

TALKING POINTS FOR H.E. WILLIAM SAMOEI RUTO,
C.G.H. PRESIDENT OF THE REPUBLIC OF KENYA
DURING 22ND COMESA SUMMIT OF HEADS OF
STATE AND GOVERNMENT, ZAMBIA, JUNE 08, 2023

Your Excellency, President Hakainde Hichilema,

EXCELLENCIES,

Good Morning,

1. I am deeply honoured to have this opportunity to make a maiden address at this distinguished forum before you, Excellencies, assembled at this august session of the 22nd COMESA Summit of Heads of State and Government. On behalf of the government and the people of Kenya, I thank you for the high privilege.

2. Excellencies, it is a singular privilege to be here with each one of you, and this gathering is made much more special by the purpose of this summit, whose business takes forward our region's collective agenda for the benefit of our countries and people.

3. I also convey profound appreciation to my dear brother, His Excellency President Hakainde Hichilema, the government and people of Zambia for the warm welcome and marvellous hospitality you have

accorded my delegation and myself since our arrival in Lusaka, your beautiful capital.

5. I take this opportunity to express profound gratitude to the outgoing Chair of the Summit, my brother His Excellency Abdel Fattah El-Sisi, president of the Arab Republic of Egypt, for his steady and visionary leadership. His stewardship of the organization has enhanced the unity, vibrancy and relevance of COMESA and during his tenure, he remained focused on ensuring that our collective interests were projected by the organization.

6. As I thank President El-Sisi, I also take this special moment to extend my warmest congratulations and Kenya's best compliments to His Excellency President Hichilema, the incoming Chair of the COMESA Authority. I recognize and appreciate his continued devotion to the effective integration of our region. I also commend him for offering to host the 22nd COMESA Summit.

8. The Africa Union's Agenda 2063, and the United Nations' Sustainable Development Goals, as well as COMESA's strategic objectives have been incorporated

into Kenya's national transformation agenda to empower us to pursue opportunities locally and farther afield coherently, consistently, efficiently and effectively. We have also positioned Kenya, and are championing for the radical repositioning of Africa as the clean, green young continent of the future in order to exploit the opportunities arising from global transition to green industrialization, and to transform the challenges posed by the climate crisis into opportunities to lead the next industrial revolution. We are therefore deeply committed to COMESA's vision of prosperity through integration.

9. Our theme for the 22nd COMESA Summit resonates powerfully with Kenya, especially our aspirations for radical national transformation. The promotion of green investment to power a zero-carbon global industrial order is a priority. Through robust policy, we have taken positive measures to construct an investment climate that attracts high quality global capital to our economy, and to promote a business environment that encourages value addition and secondary manufacturing.

11. I therefore commend the Secretariat and the organisers for their work in arranging this Summit, and for identifying this theme to highlight important development agendas and anchor our deliberations.

12. The entire world is saddled with enormous and intertwined economic, geopolitical and climatic crises which have exerted enormous adverse impacts on our continent and our region. These evolving crises were catalyzed by the covid-19 pandemic with uniquely devastating consequences on our economies. Although we are now fully embarked on the path to normalcy, we have the singular opportunity to act collectively in crafting effective strategies for accelerating recovery and deepening resilience to anchor sustainable policies, mechanisms and frameworks.

13. Green investment is one area of unexplored opportunity to resolutely pursue socioeconomic development incorporating ecologically sound and environmentally responsible practices.

14. Our progress in achieving sustainable development goals will increasingly depend on enhanced investment in infrastructure and assets that are necessary for rapid economic growth but environmentally friendly and resilient to climate impacts. The aim, of course, is to achieve overall reduction in emissions, enhance energy and resource efficiency, develop facilities that can withstand extreme climatic pressure, and avert loss of biodiversity and critical ecosystems.

15. Kenya has made bold commitments to pursue green investment throughout the country, and to incorporate ecological sustainability into the implementation of every policy, programme and project. This way, we shall be constantly vigilant for opportunities to implement initiatives ranging from solid waste management to agroforestry as urgent strategic investments.

16. To illustrate our approach, I will cite our domestic energy trends. In Kenya, wood fuel accounts for 70% of the energy consumption, particularly in rural areas. This demand intensifies pressure on wood resources, leading to deforestation and the destruction of vital landscapes and ecosystems. Our strategy to wean the country of this dependence and restore tree cover entails the promotion of alternative fuel from youth-owned enterprises which recycle solid waste into briquettes, moving us close to our climate target of reducing emissions by 32% by 2030.

17. Our energy, transport, and communications infrastructure development programme embraces ambitious green commitments and explicitly pursues ecological responsiveness, climate resilience, and environmental sustainability as integral parameters of progress.

18. We have found many partners for our green agenda and investors as well as other development partners to complement our efforts to mainstream and institutionalise green investment.

19. Our sense of urgency in this matter is informed by reports from the United Nations Environment Programme, UNEP, that to fulfil the SDG by 2030, and the net-zero aspiration by 2050, the world must invest approximately USD 6.9 trillion annually in the necessary sustainable, resilient infrastructures.

20. On trade, the combined population of COMESA member states is 580 million, with a GDP of USD 768 billion is a tremendous opportunity. The potential for intra-COMESA trade is simply enormous, and the demand for value-added products is bound to keep growing well into the future.

21. Value-addition offers higher returns, incentivizes industrialization, enhances productivity, deepens technological advancement, increases high-quality jobs, bolsters wealth creation, and promotes competitiveness. There is a very strong case for us in COMESA to shift away from primary production, especially of agricultural commodities, to industrial manufacturing across sectors.

22. Kenya is pursuing industrial transformation as a policy priority, focusing on raising the share of

manufacturing to national GDP to 20% by 2030. In so doing, we intend to accelerate economic growth, increase foreign exchange earnings, create employment, and reduce poverty, as envisioned in our Bottom-up Economic Transformation Agenda.

23. Regionally, several obstacles separate COMESA from its vision of prosperity through integration and industrialization. We have few sectors where value-addition is entrenched. Additionally, weak regulatory frameworks, rampant non-tariff barriers, and weak technological capacity contribute to our under performance in value-addition.

24. Consequently, our economies remain vulnerable to global price volatility, affecting our primary product exports. In turn, this severely constricts our space to pursue the structural transformation of our economies and achieve SDGs.

25. To overcome this handicap, we have an historic opportunity to join forces in building the capacity of every player along our value chains, especially as regards ability to comply with competitive standards and to harmonise our standards and regulatory frameworks. In so doing, we will enhance the competitiveness of our products and enable them to penetrate international markets.

26. It is also imperative that we proactively seek a resolution to the disparities in currencies and the consequential impediments it poses to intra-African trade. Trade cannot take place without efficient and unified payment systems. Although there has been introduction of several regional payment infrastructures in the continent, we lack a single system that seamlessly facilitates trade among our nations, eliminating the obstacles posed by varying currencies.

However, I am delighted to note that AFREXIM Bank in its mandate to facilitate intra- Africa and extra-Africa trade embarked on building a centralized payment and settlement system to support trade under the AfCFTA. Dubbed the Pan- African Payments and Settlement System (PAPSS), banks and payment providers can plug directly to it to enable secure and instant payments in local currencies.

The system is designed to reduce or eliminate the challenges of cross border payments and by so doing accelerate intra Africa trade.

Without a single payment platform, payment instructions from one African country to another typically passes through several intermediary financial institutions leading to increased costs.

26. Travel and tourism contributes USD 20.8 million to the economies of COMESA member states, representing 42.5% of our total service exports, translating to 9.7% of GDP and accounting for 9.9% of total employment.

27. Even at this level of contribution, there remains huge untapped potential for tourism in our region, which demands an integrated approach. To exploit this potential, we must pay closer attention to existing tourism market opportunities, especially in terms of such niche tourism segments as agriculture, construction, education, fishing, manufacturing, sports, creative arts, transport, utilities and other services.

28. Further, it is imperative for us to liberalise the service industry by pursuing accelerated conclusion of the AfCFTA negotiations on Trade in Services (Business, Communication, Financial, Transport, Energy and Tourism) in order to facilitate the growth of tourism and accelerate the expansion of the COMESA economy.

29. I also believe that we can be much bolder and fully embrace the spirit of integration and the unity of our people and configure a regime of modular tourism packages which entail complementary products in different countries, designed to spread value throughout the region and offer an incomparable experience to our visitors.

30. I thank the Secretariat for directing our attention to these important matters and facilitating a highly rewarding and long-overdue discussion of the opportunities we can unlock through joint effort. More than ever, I am convinced that we have an unprecedented opportunity to transform COMESA, one sector at a time, and to lead our people to prosperity in a region defined by opportunity, unity and collaboration.

31. This Summit will shortly receive reports on priority issues considered by the meeting of the Council of Ministers in December, as well as the report of the business forum held yesterday. I look forward to engaging with these important outputs, which will clarify our understanding of the progress we are making on various fronts.

32. I believe that it is also important to take cognizance of the strides we have made in deepening regional integration throughout the continent, especially in terms of implementing the Tripartite Free Trade Area, TFTA. So far, 11 members have ratified the agreement, whereas 3 more ratifications are needed to bring the TFTA into force.

33. Speedier collective action on our part to facilitate the entry into force of the Agreement by resolving outstanding issues holding back ratification, like the

concerns about access to markets raised by some member states is necessary.

34. Beyond the TFTA, we have further escalated the integration agenda to the pan-African domain by inaugurating the AfCFTA, which entered into force in May 2019, with free trading commencing in January, 2021. I am enormously encouraged that to date, about 42 member states have already submitted their schedules of tariff concessions. 12 of these member states are in COMESA , which demonstrates the potential for COMESA and AfCFTA to complement each other's process, thereby deepening integration and stimulating economic growth.

35. I recognize with appreciation that COMESA's integration agenda is not an isolated commitment. Rather, it is underpinned by strong and effective regional programmes in infrastructure, agriculture, climate change, cluster development, gender and social affairs, as well as robust investment promotion. It is important for us to attend to ways and means of reinforcing the implementation of these critical programmes.

36. As we strive to bring together our countries, it is important to appreciate that Africa Union needs urgent reforms. 19

I have had an engagement with legislators of the Pan African Parliament and implored on them the need to reform the African Union to conform with the current realities.

To ensure that the African Union performs at the level of its aspirations, it will be necessary to make sure that it empowers itself with sufficient capacity. Otherwise, African Solutions, Agenda 2063, the Africa Continental Free Trade Area and the Young, Clean Green Continent of the Future will never be a reality.

The AU Reform Agenda must therefore be a priority and we must interrogate and conduct the process to ensure that structurally, the roles of the Bureau, Summits, Committees, Regional Caucuses, Secretariat and Commission are duly rationalised to give Africa a fit-for-purpose continental governance body with the capacity to engage globally. ²⁰

Member states must consider donating power to AU on matters trade, regional and global security as well as other areas that Africa can benefit from engaging together rather than individually. We should merge the position of chair of the AU Summit and that of the AU Commission into one so as to give it sufficient leverage to engage on behalf of Africa

36. Although there is a long way to go, I am satisfied that we are playing our parts in full, which is why we have come this far. I sense a renewed commitment to stronger economic performance at home and regionally, and a clearer sense of urgency arising from the unique imperative of this moment. I am therefore confident that through economic integration anchored on green investment, value addition and tourism, we are going to usher in an era of unprecedented transformation and prosperity for our people.

Thank you

God bless Comesa

God bless Africa