REPUBLIC OF KENYA

REMARKS BY HIS EXCELLENCY HON. WILLIAM SAMOEI RUTO, PHD, CGH PRESIDENT OF THE REPUBLIC OF KENYA AND COMMANDER-IN-CHIEF OF THE DEFENCE FORCES DURING THE OPENING OF KENYA BANKERS ASSOCIATION INUA BIASHARA EXHIBITION EVENT

OCTOBER 16, 2024

KICC, NAIROBI

1. I am proud and encouraged to join you as we discuss the future of economic transformation and the vital role of medium, small and medium enterprises in shaping it.
2. The government recognises, embraces and champions the critical contributions of MSMEs, notably in creating between 80 and 90 per cent of jobs and generating nearly a third of the Gross Domestic Product (GDP). Without a doubt, under the right conditions, MSMEs have even greater potential to drive national economic transformation at an accelerated pace, creating jobs for our youth and improving the livelihoods of both urban and rural communities and enterprises.
3. The Bottom-Up Economic Transformation Agenda outlines strategic interventions that the government will implement in collaboration with private sector investments in creating an enabling environment across all sectors, particularly for MSMEs, to unlock opportunities and achieve inclusive transformation.
4. I am particularly encouraged by the thematic focus of this event because the empowerment of MSMEs is at the core of the Bottom-Up Economic Transformation Agenda, which is our vehicle to deliver equitable development and inclusive growth that engages all citizens.
5. I also take this opportunity to commend the banking industry, not only for its essential role in ensuring the efficient functioning of our economy and maintaining the integrity of our financial sector but also for leading by example in tax compliance. In 2023, the banking industry contributed KSh 190 billion in taxes, reflecting its performance and potential.

These funds significantly support the government's efforts to improve infrastructure, enhance public services, and promote robust economic activity.

6. This event has fundamental positive implications for economic growth because banking institutions have demonstrated their commitment to expanding lending to the MSME sector through a variety of dedicated products and solutions that have been showcased here today. This commitment is significant and impactful. According to the Central Bank, our banks provided KSh 783 billion in loans to MSMEs in 2023, which represents an increase of approximately KSh 75 billion.

7. As we launch the MSME Accelerator Programme today, let us reflect and collaborate in advancing its stated aim of boosting small businesses' capabilities through comprehensive assessments, advanced training and tailored support from public and private sector partners, as well as development finance institutions.

8. As we do this, I am confident that our banking sector's dedicated support programme will facilitate MSMEs to develop scalable business models, strengthen financial management skills and gain access to investors, markets and formal credit.

9. I commend the banking industry's pledge to double lending to MSMEs by providing KSh150 billion in new loans annually, beginning in 2025. Accordingly, the government will support this bold and innovative move through policy and institutional backing, including measures to guarantee the prompt payment of all pending government bills, which will commence once the ongoing verification process is completed.

10. Finally, I urge the National Treasury and the Ministry of Cooperatives & MSME Development to align policies in order to provide a sustainable framework for engaging with opportunities for transformation and addressing the challenges MSMEs face in accessing credit. This will help foster the broadest inclusion of stakeholders in the financial services sector.

Thank You.