

REPUBLIC OF KENYA THE NATIONAL TREASURY AND ECONOMIC PLANNING

REMARKS BY THE CABINET SECRETARY/THE NATIONAL TREASURY AND ECONOMIC PLANNING, NJUGUNA NDUNG'U, CBS DURING THE 2023 TAXPAYERS' DAY ON 3RD NOVEMBER, 2023 IN MOMBASA

Your Excellency, Hon. Dr. William Samoei Ruto, C.G.H., President and Commander - in- Chief of the Defence Forces of the Republic of Kenya;

His Excellency, Hon Rigathi Gachagua, E.G.H., Deputy President of the Republic of Kenya;

My Fellow Cabinet Secretaries;

Principal Secretaries;

Chairman and Board of Directors of Kenya Revenue Authority;

Commissioner General, KRA;

Members of Staff of KRA; Our Distinguished Taxpayers,

Good morning,

1. **Your Excellency**, it is indeed a great privilege to us that you have created time to preside over the 2023 National Taxpayers' Day as we honour our Distinguished Taxpayers. Your presence today, is a strong testament of the value and

importance you and the Government attaches to the Taxpayers especially to those exceptional individuals and businesses that diligently honour their tax obligations.

2. **Your Excellency,** today marks the culmination of the 2023 Taxpayers' Month celebrations, a series of events and activities designed to engage with all Taxpayers. These initiatives aim to reflect on innovative ways to revitalize our

Tax Administration by adapting to the ever-evolving tax landscape and dynamics.

3. We acknowledge that any country's sustainability and economic growth depend on its ability to generate revenues to finance its development. The importance of domestic resource mobilization as a key driver of the development agenda is thus well established.

4. **Your Excellency,** in recent years, the country has faced significant economic challenges, from a series of devastating negative shocks that have led to a prolonged economic recession as well as inflation challenges. However, despite these challenges, we have witnessed positive signs of economic vibrancy. The economic vibrancy is evident in the improved revenue performance.

5. I wish therefore to take this opportunity to appreciate the Taxpayers for their resilience and contribution towards this achievement. I also appreciate the Board Management of KRA for their selfless dedication and continued commitment to their mandate, even in the face of turbulent socio-economic times. We shall continue working together to intensify our revenue mobilization quest that will ensure that we adequately finance the country's budget and support the Government's Bottom-Up Economic Agenda (BETA) for a sustained economic recovery and economic vibrancy.

6. **Your Excellency,** domestic resource mobilization remains a major source of long-term financing for sustainable development across the world. In order to address this, a number of countries have embarked on the development of a strong framework for guiding tax reforms to enhance domestic revenue mobilization.

7. In this respect, the National Treasury and the Kenya Revenue Authority, with the support of Development Partners and Bilatels have embarked on the development of the Medium Term Revenue Strategy to enhance domestic revenue mobilization over the medium term. The Strategy will guide Tax Administration to improve efficiency in the administration of tax laws, create tax rates that will enhance compliance and build the tax base. The Strategy is expected strengthen the policy dimension towards fiscal to

consolidation process with a target to achieve the EAC convergence criteria of fiscal deficit of 3.0 percent of GDP.

8. Your Excellency, as I conclude, allow me to refer to media reports that the Government has introduced more taxes and targets to charge additional taxes on personal effects of travelling passengers and visitors at the point of entry. Your Excellency, we have a formal process through which we effect changes to the Tax Legislations, usually

through the Finance Bill. The last time we made changes to the tax laws was in June 2023 through the Finance Bill 2023 that was enacted and is currently under implementation. I therefore wish to assure our visitors and all travellers to this country that **no new taxes** have been introduced and that the process at our entry points is **smooth and diplomatic** and the **Customs Officers of KRA** have been instructed to ensure this process remains seamless and should not mishandle our visitors and travellers.

9. **Your Excellency,** with your permission, allow me to now invite H.E. Hon. Rigathi Gachagua, the Deputy President to make his remarks and invite Your Excellency to address our Distinguished Taxpayers. Welcome your Excellency, The Deputy President.

NJUGUNA NDUNG'U, CBS CABINET SECRETARY