



**KEPSA WELCOMING REMARKS DURING THE OPENING OF THE
14TH AU HIGH-LEVEL PRIVATE SECTOR FORUM
MONDAY 10TH JULY 2023 FROM 9-10 AM
AT KENYATTA INTERNATIONAL CONVENTION CENTRE (KICC) NAIROBI, KENYA**

Theme: *“Public-Private Sector Engagement for Inclusive Growth and Sustainable Development while Deepening Regional and Continental Trade and Investment towards Implementation of AfCFTA.”*

Excellencies; Distinguished Private Sector Leaders; Ladies and Gentlemen;

Good morning!

- 1) Allow me on behalf of the Kenya Private Sector Alliance, the apex body for the private sector in Kenya, to join other speakers in welcoming you all to Kenya and to this 14th AU High-Level Private Sector Forum.
- 2) The theme of this forum will continue to resonate even with the aspirations of the generations to come. It seeks to highlight opportunities for public-private sector engagement in developing continental protocols in various areas that could be domesticated by member states to accelerate the implementation of the African Continental Free Trade Area. In so doing, we will then collectively be able to harness the opportunities arising there from to spur inclusive growth and sustainable development. Such opportunities could include,
 - a. increasing trade and investment from domestic and foreign investors;
 - b. supporting small businesses owned by our youths to thrive, lower and reliable access to energy;
 - c. being able to feed ourselves more reliably with foods produced in Africa;
 - d. sustaining our environment and biodiversity;
 - e. being able to travel cheaply by road, sea or air across the continent without much border regulatory encumbrances;

- f. increased affordable access to health facilities;
- g. being able to attract the oriental manufacturing into Africa at scale;
- h. amongst many other opportunities galore.

3) All these would make us a highly productive, competitive continent with boundless employment opportunities for our bulging youth dividend. The starting point is to think through how we create a strong and dynamic private sector and a facilitatory public sector that sets the correct regulatory and policy service and setting a conducive competitive environment. These are the twin sets of engines that will ignite and propel us to attain these aspirations.

Excellencies, Ladies and Gentlemen.

4) It behooves us, therefore, to work collaboratively between ourselves as the private and public sectors together with the civil society, academia, innovators, and development partners to steer the AfCFTA ship in the right trajectory towards Agenda 2030 and the African Union Agenda 2063, also known as "The Africa We Want."

5) Africa's private sector continues to play a significant role in the continent's economy. It represents approximately 80 percent of total production, two-thirds of investment, and three-quarters of credit in Africa. Furthermore, Africa's private sector employs around 90 percent of the working-age population, highlighting its crucial role in providing jobs and livelihoods for the African workforce. In Kenya, for instance, the private sector accounts for about 75 percent of Kenya's GDP and employs around 90 percent of the working-age population.

6) Private businesses also contribute to government revenue through taxes and promote economic diversification and technological advancements through investment and innovation. The private sector's active engagement in exports is the key source of foreign exchange earnings. Furthermore, companies in the private sector demonstrate their commitment to social impact through corporate social responsibility initiatives that support community development, education, healthcare, and environmental sustainability.

7) Despite this recognition of the substantive role played by the private sector as a key contributor to tax revenues, a key stakeholder in economic development,

principal job creator, foreign exchange earner and baker of national cake, there are still a lot of debilitating factors that stand in the way for private sector to reach its potential. In nearly all our members states in Africa, the micro and small enterprise (the MSEs) often find themselves inside the punitive arm of the state but outside the protective and facilitative arm of the government. Our own Kenya National Bureau of Statistics (KNBS) lists some of these challenges to include, lack of collateral for credit, poor roads/transport, licenses, high taxes and other government regulations, local competition, lack of markets, foreign competition, lack of skilled manpower, lack of work spaces (they work on roadsides in hot sun -hence the *juakali*), inaccessibility to electricity, poor access to water supply, interference from authorities, shortage of raw materials or stock, power interruption, poor security and bribery and corruption.

Excellencies, Ladies and Gentlemen.

- 8) We won't move an inch in achieving the SDG Agenda 2030 or AU Agenda 2063 if we are still talking about these challenges sixty years after our independence. These are challenges we must confront with a united front and tackle.
- 9) A World Bank report, for instance, posits that effective partnerships between the public and private sectors can contribute to an annual GDP growth rate of up to 2.5% in low-income countries, accelerating poverty reduction and improving living standards. The United Nations Sustainable Development Goal #17 also emphasizes the importance of public-private partnerships and explicitly calls for its revitalization and strengthening at a global scale.

Excellencies, Ladies and Gentlemen.

- 10) If we can demonstrate sustained commitment to addressing the challenges I have highlighted above, and deepening our regional and continental integration, then we project that,
 - a. Foreign direct investments (FDI) could increase by between 111-to-159 percent, bringing jobs, and expertise, and facilitating African companies' integration into regional and global value chains.
 - b. It would create higher-paying, better-quality jobs, with women experiencing significant wage gains of 11.2%, lift 50 million people out of extreme poverty by 2035, with real income rising by 9%.

- c. Additionally, deep integration could lead to a 32% increase in Africa's exports to the rest of the world and a 109% growth in intra-African exports, primarily driven by manufactured goods.
- 11) We must therefore accelerate the conclusion of the AfCFTA negotiations, ensuring comprehensive coverage of investment, competition policy, intellectual property rights, and e-commerce. It is also essential that we work together towards building broad public support for the AfCFTA, monitoring its distributional impacts, and implementing social safety nets to support those countries and businesses that may be impacted negatively in the short-to-medium term by the implementation of the AfCFTA.
- 12) Governments need to establish an enabling environment that encourages entrepreneurship, innovation, and investment while upholding transparency and accountability in governance. Simultaneously, the private sector needs to embrace the opportunities presented by the AfCFTA while adopting responsible business practices to drive inclusive growth and make a positive social impact.
- 13) I would like to express my heartfelt gratitude to all the distinguished guests, partners like B-Smart, GIZ, TradeMark Africa, exhibitors, organizers, and participants who have joined us today. This forum provides us with an invaluable opportunity to share experiences, exchange best practices, and forge new partnerships that will shape the future of Africa. Together, through collaboration and shared responsibility, we can unlock the full potential of Africa's economic development. Let's do it.

~Thank You ~