

REPUBLIC OF KENYA

REMARKS BY HIS EXCELLENCY WILLIAM SAMOEI RUTO, PhD, CGH, PRESIDENT AND COMMANDER-IN-CHIEF OF THE KENYA DEFENCE FORCES DURING THE AMCHAM BUSINESS SUMMIT

APRIL 25TH, 2024

WINDSOR HOTEL, NAIROBI

1. I take this opportunity to warmly welcome all delegates to Nairobi, for the 2024 AmCham Business Summit, which is the 4th Edition of the US-East Africa Trade and Investment Forum's summit, that first took place in 2018.

2. Your presence here is a strong affirmation of the momentum we have built over the course of three previous summits, and of the fact that we are not only making steady progress in raising Kenya's appeal as a trading partner and investment destination but also that this very fact is eliciting attention and favourable responses in the right places locally and abroad.

3. This matters a great deal to us for the reason that the government of Kenya made a solemn commitment to eradicate unemployment, poverty, hunger, disease and inequality by embarking on a radical plan for job and wealth creation under the bottom-up economic transformation agenda.

4. BETA is premised on the intentional creation of a conducive environment for the private sector to invest in attractive opportunities in various value chains, and to participate more directly in the implementation of programmes and projects under public-private partnership arrangements. This is to say that the private sector is vital and, in fact, indispensable to the successful transformation of Kenya under the Plan.

5. Last year’s Summit, which was attended by more than 1,200 delegates from the US, Kenya, Tanzania, Uganda, Rwanda and Ethiopia, facilitated many companies to strike deals which enabled them to initiate or expand their presence in Kenya and East Africa. Consequently, Kenya was able to unveil investments from M.A.S Intimates, Mega, Coast Apparels, UAL, Best Corporation, Kohinoor Elastics, Nexgen and CCI Global, who are now major drivers of Kenya-US trade.

6. At the same Summit, 11 US government grants to the private sector were announced, aimed at integrating over a million farmers into existing value chains, totalling more than $5.6 million. Additionally, 10 collaborative development initiatives between the government of Kenya and the US private sector were announced, intended to enable 4,700 entrepreneurs to access capital for activities benefiting 108,000 farmers.

7. All these encouraging accomplishments made at last year's Summit were a result of productive collaboration between the Government of Kenya, the US Embassy in Kenya, The US Department of Commerce, and regional AmChams, such as AmCham Uganda, Tanzania, Rwanda and Ethiopia.

8. The 2024 Summit's theme, "**Catalysing the future of US-East Africa Trade and Investment**" intentionally draws on the previous editions to develop a strategic platform for commercial advocacy which will strengthen bilateral trade relations between Kenya and the US, as well as between our region and the US.

9. The consistent strengthening of Kenya-US ties is exemplified by the steady growth in the value of bilateral trade, especially its acceleration between 2015 and 2022 when Kenya's negative trade deficit narrowed significantly from KShs 85 billion to KShs 13.35 billion. The pace of growth in Kenya-US trade, affirms the vast opportunity that exists for the growth of Kenyan exports and expansion of their variety with a very real possibility of broadening a positive balance of trade. This ambition, and the immense role of the private sector in it, informs the vision of our new trade and investment arrangement with the US under the Strategic Trade and Investment Partnership, STIP.

10. For some time now, Kenya has been focused on pursuing trade relations with the US beyond AGOA. Consequently, we entered negotiations to develop a new framework to anchor bilateral trade and thus launched the STIP, which is aimed at enhancing our engagements in trade and investments and facilitating high-standard commitments in a wide range of sectors. It is our hope that the ongoing negotiations on outstanding areas will be concluded in a few months to enable us to embark on the implementation of STIP, possibly by the second half of 2024.

11. The strong presence of major US investments, and their contribution to a broad variety of sectors, both in Kenya and throughout our region, is undeniable. US companies in Kenya continue to excel through effective partnerships with both the government as well as local private sector firms, to implement diverse projects and enhance access to energy and power, develop infrastructure, create state-of-the-art manufacturing plants, develop local supply and value chains, and support Kenya's digital transformation.

12. You are invited to seriously consider and engage with a wide range of investment opportunities available in various agro-industrial value chains. These opportunities are available in numerous Agro-industrial value chains to produce medical commodities and biomedical supplies locally, deliver digital infrastructure and last-mile fibre-optic connectivity, construct 250,000 new housing units annually over the next 5 years and develop our MSMEs.

13. More critically, I invite you to also consider the intentional measures we have taken as a country to develop the necessary conditions for private sector growth, including creating a stable, transparent, and predictable business environment.

Our achievements and progress in this regard are reflected in Kenya's steady rise in various global indexes and rankings that measure the quality of the investment climate and business environment.

14. We have not stopped working on our institutional frameworks through legislative and regulatory interventions, as well as capacity building and effective coordination of stakeholders and strategies. I give a commitment here, for the benefit of our existing and incoming investors, that the business environment and investment climate in Kenya will keep getting better and better because we will not stop making improvements to it.

15. I say so, especially because during my engagements with a number of industry leaders and major players, the issue of our regulatory posture was underscored as an important concern. We have delivered and shall deliver a framework that makes business sense for trade and investment.

16. I also invite you to consider several other advantages which commend Kenya as your trade and investment destination of choice. To begin with, our location is an enduring strategic advantage that is difficult to beat. Our situation on Africa's Indian Ocean coast gives us immense reach and makes us the gateway to East Africa as well as southern and central Africa.

17. Kenya is highly committed to regional and Pan-African economic integration, and is a member of the East African Community, the Common Market for Eastern and Central Africa and the Africa Continental Free Trade Area, which confer preferential access to markets of ***350 million, 500 million and 1.4 billion people*** respectively.

18. Our geo-strategic advantage has been complemented by a seamless network of highly developed, modern road, rail, port and air infrastructure, and the fact that our country is a landing site for 6 undersea fibre-optic cables. We have the potential to facilitate 24-hour operations in order to serve different time zones through efficient transport and communications infrastructure. A number of tech giants and business process outsourcing concerns are already seizing this advantage, to great benefit.

19. Kenya is a youthful country growing younger every year. With a median age of 19.9, we have millions of well-educated, highly skilled and motivated young people, ready to work for and with investors in every sector, from agribusiness to banking and finance, ICT, fintech, transport, manufacturing, construction, management and administration, and everything else in between.

20. Kenya is also served by a national grid that is 93% green, with geothermal, hydro and wind power leading the power mix. By 2032, we shall have a 100% clean grid to power sustainable green growth.

21. It is no accident, therefore, that every major global brand, and every leading multilateral institution and philanthropic organisation wishing to build a regional and African footprint, starts in Kenya, or that Nairobi is the regional and global headquarters of many leading organisations.

22. Neither is it an accident that Kenya is the cradle of cutting-edge digital innovations in fintech and other sectors, where mobile money was born. We have the necessary conditions for trade and investment to thrive, enabling our economy to conquer new territory and break new records time and again.

23. This is why we have laid down a comprehensive array of measures to leverage our competitive advantages and drive growth through robust fiscal, infrastructural and regulatory measures. A number of firms represented here will already be familiar with our Special Economic Zones programme which is a convergence of optimal investment promotion, export processing and other forms of facilitation, to enable investors to generate maximum value from their operations in Kenya.

24. The SEZ programme represents a dedicated package of highly appealing fiscal, infrastructural, procedural and regulatory incentives which have led to a steady rise in Kenya's global appeal, as an investment destination.

25. Attractive tax incentives, high-quality infrastructure, simplified business procedures and regulations, as well as value chain integration and the promotion of expanded market access for goods produced in the zones, are some of the compelling features of this competitive incentive package.

26. Many iconic American brands, including **Levi's, Calvin Klein and Tommy Hilfiger** are produced in our export processing zones.

27. With the foregoing, it is clear that our regulatory posture is emphatically pro-business. This should be understood as implicit in all instances where there is doubt or misunderstanding regarding our business regulation or other legal and institutional framework.

28. We are the country that is developing a framework to anchor the emergence of the Amazon, Google and Microsoft of the future under the Start-Up Bill which is currently making its way through Parliament. We are also the country which has introduced attractive tax incentives for investors, especially those involved in manufacturing for export.

29. This is why we have been able to engage in fruitful consultations with a number of US and other private sector firms, and to give assurances of a predictable tax environment, improved business environment and regular productive government-private sector engagement.

30. This AmCham has given us a number of significant first engagements, including with Walmart, resulting in 24 exploratory business-to-business meetings with firms involved in the agricultural production of tea, coffee, nuts, and avocados, as well as apparel factories in our EPZs. Although exploratory, Walmart's foray into our country and region is indicative of the potential and operating environment we have.

31. It is also why we have been able to engage the American Tower Corporation, Microsoft and Abbot Healthcare, about deepening their partnerships with local public and private sector organisations. Likewise, Marathon Digital have been ushered to consult with the National Treasury on our cryptocurrency regime, and with the ministry of Energy to discuss its energy needs in connection with cryptocurrency mining here in Kenya.

32. There is so much more to say about the progress and achievements, power and impact as well as the present and future promise of a strong trade and investment relationship between Kenya and the US over the course of its historical development, from AGOA renewal and onward into a post-STIP era. This is a strong testament to the vast transformative possibilities that exist in an expanded and comprehensive strategic understanding between the US and East Africa concerning Trade and Investments.

33. This AmCham has also fulfilled its thematic purpose of setting the pace for the rapid emergence of the new future we have envisioned together. It is time for us to proceed in confidence into this new paradigm. Wherever you go, think Kenya; whenever you think trade and investment, think Kenya, because Kenya means business. What is more? Kenya is open for business. East Africa is ready for trade and investment, and Africa is ready for transformation.

Thank you very much.