

**REMARKS BY HON. MWANGI KIUNJURI, MGH, THE CABINET SECRETARY,
MINISTRY OF DEVOLUTION AND PLANNING, DURING LAUNCH OF THE
FOREIGN INVESTMENT SURVEY, ON 4TH AUGUST 2016, AT THE FAIRMONT
NORFOLK HOTEL.**

Cabinet Secretaries present;

Principal Secretaries;

Central Bank Governor, Dr. Patrick Njoroge;

Managing Director, Kenya Investment Authority, Dr. Moses Ikiara;

KNBS Board Chairman, Prof. Terry Ryan;

KNBS Board Members;

Director General, KNBS, Mr. Zachary Mwangi;

Government Officials;

Development Partners;

Data Providers;

Members of Press;

Invited Guests;

All protocols observed;

Ladies and Gentlemen;

It gives me great pleasure to join you in this year breakfast meeting for the official launch of Foreign Investment Survey 2016, measuring Cross Border Capital flows. Foreign Investment Surveys capture data on international transactions which includes the country's foreign liabilities and foreign assets of the private sector. Private foreign capital flows together with official capital flows are required to compile the Balance of Payments and International Investments Position statistics.

Kenya National Bureau of Statistics has been conducting foreign investment surveys since 2010 in conjunction with the Central Bank of Kenya and Kenya Investment Authority.

The Government encourages this kind of collaboration of pooling of resources of public institutions that avoid duplication and competition which eventually save tax payers money. Foreign Investment Survey (FIS) 2016, the fourth in the series of foreign investment surveys is aimed at updating data and information on resident enterprises' foreign assets and liabilities accumulatively.

My Ministry, the Ministry of Devolution and Planning is mandated to provide overall strategic guidance in national development planning. This involves providing leadership in the formulation, implementation and monitoring and evaluation of macro and sectoral development policies and programmes. The macro-economic and sectoral policies and programmes formulated by the Ministry are dependent on statistics generated by KNBS, and are intended to stimulate and sustain a high economic growth rate, create employment and reduce poverty.

The Second Medium Term Plan 2013-2017 (MTP II), constitutes the second phase in the implementation of Kenya's long-term development vision, the Kenya Vision 2030, whose aim is to transform the country into a modern, globally competitive, middle-income country, offering a high quality of life for all citizens by the year 2030. The Second MTP II took consideration of national and county governments as provided for by the Constitution of Kenya and captures programmes and projects of the Jubilee administration. This is intended to stimulate and sustain economic growth, create employment and reduce poverty.

Ladies and Gentlemen;

The country has a history of strong and stable macro-economic policies and especially since 2000s. Sound economic policies coupled with a favourable external environment contributed to strong positive economic growth rates. Between 2010 and 2015, real GDP growth rate has averaged at 6 per cent, which although lower than the 10 per cent envisaged in the Vision 2030, is still high enough to spur economic development. Inflow of private and official foreign capital is needed to support the desired high economic

growth rates. Previous foreign investment surveys reveal that private foreign capital inflow were KSh 342.2 billion in 2012 and KSh 363.3 billion in 2013. Foreign Direct investment (FDI) flows were KSh 183.9 billion in 2012 and KSh 170.4 billion in 2013. These numbers show confidence of foreign investors in the country's economic prospects and political leadership that promises good returns for their investment.

To this end, the Government is keen to enhance the country's attractiveness for foreign direct investment (FDI). The experience of other countries in the region shows that more investment of the desired type can be attracted following comprehensive reform programmes and far-reaching investment promotion campaigns. FDI can be instrumental in achieving the economic paradigm shift towards productive investments and exports articulated in the Kenya Vision 2030. It can also contribute to the required competitiveness boost by developing skills and infrastructure, as well as opening new markets for Kenya goods and services. In this regard, more work need to be done to achieve the desired paradigm shift. It is worth noting that the country's trade balance has been in deficit for some decades.

The Government investment in infrastructure cannot meet all the needs related with its development objectives, particularly that of becoming an export platform. The challenge is to create conditions suitable for the participation of private capital in infrastructure development and to attract foreign investors to participate, for instance, through public-private partnerships (PPPs), in infrastructure development.

Ladies and Gentlemen;

The Jubilee government has been working round the clock to attract FDI flows into Kenya. Several of global meetings on trade and investments are being hosted in the country in addition to bilateral engagements. These include the Fourteenth session of the United Nations Conference on Trade and Development (UNCTAD 14) that brought together Heads of State and Government, ministers and other prominent players from the business world, civil society and academia to tackle global trade and economic development issues.

The Government has also improved the dialogue with the private sector to enhance business environment. Major efforts in promoting of private capital flows have caught the attention of international media and it is known among international investors that Kenya has become an increasingly attractive place to do business. Furthermore, deriving more benefits from foreign capital projects are small and medium-sized enterprises (SMEs) towards the establishment of supplier linkages. Moreover, investment promotion has been boosted.

Ladies and Gentlemen;

Statistical development has been high on the list of priorities of Kenya Government. High quality statistics are necessary for evidence-based policy design and planning in addition to supporting policy implementation, monitoring and evaluation of outcomes. I would like to acknowledge the role played by the Kenya National Bureau of Statistics in providing useful requisite data for planning, monitoring, evaluating and policy and programme formulation. I applaud Central Bank of Kenya and Kenya Investment authority partnering with KNBS on this exercise.

Ladies and Gentlemen;

This launch is also an appeal to all data providers to cooperate with KNBS by providing data that generate statistics that we all use for monitoring the progress of the social and economic sectors.

We expect Foreign Investment Survey 2016 findings to be made available to all stakeholders as soon as possible. We are eager to receive this new information to make better evidenced based policies.

I now declare Foreign Investment Survey 2016 officially launched.