

**THE LAUNCH OF THE 2018 ECONOMIC SURVEY REPORT  
AND ISO 9001:2015 CERTIFICATION**

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**SPEECH DELIVERED BY MR. HENRY ROTICH, EGH,  
CABINET SECRETARY, THE NATIONAL TREASURY  
AND PLANNING**

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**25<sup>TH</sup> APRIL 2018 AT THE KICC, NAIROBI**

**Fellow Cabinet Secretaries present;  
Principal Secretaries,**

**Chief Administrative Secretaries Present;  
Director General, KNBS Mr. Zachary Mwangi;  
Representatives of the Development Partners;  
Distinguished Guests;  
Ladies and Gentlemen;**

**Good Morning!**

1. It is with great joy that I join you this morning as we launch the 2018 Economic Survey Report and celebrate KNBS attainment of ISO 9001:2015. I thank you all for finding time from your busy schedules to be with us at this important date of our calendar. You are all welcome!

2. **Ladies and Gentlemen,** as you are aware, the power of statistics is recognized in their use which spans the design and implementation stages of country policy frameworks. Quality and timely statistics improve the transparency and accountability of policy making process, which are essential for good governance by enabling the citizenry to assess the success of the policies and hold the Government to account. Reliable statistics describe the reality of people's everyday lives and are essential to manage the effective delivery of basic services.

3. **Ladies and Gentlemen,** as presented, the economic growth as measured by GDP, expanded by 4.9 per cent in 2017 compared with 5.9 per cent in 2016. The slowdown in

the performance of the economy was partly attributable to uncertainty associated with a prolonged electioneering period coupled with adverse effects of weather conditions.

4. **Ladies and Gentlemen,** as already presented, the agricultural sector continued to be the major contributor of our economic growth. The sector recorded mixed performance in 2017 which led to a decelerated growth of 1.6 per cent compared to 5.1 per cent growth in 2016. This reduced growth is mainly attributed to drought coupled with pests such as the fall army worms and disease which led to the overall decline in agricultural production and threatened food security in the country.

5. In order to achieve food security and improved nutrition, the Government has identified three broad areas starting from in 2018, namely: enhancing large-scale production; boosting smallholder productivity; and reducing the cost of food. The national government will also in collaboration with County governments, ensure that each county has at least one value addition processing plant. These measures will go a long way in scaling up the agriculture value chain.

6. **Ladies and Gentlemen,** manufacturing sector which is also a key sector in our economy has shown a slowed growth from the Report recording a GDP growth of 0.2 per cent during the review period. The sector was negatively

affected by uncertainties relating to General Elections, high production costs and competition from imported goods.

7. The manufacturing sector is expected to benefit from BIG Four initiative which targets contribution of the sector share to GDP at 15 per cent by 2022. In order to realize these objectives, the Government will focus on areas where we have comparative advantage including leather, textiles and construction materials. To support this, various initiatives will be implemented that include: cutting the cost of off-peak power to heavy industry by half; reviewing work permit regime and encouraging expatriates whose skills support manufacturing sector; protecting local manufacturers from counterfeits goods; and creating an

additional 1000 small and medium size enterprises (SMEs) focused on manufacturing which will have access to affordable capital, skills and markets.

8. Other programmes lined up by the Government include expansion of the infrastructure by extension of the SGR; building new roads and ports; and investing in health, education and housing in the medium term. These interventions will result in enhancing our human capital, creating employment for our youth; ensuring all citizens enjoy food security and proper nutrition; guarantee access to quality and affordable housing and health care to all Kenyans.

9. **Ladies and Gentlemen,** with these interventions coupled with continuing political stability and favourable macroeconomic environment the economy is expected perform better in 2018. The on-going investments in infrastructure, improved business confidence, and strong private consumption are expected to support growth in 2018. Inflation is expected to ease in 2018 supported by lower food prices due to good rains and hence improved agricultural output. The expected strong world trade is likely to increase Kenya's exports and therefore support growth.

10. The witnessed weather forecast points to a possibility of sufficient and well spread long rains in 2018 which is

expected to be a major boost for activities in agriculture; electricity and water supply sectors. This will in turn be favourable for the manufacturing sector and consequently accelerate growth.

11. **Ladies and Gentlemen,** as you all aware, official statistics provide an indispensable element in the information system of a democratic society, serving government, the economy and the public at large with data. Therefore, official statistics are to be compiled and made available on an impartial basis. In recognition of this important role played by the Bureau, the Government has proposed amendments to the Statistics Act 2006.

12. The proposed amendments to the Act, will anchor the mandate of the Bureau as the authority for production and management of statistics in the country and reinforce its role in setting statistical standards and methodology, and supervision of the entire national statistical system that encompass national and county governments' Ministries, Departments and Agencies.

13. The amendments will also ensure that the Act is aligned with the Constitution. To this end, my Ministry will take it up with Parliament to ensure that the bill is enacted and continue supporting KNBS in building a strong National Statistical System for production of quality statistics.

14. **Ladies and Gentlemen,** despite the slowdown in 2017 our outlook is bright. We expect growth to recover to 5.8% in 2017 and over the medium term, growth is projected to increase by more than 7.0 per cent due to investments in strategic areas under “The Big Four” Plan, namely: increasing the share of manufacturing sector to GDP; ensuring all citizens enjoy food security and improved nutrition by 2022; expanding universal health coverage; and delivering at least five hundred thousand (500,000) affordable housing units. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.

15. **Ladies and gentlemen,** before I conclude, let me underscore the strong commitment by the Bureau to providing quality statistical products to improve its overall performance and provide a sound basis for sustainable development initiatives. Let me take this opportunity to congratulate the KNBS Board, Management and staff for the commitment to meet the ISO 9001:2015 standard requirements and for the award of this prestigious certificate. I therefore urge you to join me in congratulating the KNBS family for this great achievement.

16. **Ladies and gentlemen,** as I conclude, I urge all government decision makers to use the Report as an excellent source of statistical information and a reference

material for economic planning, monitoring, and policy formulation processes. The Report will provide key information for researchers as well as the private sector.

17. Finally, it is now my pleasure, Ladies and Gentlemen, to declare the 2018 Economic Survey Report officially launched and also call upon you to join the KNBS fraternity in celebrating the award of the ISO 9001:2015 Quality Management System Certificate.

**Thank you.**

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