

**SPEECH BY HIS EXCELLENCY HON. UHURU KENYATTA, C.G.H., PRESIDENT OF THE REPUBLIC OF KENYA AND COMMANDER IN CHIEF OF THE DEFENCE FORCES DURING THE INAUGURAL AFRO-ASIA FINTECH FESTIVAL AT THE KENYA SCHOOL OF MONETARY STUDIES, NAIROBI ON 15<sup>TH</sup> JULY, 2019**

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**Mr. Tharman Shanmugaratnam**, Senior Minister and Coordinating Minister for Social Policies, Singapore and Chairman of the Monetary Authority of Singapore;

**Distinguished Guests;**

**Ladies and Gentlemen,**

**1.** It is my distinct pleasure to join you for the inaugural Afro-Asia Fintech Festival. **We** thank our co-hosts, the **Central Bank of Kenya** (CBK) and the **Monetary Authority of Singapore** (MAS), for convening this Festival.

**2.** **Nairobi City** is delighted to play host to the **world's first** Afro-Asia Fintech convocation.

**Distinguished Delegates,**

**3.** **I** am also delighted to welcome **Senior Minister Tharman** and his delegation which features representation from over **20 Singaporean companies**, just over a year after his last visit.

**4.** **Senior Minister**, your visit and the growing partnership between our two monetary regulators as evidenced by the joint-hosting of this forum is further testament of the deepening of the relationship between Singapore and Kenya. **I** salute all Central Bank Governors, Regulators and Captains of Industry present today, drawn from around the globe and **I welcome you all to Magical Kenya.**

**5. The World is in the midst of an unprecedented revolution in the Information and Technology arena, one which has impacted every Sector of the Economy and Social Life; bringing Peoples and Nations together and making the world a true global village. Properly harnessed and channelled, innovations in Information and Technology are a sure path to greater Freedom, Prosperity and Fraternity for all humanity.**

**6. In Governance, the use of Technology and new ways to gather, store, interpret and disseminate Information has provided new and exciting frontiers in the delivery of Public Goods and Services. Financial Technology in particular presents an opportunity for deepening of trade and investment links across the globe; as evidenced by this Forum which seeks to strengthen and expand the millennia of economic and social links between our two great continents by building a digital bridge between Africa and Asia.**

### **Distinguished Delegates,**

**7. Join me in applauding the CBK and MAS for their signing of a Memorandum of Understanding (MOU) that will underpin co-operation in innovation between our two Central Banks. I am pleased to note that the MOU sets the foundation for joint innovation projects on the application of key emerging technologies such as digital and mobile payments, block chain, big data and artificial intelligence. These projects will enhance the digital infrastructure in both countries and catalyse trade and investments between Africa and Asia.**

**8. In Kenya, citizens began to trade goods and services with mobile phone airtime units. This was what inspired M-PESA, a revolutionary money transfer platform that has radically**

transformed the conduct of business across all sectors of our economy, a transformative solution that has gained global acclaim in enhancing financial inclusion.

**9.** The M-Pesa money transfer service has in effect become a global poster child for financial services innovation.

**10.** Riding on mobile phone financial services, access to financial services in Kenya has more than tripled from **26 percent** in **2006** to **82 percent** in **2019**. More importantly, mobile phone financial services have lifted thousands of Kenyans out of poverty and enhanced their livelihoods. **We are scoring astounding accomplishments.**

**11.** Technology-driven financial inclusion is not a success story limited to Kenya alone but rather one which is evidenced in every country in **Africa**.

**12.** All African countries have driven transformation of their financial inclusion landscapes by leveraging on mobile phone technology in one way or another. **Indeed, Africa** has one of the fastest growing mobile phone adoption and penetration rates globally. **However,** with a continental average penetration rate of approximately **44 percent** against a global average of approximately **66 percent, Africa** still has tremendous space for growth in Mobile Phone Penetration and the attendant opportunities in delivery of Financial Services through mobile phones.

**13.** In Kenya, other ground breaking innovations include: **M-KOPA**, a service delivery innovation in the power and lighting subsector has enabled many rural households to receive solar lighting, thus liberating families from the time-consuming

pursuit of firewood and kerosene fuels while also enabling children to study longer at night.

**14.** Similarly, the Government has recognized the vast untapped potential of capital raising through issuance of Bonds accessible to ordinary Kenyans for whom traditional investment and brokerage platforms are inconvenient or remote. In that vein, in **2017** the Government of Kenya in conjunction with private sector players launched a mobile centric government bond dubbed **M-Akiba**, which enables Kenyans with as little as **USD 30** to participate in the **Government Securities Market**.

**15.** **M-Akiba** provides a savings mechanism for ordinary Kenyans who can save a dollar a day, and at the end of **30 days** invest in government securities. For my Government, our key motivation in rolling out this product was to democratise access to financial services and to give a space at the heart of the financial system to every Kenyan no matter their location, social or economic status. In this, we are **scoring astounding accomplishments**.

**16.** Aside from introducing new ways for Kenyans to invest and for the Government of Kenya to access debt financing from domestic sources, my Government has also long-sought to develop ways in which MSMEs can surmount the traditional constraints to access to loans that arise from lack of collateral or credit information history. I was therefore pleased when a consortium of Kenyan banks convened by the CBK launched a revolutionary MSME credit financing scheme dubbed '**Stawi**', which means 'Prosper' in Kiswahili.

**17. *Stawi***, whose pilot was launched in **May 2019**, targets to provide MSMEs with an '*anytime-anywhere*' product that leverages on both traditional and non-traditional sources of credit information, particularly digital payment footprints arising from mobile money transactions, in order to allow Banks to form an accurate credit appraisal of MSMEs for the purposes of credit rating. The use of big data and artificial intelligence that the product is built on in effect de-risks the MSMEs and enables the reduction of credit cost.

**18.** While *Stawi* is still in its inception stages I am delighted to report that ***Stawi Loans*** will be offered at single digit interest rates, greatly enhancing access to credit by MSMEs, which will ultimately lead to greater shared prosperity of our citizens.

**19.** These and other innovations in **FinTech** are tremendous successes that have been achieved by Kenya in a relatively short period of time. We shall not rest on our laurels but instead we shall explore even greater ways to bring the full benefits of the digital economy to all Kenyans.

**20.** It was with this imperative in mind that I launched Kenya's Digital Economy Blueprint in **Kigali, Rwanda** in **May 2019**. The vision of the blueprint is "**a digitally empowered citizenry, living in a digitally enabled society.**"

**21.** We aspire for a Kenya where every citizen, enterprise and organization has digital access and the capability to participate and thrive in the digital economy.

**22.** This is the thinking that informed Kenya's digital economy blueprint and its **five pillars** for a thriving digital economy. The pillars are: **Digital Government, Digital Business,**

## **Infrastructure, Innovation-Driven Entrepreneurship and Digital Skills and Values.**

**23.** The blueprint serves as one of Kenya's contributions in championing the growth of an African wide digital economy. It is our hope and wish that our sister African countries will find value in Kenya's blueprint and customize its elements for adoption within their own ecosystems.

**24.** This will bring forth an African digital economy that underpins the growth and prosperity of all our Citizens.

**25.** To maximize our benefits, we must build ecosystems that facilitate digital transactions nationally, regionally and globally. I was therefore pleased to be informed that the first concrete output of the MOU between CBK and MAS will be on co-development of foundational infrastructure on identity, data and electronic Know-Your Customer procedures (e-KYC).

**26.** Identity and e-KYC are critical prerequisites to enhancing financial inclusion while ensuring financial integrity at both national and cross-border levels.

**27.** This initiative between our two Central Banks aligns well with the ongoing drive of my Government to introduce a "**single source of truth**" digital identity.

**28.** The resultant new Single Unique Identifier will allow all persons in Kenya, whether Citizens or Non-Citizens to access Government Services more expeditiously and efficiently and will also be leveraged by the private sector to provide for faster and more secure transactions, particularly in the Financial Services Sector.

**29. FinTech Festivals** such as this provide an opportunity for exchange of ideas and experiences as well as two-way learning.

**30.** It is imperative that this Festival provides concrete deliverables that can be adopted as new solutions or strengthening of existing ones. It is also important that FinTech provides an enabling space for the participation of the Youth, who are the drivers of the New Information Age and the New Economy. I therefore welcome the move by CBK and MAS to invite the Youth from our Universities and from the start-up FinTech space to participate in this seminal event.

**31.** In particular, I welcome the launch of the **Global Hackathon** at this Festival, the first of its kind in the Region. I am informed that the hackathon will provide young Fintech entrepreneurs with the opportunity to showcase their skills and their potential solutions to problem statements on sustainable finance. Thereafter, there will be afforded with mentoring opportunities so that they may enhance their skills and knowledge bases and also develop their solutions.

**32.** In closing, I look forward not just to collaborations between governments at this Festival, but also between the various private sector entities represented here from **Africa, Asia** and beyond. It is only through such public and private sector collaborations and partnerships that we can build truly robust and resilient digital economies that leave no one behind and **score astounding accomplishments for our citizenry.**

**33.** Beyond the Festival, I urge all our visitors to take time to experience magical Kenya's scenic attractions and the warm hospitality. The timing of the Festival coincides with the annual wildebeest migration in the legendary theatre of the **Maasai**

**Mara National Reserve** and I urge all of you to find time to witness this phenomenal Wonder of the Nature.

**34.** When you go back home and as you travel the world, tell all those you will meet about what you witnessed here. **Our beauty. Our promise. Our values. Our hope.**

**35.** Kenya, East Africa and the African Continent are rising. **Africa is open for business and we urge you to join hands with us in building a better and more prosperous World for All our People.**

**36.** It is now my distinct honour to inaugurate the **Afro-Asia Fintech Festival.**

**Thank You and God Bless You All.**

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