



REPUBLIC OF KENYA

**STATEMENT BY HIS EXCELLENCY WILLIAM
RUTO, PhD, CGH; PRESIDENT AND COMMANDER-
IN-CHIEF OF THE KENYA DEFENCE FORCES
DURING THE TAXPAYERS' DAY AWARDS**

NOVEMBER 1, 2024

STATE HOUSE, NAIROBI



Distinguished Taxpayers,

Ladies and Gentlemen,

1. We dedicate this day to honour you, the individuals and businesses whose contributions to our national revenue mobilisation efforts have enabled us to finance the national budget. You have provided us with the necessary resources to ambitiously propel Kenya towards self-reliance and inclusive development. This event is, therefore, devoted to celebrating you for demonstrating, in word and deed, two outstanding patriotic qualities: Consistent hard work and the dutiful remittance of taxes as stipulated by law and expected of all good citizens, both individual and corporate.
2. Your patriotism is the foundation of our nation's economic resilience and progress because efficient revenue mobilisation is essential to financing the delivery of public services, investing in infrastructure development and providing resources required to safeguard peace, stability and national security.
3. Kenya's socio-economic transformation is overdue by decades because we delayed too long in enhancing domestic revenue mobilisation to the level needed to ensure sustainability and economic take-off. As a result, we lack the resources needed for development to secure Kenya's economic independence, while unemployment continues to affect our youthful population, with over 5 million young men and women seeking employment and more than 850,000 entering the labour market annually.



4. Similarly, our nation has suffered from a severe housing deficit, which has pushed the cost of housing beyond the reach of many urban workers, forcing them to live in crowded, unsanitary and often insecure dwellings. Our farmers have worked tirelessly but have yet to benefit from improved agricultural techniques, post-harvest loss mitigation, economies of scale, value addition and export manufacturing.
5. Additionally, our country's vast potential to be competitive in the digital economy, creative industries, and innovation has remained untapped due to underinvestment in both technical and vocational education and training, as well as in the necessary digital and ICT infrastructure.
6. Further endeavours to ensure the health of our people by providing high-quality healthcare have been undermined by limited access and high costs because medical facilities have been few and under-equipped, while treatment has typically overwhelmed the majority of household budgets and exacerbated hardship.
7. At the same time, our economic growth has faced major challenges from within and without, including rising energy prices and interest rates, severe impacts of climate change and geopolitical upheaval, factors that have driven up commodity prices and significantly increased our debt burden. We have been navigating uncharted waters for a while now, with more than half of our revenues going to service debt and thus denying us resources for development and critical services.
8. The bold policies outlined in the Bottom-Up Economic Transformation Agenda aim to drive shared prosperity by reducing the cost of living, enhancing labour productivity, and



creating millions of jobs annually. This is why we are investing in developing high-capacity value chains such as agriculture, MSMEs, housing, healthcare, the digital superhighway and creative industries.

9. To execute these transformative strategies, we agreed with the people of Kenya to take very difficult but also necessary decisions to restore economic stability and guarantee fiscal sustainability in the short and medium term as the first step towards setting our nation on a path to economic take-off. We also resolved to radically reduce non-priority expenditure and eliminate wastage to ensure that every shilling of national revenue goes as far as possible to deliver for our citizens. Additionally, we committed to significantly increasing domestic revenue mobilisation by ensuring that every eligible taxpayer contributes their fair share to support development and services, with no one evading their duty or benefiting unfairly from others' contributions.
10. I am pleased to announce that our collective efforts are yielding positive results. In October 2024, inflation dropped to 2.7% from 9.2% two years ago, well within the Central Bank's target. This stability resulted from favourable weather, consistent fuel prices and deliberate fiscal measures. Our currency has strengthened against the dollar, moving from KSh160 in January to KSh129 in October, and our GDP grew by 5.6% in 2023, up from 4.9% in 2022, indicating a solid economic recovery.
11. To sustain this progress and promote fairness, we must enhance equity and effectiveness of tax revenue mobilisation. This means that our tax measures must be fair, and every eligible entity must pay.



It also means that the partnership between government and taxpayers must be based on a dynamic of reciprocity, with the government using effective policies and efficient public investments to enable taxpayers to thrive and create jobs and wealth.

12. As can be noted in this year's theme, trade is a vital sector that requires robust facilitation to grow our economy. For a while now, we have been making significant progress in improving the ease of doing business, enhancing Kenya's appeal to local and foreign investors, streamlining the regulatory environment and empowering businesses.
13. We have resolved to establish a fair tax system that relies on simplicity and transparency to encourage compliance. Consistent collaboration between the National Treasury, the Kenya Revenue Authority (KRA) and other stakeholders has provided a robust platform for the development of inclusive policies, especially for micro-, small and medium enterprises.
14. Kenya's current revenue collection is significantly below the East African Community target of 25% of GDP. Our aim is to raise revenue from 14% to 22% of GDP within the next decade and to promote compliance from 70% to 90% by 2026/2027. Expanding the tax base by addressing hard-to-tax sectors such as the informal economy and digital businesses will require collaboration, innovation and determination.
15. Technology is critical to all modern transformations. Automated systems, including electronic data interchange and streamlined customs processes, can significantly reduce costs, improve efficiency, and enhance transparency.



Through effective use of Artificial Intelligence, machine learning and the new Gava Connect API, KRA will enhance service delivery, transparency and tax evasion detection.

16. I am proud to note that the Tax Base Expansion Strategy enabled the government to generate KSh24.6 billion in the 2023/2024 financial year and added 1.2 million new taxpayers to the national revenue base. In particular, the strategy has succeeded in bringing landlords into the tax net through the Block Chain Management System and the Monthly Rental Income programme. Likewise, enhanced systems, including the Electronic Tax Invoice Management System, have reduced VAT fraud, enabling us to mobilise KSh314 billion from over 280,663 VAT-registered taxpayers.
17. I commend millions of patriotic Kenyans for performing their patriotic duty and filing 8 million tax returns by June 30, 2024, surpassing the target by 26%. Tax compliance is not only a legal and civic duty but also signifies our shared commitment to contribute towards national transformation. I would also like to recognise Dr Lillian Nyawanda, Commissioner of Customs and Border Control, and Mrs Risper Muthoni Simiyu, Commissioner of Domestic Taxes, for their outstanding performance in surpassing their tax collection targets by 102% and 105%, respectively. Through better infrastructure, inclusive services, and increased wealth and job creation, we are laying the foundation for rapid national transformation.
18. This is why we must all take a stand against tax evasion and corruption, which continue to pose significant challenges. Tax evaders should not be allowed to hide resources owed to Kenyans while benefiting from public services.



Similarly, those engaged in corruption should not enjoy benefits gained through the sabotage of public service delivery and the undermining of public infrastructure development.

19. I urge Kenyans to take advantage of KRA's iWhistle platform, which enables the public and staff to report malpractice. I commend those who have done so already by reporting 883 cases, which led to the recovery of KSh4.22 billion. Additionally, 255 KRA staff members have been investigated. It is critical for us to uphold integrity to secure public confidence, motivate tax compliance and promote efficiency and accountability. This is the way to ensure that every shilling of taxpayer money is fully applied to its intended purpose.
20. I reiterate my undertaking to remain a responsible steward of public resources and to ensure that no funds entrusted to the government will be lost under my watch. We have made significant progress in enhancing transparency and efficiency through digital solutions to combat theft, waste, and corruption, and we remain committed to furthering this effort to assure Kenyans of maximum efficiency in resource utilisation.
21. Today, we launch KRA's Ninth Corporate Plan, a five-year roadmap focused on improving efficiency, service delivery and compliance through technology and process optimisation. I commend KRA and the National Treasury for their work in developing this plan and urge them that nothing, except the full implementation of this strategic plan, shall be acceptable.
22. Accordingly, I call upon government agencies to cooperate fully with KRA in strengthening revenue mobilisation.



Once again, I salute the distinguished taxpayers of Kenya and extend the appreciation of a grateful nation for your patriotic contribution to national self-reliance and transformation. I congratulate each of the outstanding taxpayers recognised today: Your exemplary tax compliance is a model of committed nation-building. As we celebrate you, we honour the critical contribution of every taxpayer to our nation's self-reliance and to our collective efforts to build a prosperous and resilient future.

23. The Kenya Revenue Authority's Ninth Corporate Plan is now officially launched, and the Gava Connect API platform is also officially unveiled.

Thank you.

God bless you.

God bless Kenya.

