



REPUBLIC OF KENYA

**SPEECH BY HIS EXCELLENCY DR. WILLIAM  
SAMOEI RUTO, C.G.H. PRESIDENT AND  
COMMANDER-IN-CHIEF OF THE DEFENCE  
FORCES OF THE REPUBLIC OF KENYA ON THE  
OCCASION OF SILICON VALLEY INVESTMENT  
VISIT AND ENGAGEMENTS**

**SEPTEMBER 15TH, 2023**

**SAN FRANCISCO, CA**

- **Ambassador Meg Whitman;**
- **British Robinson, Prosper Africa Coordinator;**
- **Distinguished Guests;**
- **Good Morning;**

1. I am delighted to have this rare privilege of joining you today to speak about a subject that is of great interest to me, resonates with Kenyan firms and entrepreneurs and lies at the heart of our agenda for radical socioeconomic transformation.
2. I have in mind, and hope we shall shortly strike a firm consensus, the overwhelming opportunity and compelling business case for American technology firms to engage in win-win strategic business partnerships with Kenyan counterparts.
3. Our strategic intent of creating millions of jobs for the growing numbers of young people was significantly slowed down by the covid-19 pandemic exerting pressure on governments and policymakers. Never before had government faced such a stark demographic emergency and now, more than ever, the requirement of sustainable development became an existential imperative.
4. We developed the Bottom-Up Economic Transformation Agenda as Kenya's strategic plan to anchor our new economic paradigm shift. One of the 5 strategic pillars is the Digital Superhighway and Creative Economy, which is intended to lay the foundation, in terms of infrastructure, policies, incentives and other mechanisms to significantly enhance our national capacity to participate competitively in the global digital sector.
5. Under the Plan, the establishment of last-mile fibreoptic connectivity is intended to optimise Kenya's digital and tech potential not only to accelerate successful performance in the other pillars of universal



health coverage, affordable housing, agricultural transformation and the micro, small and medium-sized enterprise sectors, it was also intended to launch Kenya into the infinite opportunities of the digital economy.

6. At the African Climate Summit held in Nairobi a few days ago, the last remaining sceptics were finally convinced by incontestable facts that Africa is the next frontier of a new industrial revolution. At close to 1.5 billion people, nearly a fifth of the world's population is African, meaning that approximately one in every 5 people globally is African.
7. What is more, Africa is an extraordinarily young continent, with a median age of 19. Thanks to decades of painstaking investment in human capital development, our youth are educated, skilled and highly motivated to make their contribution to economic and cultural transformation.
8. Africa remains famous for its abundant endowment of natural resources of a wonderful variety, ranging from mineral resources including critical minerals required for transition into clean and green industrialisation, to the world's largest available tracts of uncultivated or under-utilised arable land as well as carbon sinks, together with green energy generation potential from solar, hydro, geothermal and wind power.
9. Only capital and technology, in the form of ready, affordable and adequate investment, stand between Africa's potential and its destiny, underdevelopment and industrial transformation, poverty and prosperity, a youth time-bomb and a demographic dividend.



10. This is the context from which I speak to you at America's, and the world's, technology capital. The idea that Africa stands in need of its own tech capital isn't new or wishful. For decades thinkers have tossed around the idea of a space and culture dedicated to the development and expansion of technology companies, products and innovations in Africa. This is not only consistent with the philosophy of the Africa We want and the Pan African ethos of African Solutions to Africa's Problems, it also envisions an Africa capable of harnessing technology to thrive by providing localised solutions in a dynamic strategic and operational environment, exploiting its unique endowments and capacities and powering regional and continental integration and transformation to unlock shared prosperity at scale.
  
11. Humanity thrives throughout the world, with tremendous evidence of capacity to do so further beyond in due course, yet the cradle of humanity is Africa. The oldest human remains were discovered in East Africa, near Lake Turkana in Kenya. Science also tells us that our ancestors evolved under different conditions on various continents, but its most transformative evolutionary breakthrough occurred on the East African Savannah, when the first primate evolved the upright posture which enabled it to scan a wider horizon for threats and opportunities and freed its hands to develop and employ the instruments that have progressed in time from crude stone tools to the stupendous technologies of our time.
  
12. I am persuaded that similarly, the most consequential breakthrough in technological innovation will take place on the East African Savannah when global tech leadership, together with foreign direct investment, converge upon Africa's youthful human capital, natural resources and green energy potential.



13. I am not alone in this conviction; the first movers are already on site and they pitched tent long ago in Kenya, a country famous for its vibrant entrepreneurial culture and pioneering innovation ecosystem, which is now home to the regional headquarters of Google, IBM and Oracle among others.
  
14. I want to assure you, ladies and gentlemen, on what Ambassador Whitman has presented: Kenya is all that she has said, and much more. You will hear Sitoyo Lopokoityit give his presentation on M-PESA, the mobile money innovation that has transformed payments, challenged traditional banking services and innovatively solved transactional security issues. MPESA is also Kenya's confident announcement to the world that we are ready, able and willing to play in the big tech league.
  
15. I am aware that it is not enough to have opportunities, however, numerous and attractive; incentives matter, and investment capital responds directly to the institutional dimensions of the operating environment. I have come to the Silicon Valley to underscore the Kenya government's strategic intent to support, through infrastructural and other investment, the enhancement of Kenya's position as the epicentre of African innovation and technological transformation.
  
16. Due to various factors, many countries in our part of the world still struggle with low rates of internet penetration, digital literacy and electric power connectivity. Access to the internet- a requirement so practically a fundamental human right throughout the world- remains out of reach for most people on our continent, with less than 22% in 2021 reported to have access.



17. Given Africa's unique situation with the international financial system, few countries enjoy the fiscal space required to commit significant resources to strategic investments aimed at systematically developing digital infrastructure, services, skills and entrepreneurship. Kenya is among these few. We have provided the infrastructure and institutional framework to support high connectivity throughout the country.
18. Our mobile penetration is the highest on the continent, close to universal. 4G5G coverage is 96%, with major urban centres across the country connected to 5G networks. The mobile phone remains the foremost instrument of digital transformation in Kenya, enabling people perform a broad array of tasks and enjoy a spectrum of services at their convenience. It is the engine that optimises the restless energy of a youthful, entrepreneurial nation.
19. There remains significant opportunity to do more in fostering digital access and inclusion. As a matter of fact, it is possible for us in Kenya to leapfrog over more traditional ICTs simply by keeping down the cost of smart phones. This possibility motivated my announcement earlier in the year, that the government would collaborate with the private sector to roll out the first million locally assembled smart phones to sell at only \$40. For technology to play its role as the great equaliser, it must be supported, through investment, to become widely available.
20. Kenya's high digital connectivity complements our people's entrepreneurship. In turn, this attracts venture capital to our economy. This is why Kenya defied a global slowing down of venture capital to record Africa's strongest growth in funds raised. According to the Funding Tracker, Kenya emerged 2nd in VC funding, tying with Nigeria, whose population is 4 times larger, and handily beating Egypt and South Africa.



21. The reason for Kenya's strong performance in attracting VC funding boils down to investor confidence: the knowledge that a start-up that succeeds in Kenya is highly likely to scale to the rest of Africa. As an example, M-PESA a home-grown, typical Kenyan solution, now operates in seven countries, serving over 51 million customers. Venture capital flows to Kenya in large volumes because there is a conducive environment for innovators to test their products.
22. Kenya's sizeable youth population is ever-hungry for new ideas, fresh innovations and the latest technology, and this makes our country a magnet for innovation, creativity and entrepreneurship. We are, unequivocally, Africa's start-up hub.

### **Human Capital**

23. Kenya is a wholly people-driven nation, state and economy. Our ability to compete with economies with superior resource endowments comes from the spirit and resilience of our people. At the heart of our entrepreneurial culture are the hopes, dreams and aspirations of Kenyan people. The irrepressible energy of our people drives our country's overall robustness and, particularly, our dynamism in technological innovation and beyond. We do not take this for granted, and investing in people is therefore a critical strategic priority for Kenya.
24. One of the important ways in which we secure our investment in the people is by sustaining our efforts to continually develop a workforce that meets the needs of an ever-changing world. Over 70% of students in our leading universities are enrolled in STEM programmes.



25. We have taken necessary steps to enhance capacity to build a critical mass of digital talent in our technical and vocational education and training institutions, all the way to the community level.
26. More than 300,000 young youths graduate from Kenya's over 65 universities annually, implying that we have a considerably well-educated population, which gives us the capacity to develop internationally certified engineers, scientists and researchers. These people form the backbone of our Silicon Savannah's technology, innovation, research and development ecosystem to which I am privileged to have the honour of inviting you.
27. Beyond the classroom, we are investing in the necessary infrastructure and systems to provide sustainable support for Kenya's tech entrepreneurs. One ongoing undertaking is establishing a digital hub per ward in every county, so that more young people have the opportunity to learn, innovate, co-create and perform remote/digital work. This way, we envisage the successful development of 1 million digital talents within the next 3 to 5 years. This pool of empowered Kenyan talent will be waiting to power your enterprise when you set camp in Kenya.
28. We are not pursuing our digital ambition in isolation, or developing Kenya's digital talent pool from an insular approach. On the contrary, it is embedded in a high-potential ecosystem made up of international tech giants and small start-ups. I believe that contact with such companies as Apple, Meta, Microsoft, Google and Intel provide firm grounding for our future tech entrepreneurs in an environment where possibilities continuously germinate and thrive, thus enriching Kenya's entrepreneurial dynamism.





29. I must not create an impression that we are all over the place, trying to be everything for everyone. This is because we find it essential to the success of our interventions that we focus only in those tech sectors where we bring most value and contribute maximum benefit. Green, clean energy will define the heart and soul of Kenya's tech growth and development.
30. As you already know, Kenya is a global leader in the generation and utilisation of green energy. 93% of our national grid is green and we are taking necessary measures to provide, not only a 100% green grid, but also one that provides power with the abundance, stability and affordability required to stay competitive as a manufacturing industrial destination. American companies like Symbion, d.light Sanergy Ltd and Sun Culture are already familiar with our position, as active players in the sector.
31. Our country is home to the only data centre on our continent that is certified under the world's best green building rating system. Not only is the National Data Centre accredited for Leadership in Energy and Environmental Design (LEED), it is also certified by the Uptime Institute as a Tier III Data Centre, which means that it can guarantee 99.99% availability of service.
32. Last month, we broke ground for the only 100% green energy-powered data centre, connected to geothermal electric power at the most competitive cost per kilowatt/hour. It is projected that 15% of total global energy will soon be consumed by data centres. The signal is officially out: you cannot find a better location for your green data centre than Kenya.
33. Additionally, Kenya's rich package of geostrategic advantages, ranging from diplomatic, peace and security, humanitarian, business



and investment, to technology and innovation, is complemented by its situation as the gateway for six undersea fibre-optic cables, which form the foundation of the country and region's reliable data connectivity. This advantage is critical for the growth of our data centre community.

34. Kenya has now confirmed its position as a continental leader in e-mobility, in terms of two- and three-wheel electric vehicles as well as buses. As we speak, 30 e-mobility companies, including such industry leaders as KiriEV, Roam, BasiGo, ArcRide and Powerhive all call Kenya home. At the same time, regional leaders like Ampersand, which expanded into Kenya with US support and Rivian, the US electric vehicle leader, that operates safari vehicles in Kenya, will tell you that Kenya is indeed a happy home.
35. The Africa Climate Summit enabled Africa's leaders to mobilise effectively in defining a common continental position to climate action, which will shape our agenda in multilateral fora, including the United Nations General Assembly and the COP28. In addition to this, the Summit reinforced Kenya's well-earned credentials as a leader in climate action, green transformation and the commitment to align the global industrial decarbonisation agenda with Africa's potential.
36. Over 35,000 participants attended the Summit, led by 25 African heads of states and governments and the UN Secretary General. One thing became undeniably clear: the future of green growth is African.
37. Further, Kenya is establishing itself as an IT, and IT-enabled services destination of choice. Additionally, we are positioning our country as the Africa's business process outsourcing and creative economy



hub. At the time, the Kenya Digital Media City is underway, envisioned to be a premier ecosystem designed to ignite the powerful engine of Kenya's creative economy. We are also developing the Silicon Savannah Appstore as a platform to showcase innovations developed in Kenya for Africa.

38. The coherence of our strategic ambition extends beyond the digital innovations ecosystem, as demonstrated by our resolve to establish Kenya as a hub for manufacturing. The first semiconductor manufacturing company has already set up in Kenya, closely followed by our country's first mobile phone manufacturing company.
39. Laptop assembly plants are already in production in 3 universities, making devices that satisfy international standards. Manufacturing for tech is quickly strengthening into outright competitive advantage.
40. Our burgeoning manufacturing capacity has naturally embraced the pharmaceutical and medical sector. We have concluded an agreement between Kenya and Moderna, Inc. which paves the way for the construction of a new \$500 million vaccine manufacturing facility in Nairobi, that will produce over 500 million vaccines annually and will be the only facility of its kind in Africa.
41. To ensure that our efforts are sustainable and that they set the country upon a path of transformation, we are also investing in adequate capacity to support investment, innovation and enterprises in areas of strategic priority. This entails the establishment of institutions, development of infrastructure, formulation of strategies and creation of an environment that



attracts, facilitates and supports investors to plug into Kenya's potential and unlock the doors to the future of our dreams.

42. To actualise the intention of developing a businessfriendly environment, the following commitments are now strategic priorities.
43. First, for the sake of stability, we have tax code that is simple to enforce, consistent, fair and predictable that lasts for at least 3 years. Secondly, we are committed to align our institutional framework for data protection with the global regime in the Global Cross-border Privacy Rules framework. Third, we have eliminated VAT on exported services and the tax on stock-based compensation for employees of start-ups as well as the domestic equity requirement for ICT companies. Further, we also give our undertaking to comply with the OECD's (Organisation for Economic Cooperation and Development) two-pillar solution for digital services tax, when it enters into force.
44. I believe it is also necessary at this stage to underscore our commitment to the re-engineering our country's special economic zones (SEZ) and export processing zones (EPZ), with the intention of making them the most competitive in Africa.
45. The strategic mission is to accelerate the flows of foreign direct investments by simplifying processes and removing procedures and regulations whose only purpose is to create unnecessary barriers to investors.
46. We are further clarifying and rationalising the land regime to make access to land in the SEZ and EPZ expeditious. By the end of the year, we shall have reviewed the entire policy and institutional



framework governing SEZ and EPZ to align them with our objective of mobilising a stronger FDI performance.

47. It is also useful bring to your attention the fact that CCI Global, an American firm operating Kenya's biggest BPO out of Tatu City, Kenya's leading privately-owned SEZ, is presently doubling its workforce to 8000, with a plan to further increase it to 12,000. This will enable CCI to serve American corporations including United Airlines, Spirit Airlines, JetBlue, AT&T and Shipt, thereby giving very young Kenyans – between 18-24 years old- the opportunity to develop and provide the highest level of customer service skills. Thanks to CCI and its American clients, Kenya's famous hospitality has gone global and we commit to take all necessary measures to make Kenya even more attractive for BPOs.
48. Likewise, Safaricom is developing a partnership with Apple Inc to integrate MPESA and its Paypal platform to extend MPESA's transactional reach globally.
49. Our strategic collaborations with Microsoft, Intel,IBM, Oracle and Google are going to be pursued from a similarly pro-tech, solution-oriented, opportunity-enhancing and transformational standpoint. We have every intention of maximising the wonderful chances that these companies have presented to radically enhance our service delivery capacities in skills development and training, research and development, data management, semi-conductor manufacturing, cloud platforms and cybersecurity as well as various sectoral interventions.
50. Our efforts to strengthen bilateral trade relations with the USA through the strategic trade and investment partnership (STIP) have began to take shape and, from where I sit, it is clear that the



emerging instrument will define the future of trade between our region and the US, especially since it is likely to anchor the terms of extension of the AGOA framework.

51. Kenya is your gateway to the Silicon Savannah, to the East African Community, the most integrated regional market of 500 million, and a Pan-African market of 1.4 billion. If you build it in Kenya, it works for Africa, and if you set up in Kenya, your African footprint is guaranteed.
52. Our country is not only a thriving economy of the hardest workers you can find anywhere, it is also a scenic extravaganza of spectacular geography, and a thrilling theatre of rare wildlife in majestic action.
53. If you travel from the Indian Ocean coast at the south-eastern end, to the world's second largest fresh water lake on the south-western side, you will inspect the parades of proud palm trees in the coastal lowland and the enigmatic baobabs that hide elephants and give way to looming giraffe-feeding and leopard-sheltering acacias of the Nyika (Plateau), the herbivore-magnet savannah grasses where lions and cheetahs stalk hungrily for prey, before you enter dense tropical forests higher and further inland on the way to behold the dramatic afro-alpine flora of the freezing mountainside, where you may see the snow-capped peak of Africa's second highest mountain, before surveying the breath-stopping escarpments, which border the lake-strewn Great Rift Valley.
54. You can enjoy all these and more over a course of under 800 kilometres. The diversity of our landscapes and wildlife is amazing. Our people are brilliant winners and diligent go-getters. Magical Kenya is irresistible.



55. I have learnt something fantastic from Amb. Whitman: Kenya has innumerable marvellous attractions that we have grown up with and often take for granted. I agree with her that Kenya is beautiful and brimming with possibilities, which will be unleashed by aligning your investments with our opportunities. My work is to create the best possible environment for that to happen and I give you my commitment to do my best, and do it quickly.

**Thank you.**  
**God Bless you.**

