

SPEECH DELIVERED BY MR. HENRY ROTICH, EGH, CABINET SECRETARY, THE NATIONAL TREASURY AND PLANNING, DURING THE LAUNCH OF THE ECONOMIC SURVEY 2019 REPORT 25TH APRIL 2019 AT THE KICC, NAIROBI.

**Fellow Cabinet Secretaries present,
Chief Administrative Secretary, The National Treasury and Planning,
Principal Secretary, State Department for Planning, Dr. Julius Muia,
Principal Secretary, The national Treasury, Dr. Kamau Thugge,
Other Principal Secretary(ies) present,
KNBS Board Chairman, Mr. Peter Kiguta,
Other KNBS Board Members,
Director General, KNBS Mr. Zachary Mwangi,
Representatives from the office of the Council of Governors
Representatives of the Development Partners,
Representatives of various Government Ministries, Counties, Departments and Agencies
KNBS Staff
Data providers
Members of the media fraternity
Distinguished Guests,
All Protocols Observed,**

Ladies and Gentlemen, Good Morning

It gives me great pleasure to join you today for the launch of the Economic Survey 2019 Report. I welcome all of you here and thank you for finding time to be with us during this important event in our calendar.

Ladies and Gentlemen,

As it is widely known, statistics play a critical role in informing the design and implementation of policies and other decision-making processes of a Government. Quality statistics provide the evidence needed to increase transparency of the Government and to enforce public accountability, which are essential factors for good governance. Therefore, provision of

timely, accurate and consistent statistics is necessary for effective delivery of basic services, efficient management of resources and planning for the future. My Ministry and the Government at large recognizes the critical role that the Kenya National Bureau of Statistics play in provision of good quality statistics. Guided by the KNBS vision of being a global leader in the provision of quality statistical services, I urge the Bureau to continue; working tirelessly, and embracing best standards in provision of the much-required services.

Ladies and Gentlemen,

The findings of the 2019 Economic Survey report presented today highlights the country's economic performance for the year 2018 which shows the economy to have expanded by 6.3 per cent, compared to 4.9 percent in 2017. The growth is higher than the 3.0 per cent recorded for the sub-Saharan region and 3.6 per cent estimated for the global economy.

I am certain that with the continued Government investment in key strategic areas, as highlighted in various policy documents such as the Vision 2030, Medium Term Plans and the Big 4 Economic Transformation Agenda, we will achieve a better growth in the coming years.

Ladies and Gentlemen,

I am delighted to note that the Agriculture sector growth accelerated from a growth of 1.9 per cent in 2017 to 6.4 per cent in 2018. The growth was mainly driven by marked improvement in crops and animal production. To continue supporting the sector, the Government will continue to investment in irrigation to reduce dependency of rain fed agriculture and increase amount of land under crop production. Further, The Government will collaborate with county governments to ensure that each county has at least one agricultural value addition processing plant.

I further note, that the manufacturing sector grew by 4.2 per cent in 2018 compared to a 0.5 per cent growth in 2017. The Government has been implementing various initiatives in the sector including: cutting the cost of off-peak electricity to heavy industry by half; reviewing work permit regime

and encouraging expatriates whose skills support the sector and protecting local industries from counterfeit goods.

Other notable industries that performed well include tourism and transport sectors. I note that the number of tourist arrivals exceeded the 2 million mark for the first time. The improved performance in the tourism sector is attributed to stable political environment, withdrawal of travel advisories, improved security and investor confidence in the country.

The transport sector expanded by 8.8 per cent in 2018. One of the key subsectors that contributed to this growth include Rail freight traffic, that more than tripled to 3,544 thousand tonnes in 2018, mainly due to introduction of freight transportation services on the Standard Gauge Railway (SGR).

The growth supports the continued Government investment in infrastructure particularly the construction of the SGR, building of new roads and ports, investing in health, education and housing. These interventions are enhancing our human capital, creating employment opportunities for our youth, and ensuring all Kenyans are food secure and guarantee access to quality health care and affordable housing. Notably, 840.6 thousand new jobs were created in 2018.

Despite the high liquidity ratio, I note that there was a slowdown of 1.9 per cent in the domestic credit uptake by the private sector in 2018 compared to 4.1 per cent growth in 2017. This is attributed to the capping of the interest rates. There is need therefore for the review of the interest rate capping.

Ladies and gentlemen,

Turning to 2019 economic outlook, we expect activities in the tourism sector to remain vibrant supported by strong expansion in tourists' arrivals. The construction industry is expected to follow the current trend given the ongoing infrastructural development by the government as well as the prevailing private sector confidence.

Kenya's economy continues to be supported by a strong macroeconomic environment. The Kenyan Shilling exchange rate against major trading currencies is expected to remain stable supported by diaspora remittances and a significant level of reserves. Further, Inflation is also expected to be stable during the year.

On the demand side, growth is likely to be driven by both the public consumption as well as private sector investment. Public consumption is projected to be underpinned by the ongoing development in infrastructure, while business confidence should remain strong enough to back up expansion in investment. The increased expenditure by the government mainly in support of the Big 4 agenda, is also expected to boost the performance of the economy.

Though the onset of the long rains have delayed, it is still early to predict on its impact on agricultural production. The Kenyan economy remains resilient and is expected to perform better in 2019.

Ladies and gentlemen,

As you are all aware, the 2019 Population and Housing census will be carried out in August this year, with the night of 24th/25th being the reference night. We expect preliminary census results to be released within 3 months thereafter. The census will provide comprehensive statistics to inform development planning and influence policies which guide delivery of quality services. Further, it will update a wide range of indicators, key among them National accounts and poverty estimates. It is my sincere hope that all those within the borders of Kenya will cooperate and support the census undertaking.

Ladies and Gentlemen,

In recognition of the important role that the KNBS plays in compiling and disseminating official statistics on an impartial basis, the Government prepared a bill to amend the Statistics Act 2006, to align it to the 2010 constitution. My Ministry will engage relevant policy makers to ensure enactment of the Act.

Ladies and Gentlemen,

The Bureau is expected to continuously provide accurate and timely information. The Government has already provided adequate finances for the 2019 Population and Housing census, undertaking the Integrated Household budget Survey, The Census of Large firms and Greenhouses and a Continuous Household Survey programme that will provide indicators on quarterly basis, among other statistical activities. My Ministry will continue to offer both financial and other support required by KNBS to modernize production of statistics.

I am very grateful to the Development Partners who have offered both technical and financial support to KNBS for statistical development. In a special way, I thank the World Bank for their support under “The Kenya Statistics Programme-for-Results (KSPforR)”. Through this programme, KNBS has been able to generate better and more accessible statistics to inform policy design and implementation. Let me also thank the Swedish Government for the Technical Assistance Cooperation Project with KNBS and all other development partners for their generous support. I request that you continue supporting statistical activities in the country to help us meet the expanding demand.

Ladies and gentlemen

My Ministry also takes note of the important role played by all data providers who supply accurate data to KNBS. I urge all of us to be patriotic and be proud to be Kenyans by giving accurate data voluntarily. Without your timely support, KNBS would not be able to prepare such reports. I recognize the work done by the media in informing the general public of results and developments in statistics and urge you to continue reporting accurately and objectively.

Ladies and gentlemen,

Today, the Bureau is also launching its Strategic Plan which runs from 2018 to 2022. The plan is anchored on the Vision 2030 and the third Medium Term Plan (MTP III), due to the Bureau’s role of enabling the Government to achieve its medium and long-term development plan through provision

of credible statistical information. Let me take this opportunity to congratulate the KNBS Board, Management and staff as we launch this plan, and wish them all the best during the implementation phase.

Ladies and gentlemen

As I conclude, I urge all decision makers to use the statistics produced by KNBS and specifically the report we are launching today, as reference materials for economic planning, monitoring, and policy formulation processes. It is also my wish that the researchers, private sector and all stakeholders will extensively use the information provided in this statistical release.

Finally, Ladies and Gentlemen, it is now my pleasure, to declare the Economic Survey 2019 report and the 2018 - 2022 Strategic Plan officially launched.

Thank you and God bless you.