



INAUGURAL INUA BIASHARA DAY 2019 AND LAUNCH OF STAWI

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As Prepared for Delivery

I am delighted to be here this morning at the Inaugural *Inua Biashara Day 2019* and the launch of the lending product **Stawi**. This is a momentous occasion for our banking sector that has come together for the first time to showcase what they are doing for the Micro, Small and Medium-sized Enterprises (MSMEs). I am grateful to Your Excellency for gracing this occasion but more importantly for consistently challenging the banking industry on financing MSMEs. Let me also commend all the banks, the Kenya Bankers Association, and the various Government agencies for putting together today's event.

MSMEs are the backbone of Kenya's economy, contributing about 28.4 percent of the Gross Domestic Product. The approximately 7 million MSMEs are concentrated in the manufacturing, wholesale and retail trade, and transport and storage sectors. The resilience of MSMEs has indeed been a key strength of Kenya's economic growth in recent years.

Earlier this year, the Central Bank of Kenya (CBK) made a deliberate effort to go where the action is to understand the needs of the MSMEs. We met vibrant traders in Gikomba, agile mechanics on Ogopa Lane, Kariokor, traders in the bustling Kondele Market in Kisumu, and creative furniture traders on Ngong Road. All of them need finance that is convenient, accessible and preserves their dignity as they may not fit the conventional *brick-and-mortar* bank model. In short, they need **'anytime anywhere'** financial services that are aligned to the nature of their enterprises.

Following this listening tour, CBK used its convening power to bring banks to the table to provide a solution for MSMEs. I was pleased to see a consortium of five banks stepping up to the plate when we did a soft launch in May 2019. It is gratifying to note that many more additional banks have joined the initiative.

Stawi rides on technology and innovation to provide a cost effective ‘**anytime anywhere**’ credit product that is tailored to the needs of MSMEs. Most importantly, it aims at not just providing finance but also supporting them to enhance their credit worthiness, business skills and ultimately grow their businesses. The testimonies we have heard confirm the realization of the vision of shared prosperity.

Over the last few years, Kenyans have expressed concerns on what they perceived as the alienation of banks from meeting their needs. Today’s event and launch is proof that banks have heard the cry of Kenyans. Over the last three years, banks have reviewed their business models to put the customer at the center. MSME’s have not been left behind and the variety of products targeting this sector and exhibited here today is welcome.

Today is really just the beginning for banks in scaling up support to MSMEs. A lot more remains to be done, not just through finance but also through capacity building, enabling access to markets, promoting innovation and most importantly through creating an enabling business environment.

Feedback from MSMEs will also be essential for banks to calibrate their products. By effectively serving the MSME sector, banks will truly be working for and with Kenyans. With the advances in technology and innovations, this is the vision that the banking sector must achieve.

Thank you!