



MINISTRY OF INVESTMENTS, TRADE, AND INDUSTRY
State Department for Industry
Office of the Principal Secretary

PRESS RELEASE

FOR IMMEDIATE RELEASE

KSH 22.1 BILLION SAMURAI FINANCING FACILITY TO ACCELERATE AUTOMOTIVE, ENERGY SECTORS

Nairobi, 23/06/2026

The Governments of Kenya and Japan have signed a Samurai Financing Facility valued at approximately KSh 22.1 billion, an initiative aimed at accelerating the growth of Kenya's automotive industry, supporting energy sector reforms, and advancing the country's industrialization agenda.

The financing agreement, signed between the National Treasury of Kenya and Japanese Nippon Export and Investment Insurance (NEXI), will see a total, KSh 13.1 billion support the implementation of Kenya's National Automotive Policy.

Speaking during the signing ceremony, President Dr. William Samoei Ruto described the agreement as a pivotal moment in Kenya's industrial development journey.

"Today, Kenya and Japan open a new chapter in a friendship built over decades as we strengthen our strategic partnership through new commitments in financing, investment, and development cooperation. This partnership will help us build a competitive, export-ready automotive sector while creating jobs, developing skills, and retaining value within our economy," said President Ruto.

Financing Kenya's Automotive Transformation

The KSh 13.1 billion funding will support among others: expansion and modernization of vehicle assembly operations; Development of local automotive parts manufacturing; Financing for approved purchasers of locally assembled vehicles; Support for dealers transitioning from imported used vehicles to locally assembled new vehicles; Skills development and technology transfer programs; Growth of local supplier networks and value chains.

Cabinet Secretary for Investments, Trade and Industry Lee Kinyanjui noted that the facility addresses one of the biggest challenges facing the automotive sector, including access to affordable capital, with a ripple effect being felt in the textiles, leather, steel, logistics, engineering, and technology sectors.

Industry Growth and Job Creation

Kenya's automotive industry has recorded substantial growth over the last five years, with annual vehicle production increasing from approximately 7,000 units to over 20,000 units, while motorcycle production now exceeds 200,000 units annually.

The sector, which is ready to absorb the facility for increased capacities, currently supporting approximately 100,000 jobs across the automotive value chain, including manufacturing, assembly, maintenance, logistics, and component supply.

Industry leaders project that, this financing coupled with sustained investment and supportive policies, will create more than 200,000 additional jobs, particularly for young people.

The Samurai Financing Facility is expected to strengthen local content development, with industry stakeholders targeting 40 percent local value addition, thereby enhancing Kenya's competitiveness within the East African Community (EAC) and the African Continental Free Trade Area (AfCFTA).

Energy and Infrastructure Components

In addition to automotive sector financing, the agreement includes support for Kenya's electricity loss reduction programme, which seeks to improve efficiency within the national transmission and distribution network.

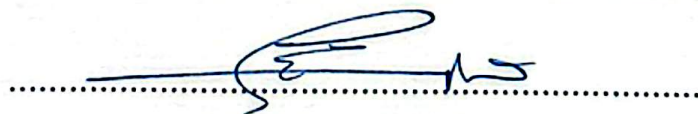
NEXI Chairman and CEO Atsuo Kuroda said the facility would contribute to both industrialization and sustainable development, adding; "This initiative will support industrial growth and job creation in Kenya while leveraging Japanese technology and expertise. It will also contribute to Kenya's decarbonization efforts through improved energy efficiency."

Alternative and Affordable Financing

Also present, National Treasury Cabinet Secretary, John Mbadi, noted that the Samurai Financing Facility was part of Kenya's strategy to diversify funding sources and secure more affordable financing.

"This initiative demonstrates our commitment to exploring alternative funding models that are more concessional and cost-effective. Borrowing costs under the Samurai framework range between 0.5 percent and 3 percent, making it significantly more affordable than many commercial financing options," he said.

The Chargé d'Affaires ad interim of Japan to Kenya, Mr. Tononobu Horie, noted that the financing facility reflects Japanese confidence in Kenya's future and builds on decades of cooperation in sectors such as energy, health, infrastructure, and human capital development.



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