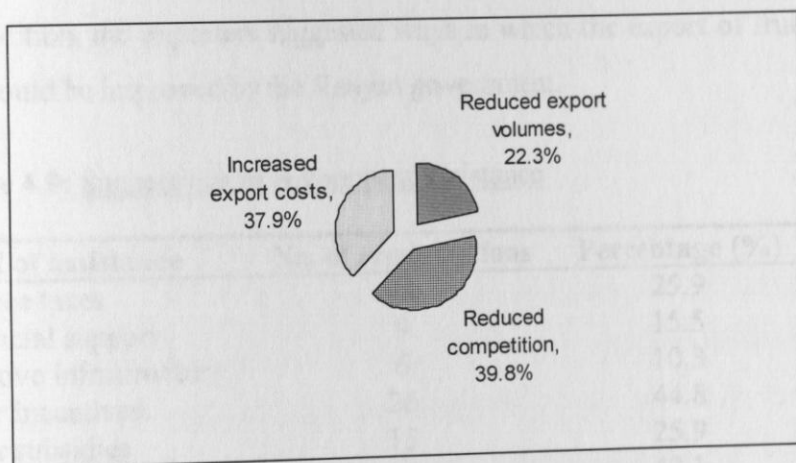
On the other hand, reduced competitiveness of exports to the EU was seen as the major effect of the non-tariff barriers.

Table 4.7: Effect of Non-Tariff Barriers

Effect of barrier	No. of organizations	Percentage (%)
Reduced export volumes	23	39.7
Reduced competitiveness of exports	41	70.7
Increased export costs	39	67.2

Table 4.7 above indicates that 70.7 % of the organizations cited reduced competitiveness of their exports as the main effect of the non-tariff barriers. The increase in export costs was also noted as a significant effect of the non-tariffs

Figure 4.6: Effects of Non-tariff barriers



It should be noted as indicated in the figure above, the reduction in competition of Kenyan exports with other exports from other countries took the majority share of nearly 40 % of all the other effects.

In assessing the effects of the barriers, the study also sought views from the exporters of what they perceived the government had done on the part of improving the vegetable and fruit exports to the EU.

Table 4.8: Ways in which the government has assisted

Kind of assistance	No. of organizations	Percentage (%)
Provision of affordable packing areas	4	6.9
Provision of cold rooms for storage	12	20.7
Licensing small exporters	7	12.1
Providing information to exporters	15	25.9
Training of personnel	6	10.3
Reduction of taxes	36	62.1

Table 4.8 above identifies reduction in government taxation of the exports to the EU as a major assistance that the organizations have received from the government to boost their exports.

In addition, the exporters suggested ways in which the export of fruits and vegetables to EU could be improved by the Kenyan government.

Table 4.9: Suggestions of government assistance

Kind of assistance	No. of organizations	Percentage (%)
Reduce taxes	15	25.9
Financial support	9	15.5
Improve infrastructure	6	10.3
Offer incentives	26	44.8
Offer subsidies	15	25.9
Reduce freight costs	25	43.1

From Table 4.9 above, majority of the exporters indicated that there was need for the government to provide incentives for the exporters to continue participating actively in the trade and also venture into other continents. The need to reduce the freight costs was also noted as a major step towards enabling the exporters to compete effectively at the world markets.

Despite this need for the government, majority of the export organizations have already instituted measures that enable them to reduce the negative effects of the barriers.

Table 4.10: Measures taken by the organizations

Measure taken	No. of organizations	Percentage (%)
Adherence to set standards	31	53.4
Training to farmers	28	48.3
Cost cutting	28	48.3
Improved handling & packing of products	21	36.2
Increased prices of processed products	3	5.2
Reduction of unprocessed products	3	5.2
Setting up of cold rooms	6	10.3

From the table above, it is clear that the at least 53.4% of the exporter organizations were instituting their own initiatives that enabled them to adhere to the EU set standards. Cost cutting measures and the training of farmers are also identified as measures that the individual organizations had established to help them limit the effects of the barriers and thus enable them continue exporting their produce to the EU.

4.2 Conclusion

Based on the descriptive statistics, the tariff and non-tariff barriers limit Kenyan exports to the EU in different ways ranging from increasing the exports costs to making the exports uncompetitive in the EU market. However, the government and the organizations have taken initiatives to limit these negative effects to enable the vegetable and fruit exports compete in the EU market. Efforts in reducing taxes and adhering to the required standards have enabled most of the export organizations to remain in the business.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Summary

The study identifies that both the tariff and non-tariff barriers affect the export of fruits and vegetables to the EU market. On average, at least all the organizations have been exporting to the EU market for 2 years and as a result have been able to face the existing and emerging barriers in accessing the market. Government taxes are seen as the major tariff barrier of the exports while the sanitary and phytosanitary requirements are the major non-tariff barriers. The tariff barriers result in an increase in the export costs of the products while the non-tariff barriers result in the goods becoming non-competitive in the EU market due to their quality or cost. This has tended to reduce the competitiveness of the products in the market. Despite this fact, most of the organizations noted that the Kenyan government has been able to initiate programmes that address these barriers to enable the exporters compete effectively in the EU market. Amongst these initiatives includes the provision of crucial information (especially marketing) to the exporters and the provision of cold rooms at affordable prices to assist the exporters when transporting their products and thereby preserving the quality of the horticultural produce.

However, the exporters still highlighted the need for the government to intervene in the sector mainly by further reducing the taxes that still existed and offering subsidies to the export organizations to enable them compete effectively in the EU market. On the other hand, the export organizations have also implemented programmes as individual institutions that assist in enabling them overcoming the barriers. By adhering to the required standards of horticultural produce exports into the EU, cost cutting in the production process and training the farmers on the best practices of farming the produce, the exporters have been able to remain in business by ensuring their products remain competitive in the EU market.

5.1 Conclusion for Further Research

The major finding of this study is that both tariff and non-tariff barriers have significant and negative effects on Kenyan fruit and vegetable exports. Such effects include increased export costs, reduced export volumes and reduced competitive advantage. Despite the existence of the tariffs, Kenyan exports of fruits and vegetables to the EU have been increasing. The Kenyan government has initiated programmes and implemented reforms to curb some of the effects of these barriers. The exporter organizations have also on their part implemented initiatives to address the barriers such as adherence to required standards. These efforts by both the government and exporter organizations enable the country to compete favourably in the EU market. However, there is still room for improvement especially in the area of government taxation that will reduce the cost of the exports and as a result increase the competitiveness of the products in the EU market.

5.2 Recommendations

The following are some of the major recommendations from the results of the study:

- i) In order to overcome some of the barriers, the exporters have to invest in processes that will enable them adhere to the required standards. This may involve placing the standards from the farm level to the exporting level.
- ii) The government still needs to intervene especially in the area of taxes, cost of freight and export restrictions to encourage the exporters to access the EU and other global markets.
- iii) Provision of more information to the exporters or training to enable the exporters adhere to the standards should also be initiated by the government.

5.3 Suggestions for Further Research

Given the significance of the horticultural industry in the Kenyan economy, it is suggested that further research be conducted in the other sub-sectors of the horticultural industry, such as, flowers to find out whether the same barriers apply. This could assist the policy makers in setting up similar initiatives that will assist the whole horticultural industry. Furthermore, there should be continuous studies on the barriers since they are being introduced into the market as the world moves towards being a borderless market.

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Ellad O. Muchada
(Supervisor)

APPENDIX I: Letter of Introduction

Date:

Dear Respondent

Export Company

P O Box.....

Nairobi

Dear Sir/Madam

RE: REQUEST FOR YOUR PARTICIPATION IN MY RESEARCH WORK

I am a postgraduate student in the Faculty of Commerce, University of Nairobi pursuing a Masters of Business Administration (MBA) degree program. I am currently undertaking a management research project titled '**Trade Related Barriers to Kenya's Exports of Fruits and Vegetables to the European Union**' being in partial fulfillment of the degree requirements. This questionnaire is designed to gather information on the above study.

The information in this questionnaire will be treated with great confidentiality and in no way will anyone's name be mentioned in the research.

Your assistance in facilitating this will be highly appreciated. A copy of the research will be made available to you upon request

Thanking you in advance for your cooperation

Yours Sincerely

Anne W. Gichuru
(MBA Student)

Eliud O.Mududa
(Supervisor)

APPENDIX II: Questionnaire

The main objective of this questionnaire is to collect data on the effects of trade barriers on Kenyan exporters in fruits and vegetables to the EU. This research is performed independently and the gathered data will be treated confidentially and used to draw broad conclusions only. Your support by filling in this questionnaire objectively will be highly appreciated. Please tick where applicable.

Date:

General Information

1. Name of organization
2. Designation of respondent.....
3. No. of years in operation
4. What kind of products does the organization export?
Fruits Vegetables Flowers
Others (*please state*).....
.....
5. To which regions does the organization export Kenyan products to?
Africa Asia
Europe America
Others (*please state*).....
6. If the organization exports horticultural products to the EU market, please rank the products according to their share of exports to EU.
(1- largest share, 2 - second largest share, 3 - least share)
Fruits
Vegetables
Flowers
7. For how long has the organization been exporting to the EU market?
..... months/years

Specific Information

8. What is the average level of exports of fruits & vegetables exported by the organization to the EU per annum?

a) Fruits

- | | | | |
|----------------------|-----|-----------------------|-----|
| 1 – 1,000 tonnes | [] | 5,001 – 6,000 tonnes | [] |
| 1,001 – 2,000 tonnes | [] | 6,001 – 7,000 tonnes | [] |
| 2,001 – 3,000 tonnes | [] | 8,001 – 9,000 tonnes | [] |
| 3,001 – 4,000 tonnes | [] | 9,001 – 10,000 tonnes | [] |
| 4,001 – 5,000 tonnes | [] | Above 10,001 tonnes | [] |

b) Vegetables

- | | | | |
|----------------------|-----|-----------------------|-----|
| 1 – 1,000 tonnes | [] | 5,001 – 6,000 tonnes | [] |
| 1,001 – 2,000 tonnes | [] | 6,001 – 7,000 tonnes | [] |
| 2,001 – 3,000 tonnes | [] | 8,001 – 9,000 tonnes | [] |
| 3,001 – 4,000 tonnes | [] | 9,001 – 10,000 tonnes | [] |
| 4,001 – 5,000 tonnes | [] | Above 10,001 tonnes | [] |

9. a) Are there any barriers that affect the organization's processes in exporting the
Yes [] No []

10. If yes, please tick which one of the following barriers affect the exports.

a) Tariff barriers

- | | | | |
|---------------------------|-----|----------------------------------|-----|
| Specific duties | [] | Quantitative import restrictions | [] |
| Ad-valorem duties | [] | Voluntary export restraints | [] |
| Government taxes & levies | [] | | |

Others (please state)

.....
.....
.....

b) Non-tariff barriers

Environmental standards & regulations []

Sanitary and Phytosanitary (SPS) []

Food product & safety standards []

Others (*please state*)

.....
.....
.....

11. What are some of effects that the tariff barriers impact on the organization's exports to the EU market? (*please tick*)

Increased export costs [] Reduced competitiveness of Kenyan goods []

Reduced export volumes []

Others (*please state*)

.....
.....
.....

12. What are some of effects that the non-tariff barriers impact on the organization's exports to the EU market? (*please tick*)

Increased export costs [] Reduced competitiveness of Kenyan goods []

Reduced export volumes []

Others (*please state*)

.....
.....
.....

13. What are some of the measures that the organization has taken to be able address the effects of the barriers? *(please list)*

.....
.....
.....
.....

14. Has the government assisted in addressing the issues of the barriers?

Yes [] No []

b) If yes, state how it assists.

.....
.....
.....

c) If no, kindly suggest how it should assist.

.....
.....
.....

Thank you for filling this questionnaire.

APPENDIX III: List of Active Exporters

1	14 FLOWERS
2	AAA GROWERS LTD
3	ABERMARK FLOWERS LTD
4	AGRIFLORA LTD
5	ALORA FLOWERS LTD
6	ANDERSON ORCHARDS LTD
7	AQUILA DEVELOPMENT CO. LTD
8	ART FLOWERS (K) LTD
9	ATOLL FLOWERS
10	AUCTION FLOWERS (K) LTD
11	AVENUE FRESH PRODUCE LTD
12	BARIO EXIM SERVICES
13	BATIAN FLOWERS LTD
14	BAWAN ROSES
15	BEKYA FLORICULTURE
16	BELT CARGO SERVICES LTD
17	BEVERLY FLOWERS LTD
18	BEAUTY LINE LTD
19	BILA SHAKA FLOWERS
20	BOB HARRIES LTD
21	BROTHERHOOD AGENCIES
22	BUS AND BLOOM
23	BUD OF PARADISE
24	CARZAN CULTURES & LAB
25	CARNATIONS PLANTS LTD
26	CELINICO FLOWERS LTD
27	CHARM FLOWERS LTD
28	CHANJEMA FLOWERS
29	CLEOS VEGFRUIT
30	COLOUR CROPS LTD
31	COUNTRY WIDE CONNECTIONS LTD
32	CULTURAL DE AFRIQUE FLOWERS LTD
33	DANKA INVESTMENTS
34	DAMICI INVESTMENTS
35	DORLACO TRADING COMPANY
36	DINYAWA FLOWERS
37	EAST AFRICAN GROWERS
38	EAST WEST EXPORTERS
39	EFM FERZA KENYA
40	ELDOFLORA NURSERIES
41	ELIKA GROWERS
42	EMBWEN LTD
43	EMPIRE VEG AND FRUIT EXPORTERS
44	ENKASITI FLOWER GROWERS LTD

45. EQUATORIAL NUT PROCESSORS (K) LTD
46. EQUATOR FLOWERS (K) LTD
47. EVERREST ENTERPRISES LTD
48. EVERFLORA LTD
49. EVERLINK LTD
50. EXTROPICA(K) LTD
51. FINLAY FLOWERS LTD
52. FIAN GREEN (K) LTD
53. FLORICULT
54. FLORALINE FRESH PRODUCTS
55. FOUR-TEN INVESTMENTS
56. FRESHPAK HORTICULTURES
57. FRESHFIELDS EXPORTERS
58. GATOKA LTD
59. GARDEN FLORA LTD
60. GREEN VENTURES
61. GREENLANDS AGROPRODUCERS
62. GREENGOLD ENTERPRISES
63. HARVEST LTD
64. HARMONY FOODS LTD
65. HILLSIDE GREEN GROWERS &EXPOTERS
66. HIGHLANDS PLANTS LTD
67. HOMEGROWN (K)LTD
68. HORT.FARMERS &EXPORTERS
69. HORIZON KENYA LTD
70. HORTEC PRODUCE LTD
71. INDU-PARM EPZ LTD
72. INTERGREEN LTD
73. ISINYA FLOWERS LTD
74. JAMBO HORTICULTURAL EXPORTERS
75. JEAN IMPEX ENTERPRISES
76. JIM FLOWERS
77. JILIALE TRADING COMPANY
78. JUSTEL FRUITS
79. K-NET FLOWERS LTD
80. K-PACK LTD
81. KAREN ROSES LTD
82. KANDIA FPS LTD
83. KAURENGENI HORTICULTURAL FARM
84. KENNOR IMPORTS &EXPORTS
85. KENYA FRESH PRODUCE
86. KENYA HIGHLANDS NURSERIES
87. KENYA HORTICULTURAL EXPORTERS
88. KENYA CUTTINGS LTD
89. KENYA PLANT PRODUCTION
90. KENYA FRESH PRODUCE EXPORTERS

91. KIJABE LTD
92. KYOME FRESH
93. LA'MINA AGENCY
94. LAKE FLOWERS LTD
95. LAPORTE HOLDINGS
96. LAUREN INTERNATIONAL FLOWERS LTD
97. LAUREL INVESTMENTS LTD
98. LAKE FRESH VEG. LTD
99. LIKI RIVER FARM
100. LIVE WIRE LTD
101. LINSSEN ROSES
102. LOCLAND
103. LONGONOT HORTICULTURAL EXPORTERS
104. LOTEK EXPORTERS
105. LOBELIA FARMS LTD
106. MAGANA FLOWERS
107. MAKINDU GROWERS & PACKERS LTD
108. MATSINBERG C/F
109. MAMY FLOWERS
110. MARIDADI FRUITS & VEG
111. MAJI MAZURI FLOWERS
112. MARIDADI FLOWERS LTD
113. MBOGA TUU LTD
114. MEADOW VEG & FRUIT (K)
115. MIWAN FRESH PRODUCE CO. LTD
116. MIGOTIYO PLANTATION
117. MOSI LTD
118. MT.ELGON ORCHARDS /ANDERSON
119. MWEIGA BLOOMS
120. MYNER EXPORTS LTD
121. NATURE GROWN LTD
122. NEPTUNE FLOWERS AGENCIES
123. NGEWE BLOEM
124. NIKITA FLOWERS LTD
125. NINI LTD
126. NJORO GARDENS
127. NJAMBI FLORA
128. OKA FRESH EXPORTERS
129. OL-NJOROWA LTD
130. OSERIAN DEVELOPMENT CO.LTD
131. P.J. DAVE
132. PANACOL INTERNATIONAL LTD
133. PANDA FLOWERS LTD
134. PEMI CULTURAL AFRIQUE
135. PENTA FLOWERS
136. PHOENIX INVESTMENTS

137.	PLANET-FLOWERS LTD
138.	PRIMAROSA FLOWERS LTD
139.	REAP HORTI
140.	REDHILL FLOWERS
141.	REDLANP ROSES
142.	REDHILL GARDENS LTD
143.	REGIE FLOWERS KENYA LTD
144.	RIVER FARM BLOOMS
145.	ROSEY SERVICES LTD
146.	ROZIKKA GARDEN CENTRE
147.	ROFFILL FRESH PRODUCE
148.	SACCO FRESH LTD
149.	SANDE KENYA LTD
150.	SANSORA INVESTMENTS LTD
151.	SARKISH FLORA LTD
152.	SAFWAN CARGO CONVEYORS
153.	SAMROCK
154.	SAWA HARVEST
155.	SELECTION FRUITS ENTERPRISES
156.	SHALIMAR FLOWERS (K) LTD
157.	SHER AGENCIES
158.	SIMBI ROSES SIXTIES (K) LTD
159.	SIRGOEK FLOWERS FARM
160.	SILKENLINES ENTERPRISES LTD
161.	SIAN EXPORTS (K) LTD
162.	SIGNET FORWARDERS (K) LTD
163.	SMALL WESTLANDS LTD
164.	SOPHIA ROSES
165.	SOTE FLOWERS
166.	STAR FLOWERS (K) LTD
167.	SUBATILTD
168.	SUERA LTD
169.	SUNRIPE (1976) LTD
170.	SUPER VEG LTD
171.	SURVO FREIGHT FOREWARDERS
172.	SUMMER FOODS LTD
173.	TAMBUZI LTD
174.	TANU ROSES (K) LTD
175.	TERRASOL (K) LTD
176.	TERRA FLEUR
177.	THE FRESH APPROACH LTD
178.	THE PLANT FACTORY KENYA LTD
179.	TROPIFLORA LTD
180.	TRANSBEL LTD
181.	VALENTINE ROSES
182.	VERT FRESH LTD

- 183. VEGMON AGENCIES
- 184. VEGPRO (K) LTD
- 185. VEPI FLOWERS
- 186. VEG VILLE
- 187. VITACRESS (K) LTD
- 188. VIAFLOR KENYA LTD
- 189. WAMU INVESTMENTS
- 190. WAQASH ENTERPRISES
- 191. WARIDI LTD
- 192. WARIDI ESPORT FRESH
- 193. WET FARM LTD
- 194. WILHAM (K) LTD
- 195. WILMARAGRO
- 196. WIMA FLOWERS LTD
- 197. WINTER FRESH LTD
- 198. WILDFIRE FLOWERS LTD
- 199. WINCHESTER FARM LTD
- 200. WINDSOR FLCWERS
- 201. WONI VEG-FRU EXPORTERS & IMPORTERS
- 202. ZENA ROSES
- 203. ZEDGEELTD ,
- 204. FRIGOKEN