

**SPEECH BY HIS EXCELLENCY HON. UHURU KENYATTA, C.G.H., PRESIDENT AND COMMANDER IN CHIEF OF THE DEFENCE FORCES OF THE REPUBLIC OF KENYA DURING THE OFFICIAL OPENING OF THE HIGH-LEVEL ECONOMIC CONFERENCE ON KENYA, NORFOLK HOTEL, NAIROBI, 17TH SEPTEMBER, 2013**

Captains of Industry,  
Distinguished Ladies and Gentlemen,

It gives me much pleasure to be with you at this High Level Conference. On behalf of the Government of the People of Kenya, I extend a warm welcome to all of you. To international participants, you are invited to experience the essence of Kenyan hospitality to be found in various settings in Nairobi and throughout the country.

My Government embraces its mandate with enthusiasm, focus and dedication. We take our obligations and responsibilities seriously. To enable us discharge them effectively, we seek strategic partnerships domestically, regionally and internationally. These partnerships must be genuine, founded on mutual esteem and, for our part, dedicated to improving the lives of Kenyans. We endeavour to use every opportunity to move the agenda of national transformation one more step ahead.

Forums like this High Level Conference offer such an opportunity, and obviously, we are keenly aware of that fact. We also appreciate the contemporary framework of engagement, which focuses on mutual partnership as opposed to prescription and patronage. This is refreshing. It is also pragmatic since it recognises Kenya's, and Africa's innate potential for growth. It acknowledges our people's role in national development and their ultimate responsibility for their destiny.

Already, the fruits of such partnerships are evident in the leaps we have made in laying the foundations of prosperity. We will continue to seek such partnerships, and to listen to and consult with those who wish to be part of our journey into the future.

Ladies and Gentlemen,

A discussion of Kenya's economic successes, prospects and challenges offers immense promise on two levels. First of all, at this level, any interaction that brings together dedicated thinkers, strategists and policy makers does play a useful role in refining the economic governance philosophy of public officers. More critically, you will be able to generate recommendations which are on-point to in so far as they effectively respond to various opportunities as well as challenges. Whichever way one looks at it, such forums cannot fail to produce satisfactory outcomes. This is the shape of consultation that we wish to keep. It is the format preferred by the ultimate decision makers: the Kenyan people in whose name I stand here. It is their voice that must come out clearly in the end.

The Jubilee Coalition's manifesto packages the national transformation agenda into three principal pillars - Umoja (Unity), Uchumi (the Economy) and Uwazi (openness). Our starting point is the recognition that Kenya has a strong economy, which is modern in many aspects, but with even greater potential for expansion. We are often reminded to learn from history. Singapore teaches us that unity and purposefulness must be at the heart of economic growth. We agree. We have made it a priority.

We aim to strengthen and re-balance the economy by building on all our strengths in traditional sectors, while also growing new sectors. That is why we are presently engaged in discourse over Agriculture and Tourism, while at the same time pursuing Manufacturing and Telecommunications. We want to make Kenya Africa's gateway, manufacturing and technology hub and a home to millions of entrepreneurs.

My Administration intends to set off an industrial revolution to power our ambition of becoming a middle income country by 2030. As a starting point, we shall concentrate on infrastructure through

expanding the road and rail network while expanding power supply. The Jubilee Vision dovetails nicely with the essence of the Kenya National Vision 2030. Implementing it presents no difficulty whatsoever in terms of reconciling governing philosophy with the policy framework for national progress. Our mandate, therefore, represents the Kenyan people's approval of the intention to actualise Vision 2030.

We consider our Government to be the Trustee and Principal Guarantor of Vision 2030. Macroeconomic management under Vision 2030 is an area that must be of great interest to all of you. We now have a steady record of sound economic management founded on low inflation, a stable exchange rate, relatively competitive interest rates and sustainable debt. An environment of serious reform has laid a basis for economic management to initiate economic growth and national development. The soundness of this approach was put to the test by the internal and external shocks which our economy has withstood since 2008, and particularly in 2011. As Finance Minister, I recall that Kenya averted the devastation of the global economic and financial crisis by pursuing visionary and robust policy which afforded us space to deploy effective responses.

We are not at the point of realising our full economic potential yet. For the decade ending in 2012, our rate of growth was 4.6% against sub-Saharan Africa's average of 6%. In that time, poverty level fell from 52% to 46% between 1997 and 2006. I expect that it should be considerably lower now. These improvements are neither satisfactory nor compatible with our stated aim to become a middle-income country by 2030. To resolve this, we will raise GDP growth rate to double digits within the second Medium Term Plan of Vision 2030. I want to emphasize by stating outright that we aim to accomplish this by 2018.

The context of our mission in the economic front is a global economy that is yet to register reassuring stability and growth, as well as indications of slowing down in emerging economies. Domestically, we are confronted with a swelling public sector wage bill that increasingly challenges fiscal policy. Our exports are not growing at the rate required to cover our current account deficit. As I indicated earlier, the Jubilee manifesto took these challenges into account, and my Government intends to address them within the framework of the Second Medium Term Plan of Vision 2030.

Many leaders have voiced anxiety over the implications of the demographic phenomenon of a 'youth bulge' on economic growth. As a result, policy proposals have devised solutions premised on a 'disaster management' narrative. I am not suggesting that the challenge presented by rising dependency, due to 43% of Kenyans being under the age of 15, is light. Yet the Jubilee Coalition, after due consideration of relevant facts, consistently returns the verdict that the glass is most assuredly half full. On the one hand, we appreciate the concern that high unemployment and poor access to funding for enterprises are problems that will confront the youth in future. On the other hand, we look forward to harnessing an historic 'youth dividend'. That is why we have devoted significant resources to systematically confronting youth problems. We are increasing and improving youth skills as well as creating opportunity for them.

Economic growth generally will create space for many youth to be productive. However, a deliberate programme of Youth Empowerment will accelerate that growth and catalyse the creation of opportunity. A convergence of all the programmes targeting national economic take-off is beginning to give strong hints that there will be great demand for skilled young labour. This demand will cover commercialised agriculture; manufacturing for export; an expanded, diversified and specialised service sector; tourism, trade, transport, financial intermediation and ICT.

To supplement existing youth financial empowerment projects, I launched the Uwezo Fund earlier this month with 6 billion Kenya shillings in seed capital to support youth and women enterprises. Youth empowerment is a vibrant sector which is ripe with possibility. I encourage stakeholders to engage in the conversation on moving this agenda forward.

Ladies and Gentlemen,

The Kenya Vision 2030 has brought us to the stage where we are laying a robust national economic

foundation. This entails the implementation of programmes in infrastructure, energy, security, science, technology and innovation. In addition, we have scaled up priority sectors, notably agriculture, tourism, trade, manufacturing, ICT and, starting this year, Oil and other mineral resources. That we are even able to contemplate such momentous projects at this time is mainly due to sound economic management.

Vision 2030's Social Pillar comprises education, health, housing, water and sanitation, equity in a global, holistic context, poverty reduction and social protection. Until 2010, the Political Pillar focused mainly on promulgating a constitution and transition into the new legal order. This was marked by the General Election and the coming into play of devolved government. Vision 2030 and the constitution form a seamless, complementary mutually implementing dynamic whose sheer brilliance is boundless and amazing. My Administration is not only the culmination of the constitutional mandate; it is a milestone of the political pillar. We intend to make it a historic milestone in Kenya's journey to prosperity. We confidently enter the second Medium Term Plan with the assurance that the first phase produced significant achievements. In addition to rehabilitating a considerable portion of our road network, we have increased our bituminized road by 13%; which represents 1,110 kilometres. Electricity connections to households, schools and markets has been increased through the rural electrification programme. Power generation has been stepped up significantly. We are diversifying into green energy sources while moderating dependency on hydro generation.

Ladies and Gentlemen,

Anyone with an appreciation of where we are coming from as a country must find these strides impressive. But we are just beginning. My Government intends to complete a network of first-rate international trunk roads to link us with our neighbours Tanzania, Uganda, Ethiopia and South Sudan. We are also increasing focus on railways and ports to ease transport. With our Northern Corridor neighbours, we are assembling resources to build a standard gauge railway from Mombasa to Kigali through Uganda. All the governments involved have assigned this project as top priority. Already, my Government has committed funds for basic infrastructure around the proposed port in Lamu as a starting point to collaborating with regional states in the Lamu Port-South Sudan-Ethiopia (LAPSSET) transport corridor. LAPSSET is a mega programme that will open up all of Northern Kenya to unprecedented investment in numerous sectors.

The deliberate undertaking of national and regional infrastructure networks is calculated at transforming the region by unleashing trade, employment, communication and capital development opportunities. Most providentially, at the very moment that we are embarking on the transformation, large reserves of oil and underground fresh water were discovered in Turkana County. I see this as a categorical nod of approval from Above; in keeping with our National Anthem, a united, forward-looking nation shall find plenty within its borders.

In keeping with the Vision 2030's medium term plan, we will transform the agriculture sector to lower food costs and promote food security. By making farming a commercial activity, 70% of our people will immediately generate improved earnings. The transformation of Agriculture extends to reducing dependence on rain-fed farming. Area under irrigation is set to expand significantly. Some 1.2 million acres at the Galana Irrigation Scheme will be our flagship project for improving food security and increasing production of maize and sugar. Value addition in agribusiness, irrigation and the stepping up of food security initiatives will create 3 million jobs over the next three years.

Our country is home to 40 million people. There are over 31 million telephone handsets in use. Mobile phones are used to conduct an ever expanding diversity of transactions. This demonstrates the enthusiasm with which Kenyans embrace innovation. Vision 2030 identifies innovation to be indispensable to development. We cannot fail to be encouraged, therefore, by developments in our ICT sector. IBM are setting up their only research lab in Kenya. Google also put their regional headquarters in Kenya. In the next planning period, we will build the Silicon Savana, Africa's most ambitious technology city at Konza, not far from here. It is our intention to remain this region's technology hub.

All these ambitious and visionary plans we have, the work and resources we expend, the discussion and debates we hold, are ultimately aimed at only one target: a better quality of life for all our people. Investing in the people of Kenya - in education, health, water and sanitation - is paramount to Vision 2030. It also forms the essence of 'UMOJA', a pillar of the Jubilee Coalition's manifesto.

Ladies and Gentlemen,

We have and continue to make major strides to improve the lives and welfare of our people. Universal Primary Education is now a reality. The rate of HIV infection has fallen steadily over the years. Infant mortality has also reduced significantly. But we are not home and dry yet. Education still faces the challenge of quality. My Government is implementing the Laptop Programme to deliver a reformed curriculum, early exposure to technology, a more pupil-centred education. This programme is integrated with incentives for both tutor and learner. An additional dividend is that it will assure all households and SMEs near primary schools throughout the country of electricity connection. Regarding health, lowering maternal death remains a challenge. To signify the Jubilee Coalition's intent, I declared at my inauguration that delivery would be free at all public hospitals. We considered the elimination of financial barriers to safe delivery a starting point for tackling this challenge.

I thank all the international partners who have stood with Kenyans as they came to grips with their unsatisfactory circumstances and charted a road map to progress. We appreciate your friendship and partnership, and hope that it will continue.

Ladies and Gentlemen,

Our outlook is, by all accounts, excellent. My Government's optimism is not just blind patriotism or delusional in any shape or form. There is a body of solid global consensus that shares our perspective. We fall among the world's 100 most competitive nations, and Africa's most improved. The World Bank ranked us the best African country in institutional quality and policy-making for poverty-reducing growth. Citibank and the Economist Intelligence Unit rated us a global business hotspot. Tullow Oil Group, The BP Group, General Electric, Google, IBM, Visa International, Pepsi, Nestle, HSBC Bank, Chase Morgan, IFC, Foton Automobiles are some of the giant multinational brands which have made Kenya their Africa regional bases.

Without a doubt, something is happening here: Kenya is going places. This is the home of innumerable Olympic and World athletic champions. We are the Marathon People. Kenyans know a thing or two about going places fast. We understand the discipline and unity required to consistently progress a vision. We have not exhausted our potential in traditional strengths and we are venturing into emerging opportunities. A bird builds its nest little by little. Its dedication ensures that the nest is ready on time to raise its brood. We are ready to take off. My Administration guarantees that no Kenyan shall be left behind. This is the essence of our commitment. That is why we are building this nest in the first place: for every Kenyan.

Ladies and Gentlemen,

The task of building a nest to ensure that every Kenyan finds a space is not without its challenges. For example, the VAT Act 2013 has just become law. Our objective in implementing this law was to simplify the tax regime, cushion the poor and increase revenues. Whereas the VAT law is very clear in its design, there have been questions about how it has been interpreted. To deal with that, I have now instructed the National Treasury to publish regulations clarifying the law. We are sensitive to the vulnerable in our country. Basic commodities like milk, flour and bread are exempt from VAT. Clarity will ensure we avoid the spectre of the unscrupulous taking advantage of ordinary citizens and overcharging for goods.

Ladies and Gentlemen,

Two footsteps do not make a path. I encourage all our partners, both bilateral and multilateral partners as well as foreign investors, to walk with Kenya on this promising journey. Karibuni twende safari. We have chosen a path of discipline and integrity. We have chosen a path of good governance and accountability. We have shown in just a few months what discipline can do at the port of Mombasa. We are not where we would like. But we will get there.

As I conclude, I want to thank our National Treasury, Central Bank of Kenya and the International Monetary Fund for putting together this Conference. I wish our international guests a pleasant stay in Kenya.

May you have fruitful discussions. I look forward to considering the outcomes of your interactions.

I now declare this conference officially opened.

Thank you, and God Bless you.