



REPUBLIC OF KENYA

**REMARKS BY H.E. PRESIDENT  
WILLIAM RUTO, P.h.D., C.G.H. DURING THE  
AMERICAN CHAMBER OF COMMERCE  
REGIONAL BUSINESS SUMMIT**

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NAIROBI

**30<sup>TH</sup> MARCH 2023**

1. I am delighted to be here this afternoon for this summit, a unique event that showcases the vibrant, dynamic, and growing Kenya-United States partnership.
2. The American Chamber of Commerce Regional Business Summit reinforces our relationship which stands firmly on the sound foundation of shared values, including commitment to liberty, democracy, and free enterprise.
3. As a matter of fact, just yesterday, we had a virtual meeting with US President Joe Biden and other world leaders at the Democracy Summit, where I underscored our commitment to constitutionalism, the rule of law and respect for institutions.
4. This Summit is important because the government has embraced and is aggressively implementing the Plan for the Bottom-Up Economic Transformation of Kenya.
5. We committed to transform the economy by creating a business-friendly environment. Under our Plan, we are building the blocks to create wealth; we are already creating jobs and attracting local and foreign investors.
6. We identified five broad sectors in which we shall channel strategic investment to catalyse and maintain high rates of economic performance. The Plan, therefore, requires huge investment under various innovative frameworks to achieve the following:
  - a) Transform agro-industrial productivity and food security.
  - b) Universal health coverage, including the production of medical commodities and biomedical supplies.

- c) The digital superhighway and last-mile fibre-optic infrastructure.
  - d) The micro, small and medium-scale enterprises.
  - e) Finally, the provision of affordable housing through the construction of 200,000 units annually over the next 5 years.
7. Underlying these five pillars is a commitment to complete an ambitious programme of infrastructure development, covering transport and communications as well as energy and the provision of operational facilities for enterprises and industries.
  8. Among various implementation formats that have been adopted, the public-private partnership model has emerged as particularly effective in aligning opportunities with appropriate incentives, and in mobilising necessary finances to achieve win-win outcomes under conditions of limited fiscal space.
  9. I am here to invite you to seriously consider these opportunities, take advantage of our excellent bilateral relations and partner with us in this exciting journey. Several reasons, which speak to the defining features of the means as well as the ends of these programmes and projects, motivate this invitation.
  10. We are particularly interested in ecologically responsible approaches to development and the application of techniques and frameworks which enhance sustainability, strengthen resilience and promote environmentally responsible productivity.

11. I am confident that in this room, I am speaking to leaders of enterprises whose business propositions combine profitability with sustainability, innovation and ecological responsibility.
12. I further wish to elaborate on the context of the opportunities on offer in Kenya generally, and in the context of our Plan. We are the gateway to our region and our continent. By virtue of our incomparable geo-strategic position, Kenya offers the most advantageous location to set up, whether you are interested in the domestic market, East Africa and Horn of Africa or anywhere else in Africa.
13. It is a fact that many global multinational firms, international organisations and NGOs find Nairobi a rational and strategic choice for their headquarters and operational hubs. They are not wrong. Neither would you be.
14. Kenya's advantageous location has been optimally complemented by a nation of well-educated, highly skilled, hospitable and enterprising people. Communication is easy, and our labour force is famously agile. Our Kenyan workforce has always been our greatest strength.
15. In addition to this attractive package of compelling attributes, we have undertaken tremendous investments to develop transport, communication and energy infrastructure. We are connected by a good network of ports, railways, roads and airports, spread all over the country. Kenya is also supported by a good energy mix that is 92 per cent green and on the way to becoming 100 per cent compliant by 2032. Wind and geothermal power generation potential is abundant, while hydro is adequate.

16. As you can see, we are not just a gateway by virtue of geographical accident; we are intentional about refining and strengthening our strategic advantage because Kenya is open for Business.
17. This is to say that Kenya is interested in and committed to promoting the best operating environment for business enterprises, and that our policy and institutional framework is designed to make Kenya the most competitive investment destination. It is also to affirm that we are determined to deliver on every single undertaking, pledge, and commitment that we make to any stakeholder, be they citizens, communities, businesses, or our international partners. My friends, Kenya is not only open for Business, but we also mean business.
18. But there is more work to be done. Private sector players make long-term investments decisions in an environment with predictable policies among them tax policies. My government is finalising new tax policy guidelines that have gone through various stakeholder consultations, including inputs from AmCham. This policy that will enhance transparency in our tax regime will take effect by June 2023 and will now be in place for a minimum of three years.
19. The growth of digital commerce has forced many countries to impose Digital Services Tax measures on income derived in their tax jurisdictions. Kenya has also done the same. Following discussions with players in this sector, we have made a commitment to review this tax regime and align it with the two-pillar solution currently being developed by the Organisation for Economic Cooperation and

Development (OECD) inclusive framework. The framework will guide the taxation of digital commerce transactions.

20. One of the key challenges for our business community has been the issue of VAT on exported services. This tax not only renders us uncompetitive, but it also inhibits investors seeking to make Kenya their regional or global services hub. Many companies are already operating out of Kenya and serving regional markets. Following consultations with stakeholders, VAT on exported services will now be removed in the Finance Bill, in the coming budget, in June this year.
21. The issue of tax refunds has remained a thorn in the flesh of many companies. The government of Kenya is making a policy shift on this matter and as a result, effective June this year, all verified tax refund claims will be payable within six months. If for whatever reason a refund is not made by the Kenya Revenue Authority (KRA) within this period, the taxpayer can offset their claim against future tax liability, without further application to KRA.
22. The government is keen to make Kenya the top innovation hub on the continent and attract new ideas often executed by start up companies. However, I have received complaints that we impose "employee benefit tax" on allocated shares to employees of start up companies, even before any value is realised on these shares. The government will exempt startup companies from paying taxes on such unrealised gains on employee-allocated shares starting 1st July this year.
23. I am committed to make Kenya one of the most attractive place to do business. As you may know, Kenya has been

ranked the third most attractive place to do business in Africa by the World Bank, under its ease of doing business scheme. We continue to build on this success story. We are also reviewing our Special Economic Zones and Export Processing Zones laws to remove impediments to attracting new local and foreign investments. The raft of amendments are under stakeholder consultations and will be in place by 1<sup>st</sup> July this year.

24. The National ICT Policy requires Foreign ICT entities that set up in Kenya to have a 30 per cent domestic equity. This position is untenable and has made it impossible for large corporations to invest in Kenya. We will review this position and remove this requirement to facilitate greater investment in our ICT sector. Additionally, our data protection law is aligned to support robust growth in data storage.
25. Kenya has one of the most developed financial services sector in the continent. We are ripe for the establishment of an International Financial Centre in Nairobi to attract global financial players. To continue to reinforce this strong position, we are working with organisations such as the Financial Actions Task Force (FATF) to ensure Kenya fully complies with the relevant international standards on money laundering and terrorist financing activities, to make this International Financial Centre a reality.
26. And to cement our partnership in trade and investment, the American Chamber of Commerce, the Government of Kenya, and the United States, have today launched a trilateral business dialogue, to address and resolve the challenges of U.S. investors and businesses in Kenya. This new trilateral platform, scheduled to meet every three

months, will serve as a key convening body to jointly tackle investment challenges and is a demonstration of the government's commitment to hearing directly from the U.S. business community.

27. I wish to affirm that we are determined to deliver on every single undertaking, pledge, and commitment that we make to any stakeholder, be they citizens, communities, businesses, or our international partners. My friends: We mean business.
28. I will now cover a few areas where interesting activity is taking place to highlight the opportunities and progress in the country. We are interested in modernising food production to achieve food security and anchor agro-industrial manufacturing. The lifting of a long-standing ban on GMO crops is intended to bestow the benefits of safe technology to support agricultural abundance.
29. Kenyan food exports to the US increased by nearly 10 per cent in 2022, to reach \$190 million. There are opportunities to leverage US-Kenyan investments and collaboration, to grow the agricultural sector and take advantage of the US market.
30. Del Monte, the largest private sector employer in Kenya, has invested \$5.5 million in a new state-of-the-art fresh fruit packing facility, as part of its diversification programme. The facility has a processing capacity of over 60,000 metric tons of fresh fruits and vegetables a year, and has created 280 new jobs. Del Monte's plan is to source pineapples, avocados, mangoes and French beans from



local growers in Murang'a, Kiambu, Machakos and other counties, engaging about 2,000 local farmers.

31. I am delighted to share that Kentegra, a US-Kenya company at the forefront of restoring the country's position as the leading producer of organic pyrethrum insecticide, is building a new pyrethrum refinery in Nakuru. With support from the US government, this refinery will benefit about 90,000 farmers over the next five years. As Nakuru Governor Susan Kihika said in January, when she announced the new investment: "I am a big champion of pyrethrum, and I am convinced we can make it one of our main cash crops and best money-maker again." The Kenya-US partnership is at the centre of this industry revival.
32. Sanergy, a US investment and innovative company – founded by young Massachusetts Institute of Technology graduates - that turns waste into fertiliser, fuel and animal feed, will expand their farm and organic waste collection, more than doubling their production of affordable, locally-produced agriculture inputs, to the benefit of 10,000 farmers. The expansion of the factory will also create about 300 jobs.
33. Leveraging US agriculture and clean technology solutions can help Kenyan farmers adapt to drought and climate change. For example, the partnership with US solar-irrigation company Sun Culture, will expand their pay-as-you-go model to make this technology accessible to more than 10,000 Kenyan farmers, with the potential for increasing their yields and incomes by 40 per cent.

34. Hello Tractor, a company the First Lady of the United States Dr. Jill Biden visited when she was in Kenya last month, is an ag-tech company that connects tractor owners and smallholder farmers through its tractor sharing application. With John Deere, they are scaling up operations throughout Kenya. Combining Hello Tractors' ability to unlock the last mile of digital agriculture with John Deere's sector know-how and investment, creates significant opportunities to add additional services to smallholder farmers, such as climate-smart agriculture, operator training and agronomist services.
35. i-Procure, the largest agricultural supply chain platform in rural Africa, will scale up its distribution model to reach an additional 1 million smallholder farmers in Kenya with affordable agriculture inputs.
36. I am also excited about US company Victory Farms. People may not know that Kenya is home to the fastest growing aquaculture company in Sub-Saharan Africa. Victory Farms is producing high quality tilapia, empowering communities and creating employment. New investments secured into Victory Farms will see them quadruple their production, creating thousands of jobs for women entrepreneurs, while supplying affordable, safe and high-quality fish protein to millions of Kenyan consumers.
37. The apparel sector is soaring and primed for even more growth. Kenya's 2022 apparel exports to the United States hit an all-time high at \$544 million - a 21 per cent increase from 2021 - and over 60 per cent of our exports to the US last year. And by the way, the US is now Kenya's largest export market, importing \$892 million worth of goods from Kenya last year. We also imported \$600 million of goods

and services from the United States last year. This is well-balanced trade with lots of room for growth.

38. Iconic US brands are sourcing in Kenya, including Calvin Klein, Levi, Lee and Wrangler. In recent years, new factories like MAS and Hela have entered the market, creating more than 12,000 new jobs in the past two years.
39. Since I came into office, new partnerships have been launched with a number of leading manufacturing companies, including the aforementioned MAS and Mega, Coast Apparel and UAL, that will create at least 20,000 additional jobs and increase exports by \$200 million in the next two years.
40. We are also working with Best Corporation on a new apparel manufacturing facility in Kenya to be launched mid-2023, with plans to hire 2,400 new employees.
41. Kohinoor Elastics, the first elastic manufacturing investment in Kenya in a long time, will be launched this year. Additionally, US company NexGen will build a state-of-the-art apparel label and packaging facility that has already broken ground and will be operational by September.
42. From the Silicon Savannah to the green energy sector, many innovative companies are already calling Kenya home. Like agriculture and apparel, there is huge growth potential in this priority sector.
43. Kenya is a global leader in clean energy solutions. US companies are big investors in Kenya and East Africa's off-grid sector, with more than a 40 per cent market share.

These companies are providing millions of people with access to the life-changing benefits of power.

44. In the past year, these companies have provided more than 860,000 Kenyans with access to off-grid connections and worked with industry leaders to raise more than \$120 million for the development of the sector. US company d.light alone will support at least an additional 600,000 households to access clean energy solutions.
45. Milele Energy, a US company, has just concluded a deal to acquire part of the Turkana Wind Power Project, one of the largest in Africa and producer of over 20 per cent of Kenya's electricity in 2022, with plans for expansion. Symbion Power, another American company, is closing in on a deal to develop a geothermal plant in the Rift Valley. I am also delighted that plans are moving forward for Kipeto 3, a new 50 megawatt grid-connected wind power plant with an integrated battery storage component.
46. In January, Africa's largest network of interconnected data centre facilities, Africa Data Centers, announced they are expanding their presence in Kenya by opening a new second data centre in Nairobi. The data center, and several more we are expecting in the coming months, will further serve as the backbone of our Silicon Savannah future, providing secure digital infrastructure and open, interoperable and reliable Internet.
47. In fact, at our leading private-owned Special Economic Zone, Tatu City in Kiambu County, CCI Global, the largest Business Process Outsourcing company in Kenya, is doubling its workforce to 8,000. In the next year, CCI will

add 4,000 jobs in Kenya for American clients like United Airlines, Spirit Airlines, JetBlue, AT&T and Shipt.

48. These are new jobs for young Kenyans -18-24 years old - who are known by international brands for their highest level of customer service. Thanks to CCI and its American clients, Kenyan hospitality has gone global.
49. On the Silicon Savannah, I know Kenya can further hone our technology ecosystem to attract businesses and become the premier destination on the continent for big tech companies and vibrant start-ups, full stack software engineering, quality assurance, Artificial Intelligence, cyber-security, e-commerce, fintech, ag-tech, sales and marketing and finance jobs.
50. And looking forward to Africa's future, Kenya is also the continental leader in e-mobility and two and three-wheel electric vehicles and buses. We are home to over 30 e-mobility companies, including industry leaders like KiriEV, Roam, BasiGo, ArcRide and Powerhive, while attracting regional players like Ampersand, who expanded into the Kenyan market with US support, and US electric vehicle industry leader, Rivian, who has e-safari vehicles operating in Kenya. These companies and many others are raising significant capital and transforming Africa's future.
51. Finally, I want to highlight the medical and pharmaceutical sector where I have a major announcement to make. It is with pleasure that I announce a finalised deal between Moderna and the Government of Kenya to build a \$500 million mRNA vaccine facility in Nairobi area. This will be the only such facility on the African continent and, for Moderna, their first factory outside the United States.

Moderna's investment will be a catalyst for the medical and pharmaceutical industry in Africa. This is historic. This is big. This is my administration's vision for the future of Kenya.

52. It is now my pleasure to invite Shannon Klinger of Moderna to virtually share some insights on this investment and append her signature on the agreement.
53. I also invite Cabinet Secretary and Principal Secretary Investments, Trade and Industry to join me on stage. Ambassador Meg, please join us.
54. As a lifelong hustler, I understand business. The Kenya government understands business. If your business is already here, we welcome your investment, partnership and future expansion. If you are not already here, as we say in Kiswahili: Karibu Kenya - Welcome to Kenya!
55. I saw the US ambassador's post on the embassy website titled: Why Africa, Why Kenya? Ambassador Meg, it is my hope that I have amply demonstrated in my address that Africa is the continent of opportunities, and Kenya means business.

**I thank you.**