

**SPEECH BY HIS EXCELLENCY HON. MWAI KIBAKI, C.G.H., M.P.,
PRESIDENT AND COMMANDER-IN-CHIEF OF THE DEFENCE FORCES OF
THE REPUBLIC OF KENYA DURING HIS ADDRESS TO THE EAST
AFRICAN LEGISLATIVE ASSEMBLY AT PARLIAMENT BUILDINGS,
NAIROBI ON 25TH JANUARY, 2011**

Honourable Abdirahin Abdi, Speaker of the East African
Legislative Assembly,

Honourable Members of the East African Legislative
Assembly,

Distinguished Ladies and Gentlemen,

I am pleased to address this session of the East African
Legislative Assembly. I note that during this session, you
will be discussing crucial legislative matters regarding
our Community and the integration process. I take this
opportunity to warmly welcome you to Nairobi and to wish
you fruitful deliberations.

This session comes at a critical moment of the East African
Community, when the pace of integration has gained momentum
with the implementation of both the Customs Union and the
Common Market. In addition, substantial progress is being
made in the implementation of East Africa Community
projects.

I take this opportunity to commend this Assembly for the
oversight role that it has continued to play and for the
legislative achievements this August Assembly has made.
Your efforts have continued to play a significant role in
deepening and widening of the integration process.

As we embark on the EAC flagship projects and programmes it
is my hope that the Assembly will play its rightful role to
ensure their timely and effective implementation.

Mr Speaker,

The progress we have made to date in the implementation of
the Customs Union and the Common Market is commendable. The
Customs Union, which we established in 2005, has generated
the intended positive results over the last five years of
its operation.

This is clearly demonstrated by the trend in intra-EAC
trade over the period. For example, the value of the total

intra-EAC trade rose from 1.8 billion US Dollars in 2004 to 3.5 billion US Dollars in 2009 representing a growth of 94 percent. A closer look at both the exports and imports of each one of the Partner States reveals similar upward trends.

In addition, following its launching in July last year, the Common Market has increased interest in our region from both the citizenry and foreign investors who continue to inquire on the available opportunities. In this regard, the conclusion of the remaining Annexes to the Protocol on the Common Market should be finalized without further delays. This will enable the Community benefit from a working single market. This further calls for close monitoring by this Assembly.

Mr. Speaker,

While the business community has continued to play a commendable role of embracing the Customs Union and investing in various parts of the Community, there is need for support in the form of improving the business environment in the Community. Towards this end, a number of areas need to be addressed.

First, it imperative that we eliminate the Non-tariff Barriers such as prolonged clearing procedures and regulations that have continued to make doing business in East Africa expensive. I encourage the Honourable Members to pay special attention to this area and develop viable solutions to the problem.

Second, for the East African Community to emerge as a competitive trading area, the state of our infrastructure has to be excellent. This may not be realized if the region continues to rely on an overstretched road network. Therefore, the state of the railway network which is outdated and substantially incapacitated needs to be addressed. There is need to upgrade and modernize the railways network as well as extend it to other parts of the Community. I have no doubt that although the amount of money required for this kind of network overhaul is huge, this can be achieved if all stakeholders work together.

Third, the traders in small and micro-enterprises sector need to be facilitated to enable them do business in the regional arena. Across the whole region, majority of our

people are engaged in this sector and many more continue to join it annually.

However, their operational capacities are too small for them to compete on equal footing with bigger corporations. The main challenge is, to engage the sector in the process of accessing the benefits of the customs union. It is, therefore, necessary for strategies to be developed in support of the sector.

Mr. Speaker,

Further beyond our Community, the ongoing implementation of the Comprehensive Peace Agreement in the Sudan and specifically the just concluded referendum on the Southern Sudan is encouraging. We specifically commend the leadership of both the National Congress Party and the Sudan People's Liberation Movement for supporting the outcomes of this democratic process. We are optimistic that the outcome of the referendum will have positive implications for the East African Community.

In conclusion Mr. Speaker, I would like to re-affirm the commitment of my Government to the East African Community integration process. We are certain that this is an effective vehicle for the economic development and prosperity of the people of East Africa. We, therefore, continue to give priority to the Community agenda in the operation of our Government.

With these remarks, I once again wish you fruitful deliberations and look forward to continued partnership with this Assembly in our journey towards regional integration.

Thank you and God bless you all.