

# PARLIAMENT OF KENYA

## THE SENATE

### THE HANSARD

Tuesday, 5<sup>th</sup> November, 2019

*The House met at the Senate Chamber,  
Parliament Buildings, at 2.30 p.m.*

*[The Speaker (Hon. Lusaka) in the Chair]*

#### PRAYER

**The Deputy Speaker** (Sen. (Prof.) Kindiki): Very well, Sen. Olekina.

**Sen. Olekina:** Thank you, Mr. Deputy Speaker, Sir. I rise to make my contribution on this very important Motion. I am very happy that it has come at a time when this House has come out as the House of reason.

Today as I rise to contribute to this Motion, I am worried about the future generation. I am worried about the burden which we, in the current generation, are continuing to heap on the future generation. We are told choices have consequences.

Mr. Deputy Speaker, when you think about the cost of borrowing in this country think about this Motion today and the actions of our voting today, either 'yes' or 'no', tomorrow the cost of borrowing in this country will skyrocket. Our economy will continue to stagnate. We have got to look at the whole issue of the economy in a much broader spectrum. We need to ask ourselves: If we allow Treasury to raise the ceiling of borrowing debt in this country, how will we oversight them to ensure that we do not continue getting deeper down in the hole?

My biggest worry is that currently, the Government is trying to carry out every single project in this country. Private sector is not being given an opportunity to be able to help the economy grow. Monopoly is something which is being encouraged with the heavy borrowing that we are doing.

I was reading this Report which has been tabled here. The interest rates that the Government is currently paying from commercial banks worries me.

Mr. Deputy Speaker, Sir, this is the point where I agree with Sen. Moi that we must retire these commercial loans. When you borrow in foreign currency and the interest rates are as high as 7.5 per cent from Citigroup Global Market Europe, all the way down to Khan Corporation at about six per cent, it worries me.

We have to figure out how we will control our debt and manage it. We have put ourselves in this situation where we want to support the Big Four Agenda, yet, where we are allowing the Government to get into what the private sector does such as construction of houses. We then have to figure out and ask ourselves whether we can continue borrowing or whether we have to change the entire policy.

It is high time that this House sends a very strong message to the National Treasury and the Executive that the Big Four Agenda may not succeed. If we will allow the National Treasury to continue borrowing, then by all means we have to be willing to say no to certain projects such the housing being done in this country. I have seen in the list of the projects that are supposed to be paid by the borrowing, housing is number one. Why not leave that to the private sector?

Mr. Deputy Speaker, Sir, the problem we are putting ourselves in is that we are not scrutinising every single document which is being provided to us by the National Treasury. There is no problem in borrowing. We are in a country where we want to live beyond our means so we have to continue borrowing. My point is that if we will support this, which I am inclined to support, I think we have to come up with proper regulations on what the Government can undertake and what it cannot. There is no way I will support this if we will allow the Government to continue saying they want to support the Big Four Agenda, build houses, have Universal Health Care (UHC) and everything yet when you go to the manufacturing sector, monopoly still thrives.

If you go to Mombasa next to the Port, there are companies that want to build their own industries, but are not being allowed because of monopoly. As we vote for this we have to be prepared and tell Kenyans that the cost of borrowing even locally will be higher. The interest rates locally will be higher. There is no way we will allow the Government to borrow more and then expect the interest rates to go down. We have to be realistic and tell Kenyans that even this interest cap we are talking about will have to go away because next year the largest part of the Kenyan budget will be to repay the loans.

Mr. Deputy Speaker, Sir, it is sad, but it is a reality that we are part of that generation which will burden the future generations. Although I support I do so with a very heavy heart because there is nothing I can do. I have to support this because one of the things I have learnt in this Parliament is that although it is shameful ---

*(Several Senators spoke off the record)*

**The Deputy Speaker** (Sen. (Prof.) Kindiki): Order! Sen. Omanga. Order!

**Sen. Olekina:** Mr. Deputy Speaker, Sir, it is a reality that we are living in an economy that is slowing down and people are suffering. I have never in my life got to a point where when you try to buy someone a drink, you expect them to buy you another drink and they tell you: "Boss, I have not been paid for the last one or two weeks." This economy is slowing down.

We have to bite the bullet, but allow the National Treasury to raise the debt ceiling. We have to encourage them to leave the private sector to help build this economy.

Mr. Deputy Speaker, Sir, I rest my case.

**The Deputy Speaker** (Sen. (Prof.) Kindiki): Do you rest your case or support?

**Sen. Olekina:** Mr. Deputy Speaker, Sir, I support.

**The Deputy Speaker** (Sen. (Prof.) Kindiki): You have to end by either supporting or opposing. You cannot just rest your case, whether your heart is heavy or light; it does not matter. You either support or oppose.

*(Several Senators spoke off record)*

Order, Sen. Cheruiyot! You are the one almost doing what you were accusing the Senate Majority Leader of doing.

Proceed, Sen. Omanga.