



REPUBLIC OF KENYA

**REMARKS BY HIS EXCELLENCY HON. DR.
WILLIAM SAMOEI RUTO, C.G.H., PRESIDENT
OF THE REPUBLIC OF KENYA AND
COMMANDER IN CHIEF OF THE DEFENCE
FORCES DURING THE OPENING CEREMONY OF
THE PRIVATE SECTOR DIALOGUE**

MAY 29TH, 2023

SAFARI PARK HOTEL, NAIROBI

- **H.E Azali Assoumani, President of the Union of Comoros, and Chairperson of the AU Assembly of Heads of State and Government,**
- **H.E Mr. Issoufou Mahamadou, Champion of the AfCFTA, and Former President of the Republic of Niger,**
- **H.E. Wamkele Mene the Secretary General of AfCFTA,**
- **Hon. Yves Fernand Manfoumbi the Chairperson of the AfCFTA Council of Ministers,**
- **All Ministers and Cabinet Secretaries present,**
- **Excellencies, Members of the Diplomatic Corps,**
- **Distinguished Captains of Industry,**
- **Our Guests,**

Good Morning,

1. We are at a historic juncture in world development, in which Africa is emerging as a focal point of important global agendas. This is therefore a crucial opportunity for us in Africa to define the terms and conditions under which we shall pursue African self-sufficiency in order to actualize the African right to self-determination.
2. I see this as the underlying expectation as well as the fundamental philosophy of The Africa We Want. The



cardinal aspirations underpinning the Africa Union's Agenda 2063 are the output of sustained deliberation. They also require us to engage in deeper self-analysis through inclusive deliberation in order to clarify the path by which Africa will arrive at its place as the global economic powerhouse of the near future.

3. It often appears as though matters canvassed at the AU level are purely and exclusively intergovernmental, yet nothing could be farther from the truth. The economy, development and self-sufficiency are multi-sectoral and interconnected concerns that must be pursued through collaboration and consultation by all stakeholders in the public as well as private sectors at the domestic, regional as well as continental levels.
4. It is through robust dialogue, guided by this understanding, that we have made progress in developing and implementing a blueprint for the realization of Africa's aspirations. Recognising that the contribution of the private sector is vital to Africa's socioeconomic transformation, and that its voice must define the dialogue about integration and economic self-reliance is a major component of our mission.
5. This event, which is designed to underscore and promote the private sector's involvement in the achievement of Agenda 2063, is therefore of particular importance. Everyone who has participated in organizing this event, and everyone who is taking part in its proceedings is making a significant contribution in moving the agenda forward by enhancing the role of an indispensable dimension of development- the private sector.



6. This is why I am delighted and grateful that you have all honoured our invitation to the African Private Sector Dialogue. I welcome you all to Kenya's capital city, Nairobi, and on behalf of the people of Kenya, extend to you a warm welcome.
7. Coming at a time when the African Union heads of States and governments have set the pace for the effective implementation of the African Continental Free Trade Area, this Dialogue provides a crucial forum for collective reflection on matters of vital significance.
8. I am glad for this opportunity that we shall have at this Dialogue to share experiences on past endeavours to undertake regional integration, assess the current status of ongoing processes, and use the best of our collective knowledge to forge the way into the future of African prosperity.
9. The increasingly complicated, delicate and uncertain geopolitical environment has exerted disruptive pressures upon global trading systems, emanating from such diverse events as BREXIT in 2016, whose effects continue to reverberate throughout world economies, the WTO's Doha negotiations that remain unconcluded, escalating protectionism and, more recently the Covid-19 pandemic, the Russia-Ukraine conflict and the Climate Crisis.
10. The shocks and stresses arising from these events have exacerbated the vulnerability of African economies and intensified poverty and suffering. The Russia-Ukraine



conflict alone has disorganized food and energy supply chains which serve our continent, causing acute shortage and driving commodity prices to unprecedented levels that are unaffordable to the majority of our people.

11. This complicated crisis must alert us to the unacceptable reality that as matters presently stand, our economies and societies are prone to the negative impacts of events taking place in lands far away. This reality arises due to two primary facts that go into the heart of the Agenda 2063 aspirations generally, and the AfCFTA particularly.
12. Firstly, Africa urgently needs to work its way steadily and rapidly up from the bottom of the global value chains by unlocking the full potential of our abundant endowments of minerals, energy, natural resources and human capital through industrialisation, mineral processing and manufacturing. 60% of global arable land reserves are in Africa, and we have not begun to fully utilize it.
13. African exports are among the world's least diversified, with commodities accounting for over 60% of the total merchandise exports in 45 out of 55 of our countries. This situation exposes us quite badly to global commodity price shocks, effectively undermining the continent's prospects for inclusive growth and development.
14. Secondly, intra-Africa trade is remarkably low, at 17% compared to 40% in Asia, 60% in the USA and Europe's 70%. The bulk of Africa's imports and exports relate to markets outside the continent. Although Africa has been a net importer of agricultural commodities since 2,000, 81% of these imports come from outside Africa, while 78% of its exports are destined for the rest of the world.



15. We must be intentional about rehabilitating our economy as a continent from these grave deficiencies, in order to correct the obvious vulnerability, they cause. We have a highly promising opportunity to sustain a robust conversation about resilience, generate strong consensus regarding self-sufficiency and design policies and strategies that will direct public and private investments towards competitive efficiencies, increase employment and create wealth.
16. A major enabler of continental economic takeoff requiring considerable investment is infrastructure. Low infrastructural connectivity is a serious impediment of our ambitions to realise Africa's full trade and economic growth potential. Consequently, this dialogue provides the perfect occasion to align government and private sector complementarity with the colossal demand for port, rail, road and air transportation, power and energy, as well as information, communication and technology infrastructure.
17. Here is the opportunity in more detail: with appropriate levels of connectivity, Africa's digital economy is projected at USD 180 billion by 2025, or 5.2% of the continent's GDP and USD 720 billion by 2050, or 8.5% of African GDP.
18. And here is the infrastructure demand in context: Lack of efficient transport networks increases the price of goods traded among African countries by 30% to 40%, rendering Africa effectively uncompetitive. Bearing in mind that 16 African countries are landlocked, underdeveloped transport connectivity hampers intra-Africa trade and drives up the



cost of imports and exports with regard to other parts of the world.

19. To further illustrate this point, I remind you of the consignment of value-added Kenyan tea, destined for Ghana under the guided trading initiative, which I flagged off on 5th October 2022. I have received reports that the shipment took nearly 3 months to dock at the Tema Port.
20. The current level of technology in the fields of infrastructure development across sectors is fairly high. This Dialogue is a golden opportunity for African private sector and African governments to deploy the concept of technological leap-frogging, thereby ensuring that advanced technologies are incorporated into priority infrastructure investments.
21. Similarly, the implementation of the single African air transport market (SAATM) must be attended to in this Dialogue with particular urgency. This will define the opportunities for the private sector to invest in a liberalized air transport sector and enhance our air traffic penetration from 14.5%. African integration will also benefit significantly from this intervention.
22. The overarching methodology of the Africa We Want is to transcend all the shortcomings, gaps and vulnerabilities currently impeding Africa's progress and potential by redefining them as transformational opportunities for public-private collaboration. Public-private partnerships have the potential to augment the Programme for Infrastructure Development as well as the African Development Bank's initiatives to facilitate projects aimed



at bridging the continent's infrastructure gap, and to sustainably support connectivity.

23. I trust that I have adequately made out the case for the high level of expectations I harbour in connection with this Dialogue. I anticipate your recommendations and policy proposals on the best methods of developing Africa's transcontinental and inter-regional infrastructures. I also expect that this Dialogue will propose optimal PPP frameworks to accelerate our infrastructure development agenda.
24. This moment requires us to be bold and ambitious in fashioning our way up from the bottom of global trade, productivity and industrialisation. I therefore encourage you to extend your deliberations into such possibilities as African shipping lines, dedicated cargo airlines and a network of trans-Africa railway lines laid down by each country across its territory, that connect seamlessly across borders.
25. A vital area that I will expect this Dialogue to effectively address is the matter of sustainable financing. The opportunity is ripe for governments to collaborate with the private sector and establish strong institutions capable of de-risking African infrastructure development financing.
26. The partnership between AFREXIM Bank and AfCFTA Secretariat for purposes of establishing an adjustment fund is timely, highly appropriate and commendable. Such a fund would cushion countries against short-term revenue losses and support eligible private sector firms to upscale



operational capacity in order to undertake projects and other opportunities on a continental level.

27. 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.
28. However, I am delighted to note that AFREXIM Bank in its mandate to facilitate intraAfrica and extra-Africa trade embarked on building a centralized payment and settlement system to support trade under the AfCFTA. Dubbed the PanAfrican Payments and Settlement System (PAPSS), banks and payment providers can plug directly to it to enable secure and instant payments in local currencies.
29. The system is designed to reduce or eliminate the challenges of cross border payments and by so doing accelerate intra Africa trade.
30. Without a single payment platform, payment instructions from one African country to another typically passes through several intermediary financial institutions leading to increased costs.
31. Additionally, the time has come to introduce pan-African insurance agencies and other African institutions to opportunities in the AfCFTA market. But first of all, we must



take decisive steps to strengthen our financial institutions to effectively support a strong private sector performance in the AfCFTA and general pan-African business.

32. There is an ample body of best practices from successful regional integration experiences, like the Association of South-East Asian Nations (ASEAN) and the Southern Common Market (MERCOSUR), which establish that the full benefits of regional trade agreements can only be maximized when member states prioritise trade facilitation, especially the ease of cross-border activity.
33. Non-tariff barriers distort investment dynamics and impede competitiveness. As a result, NTBs effectively undermine or even invalidate a free trade area. This is why we must take such barriers as weak transport and logistics capacity, customs-related delays, rules of origin, import bans and export restrictions, quotas and levies, technical barriers, import permits and licenses, very seriously. For AfCFTA to be effective, this Dialogue must make it clear that a free trade area is precisely that: free trade area.
34. Other critical outputs expected from this Dialogue span such a broad range of areas as labour mobility, protection of domestic investors, governance of state-owned enterprises, competition policy and climate action.
35. I take this opportunity to appreciate the good work of the ministers and their technical teams in concluding all AfCFTA instruments necessary for commencement of preferential trade, notably the Agreement Establishing the AfCFTA as well as the protocols on: Trade in goods, Trade in services,



Resolution of disputes, investment, competition policy and intellectual property rights as well as all other protocols that support the implementation of the free trade area.

36. Further, I am encouraged to note the progress in ongoing discussions to develop the equally essential protocols on e-commerce, women and youth in trade. By these instruments, we underscore our commitment as Africa to inclusive trade that recognizes and empowers vulnerable and traditionally marginalized segments of the population who often bear the brunt of poverty, inequality and underdevelopment, and signal our agenda to leverage ICT and the internet to accelerate trade and integration.
37. Even as we appreciate the achievements in concluding the protocols, I recognize the outstanding issues, particularly as pertains the protocols on trade in goods and trade in services, that must be resolved for the efficient implementation of the AfCFTA.
38. These outstanding issues are the reason why the ministerial retreat has been convened. I encourage ministers to utilize this opportunity to make progress towards concluding these issues in a manner that is both consistent with the objectives of the AfCFTA, facilitates its efficient implementation and is beneficial to the continent.
39. As I do so, I take this opportunity to congratulate the countries which have taken the tremendous step of signing and ratifying the AfCFTA, and to encourage those in the process of doing so to undertake this noble and historic mandate as soon as possible in order to pave way for the



next global economic powerhouse: a seamless African market.

40. This is also a chance to recognize that the guided trading initiative, formulated to accelerate the implementation of the AfCFTA did launch, and that Kenya was among the earliest exporters under the initiative. Since then, a number of countries have joined the initiative and commenced their exports. I encourage those countries that have not yet joined the initiative to do so and explore the wonderful free trade possibilities they will be able to promptly access.
41. Further, I challenge our ministers, as they deliberate on the most appropriate resolutions to the outstanding issues in connection with the protocols, to envision a unified Africa and promote the creation of coherent regional value chains whose outputs will bear the proud 'Made in Africa' distinction. This is how you will make it possible to market the continent abroad as a single investment area.
42. Our ministers should also dedicate their full capacities to the continental imperative to shift away from primary production into value addition and advanced production in the context of a broader industrial base and product diversification. Similarly, you have been assigned the task of generating viable strategies to resolve Africa's connectivity deficit in order to overcome logistical barriers to trade. In respect of this assignment, I encourage you to be ambitious and to demonstrate urgency.
43. Africa should be a hub for manufacturing. For example, Active Pharmaceutical Ingredients (API), which are the



main inputs for drugs and medicine are plenty in our continent. Africa can be the source for all APIs. This ambition can and should be realized to cut down the cost of medicines and address our quality of healthcare. Many similar opportunities exist and we must plan for these investments to happen.

44. Finally, it is very important that our ministers embrace the task of expediting the ratification of the protocol on the movement of people in order to support trade in services and the free movement of business-people, which is a critical factor of free trade.
45. With these remarks, I now wish you all fruitful discourse and productive deliberations. I will be most delighted to receive reports of a successful African Private Sector Dialogue and Ministerial Retreat.
46. I must hasten to encourage all our visitors to find time and experience the singular delight of amazing people, wonderful natural attractions and scenic beauty as well as the incomparable flora and fauna that make up Magical Kenya.
47. The Africa Private Sector Dialogue is officially opened, and the ministerial Retreat duly launched.

Thank you all. God Bless You. God bless Africa.

