

# **MINISTRY OF INVESTMENTS, TRADE AND INDUSTRY**

## **Statement by Cabinet Secretary, Ministry of Investment, Trade and Industry, H.E. Hon. Salim Mvurya, EGH**

### **Purpose:**

For use during the workshop to sensitize stakeholders on the Kenya – European Union Economic Partnership Agreement on 6th September 2024 at Strathmore University.

### **Acknowledge:**

- Director General Trade for the European Commission, Dora Correia
- Excellency Henriette Geiger, Ambassador and Head of the European Union delegation to Nairobi
- Ambassadors and representatives of EU member countries
- Principal Secretary for Trade, Alfred K'Ombudo and other senior Government of Kenya officials

- Dr. Alexander Azenagu, Director of the AfCFTA Policy and Development Hub and other representatives of Strathmore University
- Leaders of business associations, exporters present
- Students

**Ladies and Gentlemen,**

It is an Honour to join you today for this stakeholder engagement as we embark on implementing the Kenya – European Union Economic Partnership Agreement. Let me express my gratitude to Strathmore University Business School and the AfCFTA Policy Hub for allowing us to use this facility and the EU Embassy for their support and partnership.

I also wish to thank for the stakeholders, particularly the private sector for finding time from their activities to take part in the workshop.

This workshop serves the purpose of first, appreciating our bonds of friendship and partnership with the European Union in Kenya's development agenda,

and secondly, the central role that the Economic Partnership Agreement will play in strengthening mutually advantageous trade between Kenya and the EU.

The Government of the Republic of Kenya highly values the long-standing cordial ties between Kenya and European countries in terms of trade, investment and development cooperation as well as people to people relations. The cordial ties with European countries individually and collectively, have enabled trade and investment to flourish.

Today, after several years of working towards delivering an agreement to establish a permanent trade agreement between us, we managed to sign and ratify the Kenya — EU Economic Partnership Agreement, and are finally able to proceed with the implementation phase of the agreement.

## **Why is this agreement important?**

1. The Kenya — EU EPA makes access to the 27 country, €14 trillion European market a permanent agreement, replacing the temporary market access instrument advanced by the EU during the period of negotiations.
2. With this agreement, Kenyan exporters will now be able to plan for the long term, with the knowledge that the terms for accessing the European market are predictable. Kenyan exporters will enjoy immediate duty free, quota-free access to this market.
3. And with long term predictability of market access, comes investment. Innovation and building capacity for further value addition becomes possible with long term market access. Further, we will be able to open up more sectors of our economy to exports into the European Union.

4. Take the leather sector as an example, where Kenya has one of the largest herd of livestock in the continent. In addition to our efforts to create a leather sector to meet our domestic needs, the Kenya — EU agreement secures a lucrative market for finished leather products including industrial shoes, everyday foot wear, bags, straps, car interiors and other accessories. Already, we are proud to have both European and Kenyan firms that are invested in this sector and are already exporting to Europe.

5. Through this agreement, we are signaling to the world that we are prepared to supply high value, premium manufactured products to Europe and to the world. We look forward to further investments now that we have started this implementation phase of the EPA.

6. We are keen to build our manufacturing sector further including the chemicals sector, pharmaceutical sector, medical supplies and equipment and many other sectors. The blend of expertise between Europe and Kenya and the

market access provided through the African Continental Free Trade Area, the Common Market for East and Southern Africa and the East African Community will create significantly more opportunities for investors from Kenya, Africa, Europe and indeed the whole world.

7. This agreement is equally important for businesses across Europe, as it will expand supply relationships, export markets and investment opportunities, not just in Kenya, but to the rest of Africa.

8. Another key commitment that this agreement makes is that towards the environment. In this agreement, the parties have committed to advance trade, investment and economic cooperation. But they have also committed to advance these objectives in a sustainable manner, one where we commit to implement strong criteria for environmental conservation.

9. Kenya notes the reality of climate change, and is committed to transition to the green economy including in its trade sectors. This agreement provides Kenya with an opportunity to work together with a partner that is equally environmentally aware and willing to partner to ensure that trade remains sustainable. Sustainable trade offers significantly new opportunities for our exporters, as sustainably produced goods and services command a premium in international markets, particularly in Europe.

10. In our strategy for implementation of the Kenya—EU EPA, we will work closely with the private sector so that they can identify markets, finance trade, add value to their products and produce sustainably, with regard to a high standard for environment and labor.

11. We are also keen to ensure that the resulting opportunities for more trade and investment will be broad, inclusive, sustainable, and deliver benefits to small businesses, workers and those

that are starting off their journey in life. We look forward to putting more money in the pockets of our smallholder farmers, technicians, assembly line workers, truck drivers, farm workers just as much as we look forward to creating opportunities for large businesses.

12. The pillars of our trade and investment relationship are everyday people. Often times, they are small businesses in Kenya and Europe that create jobs, lead innovation and deliver value.
13. Kenya is an economy in transition. Although the mainstay of our export economy has been the export of goods for several years, I note that the export of services is also becoming a key part of our export profile.
14. I am therefore happy to note that the EPA agreement, in addition to provisions for advancing the trade in goods, contains a

provision for a further conversation on opening up Trade in Services between the two markets.

15. I would encourage the European Union to join Kenya in negotiating a Trade in Services protocol so that engineers, doctors, nurses, environmental technicians, clinical technicians, those in finance, accounting, the performing arts, music, theater and many other services, will equally enjoy a bigger and freer market for services between Europe and Kenya.
16. The EPA also identifies areas for Economic and Development Cooperation – particularly to support development trade-related infrastructure to lower the cost of production, doing business.
17. I am sure the private sector is as eager as we are to begin harvesting the opportunities availed by this agreement. The government, through my Ministry, and the EU as well, will provide the necessary support needed through the laid

down institutional framework to ensure successful implementation of the Agreement.

## **Conclusion**

In conclusion, today's workshop is certainly one of the many to be rolled out across the country to inform and sensitize the business community on the opportunities in this EPA for up taking.

**Thank you very much**