REPUBLIC OF KENYA

REMARKS BY H.E. WILLIAM SAMOEI RUTO, PHD, C.G.H. PRESIDENT OF THE REPUBLIC OF KENYA AND COMMANDER-IN-CHIEF OF THE DEFENCE FORCES DURING KEPSA'S 20TH ANNIVERSARY CELEBRATION

DECEMBER 10, 2024

KICC, NAIROBI COUNTY

Ladies and Gentlemen,

1. I am honoured to join you this evening in celebrating KEPSA's 20 years of transformative contributions to Kenya's socio-economic development, a milestone that highlights the power of partnership and collaboration between the government and the private sector in driving national progress.

2. Over the past two decades, Kenya's economy has experienced extraordinary growth and transformation, averaging a consistent GDP growth rate of 5.6% pre-COVID-19 and rebounding to 5.6% growth in 2023. This impressive and resilient performance demonstrates the robustness of our economy, driven by a dynamic and vibrant private sector that continues to serve as the cornerstone of our economic development.

3. The private sector's contributions encompass critical areas of our economy, from agriculture, which employs over 40% of Kenyans, to the services sector, where ICT and financial services drive innovation and growth. Tourism has also played a pivotal role, with accommodation and food services recording a growth of 26.6% in the second quarter of 2024. Together, these sectors form the bedrock of our shared prosperity.

4. Recognising the central role of the private sector, the government has prioritised creating a conducive environment for business through initiatives such as the State Department for Investment Promotion and the National Investment Council (NIC). These platforms facilitate continuous dialogue between the government and the private sector, ensure the implementation of necessary reforms, and promote policy alignment to drive economic growth.

5. Our collaboration has already yielded significant outcomes, including the introduction of incentives for manufacturing, e-mobility, and special economic zones. These measures, alongside streamlined tax refund mechanisms, have boosted investor confidence and enhanced Kenya's global competitiveness.

6. On the macroeconomic front, deliberate policy interventions have stabilised the Kenyan shilling, leading to a 20% appreciation from KSh 162 to the dollar in February 2024 to KSh 129 today. Inflation has fallen to a 17-year low, declining from 9.6% in September 2022 to 2.7% in October 2024. Additionally, foreign exchange reserves have surged to $9.5 billion, ensuring robust import cover and strengthening our financial markets. These outcomes have restored market confidence, significantly reduced the cost of servicing external debt, and created fiscal space to support our development priorities.

Ladies and Gentlemen,

7. The government remains unwavering in its commitment to leveraging Public-Private Partnerships (PPPs) to fund and deliver major infrastructure projects across Kenya. World-class infrastructure is the foundation of economic growth, job creation, poverty alleviation, and regional integration. Through successful collaborations, such as the Nairobi Expressway, County Aggregation and Industrial Parks, and the LAPSSET Corridor, we have demonstrated how PPPs can mobilise private capital and expertise while reducing the fiscal burden on the government.

Moving forward, we are expanding this model to critical sectors, including transport, energy, water, and affordable housing, to ensure sustainable and efficient delivery of projects that transparently and efficiently meet the needs of our people.

8. The government is equally unequivocal in its determination to eradicate corruption and eliminate unnecessary bureaucracy, ensuring that every shilling, whether from public resources or the private sector, is utilised efficiently and fully accounted for. We are implementing robust measures to promote transparency, streamline processes, and strengthen accountability across all levels of government. By digitising over 20,855 government services, enhancing procurement oversight, and enforcing strict anti-corruption frameworks, we are creating an environment where integrity and efficiency thrive. This commitment is non-negotiable as it forms the foundation upon which trust with our citizens and partners is built.

9. By removing barriers and fostering a more predictable and supportive investment environment, we are attracting both local and foreign investors, driving economic growth, and creating jobs. Our ambition is to grow Foreign Direct Investment (FDI) inflows to $10 billion annually by 2027. This target will be supported by strategic initiatives, including the establishment of Special Economic Zones (SEZs), enhanced infrastructure, and policies designed to boost investor confidence. These efforts are already bearing fruit, with over KSh 230 billion in investments secured through improved ease of doing business reforms.
Kenya is now well-positioned as a regional investment hub, leveraging its strategic location, robust innovation ecosystem, and strong public-private partnerships to unlock opportunities and drive shared prosperity.

10. KEPSA's alignment with our Bottom-Up Economic Transformation Agenda (BETA) is commendable. Your focus on enterprise development, youth employment, and climate action resonates with our goals to support MSMEs, expand digital infrastructure, and enhance productivity across sectors. Together, we must tackle persistent challenges such as poverty, agricultural productivity, and access to affordable credit.

11. Programmes like the Hustler Fund, which has disbursed over KSh 60.5 billion to 24.6 million beneficiaries and mobilised KSh 3.5 billion in savings in just two years, exemplify our efforts to empower entrepreneurs and strengthen the economic base. Just yesterday, we launched the Hustler Fund's new facility: the Bridge Loan product, which incorporates a credit scoring mechanism to enhance borrowers' credit limits, with some eligible to receive up to three times their current limits. This product will also help transition responsible borrowers into the mainstream financing sector by introducing them to the banking environment and facilitating relationships that support and grow their enterprises.

12. Ladies and Gentlemen, I assure you of the government's and my personal support as we advance our partnership to unlock Kenya's full potential. From 2025, we will introduce quarterly dialogue sessions with the private sector to address bottlenecks to doing business and explore opportunities for deeper collaboration. Additionally, we shall launch a dedicated effort to better coordinate business climate reforms, ensuring that Kenya becomes the natural home of global, regional, and domestic investment.

13. Once again, congratulations to KEPSA for two decades of extraordinary achievements. Together, let us drive Kenya's economic transformation into 2025 and beyond.

Thank you, and may God bless Kenya!